

WAITAKI DISTRICT COUNCIL
2019/20
ANNUAL PLAN



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA A ROHE O WAITAKI



**WE
LOVE
THIS
PLACE**

➡ WAITAKI ←

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MESSAGE FROM THE MAYOR

Welcome to this year's Annual Plan which is the result of eight months ongoing work by staff and councillors, with input from our community helping to form the plan.

Because the Annual Plan is not significantly different from what we said we would do for year two of the Long Term Plan 2018-28 we were not required to undertake a formal consultation. This meant that we could take a different approach to engaging with the community on the plan, and we have done that.

Over the past few months we've consulted widely with the community as part of the Ōamaru HarbOUR Space project and the Waitaki District Plan Review. Through those processes, we've been able to gain some useful information about what the community would like for our Annual Plan. For example, our District Plan is being updated to ensure it enables economic and residential growth while protecting the environment and the things that make our District special. There was a lot of feedback from these consultations that related to the Annual Plan and we have been able to use this information to help shape the 2019/20 Annual Plan.

I would like to thank everyone involved in developing this Annual Plan, as we all work to make Waitaki a better place.



Gary Kircher **Mayor for Waitaki**



CHIEF EXECUTIVE'S INTRODUCTION

From the outset of our planning for this Annual Plan we were mindful of keeping rates increases as low as possible. Last year when we were consulting on our 2018-28 Long Term Plan, we predicted a rates increase of 4.1%. With careful planning, we've managed to reduce that increase to 2.96%. We believe we've struck a good balance between providing the services our community want without placing too high a burden on our ratepayers.

This year, for the first time, Council decided not to undertake a structured consultation on the draft Annual Plan. Instead we have made a number of minor amendments to the 2019/20 budgets contained in the Long-Term Plan. We are able to do this because of the improvements that have been made to the robustness and completeness of the first three years of the Long Term Plan and to the greater confidence that can be placed on them.

Amendments made to the Local Government Act 2002 in August 2014 resulted in changes to the documentation and consultation requirements for Annual Plans, allowing a simpler process where there are no significant or material changes from the Long Term Plan. This is a positive change as it does free up both elected member and officer time during another very busy year.

I am excited about the year ahead and the opportunities available to our district. Our 2019/20 Annual Plan includes a mix of projects that will help grow our district without major subsequent rate increases being required.

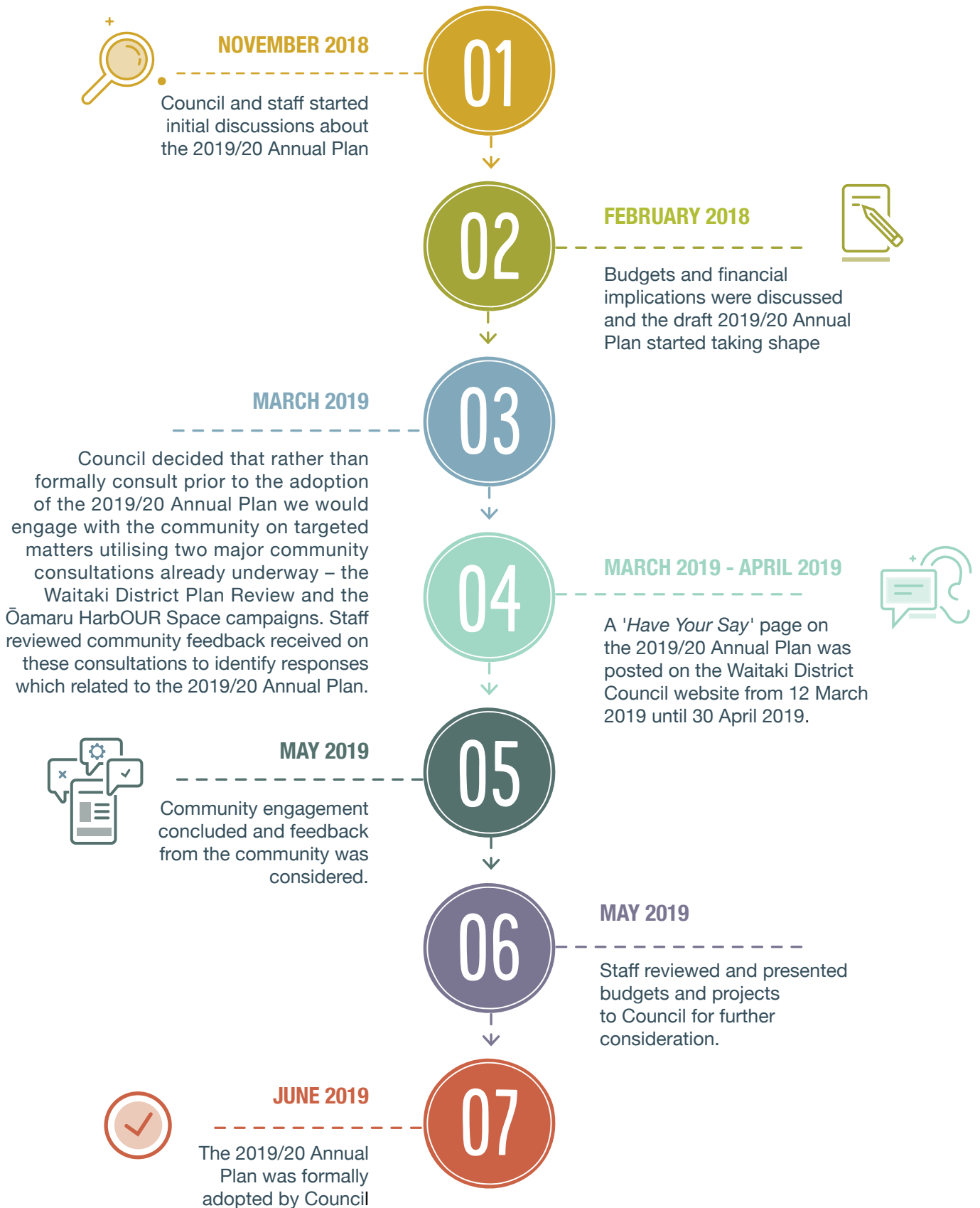
This is my first Annual Plan since becoming Chief Executive at Waitaki District Council and I would like to thank elected members, staff and the community for their support in its preparation.



Fergus Power Chief Executive



How the 2019/20 ANNUAL PLAN was prepared




WHAT WE DO

WAITAKI DISTRICT COUNCIL PROVIDES, MAINTAINS, PROTECTS & MANAGES:

 **175** HECTARES
of **FORESTRY**

1,200 HECTARES
of **PARKS & RESERVES** 

13 
CEMETERIES

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


6 
CAMPGROUNDS

48 
PUBLIC TOILET
facilities

22 
PLAYGROUNDS

4 **SKATE PARKS** 

 **5 CULTURAL FACILITIES**
Including Library, Gallery, Museum, Historical Archives & Opera House

1 **AQUATIC CENTRE** Providing learn to swim & water safety programmes 

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

17 individual **WATER SUPPLIES** in Ōamaru & Waihemo

 **11 RURAL WATER SUPPLIES**

 **1,812** KM
of **LOCAL ROADS**

 **164** KM of **FOOTPATHS**

160 **BRIDGES & MAJOR CULVERTS** 

 **2,505** **STREET LIGHTS**

80% of our population with access to a **RETICULATED WASTE WATER SYSTEM**

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

your RATES MAKE WAITAKI GREAT

FOR EVERY

\$10
 OF RATES:

16c 
 COMMUNITY
 DEVELOPMENT

38c 
 REGULATORY
 & BUILDING
 CONTROL

\$2.28 
 ROADS BRIDGES
 & FOOTPATHS

60c 
 WASTEWATER
 TREATMENT

43c 
 LIBRARIES

Food safety, building
 inspections, environmental
 protection, animal control,
 and parking enforcement.

03c CIVIL
 DEFENCE

25c 
 SOLID WASTE

15c 
 STORMWATER
 DISPOSAL

62c 
 GALLERIES,
 MUSEUM &
 OPERA HOUSE

87c 
 LEADERSHIP,
 GOVERNANCE
 & CONSULTATION

28c DISTRICT
 PLANNING

30c 
 PROPERTY &
 BUILDINGS

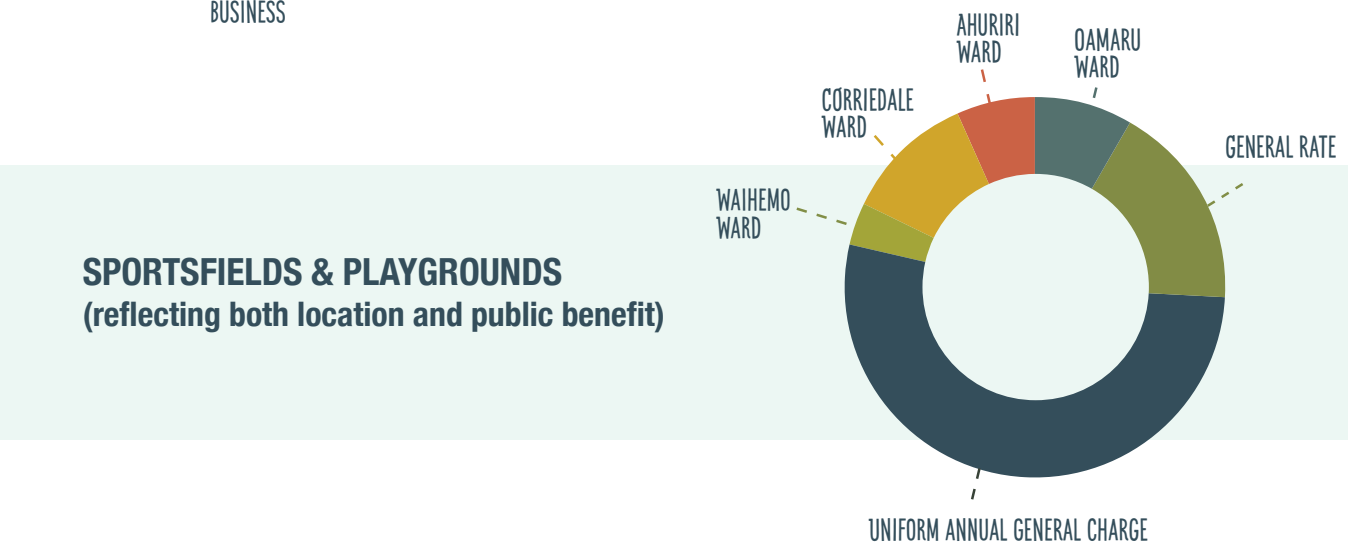
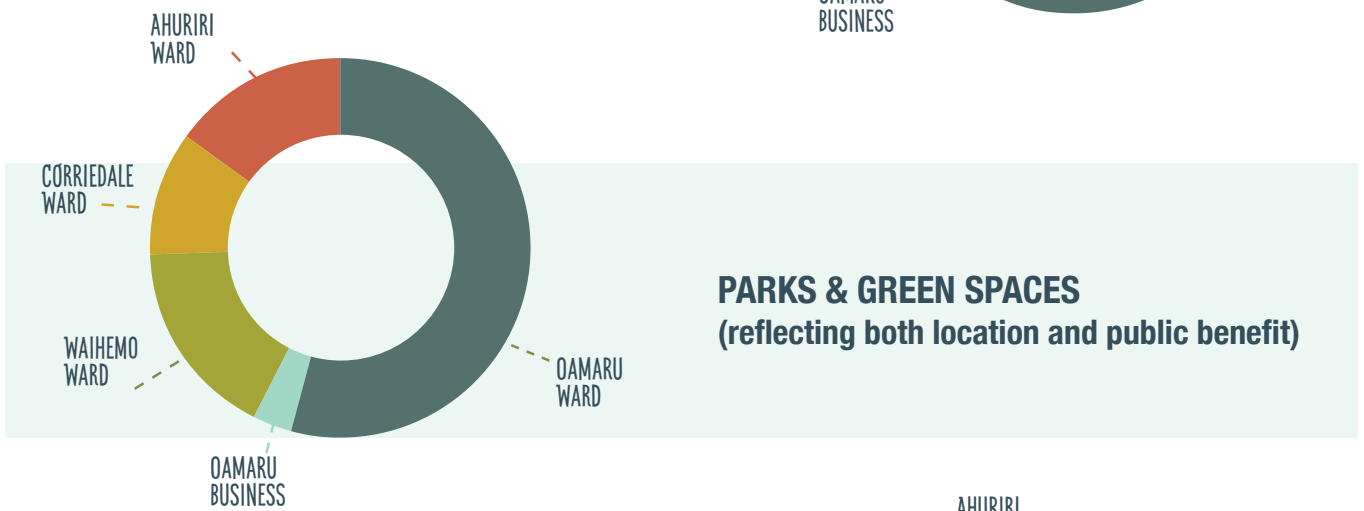
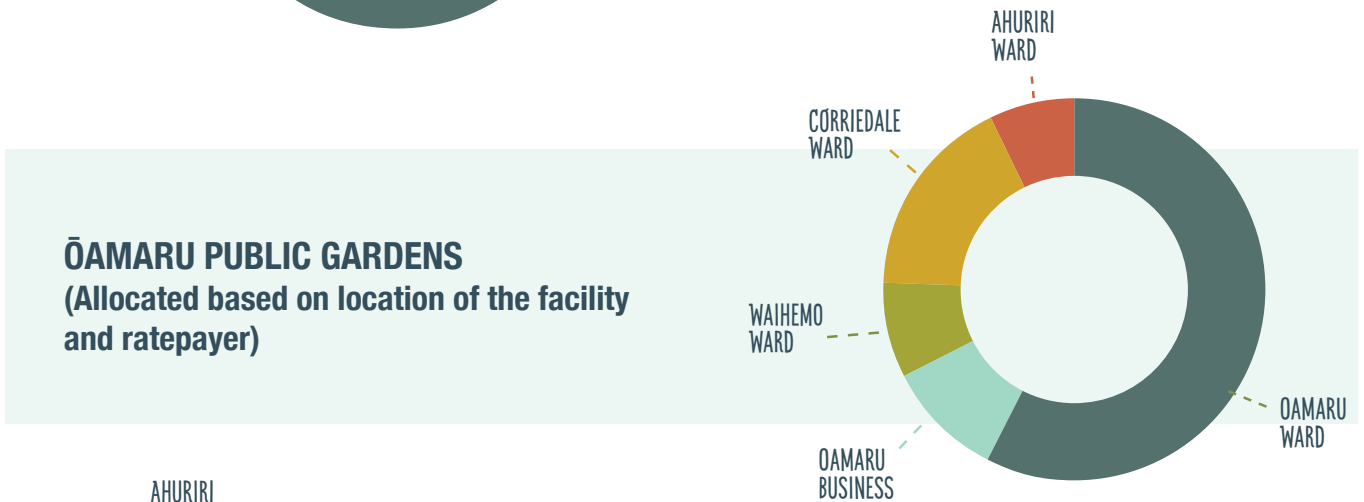
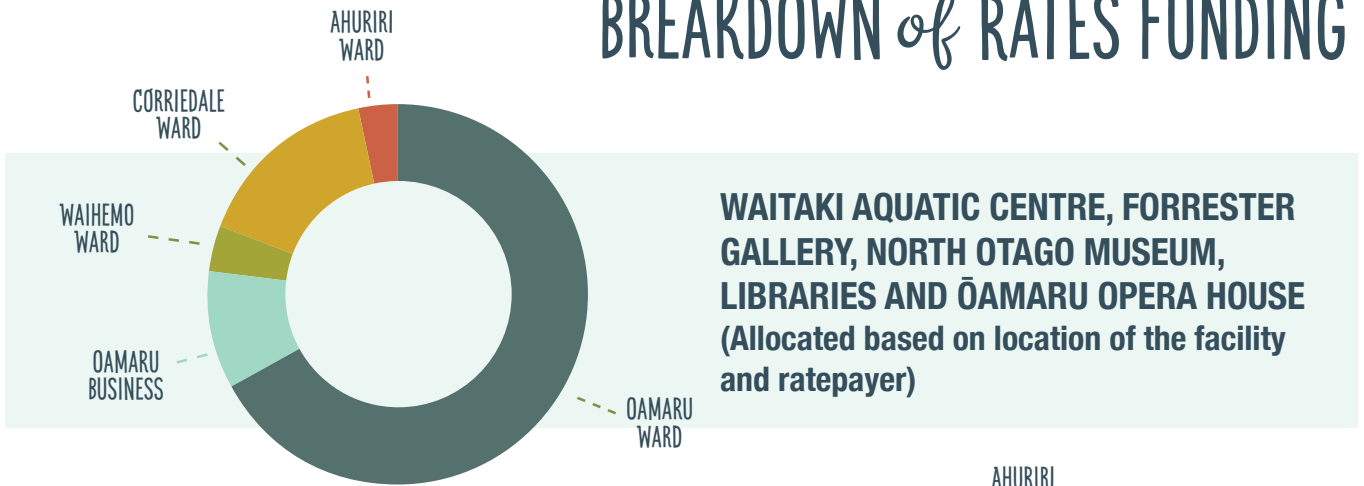
40c 
 ECONOMIC
 DEVELOPMENT

\$1.41 
 RECREATION
 SERVICES
 Aquatic Centre, cemeteries,
 parks & gardens, toilets,
 camping grounds


 \$1.84
 WATER SUPPLY

*Examples only - does not
 apply to every ratepayer*

some examples of BREAKDOWN of RATES FUNDING



2019/20 PROJECT highlights

For a full list of projects for 2019/20, please refer to our 2018-28 Long Term Plan available on the Waitaki District Council website

OAMARU PUBLIC GARDENS PLAYGROUND

The first stage of refurbishing the Ōamaru Public Gardens Playground into a Natural Play Space will commence with replacement of the paddling pools with an interactive water-play area. This work is intended to be completed with support from local industry and refurbishment of the Garden Playground completed in stages over the next four years.

ALPS TO OCEAN CYCLE TRAIL

Alps to Ocean development is planned to continue with (subject to securing Tourism Infrastructure Funding) completion of the off-road trail between Aviemore Dam and Kurow in time for next season and construction of the section of trail from Sailors Cutting to Benmore Dam throughout the season.

PUBLIC TOILET UPGRADES

Progressive replacement of public toilet facilities continues with the completion of the Otematata toilet block and planned replacement of the Campbell's Bay Kakanui and Moeraki toilet blocks (subject to securing Tourism Infrastructure Funding).

OAMARU WATER TREATMENT PLANT ADDITIONAL TREATED WATER RESERVOIR

Construction will start on a second 8700m³ treated water reservoir to ensure unrestricted continuity of supply in the event of treatment plant failure or reduced production rates due to poor raw water quality.



ROADING

We plan to carry out 14km of seal widening, install new safety barriers on 10 bridges, spend \$1.3 million on sealed road surface repairs and \$600 thousand on maintenance of footpaths.



LAKE OHAU VILLAGE DRINKING WATER SUPPLY UPGRADE

Construction of new water supply bores and a treatment plant to provide safe drinking water to residents and visitors of the Lake Ohau Village that is compliant with the New Zealand Drinking Water Standards.

OMARAMA WASTEWATER TREATMENT PLANT UPGRADE

Construction of a new irrigation disposal system from the Omarama Wastewater Treatment plant which addresses existing environmental risks and meets Regional Council and Iwi requirements.



AGE FRIENDLY COMMUNITY

We want to ensure we meet the needs of our ageing population: promoting the inclusion and contribution of older people in all areas of community life. We will work toward obtaining World Health Organisation Age Friendly Status for Waitaki.

IMPROVING OUR INFORMATION SYSTEMS TO ENHANCE CUSTOMER EXPERIENCE & ENGAGEMENT

We are planning to upgrade some of our existing systems and implement new technology so that we can deliver more cost effective digital and non-digital services to our customers.



Council VISION

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

Community OUTCOMES

We enable opportunities for new and existing businesses

We keep our district affordable


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

We understand the diverse needs of our community

We maintain the safest community we can

Waitaki's distinctive environment is valued and protected

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



FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Projected for the year ended 30 June 2020

2018 Actual \$000		Notes	2019 LTP Yr 1 \$000	2020 LTP Yr 2 \$000	2020 Annual Plan \$000
Revenue					
30,779	Rates Revenue	1	31,835	33,138	32,931
5,116	User Charges	2	4,348	4,527	5,057
1,573	Regulatory Charges		1,780	1,814	2,195
1,351	Development and RMA Contributions		690	693	885
8,160	Government Grants and Subsidies	3	8,496	8,139	9,560
422	Other Grants and Donations	4	636	376	357
1,220	Finance Revenue	5	1,299	1,410	1,065
206	Petrol Tax		205	209	215
88	Infringements and Fines		79	81	89
504	Dividend and Subvention Payments		500	500	500
976	Assets vested in Council		-	-	-
50,395	Total Revenue		49,868	50,886	52,854
Expenses					
10,822	Personnel costs	6	12,489	12,707	13,382
13,396	Depreciation and amortisation	7	13,714	13,966	14,258
-	Finance Costs	5	2	2	10
25,264	Other expenses	8	22,795	23,032	23,543
724	Other gains and Losses		-	-	-
49,482	Total Expenses		48,998	49,705	51,183
913	Surplus / (Deficit) before Tax		870	1,181	1,671
Other Comprehensive Revenue and Expense					
46,519	Gain/(Loss) on revaluation of Infrastructural Assets		6,621	-	-
-	Adjustment to reflect ACTUAL Rooding revaluation 2018		70,610	-	-
-	Gain/(Loss) on revaluation of Properties		-	5,354	5,354
-	Other Comprehensive Revenue		-	-	-
46,519	Total Other Comprehensive Revenue and Expense		77,231	5,354	5,354
\$47,432	Total Comprehensive Revenue and Expense		\$78,101	\$6,535	\$7,025

STATEMENT OF CHANGES IN EQUITY

Projected for the year ended 30 June 2020

2018 Actual \$000		Notes	2019 LTP Yr 1 \$000	2020 LTP Yr 2 \$000	2020 Annual Plan \$000
762,169	Public Equity at 1 July		781,050	859,151	834,150
47,432	Total Comprehensive Revenue and Expense		78,101	6,535	7,025
\$ 809,601	Public Equity at 30 June		\$ 859,151	\$ 865,686	\$ 841,175

STATEMENT OF FINANCIAL POSITION

Projected as at 30 June 2020

2018 Actual \$000	Notes	2019 LTP Yr 1 \$000	2020 LTP Yr 2 \$000	2020 Annual Plan \$000
Public Equity				
310,208		310,208	310,208	310,208
460,450		503,977	509,331	488,494
24,515		27,379	27,422	26,598
14,428		17,587	18,725	15,875
809,601		859,151	865,686	841,175
Non-Current Assets				
770,691		819,145	823,679	798,459
647		755	765	572
253		125	145	345
1,150		1,150	1,150	1,150
Other Financial Assets				
4,912		4,912	4,912	4,912
145		145	145	145
28,606	9	26,920	25,305	30,564
806,404		853,152	856,101	836,147
Current Assets				
2,216		2,234	1,092	967
6,613		3,666	3,771	6,325
345		245	250	480
10		15	15	10
Other Financial Assets				
4,250		5,500	10,000	4,250
96	9	1,366	1,615	1,430
-		-	-	-
13,530		13,026	16,743	13,462
819,934		866,178	872,844	849,609
Non-Current Liabilities				
719	10	358	360	493
719		358	360	493
Current Liabilities				
8,179		5,539	5,650	6,725
1,126		1,115	1,133	1,200
309	10	15	15	16
9,614		6,669	6,798	7,941
10,333		7,027	7,158	8,434
809,601		859,151	865,686	841,175

STATEMENT OF CASH FLOWS

Projected for the year ended 30 June 2020

2018 Actual \$000	Notes	2019 LTP Yr 1 \$000	2020 LTP Yr 2 \$000	2020 Annual Plan \$000
Cash Flows from Operating Activities				
30,617	Receipts from Rates Revenue	31,124	32,463	32,155
1,055	Interest received	1,299	1,410	1,065
504	Dividends/subvention payments received	500	500	500
14,327	Receipts from other revenues	16,749	16,408	19,793
(33,408)	Payments to suppliers and employees	(35,300)	(35,610)	(36,665)
-	Interest paid	(2)	(2)	(10)
(61)	Net GST	(270)	(21)	(35)
13,034	Net Cash from Operating Activities	14,100	15,148	16,803
Cash Flows from Investing Activities				
1,643	Proceeds from sale of Property, Plant & Equipment	258	270	498
18,593	Proceeds from sale of Investments	7,103	6,866	13,362
(18,658)	Purchase of Property, Plant & Equipment	(12,234)	(13,426)	(15,321)
(16,879)	Acquisition of Investments	(9,143)	(10,000)	(16,650)
(15,301)	Net Cash from Investing Activities	(14,016)	(16,290)	(18,111)
Cash Flows from Financing Activities				
-	Proceeds from Borrowing	-	-	-
-	Repayment of Borrowing	-	-	-
-	Net Cash from Financing Activities	-	-	-
(2,267)	Net Increase / (Decrease) in Cash	84	(1,142)	(1,308)
4,483	Total Cash Resources at 1 July	2,150	2,234	2,275
2,216	Total Cash resources at 30 June	2,234	1,092	967

RECONCILIATION OF NET OPERATING SURPLUS TO CASH FLOWS FROM OPERATING ACTIVITIES

Projected for the year ended 30 June 2020

2018 Actual \$000	Notes	2019 LTP Yr 1 \$000	2020 LTP Yr 2 \$000	2020 Annual Plan \$000
913 Net Operating Surplus		870	1,181	1,671
Add/Less non-cash items				
13,396 Depreciation/Amortisation		13,714	13,966	14,258
(165) Interest compounded		-	-	-
(10) Increase/(Decrease) in Doubtful Debts Provision		-	-	-
107 Increase/(Decrease) in Landfill Closure & Other Provisions		(91)	2	5
836 Net Loss/(Profit) on sale of Assets		-	-	-
(60) Gain on forestry harvesting		-	-	-
(52) Loss/(Gain) on forestry revaluation		(25)	(20)	(97)
(976) Vested Assets		-	-	-
8 Surrender of carbon credits		-	-	2
13,084		13,598	13,948	14,168
Add/(Less) movements in Other Working Capital items				
(3,133) Decrease/(Increase) in Trade & Other Receivables		(391)	(105)	832
(112) Decrease/(Increase) in Prepayments		40	(5)	(55)
16 Decrease/(Increase) in Inventory		(1)	-	-
2,214 Increase/(Decrease) in Trade & Other Payables		(81)	111	122
52 Increase/(Decrease) in Employee Entitlements		65	18	65
(963)		(368)	19	964
13,034	Net Cash Flow from Operating Activities	14,100	15,148	16,803

NOTES TO THE PROJECTED FINANCIAL STATEMENTS

2018 Actual \$000		2019 LTP Yr 1 \$000	2020 LTP Yr 2 \$000	2020 Annual Plan \$000
Note 1: Operational Revenue - Rates				
1,762	General Rates	2,076	2,107	2,302
1,621	District Services Rates	2,144	2,182	2,034
5,199	Uniform Annual General Charge	4,812	4,917	4,729
6,447	Ward Rates	6,471	6,677	6,752
9,723	Separate Rates	10,222	10,513	10,423
5,373	Targeted Rates for water supply	5,507	6,126	5,915
559	User charges for water supply by meter	468	481	641
336	Rates Penalties charged	375	375	375
(241)	Less Rates Remitted	(240)	(240)	(240)
<u>30,779</u>		<u>31,835</u>	<u>33,138</u>	<u>32,931</u>
Note 2: Operational Revenue - User charges				
1,573	Property rentals	1,764	1,843	2,300
1,362	Landfill operations	168	171	177
2,181	Other user charges	2,416	2,513	2,580
<u>5,116</u>		<u>4,348</u>	<u>4,527</u>	<u>5,057</u>
Note 3: Operational Revenue - Government Grants				
7,839	New Zealand Transport Agency subsidies	7,724	7,795	7,940
152	Ministry of Business, Innovation and Employment	575	179	1,375
85	Ministry for the Environment	92	94	97
84	Other Government Grants and Subsidies	105	71	148
<u>8,160</u>		<u>8,496</u>	<u>8,139</u>	<u>9,560</u>
Note 4: Operational Revenue - Other Grants and Subsidies				
33	North Otago Rugby Club	30	31	30
143	Grants for the Alps2Ocean Cycletrail Construction	-	137	77
246	Other Grants and Subsidies	606	208	250
<u>422</u>		<u>636</u>	<u>376</u>	<u>357</u>
Note 5: Finance Revenue and Costs				
Finance Revenue				
359	Interest - bank deposits	232	290	95
558	Interest - North Otago Irrigation Company Ltd	646	680	475
288	Interest - Observatory Village Lifecare Ltd	407	424	366
-	Interest - Kurow-Duntroon Irrigation Co Ltd	-	-	109
-	Interest - NZ Airline Academy Ltd	-	-	5
15	Interest - other community loans	14	16	15
<u>1,220</u>	Total Finance Revenue	<u>1,299</u>	<u>1,410</u>	<u>1,065</u>
Less Finance costs				
-	Interest on bank overdraft	2	2	10
<u>-</u>	Total Finance Costs	<u>2</u>	<u>2</u>	<u>10</u>
<u>1,220</u>	Net Finance Revenue / (Expense)	<u>1,297</u>	<u>1,408</u>	<u>1,055</u>
Note 6: Personnel Costs				
10,503	Salaries and Wages	12,133	12,347	12,975
278	Defined Contribution Plan - employer contribution	313	319	366
31	Fringe Benefit Taxes	41	41	41
10	Redundancy and Severance payments	-	-	-
<u>10,822</u>		<u>12,487</u>	<u>12,707</u>	<u>13,382</u>

Notes to the Projected Financial Statements (continued)

2018 Actual \$000		2019 LTP Yr 1 \$000	2020 LTP Yr 2 \$000	2020 Annual Plan \$000
Note 7: Depreciation expense				
6,653	Roads & Footpaths	6,635	6,675	6,717
1,022	Sewerage (Treatment & Disposal)	1,031	1,041	1,194
223	Stormwater Drainage	222	222	272
1,656	Water Supply	1,819	1,915	1,980
57	Waste Management & Minimisation	56	56	45
167	Arts, Heritage & Community	169	169	165
951	Parks & Recreation	1,020	1,013	939
-	Democracy, Accountability & Planning	-	-	-
1,339	Commercial & Development Activities	1,404	1,510	1,515
36	Regulation & Safety	64	26	71
1,292	Support Services (Net Allocated)	1,292	1,339	1,360
13,396		13,712	13,966	14,258
Note 8: Other Expenses				
118	Audit Fees - Annual Report	129	132	132
87	Audit Fees - Long Term Plan	-	-	-
903	Community Grants and Donations	1,030	910	786
95	Renting and Leasing	114	117	121
406	Insurance	408	432	604
373	Bad Debts written off/change in Provision for Doubtful Debts	150	150	150
106	Change in Provision for Closed Landfill	3	3	18
23,176	Other Expenditure	20,961	21,288	21,732
25,264		22,795	23,032	23,543
Note 9: Loans to other entities				
Non-current portion				
17,000	Loan to North Otago Irrigation Company Ltd	17,000	17,000	17,000
11,086	Loan to Observatory Village Lifecare Ltd	9,400	7,800	10,058
-	Loan to Kurow-Duntroon Irrigation Company Ltd	-	-	3,000
507	Loan to Oamaru Whitestone Civic Trust	510	495	496
10	Loan to Corriedale Water Management Ltd	10	10	10
3	Loan to Oamaru Steam & Rail Society	-	-	-
28,606		26,920	25,305	30,564
Current portion				
-	Loan to Observatory Village Lifecare Ltd	1,350	1,600	1,367
15	Loan to Oamaru Whitestone Civic Trust	15	15	39
-	Loan to NZ Airline Academy Ltd	-	-	24
80	Loan to Tourism Waitaki Ltd	-	-	-
1	Loan to Oamaru Steam & Rail Society	1	-	-
96		1,366	1,615	1,430

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

Loans to Observatory Village Lifecare Ltd mature over the eight year period commencing 1 July 2019

Notes to the Projected Financial Statements (continued)

2018 Actual \$000		2019 LTP Yr 1 \$000	2020 LTP Yr 2 \$000	2020 Annual Plan \$000
Note 10: Provision for Closed Landfill				
921	Opening balance	828	373	527
274	Additional provision	46	22	20
(167)	Provision utilised	(501)	(19)	(38)
1,028	Closing balance	373	376	509
	<u>Analysed as</u>			
719	- Non-current portion	358	360	493
309	- Current portion	15	16	16
1,028		373	376	509

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

ANNUAL PLAN DISCLOSURE STATEMENT PROJECTED FOR THE YEAR ENDING 30 JUNE 2020

What is the purpose of this statement?

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

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

Benchmark	Detail of quantified limit	Quantified Limit	Projected Performance	Met
1 Rates affordability benchmark				
For this benchmark —				
(a) planned rates income for the year is compared with quantified limits on rates contained in the financial strategy included in the long-term plan; and				
(b) planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.				
The rates affordability benchmark is achieved when —				
(a) planned rates income for the year equals or is less than each quantified limit on rates; and				
(b) planned rates increases for the year equal or are less than each quantified limit on rates increases.				
Rates affordability benchmark				
income	Rates fund 70% or less of total operating cost	<70% of operating costs	62.82% of operating costs	Yes
income	The rate on an average home in Oamaru is less than 10% of projected married national superannuation, net of tax	<10% of married superannuation	7.69% of married superannuation	Yes
increases	Projected rate increases will not exceed the projected Local Government Cost Index, plus 2%	<4.2% increase	2.96% increase	Yes
2 Debt affordability benchmark				
Borrowing is compared with a quantified limit contained in the financial strategy included in the long-term plan. Council meets the debt affordability benchmark when planned borrowing is within the limit.				
Debt affordability benchmark	Debt, both internal and external, will not exceed total projected revenue	<100% of revenue	0% of revenue	Yes
3 Balanced budget benchmark				
Planned revenue (excluding development and financial contributions, vested assets and revaluations of property, plant and equipment) as a proportion of planned operating expenses (excluding losses on revaluations of property, plant, or equipment). Council meets the balanced budget benchmark when its revenue equals or exceeds its operating expenses.				
Balanced budget benchmark	Revenue, net of development contributions and vested assets, exceeds operating costs	>100% of operating costs	101.54% of operating costs	Yes
4 Essential services benchmark				
Planned capital expenditure on network services is presented as a proportion of expected depreciation on network services. Council meets the essential services benchmark if planned capital expenditure on network services equals or is greater than expected depreciation on network services.				
Essential services benchmark	Expenditure on infrastructure exceeds the cost of depreciation on those assets	>100% of depreciation	109.96% of depreciation	Yes
5 Debt servicing benchmark				
Planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects that population growth in the District will be below the national population growth rate, Council meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.				
Debt servicing benchmark	Debt servicing is less than 10% of total revenue, less development contributions and vested assets	<10% of total revenue	1.96% of total revenue	Yes

As Council anticipates carrying no external debt during the 2019/20 financial year, the cost of servicing that debt is zero. This measure is based solely on the costs related to internal debt servicing. These costs are charged against specific departments and are not a cost on Council as a whole.

RATING BASE INFORMATION

Council must include in its annual plan, in accordance with Section 201A of the Local Government Act 2002, information related to its projected rating base.

	Actual 30 June 2018	Projected 30 June 2019
Number of rating units in the District	13,831	13,810
Total Land Value of rating units	\$4,224,506,300	\$4,242,786,450
Total Capital Value of rating units	\$8,270,814,950	\$8,375,309,100

Council has been going through a programme of rural amalgamations, whereby a number of rural titles comprising a single property are effectively combined into a single rating unit for rating purposes.

RECONCILIATION OF FUNDING IMPACT STATEMENTS BY GROUP OF ACTIVITIES

Summary Income and Expenditure by Group of Activities

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Operating Revenue			
5,435	Roads & Footpaths	4,664	4,441	4,369
680	Sewerage (Treatment & Disposal)	711	720	703
6	Stormwater Drainage	-	-	-
806	Water Supply	834	824	955
245	Waste Management & Minimisation	260	265	274
660	Arts, Culture & Community	658	670	627
1,430	Parks & Recreation	1,126	1,149	892
2	Democracy & Accountability	1	42	52
3,227	Commercial & Development Activities	3,108	3,325	4,102
1,727	Heritage, Environment & Regulation	1,905	1,942	2,832
17,487	Support Services (Net Allocated)	18,949	19,429	20,741
31,705	Operational Revenue per Activity FIS	32,217	32,807	35,548
	Total Sources of Capital Funding			
3,619	Roads & Footpaths	4,028	4,337	4,291
208	Sewerage (Treatment & Disposal)	96	96	126
-	Stormwater Drainage	-	-	-
800	Water Supply	219	222	286
-	Waste Management & Minimisation	-	-	-
23	Arts, Culture & Community	-	-	3
96	Parks & Recreation	20	20	195
-	Democracy & Accountability	-	-	-
1,994	Commercial & Development Activities	1,208	524	1,347
320	Heritage, Environment & Regulation	175	175	200
73	Support Services (Net Allocated)	75	77	40
7,133	Capital Revenue per Activity FIS	5,821	5,451	6,487
30,126	Add total Rates	31,232	32,522	32,155
(17,409)	Less Internal recoveries included	(18,904)	(19,383)	(21,001)
51,555	Revenue per Total Activities FIS	50,366	51,397	53,189
-	Remove increase/decrease in debt	-	-	-
(1,643)	Proceeds from sale of assets	(258)	(271)	(96)
-	Adjust Sales contra account	-	-	-
(241)	Adjust Rate remissions offset against revenue	(240)	(240)	(240)
724	Net Gains and Losses recognised in Expenses	-	-	-
50,395	Revenue per Statement of Comprehensive Revenue and Expenditure	49,868	50,886	52,854

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

Summary Income and Expenditure by Group of Activities

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Total Applications of Operating Funding			
8,569	Roads & Footpaths	7,334	7,395	7,061
1,922	Sewerage (Treatment & Disposal)	1,808	2,057	2,098
224	Stormwater Drainage	408	414	424
4,779	Water Supply	4,515	4,568	4,583
1,588	Waste Management & Minimisation	968	967	1,016
4,293	Arts, Culture & Community	4,338	4,383	4,183
4,757	Parks & Recreation	4,608	4,709	4,979
3,591	Democracy & Accountability	3,816	4,014	4,493
2,622	Commercial & Development Activities	3,818	3,160	3,647
3,991	Heritage, Environment & Regulation	5,258	5,421	6,117
16,679	Support Services (Net Allocated)	17,562	18,283	19,555
53,015	Total Operational expenditure per FIS	54,432	55,372	58,157
(16,991)	Less internal recoveries	(18,227)	(18,705)	(19,914)
36,024	Expenditure per Total Activities FIS	36,205	36,667	38,243
(419)	Less internal charges included in capital	(681)	(688)	(1,078)
(2)	Adjust internal charges	-	-	-
(241)	Adjust Rate remissions offset against revenue	(240)	(240)	(240)
724	Net Gains and Losses transferred from Revenue	-	-	-
13,396	Add Depreciation and Amortisation (See Note 7)	13,714	13,966	14,258
49,482	Expenditure per Statement of Comprehensive Revenue and Expenditure	48,998	49,705	51,183

FUNDING IMPACT STATEMENT FOR ANNUAL PLAN 2019/20

Funding Impact Statement - Total Activities

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Sources of Operating Funding			
6,963	General Rates, Uniform Annual General Charge, Rates Penalties	7,018	7,157	7,170
23,163	Targeted Rates	24,214	25,365	24,985
30,126	Rates Revenue	31,232	32,522	32,155
4,958	Subsidies and Grants for Operating Purposes	4,182	3,951	4,427
5,912	Fees and Charges	6,125	6,306	7,200
1,724	Interest and Dividends from Investments	1,799	1,910	1,565
17,409	Internal Charges and Overheads Recovered	18,904	19,383	21,001
1,702	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1,206	1,257	1,356
31,705	Operating Revenue	32,217	32,807	35,548
61,831	Total Sources of Operating Funding	63,449	65,329	67,703
	Applications of Operating Funding			
36,024	Payments to Staff and Suppliers	36,205	36,667	38,233
-	Finance Costs	-	-	10
16,991	Internal Charges and Overheads Applied	18,227	18,705	19,914
-	Other Operating Funding Applications	-	-	-
53,015	Total Applications of Operating Funding	54,432	55,372	58,157
8,816	Surplus / (Deficit) of Operating Funding	9,017	9,957	9,546
	Sources of Capital funding			
3,503	Subsidies and Grants for Capital Expenditure	4,873	4,488	5,505
2,675	Development and Financial Contributions	690	693	885
-	Increase / (Decrease) in Debt	-	-	-
955	Proceeds from Sale of Assets	258	271	98
7,133	Total Sources of Capital Funding	5,821	5,451	6,487
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
8,913	Improve Levels of Service	3,218	3,216	5,253
10,436	Replace Existing Assets	9,012	10,200	10,067
(3,400)	Increase / (Decrease) in Reserve	2,608	1,992	713
-	Increase / (Decrease) in Investments	-	-	-
15,949	Total Applications for Capital Funding	14,838	15,408	16,033
(8,816)	Surplus / (Deficit) of Capital Funding	(9,017)	(9,957)	(9,546)
-	Funding Balance	-	-	-

Commentary on Major Changes:

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

Roads & Footpaths

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Sources of Operating Funding			
66	General Rates, Uniform Annual General Charge, Rates Penalties	56	57	56
6,693	Targeted Rates	7,259	7,326	7,282
6,759	Rates Revenue	7,314	7,383	7,337
4,627	Subsidies and Grants for Operating Purposes	3,945	3,709	3,974
238	Fees and Charges	264	270	-
-	Interest and Dividends from Investments	-	-	-
21	Internal Charges and Overheads Recovered	25	30	13
549	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	431	433	381
5,435	Operating Revenue	4,664	4,441	4,369
12,194	Total Sources of Operating Funding	11,979	11,824	11,706
	Applications of Operating Funding			
7,134	Payments to Staff and Suppliers	5,736	5,786	5,799
-	Finance Costs	-	-	-
1,435	Internal Charges and Overheads Applied	1,599	1,609	1,262
-	Other Operating Funding Applications	-	-	-
8,569	Total Applications of Operating Funding	7,334	7,395	7,061
3,625	Surplus / (Deficit) of Operating Funding	4,644	4,429	4,645
	Sources of Capital funding			
3,213	Subsidies and Grants for Capital Expenditure	3,828	4,137	4,018
319	Development and Financial Contributions	200	200	273
-	Increase / (Decrease) in Debt	-	-	-
87	Gross Proceeds from Sale of Assets	-	-	-
3,619	Total Sources of Capital Funding	4,028	4,337	4,291
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
1,594	Improve Levels of Service	1,630	1,803	1,817
6,110	Replace Existing Assets	5,647	6,197	6,035
(460)	Increase / (Decrease) in Reserve	1,396	766	1,084
-	Increase / (Decrease) in Investments	-	-	-
7,244	Total Applications for Capital Funding	8,673	8,766	8,936
(3,625)	Surplus / (Deficit) of Capital Funding	(4,644)	(4,429)	(4,645)
-	Funding Balance	-	-	-

Commentary on Major Changes:

Levels of service are generally consistent with those anticipated in the Long Term Plan. The Roding works programme for 2019/20 has been agreed with and approved by NZTA

Sewerage (Treatment & Disposal)

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Sources of Operating Funding			
-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
1,639	Targeted Rates	1,749	2,030	1,915
1,639	Rates Revenue	1,749	2,030	1,915
-	Subsidies and Grants for Operating Purposes	-	-	-
291	Fees and Charges	309	317	334
-	Interest and Dividends from Investments	-	-	-
338	Internal Charges and Overheads Recovered	391	391	358
51	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	12	12	12
680	Operating Revenue	711	720	703
2,319	Total Sources of Operating Funding	2,460	2,751	2,618
	Applications of Operating Funding			
1,453	Payments to Staff and Suppliers	1,258	1,470	1,420
-	Finance Costs	-	-	-
469	Internal Charges and Overheads Applied	550	588	677
-	Other Operating Funding Applications	-	-	-
1,922	Total Applications of Operating Funding	1,808	2,057	2,098
397	Surplus / (Deficit) of Operating Funding	652	693	520
	Sources of Capital funding			
-	Subsidies and Grants for Capital Expenditure	-	-	-
208	Development and Financial Contributions	96	96	126
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
208	Total Sources of Capital Funding	96	96	126
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
254	Improve Levels of Service	473	487	480
631	Replace Existing Assets	562	917	921
(280)	Increase / (Decrease) in Reserve	(286)	(615)	(754)
-	Increase / (Decrease) in Investments	-	-	-
605	Total Applications for Capital Funding	748	789	647
(397)	Surplus / (Deficit) of Capital Funding	(652)	(693)	(520)
-	Funding Balance	-	-	-

Commentary on Major Changes:

Levels of service are generally consistent with those anticipated in the Long Term Plan. Council will continue to use accumulated reserves to reduce sewerage rates for the benefit of many ratepayers in the district

Stormwater Drainage

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Sources of Operating Funding			
-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
471	Targeted Rates	426	426	491
471	Rates Revenue	426	426	491
-	Subsidies and Grants for Operating Purposes	-	-	-
6	Fees and Charges	-	-	-
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
6	Operating Revenue	-	-	-
477	Total Sources of Operating Funding	426	426	491
	Applications of Operating Funding			
119	Payments to Staff and Suppliers	250	258	265
-	Finance Costs	-	-	-
105	Internal Charges and Overheads Applied	158	156	159
-	Other Operating Funding Applications	-	-	-
224	Total Applications of Operating Funding	408	414	424
253	Surplus / (Deficit) of Operating Funding	18	12	67
	Sources of Capital funding			
-	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
-	Total Sources of Capital Funding	-	-	-
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
-	Improve Levels of Service	-	-	-
33	Replace Existing Assets	-	-	-
220	Increase / (Decrease) in Reserve	18	12	67
-	Increase / (Decrease) in Investments	-	-	-
253	Total Applications for Capital Funding	18	12	67
(253)	Surplus / (Deficit) of Capital Funding	(18)	(12)	(67)
-	Funding Balance	-	-	-

Commentary on Major Changes:

Levels of service are generally consistent with those anticipated in the Long Term Plan

Water Supply

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Sources of Operating Funding			
1	General Rates, Uniform Annual General Charge, Rates Penalties	1	1	1
5,373	Targeted Rates	5,507	6,126	5,915
5,374	Rates Revenue	5,508	6,127	5,916
-	Subsidies and Grants for Operating Purposes	-	-	-
571	Fees and Charges	542	557	698
-	Interest and Dividends from Investments	-	-	-
209	Internal Charges and Overheads Recovered	276	250	235
26	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	17	17	22
806	Operating Revenue	834	824	955
6,180	Total Sources of Operating Funding	6,343	6,951	6,871
	Applications of Operating Funding			
3,562	Payments to Staff and Suppliers	3,085	3,165	3,147
-	Finance Costs	-	-	-
1,217	Internal Charges and Overheads Applied	1,430	1,403	1,436
-	Other Operating Funding Applications	-	-	-
4,779	Total Applications of Operating Funding	4,515	4,568	4,583
1,401	Surplus / (Deficit) of Operating Funding	1,828	2,383	2,288
	Sources of Capital funding			
-	Subsidies and Grants for Capital Expenditure	-	-	-
800	Development and Financial Contributions	219	222	286
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
800	Total Sources of Capital Funding	219	222	286
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
4,992	Improve Levels of Service	90	-	68
2,714	Replace Existing Assets	1,503	1,962	1,887
(5,505)	Increase / (Decrease) in Reserve	454	643	619
-	Increase / (Decrease) in Investments	-	-	-
2,201	Total Applications for Capital Funding	2,047	2,605	2,574
(1,401)	Surplus / (Deficit) of Capital Funding	(1,828)	(2,383)	(2,288)
-	Funding Balance	-	-	-

Commentary on Major Changes:

Levels of service are generally consistent with those anticipated in the Long Term Plan. Council will continue to use accumulated reserves to reduce water rates for the benefit of many ratepayers in the district

Waste Management & Minimisation

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Sources of Operating Funding			
1,115	General Rates, Uniform Annual General Charge, Rates Penalties	750	761	817
-	Targeted Rates	-	-	-
1,115	Rates Revenue	750	761	817
85	Subsidies and Grants for Operating Purposes	92	94	97
160	Fees and Charges	168	171	177
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
245	Operating Revenue	260	265	274
1,360	Total Sources of Operating Funding	1,010	1,026	1,091
	Applications of Operating Funding			
1,383	Payments to Staff and Suppliers	826	841	868
-	Finance Costs	-	-	-
205	Internal Charges and Overheads Applied	142	126	148
-	Other Operating Funding Applications	-	-	-
1,588	Total Applications of Operating Funding	968	967	1,016
(228)	Surplus / (Deficit) of Operating Funding	42	58	75
	Sources of Capital funding			
-	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
-	Total Sources of Capital Funding	-	-	-
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
-	Improve Levels of Service	-	-	-
-	Replace Existing Assets	-	-	-
(228)	Increase / (Decrease) in Reserve	42	58	75
-	Increase / (Decrease) in Investments	-	-	-
(228)	Total Applications for Capital Funding	42	58	75
228	Surplus / (Deficit) of Capital Funding	(42)	(58)	(75)
-	Funding Balance	-	-	-

Commentary on Major Changes:

Levels of service are generally consistent with those anticipated in the Long Term Plan

Arts, Culture & Community

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Sources of Operating Funding			
364	General Rates, Uniform Annual General Charge, Rates Penalties	380	388	301
3,324	Targeted Rates	3,442	3,547	3,462
3,688	Rates Revenue	3,821	3,935	3,763
113	Subsidies and Grants for Operating Purposes	110	112	182
330	Fees and Charges	394	402	282
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
217	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	153	156	163
660	Operating Revenue	658	670	627
4,348	Total Sources of Operating Funding	4,479	4,605	4,390
	Applications of Operating Funding			
2,774	Payments to Staff and Suppliers	2,743	2,718	2,640
-	Finance Costs	-	-	-
1,519	Internal Charges and Overheads Applied	1,594	1,665	1,543
-	Other Operating Funding Applications	-	-	-
4,293	Total Applications of Operating Funding	4,338	4,383	4,183
55	Surplus / (Deficit) of Operating Funding	141	222	207
	Sources of Capital funding			
20	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
3	Gross Proceeds from Sale of Assets	-	-	3
23	Total Sources of Capital Funding	-	-	3
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
179	Improve Levels of Service	5	5	7
131	Replace Existing Assets	192	147	244
(232)	Increase / (Decrease) in Reserve	(56)	70	(42)
-	Increase / (Decrease) in Investments	-	-	-
78	Total Applications for Capital Funding	141	222	209
(55)	Surplus / (Deficit) of Capital Funding	(141)	(222)	(207)
-	Funding Balance	-	-	-

Commentary on Major Changes:

Levels of service are generally consistent with those anticipated in the Long Term Plan

Parks & Recreation

2017/18		2018/19	2019/20	2019/20
Actual		LTP Yr 1	LTP Yr 2	Annual Plan
\$000		\$000	\$000	\$000
	Sources of Operating Funding			
734	General Rates, Uniform Annual General Charge, Rates Penalties	618	639	664
3,109	Targeted Rates	3,041	3,131	3,283
3,843	Rates Revenue	3,659	3,770	3,948
84	Subsidies and Grants for Operating Purposes	34	35	34
1,111	Fees and Charges	1,056	1,077	842
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
235	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	36	36	16
1,430	Operating Revenue	1,126	1,149	892
5,273	Total Sources of Operating Funding	4,785	4,919	4,840
	Applications of Operating Funding			
3,943	Payments to Staff and Suppliers	3,577	3,633	3,854
-	Finance Costs	-	-	-
814	Internal Charges and Overheads Applied	1,031	1,076	1,125
-	Other Operating Funding Applications	-	-	-
4,757	Total Applications of Operating Funding	4,608	4,709	4,979
516	Surplus / (Deficit) of Operating Funding	177	210	(139)
	Sources of Capital funding			
10	Subsidies and Grants for Capital Expenditure	20	20	195
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
86	Gross Proceeds from Sale of Assets	-	-	-
96	Total Sources of Capital Funding	20	20	195
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
61	Improve Levels of Service	319	221	456
324	Replace Existing Assets	208	411	402
227	Increase / (Decrease) in Reserve	(330)	(402)	(801)
-	Increase / (Decrease) in Investments	-	-	-
612	Total Applications for Capital Funding	197	230	56
(516)	Surplus / (Deficit) of Capital Funding	(177)	(210)	139
-	Funding Balance	-	-	-

Commentary on Major Changes:

Levels of service are generally consistent with those anticipated in the Long Term Plan

Democracy & accountability

2017/18		2018/19	2019/20	2019/20
Actual		LTP Yr 1	LTP Yr 2	Annual Plan
\$000		\$000	\$000	\$000
	Sources of Operating Funding			
2,271	General Rates, Uniform Annual General Charge, Rates Penalties	2,126	2,177	2,498
1,668	Targeted Rates	1,664	1,706	1,920
3,939	Rates Revenue	3,790	3,883	4,418
1	Subsidies and Grants for Operating Purposes	1	1	1
-	Fees and Charges	-	-	-
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
1	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	41	51
2	Operating Revenue	1	42	52
3,941	Total Sources of Operating Funding	3,791	3,925	4,470
	Applications of Operating Funding			
917	Payments to Staff and Suppliers	918	1,041	1,119
-	Finance Costs	-	-	-
2,674	Internal Charges and Overheads Applied	2,898	2,973	3,374
-	Other Operating Funding Applications	-	-	-
3,591	Total Applications of Operating Funding	3,816	4,014	4,493
350	Surplus / (Deficit) of Operating Funding	(25)	(89)	(23)
	Sources of Capital funding			
-	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
-	Total Sources of Capital Funding	-	-	-
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
-	Improve Levels of Service	-	-	-
-	Replace Existing Assets	-	-	-
350	Increase / (Decrease) in Reserve	(25)	(89)	(23)
-	Increase / (Decrease) in Investments	-	-	-
350	Total Applications for Capital Funding	(25)	(89)	(23)
(350)	Surplus / (Deficit) of Capital Funding	25	89	23
-	Funding Balance	-	-	-

Commentary on Major Changes:

Levels of service are generally consistent with those anticipated in the Long Term Plan

Commercial & Development Activities

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Sources of Operating Funding			
(35)	General Rates, Uniform Annual General Charge, Rates Penalties	411	383	503
816	Targeted Rates	1,103	1,050	706
781	Rates Revenue	1,514	1,433	1,209
45	Subsidies and Grants for Operating Purposes	-	-	-
1,622	Fees and Charges	1,593	1,679	2,377
1,724	Interest and Dividends from Investments	1,799	1,910	1,565
(568)	Internal Charges and Overheads Recovered	(691)	(671)	(268)
404	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	407	407	428
3,227	Operating Revenue	3,108	3,325	4,102
4,008	Total Sources of Operating Funding	4,622	4,758	5,312
	Applications of Operating Funding			
2,591	Payments to Staff and Suppliers	3,656	3,041	3,674
-	Finance Costs	-	-	-
31	Internal Charges and Overheads Applied	161	120	(26)
-	Other Operating Funding Applications	-	-	-
2,622	Total Applications of Operating Funding	3,818	3,160	3,647
1,386	Surplus / (Deficit) of Operating Funding	804	1,597	1,664
	Sources of Capital funding			
260	Subsidies and Grants for Capital Expenditure	1,025	330	1,292
1,028	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
706	Gross Proceeds from Sale of Assets	183	194	55
1,994	Total Sources of Capital Funding	1,208	524	1,347
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
1,479	Improve Levels of Service	353	463	2,009
137	Replace Existing Assets	111	-	29
1,764	Increase / (Decrease) in Reserve	1,548	1,658	973
-	Increase / (Decrease) in Investments	-	-	-
3,380	Total Applications for Capital Funding	2,012	2,121	3,011
(1,386)	Surplus / (Deficit) of Capital Funding	(804)	(1,597)	(1,664)
-	Funding Balance	-	-	-

Commentary on Major Changes:

Several capital projects have either been brought forward from later years, or have been newly approved as part of this Annual Plan process, particularly in relation to the Ōamaru Airport

Heritage, Environment & Regulation

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Sources of Operating Funding			
2,447	General Rates, Uniform Annual General Charge, Rates Penalties	2,677	2,750	2,329
70	Targeted Rates	23	24	12
2,517	Rates Revenue	2,701	2,774	2,341
3	Subsidies and Grants for Operating Purposes	-	-	138
1,579	Fees and Charges	1,781	1,815	2,488
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
145	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	124	127	206
1,727	Operating Revenue	1,905	1,942	2,832
4,244	Total Sources of Operating Funding	4,606	4,716	5,174
	Applications of Operating Funding			
926	Payments to Staff and Suppliers	2,431	2,486	3,086
-	Finance Costs	-	-	-
3,065	Internal Charges and Overheads Applied	2,827	2,934	3,031
-	Other Operating Funding Applications	-	-	-
3,991	Total Applications of Operating Funding	5,258	5,421	6,117
253	Surplus / (Deficit) of Operating Funding	(652)	(704)	(944)
	Sources of Capital funding			
-	Subsidies and Grants for Capital Expenditure	-	-	-
320	Development and Financial Contributions	175	175	200
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
320	Total Sources of Capital Funding	175	175	200
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
-	Improve Levels of Service	-	-	-
1	Replace Existing Assets	-	-	-
572	Increase / (Decrease) in Reserve	(477)	(529)	(744)
-	Increase / (Decrease) in Investments	-	-	-
573	Total Applications for Capital Funding	(477)	(529)	(744)
(253)	Surplus / (Deficit) of Capital Funding	652	704	944
-	Funding Balance	-	-	-

Commentary on Major Changes:

Fees for several Regulatory functions will increase from July 2019 resulting in increased income

Support Services (Net Allocated)

2017/18 Actual \$000		2018/19 LTP Yr 1 \$000	2019/20 LTP Yr 2 \$000	2019/20 Annual Plan \$000
	Sources of Operating Funding			
-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
-	Targeted Rates	-	-	-
-	Rates Revenue	-	-	-
-	Subsidies and Grants for Operating Purposes	-	-	-
4	Fees and Charges	19	19	1
-	Interest and Dividends from Investments	-	-	-
17,409	Internal Charges and Overheads Recovered	18,904	19,383	20,663
74	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	27	27	77
17,487	Operating Revenue	18,949	19,429	20,741
17,487	Total Sources of Operating Funding	18,949	19,429	20,741
	Applications of Operating Funding			
11,222	Payments to Staff and Suppliers	11,724	12,228	12,361
-	Finance Costs	-	-	10
5,457	Internal Charges and Overheads Applied	5,837	6,055	7,184
-	Other Operating Funding Applications	-	-	-
16,679	Total Applications of Operating Funding	17,562	18,283	19,555
808	Surplus / (Deficit) of Operating Funding	1,388	1,146	1,185
	Sources of Capital funding			
-	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
73	Gross Proceeds from Sale of Assets	75	77	40
73	Total Sources of Capital Funding	75	77	40
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
354	Improve Levels of Service	348	236	417
355	Replace Existing Assets	789	566	549
172	Increase / (Decrease) in Reserve	326	420	259
-	Increase / (Decrease) in Investments	-	-	-
881	Total Applications for Capital Funding	1,463	1,223	1,225
(808)	Surplus / (Deficit) of Capital Funding	(1,388)	(1,146)	(1,185)
-	Funding Balance	-	-	-

Commentary on Major Changes:

Increased staff numbers and improvements to computer systems, result in increased support costs

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

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

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

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

The prospective financial statements presented here are for the year ended 30 June 2020.

Basis of Preparation

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

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

Statement of Compliance

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

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

Presentation currency and rounding

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

STATEMENT OF ACCOUNTING POLICIES

The accounting policies, set out below, have been applied consistently in the preparation of these 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:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Comparative and Budget Figures

Figures presented for the 2017/18 financial year are sourced directly from the audited Annual Report for the year ended 30 June 2018.

Budget figures provided for 2018/19 (LTP Yr 1) and 2019/20 (LTP Yr 2) have been sourced directly from the audited 2018-28 Long Term Plan.

Annual Plan figures presented for 2019/20 are those approved by Council in its unaudited 2019/20 Annual Plan, and have been prepared in accordance with NZ GAAP, using accounting policies consistent with those adopted by Council for the preparation of these prospective financial statements.

Groups of Activities

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

Direct costs are directly attributable to a significant activity, and are charged accordingly.

Indirect costs cannot be attributed in an economically feasible manner to a specific significant activity, and are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers, floor area occupied, etc.

Foreign Currency Transactions

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

Goods and Services Tax

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

General Revenue Recognition - Policy

Revenue is measured at the fair value of consideration received or receivable, and is reported gross.

User and Regulatory charges

Sales of goods and revenue from commercial activities

Petrol Tax

- ▶ Fees and charges, and the proceeds of sales of goods, are recognised when invoiced or when a product is sold or a service is provided to the customer
- ▶ Rental income is recognised as revenue over the course of individual lease terms
- ▶ Gross revenue from other commercial operations undertaken in the normal course of business, and Petrol Tax, is recognised when earned.

Development and financial contributions

- ▶ Development and financial contributions are recognised at the later of invoicing or the event that gives rise to a requirement for a development or financial contribution under relevant legislation.

Infringements and Fines

- ▶ Infringement fees and fines are recognised when an infringement notice is issued, but

the degree to which the income is recognised takes into account the likelihood that the fee or fine will be collected.

Dividends and subvention payments

- ▶ Dividends and subvention payments from subsidiaries are recognised immediately when received.

Notes 1 to 5 provide more analysis in relation to specific types of Revenue.

Revenue from non-exchange transactions

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

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

Revenue from exchange transactions

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

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

While all revenues are recognised in accordance with the principles outlined above or detailed in Notes 1 to 5, Council has policies requiring certain revenues arising from non-exchange transactions to be held in special reserves until the funds are required.

Revenue Recognition

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

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

Borrowing Costs

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

Leases

Finance Leases:

The lease transfers substantially all the risks and rewards of ownership to the lessee. The leased assets and corresponding liabilities are recognised and the leased assets are depreciated over the period benefit is expected from their use.

Operating Leases:

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

Trade and Other Receivables

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

Cash and Cash Equivalents

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

Inventories

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

Financial Assets

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

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

Loans and receivables are reported as current assets except for those with maturities greater than twelve months after balance date, which are included in non-current assets.

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between loan balance and the present value of future cash flows for the loan is recognised in the surplus or deficit as a grant expense.

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

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

Listed and unlisted shares (available for sale)

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

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

Shares in subsidiaries

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

Investment Properties

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

Council currently proposes no properties that it would classify as investment properties during the 2019-20 financial year.

Non-current Assets Held for Sale

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

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

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

Forestry

Forestry is the estimated worth of maturing tree stocks in Council's forests as at date of valuation. The valuation method adopted is Net Present Value based on the age and condition of the trees. Council's forests are revalued annually as at 30 June each year.

The cost of maintaining forestry assets is included in the reported surplus or deficit. Forestry holdings are professionally managed, and Council adheres strictly to a replanting plan developed by its advisers to ensure it has no liability under the Emissions Trading Scheme.

Property, Plant and Equipment

Property, Plant and Equipment is shown at cost or valuation, less accumulated depreciation and impairment losses, and consists of:

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

Additions

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

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

Disposals

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

Subsequent Costs

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

Revaluations

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

Land and Buildings

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

Infrastructural Assets

Infrastructural assets are utility assets that provide a continuing service to the community. They are recorded at valuation, based on optimised depreciated replacement cost, with subsequent additions recorded at cost until the next revaluation. Valuations are performed every three years. The next revaluation of Water capital infrastructure has been recognised in these projected financial statements while the next Rooding infrastructure revaluation will be reflected in the 2021 financial year.

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, and included in Fixed Assets. These items are not depreciated until fully commissioned. Movements into Work in Progress represent the value of work done on incomplete capital projects, while movements out of Work in Progress represent the final capitalisation of the completed project.

Harbour Assets

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

Library Collection

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

Cultural and Heritage Assets

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

Accounting for Revaluations

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

Depreciation

General

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

Asset Category	Depreciation Base
Infrastructural Assets	
Roading	
formation, base course	not depreciated
pavement structure	30 – 70 years
surfacing	4 – 17 years
drainage, footpaths	10 – 100 years
bridges, retaining structures	50 – 100 years
street lights, railings	4 – 35 years
Water schemes	
head works	10 – 100 years
reservoirs	10 – 150 years
pumps	10 – 20 years
reticulation	40 – 150 years
Sewerage schemes	
reticulation	50 – 120 years
pumps	10 – 20 years
treatment works	10 – 100 years
stormwater reticulation	80 – 150 years
transfer stations and landfill developments	3 – 25 years
Alps2Ocean Cycle Trail	
track formation, base course	not depreciated
track surface	10 years
bridges, retaining structures	50 – 60 years
facilities: signage	12 years
facilities: livestock proofing (gates, fencing, etc.)	35 years
Harbour Assets	
Wharves and Breakwater	40 – 100 years
Other Assets	
Other assets are depreciated over their expected useful lives:	
Land	Not depreciated
Buildings	15 – 100 years
Motor vehicles	3 – 10 years
Office equipment	2 – 5 years
Office furniture and fittings	2 – 10 years
Library collections	5 – 7 years
Cultural & heritage assets	Not depreciated

Intangible Assets

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

- ▶ **Software**
Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and implement. Costs related to maintaining computer software are expensed when incurred. The useful life of software is 3 to 10 years and the cost is amortised on a straight-line basis.
- ▶ **Carbon Credits**
Carbon credits are not amortised, as they represent current expenditure relating to a known future event and market pricing is generally trending upwards. Carbon credits surrendered to meet Council's obligations relating to assessed landfill emissions are treated as disposals.
- ▶ **Other Intangible Assets**
These are other intangible assets with an identifiable useful life of 25 years, and are amortised on a straight-line basis

Impairment of Property, Plant and Equipment, and Intangible Assets

Intangible assets with finite useful lives are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets having a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indication of impairment the asset's recoverable amount is estimated and an impairment loss is recognised for the amount by which the carrying value exceeds the likely recoverable amount (the higher of an asset's fair value less costs to sell, and value in use).

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

For revalued assets the impairment loss is recognised against other comprehensive income and the revaluation reserve for that class of asset. If that would result in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Trade and Other Payables

Trade and other payables are recorded at their face value.

Employee Entitlements

Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken, at balance date, and long service leave entitlements expected to be settled within 12 months. Council recognises a liability and expense for bonuses if contractually obliged or where a past practice has created a constructive obligation.

Superannuation Schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Multi-employer defined benefit schemes

Council belongs to a Defined Benefit Plan Contributors Scheme (the scheme), managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the scheme, the extent to which the surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

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

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

The provision is measured on the present value of future cash flows expected, taking into account future events, including new legal requirements and known improvements in technology. The provision

includes all costs associated with landfill post closure. The calculations assume no change in the legislative requirements for post-closure treatment. Amounts provided for landfill post-closure are capitalised to the landfill assets where they give rise to future economic benefits. The capitalised landfill asset is depreciated over the life of the landfill based on the anticipated capacity used.

Financial Instruments

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

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

Equity

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

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

Reserves

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

Restricted reserves are subject to specific conditions accepted as binding by the Council which may only be revised by the Courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Operating reserves are established by Council, and may be altered without reference to any other parties. Transfers to and from these reserves are at the discretion of the Council.

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

Capital Management

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

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

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

The Act requires Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans, and sets out the factors that the Council must consider when determining the most appropriate sources of funding for each activity. The sources and levels of funding are set out in funding and financial policies in Council's 2018-28 LTP.

Comparative Figures

Figures presented for the 2017/18 financial year have been sourced directly from the audited annual report for the year ended 30 June 2018.

Figures presented as "LTP Yr 1" and "LTP Yr 2" have been sourced from the audited 2018-28 Long Term Plan (the 2018/19 and 2019/20 financial years are, respectively, the first and second years of that LTP).

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

Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities over the term of the Long Term Plan are discussed below:

Infrastructural Assets

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

Assessing the physical deterioration and condition of an asset - for example Council may be carrying an asset at an amount that does not reflect its actual condition, especially for those assets that are not visible, such as stormwater, wastewater and water supply pipes that are underground.

Council minimises this risk by:

- ▶ Performing a combination of physical inspections and condition modelling assessments of underground assets;
- ▶ Estimating any obsolescence or surplus capacity of an asset; and
- ▶ Estimating the remaining useful lives over which assets will be depreciated.

Such estimates can be affected by local conditions such as weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could over- or under-state the annual depreciation charge recognised as an expense in arriving at the surplus or deficit. To minimise this risk, infrastructural assets' useful lives are determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are carried out regularly as part of Council's asset management planning activities to give further assurance over the estimates of useful life.

Classification of Property

Community housing

Council owns and maintains properties for community housing. The receipt of market-based rental is incidental to holding these properties, which are held for service delivery objectives as part of Council's social housing policy, and are accounted for as property, plant and equipment.

Unoccupied land

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

Forestry

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

Changes in Accounting Policies

These prospective financial statements have been prepared in accordance with the PBE standards, implying compliance with NZ GAAP. Council has previously reported in accordance with NZ IFRS (PBE).

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

RESERVE FUND SCHEDULE

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

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

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

Reserves are not separately held in cash and the funds are managed as part of our treasury management. Details of the separate types of reserves, including their general purposes and projected opening and closing balances, and forecast movements in the 2019/20 financial year, are presented in the following tables, and are available on Council's website, www.waitaki.govt.nz.

	Projected Opening Balance at 1 July 2019 \$000	Forecast deposits and transfers to reserves \$000	Forecast withdrawals and transfers from reserves \$000	Projected Closing Balance at 30 June 2020 \$000
Restricted Reserves				
Trust Reserves				
Separate reserves funded from sources external to Council, and subject to binding conditions as to their use, including bequests, specific donations and similar funds. The largest relates to Resource Management Act financial contributions. Many of the funds are to support cultural facilities, particularly the North Otago Museum and Forrester Gallery, and the Ōamaru Public Library	7,125	712	(190)	7,647
Development Reserves				
Reserves created to record and allocate funds received under Council's Development Contributions policy	5,400	1,069	(1,997)	4,472
Special Reserves				
These are similar to Trust Funds as they have a specific purpose, but are Council-created, so Council has more discretion about their use. The largest of these include the Disaster Fund and the Community Housing Reserve.	2,410	300	(100)	2,610

Reserve Fund Schedule (continued)

	Projected Opening Balance at 1 July 2019 \$000	Forecast deposits and transfers to reserves \$000	Forecast withdrawals and transfers from reserves \$000	Projected Closing Balance at 30 June 2020 \$000
Discretionary Reserves				
Separate Rate Operating				
Council strikes a large number of separate rates, which are described in the Funding Impact section of this Annual Plan. These rates are set to match the funding required so there is no budgeted movement in these reserves. Any movement arises when actual revenue and expenditure differs from budget. If Council considers that the surplus or deficit in the reserve is too large it, at its sole discretion, can make a decision to reduce or fund an amount. Such movements are difficult to forecast, but an estimate has been made based on prior history. These reserves form part of overall Operating Reserves	5,985	803	(692)	6,096
Renewal (Depreciation) Reserves				
Funded depreciation reserves are maintained to fund the renewal of existing assets when these reach the end of their economic lives. Amounts credited to these reserves represent the annual depreciation charge, less any element Council has decided not to fund. Assets for which depreciation is either fully or partially un-funded are detailed in the Financial Strategy in the 2018-28 Long Term Plan. Expenditure from these reserves represents their use to fund replacement assets or to maintain the economic lives and service potential of the existing assets.	32,908	9,298	(8,592)	33,614

RATING FUNDING IMPACT STATEMENT

Background

Council has worked through the requirements of the Revenue and Financing Policy under the Local Government Act 2002. The Local Government Act 2002 and Local Government (Rating) Act 2002 require the disclosure of some funding and rating information and policies in this Annual Plan, while other information is disclosed by other means, primarily by being available at www.waitaki.govt.nz.

Introduction

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

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

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

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

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

General Rates

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

The general rate will contribute to the funding for:

- ▶ Council and Community Boards
- ▶ Sports Grounds
- ▶ Resource Consents Processing
- ▶ Community Planning & Accountability
- ▶ District Planning
- ▶ Ōamaru Harbour – Port Operations
- ▶ Health Licensing
- ▶ Noxious Plants

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

Uniform Annual General Charge

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

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

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

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

Targeted Rates – District Services

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

The District Services rate will contribute to the funding for:

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

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

TARGETED RATES BY WARD

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

Ahuriri Ward Services Rate

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

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

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

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

Ahuriri Ward Community Board Rate

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

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

Ahuriri Ward Services Charge

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

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

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

Corriedale Ward Services Rate

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

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

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

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

Corriedale Ward Services Charge

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

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

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

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

Ōamaru Ward Services Rate

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

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

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

Ōamaru Ward Services Charge

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

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

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

Waihemo Ward Services Rate

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

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

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

Waihemo Ward Community Board Rate

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

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

Waihemo Ward Services Charge

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

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

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

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

TARGETED RATES BY LOCALITY

Ōamaru Business Area Rates

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

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

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

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

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

Ōamaru Urban Area

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

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

Loan Rates

For reasons of public safety or due to private benefit we may agree to fund the private benefit of works by specific local rates on targeted properties. Council does not intend to invite, or to provide the opportunity for, lump sum settlement of such loans.

TARGETED RATES BY ACTIVITY

Roading Rate

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

DIFFERENTIAL CATEGORY	DESCRIPTION OF CATEGORY	% OF ROADING ACTIVITY FUNDED FROM DIFFERENTIALS
Hydroelectric Power General Installations	All rating units used primarily or predominantly for the generation of hydroelectric power from Lakes Aviemore, Benmore, Ohau or Waitaki	7% of activity funded from this differential
Mining and Mineral Extraction	All rating units with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction	5% of activity funded from this differential
General Purposes	All rating units not either used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ohau or Waitaki or with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction, or primarily used for forestry activities	88% of activity funded from this differential
Forestry	All rating units used primarily or predominantly for commercial forestry purposes	4x "General Purposes" base rate

Local Amenity Rates

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

The separate targeted rates are:

- ▶ Duntroon
- ▶ Lake Ohau
- ▶ Otematata
- ▶ Herbert
- ▶ Maheno
- ▶ Palmerston
- ▶ Hampden
- ▶ Moeraki
- ▶ Shag Point
- ▶ Kakanui
- ▶ Ōamaru
- ▶ Weston
- ▶ Kurow
- ▶ 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. The Ōamaru Amenity Rate provides funding for the Ōamaru Drill Hall.

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

Public Hall and Community Centre Rates

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

The separate uniform targeted rates for public halls:

- ▶ Airedale
- ▶ Kurow
- ▶ Palmerston
- ▶ Ardgowan
- ▶ Macraes
- ▶ Lower Waitaki
- ▶ Awamoko
- ▶ Maheno
- ▶ Pukeuri
- ▶ Dunback
- ▶ Moeraki
- ▶ Tokarahi
- ▶ Duntroon
- ▶ Ngapara
- ▶ Totara
- ▶ Enfield
- ▶ 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

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

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

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

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

- ▶ Duntroon
- ▶ Kakanui
- ▶ Kurow
- ▶ Lake Ohau Village
- ▶ Moeraki
- ▶ Ōamaru
- ▶ Omarama
- ▶ Otematata
- ▶ Palmerston

Water Rates – Urban

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

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

Some rates will be set on a differentiated basis:

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

Individual urban water rates are based on the following:

Urban Town/ Township	BASIS FOR CHARGE
Ōamaru Supply	Connections per rating unit
Ōamaru Reticulation	Per connected rating unit
Kurow	Connections per rating unit
Lake Ohau Village	Connections per rating unit
Lake Ohau Village availability	Per rating unit located within 100m of water reticulation
Omarama	Connections per rating unit
Otematata	Connections per rating unit
Palmerston zone – Waihemo water	Connections per rating unit

Water Rates – Rural

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

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

Township/ Locality	ACTIVITY AND BASIS FOR CHARGE	Unit Volume (litres/day)
Awamoko	Supply per unit	1,818
Dunback zone – Waihemo Water	Supply per unit	1,818
Duntroon	Supply per unit	1,818
Enfield zone – Oamaru Water	Supply per unit	1,818
Goodwood zone – Waihemo Water	Supply per unit	1,818
Herbert/ Waianakarua zone – Oamaru Water	Supply per unit	1,818
Kauru Hill	Supply per unit	1,818
Lower Waitaki	Supply per unit	1,818
Bushy Creek Water Supply	Supply per unit	1,818
Stoneburn	Supply per unit	1,000
Tokarahi	Supply per unit	1,818
Weston zone – Oamaru Water	Supply per unit	1,818
Windsor	Supply per unit	1,818

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

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

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

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

The specified volumes of water for connected properties are:

Township/ Locality	ACTIVITY AND BASIS FOR CHARGE	Unit Volume (litres/day)
Hampden/ Moeraki zone – Oamaru Water	Domestic supply per unit (crib)	909
	Rural Supply per unit	1,818
Kakanui zone – Oamaru Water	Supply per unit	1,818
	Crib supply per unit	909

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

Construction Loan Rates

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

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

These rates fund the cost of financing the capital works, and are subject to annual review

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

Definition of Separately Used or Inhabited Parts of a rating unit

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

For example:

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

2019/20 RATES SCHEDULE

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

Abbreviations used in this table

LV = Land Value
CV = Capital Value
RU = Rating Unit

SRU = Serviceable Rating Unit
WC = Water Closet
CRU = Connected Rating Unit

Unit = Type of connection
M3 = Cubic Metres
SUIP = Separately used or inhabited Part of a Rating Unit

2019/20			
RATE NAME	PROPOSED RATE	BASIS FOR RATE	BUDGETED TOTAL REVENUE
General Rate	\$0.0624	LV	\$2,647,619
Uniform Annual General Charge	\$400	SUIP	\$5,438,291
District Services Rate	\$0.0283	CV	\$2,338,958
Ahuriri Ward Services Rate	\$0.0217	CV	\$403,503
Ahuriri Community Board Rate	\$0.0065	LV	\$41,212
Ahuriri Ward Services Charge	\$119	SUIP	\$204,050
Corriedale Ward Services Rate	\$0.0102	CV	\$318,945
Corriedale Ward Services Charge	\$330	SUIP	\$927,075
Oamaru Ward Services Rate	\$0.0508	CV	\$1,206,838
Oamaru Ward Services Charge	\$534	SUIP	\$3,799,148
Waihemo Ward Services Rate	\$0.0492	CV	\$493,141
Waihemo Community Board Rate	\$0.0214	LV	\$134,075
Waihemo Ward Services Charge	\$119	SUIP	\$236,270
Oamaru Business Area Rate A	\$0.3725	CV	\$563,047
Oamaru Business Area Rate B	\$0.1863	CV	\$106,614
Oamaru Urban Area	\$0.0233	CV	\$431,666
Township Amenity Rates			
Township Amenity – Duntroon	\$0.0421	LV	\$1,725
Township Amenity – Hampden	\$0.1423	LV	\$34,500
Township Amenity – Herbert	\$0.0383	LV	\$1,725
Township Amenity – Kakanui	\$0.0114	LV	\$5,750
Township Amenity – Kurow	\$0.1200	LV	\$20,731
Township Amenity – Maheno	\$0.0496	LV	\$1,725
Township Amenity – Moeraki	\$0.0266	LV	\$6,786
Township Amenity – Oamaru	\$0.1091	LV	\$593,292
Township Amenity – Ohau	\$0.0130	LV	\$3,871
Township Amenity – Omarama	\$0.0526	LV	\$21,387
Township Amenity – Otematata	\$0.1296	LV	\$69,637
Township Amenity – Palmerston	\$0.2198	LV	\$50,421
Township Amenity – Shag Point	\$0.0157	LV	\$1,725
Township Amenity – Weston	\$0.1029	LV	\$44,597

2019/20 Rates Schedule (continued)

RATE NAME	2019/20		BUDGETED TOTAL REVENUE
	PROPOSED RATE	BASIS FOR RATE	
Roading Rate			
Roading – General	\$0.0887	CV	\$6,694,375
Roading – Electrical Generation	\$0.0597	CV	\$457,714
Roading – Mineral Extraction	\$2.2643	CV	\$323,913
Roading – Forestry	\$0.3547	CV	\$172,098
Public Hall Rates			
Airedale Public Hall Rate	\$20	SUIP	\$540
Ardgowan Public Hall Rate	\$20	SUIP	\$2,620
Awamoko Public Hall Rate	\$30	SUIP	\$2,460
Dunback Public Hall Rate	\$30	SUIP	\$3,900
Duntroun Public Hall Rate	\$20	SUIP	\$2,900
Enfield Public Hall Rate	\$20	SUIP	\$2,720
Five Forks Public Hall Rate	\$20	SUIP	\$1,540
Hampden Public Hall Rate	\$30	SUIP	\$8,370
Kakanui Public Hall Rate	\$20	SUIP	\$7,460
Kurow Public Hall Rate	\$50	SUIP	\$15,600
Lower Waitaki Public Hall Rate	\$60	SUIP	\$11,220
Macraes Public Hall Rate	\$60	SUIP	\$3,180
Maheno Public Hall Rate	\$30	SUIP	\$5,700
Moeraki Public Hall Rate	\$40	SUIP	\$8,760
Ngapara Public Hall Rate	\$20	SUIP	\$1,680
Omarama Public Hall Rate	\$50	SUIP	\$18,200
Otekaieke Public Hall Rate	\$20	SUIP	\$1,680
Otematata Public Hall Rate	\$40	SUIP	\$20,480
Otepopo Public Hall Rate	\$30	SUIP	\$5,250
Palmerston Public Hall Rate	\$30	SUIP	\$20,700
Pukeuri Public Hall Rate	\$20	SUIP	\$2,000
Tokarahi Public Hall Rate	\$30	SUIP	\$3,210
Totara Public Hall Rate	\$40	SUIP	\$8,840
Waianakarua Public Hall Rate	\$30	SUIP	\$1,770
Waitaki Bridge Public Hall Rate	\$20	SUIP	\$3,020
Weston Public Hall Rate	\$40	SUIP	\$22,480
Windsor Public Hall Rate	\$30	SUIP	\$1,920

2019/20 Rates Schedule (continued)

RATE NAME	2019/20		BUDGETED TOTAL REVENUE
	PROPOSED RATE	BASIS FOR RATE	
Water Rates - Urban			
Ōamaru			
Oamaru Water – Supply	\$201	CRU	\$1,328,817
Oamaru Water – Reticulation	\$204	CRU	\$1,276,043
Oamaru Water Treatment Loan (excludes businesses with water meters)	\$90	CRU	\$505,122
Oamaru Water – Enfield Zone	\$495	CRU	\$132,923
Oamaru Water – Weston Zone	\$495	CRU	\$490,603
Oamaru Water – Kakanui ordinary supply	\$495	CRU	\$209,271
Oamaru Water – Kakanui crib unit supply	\$395	CRU	\$18,942
Oamaru Water – all zones - metered supply	\$1.08	m3	N/A
Waihemo Water			
Waihemo Water – Palmerston Zone	\$760	CRU	\$401,491
Waihemo Water – Dunback Zone	\$760	CRU	\$157,649
Waihemo Water – Goodwood Zone	\$760	CRU	\$182,734
Waihemo Water – Palmerston Zone - metered supply	\$1.08	m3	N/A
Other Urban Water			
Kurow Water Supply	\$533	CRU	\$158,151
Kurow metered supply	\$0.47	m3	N/A
Lake Ohau Village Water Supply	\$274	CRU	\$20,007
Lake Ohau Village – connection availability	\$137	SRU	\$7,811
Omarama Water Supply	\$573	CRU	\$179,884
Omarama – metered supply	\$0.87	m3	N/A
Otematata Water Supply	\$425	CRU	\$223,455
Otematata – metered supply	\$0.47	m3	N/A
Rural Water Supplies			
Awamoko Water Supply	\$498	Unit	\$126,035
Bushy Creek Water Supply	\$166	Unit	\$16,260
Duntroon Water Supply	\$571	Unit	\$47,147
Hampden/Moeraki Zone – Domestic Water Supply	\$395	Unit	\$195,143
Hampden/Moeraki Zone – Water Supply	\$495	Unit	\$82,154
Herbert/Waianakarua Zone – Water Supply	\$495	Unit	\$297,362
Kauru Water Supply	\$412	Unit	\$76,497
Lower Waitaki Water Supply	\$526	Unit	\$217,750
Stoneburn Water Supply	\$313	Unit	\$103,226
Tokarahi Water Supply	\$403	Unit	\$279,405
Windsor Water Supply	\$369	Unit	\$68,194

2019/20 Rates Schedule (continued)

RATE NAME	2019/20		BUDGETED TOTAL REVENUE
	PROPOSED RATE	BASIS FOR RATE	
Sewerage Rates and Charges			
Sewerage – Oamaru	\$172	WC	\$1,356,430
Sewerage – Kakanui	\$172	WC	\$55,781
Sewerage – Duntroon	\$86	WC	\$860
Sewerage – Kurow	\$219	WC	\$64,913
Sewerage – Lake Ohau Village	\$271	WC	\$18,849
Sewerage – Lake Ohau Village - connection availability	\$135	SRU	\$7,986
Sewerage – Moeraki	\$883	WC	\$161,549
Sewerage – Moeraki - connection availability	\$441	SRU	\$21,187
Sewerage – Omarama	\$297	WC	\$159,128
Sewerage – Otematata	\$252	WC	\$137,538
Sewerage – Palmerston	\$356	WC	\$217,983

RATES EXAMPLES

RATE NAME	CAPITAL VALUE				ANNUAL RATES			
	2018/19 VALUE	2019/20 VALUE	CHANGE \$	CHANGE %	2018/19 RATES	2019/20 RATES	CHANGE \$	CHANGE %
Agricultural Properties								
Ahuriri	\$7,780,000	\$7,780,000	-	-	\$15,865	\$15,942	\$77	0.48%
Awamoko	\$2,380,000	\$2,380,000	-	-	\$6,287	\$6,433	\$46	2.32%
Maerewhenua	\$2,910,000	\$2,910,000	-	-	\$5,337	\$5,324	-\$13	-0.26%
Papakaio	\$16,200,000	\$16,200,000	-	-	\$32,696	\$32,918	\$222	0.68%
Waihemo	\$1,540,000	\$1,540,000	-	-	\$5,554	\$5,659	\$105	1.90%
Waitaki Bridge	\$7,700,000	\$7,700,000	-	-	\$15,064	\$15,163	\$99	0.66%
Commercial Properties								
Oamaru	\$440,000	\$440,000	-	-	\$4,274	\$4,398	\$124	2.91%
Oamaru	\$5,150,000	\$5,150,000	-	-	\$32,776	\$33,844	\$1,068	3.26%
Omarama	\$1,450,000	\$1,450,000	-	-	\$7,840	\$8,106	\$266	3.39%
Otematata	\$740,000	\$740,000	-	-	\$3,926	\$4,064	\$138	3.52%
Palmerston	\$640,000	\$640,000	-	-	\$7,083	\$7,517	\$434	6.12%
Residential Properties								
Goodwood	\$140,000	\$140,000	-	-	\$1,524	\$1,569	\$45	2.94%
Hampden	\$255,000	\$255,000	-	-	\$1,504	\$1,503	-\$1	-0.04%
Herbert	\$265,000	\$265,000	-	-	\$1,611	\$1,627	\$16	1.03%
Kakanui	\$390,000	\$390,000	-	-	\$1,964	\$1,987	\$23	1.15%
Kurow	\$230,000	\$230,000	-	-	\$1,707	\$1,755	\$48	2.80%
Lake Ohau	\$415,000	\$415,000	-	-	\$1,763	\$1,808	\$45	2.51%
Maheno	\$215,000	\$215,000	-	-	\$1,082	\$1,067	-\$15	-1.40%
Moeraki	\$240,000	\$240,000	-	-	\$2,164	\$2,329	\$165	7.59%
Oamaru	\$380,000	\$380,000	-	-	\$2,565	\$2,636	\$71	2.77%
Oamaru	\$133,000	\$133,000	-	-	\$1,881	\$1,924	\$43	2.27%
Oamaru	\$320,000	\$320,000	-	-	\$2,342	\$2,401	\$59	2.50%
Omarama	\$310,000	\$310,000	-	-	\$1,959	\$2,017	\$58	2.98%
Otematata	\$320,000	\$320,000	-	-	\$1,820	\$1,858	\$38	2.14%
Palmerston	\$255,000	\$255,000	-	-	\$2,133	\$2,210	\$77	3.59%
Weston	\$355,000	\$355,000	-	-	\$2,338	\$2,385	\$47	2.04%

SUNDRY RATING POLICIES

POSTPONEMENT OF RATES

These policies comply with Sections 108 to 110 of the Local Government Act 2002 and Sections 85 to 87 of the Local Government Rating Act 2002.

Postponement Of Rates For Extreme Financial Hardship

Objective – To assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates by way of the postponement of rates arrears. Such assistance will generally be only given to any ratepayer once. Properties that have a mortgage will not be considered for postponement.

Conditions And Criteria –

- ▶ Only rating units used primarily for the residence of the ratepayer(s) are eligible for consideration for rates postponement for extreme financial circumstances. Properties used for business, intensive agriculture or greater than 8ha in area will not be considered to be used primarily for residence of the ratepayer(s).
- ▶ Only the person(s) entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer(s) must be the current owner(s) of, and have owned for not less than five years, the rating unit which is the subject of the application. The person(s) entered on our rating information database as the 'ratepayer(s)' must not own any other rating units (whether in the district or in another place).
- ▶ The ratepayer(s) (or their authorised agent) must make written application to Council. Council will consider, on a case-by-case basis, all applications received that meet the criteria described in paragraphs 1 and 2 under this section.
- ▶ Council will delegate authority to approve a first application for rates postponement to the Chief Executive.
- ▶ When considering whether extreme financial circumstances exist, all of the ratepayer(s) personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
- ▶ Before approving an application, Council must be satisfied that the ratepayer(s) is (are) unlikely to have sufficient funds left over, after the payment of overdue rates, for normal

health care, as well as making provision for normal day to day living expenses.

- ▶ Where Council decides to postpone rates the ratepayer(s) must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
- ▶ Any postponed rates will be postponed until:
 - The death of the ratepayer(s); or
 - Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
 - Until the ratepayer(s) ceases to use the property as his/her residence; or
 - Until a date specified by us.
- ▶ Council will only postpone rates to a value up to the capital value of the property as recorded in the Rating Information Database.
- ▶ Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is intended to cover our administrative and financial costs and may vary from year to year. The fee will be set annually in our annual plan.
- ▶ The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
- ▶ Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

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

Postponement Of Rates On Māori Freehold Land

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

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

Conditions And Criteria –

- ▶ Council will consider postponement of rates where previously unoccupied land is subject to clearing, development or growing of crops. Application should be made prior to 30 April of each year and will be applied from 1 July of that year.
- ▶ Owners or Trustees making application should include the following information in their application:
 - Details of the property
 - The objectives that will be achieved by providing the postponement
 - Details of the proposed development.
- ▶ Council will consider postponement for each individual application according to the circumstances of that application.
- ▶ No postponement will be granted on targeted rates for water supply, sewerage disposal or refuse collection.
- ▶ Council may, at its sole discretion, partially remit rates that are otherwise subject to postponement.

REMISSION OF RATES

Remission Of Rates – General

Remission policies comply with Sections 108 to 110 of the Local Government Act 2002 and Sections 85 to 87 of the Local Government Rating Act 2002.

Remission Of Rates On Bare Land

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

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

Remission of Rates on Waitaki River Kaik, Waitaki Bridge Camp, Gemmell’s Crossing Camp and Moeraki Kaik Camp

Objectives – To recognise the limited opportunity to occupy the various parts of the rating units and other factors in relation to the impact of full charges.

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

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

Objectives – To recognise the potential inequity of charging properties with multiple single bedroom inhabitable parts on the same basis as other residential inhabited parts.

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

Remission Of Rates On Properties With Mixed Residential And Other Uses In The Ōamaru Business Areas

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

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

Remission Of Rates On Māori Freehold Land

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

This policy aims to:

- ▶ Ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Māori owned lands have particular conditions, features,

ownership structures, or other circumstances, which make it appropriate to provide relief from rates.

- ▶ Implement a policy for providing rate relief on Māori land pursuant to Section 108 of the Local Government Act 2002.

Objectives

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

Conditions and Criteria

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

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

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

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

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

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

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

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

REMISSION OF RATES PENALTIES

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

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

ARREARS – PENALTY REMISSIONS

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

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

1. The remission does not go back for more than three years
2. That the rates are paid
3. That Council prefers those ratepayers who have communicated in advance and reached an agreement or an arrangement by which the base rates will be paid within a period of two years
4. Council's outgoings are always recovered
5. The ratepayer's entire relationship with Council will be reviewed to ensure a benefit is not provided to a ratepayer when costs are being incurred because of the ratepayer's other interactions with Council

6. The remission of the penalty will facilitate the sale of the property, on the basis that Council is better off with a future revenue stream.

REMISSION OF SEWERAGE CHARGES ON SCHOOLS

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

Conditions And Criteria – Rating units that meet the criteria under this policy shall receive a remission of sewerage charges so that the total sewerage charges payable shall be no more than that previously determined under the Donnelly Act. To be eligible for remission, the rating units must be used for the purposes of an educational establishment as defined in the Donnelly Act.

GENERAL REMISSION – EXTRAORDINARY CIRCUMSTANCES

Objectives – To give Council the ability to respond to extraordinary events that affect a ratepayer or group of ratepayers that could not be foreseen or mitigated against at the start of the rating year.

Conditions And Criteria – Applications must be made in writing, setting out the circumstances and impact on the ratepayer(s). We will consider all applications; there will be no right of appeal.

GENERAL MATTERS

Council Discretion

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

Information To Be Supplied

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

Deadline For Application Of Remissions

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

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

Delegation to the Chief Executive

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

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:

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

Rates may be paid at Council offices:

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

Minimum Economic Rate

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

Rates Penalties

Under Section 58 of the Local Government (Rating) Act 2002, Council may impose penalties.

- ▶ Under Section 58(1)(a) a 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) 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 adoption of the rates resolution (whichever is the later).
- ▶ Under Section 58(1)(c) 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

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

- ▶ Rates have been fully paid for the rating year and are in credit for the next rating year or
- ▶ Payment 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

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



growing strong communities

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Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI