

# Getting BACK TO THE FUTURE

ANNUAL PLAN 2022-2023

Year 2 of Waitaki's 2021-2031 LONG TERM PLAN



ANNUAL PLAN 2022/23



**Waitaki**  
DISTRICT COUNCIL

TE KAUNIHERA A ROHE O WAITAKI

Waitaki – the best  
place to be!

Waitaki – Whenua  
taurikura!

Empowering our people and place to thrive  
Whakapuāwai takata, Whakapuāwai whenua

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# MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

**The last twelve months have been challenging, for our district, communities and country. The uncertainty of the global pandemic and the impact this has had on our economy, supply chains and our service delivery, combined with growing costs, is impacting households and businesses in the district as well as the Council.**

As we enter 2022/23 we are making strong commitments to future proof our infrastructure, our economy, and most importantly our communities.

We need to ensure our infrastructure and the services we deliver are ready for not only the challenges today, but also the challenges of tomorrow and the future.

Our climate is changing, our environment is changing. Our world is changing. Together we need to embrace change, deal with some of the potential risks and make it positive, with opportunity for all of us.

There are rising costs for everyone and we have worked hard to keep costs down whilst also continuing to provide the services and projects residents tell us they value and want. Due to the rate freeze in 2020, our Long Term plan envisaged a couple of years of catch up and projected a rate rise of 8.53% for this year. That was before we knew that inflation was going to be around 7%. So in the context of unexpected, massive increases in what we have to pay for goods and services, it is some achievement to be able to confirm a rates increase of 7.53%, lower than the forecasted rise of 8.53%. However we recognise this still adds to the increased cost many households are facing.

This budget allows us to continue delivering the services that our community are used to receiving on our roads, water supply, parks and sports field maintenance, libraries, community halls and the many other services and facilities we provide for your enjoyment and wellbeing, together with services such as the regulatory, planning and building control.

We have also committed to bring forward a number of our Three Waters projects that were planned to happen later in the Long Term Plan, with the intention to complete these prior to the proposed transition of the Three Waters assets to the new entity in July 2024. The Council does not support the proposals for Three Waters Reform, but the Government has mandated these without our agreement and without consulting our community. We therefore need to be prepared for this. We are bringing forward some Water Scheme upgrades to make sure that the projects and infrastructure needed by our residents are not delayed or deprioritised when the Three Waters assets move to the new water entity. The upgrades were going to happen anyway, but we are carrying them out sooner to ensure that Waitaki's assets are fit for your future.

The year ahead will see the Sports and Events Centre start to take shape which is a real positive for our community and the opportunities that this will bring.

We are continuing our commitment to tourism, to ensure that Waitaki features highly on the travel plans of both our domestic and international visitors. More broadly than that, we are also looking at how we use our resources to ensure sustainable and inclusive economic growth of the whole economy, including tourism.

At Council, we have a lot of change facing our business over the next few years with the proposed Government reforms, in particular the Three Waters, Future for Local Government and Resource Management Act Reforms.. We also want to make sure our services are as effective and efficient as possible and that they deliver for you, our residents. To respond to these reforms and the changing needs of our district and our communities, we have started a transformation programme to ensure that we are a modern, effective and efficient organisation and that we can serve our residents and districts in the best way possible within a very changed landscape.



We have a busy year ahead with the projects we have committed to in 2022/23, all of these projects have a focus on the community outcomes that we are committed to delivering.

**It is an ambitious programme in these globally challenging times, however we see the challenges as an opportunity and we look forward to working closer with our community to achieve what we have planned together and continue to make Waitaki the best place to be!**



Alex Parmley  
Chief Executive



Gary Kircher  
Mayor for Waitaki

# OUR PLANNING CYCLE

LTP

## LONG TERM PLAN

The Long Term Plan sets out our strategic direction and work programme for the 10 years ahead. It outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure the quality and our effectiveness. The issues we face and the context within which we work are continually evolving. For this reason, our Long Term Plan is produced every three years.

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## ANNUAL REPORT

At the end of each financial year we produce an Annual Report. This sets out how we performed for the year compared to what we said we would do. It lets you know what we delivered and analyses whether we met our budgets and performance targets.

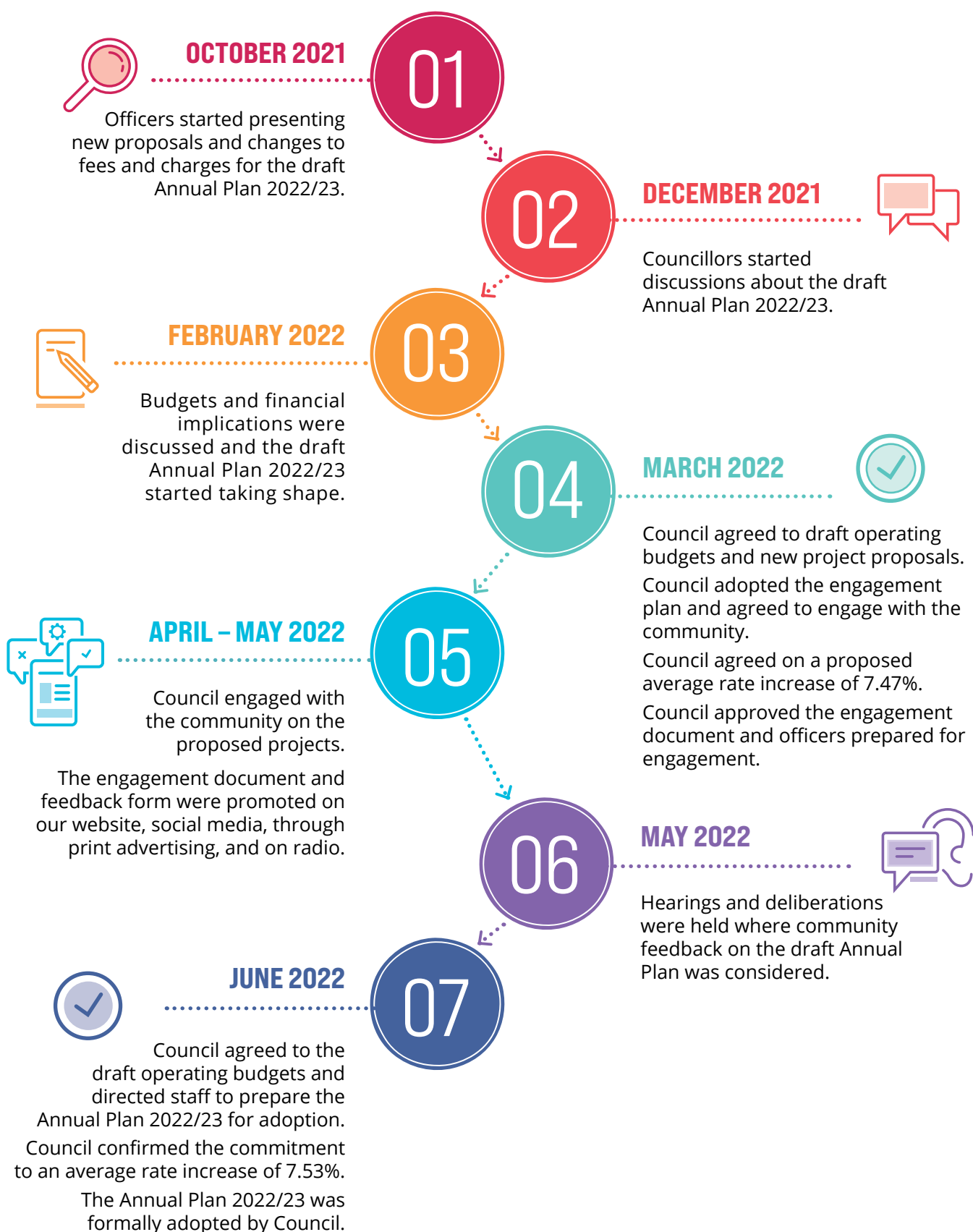
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## ANNUAL PLAN

In each of the two years between Long Term Plans we produce an Annual Plan. The Annual Plan takes a fresh look at the budgets and work programme that we planned for the year, according to the Long Term Plan, and considers whether adjustments are needed.



# HOW THE ANNUAL PLAN 2022/23 WAS PREPARED





# WE ARE FOCUSED ON COMMUNITY OUTCOMES

When we prepared our 2021-31 Long Term Plan, Council adopted a new strategic framework to support our vision for our district.

Our vision is:

*Waitaki – the best place to be!  
Empowering our people and place to thrive.*

*Waitaki – Whenua taurikura!  
Whakapuāwai takata, Whakapuāwai whenua.*

Within this framework we identified the core community outcomes and strategic values to underpin our decision-making when it comes to the services and activities we carry out as a Council.

The community outcomes identify the four key areas that we strive to deliver on to help our community to thrive, and to make Waitaki the best place to be. They describe what we aim to achieve for our community and what you can expect us to work towards.

These outcomes were used to shape the development of the Annual Plan 2022/23.



**All of our activities contribute to the overall achievement of our community outcomes and reflect our purpose and mission – to make Waitaki the best place to be. Empowering our people and place to thrive.**

# PROJECT HIGHLIGHTS 2022/23

The following are some of the projects that we will be working on in 2022/23, including the cost and how they align with our core community outcomes.

The costs show what is to be spent on the projects in 2022/23.

COMMUNITY OUTCOMES  
valued environment  
quality services



## Future proofing our Three Waters Infrastructure



**Our current Government plans to shift the management of Three Waters infrastructure from local council management to four new entities across New Zealand in 2024.**

To future proof our infrastructure and make sure we have quality water; robust infrastructure to meet changing weather events; and meet new compliance measures – Council brought forward a number of projects that were approved in the 2021-2031 Long Term Plan.

There were a number of projects brought forward across the district. The projects that will be starting in 2022/23 include:

- ▶ Ōamaru Wastewater Overflow Mitigation
- ▶ Ōamaru Water Capacity Study and Upgrades
- ▶ Ōamaru Additional Water Storage
- ▶ Waihemo Water Main Upgrades
- ▶ Weston Zone Service Level Upgrades
- ▶ Otematata Water Main Upgrades/ Renewals
- ▶ Backflow Prevention Plan
- ▶ Stormwater Main Inspection and Cleaning Programme
- ▶ Duntroon Wastewater Issues and Options
- ▶ Ōamaru WWTP Capacity Study

### COSTS 2022/23

**The total cost of these projects in 2022/23 is \$22.4 million**



## Dealing with dump sites



**We are dealing with an environmental risk from old dumps we inherited. Because of the risks to the environment, we need to take action now and we need to do it right for our future.**

The problem areas are the closed Hampden landfill (closed in 1996) and two unofficial dumpsites on Beach Road. These sites are all on coastal land and while we have been monitoring these areas to ensure there is no land or waste slip into the ocean, coastal erosion cannot be stopped, which is why we need to act now to protect our environment.

We are still investigating the options to fix the problem to ensure the best outcome – both in terms of minimising environmental risk and in terms of cost.

### COSTS 2022/23

**The cost is expected to be minimal in 2022/23.**

COMMUNITY OUTCOMES  
strong communities  
quality services  
prosperous district



## Indoor Sports and Events Centre

**After making a commitment in the Long Term Plan to support the Sports and Events Centre, we need to commit funds to support the project developing.**

While we plan to have the facility finished in 2024, the work to achieve that has already started.

### COSTS 2022/23

**\$12,845,700**

*Not all ratepayer funded.  
Council has committed  
up to \$10 million for  
the project*





## COMMUNITY OUTCOMES

**strong communities  
quality services**



### Drainage



**While drainage infrastructure, such as our stormwater drains, is generally good around the district, it is by no means perfect.**

Inadequate drainage can cause a lot of frustration and we want to ensure that we have the funds to be able to deal with these issues.

We are setting aside funds to deal with some of the drainage issues that are brought to our attention, in addition to the general maintenance budget.

**COSTS 2022/23**

**\$150,000**

## COMMUNITY OUTCOMES

**strong communities  
quality services**



### Kakanui stormwater improvements

**Review of the current v-drains and installation of an alternative stormwater drainage system.**

This will enable the village to be a safe "walking village" with adequate streetside parking.

**COSTS 2022/23**

**\$100,000**

## COMMUNITY OUTCOMES

**strong communities  
quality services**



### Palmerston footpaths

**Creating new footpaths in some of the streets of Palmerston where these do not exist, to enable safe and easy accessible route through the township and to the school.**

**COSTS 2022/23**

**\$206,200**

**These are only some of the projects that we are working on in the 2022/23 financial year.**

For a full list of our projects for 2022/23 check our website.



# WHAT WE DO

Rates help us provide, maintain, protect and manage:



**114** HECTARES  
of **FORESTRY**



**120** HECTARES  
**PARKS & RESERVES**



**13**  
**CEMETERIES**



**1** CENTRAL  
**LIBRARY**

& **5** District Branch  
**LIBRARIES**

with over  
**50,000**  
educational resources



**CULTURAL  
FACILITIES**

Libraries, Opera House  
Museum & Archive, Gallery

**1** AQUATIC  
**CENTRE**

Providing learn to swim &  
water safety programmes



**37**   
**PUBLIC TOILET**

facilities

**6**   
**CAMPGROUNDS**

**23**   
**PLAYGROUNDS**



**3** BIKE  
**PARKS**

**4** SKATE  
**PARKS** 

**63%** of our population  
with access to a

**PUBLIC RETICULATED  
WASTE WATER SYSTEM**



**8** WASTE WATER  
**SYSTEMS** at

Duntroon, Kurow, Lake Ōhau,  
Moeraki, Ōamaru, Ōmārama,  
Otematata & Palmerston

**87%** of our population  
with access to a 

**PUBLIC WATER SUPPLY**

**15** individual  
**WATER SUPPLIES**  
in Waitaki



**1,800**KM  
of **LOCAL ROADS**

**168**KM of  
**FOOTPATHS** 

**171** BRIDGES &   
**10** major **CULVERTS**



**2,014** STREET  
**LIGHTS**

# YOUR RATES MAKE WAITAKI GREAT

For every



of rates  
we spend:

  
**\$2.15**  
ON WATER SUPPLY

**\$2.06**   
ON ROADS,  
BRIDGES &  
FOOTPATHS

**\$1.06**   
ON LEADERSHIP,  
GOVERNANCE  
& CONSULTATION

**81c**   
ON WASTEWATER  
TREATMENT

**36c**   
ON GALLERIES  
& MUSEUMS

**36c**   
ON DISTRICT  
PLANNING

**35c**   
ON LIBRARIES

**33c**   
ON REGULATORY  
& BUILDING  
CONTROL

**32c**   
ON PARKS &  
GREEN SPACES

**31c**   
ON SOLID  
WASTE

**28c**   
ON THE  
AQUATIC  
CENTRE

**24c**   
ON ECONOMIC  
DEVELOPMENT

**21c**   
ON THE  
OPERA HOUSE

**21c**   
ON COMMUNITY  
DEVELOPMENT

**17c**   
ON PUBLIC  
TOILETS

**16c**   
ON SPORTS  
FIELDS &  
PLAYGROUNDS

**15c**   
ON PROPERTY  
& BUILDINGS

**14c**   
ON  
STORMWATER  
DISPOSAL

**13c**   
ON ŌAMARU  
PUBLIC  
GARDENS

**8c**   
ON  
CEMETERIES

**7c**   
ON ALPS  
& OCEAN

**3c**   
ON CAMPING  
GROUNDS

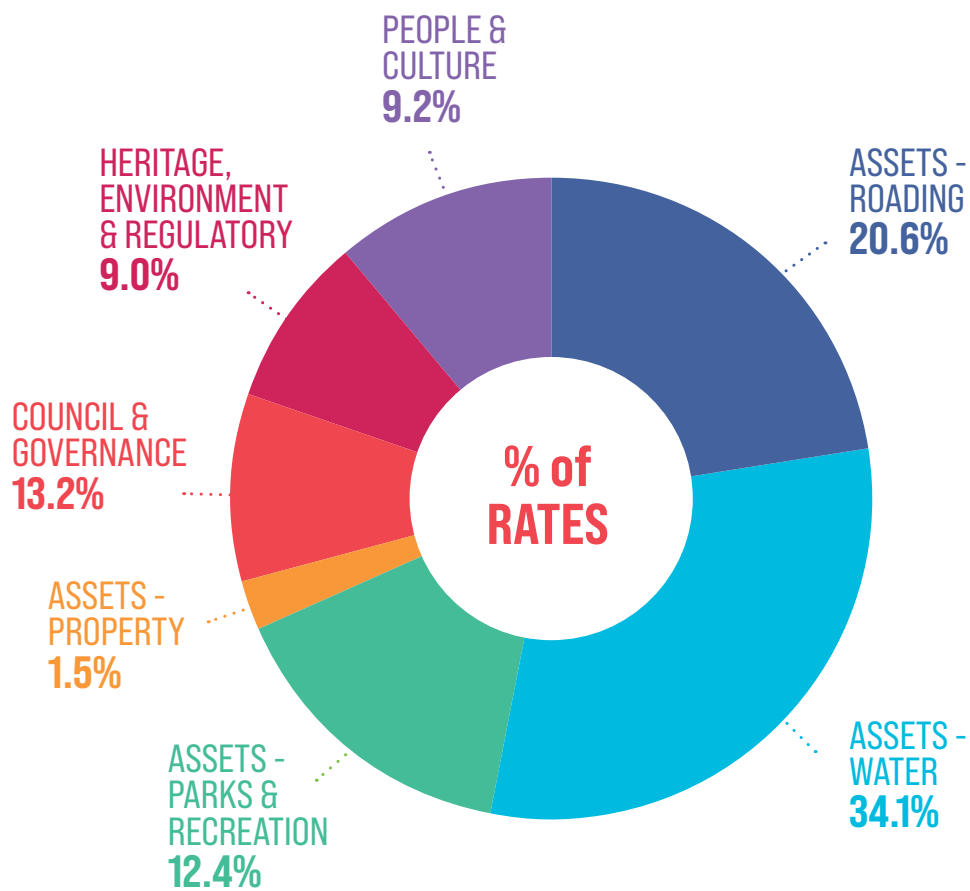
**2c**   
ON CIVIL  
DEFENCE

*Average only –  
does not apply to  
every ratepayer*



## Percentage of rates allocated to groups of activities

This graph shows the percentage of rates required to fund our significant groups of activities. The majority of our spending (68.6%) supports our \$1.088 billion asset base.



# FINANCIAL INFORMATION

# PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Projected for the year ended 30 June 2023

2021 Actual \$000			2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
	<b>Revenue</b>				
32,288	Rates Revenue	1	35,585	38,570	38,109
3,030	User Charges		3,162	3,408	3,099
2,047	Property Rental		2,368	2,414	2,676
2,224	Regulatory Charges		2,030	2,080	2,290
1,757	Development and Financial Contributions		1,044	1,044	1,586
12,828	Government Grants and Subsidies	2	13,365	9,519	11,211
599	Other Grants and Donations	3	2,808	8,437	8,781
787	Finance Revenue	4	855	887	1,311
203	Petrol Tax		215	221	226
51	Infringements and Fines		67	68	64
631	Dividends received		350	350	350
1,141	Assets vested in Council		-	-	-
58,144	<b>Total Revenue</b>		61,849	66,998	69,703
	<b>Expenses</b>				
13,211	Personnel costs	5	14,057	14,806	15,067
15,953	Depreciation and amortisation	6,8	16,413	17,115	17,715
169	Finance Costs	4	182	265	810
31,188	Other expenses	7	26,608	27,768	30,770
1,984	Non-trading Losses/(Gains)		-	-	-
62,505			57,260	59,954	64,362
(31)	Share of joint venture's surplus/(deficit)		-	-	-
-	Interest on LGFA Borrower Notes	1	1	1	17
(4,392)	<b>Surplus / (Deficit) before Tax</b>		4,590	7,045	5,358
-	Income Tax Expense/(Refund)		-	-	-
(4,392)	<b>Surplus / (Deficit) after tax</b>		4,590	7,045	5,358
	<b>Other Comprehensive Revenue and Expense</b>				
111,666	Gain/(Loss) on revaluation of Infrastructural Assets	8	-	42,326	44,750
-	Gain/(Loss) on revaluation of Property, Plant and Equipment	8	6,959	-	-
-	Other Comprehensive Revenue		-	-	-
111,666			6,959	42,326	44,750
<b>\$107,274</b>			<b>\$11,549</b>	<b>\$49,371</b>	<b>\$50,108</b>

# PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

Projected for the year ended 30 June 2023

2021 Actual \$000		2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
912,551	Equity at 1 July	919,738	931,287	1,040,000
107,274	Total Comprehensive Revenue and Expense	11,549	49,371	50,108
<u>\$1,019,825</u>	Equity at 30 June	<u>\$931,287</u>	<u>\$980,658</u>	<u>\$1,090,108</u>



# PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Projected as at 30 June 2023

2021 Actual \$000		2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b>Equity</b>				
310,208	Ratepayers' Equity	310,208	310,208	310,208
674,235	Revaluation Reserve	590,433	632,759	737,944
19,177	Operating Reserve	14,342	23,829	24,069
16,205	Other Reserves	16,304	13,863	17,887
<b>\$1,019,825</b>	<b>Total Equity</b>	<b>931,287</b>	<b>980,659</b>	<b>1,090,108</b>
<b>Non-Current Assets</b>				
999,190	Property, Plant and Equipment	8 908,711	972,609	1,088,885
1,525	Intangible Assets	9 760	770	2,528
357	Forestry	340	340	400
1,150	Assets held for Sale	1,150	1,150	1,150
	Financial Assets			
4,703	- Investments in Subsidiaries	10 4,703	4,703	4,703
1,644	- Investment in Joint Venture	10 1,675	1,675	1,644
408	- Investments in other entities	10 708	708	910
27,154	- Loans to other entities	11 25,030	22,152	33,075
1,036,131		943,077	1,004,107	1,133,295
<b>Current Assets</b>				
2,180	Cash and Cash Equivalents	1,761	1,763	1,185
5,803	Receivables	12 5,348	5,546	6,678
735	Prepayments	700	714	840
154	Inventory	150	153	174
	Financial Assets			
-	- Term deposits	13,030	2,005	-
50	- Investments in other entities	-	-	89
2,804	- Loans to other entities	11 2,401	2,890	687
317	Assets held for Sale	-	-	180
12,043		23,390	13,071	9,833
<b>1,048,174</b>	<b>Total Assets</b>	<b>966,467</b>	<b>1,017,178</b>	<b>1,143,128</b>
<b>Non-Current Liabilities</b>				
10,500	Borrowings	13 20,500	18,500	30,000
365	Provisions	370	364	377
93	Employee Entitlement Liabilities	14 -	-	107
10,958		20,870	18,864	30,484
<b>Current Liabilities</b>				
10,166	Trade and Other Payables	15 8,025	9,290	12,532
1,448	Employee Entitlement Liabilities	14 1,733	1,801	1,669
256	Provisions	20	24	263
5,521	Borrowings	13 4,532	6,540	8,072
17,391		14,310	17,655	22,536
<b>28,349</b>	<b>Total Liabilities</b>	<b>35,180</b>	<b>36,519</b>	<b>53,020</b>
<b>\$1,019,825</b>	<b>Net Assets</b>	<b>931,287</b>	<b>980,659</b>	<b>1,090,108</b>

# PROSPECTIVE STATEMENT OF CASH FLOWS

Projected for the year ended 30 June 2023

2021 Actual \$000		2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
32,895	Receipts from Rates Revenue	35,541	38,456	37,665
744	Interest received	855	887	1,272
631	Dividends/subvention payments received	350	350	350
23,552	Receipts from other revenues	26,120	27,108	30,437
<b>Payments</b>				
(43,807)	Payments to suppliers and employees	(40,036)	(41,039)	(44,326)
(148)	Interest paid	(182)	(265)	(788)
(58)	Net GST	(220)	(220)	(380)
<b>13,809</b>	<b>Net Cash from Operating Activities</b>	<b>22,428</b>	<b>25,277</b>	<b>24,230</b>
<b>Cash Flows from Investing Activities</b>				
586	Proceeds from sale of Property, Plant & Equipment	179	191	144
5,509	Proceeds from sale of Investments	3,399	34,916	32,226
(24,071)	Purchase of Property, Plant & Equipment	(24,845)	(40,382)	(60,269)
(2,813)	Acquisition of Investments	(13,000)	(20,000)	(12,015)
<b>(20,789)</b>	<b>Net Cash from Investing Activities</b>	<b>(34,267)</b>	<b>(25,275)</b>	<b>(39,914)</b>
<b>Cash Flows from Financing Activities</b>				
33,400	Proceeds from Borrowing	14,500	6,500	24,000
(24,800)	Repayment of Borrowing	(4,500)	(6,500)	(11,021)
<b>8,600</b>	<b>Net Cash from Financing Activities</b>	<b>10,000</b>	<b>-</b>	<b>12,979</b>
1,620	Net Increase / (Decrease) in Cash	(1,839)	2	(2,705)
560	Total Cash Resources at 1 July	3,600	1,761	3,890
<b>2,180</b>	<b>Total Cash Resources at 30 June</b>	<b>1,761</b>	<b>1,763</b>	<b>1,185</b>

# RECONCILIATION OF NET OPERATING SURPLUS TO CASH FLOWS FROM OPERATING ACTIVITIES

Projected for the year ended 30 June 2023

2021 Actual \$000	2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
(4,392) Net Operating Surplus	4,590	7,044	5,341
<b>Add/Less non-cash items</b>			
15,953 Depreciation/Amortisation	16,413	17,115	17,715
(22) Interest compounded	-	-	(39)
117 Increase/(Decrease) in Provision for Doubtful Debts	-	-	-
54 Increase/(Decrease) in Provision for Closed Landfill	(180)	(2)	(33)
119 Increase/(Decrease) in ECL's on Investments	-	-	-
2,055 Net Loss/(Profit) on sale of Assets	-	-	-
(71) Loss/(Gain) on forestry revaluation	-	-	-
(1,141) Vested Assets	-	-	-
31 Share of Joint Venture Deficit/(Surplus)	-	-	-
- Interest on LGFA Borrower Notes	-	-	17
17,095	16,233	17,113	17,660
<b>Add/(Less) movements in Other Working Capital items</b>			
(770) Decrease/(Increase) in Trade & Other Receivables	1,017	(196)	(403)
(93) Decrease/(Increase) in Prepayments	(37)	(14)	(30)
(14) Decrease/(Increase) in Inventory	(3)	(3)	(3)
2,074 Increase/(Decrease) in Trade & Other Payables	325	1,265	1,714
(91) Increase/(Decrease) in Employee Entitlements	303	68	(49)
1,106	1,605	1,120	1,229
<b>13,809</b> Net Cash Flow from Operating Activities	<b>22,428</b>	<b>25,277</b>	<b>24,230</b>

# FUNDING IMPACT STATEMENT FOR ANNUAL PLAN 2022/23, WHOLE OF COUNCIL

2021 Actual \$000		2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
	<b>Sources of Operating Funding</b>			
6,442	General Rates, Uniform Annual General Charge, Rates Penalties	7,846	8,542	8,554
25,826	Targeted Rates	26,886	29,153	28,794
32,268	<b>Rates Revenue</b>	34,732	37,695	37,348
5,026	Subsidies and Grants for Operating Purposes	4,187	3,873	4,907
6,779	Fees and Charges	7,042	7,224	7,807
1,417	Interest and Dividends from Investments	1,205	1,237	1,678
1,333	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1,758	1,971	1,461
14,555	<b>Operating Revenue</b>	14,191	14,305	15,853
46,823	<b>Total Sources of Operating Funding</b>	48,923	52,000	53,201
	<b>Applications of Operating Funding</b>			
46,147	Payments to Staff and Suppliers	40,920	42,829	46,162
169	Finance Costs	182	265	810
-	Other Operating Funding Applications	-	-	-
46,316	<b>Total Applications of Operating Funding</b>	41,102	43,094	46,972
507	<b>Surplus / (Deficit) of Operating Funding</b>	7,821	8,906	6,229
	<b>Sources of Capital funding</b>			
8,680	Subsidies and Grants for Capital Expenditure	12,103	14,204	15,258
1,757	Development and Financial Contributions	1,044	1,044	1,586
8,621	Increase/(Decrease) in Debt	17,032	8	13,054
1,797	Proceeds from Sale of Assets	179	191	144
20,855	<b>Total Sources of Capital Funding</b>	30,358	15,447	30,042
	<b>Applications of Capital funding</b>			
-	Capital Expenditure			
-	Meet Additional Demand	-	-	-
10,443	Improve Levels of Service	11,978	25,209	17,093
14,157	Replace Existing Assets	12,867	15,173	44,176
(2,468)	Increase/(Decrease) in Reserve	1,400	(2,615)	(23,094)
(770)	Increase/(Decrease) in Investments	11,934	(13,414)	(1,904)
21,362	<b>Total Applications for Capital Funding</b>	38,179	24,353	36,271
(507)	<b>Surplus/(Deficit) of Capital Funding</b>	(7,821)	(8,906)	(6,229)
-	<b>Funding Balance</b>	-	-	-

# RECONCILIATION OF FUNDING IMPACT STATEMENTS BY GROUPS OF ACTIVITIES

2021 Actual \$000		2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b>Operating Revenue</b>				
4,163	Roads & Footpaths	3,610	3,778	4,301
557	Wastewater (Treatment & Disposal)	594	610	554
2	Stormwater Drainage	-	-	-
520	Water Supply	755	809	550
178	Waste Management & Minimisation	202	206	640
704	Arts, Culture & Community	742	584	606
892	Parks & Recreation	983	1,003	1,324
23,803	Democracy & Accountability	26,253	28,826	29,133
4,360	Economic Development & Property	2,507	2,510	2,650
3,081	Heritage, Environment & Regulation	3,278	3,407	3,244
38,260	<b>Operational Revenue per Activity FIS</b>	38,923	41,734	43,001
<b>Total Sources of Capital Funding</b>				
4,997	Roads & Footpaths	3,979	4,077	4,829
467	Wastewater (Treatment & Disposal)	168	168	307
-	Stormwater Drainage	-	-	-
11,750	Water Supply	4,513	517	13,857
-	Waste Management & Minimisation	-	-	-
71	Arts, Culture & Community	9	9	12
212	Parks & Recreation	2,534	9,248	9,397
436	Democracy & Accountability	18,829	1,091	90
2,513	Economic Development & Property	117	128	1,071
409	Heritage, Environment & Regulation	210	210	480
20,855	<b>Capital Revenue per Activity FIS</b>	30,358	15,447	30,042
32,268	Add total Rates	34,732	37,695	37,348
(23,704)	Less Internal recoveries included	(24,698)	(27,423)	(27,148)
67,679	<b>Revenue per Total Activities FIS</b>	79,315	67,453	83,243
(8,621)	Remove (increase)/decrease in debt	(17,032)	(8)	(13,054)
(656)	Remove proceeds from sale of assets	(179)	(191)	(144)
(257)	Adjust Rate remissions against revenue	(255)	(255)	(325)
-	Remove Interest on LGFA Borrower Notes	-	-	(17)
58,144	<b>Revenue per prospective Statement of Comprehensive Revenue and Expenditure</b>	61,849	66,999	69,703



## Reconciliation of funding impact statements by Groups of Activities (continued)

2021 Actual \$000		2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b><i>Total Applications of Operating Funding</i></b>				
8,261	Roads & Footpaths	6,963	7,410	8,738
4,542	Wastewater (Treatment & Disposal)	2,683	2,477	2,284
244	Stormwater Drainage	219	238	454
5,928	Water Supply	5,479	5,716	5,590
1,375	Waste Management & Minimisation	1,502	2,006	4,543
4,643	Arts, Culture & Community	4,076	4,337	4,518
4,850	Parks & Recreation	5,272	5,645	5,377
28,033	Democracy & Accountability	29,517	31,996	31,772
4,928	Economic Development & Property	3,299	3,487	3,307
7,217	Heritage, Environment & Regulation	6,826	7,212	7,537
70,021	<b>Total Operational expenditure per FIS</b>	65,835	70,524	74,120
(23,704)	Less internal recoveries	(22,961)	(25,072)	(24,436)
46,317	<b>Expenditure per Total Activities FIS</b>	42,873	45,451	49,684
(1,491)	Less internal charges included in capital	(1,771)	(2,357)	(2,712)
(257)	Adjust Rate remissions against revenue	(255)	(255)	(325)
1,984	Non-trading losses/(gains)	-	-	-
15,953	Add Depreciation and Amortisation	16,413	17,115	17,715
62,505	<b>Expenditure per prospective Statement of Comprehensive Revenue and Expenditure</b>	57,260	59,954	64,362

# ANNUAL PLAN DISCLOSURE STATEMENT PROJECTED FOR THE YEAR ENDING 30 JUNE 2023

## What is the purpose of this statement?

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

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

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

For this benchmark —

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

The rates affordability benchmark is achieved when —

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

Rates affordability benchmark				
• income	Rates fund 70% or less of total operating cost	<70% of operating costs	58.03% of operating costs	Yes
• income	The rate on an average home in Ōamaru is less than 10% of projected married national superannuation, net of tax	<10% of married superannuation	7.22% of married superannuation	Yes
• increases	Projected rate increases will not exceed the projected Local Government Cost Index, plus 2%	<4.9% increase	7.53% increase	No

### 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	54.62% of revenue	Yes
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### 3 Balanced budget benchmark

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

Balanced budget benchmark	Revenue, net of development and financial contributions and vested assets, exceeds operating costs	>100% of operating costs	105.83% of operating costs	Yes
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## Annual Plan Disclosure Statement continued

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

Planned capital expenditure on network services is presented as a proportion of expected depreciation on network services. Council meets the essential services benchmark if 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	501.01% of depreciation	Yes
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### 5 Debt servicing benchmark

Planned borrowing costs are presented as a proportion of planned revenue (excluding development and financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

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

Debt servicing benchmark	Debt servicing is less than 10% of total revenue, less development and financial contributions and vested assets	<10% of total revenue	1.16% of total revenue	Yes
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## RATING BASE INFORMATION

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

Business Activity	Actual 30 June 2021	Projected 30 June 2022
Number of rating units in the District	13,854	13,846
Total Land Value of rating units	4,775,475,550	4,786,500,400
Total Capital Value of rating units	9,714,183,500	9,757,298,350

# STATEMENT OF ACCOUNTING POLICIES

## REPORTING ENTITY

The Waitaki District Council (Council) is a territorial local authority established under the Local Government Act 2002 (LGA02, the Act), domiciled and operating exclusively within New Zealand. Relevant legislation governing Council's operations include the LGA02 and the Local Government (Rating) Act 2002.

The consolidated group consists of the ultimate parent, Waitaki District Council, and its subsidiaries:

- Whitestone Contracting Limited (100% owned)
- Waitaki District Health Services Limited Group (100% owned)
  - Waitaki District Health Services Trust
  - Observatory Village Charitable Trust and group
    - Observatory Village Lifecare Ltd
    - Observatory Village Care Ltd
- Tourism Waitaki Limited (100% owned)
- The Waitaki Whitestone Geopark Trust

The investment in Ōmārama Airfield Limited (50% owned) is treated as a joint venture and equity accounted into the group financial statements.

All entities 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 are for the year commencing 1 July 2022 and ending 30 June 2023 and were authorised for issue by Council on 28 June 2022. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

## BASIS OF PREPARATION

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

## 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 93 and part 1 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 LGA02 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.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting policies affecting the measurement of operating results, cash flows and financial position may be found in the notes to the financial statements. All accounting policies have been applied consistently in preparing these financial projections.

## Comparative and Budget Figures

- Figures presented for the 2020-21 financial year are sourced directly from the audited Annual Report for the year ended 30 June 2021.
- Budget figures for 2021-22 and 2022/23 are sourced from Council's audited 2021-31 Long Term Plan.
- All comparative and budget figures have been prepared in accordance with NZ GAAP, using accounting policies consistent with those adopted by Council for the preparation of these prospective financial statements.

## Groups of Activities

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

- Direct costs are directly attributable to a significant activity and are charged accordingly.
- Indirect costs cannot be attributed in an economically feasible manner to a specific



significant activity, and are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers, floor area occupied, etc.

## Foreign Currency Transactions

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

## Goods and Services Tax

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

## General Revenue Recognition – Policy

Revenue is measured at the fair value of consideration received or receivable and is reported gross. Specific accounting policies for significant revenue items not otherwise outlined in Notes 1 to 4 are detailed below:

- User and Regulatory charges, sales of goods and revenue from commercial activities, fees and charges, and 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 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 are recognised when an infringement notice is issued, but the degree to which the income is recognised reflects the likelihood that the fee or fine will be collected.
- Dividends and subvention payments from subsidiaries are recognised when the right to receive payment is established.
- Vested or donated physical assets - assets received for no or nominal consideration are recognised at their fair value when Council takes control of the asset. Fair value may be determined by reference to the cost of constructing the asset which may be based either on information provided by the property developer or on certified engineers' certificates.

Notes 1 to 4 provide more analysis in relation to specific types of Revenue and include detail of relevant accounting policies.

## 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:

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

- 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 4, Council has policies requiring certain revenues arising from non-exchange transactions to be held in special reserves until the funds are required.

## Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred and are not capitalised. Borrowing costs due but unpaid at year end are added to the principal of the relevant loan for reporting purposes.

## Leases

- **Finance Leases**  
The lease transfers substantially all the risks and rewards of ownership to the lessee. 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 recorded at the amount due less an allowance for expected credit losses (ECL).

The Council applies a simplified ECL model for recognising lifetime ECL for receivables. In measuring ECLs, receivables are grouped into rates receivables



and other receivables, and are assessed on a collective basis as they possess shared credit risk characteristics. They are then grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates receivables are “written off”:

- When remitted in accordance with Council's rate remission policy, and
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating Act) 2002.

Other receivables are written off when there is no reasonable expectation of recovery.

## Cash and Cash Equivalents

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

## 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.

They are then classified as, and subsequently measured under, the following categories:

- **Amortised cost**  
Financial assets are classified and subsequently measured at amortised cost if they give rise to cash flows that are solely payments of principal and interest on the principal outstanding, and are held within a management model whose objective is to collect the contractual cash flows of the asset.
- **Fair value through other comprehensive revenue and expense**  
Financial assets are classified and subsequently measured at fair value through other comprehensive revenue and expense if they give rise to cash flows that are solely payments of principal and interest and are held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Council currently holds no assets with this classification.
- **Fair value through surplus and deficit**  
Financial assets that do not meet the criteria to be measured at amortised cost or at fair value through other comprehensive revenue and expense are subsequently measured at fair value through surplus and deficit. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at fair value through other comprehensive revenue and expense.

Subsequent to initial recognition, financial assets in this category are measured at fair value with fair value gains or losses recognised in surplus or deficit. Interest revenue recognised from such financial assets are separately presented within revenue. Instruments in this category include shares in unlisted companies, Local Government Funding Agency borrower notes and Council's joint venture investment.

Classification of financial assets depends on their individual cash flow characteristics and the Council's management model for managing these.

## Term deposits, community and other loans (Amortised Cost)

- These assets are held for the purposes of receiving cash flows that are solely payments of principal and interest, and 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 the loan balance and the present value of future cash flows for the loan is recognised in the surplus or deficit as a grant expense.
- Where applicable, interest accrued at balance date is added to the investment balance.
- 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, LGFA borrower notes (Fair value through surplus and deficit)

- 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.
- LGFA borrower notes are held by Council as a condition of its borrowing arrangements with the Local Government Funding Agency.

### Interest in Joint Venture (Fair value through surplus and deficit)

Council holds 50% ownership of Ōmārama Airfield Ltd for strategic reasons and adjusts the value of its holdings by its share of the company's surplus or deficit at each balance date.

### Investment properties

Members of Council's consolidated group hold property which is classified as investment property. Investment property is held principally to earn rental income and for capital appreciation and is initially recorded at cost and subsequently measured annually at fair value as determined by an independent registered valuer. Gains or losses arising from changes in fair values of investment property are included in the Statement of Comprehensive Revenue and Expense in the year in which they arise. When an investment property is disposed of, the surplus or deficit recognised in the Statement of Comprehensive Revenue and Expense is the difference between the net sales price and the carrying value of the asset. Investment property is not depreciated.

Council holds no property categorised as Investment Property.

### 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.

### Expected credit loss allowance (ECL)

Council recognises an allowance for ECLs for all debt instruments not classified as fair value through

surplus and deficit. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

### 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.
- Non-current assets held for sale are valued at the lower of the carrying value and 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 at the date of valuation. The valuation methodology is Net Present Value based on the age and condition of the trees. Trees under fifteen years are valued at replacement cost.

Council is exposed to financial risk arising from changes in timber prices. Council is a long-term forest owner and has taken no measures to manage this risk.

Council's forestry assets are subject to the risk of fire and storm damage. Council has arranged insurance cover for fire-fighting costs and replanting and re-establishment of forest holdings that have been damaged.

## 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 and reserves 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 sale 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.

## 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 completed projects.

## 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 Library Manager 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 the Waitaki Museum artefacts, the Forrester Gallery art collection and Library resources. They are recorded at valuation, based on net current value, with subsequent additions recorded at cost.

## 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 2022 financial year.
- **Infrastructural Assets**  
Infrastructural assets are utility assets that provide a continuing service to the community, and 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 Roading infrastructure will be recognised in the 2023 financial year.

Water infrastructure was revalued in the 2021 financial year, and the next revaluation will be recognised in the 2024 financial year.

## Depreciation

Other than Land and certain elements of cultural and heritage collections, and unless otherwise stated in the table below, Council's fixed assets are depreciated on a straight-line basis at rates that will write off the cost, or valuation, of the assets to their estimated residual values over their useful lives. Useful lives and related depreciation rates of major classes of assets have been estimated as follows:

Asset type	Economic Life	Depreciation
<b>Buildings</b>	11 – 100 years	1% - 9%
<b>Improvements</b>	4 – 100 years	1% - 25%
<b>Infrastructure Assets</b>		
<b>Roading</b>		
Formation, sub-base course	Not depreciated	N/A
Pavement structure	20 – 70 years	1.43% - 5%
Surfacing	2 – 30 years	3.33% - 50%
Drainage, Footpaths	10 – 100 years	1% - 10%
Bridges, retaining structures	25 – 100 years	1% - 4%
Streetlights, railings and markers	4 – 35 years	2.85% - 25%
Signage and parking meters	5 – 15 years	6.67% - 20%
<b>Water Schemes</b>		
Headworks	5 – 140 years	0.71% - 20%
Reservoirs	10 – 80 years	1.25% - 10%
Pumping stations	15 – 100 years	1% - 6.67%
Reticulation	15 – 150 years	0.67% - 6.67%
<b>Sewerage Schemes</b>		
Reticulation	15 – 150 years	0.67% - 6.67%
Pumping stations	15 – 100 years	1% - 6.67%
Treatment works	2 – 100 years	1% - 50%
<b>Stormwater - reticulation</b>	45 – 150 years	0.67% - 2.22%
<b>Transfer stations, landfill development</b>	3 – 60 years	1.67% - 33.33%
<b>Harbour – wharves and breakwater</b>	8 – 100 years	1% - 12.5%
<b>Alps 2 Ocean Cycle Trail</b>		
Track formation, sub-base course	Not depreciated	N/A
Track surface	10 years	10%
Bridges, retaining structures	50 – 60 years	1.67% - 2%
Facilities – signage	12 years	8.33%
Facilities – livestock proofing	35 years	2.85%
<b>Motor vehicles</b>	3 – 10 years	10% - 33.33%
<b>Other Plant</b>	1.5 – 40 years	2.5% - 67%
<b>Office equipment</b>	2 – 20 years	5% - 50%
<b>Office furniture &amp; fittings</b>	1.5 – 30 years	3.33% - 67%
<b>Cultural and heritage assets – library books</b>	5 – 7 years	14.29% - 20%



## Intangible Assets

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

- **Software**  
Computer software licenses are capitalised based on costs incurred to acquire and bring into service. External charged and employee costs and related overheads associated with developing software for internal use are recognised as an intangible asset.  
Costs related to staff training, maintaining computer software and developing and maintaining Council's websites are expensed when incurred. The useful life of software is 3 to 10 years and the cost is amortised on a straight-line basis.
- **Emissions Trading Scheme (ETS) - Carbon credits**  
Carbon credits are not amortised, as they represent 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**  
Including not otherwise categorised intangible assets with an identifiable useful life of 25 years, which are amortised on a straight-line basis.

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

- Intangible assets with 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.

## Financial Liabilities

Interest bearing borrowings are classified as other non-derivative financial instruments and are initially recognised at the amount borrowed. Any interest due on the borrowings but unpaid at balance date is subsequently accrued and added to the outstanding balance as a current liability.

Borrowings are classified as current liabilities when their settlement is contractually due within 12 months after balance date. In all other circumstances, borrowings are classified as term liabilities.

## Trade and Other Payables

Trade and other payables are recorded at the amount payable.

## 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.
- **Long-term benefits**  
Entitlements payable beyond 12 months, such as long service leave, are calculated on an actuarial basis based on:
  - Likely future entitlements accruing to staff, based on years of service, years to entitlement.
  - The likelihood that staff will reach the point of entitlement and contractual entitlements information, and
  - The present value of the estimated future cash flows, using an appropriate discount rate and inflation factor.

## Superannuation Schemes

- **Defined contribution schemes**  
Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.
- **Multi-employer defined benefit schemes**  
Council belongs to a Defined Benefit Plan Contributors Scheme (the scheme), managed by the Board of Trustees of the National Provident Fund, which 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

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

Council has operated landfills in Ōamaru and Palmerston and, as a condition of its consents, Council must maintain and monitor those landfill sites after their closure, including the establishment of a provision to undertake clean-up work at these and other potentially contaminated sites.

## Financial Instruments

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

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

## Equity

Equity is the Community's interest in the Council, measured as the difference between total assets and total liabilities.

Public Equity is disaggregated and classified into specific 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), comprising retained earnings and reserves. Net

Equity is represented by net assets. The Act requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently so as to promote 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, a principle promoted in the Act and applied by 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. 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 the Council to make adequate and effective provision in its Annual and Long Term Plans to meet the expenditure needs identified in those plans, and sets out 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 the funding and financial policies in this Annual Plan.

## 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 Annual Plan are discussed below:

### Infrastructural Assets

Certain assumptions and estimates are made when performing depreciated replacement cost valuations of infrastructural assets. These include assessing the physical condition of assets - for example Council may carry an asset at a value that does not reflect its actual condition, especially where the asset may not be 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 like 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. 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).

## Implementation of new or amended financial reporting standards

### **PBE FRS 48 Service Performance Reporting**

PBE FRS 48 replaces the service performance requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022 following consultation that has been initiated by the External Reporting Board (XRB). Council does not believe the application of the new standard will have a significant impact on its statement of performance as Council already has well established service reporting processes.

# NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2021 Actual \$000		2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b>Note 1: Operational Revenue - Rates</b>				
6,447	General Rates	7,846	8,542	8,554
	<i>Targeted Rates attributable to activities</i>			
7,224	Roads and Footpaths	7,062	7,421	8,088
2,103	Sewerage (Treatment & Disposal)	2,932	3,070	3,049
491	Stormwater Drainage	511	530	368
6,661	Water Supply	7,826	8,100	8,234
558	Metered Water supply	688	711	631
3,598	Arts, Heritage & Community	3,238	3,655	3,779
2,840	Recreation Services	2,656	2,969	2,544
1,951	District Leadership	1,921	2,222	1,924
953	Property Management and Development	791	1,236	883
-	Heritage, Environment and Regulation	(51)	(51)	(75)
32,268		35,420	38,405	37,979
277	Rates Penalties charged	420	420	455
(257)	Less Rates Remitted	(255)	(255)	(325)
32,288		35,585	38,570	38,109
<b>Note 2: Operational Revenue - Government Grants</b>				
8,220	Waka Kotahi NZ Transport Agency roading subsidy	6,680	6,924	8,487
-	Grants for the Indoor Sports and Events Centre	750	1,530	1,530
-	Grants for the Cultural Facilities development	915	510	510
81	Ministry for the Environment	315	321	299
1,306	Ministry of Business, Innovation and Employment	45	-	150
125	Ministry of Social Development	87	89	70
179	Ministry of Internal Affairs - Libraries Partnership	200	-	50
34	Oranga Tamariki - Ministry for Children	-	-	31
2,544	Ministry of Internal Affairs - Three Waters Reform	4,230	-	-
179	NZ Lotteries Grants Board - Cultural Facilities project	-	-	-
100	Prime Minister's Department - Lake Ōhau Village fire event	-	-	-
60	Other Government Grants and Subsidies	143	145	84
12,828		13,365	9,519	11,211
<b>Note 3: Operational Revenue - Other Grants and Subsidies</b>				
-	Grants for the Indoor Sports and Events Centre	1,684	7,718	7,718
81	Grants for the Cultural Facilities development	821	510	510
73	Mayors' Taskforce for Jobs	-	-	250
33	North Otago Rugby Club	34	34	34
130	Lake Ōhau Village fire event	-	-	-
48	Christmas lights	-	-	-
24	Grants for the Alps2Ocean Cycletrail	45	-	-
210	Other Grants and Subsidies	224	175	269
599		2,808	8,437	8,781

## Notes to the projected financial statements (continued)

2021 Actual \$000	2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b>Note 4: Finance Revenue and Costs</b>			
<b>Finance Revenue</b>			
8 Bank deposits	25	31	49
300 North Otago Irrigation Company Ltd	465	451	458
384 Observatory Village Lifecare Ltd	278	310	594
70 Kurow-Duntroon Irrigation Co Ltd	73	81	174
23 Advances to other entities	14	14	36
2 Sundry interest	-	-	-
<b>787 Total Finance Revenue</b>	<b>855</b>	<b>887</b>	<b>1,311</b>
<b>Less Finance costs</b>			
- Interest on bank overdraft	-	-	-
90 Interest on bank borrowings	2	-	-
79 Interest on LGFA borrowings	180	265	810
<b>169 Total Finance Costs</b>	<b>182</b>	<b>265</b>	<b>810</b>
<b>618 Net Finance Revenue/(Expense)</b>	<b>673</b>	<b>622</b>	<b>501</b>
<b>Note 5: Personnel Costs</b>			
14,226 Salaries and Wages	15,332	16,628	17,216
30 Redundancy and Severance payments	-	-	-
402 Defined Contribution Plan - employer contribution	453	492	510
44 Fringe Benefit Taxes	43	43	53
<b>14,702</b>	<b>15,828</b>	<b>17,163</b>	<b>17,779</b>
(1,491) Recoveries from capital projects	(1,771)	(2,357)	(2,712)
<b>13,211</b>	<b>14,057</b>	<b>14,806</b>	<b>15,067</b>
<b>Note 6: Depreciation expense</b>			
7,331 Roads and Footpaths	7,449	8,022	7,503
1,306 Sewerage (Treatment & Disposal)	1,370	1,382	1,786
273 Stormwater Drainage	286	286	344
2,105 Water Supply	2,300	2,315	2,807
60 Waste Management & Minimisation	59	59	62
211 Arts, Heritage & Community	182	185	248
916 Recreation Services	963	1,053	1,027
1,808 District Leadership	1,792	1,790	1,968
1,882 Property Management and Development	1,930	1,961	2,041
60 Heritage, Environment and Regulation	62	62	57
<b>15,952</b>	<b>16,393</b>	<b>17,115</b>	<b>17,715</b>

## Notes to the projected financial statements (continued)

2021 Actual \$000	2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b>Note 7: Other Expenses</b>			
171 Audit Fees - Annual Report	190	201	209
38 Audit Fees - Prior year Annual Report	-	-	-
139 Audit Fees - Long Term Plan	-	-	-
1,234 Community Grants and Donations	955	967	1,006
2,231 Consultants	1,345	1,382	1,664
17,493 Contractors	14,820	15,344	17,593
501 Elected Members Remuneration	566	588	628
2,037 Electricity supply	1,824	1,861	2,250
119 Expected Credit Losses on Investments	-	-	-
90 Impairment of Receivables	150	150	150
749 Insurance Premiums	793	841	833
235 Legal Fees	223	228	177
208 Operating Lease expense	255	260	247
55 Provision for Closed Landfill	(1)	(6)	(33)
259 Valuation Expenses	232	236	226
5,629 Other Expenditure	5,256	5,716	5,820
<b>31,188</b>	<b>26,608</b>	<b>27,768</b>	<b>30,770</b>

## Note 8: Property, Plant & Equipment

### Opening Balance

62,032 Land	61,782	64,316	62,616
63,562 Buildings and Improvements	68,459	76,253	67,253
575,373 Roads & Bridges	577,272	576,438	575,675
78,846 Water Supply	80,307	84,090	112,675
49,702 Sewerage (Treatment & Disposal)	50,968	51,513	129,200
17,582 Stormwater Drainage	19,295	18,979	20,175
127 Solid Waste	86	218	110
26,104 Ōamaru Harbour	27,896	27,453	26,700
4,291 Alps2Ocean	4,768	4,628	5,225
888 Plant, Equipment & Vehicles	917	869	1,175
1,038 Office Equipment & Fittings	1,742	2,399	1,615
1,504 Collections	1,528	1,555	1,570
<b>881,049</b>	<b>895,020</b>	<b>908,711</b>	<b>1,003,989</b>

### Capital Expenditure

33 Land	-	-	-
723 Buildings and Improvements	7,479	18,483	16,907
9,600 Roads & Bridges	6,615	7,411	8,937
9,993 Water Supply	6,983	9,958	30,238
526 Sewerage (Treatment & Disposal)	2,065	2,756	1,770
2 Stormwater Drainage	-	-	100
6 Solid Waste	-	-	-
321 Ōamaru Harbour	-	26	364
1,514 Alps2Ocean	50	102	-
616 Plant, Equipment & Vehicles	200	204	208
1,115 Office Equipment & Fittings	1,021	1,012	655
122 Collections	142	145	190
<b>24,571</b>	<b>24,555</b>	<b>40,097</b>	<b>59,369</b>



## Notes to the projected financial statements (continued)

2021 Actual \$000	2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b>Note 8: Property, Plant &amp; Equipment (continued)</b>			
<b>Revaluations</b>			
- Land	2,784	-	-
- Buildings and Improvements	4,000	-	-
- Roads & Bridges	-	42,326	44,750
27,277 Water Supply	-	-	-
80,915 Sewerage (Treatment & Disposal)	-	-	-
- Office Equipment & Fittings	-	-	-
- Collections	-	-	-
111,667	6,959	42,326	44,750
<b>Disposals</b>			
(138) Buildings and Improvements	(200)	(200)	(200)
- Roads & Bridges	-	-	-
(1,507) Water Supply	(900)	(900)	(1,000)
- Ōamaru Harbour	-	-	-
- Alps2Ocean	-	-	-
(125) Plant, Equipment & Vehicles	(140)	(140)	(140)
(9) Office Equipment & Fittings	(5)	(5)	(5)
(10) Collections	(10)	(10)	(10)
(2,451)	(1,685)	(1,685)	(1,830)
<b>Depreciation</b>			
- Land	-	-	-
(3,258) Buildings and Improvements	(3,485)	(3,584)	(3,580)
(7,355) Roads & Bridges	(7,449)	(8,022)	(7,503)
(2,104) Water Supply	(2,300)	(2,315)	(2,811)
(1,294) Sewerage (Treatment & Disposal)	(1,370)	(1,382)	(1,786)
(273) Stormwater Drainage	(286)	(286)	(344)
(23) Solid Waste	(43)	(43)	(58)
(343) Ōamaru Harbour	(443)	(443)	(475)
(213) Alps2Ocean	(190)	(190)	(245)
(179) Plant, Equipment & Vehicles	(108)	(108)	(115)
(495) Office Equipment & Fittings	(359)	(359)	(360)
(109) Collections	(105)	(108)	(116)
(15,646)	(16,138)	(16,840)	(17,393)
(307) Amortisation of Intangible Assets	(275)	(275)	(322)
(15,953)	(16,413)	(17,115)	(17,715)
<b>Closing Book Value</b>			
61,736 Land	64,316	64,066	62,216
60,889 Buildings and Improvements	76,253	90,952	80,380
577,618 Roads & Bridges	576,438	618,153	621,859
112,505 Water Supply	84,090	90,833	139,102
129,516 Sewerage (Treatment & Disposal)	51,513	52,737	129,109
20,786 Stormwater Drainage	18,979	18,663	19,931
110 Solid Waste	218	175	52
26,082 Ōamaru Harbour	27,453	27,036	26,589
5,592 Alps2Ocean	4,628	4,540	4,980
1,200 Plant, Equipment & Vehicles	869	825	1,128
1,649 Office Equipment & Fittings	2,399	3,047	1,905
1,507 Collections	1,555	1,582	1,634
999,190	908,711	972,609	1,088,885

## Notes to the projected financial statements (continued)

2021 Actual \$000	2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b>Note 9: Intangible Assets</b>			
785 Opening balance	745	760	1,950
1,047 Additions	290	285	900
(307) Amortisation	(275)	(275)	(322)
<u>1,525</u> Closing balance	<u>760</u>	<u>770</u>	<u>2,528</u>
<b>Note 10: Investments</b>			
<b>Council Controlled Organisations</b>			
4,600 Whitestone Contracting Ltd	4,600	4,600	4,600
103 Tourism Waitaki Ltd	103	103	103
- Waitaki District Health Services Ltd Group	-	-	-
- Waitaki Whitestone Geopark Trust	-	-	-
<u>4,703</u>	<u>4,703</u>	<u>4,703</u>	<u>4,703</u>
<b>Joint Venture</b>			
<i>Ōmārama Airfield Ltd - 50% owned</i>			
1,675 Opening balance of investment	1,675	1,675	1,644
(31) Share of reported Surplus/(Deficit)	-	-	-
<u>1,644</u>	<u>1,675</u>	<u>1,675</u>	<u>1,644</u>
<b>Investments in other entities</b>			
263 LGFA Borrower Notes - non-current	513	513	750
50 LGFA Borrower Notes - current	50	50	87
- Accrued interest	-	-	17
<u>313</u>	<u>563</u>	<u>563</u>	<u>854</u>
114 Civic Financial Services Ltd	114	114	114
31 Lower Waitaki Irrigation Co Ltd	31	31	31
<u>458</u>	<u>708</u>	<u>708</u>	<u>999</u>
<b>Analysis</b>			
408 Classified as Non-current	658	658	910
50 Classified as Current	50	50	89
<u>458</u>	<u>708</u>	<u>708</u>	<u>999</u>

## Notes to the projected financial statements (continued)

2021 Actual \$000	2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b>Note 11: Loans to Other Entities</b>			
<b>Non-current Asset</b>			
14,360 North Otago Irrigation Company Ltd	14,125	13,514	13,213
9,241 Observatory Village Lifecare Ltd	7,333	5,425	15,549
3,112 Kurow-Duntroon Irrigation Company Ltd	3,112	2,792	3,112
548 Advances to other entities	460	421	1,201
(107) Expected Lifetime Credit Losses	-	-	-
<b>27,154 Total Non-current Assets</b>	<b>25,030</b>	<b>22,152</b>	<b>33,075</b>
<b>Current Asset</b>			
338 North Otago Irrigation Company Ltd	380	611	611
1,708 Observatory Village Lifecare Ltd	1,908	1,908	-
- Kurow-Duntroon Irrigation Company Ltd	-	320	-
760 Advances to other entities	39	39	49
10 Interest Accrued on balances at year end	14	12	27
(12) Expected Lifetime Credit Losses	-	-	-
<b>2,804 Total Current Assets</b>	<b>2,341</b>	<b>2,890</b>	<b>687</b>
<b>29,958 Total Loans to Other Entities</b>	<b>27,371</b>	<b>25,042</b>	<b>33,762</b>
<b>Note 12: Trade and Other Receivables</b>			
1,405 Rates	1,344	1,459	1,869
2,906 Sundry Debtors	2,277	2,323	2,964
1,727 Accrued Revenue	1,832	1,869	1,935
69 Infringements	55	55	75
43 Owed by subsidiaries and associates	70	70	65
<b>6,150</b>	<b>5,578</b>	<b>5,776</b>	<b>6,908</b>
(347) Less Allowance for Credit Losses	(230)	(230)	(230)
<b>5,803 Total Receivables</b>	<b>5,348</b>	<b>5,546</b>	<b>6,678</b>
<b>Note 13: External Borrowings</b>			
7,400 Opening balance	15,000	25,032	25,021
15,000 New borrowing	10,000	4,500	24,000
(6,400) Borrowing repaid	-	(4,532)	(11,021)
21 Interest accrued	32	40	72
<b>16,021 Total Borrowings</b>	<b>25,032</b>	<b>25,040</b>	<b>38,072</b>
<b>Current Liability</b>			
4,500 LGFA Loans	4,500	6,500	8,000
21 LGFA Loans - accrued interest	32	40	72
1,000 Bank loans	-	-	-
<b>5,521 Total Current Liability</b>	<b>4,532</b>	<b>6,540</b>	<b>8,072</b>
<b>Non-current Liability</b>			
10,500 LGFA Loans	20,500	18,500	30,000
<b>10,500 Total Non-current Liability</b>	<b>20,500</b>	<b>18,500</b>	<b>30,000</b>
<b>16,021 Total Borrowings</b>	<b>25,032</b>	<b>25,040</b>	<b>38,072</b>

## Notes to the projected financial statements (continued)

2021 Actual \$000		2022 LTP Yr 1 \$000	2023 LTP Yr 2 \$000	2023 Annual Plan \$000
<b>Note 14: Employee Entitlements</b>				
<b>Current Liability</b>				
202	Accrued Salary and Wages	620	639	314
1,168	Annual Leave	1,063	1,110	1,305
78	Long Service Leave	52	52	50
<u>1,448</u>	<b>Total Current Liability</b>	<u>1,735</u>	<u>1,801</u>	<u>1,669</u>
<b>Non-current Liability</b>				
93	Long Service Leave	-	-	107
<u>93</u>	<b>Total Non-current Liability</b>	<u>-</u>	<u>-</u>	<u>107</u>
<u>1,541</u>	<b>Total Employee Entitlements</b>	<u>1,735</u>	<u>1,801</u>	<u>1,776</u>
<b>Note 15: Trade and Other Payables</b>				
5,119	Sundry Creditors	4,891	5,994	8,560
692	Accruals	1,335	1,470	1,315
1,081	Owing to Subsidiaries	549	576	972
3,061	Revenue charged or received in Advance	1,100	1,100	1,445
213	Deposits	150	150	240
<u>10,166</u>	<b>Total Trade and Other Payables</b>	<u>8,025</u>	<u>9,290</u>	<u>12,532</u>

# 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 which are restricted, being reserves with rules set by legal obligation restricting the use to which the funds may be put. These are Trust Reserves, Development Reserves and Special Reserves. The remaining Council-created reserves are discretionary reserves, established for the fair and transparent use of monies. These are Operating Reserves and Renewal (Depreciation) Reserves.

Reserves are not held separately in cash, and funds are managed as part of treasury management. Details of reserves, their general purposes, projected opening balances, movements over the Annual Plan year, and closing balances are presented in the following tables, and are also available on Council's website, [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

<b>Restricted Reserves</b>	<b>Projected Opening Balance at 1 July 2022 \$000</b>	<b>Forecast deposits and transfers to reserves \$000</b>	<b>Forecast withdrawals and transfers from reserves \$000</b>	<b>Projected Closing Balance at 30 June 2023 \$000</b>
<b>Trust Reserves</b>				
Funded from sources external to Council, subject to binding conditions regarding their use. The largest relates to Resource Management Act financial contributions. Many of the funds are to support cultural facilities.	1,775	445	(325)	1,895
<b>Development Reserves</b>				
Reserves to record and allocate funds received under Council's Development Contributions policy.	8,470	1,699	(5,462)	4,707
<b>Special Reserves</b>				
Similar to Trust Reserves, as they have a specific purpose, but as they are Council-created, Council has more discretion over their use. The largest are the Disaster Fund and the Community Housing Reserve.	10,450	1,485	(650)	11,285



<b>Discretionary Reserves</b>	<b>Projected Opening Balance at 1 July 2022 \$000</b>	<b>Forecast deposits and transfers to reserves \$000</b>	<b>Forecast withdrawals and transfers from reserves \$000</b>	<b>Projected Closing Balance at 30 June 2023 \$000</b>
<b>Separate Rate Operating Reserves</b>				
Separate rates are described in the Funding Impact section of this AP and are set to match funding required. However, if Council considers the level of accumulated surplus or deficit in a reserve is too large, it can, at its discretion, either reduce the surplus or fund the reserve. Such movements are difficult to forecast, and have been estimated based on previous history, and form part of overall Operating Reserves.	4,160	823	(111)	4,872
<b>Renewal (Depreciation) Reserves</b>				
Funded depreciation reserves are maintained to support 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 that Council has decided not to fund. Assets for which depreciation is either fully or partially unfunded are detailed in the Financial Strategy which can be found on Council's website: <a href="http://www.waitaki.govt.nz">www.waitaki.govt.nz</a> . Expenditure from these reserves funds replacement assets or maintains the economic lives and service potential of existing assets.	43,485	9,066	(26,439)	26,412

# 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 Council to disclose some funding and rating information and policies in the Annual Plan, while other information is disclosed by other means, primarily by being available at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

## Introduction

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

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

- The basis of setting the general rate i.e. 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 17).
- Any factor or factors that will be used to calculate liability for a targeted rate (Section 18).
- An indication that we wish to set a charge for water supply by volume of water consumed if we are intending to do so (Section 19).

Within this document there is further information on 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

### General Rate

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

The General Rate will contribute to the funding for:

- Council
- Community Boards
- Resource Consents Processing
- Noxious Plants
- Forestry
- Community Planning and Accountability
- Sports Grounds
- District Planning
- Waitaki Community Recreation Centre Grant
- Ōamaru Harbour – Port Operations

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

## Uniform Annual General Charge

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

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

- Community Safety, Development and Grants
- Cemeteries
- Public Toilets
- Liquor Licensing
- Tourism Development and Visitor Services
- Civil Defence
- Otago Museum Grant
- Sports Grounds
- Building Control
- Environmental Health
- Residual waste disposal, closed landfills and waste minimisation
- Environmental Monitoring and enforcement

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

## Targeted Rates – District Services

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

The targeted rate will contribute to the funding for:

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

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

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

- Reserves and Open Spaces

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

### Ahuriri Ward Community Board Rate

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

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

### Ahuriri Ward Services Charge

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

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

- Forrester Gallery, Waitaki Museum and Archive
- Ōamaru Public Gardens
- Streetscapes and Town Centres
- Parking Enforcement
- District Libraries
- Ōamaru Opera House
- Waitaki Aquatic Centre

### Corriedale Ward Services Rate

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

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

- Reserves and Open Spaces

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

### Corriedale Ward Services Charge

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

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

- Forrester Gallery, Waitaki Museum and Archive
- Ōamaru Public Gardens
- Streetscapes and Town Centres
- Parking Enforcement
- District Libraries
- Ōamaru Opera House
- Waitaki Aquatic Centre

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

### Ōamaru Ward Services Rate

Council set a targeted rate for Ōamaru Ward Services, 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

### Ōamaru Ward Services Charge

Council set 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, Waitaki Museum and Archive
- Ōamaru Public Gardens
- Streetscapes and Town Centres
- Parking Enforcement
- District Libraries
- Ōamaru Opera House
- Waitaki Aquatic Centre

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

### Waihemo Ward Services Rate

Council set a targeted rate for Waihemo Ward Services, based on the capital 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 Services Rate will contribute to the funding for:

- Waihemo Service Centre
- Reserves and Open Spaces
- Parking Enforcement

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

### Waihemo Ward Community Board Rate

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

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

## Waihemo Ward Services Charge

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

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

- Forrester Gallery,
- Waitaki Museum and Archive
- Ōamaru Public Gardens
- Streetscapes and Town Centres
- District Libraries
- Ōamaru Opera House
- Waitaki Aquatic Centre

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

## Targeted Rates by Locality

The defined areas for all targeted rates by locality are specified on maps available from Council.

### Ōamaru Business Area Rate

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

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

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

- Tourism Development and Visitor Services
- Forrester Gallery, Waitaki Museum and Archive
- Waitaki Aquatic Centre
- Christmas Decorations
- Parking Enforcement
- District Libraries
- Ōamaru Public Gardens
- Ōamaru Opera House

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

### Ōamaru Urban Area

Council set 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 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, Council may agree to fund the private benefit of works by specific local rates on targeted properties.

## Local Amenity Rates

Council set targeted rates for local amenity. Local Amenity Rates are primarily used for roading works specific to the locality. They also include, as a separate component, stormwater costs where the township has a stormwater system.

Ōamaru and Weston use a combination of land value and fixed charge differentiated by land value. All other amenity rates are 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 a uniform rate in the dollar or a fixed charge.

The separate targeted rates are:

Duntroon	Lake Ōhau	Otematata
Herbert	Maheno	Palmerston
Hampden	Moeraki	Shag Point
Kakanui	Ōamaru	Weston
Kurow	Ōmārama	

The targeted rates will contribute to the funding of new footpaths, kerb and channel, off-street car parks, street lighting, stormwater and other improvements, within these boundaries. The Ōamaru Amenity Rate also provides funding for the Ōamaru Drill Hall.

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

## Public Hall and Community Centre Rates

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

The separate uniform targeted rates for public halls:

Airedale	Kurow	Pukeuri
Ardgowan	Lower Waitaki	Tokarahi
Awamoko	Moeraki	Totara
Dunback	Ngapara	Waianakarua
Duntroon	Ōmārama	Waitaki Bridge
Enfield	Otekaieke	Weston
Hampden	Otematata	Windsor
Kakanui	Otepopo	
Kauru Hill	Palmerston	

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

## Targeted Rates by Activity

### Roading Rate

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

The Roothing Rate is set on a differential basis based on land use (the categories are Hydro-Electric Power Generation Installations, Mining and Mineral Extraction, Forestry, and General Purposes).

Part of the rate is used to fund a reserve to help fund forestry related roading issues.

The differential categories are defined thus:

Differential Category	Description of Category	Differential basis
Hydroelectric Power General Installations	All rating units used primarily or predominantly for the generation of hydroelectric power from Lakes Aviemore, Benmore, Ōhau or Waitaki	8% of activity funded from this differential
Mining and Mineral Extraction	All rating units with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction	5% of activity funded from this differential
General Purposes	All rating units not either used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ōhau or Waitaki or with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction, or primarily used for forestry activities	87% of activity funded from this differential
Forestry	All rating units used primarily or predominantly for the commercial forestry purposes	An annual charge set at 4 x the Roothing General rate

## Sewerage (Waste Water) Rates and charges

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

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

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

The 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.

The uniform targeted sewerage rates are charged in the following areas:

Duntroon	Kakanui	Kurow
Lake Ōhau Village	Moeraki	Ōamaru
Ōmārama	Otematata	Palmerston

## Water Rates – Urban

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

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

Some rates will be set on a differentiated basis:

- Geographic supply zone - this is a specific area with a larger rating area.
- Connected – all 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
Ōmārama	Connections per rating unit
Otematata	Connections per rating unit
Palmerston zone – Waihemo Water	Connections per rating unit

Urban Town/ Township	Activity and basis for charge	Unit Volume (litres/day)
Weston zone – Ōamaru Water	Supply per unit	1,818
Kakanui zone – Ōamaru Water	Supply per unit Crib supply per unit	1,818 909
Hampden/ Moeraki zone – Ōamaru Water	Domestic supply per unit Rural Supply per unit	909 1,818

The Hampden/Moeraki zone of the Ōamaru Water Supply 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 zone of the Ōamaru Water Supply 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. There are presently no new crib units available.

## Water Rates – Rural

Council set targeted rates for water supply to rural water supplies 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 – Ōamaru Water	Supply per unit	1,818
Goodwood zone – Waihemo Water	Supply per unit	1,818
Herbert/ Waianakarua zone – Ōamaru Water	Supply per unit	1,818
Kauru Hill	Supply per unit	1,818
Lake Ōhau Village	Supply per unit	600
Lake Ōhau Village availability	Per rating unit located within 100m of water reticulation	
Lower Waitaki	Supply per unit	1,818
Bushy Creek	Supply per unit	1,818
Stoneburn	Supply per unit	1,000
Tokarahi	Supply per unit	1,818
Windsor	Supply per unit	1,818

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

The targeted rates for the Ōamaru 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 reviewed annually.

The uniform targeted rates are:

- Ōamaru Water Treatment Loan Rate

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

Separately used or inhabited parts (SUIP) 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 the 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 cooking facilities.
  - A hotel room with or without independent cooking facilities.
  - A motel room with or without independent cooking facilities.
  - Rooms in a residential dwelling or hostel with common cooking facilities.
  - 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 cooking facilities.
  - Separately leased commercial areas with separate access, sanitary or other facilities.

The SUIP for commercial properties/businesses captures some quite small spaces which imposes a significant extra cost on those affected. To make the application fairer across all businesses, Council has developed a measure based on gross floor area.

# 2022/23 RATES SCHEDULE

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

## Abbreviations used in this table

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

RATE NAME	2022/23		
	PROPOSED RATE	BASIS FOR RATE	BUDGETED TOTAL REVENUE
General Rate	\$0.0679	LV	\$3,251,806
Uniform Annual General Charge	\$463	SUIP	\$6,458,424
District Services Rate	\$0.0194	CV	\$1,896,173
Ahuriri Ward Services Rate	\$0.0124	CV	\$306,622
Ahuriri Community Board Rate	\$0.0060	LV	\$47,767
Ahuriri Ward Services Charge	\$121	SUIP	\$248,393
Corriedale Ward Services Rate	\$0.0076	CV	\$220,981
Corriedale Ward Services Charge	\$338	SUIP	\$889,949
Ōamaru Ward Services Rate	\$0.0303	CV	\$943,371
Ōamaru Ward Services Charge	\$548	SUIP	\$3,991,288
Waihemo Ward Services Rate	\$0.0366	CV	\$446,700
Waihemo Community Board Rate	\$0.0157	LV	\$120,605
Waihemo Ward Services Charge	\$121	SUIP	\$243,411
Ōamaru Business Area Rate A	\$0.2951	CV	\$538,080
Ōamaru Business Area Rate B	\$0.1476	CV	\$97,019
Ōamaru Urban Area	\$0.0238	CV	\$582,365

## 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 – Ōamaru	\$0.1091	LV	\$593,292
Township Amenity – Ōhau	\$0.0130	LV	\$3,871
Township Amenity – Ōmārama	\$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
Township Amenity – Weston Flat Charge	\$250	Unit	\$9,000

RATE NAME	PROPOSED RATE	BASIS FOR RATE	BUDGETED TOTAL REVENUE
<b>Roading Rate</b>			
Roading – General	\$0.0847	CV	\$7,489,172
Roading – Electrical Generation	\$0.0854	CV	\$688,379
Roading – Mineral Extraction	\$1.5054	CV	\$430,237
Roading – Forestry Charge	\$0.3408	CV	\$235,152

**Public Hall Rates**

Airedale Public Hall Rate	\$40	SUIP	\$1,080
Ardgowan Public Hall Rate	\$20	SUIP	\$2,940
Awamoko Public Hall Rate	\$30	SUIP	\$2,610
Dunback Public Hall Rate	\$30	SUIP	\$3,900
Duntroon Public Hall Rate	\$20	SUIP	\$3,060
Enfield Public Hall Rate	\$20	SUIP	\$2,680
Five Forks Public Hall Rate	\$20	SUIP	\$1,600
Hampden Public Hall Rate	\$40	SUIP	\$11,280
Kakanui Public Hall Rate	\$20	SUIP	\$7,740
Kauru Hill Public Hall Rate	\$50	SUIP	\$2,150
Kurow Public Hall Rate	\$50	SUIP	\$16,200
Lower Waitaki Public Hall Rate	\$80	SUIP	\$15,600
Macraes Public Hall Rate	\$60	SUIP	\$3,120
Maheno Public Hall Rate	\$40	SUIP	\$7,840
Moeraki Public Hall Rate	\$40	SUIP	\$9,040
Ngapara Public Hall Rate	\$20	SUIP	\$1,740
Ōmārama Public Hall Rate	\$50	SUIP	\$19,050
Otekaieke Public Hall Rate	\$20	SUIP	\$1,720
Otematata Public Hall Rate	\$50	SUIP	\$26,750
Otepopo Public Hall Rate	\$30	SUIP	\$5,430
Palmerston Public Hall Rate	\$40	SUIP	\$28,280
Pukeuri Public Hall Rate	\$20	SUIP	\$2,080
Tokarahi Public Hall Rate	\$30	SUIP	\$3,240
Totara Public Hall Rate	\$40	SUIP	\$9,080
Waianakarua Public Hall Rate	\$30	SUIP	\$1,830
Waitaki Bridge Public Hall Rate	\$20	SUIP	\$3,120
Weston Public Hall Rate	\$40	SUIP	\$24,720
Windsor Public Hall Rate	\$50	SUIP	\$3,350

**Water Rates - Urban****Ōamaru**

Ōamaru Water – Supply	\$323	CRU	\$2,181,581
Ōamaru Water – Reticulation	\$275	CRU	\$1,755,577
Ōamaru Water Treatment Loan (excludes businesses with water meters)	\$108	CRU	\$602,813

2022/23			
RATE NAME	PROPOSED RATE	BASIS FOR RATE	BUDGETED TOTAL REVENUE
Ōamaru Water – Enfield Zone	\$706	CRU	\$186,660
Ōamaru Water – Weston Zone	\$706	CRU	\$738,526
Ōamaru Water – Kakanui ordinary supply	\$706	CRU	\$327,174
Ōamaru Water – Kakanui crib unit supply	\$544	CRU	\$26,120
Ōamaru Water – Hampden-Moeraki Domestic Supply	\$544	Unit	\$271,814
Ōamaru Water – Hampden-Moeraki Water Supply	\$706	Unit	\$101,439
Ōamaru Water – Herbert-Waianakarua Water Supply	\$706	Unit	\$429,890
<b>Waihemo Water</b>			
Waihemo Water – Palmerston Zone	\$937	CRU	\$508,391
Waihemo Water – Dunback Zone	\$937	CRU	\$198,221
Waihemo Water – Goodwood Zone	\$937	CRU	\$229,165
<b>Other Urban Water</b>			
Kurow Water Supply	\$781	CRU	\$241,017
Lake Ōhau Village Water Supply	\$421	CRU	\$17,252
Lake Ōhau Village – connection availability	\$210	SRU	\$18,725
Ōmārama Water Supply	\$627	CRU	\$207,519
Otematata Water Supply	\$583	CRU	\$309,547
<b>Urban Water – metered supply</b>			
Ōamaru Water – metered supply	\$1.19	m3	N/A
Waihemo Water – Palmerston Zone - metered supply	\$1.19	m3	N/A
Kurow metered supply	\$0.52	m3	N/A
Ōmārama – metered supply	\$0.96	m3	N/A
Otematata – metered supply	\$0.52	m3	N/A
<b>Rural Water Supplies</b>			
Bushy Creek Water Supply	\$176	Unit	\$17,255
Duntroon Water Supply	\$885	Unit	\$69,952
Kauru Water Supply	\$467	Unit	\$92,247
Lower Waitaki Water Supply	\$675	Unit	\$280,296
Stoneburn Water Supply	\$417	Unit	\$137,500
Tokarahi Water Supply	\$438	Unit	\$303,405
Windsor Water Supply	\$436	Unit	\$83,023
<b>Sewerage Rates and Charges</b>			
Sewerage – Ōamaru	\$281	WC	\$2,285,153
Sewerage – Kakanui	\$281	WC	\$96,798
Sewerage – Duntroon	\$124	WC	\$1,237
Sewerage – Kurow	\$361	WC	\$109,318



2022/23			
RATE NAME	PROPOSED RATE	BASIS FOR RATE	BUDGETED TOTAL REVENUE
Sewerage – Lake Ōhau Village	\$318	WC	\$11,757
Sewerage – Lake Ōhau Village - connection availability	\$159	SRU	\$14,458
Sewerage – Moeraki	\$1,264	WC	\$243,944
Sewerage – Moeraki - connection availability	\$633	SRU	\$28,502
Sewerage – Ōmārama	\$468	WC	\$259,251
Sewerage – Otematata	\$330	WC	\$183,587
Sewerage – Palmerston	\$437	WC	\$272,553

# RATES EXAMPLES

PROPERTY TYPE/LOCATION	LAND VALUE \$	CAPITAL VALUE \$	2022 RATES \$	2023 RATES \$	PERCENTAGE CHANGE %
<b>Residential</b>					
Ōamaru	44,000	190,000	2,184	2,346	+7.42%
Ōamaru	107,000	350,000	2,493	2,666	+6.94%
Ōamaru	137,000	420,000	2,631	2,809	+6.77%
Ōamaru	210,000	485,000	2,808	2,990	+6.48%
Ōamaru	320,000	680,000	3,221	3,416	+6.05%
Ōamaru	230,000	840,000	3,366	3,573	+6.15%
Kakanui	175,000	530,000	2,351	2,531	+7.66%
Weston	120,000	440,000	2,657	2,827	+6.40%
Goodwood	48,000	190,000	1,752	1,868	+6.62%
Hampden	120,000	380,000	1,727	1,871	+8.34%
Herbert	70,000	335,000	1,806	1,963	+8.69%
Kurow	128,000	350,000	2,148	2,299	+7.03%
Lake Ōhau	220,000	690,000	1,421	1,550	+9.08%
Maheno	80,000	295,000	1,109	1,229	+10.82%
Moeraki	215,000	600,000	3,146	3,466	+10.17%
Ōmārama	205,000	390,000	2,300	2,380	+3.48%
Otematata	180,000	480,000	2,200	2,327	+5.77%
Palmerston	85,000	370,000	2,501	2,640	+5.56%
<b>Commercial</b>					
Ōamaru	1,390,000	6,640,000	33,869	35,487	+4.78%
Ōamaru	205,000	510,000	4,273	4,529	+5.99%
Ōmārama	495,000	1,510,000	10,622	10,516	-1.00%
Otematata	920,000	1,100,000	4,929	5,151	+4.50%
Palmerston	350,000	790,000	8,772	8,854	+0.93%
<b>Agricultural</b>					
Ahuriri	7,290,000	8,410,000	15,561	16,453	+5.73%
Awamoko	1,980,000	2,380,000	6,041	6,367	+5.39%
Papakaio	13,050,000	16,860,000	30,851	32,979	+6.90%
Waihemo	1,710,000	1,832,000	6,184	6,465	+4.54%
Waitaki Bridge	6,450,000	8,140,000	14,901	15,935	+6.94%

# SUNDRY RATING POLICIES

## POSTPONEMENT OF RATES

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

### Postponement of Rates for Extreme Financial Hardship

#### Objective

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

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

#### Conditions and Criteria

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

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

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

The ratepayer(s) (or authorised agent) must make a 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 and 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 Council.

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 designed to cover Council's administrative and financial costs and may vary from year to year. The fee will be set annually in Council's 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

The ratepayer(s) may appeal any decision 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

The objective of this policy is to facilitate the development and use of the land for economic use where Council considers 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 the 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 discretion, partially remit rates that are otherwise subject to postponement.

## **REMISSION OF RATES**

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

### **Remission of Rates – General**

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

### **Remission of Rates on Bare Land**

#### **Objectives**

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 Council 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 Council's action or attention.

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

#### **Objectives**

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

#### **Criteria and Conditions**

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**

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

#### **Criteria and Conditions**

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 Rating Units for Separately Used Inhabited Parts used exclusively by Family Members**

#### **Objectives**

The objective of this policy is to recognise the potential inequity of charging properties that are used exclusively by family members for residential purposes, on the same basis as other residential inhabited parts.

#### **Criteria and Conditions**

Council may remit, on application from the ratepayer, part or all of the SUIP based on a method established by Council, in situations where the property is being used exclusively by family members.

The ratepayer will be required to complete an Annual Declaration form (found on Council website [www.waitaki.govt.nz](http://www.waitaki.govt.nz) or available from Waitaki District Council, 20 Thames Street, Ōamaru) in order for a remission on the SUIP to be considered.

### **Remission of Rates on Properties with Mixed Residential and Other Uses in the Ōamaru Business Areas**

#### **Objectives**

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

The objectives of the policy are to:

- Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- Set aside land that is better set aside for non-use because of its natural features.
- Recognise matters related to physical accessibility of the land.
- Recognise and take into account the presence of wāhi 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, or
- 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 the relief is at the sole discretion of Council 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 will grant to the Chief Executive (or his/her nominee) delegated authority in the following circumstances to approve on receipt of an application the remission of such penalty charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

- On a 'one-off' basis where the ratepayer has had a previous satisfactory payment history.
- Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment when the original account was issued in the name of the previous owner/lessee.
- On compassionate grounds, i.e. 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 the same which has subsequently resulted in a penalty charge being imposed.

## Arrears – Penalty Remissions

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

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

1. The remission does not go back for more than three years.
2. That the rates are paid.
3. That 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. This is 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 Council are better off with a future revenue stream.



## Remission of Sewerage Charges on Schools

### Objectives

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

### Conditions and Criteria

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

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

## General Remission – Extraordinary Circumstances

### Objectives

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

### Conditions and Criteria

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

## General Matters

### Council Discretion

The extent of the relief 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 Officer

Unless otherwise stated, the Chief Executive Officer

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

## Administration of Rates

### Payment Methods and Places

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

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

Rates may be paid by any of the following methods:

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

Rates may be paid at Council offices:

- Waitaki District Council Headquarters, 20 Thames Street, Ōamaru between the hours of 8.00am to 5pm Monday to Friday except Thursday 8.00am to 4pm.
- Waihero Service Centre, 54 Tiverton Street, Palmerston between the hours of 8.30am to 5pm Monday to Friday except Thursday 8.30am to 4pm.

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

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

Payments are applied to the oldest debt first.

## **Rates Refund Policy**

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 other delegated 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](http://www.waitaki.govt.nz).



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