



2022/23

ANNUAL PLAN

MAHERE-Ā-TAU

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INTRODUCTION
KŌRERO WHAKATAKI

FROM THE MAYOR AND CHIEF EXECUTIVE

Kia ora, welcome to the 2022/23 Annual Plan.

As we look at the year ahead, we know we will be faced with challenges and opportunities within our communities and the local government sector. Taking into account all of the information available to us we have carefully developed this year's Annual Plan.

Council settled on a Financial Year 2022/23 budget that increases the total amount of rate revenue by 2.88%.

This Annual Plan enables us to continue to deliver the level of services agreed with our community. Council will work hard to ensure that the delivery of those services is carried out in a financially sustainable and prudent manner.

The total value of property rates for FY2022/23 is \$20.9 million and is \$166,000 more than was originally projected when we first developed the 10 Year Plan for 2021-31.

This change is mainly driven by increased costs in the delivery of solid waste, water supply, roads and footpaths services. Of particular note was the severe weather event in February this year which caused damage to over 300 sites on our roading network. Although the majority of the repair work will be funded by Waka Kotahi there is still an impact on our budgets for 2022/23.

This year Council has not been able to absorb all of the increased operating costs that are imposed on us as a Council such as health monitoring and reporting requirements for water supplies, the increases in the Governments Emissions Trading Scheme and waste disposal levies required to operate our Landfill. By and large we have kept fees and charges at the 2021/22 level. However, some increases have been necessary to ensure we fully recover the cost of providing these services in part by those who use them.

This Annual Plan closely aligns with the various work and other programmes we committed to in the 10 Year Plan for 2021-31 adopted in June 2021. For that reason and as provided for by the Local Government Act, 2002, the Council did not seek feedback from the public on the small number of changes confirmed in this Plan.

Some of our projects for the FY 2022/23 include:

- King Country Indoor Sports and Recreation Centre
- Notification of the Proposed Waitomo District Plan and Reserve Management Plan

- Roothing network repair from February 2022 weather event
- Risk Management and Business Continuity Planning
- Development of new cell and gas extraction at Te Kuiti landfill
- Walking and Cycling Strategy development
- Relocating Customer Service operations to Rora Street.

In addition to these projects, we will also continue maintaining and renewing the District's various infrastructure assets to ensure that their value and usefulness is maintained into the future.

The general revaluation of Waitomo District's property values for rating purposes was carried out in September 2021, the resulting valuations saw an overall increase in Capital Value of 26.2%.

Rates affordability is a real concern for the Council, and the unintended impact of the general revaluation on rates has been addressed with the tools available within the Revenue and Financing Policy by the capping the Uniform Annual General Charge (UAGC).

Setting the UAGC at a lower rate will reduce some of the extreme increases and decreases caused by the revaluation. However, there is still a wide range of movement for individual properties due to the new values. The proportion of rates each category pays has been maintained at or close to the same percentage. Residential for example will remain at 36%.

Public debt at the end of the FY2022/23 is forecast to be \$4.2 million less than that forecast for the 10 Year Plan. Debt is forecast to be \$35 million at 30 June 2023, compared to the original \$39.2 million forecast.

We look forward to working with the community in the coming year and taking our District forward by staying committed to our community outcomes which focus on people, businesses, and the environment to deliver greater benefits for our District.

Ngā mihi



John Robertson
Mayor



Ben Smit
Chief Executive

YOUR COUNCIL



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**DELIVERING ON OUR
COMMUNITY OUTCOMES**
KO NGĀ WHAKATŪTUKITANGA
HAPORI

OUR STRATEGIC DIRECTION

Our community outcomes

Our Community Outcomes describe what we want for our community and what the community can expect us to be working towards.

Our Priorities provide focus areas for how we deliver and provide services to our community.

These outcomes and priority areas shaped the development of the **2021-31 10 Year Plan** and this **Annual Plan**.

All our activities contribute to the overall achievement of our community outcomes and our vision – *Waitomo – a vibrant district.*



A Prosperous District

We will continue to enable a thriving and sustainable economy.



A District for People

We welcome all to a district that is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.



A District that cares for its Environment

We plan for the wise use and management of all land and resources, now and for future generations.



A District that works with You

A place that provides safe, reliable and well managed We work with you to collectively focus on the right things at the right time for the greater benefit of the District.

OUR PRIORITIES

Our priority areas



Provide value for money

Residents and ratepayers get best value for money because we find efficient and effective ways to deliver fit-for-purpose infrastructure, assets and services that meet legislative requirements.

We will continue with our renewal and maintenance programmes for our core infrastructure to prevent major repairs or replacements thereby minimising the costs for our current and future generations.



We are developing a new cell to extend the landfill capacity and installation of gas collection that will reduce operational costs.

We are also refreshing our Town Concept Plans due to many changes we are impacted by. This will provide a clear pathway forward on where we should focus our future investments in each town.

Support our communities

We will continue to support a safe, vibrant community where people want to live and feel safe.



We have entered a community partnership project with the Ministry of Education and Te Kuiti High School Board of Trustees to construct and operate the King Country Indoor Sports and Recreation Centre.

We will distribute funding for community projects through our Community and Partnerships Fund. The grants provide community assistance for the 'not for profit' sector to meet local needs and create a strong social base within the community.



Our collaboration with community partners continues through the Vibrant Safe Waitomo framework. The activities, events, and community projects help in creating a caring, safe, and vibrant place to live.


Enable a thriving community

We will continue to enable the growth of our local economy by effectively promoting our District's local businesses and projects.



We will be working on a Development Plan for the Te Kuiti Aerodrome, which has potential as a strategic hub, development opportunities also exist for transport activities.

We will continue our involvement with Te Waka – The Waikato Regional Economic Development Agency. Key areas are Regional Business Support and Māori Economic Development this year focusing on Leadership, Housing, and Wellbeing.

A scenic landscape at sunrise or sunset. The sun is low on the horizon, casting a warm glow over the sky and the silhouettes of trees and hills. The sky is filled with soft, colorful clouds. In the foreground, a dark asphalt road with a white line runs across the bottom. A dark, semi-transparent rectangular box is overlaid on the middle of the image, containing the title text in white.

GROUPS OF ACTIVITIES
NGĀ WHAKATŪTUKITANGA

HOW TO READ THIS SECTION

Waitomo District Council has ten groups of activities outlined within this section. Sometimes a group of activity may have multiple activities within it. This section provides the following details on each group of activities.

ACTIVITY

Provides a brief description of each activity that makes up the group.

MAIN FOCUS AREAS FOR 2022/23

Identifies projects the council will be undertaking during the financial year.

VARIATIONS FROM 2021-31 TEN YEAR PLAN (10YP)

Outlines the key variations in the 2022/23 financial year compared to the corresponding year in the 10YP.

ESTIMATED COST OF SERVICE STATEMENT

Describes what we will deliver to the community and our measures of success.



LEADERSHIP

This group comprises Representation, Strategy and Engagement, Investments, and Emergency Management. Treasury Management and Organisational Overhead activities and service groups are also included in this group.

ACTIVITY

Representation involves enabling, promoting, and supporting local democracy by providing governance advice and democratic services to elected members, the public and staff.

Strategy and Engagement involves research and analysis to prepare strategies, policies, plans and bylaws. This activity also coordinates and undertakes community engagement and consultation.

Investments include investment in Waikato Local Authority Shared Services (now renamed Co-LAB), Inframax Construction Ltd (ICL), Council owned quarries and investment in Civic Financial Services Ltd

Emergency Management involves the administration of the Civil Defence Emergency Management function to coordinate a response to an emergency, and to manage recovery in the District.

MAIN FOCUS AREAS FOR 2022/23

- We will continue to fulfil our statutory role by preparing and consulting on relevant plans and strategies.
- Local Body Elections October 2022.
- Implement Council's Risk Management Framework and Business Continuity Plans.
- Actively participate in the Waikato Mayoral Forum to consider opportunities to collaborate in planning, purchasing and service delivery options.

VARIANCE FROM YEAR 2 OF THE 2021-31 10YP

Sources of operating funding

1. The overall rates requirement is forecast to increase due to additional forecast operating expenditure as detailed below. Rates penalty revenue is also forecast to increase, reflective of current actual trends.

Applications of operating funding

2. Operating expenditure is forecast to increase for elected members' remuneration as determined by the Remuneration Authority and to provide the remuneration of RMA Commissioners for the proposed District Plan hearings that have been rescheduled to the 2022/23 year. Additional costs are forecast for regional initiatives for water collaboration with Co-Lab (previously WLASS).
3. Finance costs are forecast to increase in response to increasing interest rates currently in the market. The interest rate assumption has been updated to 3.71% to reflect these changes, against a forecast assumption of 2.75% adopted in the 10YP.

Applications of capital funding

4. Additional reserve funding is forecast to part fund the additional cost for the Proposed District Plan hearings and increased finance costs. More reserve funding is forecast for Information Services renewal expenditure.



PROSPECTIVE FUNDING IMPACT STATEMENT

Prospective Funding Impact Statement: Leadership (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2	Ref
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	3,365	3,517	3,675	158	1
Targeted rates	0	0	0	0	
Subsidies and grants for operating purposes	0	20	20	0	
Fees and charges	76	78	77	(1)	
Internal charges and overheads recovered	20,517	21,090	21,085	(5)	
Local authorities fuel tax, fines, infringement fees and other receipts	9	9	12	3	
Total operating funding (A)	23,967	24,714	24,869	155	
Applications of operating funding					
Payments to staff and suppliers	10,325	10,475	10,728	253	2
Finance costs	1,103	1,100	1,246	146	3
Internal charges and overheads applied	12,012	12,475	12,423	(52)	
Other operating funding applications	0	0	0	0	
Total applications of operating funding (B)	23,440	24,050	24,397	347	
Surplus (deficit) of operating funding (A-B)	527	664	472	(192)	
Sources of capital funding					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase (decrease) in debt	0	0	0	0	
Gross proceeds from sale of assets	0	0	0	0	
Lump sum contributions	0	41	41	0	
Other dedicated capital funding	0	0	0	0	
Total sources of capital funding (C)	0	41	41	0	
Applications of capital funding					
Capital expenditure - to meet additional demand	0	0	0	0	
Capital expenditure - to improve the level of service	28	113	113	0	
Capital expenditure - to replace existing assets	588	662	652	(10)	
Increase (decrease) in reserves	(89)	(70)	(252)	(182)	4
Increase (decrease) in investments	0	0	0	0	
Total applications of capital funding (D)	527	705	513	(192)	
Surplus (deficit) of capital funding (C-D)	(527)	(664)	(472)	192	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

COMMUNITY AND PARTNERSHIPS

This group represents a range of collaborative and partnership approaches and initiatives involving many agencies and organisations. The activities involve a common theme of promoting a better quality of life within the District.

ACTIVITY

Community Development supports the wellbeing of our communities by enabling local organisations and private providers to deliver a variety of community-based services and activities to meet the needs of our community.

District Promotion is delivered through a partnership between Central Government, Local Government, and the Tourism Industry.

Economic Development involves the facilitation and support of initiatives that will enhance the District's economic sustainability.

Te Kuiti i-SITE Visitor Information Centre provides a free, friendly and objective information service to visitors and the local community.

MAIN FOCUS AREAS FOR 2022/23

- Delivery of the Vibrant Safe Waitomo Strategy and Action Plan.
- Promote economic development in the Waitomo district in collaboration with Te Waka.
- Involvement in the Hamilton and Waikato Regional Tourism Organisation.
- Administration of grant funding as per the Community Development Fund Policy.
- Support the Waitomo District Youth Council and youth liaison.
- Provision of Visitor Information i-SITE services and support for events.
- Promote and support an active and healthy community in collaboration with Sport Waikato.

VARIANCE FROM YEAR 2 OF THE 2021-31 10YP

Sources of operating funding

1. General rates and UAGC is less than forecast for year 2 of the 2021-31 10YP due to the use of operational reserves to part fund some initiatives delayed from the previous year and the transfer of the stadium project to Recreation and Property which has reduced expenditure for this activity.

Applications of operating funding

2. Additional organisation capacity is forecast within Community and Partnerships. This forecast expenditure is partly offset by reduced finance costs as the stadium project has been transferred to Recreation and Property.

Sources of capital funding

3. The 2021-31 10YP provided for loan repayments for Council's contribution towards the stadium construction. Due to a change in the scope of the project where Council has assumed responsibility for construction and operation of the new facility, the stadium project and associated loan repayments has been transferred to Recreation and Property.

Applications of capital funding

4. Additional reserve funding is forecast to part fund several initiatives that were unable to be fully implemented in previous years due to the impact of the pandemic. These include Safe Communities, Community Grants, Youth Engagement and Event Coordination.

PROSPECTIVE FUNDING IMPACT STATEMENT

Prospective Funding Impact Statement: Community and Partnerships (\$'000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2	Ref
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,405	1,426	1,315	(111)	1
Targeted rates	312	317	321	4	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	4	4	4	0	
Internal charges and overheads recovered	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	
Total operating funding (A)	1,721	1,747	1,640	(107)	
Applications of operating funding					
Payments to staff and suppliers	953	965	954	(11)	
Finance costs	0	0	0	0	
Internal charges and overheads applied	716	731	813	82	2
Other operating funding applications	0	0	0	0	
Total applications of operating funding (B)	1,669	1,696	1,767	71	
Surplus (deficit) of operating funding (A-B)	52	51	(127)	(178)	
Sources of capital funding					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase (decrease) in debt	(50)	(50)	0	50	3
Gross proceeds from sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total sources of capital funding (C)	(50)	(50)	0	50	
Applications of capital funding					
Capital expenditure - to meet additional demand	0	0	0	0	
Capital expenditure - to improve the level of service	0	0	0	0	
Capital expenditure - to replace existing assets	0	0	0	0	
Increase (decrease) in reserves	2	1	(127)	(128)	4
Increase (decrease) in investments	0	0	0	0	
Total applications of capital funding (D)	2	1	(127)	(128)	
Surplus (deficit) of capital funding (C-D)	(52)	(51)	127	178	
Funding Balance ((A-B)+(C-D))	0	0	0	0	



RECREATION AND PROPERTY

This group comprises parks and reserves, housing and other properties, recreation and culture, public amenities and safety.

ACTIVITY

Parks and Reserves involves the provision of parks and reserves for recreation, green places and landscapes that are restful and enhance the visual amenity of our communities.

Housing and Property involves provision of housing and community facilities such as halls.

Community Facilities involves the provision of recreation and cultural opportunities to support the health and well-being of the community.

Public Facilities involves the provision of cemeteries, public car parks, public toilets, street furniture and our CCTV system.

MAIN FOCUS AREAS FOR 2022/23

- Development of a district-wide Walking and Cycling Strategy.
- Renewal and upgrade of Les Munro Centre heating and ventilation.
- Completion of new community Stadium at Te Kuiti High School.
- Renewal and maintenance of jetty structures.
- Completion of a development plan for Te Kuiti Aerodrome.
- Completion of new Mokau toilet block.
- Queen Street Administration building and i-Site building works.
- Renewal and upgrade of Maniaiti/Benneydale playground and park amenities.

VARIANCE FROM YEAR 2 OF THE 2021-31 10YP

Sources of operational funding

1. The rates revenue requirement is forecast to increase to fund increased

depreciation of buildings and some increases in operational costs.

Applications of operational funding

2. Forecast expenditure for a development plan for the aerodrome has been included in the budget. This project will be funded by reserve (unspent rates funding from prior years). Additional legal costs to formalise aerodrome lease arrangements has also been included.

Sources of capital funding

3. Grant revenue from several contributors is forecast for the construction of the King Country Indoor Sports and Recreation Centre.
4. Loan funding is forecast for the remaining portion of Council's \$1.5 million contribution to the stadium project. This is offset by a forecast increase in loan repayments.

Applications of capital funding

5. The King Country Indoor Sports and Recreation Centre is currently under construction with expected completion date of December 2022. The forecast increase in capital expenditure is the portion of costs of the total \$8.7 million project cost that will be incurred during 2022/23.
6. Additional reserve funding is forecast to be applied to fund the aerodrome development plan as well as the interest and loan repayments for Council's contribution to the stadium construction which were initially rated for in the 2021/22 year.

PROSPECTIVE FUNDING IMPACT STATEMENT

Prospective Funding Impact Statement: Recreation and Property (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2	Ref
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	3,195	3,123	3,276	153	1
Targeted rates	269	270	269	(1)	
Subsidies and grants for operating purposes	1	1	11	10	
Fees and charges	504	535	508	(27)	
Internal charges and overheads recovered	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	3	3	1	(2)	
Total operating funding (A)	3,972	3,932	4,065	133	
Applications of operating funding					
Payments to staff and suppliers	1,312	1,229	1,309	80	2
Finance costs	0	0	0	0	
Internal charges and overheads applied	1,784	1,830	1,872	42	
Other operating funding applications	0	0	0	0	
Total applications of operating funding (B)	3,096	3,059	3,181	122	
Surplus (deficit) of operating funding (A-B)	876	873	884	11	
Sources of capital funding					
Subsidies and grants for capital expenditure	0	0	3,600	3,600	3
Development and financial contributions	0	0	0	0	
Increase (decrease) in debt	25	(228)	(129)	99	4
Gross proceeds from sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total sources of capital funding (C)	25	(228)	3,471	3,699	
Applications of capital funding					
Capital expenditure - to meet additional demand	0	0	0	0	
Capital expenditure - to improve the level of service	289	112	3,845	3,733	5
Capital expenditure - to replace existing assets	453	223	227	4	
Increase (decrease) in reserves	159	310	283	(27)	6
Increase (decrease) in investments	0	0	0	0	
Total applications of capital funding (D)	901	645	4,355	3,710	
Surplus (deficit) of capital funding (C-D)	(876)	(873)	(884)	(11)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	



REGULATORY SERVICES

Our regulatory activities are governed and directed by legislation, national, regional and local policies and bylaws. We undertake many activities that contribute to keeping our community and district a safe place to be.

ACTIVITY

Building control responsible for processing and monitoring building consents and issuing Code of Compliance Certificates pursuant to the Building Act 2004. This activity also covers the monitoring and enforcement of earthquake-prone building requirements, and swimming pools.

Alcohol licensing responsible for administering the Sale and Supply of Alcohol Act 2012 at a local level by way of the Waitomo District Licensing Committee on behalf of the Alcohol Regulatory and Licensing Authority.

Environmental health provides a range of services to ensure food outlets maintain high food safety standards, and that noise and nuisance complaints, hazardous substances and contaminated sites are all managed.

Bylaw administration involves managing a range of bylaws to allow Council to manage issues associated with community nuisance, protect public health, and manage Council's assets.

Animal and dog control delivers animal control services in the areas of dog registration, complaint response, wandering stock, and general animal control, as required by the Dog Control Act 1996, Impounding Act 1955 and Council's Dog Control Policy and Bylaw.

MAIN FOCUS AREAS FOR 2022/23

- Continue with implementation of Earthquake Prone Buildings Policy pursuant to the Building Act 2004.
- Continue with implementation of legislation relating to pool barriers and

pool fencing pursuant to the Building Act 2004.

VARIANCE FROM YEAR 2 OF THE 2021-31 10YP

Sources of operational funding

1. Additional General and UAGC rates revenue is forecast to fund the delivery of Environmental Health services.

Applications of operational funding

2. Additional internal resourcing is required for the delivery of Environmental Health services.

Applications of capital funding

3. Reserve transfers originally forecast in the 10YP year 2 are no longer required, thereby reducing the rate requirement for Building Services.



PROSPECTIVE FUNDING IMPACT STATEMENT

Prospective Funding Impact Statement: Regulatory Services (\$'000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2	Ref
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	825	893	948	55	1
Targeted rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	431	447	441	(6)	
Internal charges and overheads recovered	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	23	24	17	(7)	
Total operating funding (A)	1,279	1,364	1,406	42	
Applications of operating funding					
Payments to staff and suppliers	320	333	342	9	
Finance costs	0	0	0	0	
Internal charges and overheads applied	952	978	1,058	80	2
Other operating funding applications	0	0	0	0	
Total applications of operating funding (B)	1,272	1,311	1,400	89	
Surplus (deficit) of operating funding (A-B)	7	53	6	(47)	
Sources of capital funding					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase (decrease) in debt	(1)	(1)	(1)	0	
Gross proceeds from sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total sources of capital funding (C)	(1)	(1)	(1)	0	
Applications of capital funding					
Capital expenditure - to meet additional demand	0	0	0	0	
Capital expenditure - to improve the level of service	0	0	0	0	
Capital expenditure - to replace existing assets	10	10	10	0	
Increase (decrease) in reserves	(4)	42	(5)	(47)	3
Increase (decrease) in investments	0	0	0	0	
Total applications of capital funding (D)	6	52	5	(47)	
Surplus (deficit) of capital funding (C-D)	(7)	(53)	(6)	47	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

RESOURCE MANAGEMENT

The resource management group involves the administration, application and enforcement of the Operative Waitomo District Plan and District Planning.

ACTIVITY

District Plan Administration covers the planning functions under the Resource Management Act 1991(RMA), including the processing, issuing, and monitoring of resource consents, designations and other application types. It also includes monitoring compliance with the Operative Waitomo District Plan.

District Planning involves setting the direction, form, and shape of our urban and rural communities to ensure development is sustainably managed, while protecting our cultural and historic heritage, outstanding landscapes, and significant natural features. District Plan reviews and structure planning are included in this activity.

MAIN FOCUS AREAS FOR 2022/23

- Notification of the Proposed Waitomo District Plan and Reserve Management Plan as required by the Resource Management Act 1991 (RMA).

VARIANCE FROM YEAR 2 OF THE 2021-31 10YP

Sources of operating funding

1. Due to the resequencing of the review of the District Plan, there is a forecast decrease in the rates revenue required to fund the internal loan repayment and interest cost.

Applications of operating funding

2. Due to the size and complexity of the project, the District Plan review was budgeted to be completed over a number of years. Costs for completing the project have been recast, however, there is no forecast increase in total project costs for completing the District Plan.

Sources of capital funding

3. The operational costs for reviewing the District Plan are loan funded in order to spread the cost over the effective useful life of the plan. Due to the resequencing of the budget forecast, more loan funding is forecast compared to year 2 of the 2021-31 10YP.



PROSPECTIVE FUNDING IMPACT STATEMENT

Prospective Funding Impact Statement: Resource Management (\$'000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2	Ref
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	397	515	437	(78)	1
Targeted rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	180	185	180	(5)	
Internal charges and overheads recovered	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	
Total operating funding (A)	577	700	617	(83)	
Applications of operating funding					
Payments to staff and suppliers	1,052	340	775	435	2
Finance costs	0	0	0	0	
Internal charges and overheads applied	664	700	695	(5)	
Other operating funding applications	0	0	0	0	
Total applications of operating funding (B)	1,716	1,040	1,470	430	
Surplus (deficit) of operating funding (A-B)	(1,139)	(340)	(853)	(513)	
Sources of capital funding					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase (decrease) in debt	1,139	340	853	513	3
Gross proceeds from sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total sources of capital funding (C)	1,139	340	853	513	
Applications of capital funding					
Capital expenditure - to meet additional demand	0	0	0	0	
Capital expenditure - to improve the level of service	0	0	0	0	
Capital expenditure - to replace existing assets	0	0	0	0	
Increase (decrease) in reserves	0	0	0	0	
Increase (decrease) in investments	0	0	0	0	
Total applications of capital funding (D)	0	0	0	0	
Surplus (deficit) of capital funding (C-D)	1,139	340	853	513	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

SOLID WASTE

This group provides for the environmentally safe reduction, diversion, collection, and disposal of the district's solid waste.

ACTIVITY

Waste minimisation focuses on the reduction and diversion (reduce, reuse, recycling and recovery) of solid waste.

Kerbside recyclables and refuse collection is provided for the residents of Te Kuiti, Piopio, Awakino, Mokau, Waitomo Village and some surrounding rural roads.

Waste transfer stations are provided for the communities of Maniaiti/Benneydale, Piopio, Marokopa, Kinohaku and Awakino and a fully consented landfill is located at Te Kuiti.

MAIN FOCUS AREAS FOR 2022/23

- Design and installation of landfill gas collection.
- Development of the new cell to extend the capacity of the landfill.
- Implement the additional monitoring and compliance requirements at the landfill required under the 2019 resource consent.
- Infrastructure maintenance and transfer station safety improvements.
- Delivery of the waste minimisation promotion programmes and educational initiatives.
- Review of waste assessment.

VARIANCE FROM YEAR 2 OF THE 2021-31 10YP

Sources of operating funding

1. The forecast targeted rates requirement is more as there is a forecast decrease in revenue from fees and charges due to a reduction in waste deposited. The forecast in the 10YP was based on higher waste volumes. There is also an increase in operational expenditure forecast for landfill operating costs, purchase of intermediate capping material, removal of recyclable materials and the surrender of carbon credits costs.

2. Revenue from refuse charges is expected to decrease due to a reduction in tonnages of refuse being received.

Sources of capital funding

3. Internal loans are forecast to fund the cell development, highwall stabilisation and installation of gas flaring equipment.

Applications of capital funding

4. Forecast expenditure for the cell development and lining to provide further refuse capacity, and the progressive stabilisation of the highwall for safety has been resequenced to the 2022/23 year. Investment in the installation of gas flaring equipment is also forecast to reduce the environmental impact of the landfill which is also expected to result in significant savings under the Emissions Trading Scheme.
5. Additional reserve funding is forecast to fund transfer station renewals and resource consent expenditure.



PROSPECTIVE FUNDING IMPACT STATEMENT

Prospective Funding Impact Statement: Solid Waste Management (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2	Ref
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	69	31	32	1	
Targeted rates	1,075	924	1,075	151	1
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	1,677	2,011	1,923	(88)	2
Internal charges and overheads recovered	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	35	36	35	(1)	
Total operating funding (A)	2,856	3,002	3,065	63	
Applications of operating funding					
Payments to staff and suppliers	2,158	2,332	2,347	15	
Finance costs	15	15	12	(3)	
Internal charges and overheads applied	602	613	637	24	
Other operating funding applications	0	0	0	0	
Total applications of operating funding (B)	2,775	2,960	2,996	36	
Surplus (deficit) of operating funding (A-B)	81	42	69	27	
Sources of capital funding					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase (decrease) in debt	(207)	228	1,572	1,344	3
Gross proceeds from sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total sources of capital funding (C)	(207)	228	1,572	1,344	
Applications of capital funding					
Capital expenditure - to meet additional demand	0	0	0	0	
Capital expenditure - to improve the level of service	0	0	0	0	
Capital expenditure - to replace existing assets	704	1,174	2,708	1,534	4
Increase (decrease) in reserves	(830)	(904)	(1,067)	(163)	5
Increase (decrease) in investments	0	0	0	0	
Total applications of capital funding (D)	(126)	270	1,641	1,371	
Surplus (deficit) of capital funding (C-D)	(81)	(42)	(69)	(27)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

STORMWATER

This group provides for the collection, diversion, and disposal of urban surface water runoff following rainfall. Surface water flooding can occur in the absence of an effective stormwater drainage system.

ACTIVITY

Providing, maintaining and upgrading Council's stormwater network comprising of open drains, pipes and manholes.

MAIN FOCUS AREAS FOR 2022/23

- Completion of Stormwater Catchment Plans.
- Consent renewal for comprehensive stormwater discharge consent.
- Completion of the annual renewals programme based on condition assessment.
- Ongoing monitoring and safety maintenance of stormwater exit and entry points.

VARIANCE FROM YEAR 2 OF THE 2021-31 10YP

There are no material differences between the Annual Plan 2022/23 and year two of the 2021-31 10YP.



PROSPECTIVE FUNDING IMPACT STATEMENT

Prospective Funding Impact Statement: Stormwater (\$'000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2	Ref
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	0	0	0	0	
Targeted rates	456	473	474	1	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	0	0	0	0	
Internal charges and overheads recovered	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	
Total operating funding (A)	456	473	474	1	
Applications of operating funding					
Payments to staff and suppliers	168	173	154	(19)	
Finance costs	0	0	0	0	
Internal charges and overheads applied	94	96	101	5	
Other operating funding applications	0	0	0	0	
Total applications of operating funding (B)	262	269	255	(14)	
Surplus (deficit) of operating funding (A-B)	194	204	219	15	
Sources of capital funding					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase (decrease) in debt	(24)	(25)	(24)	1	
Gross proceeds from sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total sources of capital funding (C)	(24)	(25)	(24)	1	
Applications of capital funding					
Capital expenditure - to meet additional demand	0	0	0	0	
Capital expenditure - to improve the level of service	0	0	0	0	
Capital expenditure - to replace existing assets	125	129	128	(1)	
Increase (decrease) in reserves	45	50	67	17	
Increase (decrease) in investments	0	0	0	0	
Total applications of capital funding (D)	170	179	195	16	
Surplus (deficit) of capital funding (C-D)	(194)	(204)	(219)	(15)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

WASTEWATER

The wastewater group provides for the environmentally safe collection, treatment and disposal of the District's sewage waste in Te Kuiti, Te Waitere, Maniaiti/Benneydale and Piopio.

ACTIVITY

Providing, maintaining and upgrading Council's wastewater network comprising treatment plants and disposal systems, pump stations and sewer pipe network.

MAIN FOCUS AREAS FOR 2022/23

- Review capacity and condition of soakage field at Te Waitere.
- Plant renewals for Maniaiti/Benneydale and Piopio.
- Riparian planting of Mangaokewa Stream at Te Kuiti.
- Trunk main sewer crossing under SH3 and NIMT rail line at Te Kuiti.

VARIANCE FROM YEAR 2 OF THE 2021-31 10YP

Sources of operating funding

1. The forecast targeted rates requirement is reduced due to the application of reserve funding to provide rates relief.

Applications of operating funding

2. Forecast operating costs have decreased due to reduced budgets for asset management plans, consultants fees and chemicals.

Sources of capital funding

3. The forecast decrease in debt funding is reduced as internal loans are required to fund the increased capital expenditure for Te Kuiti and Te Waitere.

Applications of capital funding

4. Additional capital expenditure is forecast for a buffer tank and control to be installed at Te Waitere to better regulate flow to the pump station.
5. Additional capital expenditure is forecast for Te Kuiti for planned reticulation renewals and for the installation of a pipe under the railway corridor at Carroll Street for the additional design load expected from the new King Country Indoor Sports and Recreation Centre.
6. Additional reserve funding is forecast to reduce the rates requirement for wastewater services after consideration of rates affordability.



PROSPECTIVE FUNDING IMPACT STATEMENT

Prospective Funding Impact Statement: Wastewater (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2	Ref
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	0	0	0	0	
Targeted rates	2,176	2,200	1,982	(218)	1
Subsidies and grants for operating purposes	104	0	0	0	
Fees and charges	821	850	855	5	
Internal charges and overheads recovered	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	
Total operating funding (A)	3,101	3,050	2,837	(213)	
Applications of operating funding					
Payments to staff and suppliers	1,292	1,365	1,308	(57)	2
Finance costs	0	0	0	0	
Internal charges and overheads applied	1,005	973	983	10	
Other operating funding applications	0	0	0	0	
Total applications of operating funding (B)	2,297	2,338	2,291	(47)	
Surplus (deficit) of operating funding (A-B)	804	712	546	(166)	
Sources of capital funding					
Subsidies and grants for capital expenditure	480	0	0	0	
Development and financial contributions	0	0	0	0	
Increase (decrease) in debt	(232)	(347)	(98)	249	3
Gross proceeds from sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total sources of capital funding (C)	248	(347)	(98)	249	
Applications of capital funding					
Capital expenditure - to meet additional demand	0	0	0	0	
Capital expenditure - to improve the level of service	480	0	35	35	4
Capital expenditure - to replace existing assets	403	339	544	205	5
Increase (decrease) in reserves	169	26	(131)	(157)	6
Increase (decrease) in investments	0	0	0	0	
Total applications of capital funding (D)	1,052	365	448	83	
Surplus (deficit) of capital funding (C-D)	(804)	(712)	(546)	166	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

WATER SUPPLY

The Water Supply activity provides for the environmentally safe collection, treatment and reticulation of Council's public water supplies to New Zealand Drinking Water Standards (NZDWS). Water supply schemes are provided by Council at Te Kuiti, Maniaiti/Benneydale, Piopio and Mokau.

ACTIVITY

Providing, maintaining and upgrading Council's water supply schemes comprising of water treatment plants and intake systems, reservoirs, pump stations and pipe reticulation network.

MAIN FOCUS AREAS FOR 2022/23

- Delivery of the reticulation renewal programme including replacements of pipework.
- Consent renewal for Piopio water supply take.

VARIANCE FROM YEAR 2 OF THE 2021-31 10YP

Sources of operating funding

1. The forecast targeted rates requirement has increased due to increasing operational costs to deliver water services.

Application of operating funding

2. Forecast additional operating costs for the Smart Water Program and the review of water management and water safety plans.

Sources of capital funding

3. As the expenditure for the alternative water supply investigation is no longer required, there is a corresponding decrease in loan funding.

Applications of capital funding

4. Forecast capital expenditure for investigation into an alternative water source for Te Kuiti as set out in the 10YP has been removed, as this project will not be going ahead.
5. Forecast renewal expenditure for backflow preventers in Te Kuiti and reticulation renewals in Maniaiti/Benneydale has reduced.



PROSPECTIVE FUNDING IMPACT STATEMENT

Prospective Funding Impact Statement: Water Supply (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2	Ref
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	0	0	0	0	
Targeted rates	2,711	2,847	2,969	122	1
Subsidies and grants for operating purposes	259	0	0	0	
Fees and charges	0	0	3	3	
Internal charges and overheads recovered	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	
Total operating funding (A)	2,970	2,847	2,972	125	
Applications of operating funding					
Payments to staff and suppliers	1,312	1,173	1,223	50	2
Finance costs	0	0	0	0	
Internal charges and overheads applied	1,138	1,108	1,155	47	
Other operating funding applications	0	0	0	0	
Total applications of operating funding (B)	2,450	2,281	2,378	97	
Surplus (deficit) of operating funding (A-B)	520	566	594	28	
Sources of capital funding					
Subsidies and grants for capital expenditure	1,076	0	0	0	
Development and financial contributions	0	0	0	0	
Increase (decrease) in debt	(43)	375	(177)	(552)	3
Gross proceeds from sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total sources of capital funding (C)	1,033	375	(177)	(552)	
Applications of capital funding					
Capital expenditure - to meet additional demand	0	0	0	0	
Capital expenditure - to improve the level of service	1,115	523	5	(518)	4
Capital expenditure - to replace existing assets	494	401	348	(53)	5
Increase (decrease) in reserves	(56)	17	64	47	
Increase (decrease) in investments	0	0	0	0	
Total applications of capital funding (D)	1,553	941	417	(524)	
Surplus (deficit) of capital funding (C-D)	(520)	(566)	(594)	(28)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

ROADS AND FOOTPATHS

The roads and footpaths group provides a safe and reliable transport infrastructure network to facilitate the movement of people and goods, which includes the provision of roads (excluding state highways), footpaths, bridges, traffic services, streetlights, carparks and traffic safety programmes.

ACTIVITY

Road Network: We manage and maintain a network of 459km of sealed roads and 555km of unsealed roads. This includes identifying the need for and undertaking maintenance and renewals of the road network, footpaths and ancillary systems such as streetlights, signs and road markings.

Subsidised roading: Waka Kotahi (New Zealand Transport Agency), provides a subsidy for works that meet their criteria via Waikato Regional Council's Land Transport Programme.

Unsubsidised roading: These activities are carried out to ensure safe and efficient travel within and through the District as necessary for road or pedestrian safety and convenience, but are not subsidised by Waka Kotahi.

Other unsubsidised services include maintaining amenity lights, street cleaning and maintenance of on street carparks.

MAIN FOCUS AREAS FOR 2022/23

- Delivery of the street lighting infill programme.
- Delivery of the road rehabilitation and the footpaths improvement programme.
- Speed limits review and the development of the Road Safety Programme.
- Flood damage repair works from February 2022 storm event.

VARIANCE FROM YEAR 2 OF THE 2021-31 10YP

Sources of operating funding

1. Additional Waka Kotahi NZTA subsidy revenue is forecast for an expanded

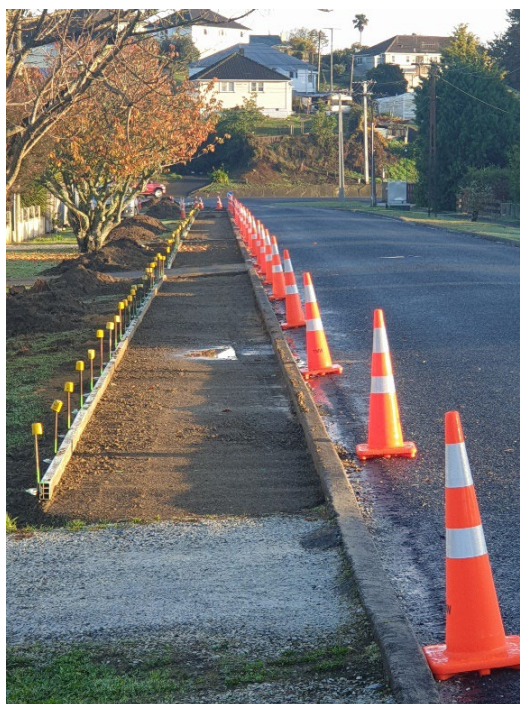
roads and footpath maintenance and renewal program including road repairs following the ex-Cyclone Dovi storm event in February 2022.

Applications of operating funding

2. Forecast direct expenditure for operations and maintenance has been increased to complete the three-yearly program agreed to be part funded by Waka Kotahi.
3. Delivery of Professional Services for the management and delivery of the roading program has been outsourced and as such internal resourcing costs are forecast to reduce.

Sources of capital funding

4. Additional Waka Kotahi NZTA subsidy revenue to part fund the increased road renewal program and to repair damage caused by ex-Cyclone Dovi is forecast for 2022/23. Due to the significant damage caused by the storm event, part of the reinstatement work will be subsidised at a higher rate than Council's current subsidy rate of 75%.



Applications of capital funding

5. The forecast road renewal program has been increased to ensure completion of the three-year program agreed with Waka Kotahi NZTA. The increase in cost is on a subsidised basis and replaces the maintenance expenditure included in the 2021-2031 10YP within the Unsubsidised Roads activity, thus the funding of Council's local share will remain unchanged.

Ex-Cyclone Dovi hit coastal areas of the district on the 12 and 13 February, causing considerable damage to the road network. Permanent repairs are expected to be completed over the next two to three years with an additional \$7.6 million forecast over and above the amount provided for year 2 of the 2021-2031 10YP.

6. Reserve funding is forecast to be used to fund the local share of the additional renewal expenditure as part of the three-yearly program agreed with Waka Kotahi NZTA, this funding is from unspent maintenance budgets for 2021/22 year that was included in the Unsubsidised Roads activity.

Additionally, the depreciation reserve funding is forecast to fund part of the local share of the storm renewal works resulting from the storm event.



PROSPECTIVE FUNDING IMPACT STATEMENT

Prospective Funding Impact Statement: Roads and Footpaths (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2	Ref
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	0	0	0	0	
Targeted rates	4,346	4,492	4,474	(18)	
Subsidies and grants for operating purposes	5,116	5,270	5,529	259	1
Fees and charges	125	129	135	6	
Internal charges and overheads recovered	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	100	103	145	42	
Total operating funding (A)	9,687	9,994	10,283	289	
Applications of operating funding					
Payments to staff and suppliers	5,922	6,096	6,527	431	2
Finance costs	0	0	0	0	
Internal charges and overheads applied	1,552	1,586	1,341	(245)	3
Other operating funding applications	0	0	0	0	
Total applications of operating funding (B)	7,474	7,682	7,868	186	
Surplus (deficit) of operating funding (A-B)	2,213	2,312	2,415	103	
Sources of capital funding					
Subsidies and grants for capital expenditure	4,118	4,592	12,551	7,959	4
Development and financial contributions	0	0	0	0	
Increase (decrease) in debt	(703)	(647)	(573)	74	
Gross proceeds from sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total sources of capital funding (C)	3,415	3,945	11,978	8,033	
Applications of capital funding					
Capital expenditure - to meet additional demand	0	0	0	0	
Capital expenditure - to improve the level of service	299	309	302	(7)	
Capital expenditure - to replace existing assets	5,362	5,989	14,697	8,708	5
Increase (decrease) in reserves	(33)	(41)	(606)	(565)	6
Increase (decrease) in investments	0	0	0	0	
Total applications of capital funding (D)	5,628	6,257	14,393	8,136	
Surplus (deficit) of capital funding (C-D)	(2,213)	(2,312)	(2,415)	(103)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	



FINANCES
PŪTEA

FINANCIAL SUMMARY

All of Council Cost of Service Statement (\$'000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2
Total Operating Income	15,382	14,585	26,388	11,803
Total Operating Expenditure	32,812	32,982	34,505	1,523
Net Operating Cost/(Surplus)	17,430	18,397	8,117	10,280
Total Capital Expenditure	10,350	9,984	23,614	13,630
Total Net Expenditure	27,780	28,381	31,731	3,350
Funded by				
Internal Loans Raised	2,835	2,869	4,521	1,652
Internal Loans Repaid	(2,931)	(3,224)	(3,098)	126
Reserve transfers and non-funding of depreciation	7,515	7,955	9,361	1,406
General Rates, UAGC and Service Charges	20,361	20,781	20,947	166
Total Funding	27,780	28,381	31,731	3,350

The All of Council Cost of Service Statement shows a forecast **Net Operating Cost/(Surplus)** of \$8.1 million, which is \$10.3 million less than the forecast contained in the 10YP.

Operating Income is forecast to significantly increase by \$11.8 million to \$26.4 million mainly due to subsidies and grants revenue which part funds capital expenditure. Additional Waka Kotahi NZTA subsidy revenue is forecast for an expanded roads and footpaths maintenance and renewals program including road repairs following the ex-Cyclone Dovi storm event damage in February 2022.

Also included within revenue is the contributions and grants forecast to be received for the construction of the King Country Indoor Sports and Recreations Centre.

Operating expenditure is forecast to increase by \$1.5 million compared with year 2 of the 10YP, due to an increase in the maintenance program for Roads and Footpaths, and the resequencing of District Plan review.

A forecast increase in depreciation expense for buildings and water supply assets is also included as well as increased landfill operational costs including carbon credits costs, and the additional expenditure for maintaining and operating Councils water schemes.

Interest costs are forecast to increase due to an increase in forecast interest rates.

Capital expenditure is forecast to be significantly higher at \$23.6 million which is a \$13.6 million increase compared with year 2 of the 10YP.

The most significant increase is for roads and footpaths where road renewals works, and permanent repairs to damage caused by ex-Cyclone Dovi are forecast. Construction expenditure for the King Country Indoor Sports and Recreations Centre is forecast as well as new expenditure for the installation of gas flaring equipment at the landfill. The cell development, lining and highwall stabilisation at the landfill has also been resequenced across the 2022/23 and 2023/24 years.

Rates requirement, excluding rates penalties, will increase by \$166,000 to \$20.9 million, with most of the increase being attributed to increased operational costs in the Leadership, Solid Waste, Recreation and Property, and Water Supply Groups.

Internal Loans forecast to be raised is \$4.5 million; \$1.6 million more than year 2 of the 10YP. The main increase is for an internal loan for Council's share of the construction costs of the King Country Indoor Sports and Recreation Centre. The resequencing of the District Plan review means

the internal loan budgeted in a previous year is now forecast for 2022/23. The installation of the gas flaring equipment and the re-sequencing of the cell development and highway stabilisation at the landfill has also contributed to the increase in forecast internal loan funding for 2022/23.

More **reserve funding** is forecast to fund operational expenditure than planned in the 10YP year 2. As some operational spends and initiatives were delayed in prior years due to the pandemic, the unspent rates funding is forecast to fund some expenditure in the 2022/23 year. Further to this, some additional reserve funding is also forecast for rates affordability reasons.

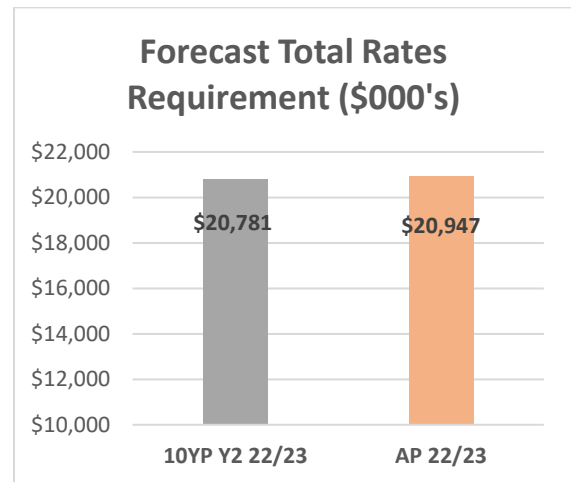
Additional reserve funding is also forecast to fund renewal expenditure for roads including the storm repairs required to the road network.

FORECAST TOTAL RATES REQUIREMENT

The total rates revenue required for the 2022/23 financial year is \$20.95 million (excluding GST) whereas the 2021-31 10YP forecast for the same year was for \$20.8 million; an increase of \$166,000.

This is an overall increase of 2.88% in rates from current year, which is more than the 2.06% forecast increase in the 2021-31 10YP for 2022/23.

To achieve this result, Council has prioritised needs and re-sequenced works where appropriate to keep the rate increase to a minimum.



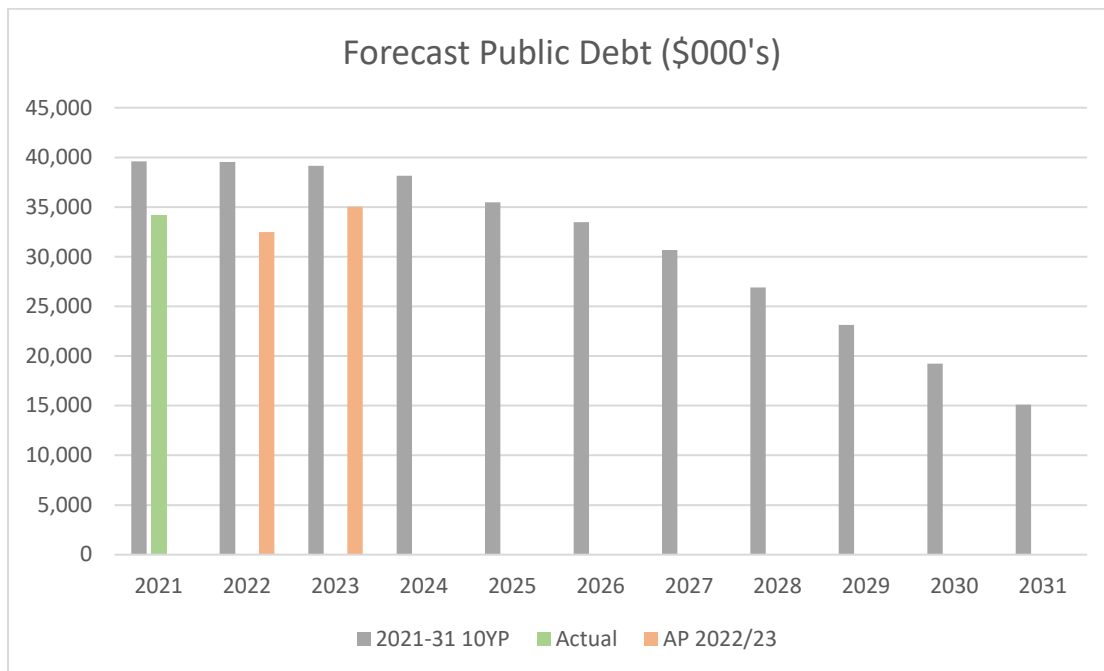
COMPARISON TO CURRENT YEAR RATES REQUIREMENT

The total rates requirement is \$20.95 million for the 2022/23 year, an increase of \$0.6 million compared to current year. The main contributors to this increase from current year are:

- Additional depreciation expense due to increased asset values, particularly for building and water assets.
- The increased local share of the road renewal program including the repairs required from the storm event in February 2022.
- Interest costs due to an increase in forecast interest rates.
- The forecast increase in the cost to deliver the Water Supply activity including sampling, monitoring and reporting and the Smart Water program.

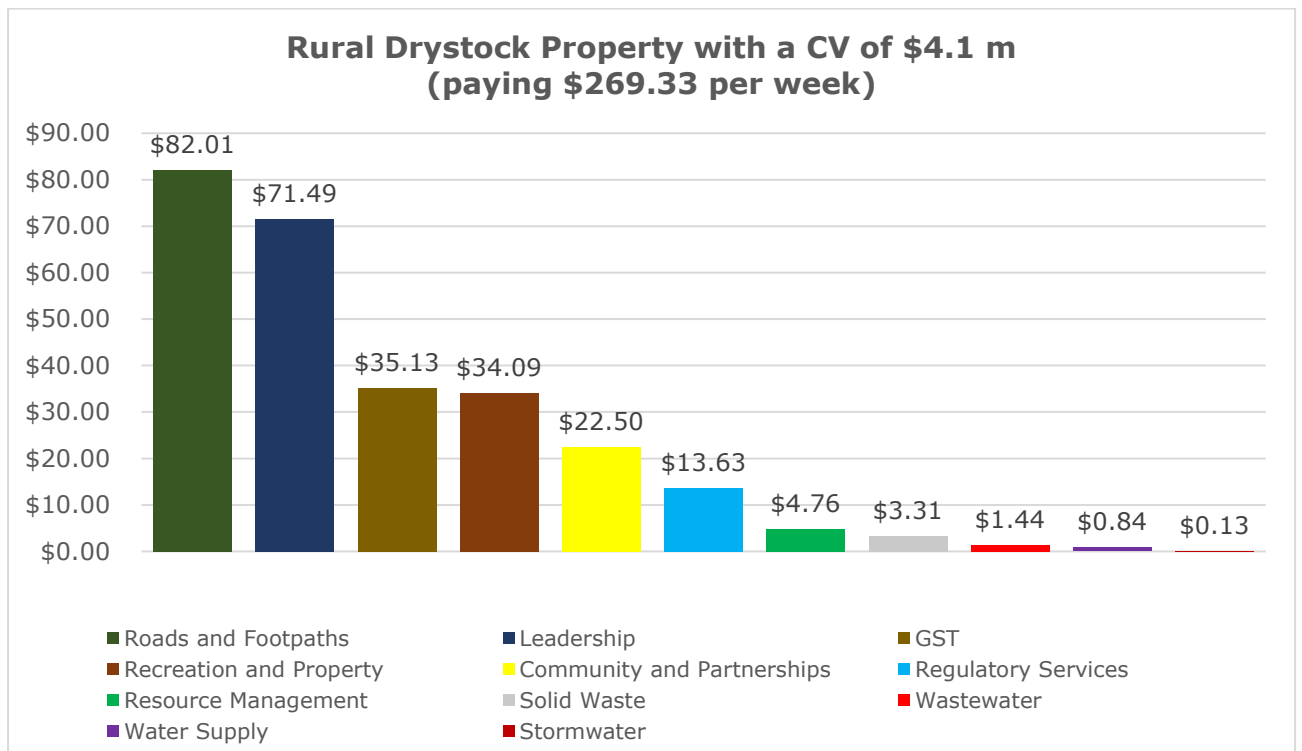
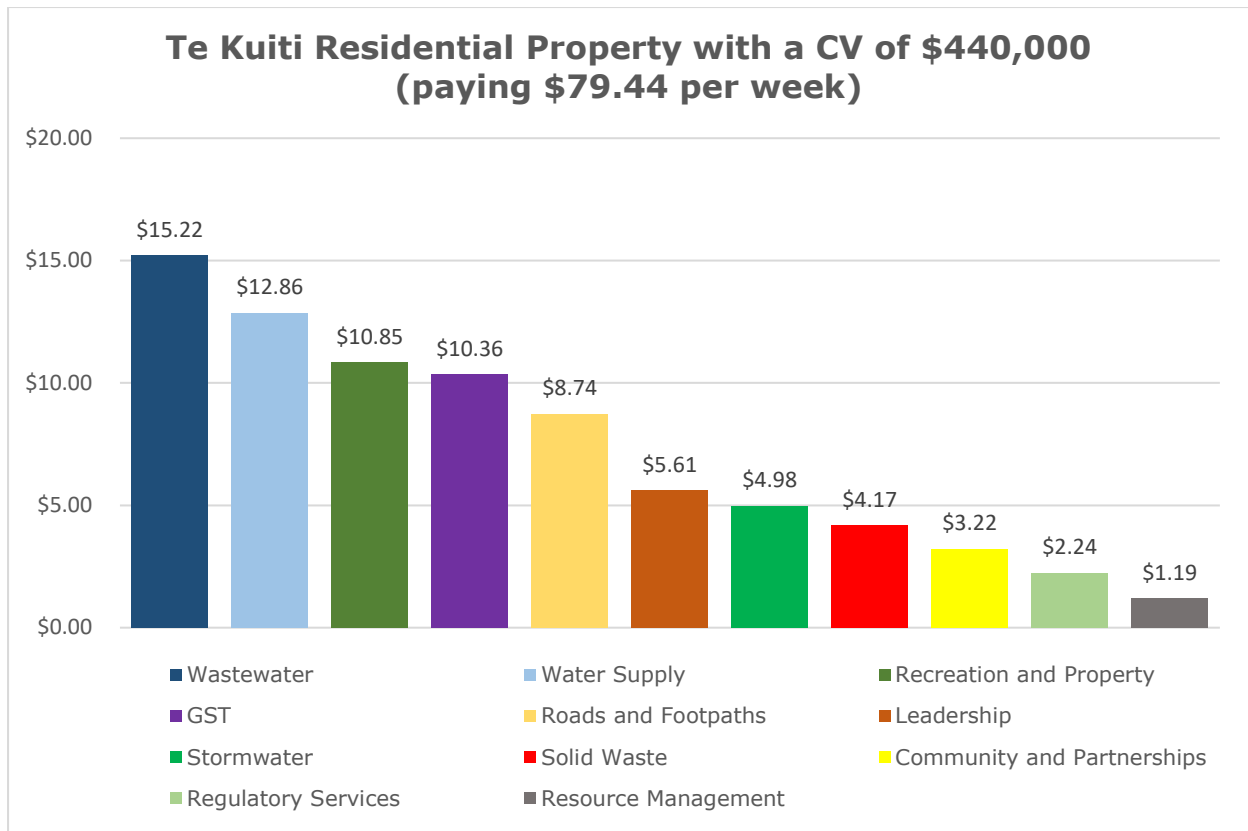
OVERALL PUBLIC DEBT

Public debt is tracking below the forecast set in the 2021-31 10YP. Debt is forecast in the Annual Plan to be \$35.0 million at 30 June 2023, whereas debt was forecast to be \$39.2 million at the same date in the 2021-31 10YP.



WHERE YOUR RATES ARE SPENT

The following provides a summary of where rates are spent on a weekly basis using indicative residential and rural properties.



INTRODUCTION

This section outlines Council's prospective financial performance and position for the 2022/23 financial year in prospect. The information that follows show the financial impact of the measures and decisions Council has taken as detailed in this plan.

Whole of Council Prospective Funding Impact Statement

Prospective Funding Impact Statement: Whole of Council (\$'000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	9,256	9,505	9,683	178
Targeted rates	11,345	11,523	11,564	41
Subsidies and grants for operating purposes	5,480	5,291	5,560	269
Fees and charges	3,818	4,239	4,126	(113)
Interest and dividends from investments	9	9	12	3
Local authorities fuel tax, fines, infringement fees and other receipts	161	166	198	32
Total operating funding (A)	30,069	30,733	31,143	410
Applications of operating funding				
Payments to staff and suppliers	24,814	24,481	25,667	1,186
Finance costs	1,118	1,115	1,258	143
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	25,932	25,596	26,925	1,329
Surplus (deficit) of operating funding (A-B)	4,137	5,137	4,218	(919)
Sources of capital funding				
Subsidies and grants for capital expenditure	5,674	4,592	16,151	11,559
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(96)	(355)	1,423	1,778
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	41	41	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding (C)	5,578	4,278	17,615	13,337
Applications of capital funding				
Capital expenditure - to meet additional demand	0	0	0	0
Capital expenditure - to improve the level of service	2,211	1,057	4,300	3,243
Capital expenditure - to replace existing assets	8,139	8,927	19,314	10,387
Increase (decrease) in reserves	(635)	(569)	(1,781)	(1,212)
Increase (decrease) in investments	0	0	0	0
Total applications of capital funding (D)	9,715	9,415	21,833	12,418
Surplus (deficit) of capital funding (C-D)	(4,137)	(5,137)	(4,218)	919
Funding Balance ((A-B)+(C-D))	0	0	0	0

Prospective Statement of Comprehensive Revenue and Expense for the Year Ending 30 June 2023

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDING 30 JUNE 2023 (\$000's)	10YP Y1 21/22	10YP Y2 22/23	AP 22/23
Revenue			
Rates revenue including rates penalties	19,651	20,045	20,270
Metered water rates	950	983	977
Subsidies and grants	11,154	9,883	21,711
Interest revenue	9	9	12
Fees and charges	3,826	4,288	4,175
Other revenue including gains/(losses)	153	158	190
Total Revenue and Gains/(Losses)	35,743	35,366	47,335
Expenditure			
Employee benefit expenses	6,367	6,520	6,520
Depreciation and amortisation expense	6,878	7,386	7,580
Finance costs	1,118	1,115	1,258
Other expenses	18,449	17,961	19,147
Total Expenditure	32,812	32,982	34,505
Surplus/(Deficit)	2,931	2,384	12,830
Other Comprehensive Revenue and Expense			
Gains/(Losses) on revaluation of property, plant and equipment	0	19,311	19,311
Total Other Comprehensive Revenue and Expense	0	19,311	19,311
Total Comprehensive Revenue and Expense for the year	2,931	21,695	32,141

Prospective Statement of Changes in Equity for the Year Ending 30 June 2023

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDING 30 JUNE 2023 (\$000's)	10YP Y1 21/22	10YP Y2 22/23	AP 22/23
Opening balance at 1 July	339,439	342,370	368,125
Revaluation of property, plant and equipment	0	19,311	19,311
Net Income recognised directly in equity	0	19,311	19,311
Net Surplus/(Deficit) for the year	2,931	2,384	12,830
Total Recognised Income for the years ended 30 June	2,931	2,384	12,830
Total Comprehensive Revenue and Expense for the year	2,931	21,695	32,141
Balance at 30 June	342,370	364,065	400,266

Prospective Statement of Financial Position as at 30 June 2023

PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023 (\$'000's)	10YP Y1 21/22	10YP Y2 22/23	AP 22/23
Equity			
Accumulated funds	225,513	227,878	245,020
Council created reserves	20,048	20,067	20,985
Investment reserves	8,829	8,829	8,829
Hedging reserves	(2,763)	(2,763)	(1,360)
Revaluation reserve	90,743	110,054	126,792
Total Equity	342,370	364,065	400,266
Current Assets			
Cash and cash equivalents	4,243	4,243	3,203
Other financial assets	87	87	185
Inventory	75	77	51
Receivables under exchange transactions	279	287	282
Receivables under non exchange transactions	3,983	4,099	4,466
Total Current Assets	8,667	8,793	8,187
Current Liabilities			
Payables and deferred revenue under exchange transactions	2,907	2,990	3,589
Payables and deferred revenue under non exchange transactions	664	684	2,141
Current portion of borrowings	19,545	13,153	12,979
Provisions	3	3	3
Employee entitlements	816	840	815
Derivative financial instruments	895	895	572
Total Current Liabilities	24,830	18,565	20,099
Net Working Capital	(16,163)	(9,772)	(11,912)
Non Current Assets			
Property, plant and equipment	370,477	391,572	417,777
Intangible assets	375	600	6,910
Investment property	1,014	1,014	1,836
Other financial assets	415	415	362
Investment in CCO and Civic Financial Services Ltd	8,845	8,845	8,845
Total Non Current Assets	381,126	402,446	435,730
Non Current Liabilities			
Borrowings	20,000	26,000	22,038
Provisions	547	563	547
Derivative financial instruments	2,046	2,046	967
Total Non Current Liabilities	22,593	28,609	23,552
Net Assets	342,370	364,065	400,266

Prospective Statement of Cash Flows for Year Ending 30 June 2023

PROSPECTIVE CASH FLOW STATEMENT FOR YEAR ENDING 30 JUNE 2023 (\$'000's)	10YP Y1 21/22	10YP Y2 22/23	AP 22/23
Cashflows from Operating Activities			
Cash forecast to be provided from:			
Rates revenue (including penalties)	20,476	20,903	21,247
Subsidies and grants	11,154	9,883	21,711
Property rentals	535	567	541
Petroleum tax	100	103	145
Interest revenue	9	9	12
Receipts from other revenue	3,344	3,775	3,679
	35,618	35,240	47,335
Cash forecast to be applied to:			
Payments to suppliers and employees	23,614	23,307	24,440
Elected members	471	442	572
Interest paid on borrowings	1,118	1,115	1,258
	25,203	24,864	26,270
Net Cash Inflows from Operating Activities	10,415	10,376	21,065
Cashflows from Investing Activities			
Cash forecast to be provided from:			
Repayment of advance to community groups	4	0	0
	4	0	0
Cash forecast to be applied to:			
Purchase and development of property, plant and equipment	9,621	9,170	20,080
Purchase of intangible assets	729	814	3,533
	10,350	9,984	23,613
Net Cash Outflow from Investing Activities	(10,346)	(9,984)	(23,613)
Cashflows from Financing Activities			
Cash forecast to be provided from:			
Cash was provided from borrowings	24,931	29,608	21,548
	24,931	29,608	21,548
Cash forecast to be applied to:			
Repayment of borrowings	25,000	30,000	19,000
	25,000	30,000	19,000
Net Cash Inflows /(Outflows) from Financing Activities	(69)	(392)	2,548
Net increase/(decrease) in cash and cash equivalents	0	0	0
Cash and cash equivalents at the beginning of the year	4,243	4,243	3,203
Cash and cash equivalents at the end of the year	4,243	4,243	3,203
Cash at the end of the year represented by:			
Cash at bank and in hand	4,243	4,243	3,203

Prospective Statement of Public Debt for the Year Ending 30 June 2023

PROSPECTIVE STATEMENT OF PUBLIC DEBT FOR THE YEAR ENDING 30 JUNE 2023 (\$000's)	10YP Y1 21/22	10YP Y2 22/23	AP 22/23
Opening Balance	39,614	39,545	32,469
Loans raised	24,931	29,608	21,548
Loans repaid	(25,000)	(30,000)	(19,000)
Closing Balance	39,545	39,153	35,017

Note: Loans raised or repaid shown in the Public Debt, Cash Flow and Statement of Financial Position prospective statements are based on budgeted cash flow requirements, which includes working capital movements and do not equate to either the internal loans drawn or the external loan repayments shown in the Prospective Statement of Funding Sources or the Prospective Funding Impact Statement.

Prospective Statement of Reserve Fund Movements for Council Created Reserves

PROSPECTIVE STATEMENT OF RESERVE FUND MOVEMENTS FOR THE YEAR ENDING 30 JUNE 2023 (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23
Opening Balance	20,095	20,048	22,110
Transfer to/(from) Reserves	(47)	19	(1,125)
Closing Balance	20,048	20,067	20,985

Note: Reserves form part of Council's total equity which is matched by net assets (i.e assets less liabilities, both current and non-current). Reserves are not matched by available cash.

The use of reserves as a funding tool will therefore result in either a decrease in available cash, or when cash is not available, an increase in in Public Debt.

Prospective Depreciation and Amortisation Expense

PROSPECTIVE DEPRECIATION AND AMORTISATION EXPENSE FOR THE YEAR ENDING 30 JUNE 2023 (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2
Leadership	626	706	665	(41)
Recreation and Property	987	1,039	1,195	156
Community and Partnerships	2	1	4	3
Regulatory Services	7	8	8	0
Solid Waste	68	64	92	28
Stormwater	195	203	219	16
Wastewater	855	913	946	33
Water Supply	693	762	891	129
Roads and Footpaths	3,445	3,690	3,560	(130)
Total Forecast Depreciation and Amortisation	6,878	7,386	7,580	194

Forecast Capital Expenditure for the Year Ending 30 June 2023

FORECAST CAPITAL EXPENDITURE FOR THE YEAR ENDING 30 JUNE 2023 (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2
Leadership	616	774	765	(9)
Recreation and Property	742	335	4,072	3,737
Community and Partnerships	0	0	0	0
Regulatory Services	10	10	10	0
Solid Waste	704	1,174	2,708	1,534
Stormwater	125	129	128	(1)
Wastewater	883	339	579	240
Water Supply	1,609	924	353	(571)
Roads and Footpaths	5,661	6,298	14,999	8,701
Total Forecast Capital Expenditure	10,350	9,983	23,614	13,631

FUNDING IMPACT STATEMENT AND RATING INFORMATION

Introduction

Council is required under clause 20 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement.

The Funding Impact Statement provides a summary of Council's funding sources and how the funds are to be applied, as well as the detailed rate requirement for the 2022/23 financial year.

The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is available on Council's website www.waitomo.govt.nz

Rates Remissions and Postponements

Remissions

Council has developed a Rates Remissions Policy as per LGA (section 102 (3)(a), 108 and 109) and Local Government (Rating) Act 2002 (LGRA) (Section 85). Remission categories include Properties Used Jointly as a Single Unit, Community Organisations and Clubs and Societies, Penalties, Financial Hardship, Organisations Providing Care for the Elderly, New Residential Subdivisions, Maori Freehold Land, Cases of Land Affected by Natural Calamity, New Businesses and Rates and/or Penalties following a rating sale or abandoned land sale. The estimated value of these rates remissions is \$268,000 for the 2022/23 year.

Postponements

Under the Rates Remission Policy, Council will not offer any permanent postponements of rates.

Separately Used or Inhabited Part of a Rating Unit (SUIP)

Council has resolved that the basis of calculating liability for the UAGC and for certain targeted fixed rates (TFRs), will be the number of 'separately used or inhabited parts' (SUIPs) of rating units.

Council sets TFRs in all rating areas of the District on a SUIP basis for provision of:

- Water Supplies
- Wastewater Systems
- Solid Waste
- Solid Waste Collection
- Aquatic Centre
- Rural Stormwater

Definition of SUIP

A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part

or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

1. STATEMENT OF FUNDING SOURCES

The table on the following page provides a summary of the funding sources for the 2022/23 year. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecasts. The table is produced on a GST exclusive basis.

Explanation of Rates adjustment between General Rate and UAGC

The Statement of Funding Sources and the associated Funding Impact Statement provide for an overall funding adjustment. That adjustment is made after consideration of the overall impact on the community (as provided for by section 101 (3) (b) of the LGA) and applies to the 2022/23 financial year. This adjustment results in the transfer of \$2,335,000* from the UAGC to the General Rate in an effort to maintain a funding equity between urban and rural ratepayers within the District and their respective contribution to those services with a high element of public good. The above adjustment is reflected in the Funding Impact Statements.

	Year 2022/23	
	General Rate \$000's	UAGC \$000's
Rate requirement before application of Section 101 (3)(b) adjustment	5,013	4,370
*Section 101(3)(b) Adjustment	2,335	(2,335)
Subtotal	7,348	2,035
Add - GST @ 15%	1,102	305
Total Requirement (inc GST) (as per Sections 3 and 4 - Funding Impact Statement)	8,450	2,340

2. FUNDING CAP FOR UNIFORM CHARGES

Section 21 of the LGRA requires that revenue from certain rates must not exceed 30% of total rates revenue. Those rates include Uniform Annual General Charges and Targeted Rates that are set on a uniform basis.

Council is not in breach of the Funding Cap for this Annual Plan. The uniform charges for 2022/23 are 16.0% of the total rates revenue (27.7% before Section 101 (3) (b) adjustment).

Prospective Statement of Funding Sources

Prospective Statement of Funding Sources (\$'000's)	10YP Yr1 21/22	10YP Yr2 22/23	AP 22/23	Var to Yr 2
Targeted Rates and Service Charges				
Wastewater	2,176	2,200	1,982	(218)
Water Supply	1,761	1,864	1,992	128
Metered Water Supply Rates	950	983	977	(6)
Aquatic Centre	265	270	269	(1)
District Development Rate	296	301	308	7
Piopio Retirement Village Contribution	16	16	13	(3)
District Roading Rate	4,346	4,492	4,474	(18)
Solid Waste Rate	852	693	847	154
Solid Waste Collection	223	231	228	(3)
Stormwater	456	473	474	1
Marokopa Community Centre Rate	4	0	0	0
Forecast Total Targeted Rates and Service Charges	11,345	11,523	11,564	41
General Rates	5,537	5,679	7,348	1,669
UAGC	3,479	3,579	2,035	(1,544)
Total General rate and UAGC	9,016	9,258	9,383	125
Forecast Total Rates Requirement	20,361	20,781	20,947	166
Change in Rates Requirement	(111)	420	586	
Percentage Change	-0.54%	2.06%	2.88%	
Other Revenue Sources				
Subsidies and Grants	11,154	9,883	21,711	11,828
Interest Revenue	9	9	12	3
Rates Penalties Revenue	240	247	300	53
Fees and Charges	3,979	4,446	4,365	(81)
Total Other Revenue	15,382	14,585	26,388	11,803
Other Funding Sources				
Internal Loans Raised	2,835	2,869	4,521	1,652
Total Funding Sources	38,578	38,235	51,856	13,621
Funding Applied to				
Operating Expenditure	32,812	32,982	34,505	1,523
Capital Expenditure	10,350	9,984	23,614	13,630
Internal Loan Repayments	2,931	3,224	3,098	(126)
Reserve transfers and non-funding of depreciation	(7,515)	(7,955)	(9,361)	(1,406)
Total Funding Applied	38,578	38,235	51,856	13,621

3. GENERAL RATE

Description and Use

The General Rate set on every rating unit across the District is assessed as a rate per \$100 of capital value. The General Rate is not set differentially. The rationale for assessing the General Rate using Capital Value is contained in the Revenue and Financing Policy.

The General Rate will contribute to the funding of:

- Leadership
- Other Land and Buildings
- District Libraries
- Aquatic Centre
- Les Munro Centre
- Aerodrome
- Public Facilities
- Parks and Reserves
- Community Halls
- Cemeteries
- Community Development
- Economic Development
- District Promotion
- Emergency Management
- Regulatory Services
- Waste Minimisation
- Resource Management

Requirement in 2022/23 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the district	0.19504	8,450

4. UNIFORM ANNUAL GENERAL CHARGE

Description and Use

Council will set a Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District under Section 15(1) (b) of the LGRA. The rationale for use of the UAGC is contained in the Revenue and Financing Policy.

The UAGC will contribute to the funding of:

- Leadership
- Parks and Reserves
- District Libraries
- Aquatic Centre
- Les Munro Centre
- Other Land and Buildings
- Public Facilities
- Community Halls
- Cemeteries
- Aerodrome
- Community Development
- Emergency Management
- Regulatory Services
- Resource Management
- Waste Minimisation

Requirement in 2022/23 (incl. GST)

UAGC	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district	\$423	2,341

5. TARGETED RATES

Description and Use

Targeted Rates are set on categories of land defined by some factor, such as geographic location or provision of service.

The titles of 'Targeted Rate' ('TR') and Targeted Fixed Rate (TFR) are used by this Council. Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value or water consumption.

5.1. Targeted rates differentiated On Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Aquatic Centre TFR, Piopio Retirement Village Contribution TFR, Rural Stormwater TFR, Te Kuiti Urban Stormwater TFR and targeted rate.

The following location definitions for the respective rating areas will apply:

Te Kuiti Urban Rating Area	<i>All rating units situated within the Te Kuiti Urban Rating Area (Refer to Revenue and Financing Policy (RFP) for further details)</i>
Te Kuiti Urban and Periphery Rating Area	<i>All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town), in Te Kuiti. (Refer to RFP for further details)</i>
Rural Rating Area	<i>All rating units situated within the Rural Rating Area (Refer to RFP for further details)</i>
Piopio Township	<i>All rating units connected or with the ability to connect to the Piopio Wastewater System (Refer to RFP for further details)</i>
Piopio Wider Benefit Rating Area	<i>All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIP's connected or with the ability to connect to the Piopio Wastewater System) that are deemed to indirectly benefit from the Piopio Wastewater reticulation network. (Refer to RFP for further details)</i>

(a) Aquatic Centre TFR

Description and use

Council will set an Aquatic Centre TFR per separately used or inhabited part of a rating unit in the District, differentiated by rating areas, to part fund the Aquatic Centre Activity. The rating areas for the purpose of assessing the Aquatic Centre TFR will be the Te Kuiti Urban and Periphery Rating Area and Rating Units in the District not in the Te Kuiti Urban and Periphery Rating area.

Requirement in 2022/23 (incl. GST)

Aquatic Centre (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti Urban and Periphery Rating Area	\$105	247
Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area	\$19	62

(b) Piopio Retirement Village Contribution TFR

Description and Use

Council will set a TFR per rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Board through the remission of service charges. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2022/23 (incl. GST)

Piopio Retirement Village Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$20	15

(c) Rural Stormwater TFR

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit in the Rural Rating Area of the District to fund the Rural Stormwater Activity.

Requirement in 2022/23 (incl. GST)

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$8	26

(d) Te Kuiti Urban Stormwater TFR and Targeted Rate

Description and Use

- Council will set a TFR per rating unit in the Te Kuiti Urban Rating Area to partly fund the Te Kuiti Urban Stormwater Activity.
- Council will set a Targeted Rate to partly fund the Te Kuiti Urban Stormwater Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kuiti Urban Rating Area excluding those in respect of which there is a

current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

Requirement in 2022/23 (incl. GST)

Te Kuiti Urban Stormwater (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$173	310

Requirement in 2022/23 (incl. GST)

Te Kuiti Urban Stormwater Targeted Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area (excluding rating units not using network)	0.02830	208

5.2. Water Rates

Description and Use

Council will set a TFR for Water Supply differentiated on the basis of supply area.

The TFR is set per separately used or inhabited part of a rating unit within Te Kuiti and Rural Communities (Piopio, Maniaiti / Benneydale and Mokau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

Requirement in 2022/23 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$719	\$360	1,485
Piopio	\$989	\$494	242
Maniaiti / Benneydale	\$989	\$494	118
Mokau	\$989	\$494	217

Council will set a TR per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP, differentiated by supply area that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw).

Requirement in 2022/23 (incl. GST)

Water Supply Rate (TR)	2022/23 Charge per cubic metre (including GST) above 292m ³
Te Kuiti	\$3.05
Piopio	\$3.33
Maniaiti / Benneydale	\$3.67
Mokau	\$4.88
Total Revenue Requirement (\$000)	1,124

Metered Water Supply Due Dates

	Reading Period	Due Date
Te Kuiti Meat Companies	Monthly	15 th of the month following invoice
Te Kuiti, Piopio, Mokau and Maniaiti / Benneydale	Jul-Dec 2022 Jan-Jun 2023	15 th of the month following invoice

5.3. District Wide Benefit Rate for Water Supply

Description and Use

Council will set a TFR on every rating unit within the District to part fund the water supply activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2022/23 (incl. GST)

District Wide Benefit Rate Water Supply (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$50	229

5.4. Wastewater Rates

Description and Use

Council will set a TFR to provide for the collection and disposal of sewage. The TFR is set per separately used or inhabited part of a rating unit within the District, with liability calculated based on whether the SUIP is connected to the wastewater network, or merely serviceable (Serviceable means the rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council).

Requirement in 2022/23 (incl. GST)

Wastewater (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Maniaiti / Benneydale	\$824	\$412	92
Te Waitere	\$824	\$412	14
Te Kuiti	\$824	\$412	1,394
Piopio	\$824	\$412	175

(a) Wastewater rates for non-residential properties in Te Kuiti

Description and Use

For all non-residential properties in Te Kuiti, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following categories:

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

Requirement in 2022/23 (incl. GST)

Base Charge:

Non – residential Targeted Rate (TFR)	Base Charge Per SUIP (up to 4 pans)	Per serviceable SUIP	Total Revenue Requirement (\$000)
Category 1	\$412	\$412	84
Category 2	\$412	\$412	14
Category 3	\$824	\$412	7

Pan Charge:

Non – residential Targeted Rate (TFR)	Number of Pans	Charge per pan (pan charge)	Total Revenue Requirement (\$000)
Category 1	5 th pan and over	\$577	59
Category 2	5-10 Pans	\$247	2
	Over 10 Pans	\$165	20
Category 3	5 th Pan and over	\$577	26

The rationale for the use of this rate is contained in the Revenue and Financing Policy.

5.5. Trade Waste Contribution TFR

Description and Use

A Trade Waste Contribution TFR will be set per rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kuiti Wastewater Network. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2022/23 (incl. GST)

Trade Waste Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$40	182

5.6. District Wide Benefit Rate for Wastewater

Description and Use

Council will set a TFR on every rating unit within the District to part fund the wastewater activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2022/23 (incl. GST)

District Wide Benefit Rate Wastewater (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$46	210

5.7. District Rooding Rate

Description and Use

Council will set a District Rooding targeted rate as a rate per \$100 of capital value on every rating unit across the District to part fund the Roads and Footpaths Activity. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2022/23 (incl. GST)

District Rooding Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
All Rating Units in the District	0.11875	5,145

5.8. Solid Waste Collection Rate

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kuiti, Piopio, Mokau (including Awakino) communities and Waitomo Village and some surrounding parts).

Requirement in 2022/23 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$67	135
Waitomo	\$71	48
Piopio	\$148	34
Mokau	\$147	45

5.9. Solid Waste Rate

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit District wide to part fund the solid waste activity.

Requirement in 2022/23 (incl. GST)

Solid Waste (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All Rating Units in the District	\$177	975

5.10. District Development Rate

Description and Use

Council will set a District Development Targeted Rate as a rate per \$100 of capital value differentiated between Commercial and Industrial Businesses, and Rural Businesses, to part fund Economic Development

and District Promotion. Refer to the Revenue and Financing Policy for details.

Requirement in 2022/23 (incl. GST)

District Development Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Commercial and Industrial Businesses	0.04204	177
Rural Businesses	0.00686	177

6. RATES PAYMENTS

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing **1 July 2022** will be payable in four equal instalments with the due dates for payment being:

1st Instalment	31 August 2022 (Wednesday)
2nd Instalment	30 November 2022 (Wednesday)
3rd Instalment	28 February 2023 (Tuesday)
4th Instalment	31 May 2023 (Wednesday)

Note

The due date for payment of each instalment is the last working day in each of the months specified above.

Rates payments will be allocated to the oldest debt first.

Penalties

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2022 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 1	5 September 2022
Instalment 2	5 December 2022
Instalment 3	3 March 2023
Instalment 4	5 June 2023
- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2022 that remains unpaid on 1 July 2022, to be added on 7 July 2022.
- (c) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.



RATES EXAMPLES

Rates Examples 2022/23

Capital Value \$ as at September 2021 (Including GST)	Te Kuiti Residential \$440,000 2022/23	Te Kuiti Commercial \$450,000 2022/23 3 pans	Te Kuiti Wider Rating Area \$1,005,000 2022/23	Waitomo Commercial \$1,350,000 2022/23 (2 parts)	Maniaiti/Benneydale Residential \$125,000 2022/23	Piopio Residential \$340,000 2022/23	Piopio Wider Rating Area \$615,000 2022/23	Mokau Residential \$485,000 2022/23	Drystock Rural \$4,130,000 2022/23	Dairy Farm Rural \$5,970,000 2022/23 (4 parts)	Te Waitere Residential \$420,000 2022/23
Uniform Annual General Charge (UAGC)	423	423	423	846	423	423	423	423	423	1,692	423
General Rate	858	878	1,960	2,633	244	663	1,199	946	8,055	11,644	819
District Roding Rate	523	534	1,193	1,603	148	404	730	576	4,904	7,089	499
Aquatic Centre Te Kuiti	105	105	105	0	0	0	0	0	0	0	0
Aquatic Centre Rural	0	0	0	38	19	19	19	19	19	76	19
District Development Rate - Commercial	0	189	0	568	0	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	283	410	0
District Benefit Water	50	50	50	50	50	50	50	50	50	50	50
District Benefit Wastewater	46	46	46	46	46	46	46	46	46	46	46
Te Kuiti Urban Stormwater Fixed Charge	173	173	0	0	0	0	0	0	0	0	0
Te Kuiti Urban Stormwater Capital Value	125	127	0	0	0	0	0	0	0	0	0
Rural Stormwater	0	0	8	16	8	8	8	8	8	32	8
Water Supply (Te Kuiti and Rural Communities)	719	719	0	0	989	989	0	989	0	0	0
Wastewater (Uniform)	824	412	0	0	824	824	0	0	0	0	824
Piopio Retirement Village Contribution	0	0	0	0	0	20	20	0	0	0	0
Te Kuiti Trade Waste Contribution	40	40	40	40	40	40	40	40	40	40	40
Solid Waste - District	177	177	177	354	177	177	177	177	177	708	177
Solid Waste Collection & Recycling	67	67	71	142	0	148	0	147	0	284	0
Marokopa Community Centre	0	0	0	0	0	0	0	0	0	0	0
Proposed Total Rates 2022/23	4,130	3,940	4,073	6,336	2,968	3,811	2,712	3,421	14,005	22,071	2,905
Total Rates (Actual) 2021/22	3,947	3,866	3,911	8,165	3,066	3,718	2,619	3,369	11,712	24,008	2,883
Change (%)	4.6%	1.9%	4.1%	-22.4%	-3.2%	2.5%	3.6%	1.5%	19.6%	-8.1%	0.8%

Rates Examples 2021/22

Capital Value \$ as at September 2018 (Including GST)	Te Kuiti Residential \$270,000 2021/22	Te Kuiti Commercial \$330,000 2021/22 3 pans	Te Kuiti Wider Rating Area \$810,000 2021/22	Waitomo Commercial \$1,590,000 2021/22 (2 parts)	Maniaiti/ Benneydale Residential \$60,000 2021/22	Piopio Residential \$205,000 2021/22	Piopio Wider Rating Area \$460,000 2021/22	Mokau Residential \$385,000 2021/22	Drystock Rural \$3,130,000 2021/22	Dairy Farm Rural \$5,850,000 2021/22 (4 parts)	Te Waitere Residential \$270,000 2021/22
Uniform Annual General Charge (UAGC)	728	728	728	1,456	728	728	728	728	728	2,912	728
General Rate	502	613	1,505	2,955	111	381	855	715	5,816	10,871	502
District Roding Rate	394	481	1,182	2,319	88	299	671	562	4,566	8,534	394
Aquatic Centre Te Kuiti	104	104	104	0	0	0	0	0	0	0	0
Aquatic Centre Rural	0	0	0	38	19	19	19	19	19	76	19
District Development Rate - Commercial	0	155	0	747	0	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	240	449	0
District Benefit Water	44	44	44	44	44	44	44	44	44	44	44
District Benefit Wastewater	51	51	51	51	51	51	51	51	51	51	51
Te Kuiti Urban Stormwater Fixed Charge	169	169	0	0	0	0	0	0	0	0	0
Te Kuiti Urban Stormwater Capital Value	114	139	0	0	0	0	0	0	0	0	0
Rural Stormwater	0	0	8	16	8	8	8	8	8	32	8
Water Supply (Te Kuiti and Rural Communities)	638	638	0	0	880	880	0	880	0	0	0
Wastewater (Uniform)	919	460	0	0	919	919	0	0	0	0	919
Piopio Retirement Village Contribution	0	0	0	0	0	25	25	0	0	0	0
Te Kuiti Trade Waste Contribution	39	39	39	39	39	39	39	39	39	39	39
Solid Waste - District	179	179	179	358	179	179	179	179	179	716	179
Solid Waste Collection & Recycling	66	66	71	142	0	146	0	144	0	284	0
Marokopa Community Centre	0	0	0	0	0	0	0	0	22	0	0
Total Rates (Actual) 2021/22	3,947	3,866	3,911	8,165	3,066	3,718	2,619	3,369	11,712	24,008	2,883

Rates Examples 2022/23 – Residential and Lifestyle

	Te Kuiti Average Residential	Piopio Average Residential	Maniaiti / Benneydale Average Residential	Mokau Average Residential	Te Waitere Average Residential	Low Value Residential	High Value Residential	Low Value Lifestyle	Average Value Lifestyle	High Value Lifestyle
Capital Value \$ as at Sep 2021 (Including GST)	\$385,000	\$280,000	\$155,000	\$385,000	\$420,000	\$125,000	\$630,000	\$210,000	\$475,000	\$1,100,000
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
Uniform Annual General Charge (UAGC)	423	423	423	423	423	423	423	423	423	423
General Rate	751	546	302	751	819	244	1,229	410	926	2,145
District Roding Rate	457	333	184	457	499	148	748	249	564	1,306
Aquatic Centre (Te Kuiti)	105	0	0	0	0	0	105	0	105	105
Aquatic Centre (Rural)	0	19	19	19	19	19	0	19	0	0
Te Kuiti Urban Stormwater Fixed Charge	173	0	0	0	0	0	173	0	0	0
Te Kuiti Urban Stormwater Capital Value	109	0	0	0	0	0	178	0	0	0
Stormwater (Rural)	0	8	8	8	8	8	0	8	8	8
Water Supply (Te Kuiti and Rural Communities)	719	989	989	989	0	989	719	0	0	0
Wastewater (Uniform)	824	824	824	0	824	824	824	0	0	0
Solid Waste - District	177	177	177	177	177	177	177	177	177	177
Solid Waste Collection & Recycling	67	148	0	147	0	0	67	71	71	0
Piopio Retirement Village Contribution	0	20	0	0	0	0	0	0	0	0
Te Kuiti Trade Waste Contribution	40	40	40	40	40	40	40	40	40	40
District Wide Benefit Water	50	50	50	50	50	50	50	50	50	50
District Wide Benefit Wastewater	46	46	46	46	46	46	46	46	46	46
Proposed Total Rates 2022/23	3,941	3,623	3,062	3,107	2,905	2,968	4,779	1,493	2,410	4,300
Total Rates (Actual) 2021/22	3,742	3,568	3,066	2,922	2,883	3,017	4,657	1,603	2,219	4,072
Change (%)	5.3%	1.5%	-0.1%	6.3%	0.8%	-1.6%	2.6%	-6.9%	8.6%	5.6%

Rates Examples 2021/22 – Residential and Lifestyle

Capital Value \$ as at Sep 2018 (Including GST)	Te Kuiti Average Residential	Piopio Average Residential	Maniaiti / Benneydale Average Residential	Mokau Average Residential	Te Waitere Average Residential	Low Value Residential	High Value Residential	Low Value Lifestyle	Average Value Lifestyle	High Value Lifestyle
	\$215,000	\$160,000	\$60,000	\$250,000	\$270,000	\$45,000	\$460,000	\$140,000	\$300,000	\$880,000
	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22
Uniform Annual General Charge (UAGC)	728	728	728	728	728	728	728	728	728	728
General Rate	400	297	111	465	502	84	855	260	557	1,635
District Roding Rate	314	233	88	365	394	66	671	204	438	1,284
Aquatic Centre (Te Kuiti)	104	0	0	0	0	0	104	0	104	104
Aquatic Centre (Rural)	0	19	19	19	19	19	0	19	0	0
Te Kuiti Urban Stormwater Fixed Charge	169	0	0	0	0	0	169	0	0	0
Te Kuiti Urban Stormwater Capital Value	91	0	0	0	0	0	194	0	0	0
Stormwater (Rural)	0	8	8	8	8	8	0	8	8	8
Water Supply (Te Kuiti and Rural Communities)	638	880	880	880	0	880	638	0	0	0
Wastewater (Uniform)	919	919	919	0	919	919	919	0	0	0
Solid Waste - District	179	179	179	179	179	179	179	179	179	179
Solid Waste Collection & Recycling	66	146	0	144	0	0	66	71	71	0
Piopio Retirement Village Contribution	0	25	0	0	0	0	0	0	0	0
Te Kuiti Trade Waste Contribution	39	39	39	39	39	39	39	39	39	39
District Wide Benefit Water	44	44	44	44	44	44	44	44	44	44
District Wide Benefit Wastewater	51	51	51	51	51	51	51	51	51	51
Total Rates (Actual) 2021/22	3,742	3,568	3,066	2,922	2,883	3,017	4,657	1,603	2,219	4,072

Rates Examples 2022/23 – Pastoral, Dairy and Commercial

Capital Value \$ as at Sep 2021 (Including GST)	Low Value Pastoral	Average Value Pastoral	High Value Pastoral	Low Value Dairy	Average Value Dairy	High Value Dairy	Low Value Commercial	Average Value Commercial	High Value Commercial	Average Value Forestry
	\$855,000	\$3,190,000	\$9,263,000	\$1,090,000	\$3,610,000	\$14,650,000	\$430,000	\$750,000	\$14,000,000	\$600,000
	2022/23	2022/23	2022/23 (4 parts)	2022/23	2022/23 (3 parts)	2022/23 (7 parts)	2022/23	2022/23 (3 parts & 13 pans)	2022/23 (2 parts & 11 pans)	2022/23
Uniform Annual General Charge	423	423	1,692	423	423	2,961	423	1,269	846	423
General Rate	1,668	6,222	18,067	2,126	7,041	28,573	839	1,463	27,306	1,170
District Roding Rate	1,015	3,788	11,000	1,294	4,287	17,397	511	891	16,625	713
Aquatic Centre (Te Kuiti)	0	0	0	0	0	0	105	315	210	0
Aquatic Centre (Rural)	19	19	76	19	19	133	0	0	0	19
District Development Rate - Commercial	0	0	0	0	0	0	181	315	5,886	0
District Development Rate - Rural Business	59	219	635	75	248	1,005	0	0	0	41
Te Kuiti Urban Stormwater Fixed Charge	0	0	0	0	0	0	173	173	173	0
Te Kuiti Urban Stormwater Capital Value	0	0	0	0	0	0	122	212	3,962	0
Stormwater (Rural)	8	8	32	8	8	56	0	0	0	8
Water Supply (Te Kuiti and Rural Communities)	0	0	0	0	0	0	719	2,157	1,438	0
Wastewater (Uniform)	0	0	0	0	0	0	412	1,813	2,555	0
Piopia Retirement Village Cont	20	0	20	0	20	0	0	0	0	0
Solid Waste - District	177	177	708	177	177	1,239	177	531	354	177
Solid Waste Collection & Recycling	0	0	0	71	71	497	67	201	134	0
Te Kuiti Trade Waste Contribution	40	40	40	40	40	40	40	40	40	40
District Wide Benefit Water	50	50	50	50	50	50	50	50	50	50
District Wide Benefit Wastewater	46	46	46	46	46	46	46	46	46	46
Proposed Total Rates 2022/23	3,525	10,992	32,366	4,329	12,430	51,997	3,865	9,476	59,625	2,687
Total Rates (Actual) 2021/22	3,740	9,111	34,273	4,736	13,212	58,755	3,425	10,208	44,469	2,595
Change (%)	-5.8%	20.6%	-5.6%	-8.6%	-5.9%	-11.5%	12.8%	-7.2%	34.1%	3.5%

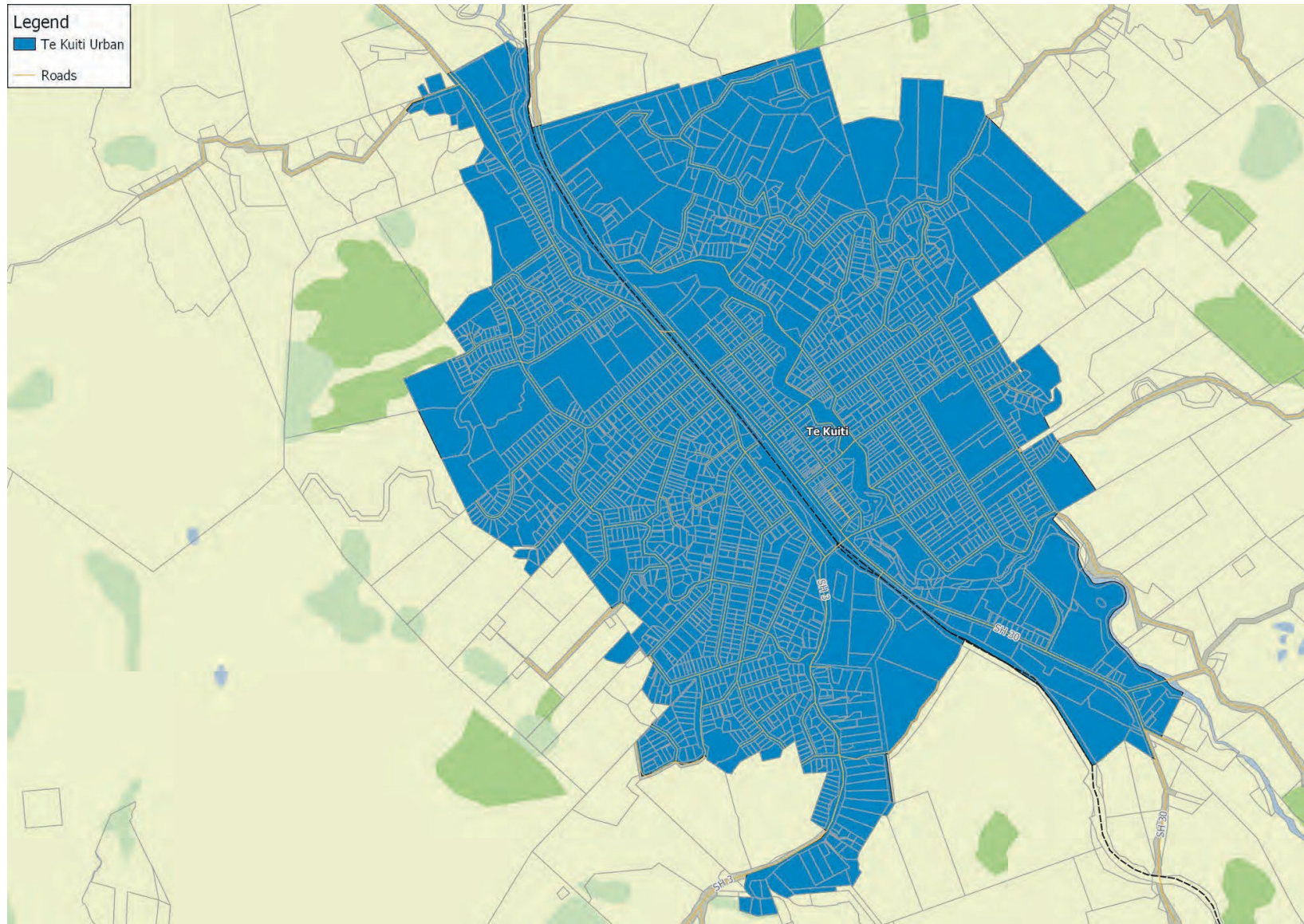
Rates Examples 2021/22 – Pastoral, Dairy and Commercial

Capital Value \$ as at Sep 2018 (Including GST)	Low Value Pastoral	Average Value Pastoral	High Value Pastoral	Low Value Dairy	Average Value Dairy	High Value Dairy	Low Value Commercial	Average Value Commercial	High Value Commercial	Average Value Forestry
	\$780,000	\$2,370,000	\$8,951,000	\$1,060,000	\$3,550,000	\$15,200,000	\$225,000	\$650,000	\$9,000,000	\$450,000
	2021/22	2021/22	2021/22 (4 parts)	2021/22	2021/22 (3 parts)	2021/22 (7 parts)	2021/22	2021/22 (3 parts & 13 pans)	2021/22 (2 parts & 11 pans)	2021/22
Uniform Annual General Charge	728	728	2,912	728	728	5,096	728	2,184	1,456	728
General Rate	1,449	4,404	16,634	1,970	6,597	28,246	418	1,208	16,725	836
District Roding Rate	1,138	3,457	13,058	1,546	5,179	22,174	328	948	13,129	656
Aquatic Centre (Te Kuiti)	0	0	0	0	0	0	104	312	208	0
Aquatic Centre (Rural)	19	19	76	19	19	133	0	0	0	19
District Development Rate - Commercial	0	0	0	0	0	0	106	305	4,227	0
District Development Rate - Rural Business	60	182	687	81	272	1,166	0	0	0	35
Te Kuiti Urban Stormwater Fixed Charge	0	0	0	0	0	0	169	169	169	0
Te Kuiti Urban Stormwater Capital Value	0	0	0	0	0	0	95	275	3,803	0
Stormwater (Rural)	8	8	32	8	8	56	0	0	0	8
Water Supply (Te Kuiti and Rural Communities)	0	0	0	0	0	0	638	1,914	1,276	0
Wastewater (Uniform)	0	0	0	0	0	0	460	2,024	2,852	0
Piopio Retirement Village Cont	25	0	25	0	25	0	0	0	0	0
Solid Waste - District	179	179	716	179	179	1,253	179	537	358	179
Solid Waste Collection & Recycling	0	0	0	71	71	497	66	198	132	0
Te Kuiti Trade Waste Contribution	39	39	39	39	39	39	39	39	39	39
District Wide Benefit Water	44	44	44	44	44	44	44	44	44	44
District Wide Benefit Wastewater	51	51	51	51	51	51	51	51	51	51
Total Rates (Actual) 2021/22	3,740	9,111	34,273	4,736	13,212	58,755	3,425	10,208	44,469	2,595

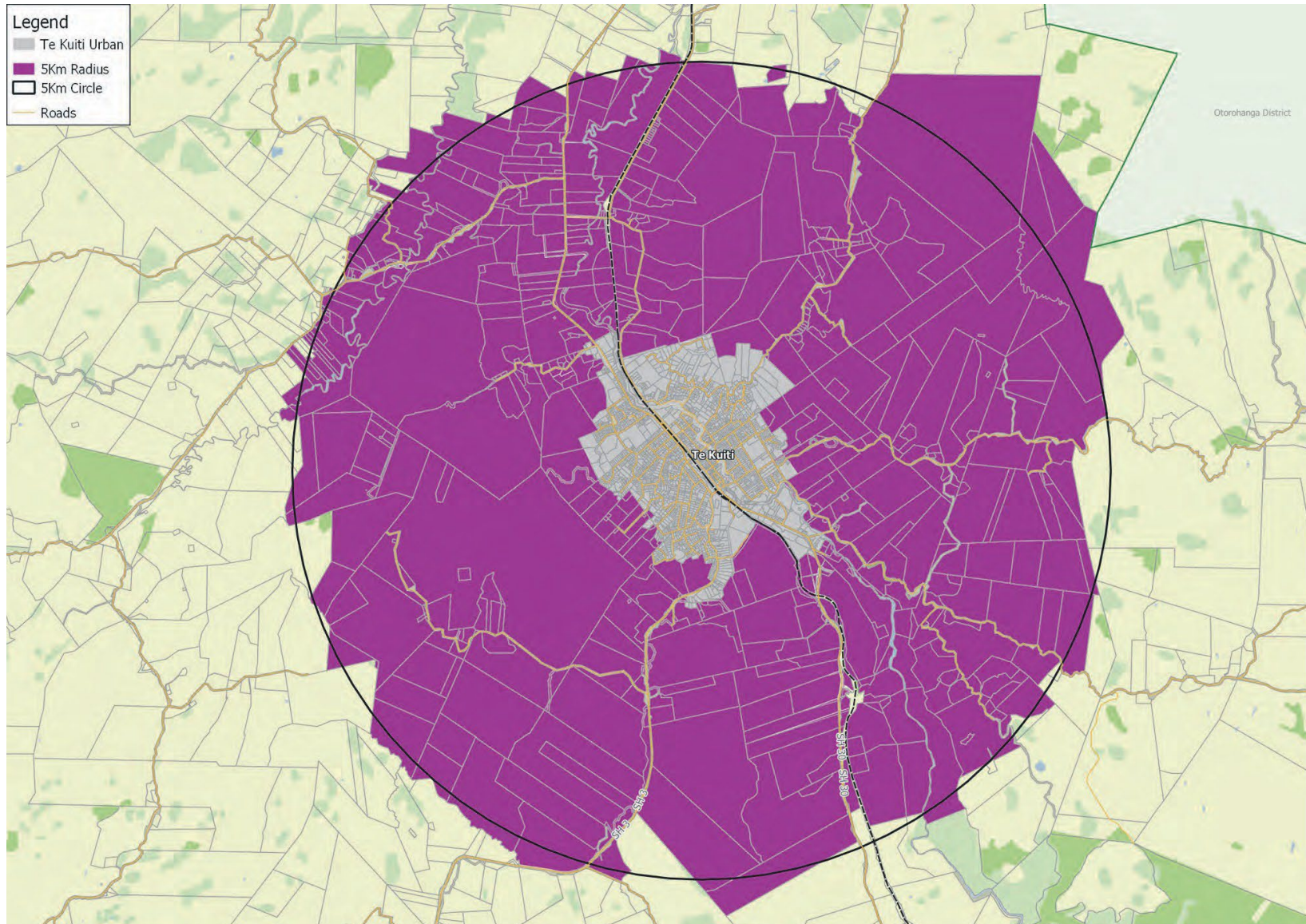


RATING MAPS

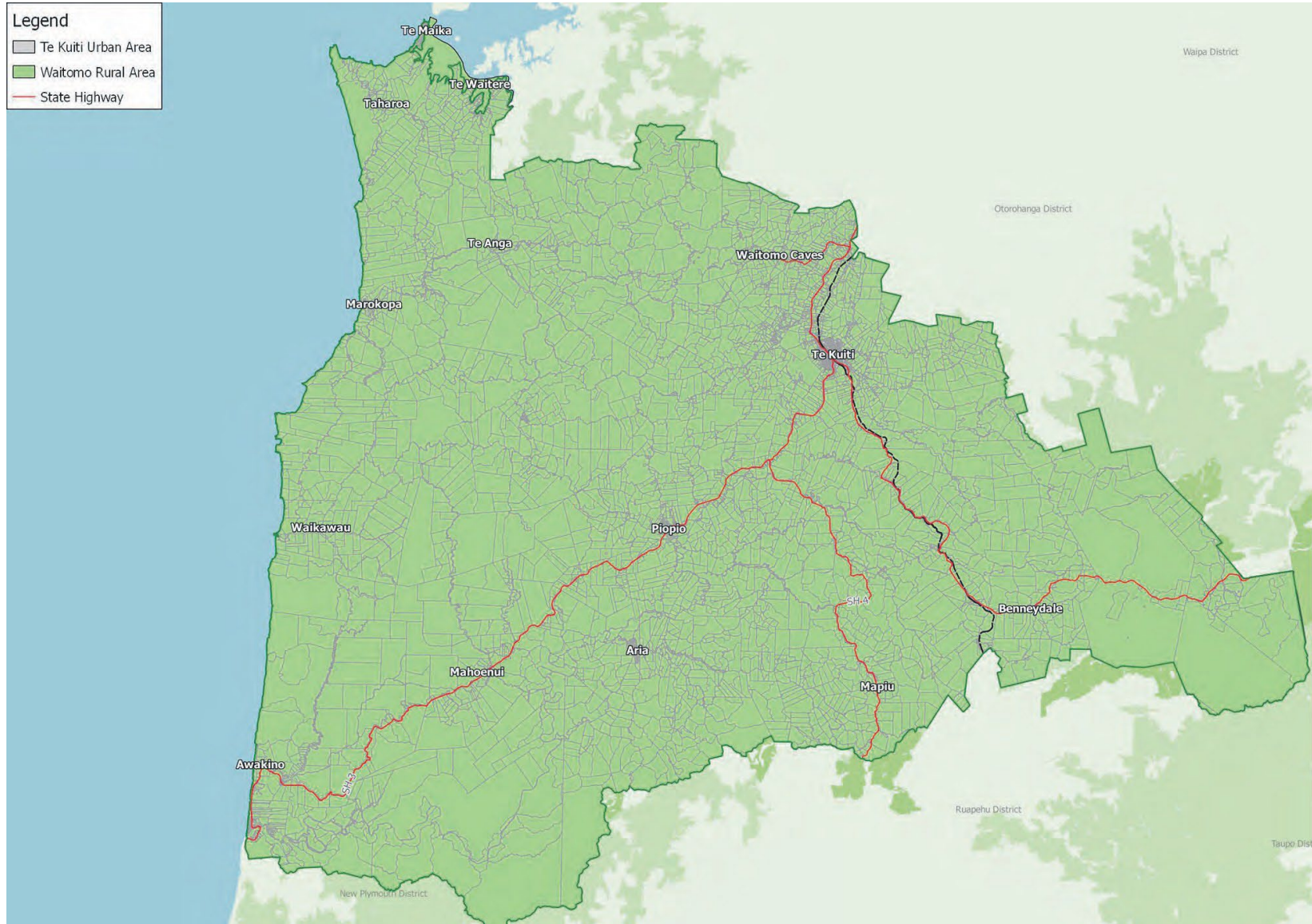
Te Kuiti Urban Rating Area



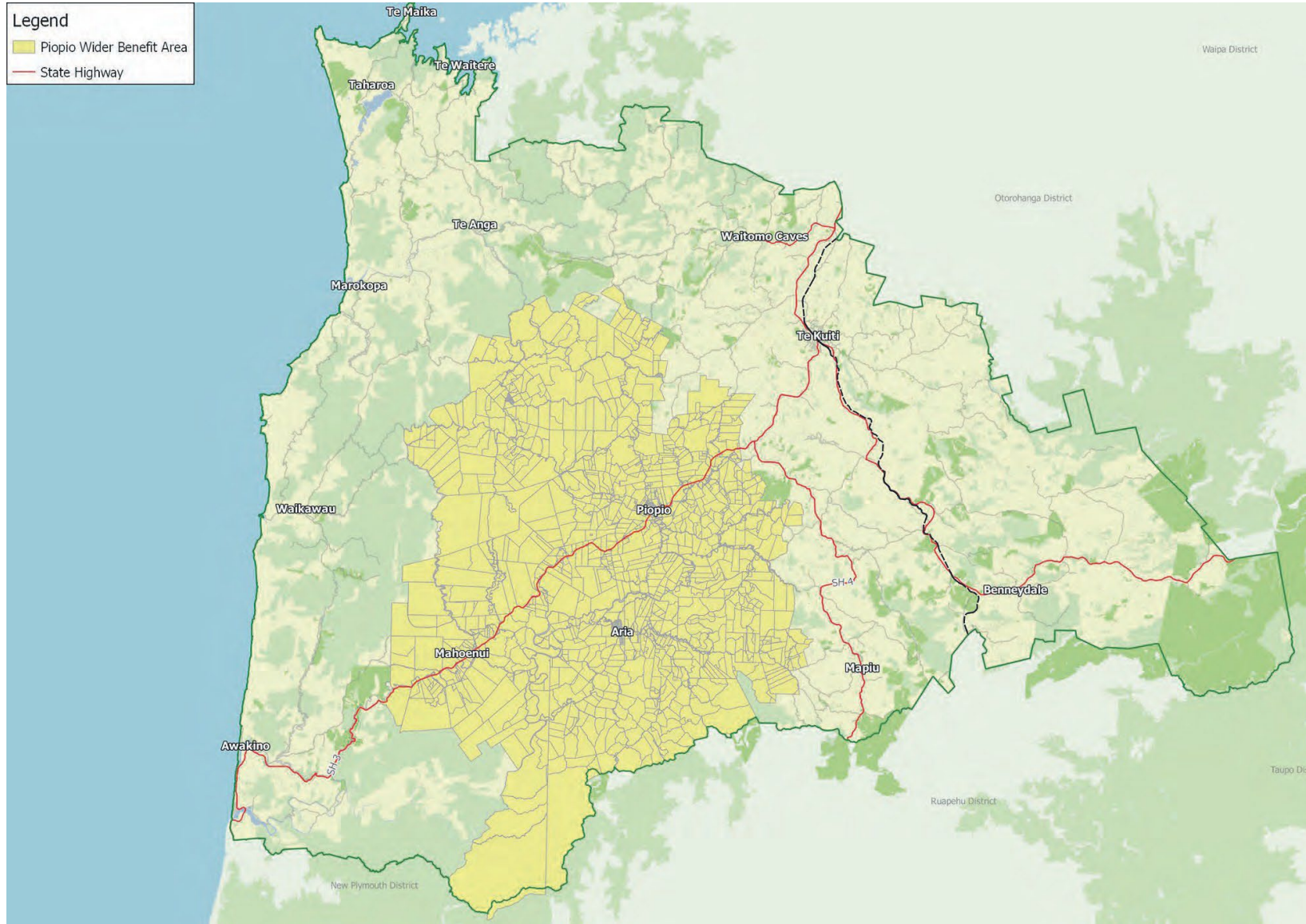
Te Kuiti Urban and Periphery Rating Area



Rural Rating Area



Piopio Wider Benefit Rating Area



PROSPECTIVE STATEMENT OF RESERVE FUNDS

The Council maintains reserves as a sub-part of its equity. Schedule 10(16) LGA requires certain information on Reserve Funds to be included in the Council's Annual Plan. The following represents a summary of Reserve Funds over the period of the plan and provides information on:

- The purpose of the Reserve Fund;
- The activity to which the fund relates;
- The amount expected to be in the fund at:
 - the commencement of the year;
 - the end of the year;
- The amount expected to be deposited in the fund during the year; and
- The amount expected to be withdrawn from the fund;
- During the year.

Council created reserves consist of :

1. OPERATIONAL RESERVES

Operational Reserves are created to hold short-term funding surpluses (or deficits) arising from the various activities of Council.

This occurs when:

- Operating expenditure exceeds or is less than the budget;
- Operating income exceeds or is less than budget; or
- A combination of both.

A balance held in an operational reserve forms part of the Council's funding considerations for a particular activity in each subsequent year's budget.

For example, the balance in an operational reserve will determine whether more or less income is required in the subsequent year's budget to clear that balance.

Council ensures that rates collected for a particular activity from an identified group of ratepayers are used only for that activity and for the benefit of that identified ratepayer group.

2. DEPRECIATION RESERVES

The Council sets aside accumulated funds from rates in specific Depreciation Reserves to fund repayments on loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives.

Each major activity e.g. water, roading, wastewater, stormwater, solid waste, etc. has its own Depreciation Reserve so that the funds from each can be applied to the appropriate activity.

Council ensures that funds accumulated for a particular activity from an identified group of ratepayers can only be used for that activity and for the benefit of that identified ratepayer group.

The purpose of accumulating specific Depreciation Reserves is to ensure that Council's ability to provide services to the District's communities is maintained.

3. SPECIAL PURPOSE RESERVES

There are three special purpose reserves;

- District Development Special Purpose Reserve: Funds were received from the Development King Country Trust in April 2012 with the intention of setting up a Waitomo District Economic Development Board (or similar entity) to assist with a more integrated strategic focus on sustainable delivery of economic development initiatives within the District.
- Carbon credits reserve is used to record the funding and expenditures in relation to Council responsibilities for the Emissions Trading Scheme.
- Waste Minimisation Special Purpose Reserve: Funds received from the Ministry for the Environment under Section 31 of the Waste Minimisation Act 2008 can only be spent on activities that promote or achieve waste minimisation and in accordance with Council's Waste Management and Minimisation plan. This special purpose reserve is a net accumulation of levy monies received and expenditure on waste minimisation activities that meet the aforementioned purpose.

Prospective Statement of Council Created Reserve Funds for the Year Ending 30 June 2023

PROSPECTIVE STATEMENT OF RESERVE FUNDS FOR YEAR ENDING 30 JUNE 2023 (\$000's)	Projected Reserve Balance 30 June 2022	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2023
Operational Reserves (1)				
Representation, Strategy and Engagement	275	0	(143)	132
Investments	1,146	0	(50)	1,096
Emergency Management	472	0	0	472
	1,893	0	(193)	1,700
Recreation and Property				
Parks and Recreation	931	0	0	931
Housing and Property	864	0	0	864
Community Facilities - Library	14	0	0	14
Community Facilities - Aquatic Centre	(29)	0	0	(29)
Community Facilities - Les Munro Centre	260	0	0	260
Community Facilities - Aerodrome	127	0	(50)	77
Community Facilities - King Country Indoor Sports and Recreation Centre	75	0	(72)	3
Public Facilities	809	0	0	809
	3,051	0	(122)	2,929
Community and Partnerships				
Community Partnerships	989	0	(133)	856
	989	0	(133)	856
Regulatory Services				
Regulatory Services	449	0	0	449
	449	0	0	449
Solid Waste				
Kerbside Collection	178	0	0	178
Waste Disposal	(319)	0	0	(319)
Waste Minimisation	(2)	0	0	(2)
	(143)	0	0	(143)
Stormwater				
Te Kuiti	10	0	0	10
Rural	194	0	0	194
	204	0	0	204
Resource Management				
Resource Management	293	0	0	293
	293	0	0	293
Wastewater				
Waitomo	(15)	0	0	(15)
Te Kuiti	5,512	89	0	5,601
Te Waitere	(29)	0	(42)	(71)
Maniaiti/Benneydale	(419)	0	(77)	(496)
Piopio	48	0	(169)	(121)
	5,097	89	(288)	4,898
Water Supply				
Te Kuiti	(100)	387	0	287
Mokau	(1,150)	0	(172)	(1,322)
Piopio	(837)	0	(149)	(986)
Maniaiti/Benneydale	(209)	0	(66)	(275)
Waitomo	(36)	0	0	(36)
	(2,332)	387	(387)	(2,332)
Roads and Footpaths				
Subsidised Roads	(729)	0	0	(729)

PROSPECTIVE STATEMENT OF RESERVE FUNDS FOR YEAR ENDING 30 JUNE 2023 (\$'000's)	Projected Reserve Balance 30 June 2022	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2023
Unsubsidised Roads	869	0	(212)	657
	140	0	(212)	(72)
Business Support				
Gratuities	71	0	0	71
Long Service Leave	26	0	0	26
Natural Disaster	426	0	0	426
	523	0	0	523
Total Operational Reserves	10,164	476	(1,335)	9,305
Depreciation Reserves (2)				
Investments	0	2	0	2
	0	2	0	2
Recreation and Property				
Parks and Recreation	(10)	95	(56)	29
Housing and Property - Elder Persons	215	11	(11)	215
Housing and Property - Community Halls	811	0	0	811
Housing and Property - Land and Buildings	255	219	(174)	300
Housing and Property - Railway Station Buildings	(112)	0	0	(112)
Community Facilities - Library	613	96	(59)	650
Community Facilities - Aquatic Centre	(2)	35	(22)	11
Community Facilities - Les Munro Centre	416	228	(20)	624
Community Facilities - Aerodrome	31	45	(31)	45
Public Facilities	263	170	(119)	314
	2,480	899	(492)	2,887
Community and Partnerships				
Te Kuiti i-SITE	57	4	0	61
	57	4	0	61
Regulatory Services				
Animal and Dog Control	(42)	8	(11)	(45)
	(42)	8	(11)	(45)
Solid Waste				
Waste Disposal	(340)	92	(481)	(729)
	(340)	92	(481)	(729)
Stormwater				
Te Kuiti	1,113	209	(147)	1,175
Rural	52	10	(6)	56
	1,165	219	(153)	1,231
Wastewater				
Te Kuiti	306	556	(579)	283
Te Waitere	2	4	(3)	3
Maniaiti/Benneydale	370	47	(23)	394
Piopio	93	139	(73)	159
	771	746	(678)	839
Water Supply				
Te Kuiti	501	316	(315)	502
Mokau	(243)	129	(149)	(263)
Piopio	114	98	(38)	174
Maniaiti/Benneydale	170	51	(25)	196
	542	594	(527)	609
Roads and Footpaths				
Subsidised Roads	7,335	2,599	(2,998)	6,939
Unsubsidised Roads	216	21	(27)	210

PROSPECTIVE STATEMENT OF RESERVE FUNDS FOR YEAR ENDING 30 JUNE 2023 (\$'000's)	Projected Reserve Balance 30 June 2022	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2023
	7,551	2,620	(3,025)	7,146
Business Support				
Business Support	(189)	449	(420)	(160)
Plant	(133)	214	(304)	(223)
	(322)	663	(724)	(383)
Total Depreciation Reserves	11,862	5,847	(6,091)	11,618
Special Purpose Reserves (3)				
District Development	16	0	0	16
	16	0	0	16
Solid Waste				
Carbon Credits	37	656	(656)	37
Waste Minimisation Reserve	31	0	(22)	9
	68	656	(678)	46
Total Special Purpose Reserves	84	656	(678)	62
Total Council Created Reserves	22,110	7,014	(8,139)	20,985

Note: Credit balances indicate that the reserve is overdrawn.

Reconciliation between the Prospective Statement of Reserve Funds and other Statements

RECONCILIATION BETWEEN THE PROSPECTIVE STATEMENT OF RESERVE FUNDS AND OTHER STATEMENTS (\$'000's)	REFERENCE	AP 22/23
Prospective Statement of Reserve Funds		
Forecast Reserve Deposits		7,014
Forecast Reserve Withdrawals		(8,139)
Net Deposit to/(Withdrawal from) Reserves		(1,125)
Prospective Statement of Funding Sources	page 45	
Reserve Transfers		9,361
Less Total Depreciation and Amortisation Expense		(7,580)
Less Surrender of Carbon Credits Expense		(656)
Net funding from Reserves		1,125
Variance		0
Prospective Funding Impact Statement: Whole of Council	page 38	
Increase (decrease) in reserves		1,781
Less Surrender of Carbon Credits Expense		(656)
Net funding from Reserves		1,125
Variance		0

ACCOUNTING POLICIES

STATEMENT OF RESPONSIBILITY

The Annual Plan 2022/23 was adopted by Council on 31 May 2022.

The purpose of the plan is to provide a roadmap to the Council and community on the planned activities and expenditure of Council over the next year. The use of this information for purposes other than for which it is prepared may not be appropriate.

Council is responsible for the prospective financial statements presented, including the appropriateness of the underlying assumptions and related disclosures. The prospective financial statement have been prepared in compliance with the PBE FRS 42 Prospective Financial Statements.

Council, who are authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, adopted the Annual Plan 2022/23 on 31 May 2022.

No actual financial results have been incorporated within the prospective financial statements.

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Waitomo District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's activities is the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The financial information contained within the Annual Plan 2022/23 may not be appropriate for purposes other than those described.

Basis of Preparation

The prospective financial statements are for Waitomo District Council as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities and associates have not been prepared.

STATEMENT OF COMPLIANCE

The prospective financial statements have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE (Public Benefit Entity) accounting standards.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

PRESENTATION CURRENCY AND ROUNDING

The reporting period for these prospective financial statements is the year ending 30 June 2023. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000's), unless otherwise stated.

MEASUREMENT BASIS

The measurement basis applied is historical cost, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments and investment property. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

REVENUE

Revenue comprises rates, revenue from operating activities, grant revenue, interest revenue, and other revenue and is measured at the fair value of consideration received or receivable.

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Council and the revenue can be reliably measured.

Revenue may be derived from either exchange or non-exchange transactions. These are defined as:

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

The following specific recognition criteria must also be met before revenue is recognised.

RATES REVENUE

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates arising from late payment penalties are recognised when rates become overdue. Rates revenue is classified as non-exchange revenue.

NEW ZEALAND TRANSPORT AGENCY (NZTA) ROADING SUBSIDIES

The Council receives funding assistance from NZTA, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled. NZTA subsidies are classified as non-exchange revenue.

OTHER SUBSIDIES AND GRANTS RECEIVED

Other subsidies and grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grants are satisfied. Other subsidies and grants received are classified as non-exchange revenue.

FEES, LEVIES & CHARGES

Other fees, levies and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence. Fees, levies and charges are classified as non-exchange revenue.

INTEREST REVENUE

Revenue is recognised using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument. Interest revenue is classified as exchange revenue.

SALE OF GOODS

The sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer. This revenue is classified as exchange revenue.

PROPERTY RENTAL REVENUE

Rental revenue arising on property owned by the Council is accounted for on a straight-line basis over the lease term. Property rental revenue is generally classified as non-exchange.

DONATED, SUBSIDISED OR VESTED ASSETS

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised when the control of the asset is transferred to Council. The fair value of this asset is recognised as revenue, unless there is a use or return condition attached to the asset and is classified as non-exchange revenue.

RENDERING OF SERVICES AND CONSTRUCTION CONTRACTS

Revenue from construction contracting services includes revenue from building and civil contracting services. Revenue and profit are recognised on the basis of value of work completed. Percentage of completion is measured by reference to the value of work performed which is independently certified each month by the customer's engineer to the contract. Expected losses are recognised in full as soon as they become apparent.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Group's construction activities in general.

Rendering of services is classified as exchange revenue.

EXPENDITURE

Expenditure is recognised when Council has been supplied with the service or has control of the goods supplied.

GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

DEPRECIATION AND AMORTISATION

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

BORROWING COSTS

Borrowing costs are recognised in the period in which they are incurred.

INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the Statement of Financial Position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly into equity.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes 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.

INVENTORY

Inventory held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The amount of any write down from the loss of service potential or from cost to net realisable value is recognised in surplus or deficit in the period of the write down.

FINANCIAL ASSETS

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

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

Financial assets are classified into the following categories for the purpose of measurement:

- Financial assets at fair value through surplus or deficit,
- Loans and receivables, and
- Available for sale.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The three categories of financial assets are:

1. Financial Assets at Fair Value Through Surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Derivative financial instrument assets are included in this class.

2. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified as Receivables in the Prospective Statement of Financial Position.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit. The loans are subsequently measured at amortised cost using the effective interest method.

A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The

amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

3. Available for Sale

Available for sale financial assets are those that are designated into the category at initial inception and are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of or realise the investment within 12 months of balance date. The Council includes the following in this category:

- Investments that the Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that Council holds for strategic purposes. Council's investment in Inframax Construction Limited is included in this category.

After initial recognition these investments are measured at their fair value.

Gains and losses arising from changes in fair value are recognised in other comprehensive revenue and expense and accumulated as a separate component of equity in the available-for-sale revaluation reserve with the exception of impairment losses, which are recognised directly in surplus or deficit.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is reclassified from equity to the surplus or deficit (as a reclassification adjustment).

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for any evidence of impairment at each balance date. Any impairment losses are recognised in the surplus or deficit.

Loans and receivables

Impairment is established when there is evidence that Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the assets' carrying value and the present value of estimated future cash flows, discounted using the original effective interest rate.

Available for sale

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

If impairment evidence exists for available for sale assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset already recognised in the surplus or deficit) recognised in other comprehensive revenue

and expense is reclassified from equity to surplus or deficit.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used to manage exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in surplus or deficit.

The Council designates certain derivatives as either:

- Hedges of highly probable forecast transactions (cash flow hedge); or
- Derivatives that do not qualify for hedge accounting.

The Council documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current, if the remaining maturity of the hedged items is less than 12 months.

CASH FLOW HEDGE

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expenses are classified into surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to surplus or deficit.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the

criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to surplus or deficit.

DERIVATIVES THAT DO NOT QUALIFY FOR HEDGE ACCOUNTING

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in surplus or deficit.

PAYABLES

Payables are recognised at their face value when the Council becomes obligated to make future payments resulting from the purchase of goods or services.

Payables may be derived from either exchange or non-exchange transactions. These are defined as:

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) goods, assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash) to another entity in exchange.

Payables from exchange transactions include payables to suppliers, retention monies and payables for elected members and director's fees.

Non-exchange transactions

A non-exchange transaction is a transaction where Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Non exchange payables include payables for GST, deposits and bonds held and deferred grant revenue.

BORROWINGS

Borrowings are initially recognised at their fair value net of transaction costs.

After initial recognition, all borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated

by taking into account any issue costs, and any discount or premium on settlement.

Borrowings are classified as current liabilities unless Council has unconditional right to defer settlement of the liability for at least 12 months after balance date.

GOOD AND SERVICES TAX (GST)

All items in the prospective financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Prospective Statement of Financial Position.

Commitments and contingencies are disclosed exclusive of GST.

PROVISIONS

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

LANDFILL POST CLOSURE COSTS

Council has a legal obligation under the its resource consents held for both open and closed landfills to provide for ongoing maintenance and monitoring at the landfill sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure expenditure arises.

The provision is a measure based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill post closure asset is depreciated over its useful life.

EMPLOYEE ENTITLEMENTS

Short-Term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period which the employee renders the related service are measured 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, retiring and entitlements

expected to be settled within 12 months, and sick leave.

A liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

LEASES

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases recognised as assets and liabilities in the Prospective Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

A finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of operational assets, restricted assets, and infrastructural assets.

OPERATIONAL ASSETS

Operational assets are tangible assets, able to be dealt with as part of the operating strategy and include land, buildings, furniture and fittings, computer hardware, plant and equipment, library books, and motor vehicles.

INFRASTRUCTURAL ASSETS

Infrastructural assets are the fixed utility systems providing an ongoing service to the community, but are not generally regarded as tradable. They include infrastructural land, roads, water reticulation systems, solid waste assets, sewerage reticulation systems, stormwater systems, and land under roads.

RESTRICTED ASSETS

Restricted assets cannot be disposed of because of legal and other restrictions but provide a benefit or service to the community. These are mainly assets associated with reserves vested under the Reserves

Act, endowments and other property held in Trust for specific purposes.

ADDITIONS

The cost of an item of property, plant and equipment is recognised as an asset if, and 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.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

DISPOSALS

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in the property revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

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

The costs of day to day servicing and maintenance of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, land under roads, work in progress and those assets in the tables below that are not depreciated, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Operational Assets

Operational assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Operational buildings	15-100 years
Plant and equipment	4-13 years
Motor vehicles	5-7 years
Furniture and fittings	5-30 years
Computers	4-5 years
Library books	7 years
Archive books	No depreciated

Infrastructural Assets

Infrastructural assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Roads and Footpaths

Pavement formation	Not depreciated
Pavement subbase	120 - 160 years or not depreciated
Pavement base	60 -120 years or not depreciated
Sealed surface	12 – 22 years
Metal surface	Not depreciated
Bridges and major culverts	60-100 years
Retaining walls and other structures	20-100 years
Footpaths and footpath crossings	19-80 years
Drainage and culverts	70-80 years
Kerbs and channels	80 years
Stormwater channels	Not depreciated
Guard rails	50 years
Streetlights and Poles	Lanterns 20-25 years, poles and brackets 15-60 years
Road signs	Signs 15-20 years, Signposts 30 years
Resource consents	3-24 years

Water Supply Assets

Pipes	60-120 years
Fire hydrant valves	75 years
Meters	30 years
Tobies	60 years
Pump stations	20-100 years
Dam structures	100 years
Reservoir structures	80 years
Treatment plants	5-100 years
Resource consents	11-35 years or not depreciated

Waste Water Assets

Pipes	50-120 years
Manholes	100 years
Separator tanks	50 years
Pump stations	15-100 years
Treatment Plants	12-100 years
Resource consents	15-35 years

Stormwater Assets

Pipes	60-120 years
Manholes and Cesspits	100 years
Resource consents	20 years

Solid Waste Assets

Landfill cells and earthworks	Not depreciated
Building and shelters	20-60 years
Oxidation ponds	80 years
Roading & driveways	12-80 years
Weighbridges & automatic gates	15-50 years
Bins and containers	15-80 years
Retaining walls	25-100 years
Fencing and other assets	15-35 years
Resource consents	30-34 years

The depreciation rates are applied at a component level and are dependent on the remaining useful life for each component. The residual value and useful life

on an asset is reviewed and adjusted where applicable at each balance date.

Restricted Assets

Restricted assets are depreciated on a straight line basis as follows:

Restricted Buildings	15 – 100 years
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REVALUATIONS

Revaluations of property, plant and equipment are on a class of asset basis.

Land and buildings (operational and restricted) and infrastructural assets (except for land under roads) are revalued with sufficient regularity to ensure that their carrying value does not materially differ from fair value and at least every three years. The carrying values of revalued items are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then that asset class is revalued earlier than the three yearly planned revaluation.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to a property revaluation reserve in equity for that class of asset. Where this should result in a debit balance in the revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive revenue and expense.

REVALUATION OF RESTRICTED ASSETS

Land and buildings in the restricted asset class are assets subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for which the assets can be used).

INTANGIBLE ASSETS

Computer Software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense as incurred. The costs associated with the development and maintenance of the Council's website are recognised as an expense as incurred. Staff training costs are recognised in the surplus or deficit when incurred.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Service Concession Asset

A service concession asset is an asset that grants Council, as an operator, the use of an asset to provide public services on behalf of the grantor (Ministry of Education and Te Kuiti High School Board of Trustees) for a specified period of time.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life for software. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for software have been estimated as follows:

Computer software	2 - 5 years
Service Concession Asset	35 years

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. This condition is regarded as met only when the sale is highly probable and the assets (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within 12 months from the date of classification. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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 (including those that are part of a disposal group) are not depreciated or amortised while they are classified as assets held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

INVESTMENT IN UNLISTED SHARES

Council has an interest (1.6%) in a Council Controlled Organisation (CCO); Waikato Local Authority Shared Services Limited. Council has no significant influences over operational or financial policies of the company.

As this investment is not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investment is therefore measured at cost.

INVESTMENT PROPERTY

Investment property are held primarily for capital growth, rental or similar revenue. Properties leased to third parties under operating leases are classified as investment property unless the property is held to

meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property consists of miscellaneous housing properties and land.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, it is measured at fair value, determined annually by an independent valuer. Gains or losses arising from a change in fair value are recognised within surplus or deficit.

COST ALLOCATION

The Council has derived the cost of service for each significant activity. Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These costs are allocated to Council activities using appropriate cost drivers such as resource use, staff numbers and floor area. All overhead costs have been allocated to significant activities.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Property, plant and equipment and intangible assets that have a finite useful life are reviewed annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable amount the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most

appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash generating assets and cash generating units is the present value of expected future cash flows.

EQUITY

Equity is the community's interest in the Council, and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds;
- Other reserves; and
- Property revaluation reserves.

Other Reserves

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

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. Transfers to and from these reserves are at the discretion of the Council.

Council created reserves are a combination of depreciation reserves and transfers of surplus or deficit from operations. The purpose of the reserves is to maintain balances of funded depreciation for future renewal of assets and to hold revenue streams in separate balances as required by Council.

Available for sale reserves consists of valuation gains associated with Council's investments, classified as available for sale financial assets.

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

PROPERTY REVALUATION RESERVES

Property revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

EMISSIONS TRADING SCHEME (ETS)

The regulations for landfill methane emissions under the New Zealand Emissions Trading Scheme (NZ ETS) require waste disposal facility operators to surrender New Zealand Units (NZU's) by 31 May of each year to match their emissions of the preceding calendar year.

The cost of meeting ETS obligations is mandatory and Council is required to surrender NZU's for the landfill methane emissions associated with the Waitomo District Landfill. NZU's that are purchased to meet these liabilities are recognised at cost and subsequently recognised at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy. The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates. Further information around assumptions used in this Exceptions Annual Plan can be found in the 2018-2028 10YP.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Interest Rate Assumption

The interest rate assumption has been revised to a weighted average interest rate of 3.71% for this AP 22/23 (10YP 22/23: 2.75%) to reflect the expected interest rate for 2022/23 based on anticipated market conditions.

Estimates that affect Balance Sheet carrying values

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

The Council has a legal obligation under resource consents for open and closed landfills to provide ongoing maintenance and monitoring service at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

Infrastructural Assets

There are a number of assumptions and estimates used when performing discounted replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset. For example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes situated underground. This risk is minimised by the Council performing a combination of physical

inspections and condition modelling assessments of underground assets;

- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or underestimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Infrastructural assets are revalued on a 3 yearly basis by an independent valuer.

Property, plant and equipment useful lives and residual values

At each balance date the Council reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Council to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Council, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the Prospective Statement of Financial Position. The Council minimises the risk of this estimation uncertainty with:

- Physical inspection of assets;
- Asset replacement programs;
- Review of second hand market prices for similar assets; and
- Analysis of prior asset sales.

Council has not made significant changes to past assumptions concerning useful lives and residual values.

Three Waters Service Delivery Reforms

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated "all in" approach. There has been no adjustment in these prospective financial statements to reflect the expected future

transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

Valuation of Investment in Inframax Construction Limited

The investment of Inframax Construction Ltd was revalued at 30 June 2020 resulting in a loss on valuation of \$2.6 million. The valuation report indicated a value between \$7.7 million and \$9.9 million for the investment. Council recognised the investment at \$8.8 million.

Experienced independent valuers perform the valuation of the investment in Inframax Construction Ltd. The valuers used the capitalisation of earnings approach for the valuation which is consistent with prior years. There are a number of estimates and assumptions used when performing the valuation of an investment. These include assessing a suitable level of earnings and capitalising the earnings using a market-derived multiple. The valuation is also prepared using information from historical financial performance and three year financial forecasts.

In light of the current pandemic and subsidiary's financial statements and financial forecasts, Council considered the carrying value reflects fair value as at 30 June 2021. No independent valuation was completed at 30 June 2021.

It has been assumed that there has been no change in the value of the investment in Inframax Construction Ltd over the life of this plan.

COMPARATIVES

To ensure consistency with the current year, certain comparative information is reclassified where appropriate. This could occur where:

- Classifications have changed between periods;
- The Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- There has been a change of accounting policy.

PUBLIC BENEFIT ENTITY FINANCIAL REPORTING STANDARD 42 PROSPECTIVE FINANCIAL STATEMENTS (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

- (i) Description of the nature of the entity's current operation and its principal activities;

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Annual Plan.

- (ii) Purpose for which the prospective financial statements are prepared;

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span one year and include them within the Annual Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

- (iii) Bases for assumptions, risks and uncertainties;

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results.

These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Annual Plan.

- (iv) Cautionary Note;

The financial information is prospective. Actual results are likely to vary from the information presented and the variations may be material.

- (v) Other Disclosures;

The prospective financial statements were authorised for issue on 31 May 2022 by Waitomo District Council.

The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures.

The Information for this Annual Plan is prospective and as such contains no actual operating results.

RATING BASE INFORMATION

The projected number of rating units within our district at 30 June 2022 is 5,885.

The projected total capital value of rating units within our District at 30 June 2022 is \$4,627,971,550.

The projected total land value of rating units within our District at 30 June 2022 is \$3,006,371,850.

ANNUAL PLAN DISCLOSURE STATEMENT

FOR THE YEAR ENDING 30 JUNE 2023

WHAT IS THE PURPOSE OF THIS STATEMENT?

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

The 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.

Financial Reporting and Prudence Benchmarks	Description	AP 2022/23	Met [Yes/No]
Rates (Income) Affordability Benchmark	The quantified limit is total rates revenue will be limited to an average of 75% of total operating expenditure	61%	Yes
Rates (Increases) Affordability Benchmark	The quantified limit is total rates increases will be limited to a cap of the forecast Local Government Cost Index plus 2% (2022/23: 4.4%)	2.88%	Yes
Debt Affordability Benchmark	The quantified limit is total net debt will not exceed 165% of total revenue	70%	Yes
Debt Affordability Benchmark	The quantified limit is the ratio of net interest will not exceed 20% of annual rates	6%	Yes
Balanced Budget Benchmark	The benchmark is met if planned revenue equals or is greater than planned operating expenditure	137%	Yes
Essential Services Benchmark	The benchmark is met if planned capital expenditure on network services equals or is greater than expected depreciation on network services	286%	Yes
Debt Servicing Benchmark	The benchmark is met if its planned borrowing costs is equal or is less than 10% of planned revenue	3%	Yes

NOTES

1. Rates Affordability Benchmark

- i For this benchmark
 - (a) Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan; and
 - (b) Council's 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.
- ii Council meets the rates affordability benchmark if:
 - (a) Its planned rates income for the year equals or is less than each quantified limit on rates; and
 - (b) Its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2. Debt Affordability Benchmark

- i For this benchmark, Council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in Council's Long Term Plan.
- ii The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3. Balanced Budget Benchmark

- i For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- ii The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4. Essential Services Benchmark

- i For this benchmark, Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- ii The council meets essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5. Debt Servicing Benchmark

- i For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).
- ii Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if it's planned

borrowing costs equal or are less than 10% of its planned revenue.





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