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Waitomo District Council

Treasury Policy

2024

First adopted	2014
Last Reviewed	May 2023
Review Date	June 2024
Associated documents	Referenced within the Policy
Responsibility	Chief Financial Officer



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INTRODUCTION | KUPU ARATAKI

Waitomo District Council (WDC) undertakes borrowing and investment activities. Together these make up the Treasury Management activity. Council's borrowing and investment activities are carried out within the requirements of the Local Government Act 2002 (LGA) and its various amendments, which define the operating environment for local authorities in relation to borrowing, investment and treasury risk management.

The Treasury Policy includes the Investment Policy and the Liability Management Policy as required by Part 6, sections 104 and 105 of the LGA. The Policy provides the framework for all Council's treasury activities and the operating parameters within which the treasury activity is to be carried out.

INVESTMENT POLICY

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

- To prudently manage the Council's financial investments by seeking to maximise investment income within acceptable investment risk parameters.
- To promote long term prudent financial management.
- To manage the operational cash position and ensure that any surplus cash is invested in approved instruments or used to minimise debt.
- To safeguard Council's investments by establishing and regularly reviewing investment parameters and ensuring that all investment activities are carried out within these parameters.
- Ensure the integrity of Council's investments by only investing in appropriately rated organisations and in appropriate financial instruments, as detailed in this policy.
- Produce accurate and timely reporting on investment performance.

POLICY | KAUPAPA HERE

1.0 MIX OF INVESTMENT

Council's investments are maintained to meet specific strategic and economic objectives as outlined in the Long Term Plan. Council generally has the following types of investments:

1.1 Strategic Investments

Investments made or held in alignment to Council's strategic direction and typically retained on a long term basis. These includes property investments ie, some land and buildings and council owned quarries.

These include investments

1.2 Forestry Investments

Forestry investments located at the Waitomo District landfill site in Te Kuiti for future harvest, with the objective of producing an economic return for Council.

1.3 Equity Investments

Equity (ownership) participation in a private (unlisted) company (including Council Controlled Organisations). Such investments may not necessarily provide a financial return to Council, and

may be held for wider social, tactical and/or economic reasons. Notwithstanding, Council will continue to actively seek opportunities for a financial return from all such investments.

Council currently maintains equity investments in Inframax Construction Ltd (Inframax), Co-Lab (Waikato Local Authority Shared Services), and Civic Financial Services Ltd.

1.4 Treasury Investments

Short to medium term financial investments in approved counterparties that maximise financial return but ensure an appropriate level of liquidity for forecast expenditure. Treasury investments include the retention monies term deposit account.

1.5 Local Government Funding Agency (LGFA) Borrower Notes

LGFA Borrower Notes must be subscribed for when borrowing from the LGFA at a rate of 2.5% of the amount borrowed from the LGFA for any new loan term lending. The notes are repaid when the related debt is repaid, they are subordinated and may convert to LGFA shares in some circumstances at the discretion of the LGFA rather than being repaid.

2.0 NEW INVESTMENTS

2.1 Strategic Considerations

2.1.1 Prior to making new investments Council will consider:

- a) The expected financial return.
- b) Initial risk assessment of the proposed investment.
- c) How the investment will be funded.
- d) How the investment will contribute in furthering the Waitomo District's Community Outcomes as documented in the Long Term Plan or Annual Plan.
- e) The existing investment portfolio and how the proposed investment 'fits' in terms of Council's preference to spread and minimise risk.
- f) Any other consideration Council deems appropriate.

2.1.2 Generally, it is not Council's intention to undertake new equity investments other than to achieve strategic objectives.

2.1.3 Despite anything earlier in this Policy on Investment, the Council may invest in shares and other financial instruments of the LGFA (such as Borrower Notes) and may borrow to fund that investment, after taking into account the strategic considerations detailed above.

2.1.4 The purchase or disposal of investment property will be subject to a Long Term Plan or Annual Plan adoption process or by Council resolution and will be given effect to by the Chief Executive. The proceeds from the sale of strategic and forestry investments will be subject to the Long Term or Annual Plan process or by Council resolution.

2.1.5 Council will consider any requests for loan advances on a case by case basis and will take into account the needs of the community and Council's stated outcomes for the District in its considerations.

3.0 MANAGEMENT AND REPORTING

3.1 Investments will generally be monitored and reported through Council's established reporting procedures (Quarterly Treasury Report, Annual Report, Half Annual Accounts from CCO's).

3.2 Transparency and reporting mechanisms will be key elements in any governance arrangements. The frequency and nature of reporting will depend on the nature and size of each investment.

3.3 Reporting will comply with generally accepted accounting practice and applicable accounting standards for financial reporting purposes.

3.4 Performance of investments will be reported in accordance with any governance arrangements, but no less than on a six monthly and annual basis.

4.0 RISK MANAGEMENT

4.1 Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to maintain diversity in its Investment Portfolio to spread and minimise risk.

4.2 Where material risk to Council is apparent (e.g. equity investments) Council will commission an independent risk assessment and management report prior to entering into the investment.

4.3 To ensure the protection of Treasury Investments (short term money market or medium term fixed interest investments), Council will only invest with credit worthy counterparties and in accordance with Schedule 1.

4.4 Council may periodically review investments with a view to exiting at a time when market conditions are favourable and if the overall strategic objectives are not compromised.

5.0 INFRAMAX CONSTRUCTION LIMITED

5.1 Background

Inframax Construction Limited was initially formed in the early 1990's by converting an in-house delivery department into the company Waitomo Civil Construction. A merger with Northgate Construction in 1999 formed Inframax Construction Limited which is 100% owned by the WDC. The core activities of Inframax Construction Limited are road maintenance and construction, quarrying and the maintenance and construction of utilities and infrastructure assets.

5.2 Policy

The Council's policy for Inframax Construction Limited is to:

- Retain the Waitomo District Council 100% ownership for the present;
- Review future options while still retaining community benefit of ownership;
- Sustained equity growth and increasing financial return;
- Apply any capital proceeds to reduce external borrowings.

5.3 Rationale

Council considers that it is important to maintain community control of a large employer within the District for the financial return and the social and economic benefits.

5.4 Financial Benefits

Financial benefits include any dividends that may be used to reduce external debt, and value of the investment held. Council will determine how any dividend revenue received will be used through the Long Term Plan or Annual Plan process or by Council resolution.

5.5 Risks

The risk of investing in the roading construction company is that dividends depend on Inframax Construction Limited's ability to generate profit.

5.6 How the Investment is Managed

The Council manages this investment by:

- Appointing external Directors with appropriate expertise to the Board of Directors;
- Preparing a Statement of Expectations;
- Annually approving and/or amending Inframax Construction Limited's Statement of Intent; and
- Requiring 6 monthly reports on Inframax Construction Limited's results and future outlook.

LIABILITY MANAGEMENT POLICY

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

- To comply with sections 102(1) and 104 of the LGA.
- To promote long term prudent financial management.
- To outline how liability risk associated with borrowing activities is assessed and managed.
- To outline how liabilities are managed and reported on.
- Ensure that WDC has an ongoing ability to meet its debt obligations in an orderly manner as and when they fall due in both the short and long-term, through appropriate liquidity and funding risk management.
- Arrange appropriate funding facilities for WDC at competitive pricing.
- Maintain relationships with banks, investors, the Local Government Funding Agency and other creditors.
- To provide appropriate levels of funding for investments and as may be authorised from time to time by way of Council resolution.
- Control WDC's cost of borrowing through the effective management of its interest rate and funding risk, within the rate risk management limits established by the Liability Management Policy.
- Ensure compliance with all financial covenants and ratios within this Policy and any others agreed to with other significant creditors.
- Maintain adequate internal controls to mitigate operational risks.
- Produce accurate and timely information and reports for control and monitoring purposes in relation to both the debt raising and financial market investment activities of WDC.

POLICY | KAUPAPA HERE

The following policy is developed pursuant to Section 102(1). It seeks to outline the suggested content for a Liability Management Policy in compliance with Section 104 of the LGA. It discloses Council's principles of prudent financial management and risk mitigation strategies as they relate to liability management.

1.0 ROLES AND RESPONSIBILITIES

1.1 Role of Council

- 1.1.1 Approve Treasury Policy (TP), including any amendments proposed by the Treasury Management Committee.

- 1.1.2 Approve any hedging outside the parameters of the TP.
- 1.1.3 Approve the use of any risk management products not authorised by the TP.
- 1.1.4 Approve overall borrowing levels on an annual basis through the Annual Plan and first year of the Long Term Plan.

1.2 Role of Audit and Risk Committee (ARC)

- 1.2.1 Maintain overview of reviews of financial policies and make recommendations to Council for any changes.
- 1.2.2 Monitor Council's treasury management practices in order to provide assurance that policy limits are being adhered to. Recommendations will be made to Council when there is a planned breach for good reasons to operate outside of the policy. Where there has been a policy breach, this will be noted in the ARC resolution for the Quarterly Treasury Report
- 1.2.3 Monitor treasury performance through receipt of appropriate reporting.

1.3 Role of Treasury Management Committee (TMC)

- 1.3.1 Council has established a Treasury Management Committee (TMC). The structure of the TMC shall comprise of:
 - Chief Financial Officer
 - Asset Accountant
 - Waitomo District Council's Independent Treasury Advisor
- 1.3.2 Plan and discuss all funding and interest rate risk management activities of WDC and make recommendations prior to implementation/execution.
- 1.3.3 Monitor and review the ongoing treasury performance of WDC and compliance with TP parameters through the receipt of regular reporting.
- 1.3.4 Conduct a review of the TP every three years or on an 'as required' basis and submit any recommended changes to Council for approval once the necessary statutory processes have been followed.

1.4 Role of the Chief Executive Officer

- 1.4.1 To approve recommendations made by the TMC in respect to treasury management within the parameters of the TP.
- 1.4.2 Execute and sign legal documents relating to funding transactions with the LGFA.
- 1.4.3 Execute and sign various legal documents with respect to extending security under the Debenture Trust Deed.
- 1.4.4 To approve the opening or closing of bank accounts.
- 1.4.5 To approve the renewal of the call advance facility or amend level of the call advance facility or overdraft facility available.

1.5 Role of the Chief Financial Officer

- 1.5.1 To approve recommendations made by the TMC in respect to treasury management within the parameters of the TP.
- 1.5.2 Report to the ARC on overall treasury activity on a quarterly basis.
- 1.5.3 Manage the bank lender and capital markets relationships, including providing financial information to lenders.

1.5.4 Negotiate new or amended borrowing facilities or methods for approval by the full Council following recommendation from the ARC.

1.5.5 Sign documents relating to the financial market activities of WDC.

1.6 Role of the Asset Accountant

1.6.1 Execute treasury transactions.

1.6.2 Check external confirmations against internal records.

1.6.3 Check cash payments of treasury transactions.

1.6.4 Assist the Chief Financial Officer in the preparations of reports to the ARC and Council.

1.6.5 Review the quarterly Treasury Management Dashboard prepared by Council's independent advisor.

2.0 INTEREST RATE EXPOSURE

2.1 Interest rate risk is the risk of significant unplanned changes to interest costs as a result of financial market movements.

2.2 The objective of managing interest rate risk is to have a framework in place under which Council can actively manage its borrowings within overall guidelines to spread and reduce risk and stabilise interest costs.

2.3 Borrowings can only be made in New Zealand dollars (Section 113 of the LGA).

2.4 The interest rate exposures of WDC shall be managed according to the parameters detailed in the following table and shall apply to the projected core debt of WDC. Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Chief Financial Officer.

Fixed rate hedging percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0-2 years	40%	100%
2-4 years	20%	80%
4-10 years	0%	60%

2.5 To manage the interest rate risk associated with its debt, WDC may use the following interest rate risk management instruments.

- Interest rate swaps
- Forward start interest rate swaps
- Interest rate options
- Interest rate collars (only in a ratio of 1 to 1)
- Fixed rate bonds
- Fixed Rate term loans

(Refer to Schedule 2 for definitions and objectives of each of the interest rate risk management instruments)

2.6 Where total debt is \$10 million or less, the fixed rate hedging percentages given under 2.4 may be applied where practicable.

2.7 Council may retain the services of an Independent Treasury Advisor to assist in managing the funding and interest rate risks of WDC.

3.0 LIQUIDITY

- 3.1 The objective of managing liquidity is to ensure that Council has adequate financial resources available to meet all its obligations as they fall due.
- 3.2 To avoid a concentration of debt maturity dates Council will, where practicable, aim to have no more than 33% of debt subject to refinancing in any 12 month period.
- 3.3 Council's main revenue sources are cyclical in nature and therefore committed bank facilities are required to ensure sufficient funds can be called upon when required.
- 3.4 Subject to clause 3.5 committed funding lines shall be maintained, of not less than 110% of projected core debt. (Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Chief Financial Officer).
- 3.5 At balance date, in accordance with the Local Government Funding Agency Multi-Issuer Deed, the Available Financial Accommodation will be more than 110% of External Indebtedness.
- 3.6 Council maintains a call advance or standby facility that allows for immediate drawdown capability and is available to meet daily cash flow obligations where required.

4.0 CREDIT EXPOSURE

- 4.1 Credit risk is the risk that a party to a transaction will default on its contractual obligation. A credit risk may exist when the credit rating of an entity with which Council has borrowings with deteriorates.
- 4.2 Council will only enter into borrowing agreements with creditworthy counterparties. Creditworthy counterparties are selected on the basis of their S&P Global (renamed Standards and Poors) rating, or Moody's Investors Service or Fitch rating equivalent ratings which must be A or better.

5.0 FUNDING METHODS

- 5.1 WDC may obtain funding utilising the following methods:
- (a) Bank debt; Money market loans (Term and Call Advances), Term Loans and Overdrafts.
 - (b) Issuances of Fixed Rate Bonds, Commercial Paper and Floating Rate Notes to the LGFA on either a bespoke basis or participation in the LGFA tender process.
 - (c) Capital markets issuances through either Fixed Rate Bonds, Commercial Paper and Floating Rate Notes.
 - (d) LGFA Green, Social and Sustainability Loans.
 - (e) LGFA Climate Action Loans

(Refer to Schedule 2 for definitions and objectives of each of the debt instruments)

6.0 LOCAL GOVERNMENT FUNDING AGENCY (LGFA)

- 6.1 Despite anything earlier in this Liability Management Policy, the Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:
- (a) Contribute a portion of its borrowing back to the LGFA in the form of Borrower Notes;
 - (b) Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
 - (c) Commit to contributing additional equity or the conversion of Borrower Notes to equity of the LGFA if required;

- (d) Subscribe for shares and uncalled capital in the LGFA; and
- (e) Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

7.0 DEBT REPAYMENT

- 7.1 The objective of managing debt repayment is to ensure that Council is able to repay debt on maturity with minimum impact on Council operations.
- 7.2 Borrowings will be repaid as they fall due in accordance with the applicable loan agreement. Subject to borrowing limits, a loan may be rolled over or re-negotiated as and when appropriate.
- 7.3 All external borrowings are deemed to be corporate borrowings and are accounted for in the Treasury Management Activity, except for borrowings that fund Council's shareholding investment in its subsidiary company; Inframax Construction Limited.
- 7.4 Debt repayments will be made from general funds, by any funds raised specifically to repay debt, from dividend revenue and by proceeds from asset sales, except for any sale of Council's investment in Inframax Construction Limited, where these proceeds will be applied to borrowings relating to that shareholding, in the first instance.
- 7.5 The cost of capital is allocated over significant activities from the Treasury Management Activity using internal loans. Internal loans are raised to fund to cost of capital expenditure in any financial year. The term of the internal loan is determined by reference to the economic life of the assets being funded. Internal loans for infrastructural assets, land and building assets that have long economic lives will have a term of up to 30 years and for other assets up to 15 years.
- 7.6 Where an internal loan is to be raised for expenditure that is not of a capital nature, but there is an enduring benefit, the term of the internal loan is to match (within reason) the expected duration of the benefit up to a maximum of 30 years.

8.0 SPECIFIC BORROWING LIMITS

- 8.1 Council will borrow to fund its total funding needs in accordance with the Annual Plan or first year of the Long Term Plan. Borrowing includes the funding of short term working capital requirements and long term capital investments. In general terms, Council approves borrowing through the annual planning process with public disclosure by way of resolution.
- 8.2 Council will adhere the following financial ratios in the management of its liabilities:
 - The ratio of net debt to total revenue will not exceed 165%
 - Net interest will not exceed 20% of annual rates.

9.0 ACCOUNTING TREATMENT OF FINANCIAL INSTRUMENTS

- 9.1 Derivative financial instruments are used primarily for the management of interest rate risk.
- 9.2 Public benefit accounting standards require that any changes in fair value of derivative financial instruments are recognised through the surplus or deficit, unless a hedge relationship has been designated and is effective.
- 9.3 Where an effective hedge is determined any change in value will show as "Other Comprehensive Revenue and Expense" and rather than being included in the surplus or deficit and is transferred directly to a reserve within equity.
- 9.4 Valuations of derivative financial instruments are to be carried out annually for balance date by an independent third party for financial reporting purposes. Indicative valuations are to be provided by the counterparty to the financial instrument and reported to ARC on a quarterly basis (or Council).

- 9.5 Management of derivatives will continue with the dual purpose of managing interest rate risk and remaining within the hedge accounting framework. Where at all possible, hedge accounting is to be carried out.
- 9.6 The purpose of this policy is to remove market related volatility due to valuation changes in derivative financial instruments from the surplus or deficit.

REFERENCES

This policy should be read in conjunction with other related Council policies and documents. Council policies and documents often reference and inform each other so that any issue before Council can be dealt with in an integrated and comprehensive fashion.

The policies and documents that have a clear relationship with the Treasury Management Policy are:

- Revenue and Financing Policy (for sources and level of funding)
- Significance and Engagement Policy (which if triggered by a proposal to make an investment will mean that the proposal will be subject to further decision-making and consultation requirements).
- Accounting Policies for Financial Reporting.
- Audit and Risk Committee's Terms of Reference
- Delegations Register
- Financial Strategy

SCHEDULE 1: AUTHORISED INVESTMENT CRITERIA FOR TREASURY INVESTMENT

Authorised Asset Classes	Maximum limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – S&P (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government or Government Guaranteed	100%	<ul style="list-style-type: none"> Government Stock Treasury Bills 	Not Applicable	Unlimited
Rated Local Authorities	50%	<ul style="list-style-type: none"> Commercial paper Commercial Paper/ Bonds/ MTNs/ FRNs 	S&P Global ST rating of 'A-1' S&P Global ST rating of 'A-1+' or LT 'A-' or better	\$1 million \$3 million
Unrated local authorities where rates are used as security	25%	<ul style="list-style-type: none"> Bonds/ MTNs/ FRNs 	Not applicable	\$1 million
New Zealand Registered Banks	100%	<ul style="list-style-type: none"> Call/Term Deposits Bonds/ MTNs/FRNs 	S&P Global ST rating of 'A-1' S&P Global rating of 'A-1+' S&P Global LT rating of 'A-' or better	\$2 million \$10 million \$3 million
State Owned Enterprises	33%	<ul style="list-style-type: none"> Commercial Paper/ Bonds/ MTNs/ FRNs Commercial Paper/ Bonds/ MTNs/ FRNs 	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	\$1 million \$3 million

Investments that no longer comply with minimum rating criteria due to a rating downgrade must be sold within one month of the downgrade being notified unless Council formally approves the continued holding of the investment.

SCHEDULE 2: LIABILITY MANAGEMENT

The following provide definitions and objectives of each of the interest rate risk management instruments and types of debt instruments.

INTEREST RATE SWAP

An interest rate swap is an agreement between WDC and a counterparty (usually a bank) protecting WDC against a future adverse interest rate movement. WDC pays a fixed interest rate and receives a floating interest rate. The parties agree to a notional principal amount, the future interest rate, the settlement dates and the benchmark floating rate (BKBM).

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period. Floating rate sets are typically every 1 or 3 months over the life of the swap.

FORWARD START INTEREST RATE SWAP

A Forward Start Interest Rate Swap is a financial instrument that fixes the interest rate for a set amount of debt at some date in the future (generally up to 2 years). These transactions are negotiated with Banks.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period, commencing at a future point in time. All other conditions are as with an interest rate swap.

INTEREST RATE OPTIONS

The purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to borrow (described as a cap) or invest (described as a floor) at a future date. WDC and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark floating rate (BKBM).

Objective

To provide WDC with worst case cover on its interest rate cost on an agreed principal amount for an agreed period. As for an interest rate swap, rate sets are typically at each 1 or 3 month date for the life of the option. A premium is payable for entering into an interest rate option.

INTEREST RATE COLLAR

The combined purchase (or sale) of a cap or a floor with the sale (or purchase) of another floor or cap.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period, but at the same time avoid the need to pay an upfront premium.

FIXED RATE BOND

A Fixed Rate Bond is a debt instrument where the amount of interest is constant throughout the term of the bond.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period.

FIXED RATE TERM LOANS

A Fixed Rate Term Loan is an agreement between WDC and a counterparty (usually a bank) protecting WDC against a future adverse interest rate movement. WDC pays a fixed interest rate as set by the counterparty on an agreed principal amount for the term of the loan.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period.

FLOATING RATE NOTES

A Floating Rate Note is a debt instrument where the amount of interest is variable throughout the term of the note, with interest rates normally reset at three monthly intervals.

Objective

To provide WDC provides exposure to variable interest rates on an agreed principal amount for an agreed period.

COMMERCIAL PAPER

Commercial Paper is a short term debt instrument that are issued for less than one year. Interest payable is calculated on issuance date and is payable when the commercial paper matures.

Objective

To provide WDC provides exposure to variable interest rates that are generally lower than other debt instruments and provides for a short borrowing at minimal cost.

LGFA GREEN, SOCIAL AND SUSTAINABILITY LOANS

A Green, Social and Sustainable Loan is loan from the LGFA, which will fund a green, social or sustainable project.

Objective

The objective is to promote ambitious climate, environmental and social targets within New Zealand local government sector and provide investors an alternate lending product. Included are nine eligible green project and three social project categories.

LGFA CLIMATE ACTION LOANS

A Climate Action Loan is a loan from the LGFA, which will fund a council who can demonstrate they are making progress on sustainable issues.

Objective

The objective is to promote progress on sustainable issues such as to act on climate change and reduce greenhouse gas emissions.

DRAFT

Waitomo District Council

Significance and Engagement Policy 2024

Kaupapa Here Whai Pūtake me te Tūhonohono

First adopted	2014
Last Reviewed	2018, 2021, June 2024
Review Date	June 2027
Associated documents	N/A
Responsibility	General Manager - Strategy and Environment



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INTRODUCTION | KUPU ARATAKI

Waitomo District Council's Significance and Engagement Policy was adopted in 2014 to meet the legislative requirements under the Local Government Act 2002 (the LGA) and was subsequently reviewed every three years during the Long Term Plan review. The Policy:

- enables the Council and our communities to understand the significance Council places on certain issues, proposals, assets, decisions and activities; and
- identifies how and when communities can expect to be engaged or specifically consulted on these matters.

The Significance and Engagement Policy applies across our Council. When assessing the degree of significance and deciding on appropriate engagement or consultation processes, the Policy requires us to take into consideration other legislative requirements, as well as any other agreements that might already be in place.

To ensure Council engages as effectively as possible with its diverse communities, we gather information on people's views and preferences in a variety of ways. Sometimes that might be via formal statutory consultation process, or it might be via a more informal engagement process. Either way, the overall intent is to ensure that, wherever possible, anyone who wishes to contribute ideas or information to important Council processes and decisions has the opportunity to do so.

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. To enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
2. To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
3. To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
Core Service	As stated in Section 11A of the LGA 2002: <i>In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:</i> (a) <i>network infrastructure</i> (b) <i>public transport services</i> (c) <i>solid waste collection and disposal</i> (d) <i>the avoidance or mitigation of natural hazards</i> (e) <i>libraries, museums, reserves, and other recreational facilities and community amenities.</i>
Decisions	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (<i>Management decisions made by officers under delegation during the implementation of Council decisions will not be deemed to be significant</i>)

Engagement	Term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.
Group of Activities	The term is used to describe a whole-of-activity approach. Without limiting the application of this provision to other assets, it means all activities and assets comprised within a group as a whole and not each individual component of the group.
LGA 2002	Local Government Act 2002.
Significance	As defined in Section 5 of the LGA2002 <i>In relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—</i> (a) <i>the district or region:</i> (b) <i>any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:</i> (c) <i>the capacity of the local authority to perform its role, and the financial and other costs of doing so.</i>
Significant	As defined in Section 5 of the LGA 2002 <i>Means that the issue or proposal, decision, or other matter has a high degree of significance.</i>
Significant Activity	Describe those Groups of Activities which are both a Core Service of Council AND in which Council has historically invested substantial funding. These include: <ul style="list-style-type: none"> • Rooding • Water • Wastewater • Solid Waste • Recreation and Culture • Public Amenities • Parks and Reserves
Strategic Asset	As defined in Section 5 of the LGA 2002 and Schedule 1 of this Policy.

1. Assessment of Significance | He aromatawai i te pūtake

- 1.1. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.
- 1.2. The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:
- a) the level of financial consequences of the proposal or decision.
 - b) whether the proposal or decision will affect a large portion of the community.
 - c) whether the impact or consequences of the decision or proposal on the affected persons (being a number of persons) will, in Council's view, be substantial.
 - d) the likely impact on present and future interests of the community.
 - e) the likely impact on Māori cultural values and their relationship to land and water.
 - f) whether the proposal affects the level of service of a significant activity.
 - g) whether community interest is high.
 - h) whether the likely consequences are controversial.
 - i) whether community views are already known, including the community's preferences about the form of engagement.
 - j) the form of engagement used in the past for similar proposals and decisions.
 - k) there is a legal requirement to engage with the community.
- 1.3. If the financial consequences of the proposal or decision exceed the following thresholds the proposal or decision will be considered significant:
- 1.4. A possible increase in funding requirement in excess of:
- a) 20% of total Council operating budget costs, or
 - b) Capital expenditure in excess of 2.5% of the total value of Council's assets

Note 1: Emergencies and emergency works of Council are excluded from these thresholds, as by their very nature, they are unplanned and must be responded to immediately.

Note 2: The threshold for capital expenditure relates to new or development expenditure only. Asset renewal is an important and integral aspect of owning and managing assets.

Note 3: The thresholds above are not mutually exclusive. Capital expenditure is likely to result in associated operating costs, which must also be tested for materiality.

Note 4: The thresholds are calculated including current and non-current assets, gross FAR funding, interest and total depreciation expense (including non-funded depreciation)

- 1.5. If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.
- 1.6. Engagement with the community is needed to understand the views and preferences of people likely to be affected by or interested in, a proposal or decision that is being considered by Council.
- 1.7. In general, the more significant an issue, the greater the need for community engagement.

2. Engagement and Consultation | Tūhonohono me te whakawhiti korero

- 2.1. The Council will apply a consistent and transparent approach to engagement.
- 2.2. Council is required to undertake a Special Consultative Procedure as set out in Section 83 of the Local Government Act 2002, or to carry out consultation in accordance with or giving effect to Section 82 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy). There are also other pieces of legislation like the Resource Management Act 1991 and Reserves Act 1977, which have their own requirements with regard to engagement which will be taken into account when determining the extent of community engagement.
- 2.3. For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.
- 2.4. The Community Engagement Guide (attached as Schedule 2) identifies the form of engagement Council may use to seek feedback on some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision making process.
- 2.5. Where Joint Management Agreements (JMAs), Memorandums of Understanding (MOUs) or any other similar high-level agreements exist, these will be considered as a starting point when engaging with Māori who are a party to the particular JMAs or MOUs on matters relevant to that agreement.
- 2.6. When Council makes a decision that is significantly inconsistent with this Policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

SCHEDULE 1 – STRATEGIC ASSETS | WAHANGA 1 – RAWA RAUTAKI

1. Section 5 of the Local Government Act defines a strategic asset as:

Strategic asset in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to current or future well-being of the community; and includes:

- a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
 - b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
 - c. any equity securities held by the local authority in—
 - (i) a port company within the meaning of the Port Companies Act 1988
 - (ii) an airport company within the meaning of the Airport Authorities Act 1966.
2. The following is a list of assets or group of assets that the Council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.
- Roding and Footpath Network as a whole.
 - Water Network and Treatment Plants as a whole.
 - Wastewater Network and Treatment Plants as a whole.
 - Reserves listed and managed under Reserves Act 1977.
 - Housing for Elderly Persons as a whole.
 - Stormwater Network as a whole.
 - Refuse Transfer Station Network.
 - Public Cemeteries.
 - Les Munro Centre.
 - Gallagher Recreation Centre
3. The Strategic Assets (as defined above) are the assets in total and not every single element of the assets. For example:
- It is the Water Supply Network as a whole that is the strategic asset and not each individual pipeline, filter and pump station.
 - The Roding Network is strategic, but small parcels of land that make it up may not be, and the purchase (or sale) of such parcels of land is unlikely to amount to a significant decision.
4. The requirements of section 97 of the Act are therefore only triggered if the proposal relates to the asset **as a whole**, or a **major sub-part** of the asset.

SCHEDULE 2 – COMMUNITY ENGAGEMENT GUIDE | WAHANGA 2-ARATAKINGA TŪHONOHONO HAPORI

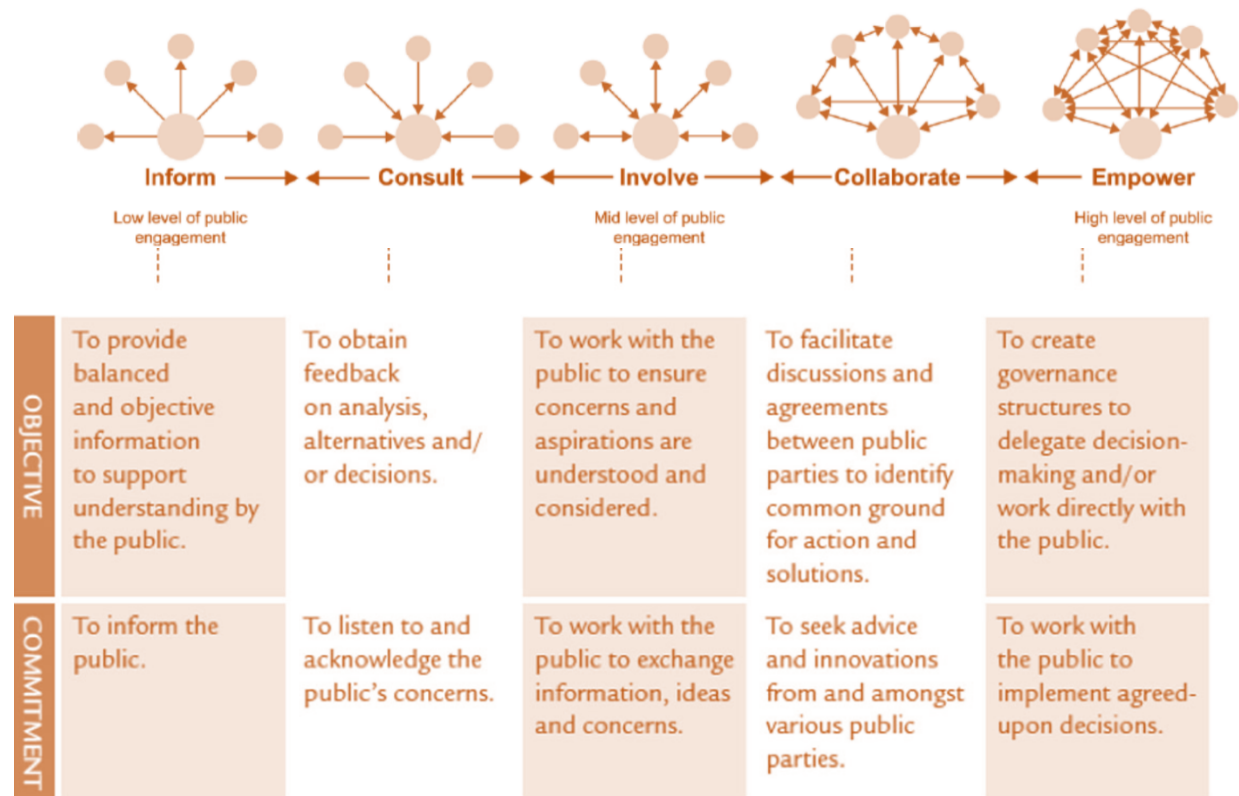
Community Engagement:

- is a process
- involves all or some of the public
- is focussed on decision-making or problem-solving

The International Association for Public Participation (IAP2) has developed a Public Participation Spectrum to demonstrate the possible types of engagement with the community. This model also shows the increasing level of public impact as you progress through the spectrum from left to right - 'inform' through to 'empower'. In simply 'informing' stakeholders there is no expectation of receiving feedback, and consequently there is a low level of public impact. At the other end of the spectrum, 'empowering' stakeholders to make decisions implies an increase in expectations and therefore an increased level of public impact. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions.

In general, the more significant an issue, the greater the need for community engagement.



When engaging with the community, the Council will:

- seek out and encourage contributions from people who may be affected by or interested in a decision,
- provide reasonable access to relevant, timely and balanced information so people can contribute in a meaningful way,

- provide a variety of appropriate ways and opportunities for people to have their say, and;
- tell the community what the Council's decision is and the reasons for that decision; and
- provide a clear record or description of the relevant decisions made by Council and explanatory material relating to the decision.

Forms of Engagement

The Council will use the Special Consultative Procedure (as set out in section 83 of the LGA 2002) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a 10 Year Plan (in accordance with section 93 A of the LGA 2002).
- The adoption, amendment, or revocation of Bylaws if required under section 156(1)(a) of the LGA 2002.
- The adoption, amendment or revocation of a Local Alcohol Policy.
- The adoption or review of a Local Approved Products (Psychoactive Substances) Policy.
- The adoption or review of a Class 4 Venue Policy under the Gambling Act 2003.
- The preparation, amendment or revocation of a Waste Management and Minimisation Plan.

Unless already explicitly provided for in the 10 Year Plan, the Council will seek to amend its 10 Year Plan, and therefore use the Special Consultative Procedure, when it proposes to:






- alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- transfer the ownership or control of strategic assets, as listed in Schedule 1.

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the LGA 2002 where required to do so by law, including for the following specific issues requiring decisions:

- Transferring responsibilities to another local authority under section 17 of the LGA 2002.
- Establishing or becoming a shareholder in a Council-Controlled Organisation.
- Adopting or amending a Revenue and Financing Policy, Development Contributions Policy, Financial Contributions Policy, Rates Remission Policy, Rates Postponement Policy, or a Policy on the Remission or Postponement of Rates on Māori Freehold Land.
- Adoption, amendment or revocation of Bylaws in accordance with section 156(1)(b) of the LGA 2002.
- Prescribing fees in a Bylaw under section 150 of LGA 2002.

For such consultation, Council will develop information fulfilling the requirements of Section 82A of the LGA 2002, will make this available to the public, allow written submissions for a period of up to 4 weeks, and will consider all submissions prior to making decisions.

For all other issues, the following table provides an example of the differing levels of engagement that might be considered appropriate, levels of significance, types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement.

Significance Rating	Level of Engagement	What does it involve?	Examples	Engagement – Tools & Timing
High	Empower 	The final decision making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents.	Elections Binding Referendums	Voting Council will generally provide the community with a greater lead in time to allow them to be involved in the process e.g. typically a month or more time.
	Collaborate 	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	Significant capital projects	External working groups (involving community experts) Expressions of Interest Document Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.
High	Involve 	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Long Term Plan Annual Plan District Plan	Waitomo Way and other Council publications Surveys Radio Website Existing community meetings (Elected Member briefings) Specific community meetings where feasible Submissions and Hearings Social Pin Point Council would generally provide the community with a greater lead in time to allow them time to be involved in the process.
Medium	Consult 	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	Local Alcohol -Policy Bylaw reviews	Waitomo Way and other Council publications Radio Website Existing community meetings Submissions and Hearings Social Pin Point Council would advise the community once a draft decision is made Council and would generally provide the community with up to 4 weeks to participate and respond.
Low	Inform 	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Water Restrictions Annual Report Legislative changes	Waitomo Way and other Council publications Radio Website Council would generally advise the community once a decision is made.

**More Time
More Resources**

**Less Time
Less Resource**

Engagement Tools and Techniques

Over the time of decision making, Council may use a variety of engagement tools. The ones shown in the Table above are a guide. Tools and techniques used will be based on a range of factors including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. Council will also take into consideration that the community can feel 'over consulted'.

Each situation will be assessed on a case-by-case basis.

DRAFT

2024-2034

Significant Forecasting Assumptions

Waitomo District Council

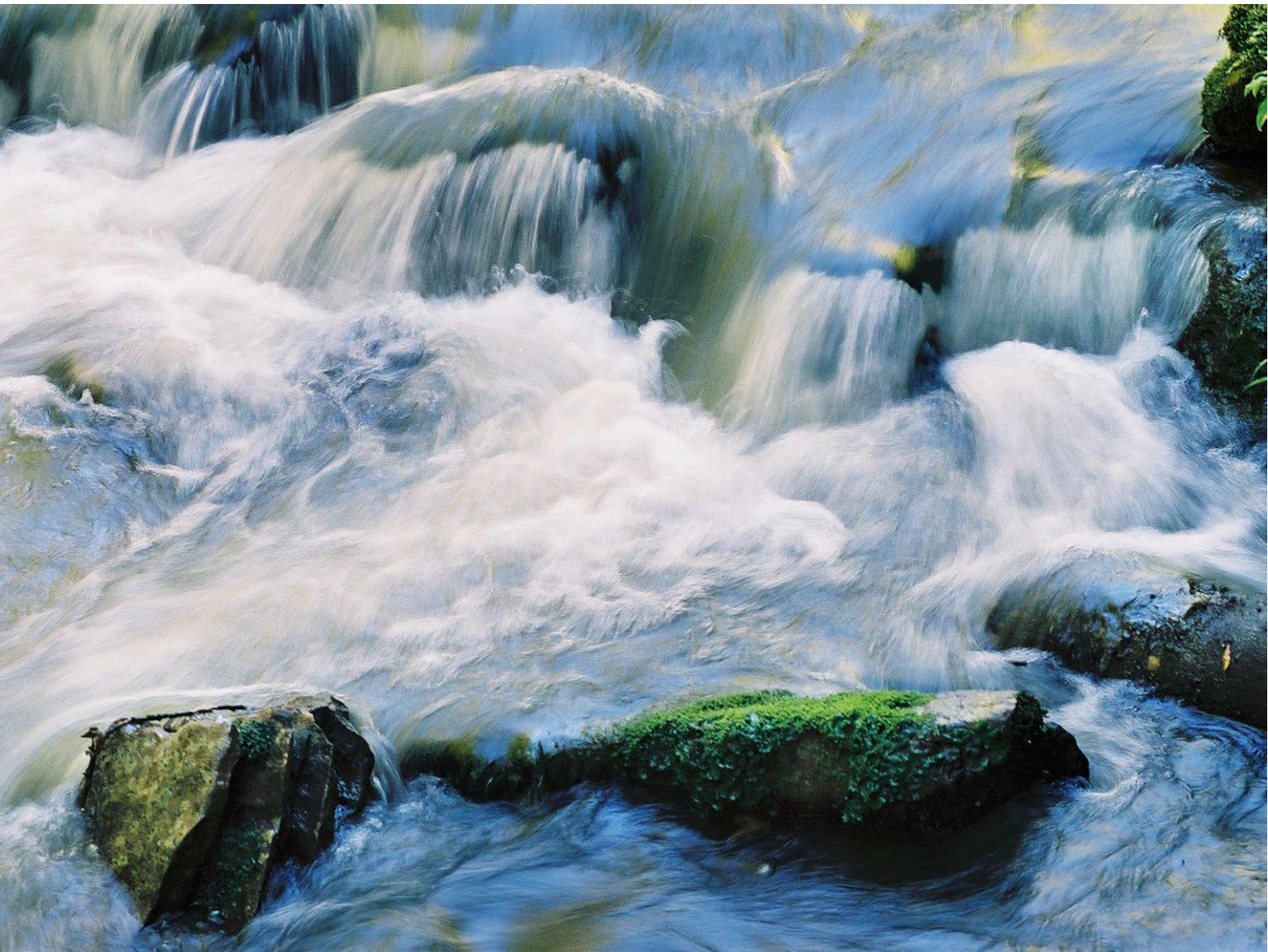


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SECTION | INTRODUCTION

In order to plan for the Long Term Plan (LTP), it is imperative to make assumptions about various aspects in the future. The significant assumptions made about the future form an important part of the planning framework.

It is also important to assess the estimated levels of uncertainty represented by the factors identified in the assumptions, so that the risk mitigation and planning can be appropriately carried out. The impact of the assessed levels of uncertainty on the integrity of this plan has also been undertaken. Schedule 10 of the Local Government Act 2002 (LGA) requires that, for high levels of uncertainty, Council is required to state the fact of the uncertainty and give an estimate of the potential effects of that uncertainty on the financial estimates provided in the LTP 2024-2034 Consultation Document supporting information.

The significant forecasting assumptions are summarised in the table below and are discussed more fully in the pages that follow.

SECTION | SUMMARY OF CURRENT ASSUMPTIONS

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Global Impact		
1 The impacts of climate change will be minimal over this LTP planning period.	Medium	Medium
2 That the impact of technological change or disruption will not adversely affect Councils ability to deliver services.	Medium	Low-Medium
3 (a) Council will be able to deliver its core services at the current levels or at a reduced level during a global crisis or pandemic, with sufficient systems and procedures in place to ensure business continuity. (b) Council will be able to adequately resource and support any Emergency Management response in the event of a global crisis or pandemic.	Medium	Low-Medium
National Impact		
4 Actual rates of inflation will be consistent with the projected inflation adjustors.	Medium	Low
5 NZ Transport Agency Waka Kotahi Financial Assistance Rates will continue to be received at 75% on qualifying road and footpath expenditure	Low - Years 1 – 3 Medium – Years 4-10	Medium
6 The annual interest rate on borrowings will be 4.90% for the period 1 July 2024 to 30 June 2027, 5.75% for 1 July 2027 to 30 June 2030 and 6.10% for 1 July 2030 to 30 June 2034.	Medium	Low
7 Impact of Central Government changes to policy or legislation on local government income or expenditure.	High	High
Waitomo District Impact		
8 Council is able to access external borrowing at levels forecast in the LTP	Low	Low
9 The impact of population and societal change has been adequately provided for in the financial estimates.	Low	Low
10 The annual financial return on investments is assessed at zero.	Medium	Low
11 Resource consent acquisition and compliance processes are within estimated timeframes and expenditure estimates. <ul style="list-style-type: none"> • 3 Waters • Landfill and Other Activities 	Medium Medium	Low Medium
12 There is an increase in the rating base over the LTP time period that impacts on other LTP assumptions.	Medium	Low
13 The two major users of water and trade waste services will continue to operate within the district	Low	Low
14 There will not be transfer of ownership of significant assets	High	High
15 Asset revaluation amounts are based on the assumed rates of inflation.	Medium	Low
16 Assets will deliver the required level of service over their document useful life.	Low-Medium	Low
17 Subsidies and depreciation reserves will generally be adequate to fund asset renewal expenditure.	Low	Low
18 External funding assistance will continue to be received at present levels on qualifying expenditure.	Low	Low
19 No material growth related capital expenditure is expected.	Low	Low
20 Availability of contractors to complete capital programme	Low-Medium	Medium
21 Council will secure adequate insurance cover on council assets over the life of the plan.	Low	Low
22 There will be no local natural disasters over the life of the plan.	Medium	Medium
23 Waste tonnages, the default or unique emission factor and the carbon credit price will be consistent with the projected values.	Medium High – Carbon Price	Medium

SECTION | GLOBAL IMPACT

CLIMATE CHANGE

Projected climatic changes present significant implications for Waitomo district's environment, economy and the safety of our communities. Over the next century the Waikato region can expect:

- rising sea levels,
- more extreme weather,
- more droughts in the east,
- more intense rainfall and increased wind in the west,
- warmer, drier summers, milder winters and shifting seasons.

It is also expected that there will be increased risks to communities from natural hazards such as river and coastal flooding, coastal erosion, and severe weather.

Waitomo District Council approach to climate change will be to focus on our adaptation to these changes and where financially prudent for our ratepayers focus on mitigation.

Through the LTP and asset management planning process, Waitomo District Council has made provisions through its activity and asset planning to consider the consequences arising from climate change, including the consequence of new capital work occurring in areas with the potential to be impacted by climate change. The Infrastructure Strategy explicitly considers the resilience of infrastructure in the event of natural disasters, identifies, and provides for the management of risks relating to such disasters, and makes appropriate financial provision for those risks.

As part of the review of the Waitomo District Plan, Council is evaluating the potential risk of climate change on coastal areas and in respect of flood events. The purpose of this work is to help build intergenerational resilience to Climate Change within the District. Initial assessment indicates that an adaptive management strategy is required for coastal townships. Climate change scenarios have been used to model coastal erosion and coastal inundation for coastal towns, and flooding in Te Kuiti and Piopio. The Proposed District Plan provisions will be drafted to guide and manage the response which will further inform the planning and management phases.

The District has encountered recently more frequent and intense weather events, and the assumption is that this is expected to continue to be the case. The uncertainty levels now sits at medium with the difficulty in predicting when and where these events may occur and at what intensity. The impact level has also increased due to the significant impact these events have on people, infrastructure, and finances.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
1. The impacts of climate change will be minimal over this LTP planning period.	Medium	Medium

TECHNOLOGICAL CHANGE

Technology is progressing quickly, at a rate that is, worldwide, overwhelming society's ability to adapt. Whereas technology in the past replaced muscle, today technology is replacing cognition, which may affect how the workforce of the future is structured through a shift in the demand of skills. Adaption of new technology by the council and our communities will require support to remove barriers to desirable change, the use of tools such as GPT Chat are already demonstrating the rapidly emerging uses of new technology.

Automation in areas such as agriculture, meat processing and mining are becoming more cost effective with the ever present labour shortage and staff costs. Automation in these sectors could have significant impact on the Waitomo District and the availability of employment. The likely timeframe for

this change could be in the latter years of this LTP however it is difficult to predict future commercial pressures that would result in this shift in the coming decade.

Use of new technology will be necessary to help provide communities with data, and a way to engage with council. Through technology, subject to cost, communities will be able to be increasingly involved in the council's work in different ways and be empowered to act. It is important to note, it is the nature of technology that some of the downstream effects of innovation can be unexpected, and this uncertainty is where the potential for risk lies.

Disruption is, by definition, uncertain. The nature or timing of any disruption is unexpected and is outside the control of the council. However, council can manage this uncertainty by fostering a working environment which allows for agility in decision making and change at both a governance and operational level. For the purposes of these Long Term Plan 2024-2034 non-financial assumptions, this represents a low to medium risk for Waitomo District Council.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
2. That the impact of technological change or disruption will not adversely affect Councils ability to deliver services.	Medium	Low - Medium

GLOBAL CRISIS

A positive outcome of the COVID-19 pandemic is WDC has effective systems and procedures in place for many staff to be able to work remotely if needed, however some of the council's activities simply cannot be performed remotely. The likelihood of another global isolation response has reduced however there will continue to be a level of risk and a resulting global economic downturn from future pandemics or global crises.

Our own state of emergency declared for the Waitomo District in January demonstrated how the Council may be required to stop or reduce many of its business-as-usual activities to focus resources on an Emergency Management response. This was also the case with the response to Cyclone Gabrielle when a National State of Emergency was declared, and WDC staff are made available to support the emergency response for other councils.

There is a medium level of uncertainty on whether another global crisis may eventuate in the next decade, there is reduced uncertainty with the COVID-19 pandemic having moved to an endemic phase.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
3. (a) Council will be able to deliver its core services at the current levels or at a reduced level during a global crisis or pandemic, with sufficient systems and procedures in place to ensure business continuity. (b) Council will be able to adequately resource and support any Emergency Management response in the event of a global crisis or pandemic.	Medium	Low- Medium

SECTION | NATIONAL IMPACT

FUTURE PRICE CHANGES – RATES OF INFLATION

For the first year of the LTP (2024/25), all financial statements have been prepared using the 2024 dollars. Price level adjustments for inflation, as prepared by Business and Economic Research Limited (BERL) in their report dated October 2023, have been included in all financial statements for the following nine years of the LTP.

The table below shows the per annum escalation adjustments applied to particular cost groups from year 2-10 of the LTP.

Planning Year	Cost Adjusters				Price indices		Cost Adjuster	
	Planning and regulation	Roads	Community activities	Water and environmental	All salary and wage rates - local government	Local Government Administration	Insurance	Local Government Cost Index (LGCI) Opex + Capex
Group of activities	Regulation Resource Management	Roads	Recreation and property Community and partnerships	Water, Wastewater, Stormwater, Solid Waste	Salaries and wages	Leadership	LGCI	
2025/26	2.1	2.0	2.0	2.5	2.2	2.1	10.0	2.2
2026/27	2.2	2.3	2.2	2.7	2.1	2.1	10.0	2.3
2027/28	2.1	2.3	2.2	2.6	2.1	2.0	2.4	2.3
2028/29	2.0	2.2	2.1	2.5	2.0	1.9	2.3	2.2
2029/30	1.9	2.1	2.0	2.3	1.9	1.9	2.2	2.1
2030/31	1.9	2.0	1.9	2.3	1.9	1.8	2.1	2.0
2031/32	1.9	2.0	1.9	2.2	1.9	1.8	2.0	2.0
2032/33	1.8	2.0	1.9	2.1	1.8	1.8	2.0	1.9
2033/34	1.8	1.9	1.8	2.1	1.8	1.7	1.9	1.9

Fees and charges and other revenue

Inflation is also applied to fees and charges and other revenue. The risk is that fees and charges revenue and other revenue does not grow as assumed in the plan and that has a negative impact on the surplus/deficit and the need for additional rates funding.

Inflation is not applied to interest revenue, alcohol licencing fees revenue, funding received for the maintenance of stock effluent facility and external funding arrangements (such as Mayors Taskforce for Jobs and Better Off Funding).

Operating and capital costs

The inflation assumptions will be applied to capital and operating cost forecasts, as the indices include a combined forecast of operating and capital costs. Because of this combination in the composition of the indices, they may either understate or overstate changes in the prices of the operating and capital expenditure.

For insurance costs, a cost adjuster applied to 2025/26 and 2026/27 of 10% based on advice received from the insurance brokers. For the remaining years an average of the BERL cost adjusters for Community activities and Water and Environmental has been applied.

The inflation forecasts do not make allowance for spikes in pricing that traditionally occur during re-tendering or renewal processes for medium to long-term operating and maintenance contracts. From experience, contract tender prices can vary materially from the BERL factors due to the remoteness of parts of the district and the size of contracts that the Council will seek to place. Demand pressures created from economic recovery may also exacerbate this issue. These movements can be as large as 10-20% in the year immediately following contract re-tendering/renewal, due partly to the inherent increase in the levels of service that are introduced to the new contract specifications, either

consciously as a change to the scope of the works or as a consequence of contract interpretation over previous years.

The risk associated with this assumption is the rates of inflation may increase at a rate different to that forecast. Rates of inflation greater than those assumed will impact on future cost estimates and the ability of the community to afford the consequential rate increases. Higher than expected inflation may result in additional rates funding required to maintain the existing levels of service, a reduction in service levels or work rescheduled to later years. Higher costs relating to capital expenditure could result in higher debt levels and increased operating costs from interest expense leading to increases in rates.

This risk may be mitigated by revising budget estimates as part of each Annual Plan and inflation estimates when the LTP is reviewed every three years. A number of factors will affect economic performance and certainty around the inflation factors is difficult to judge. BERL has had many years of experience in providing cost adjusters to local government and is the best known source available. However, with volatility within the global economy and the difficulties in predicting inflation over a ten year period, the risk is considered medium.

Inflation rates used over years 11-30 of the infrastructure strategy is the average inflation rate used in this plan for the corresponding activity.

Inflation is not applied to interest expense, grants expenditure, waste minimisation levy expenditure, expenditure related to funding agreements (such as Better Off projects and Mayors Taskforce for Jobs).

Assumption	Level of Uncertainty	Impact on Integrity of LTP
4. Actual rates of inflation will be consistent with the projected inflation adjusters	Medium	Low

NZ TRANSPORT AGENCY WAKA KOTAHI FINANCIAL ASSISTANCE

The Financial Assistance Rate (FAR) received from NZ Transport Agency Waka Kotahi (NZTA) for qualifying road and footpath expenditure is assumed to continue at the previous confirmed rate of 75% over the life of the plan. It is assumed that operating and capital expenditure programmes, which have in the past received NZTA subsidies, will continue to meet the criteria for funding of the life of the plan.

There is a risk that NZTA could change the subsidy contribution and/or the criteria for compliance for funding which could result in less or more revenue. If the actual subsidy revenue is lower than expected, there may be an increased cost to ratepayers or work may be deferred to future years. If the subsidy increases, then the work programme could be completed at a lower cost to the ratepayers.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
5. NZTA Financial Assistance Rates will continue to be received at 75% on qualifying road and footpath expenditure.	Low – Years 1-3 Medium – Years 4 -10	Medium

EXPECTED INTEREST RATES ON BORROWING

Interest costs are estimated by considering both forecast interest rates and projected debt levels. The forecast interest rates are calculated using the following inputs namely; the current debt portfolio, the projected movement in the size of that portfolio over time, interest rate swaps, the LGFA's floating rate note and fixed rate bonds, the inclusion of a margin for risk over future LGFA secured debt, an

assumed market forward track for the 3 month BKBM (Bank Bill Benchmark Rate) together with a conservative margin for risk. The conservative buffer margin is assumed of 0.25% from year 4 onwards of the plan.

The risk associated with this assumption is that interest rates may be different to those forecasts. Any increases in the interest rates above the interest rate forecast may result in increased operational costs and rates funding requirement in those years or alternatively a delay in the start date of some projects to keep overall costs contained within the annual budgets.

The Treasury Policy contains the parameters for external borrowings to limit interest rate risk and provides for the use of interest rate risk management instruments such as interest rate swaps to deliver greater certainty over interest costs.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
6. The annual interest rate on borrowings will be 4.90% for the period 1 July 2024 to 30 June 2027, 5.75% for 1 July 2027 to 30 June 2030 and 6.10% for 1 July 2030 to 30 June 2034.	Medium	Low

CENTRAL GOVERNMENT CHANGES TO POLICY OR LEGISLATION

The details of future legislative changes are unable to be anticipated with any level of certainty. The information that has been made available through various policy announcements to date suggests that the potential risks to materially impact this LTP are medium to high in scale, particularly in regard to the government’s Affordable Water Reform.

Some impacts are known such as the Waste Minimisation Act 2008 amendments to kerbside and recycling services. The future for Local Government draft report gives some indication of more community focused and led governance but how this would be implemented, and the impact is still largely unknown. Post the General Election in October 2023 there is still uncertainty on reforms on ‘3 Waters’ , Resource Management Act and ‘Future for Local Government more detail on the approach from the political parties will be known once new Ministers are in place and direction is communicated to local authorities.

Changes to regulations or rules that affect how we operate are uncertain at this point especially the unknown details of the repeal of 3 Waters Reform and its impact on Council. The planning approach is to work on the basis of what has been agreed by Cabinet to repeal the 3 Waters Reform legislation and requiring Councils to include the delivery of 3 waters services in the LTP if adopting after the legislative change in February 2024..

Assumption	Level of Uncertainty	Impact on Integrity of LTP
7. Impact of Central Government changes to policy or legislation on local government income or expenditure.	High	High

SECTION | WAITOMO DISTRICT IMPACT

EXTERNAL BORROWING

Council joined the Local Government Funding Authority (LGFA) in 2017 as a borrower and guarantor and borrows substantially all its debt fund needs through the LGFA. Council's borrowing options include bank borrowing and obtaining funds from the LGFA.

If Council were not able to borrow any additional funding this would result in either project delays or reduced levels of service. Council considers the risk of not being able to access borrowing is minimal as security is provided through its ability to generate an income from rates. Council has a credit facility in place which is renewed annually, and Council is able to borrow through commercial banks and the LGFA.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
8. Council is able to access external borrowing at levels forecast in the LTP.	Low	Low

PROJECTED GROWTH AND SOCIETAL CHANGE FACTORS

A population projection report was prepared for the Waitomo District long term planning by Infometrics in September 2022. Waitomo District hit its lowest population point of 9340 in 2013. The population has been in steady low growth at an average of 0.1% for the last ten years. The population is projected to continue growing to reach a peak of 10,035 in 2039, thereafter easing back to 9,640 in 2054. This means that although growth is forecast over the next 20 years, by the end of the 30-year horizon, Waitomo is expected to have a similar population level to what it has today.

The key points are:

- The population is projected to continue to increase for the next 15 years, then decline to be back at today's numbers in 30 years.
- The trend toward an aging population continues. The proportion of people aged 65+ is forecast to increase from 15% in 2018 to 25% 2053.
- The proportion of the population under 15 years of age is forecast to decline from around 19% in 2018 to 17% 2053.
- Waitomo's average age has risen from 33 years in 1996 to 39 years in 2021 and is projected to rise to 45 years by 2054.

The result of this changing age structure is that the proportion of people aged between 15 and 64 years of age is forecast to decline. This may have a flow-on effect to the make-up of the workforce in the district. An ageing population also contributes to a decline in average household size, there is a slight decline predicted from 2.61 in 2021 to 2.55 in 2031.

In terms of geographic spread of growth, Te Kuiti is expected to experience the strongest growth with the availability of zoned land and employment opportunities. The population and number of dwellings is projected to grow in the Waitomo Rural Ward as international tourism sector recovers driving the need for more workers. Maniaiti/Benneydale is also expected to experience minor growth with strong employment in the area.

Growth is expected to be negative in the other rural communities due to challenges in rural employment and increasing regulation of the agricultural industry and land being converted to carbon farming. The aging population also contributes to the decline in the rural communities.

Population and dwelling growth flows through to rating units. The district's rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories. Therefore, any rating unit growth is heavily dependent on dwelling growth.

Household growth and therefore rating units are predicted to grow across the district as the demographics cause household size to fall. This increases the need for more households in the district with 0.5%pa growth predicted for the next 10 years. However, this will only eventuate if suitable dwellings are available to meet demand.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
9. The impact of population and societal change has been adequately provided for in the financial estimates.	Low	Low

FORECAST RETURN ON INVESTMENTS AND INVESTMENT VALUE

The financial annual return on Council's investment in Inframax Construction Limited (ICL) is assessed at zero for the term of the plan. Any investment income would be utilised prudently to accelerate retirement of debt. Due to the uncertainty in determining the future value of the investment, no increase or decrease in the value of the investment has been recognised over the life of the plan.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
10. The annual financial return on investments is assessed at zero.	Medium	Low

RESOURCE CONSENTS

Council has assumed that the resource consents it requires for its infrastructural activities will be obtained and/or renewed within the nominated time frames with conditions that can be met within expenditure estimates.

The expenditure estimates have been prepared based on experience and trends with past consent processes and standards. If the consent conditions are more stringent than expected then the levels of rating, debt, capital and maintenance expenditures will be higher and may require compensating reallocation of other expenditure priorities. Similarly, consent application processes that take longer than estimated could result in additional costs due to the need to extend existing operational arrangements.

The financial impact of consent issues is considered to be minor with time delays required to complete consent processes more likely to be a greater issue than additional costs over what has already been allowed for in the financial estimates.

With the uncertainty on 3 Waters Reform and potential impact of new comprehensive stormwater consent the impact has been raised to medium.

The new resource Consent for the Te Kuiti Landfill lapses on 24 September 2024 if we do not take up this consent. Options to activate our new Resource Consent and also expand into a new landfill cell are being considered. A Special Consultative Process with the community is planned for after the LTP is adopted to consider the viable options for the future of the landfill and the disposal of wastewater sludge.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
11. Resource consent acquisition and compliance processes are within estimated timeframes and expenditure estimates.	Medium	Medium
<ul style="list-style-type: none"> 3 Waters Landfill and Other Activities 	Medium	Medium

RATING BASE

It has been assumed that there will be an increase in Council's rating base (number of rateable assessments) over the term of the 2024-2034 LTP. The projected household growth rate of 0.5%pa can be assumed for rating unit growth. This assumption is dependent on availability of dwellings as discussed in the projected growth section.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
12. There is an increase in the rating base over the LTP time period that impacts on other LTP assumptions.	Medium	Low

REVENUE FOR WATER AND TRADE WASTE SERVICES

There are two major users of Council services built into the financial forecasts. These are the metered water revenue and trade waste revenue received from the two large meat processing companies within the district. The underlying assumption in Council's financial forecasts is that the companies will continue to operate within the District.

The risk associated with this assumption is that the loss of one or both of these companies would reduce the revenue forecast in the LTP for the first two years. There is no information to suggest the likelihood of the companies closing during the life of the LTP.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
13. The two major users of water and trade waste services will continue to operate within the district	Low	Low

TRANSFER OF OWNERSHIP OF STRATEGIC ASSETS

For the purpose of the 2024-2034 LTP period Council has assumed that there will not be a transfer of significant assets. Central Government's Local Water Done Well Programme and the subsequent legislation will see Council's 3 Waters assets (and associated debt) remain with Council. There will be a non-mandatory option to form Regional Council Controlled Organisations (CCO's) allowing transfer of assets (and associated debt) to the CCO's. There is currently high uncertainty as the legislative changes for this to occur at the time of developing the LTP are not completed.

The ownership of Council owned housing will be discussed during the LTP process.

Council also intends to assess its investment portfolio for optimal use as part of its regular management practice.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
14. There will not be a transfer of ownership of significant assets	High	High

ASSET REVALUATION

Asset revaluation amounts are based on the assumed rates of inflation within this plan.

Infrastructure and land and building assets are revalued by an independent valuer on a 3-yearly basis in accordance with the accounting policies. Asset revaluation cycles differ for each class of asset and the projections within this LTP assume a three yearly staggered revaluation cycle of asset classes. However the timing of the revaluation may differ due to the fair value requirement of the accounting standards. During periods of rapid cost/price increases, it is more likely that out of cycle revaluations may be required to ensure assets continue to be reflected at fair value.

If the value of the asset class increases at a higher rate than the assumed level of inflation this may require an increase in rates funding to ensure we fund the increased depreciation charge or alternatively may impact on the level of services able to be delivered within the forecast funding limits.

If the value of the asset class increases at a lower rate than the assumed level of inflation this may reduce the rates funding requirement as depreciation costs would be less.

No provision has been made in the plan for changes in value for investment properties or assets held for sale as there will be no cash flow implications or any impact on the levels of service provided by the Council's Groups of Activities due to the valuation.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
15. Asset revaluation amounts are based on the assumed rates of inflation and asset classes revalued on a 3-yearly basis.	Medium	Low

USEFUL LIVES OF ASSETS

Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is included in the Statement of Accounting Policies. The useful lives assumed in the 2024-2034 LTP are consistent with the NZ Infrastructure Asset Valuation and Depreciation Guidelines prepared by the National Asset Management Steering (NAMS) Group and adjusted for local conditions based on past experience. Experienced independent valuers review and confirm the useful lives for existing assets in the three yearly asset revaluation.

The risk associated with this assumption is that variations may occur between actual and assumed useful asset lives. An incorrect assumption of the useful life will impact on depreciation expense and the relevant asset replacement programme. If the asset useful life assumptions are incorrect, this may lead to asset failure or premature asset replacement. This risk is mitigated by physical inspection of assets, asset replacement programs and ongoing improvement to asset data quality. Council has developed an Infrastructure Strategy detailing the level of investment need to replace, renew or upgrade existing assets over the next 30 years for Roading infrastructure and two years of 3 Waters infrastructure.

The most significant level of uncertainty exists for bridge replacement programme however work on the future capital works projections on major Council owned buildings is also underway. The Forward Works Programme (FWP) is developed based on the age and condition of the bridges and their expected useful life.

The FWP is divided in three categories, a 3-Year, 10-Year and 30-Year programme.

This programme is validated every three years based on bridge inspection outcomes within that three year period. When a bridge renewal on the FWP falls within a 10 year period, an investigation is undertaken to further understand options available to either extend asset life or to replace the

structure. This investigation can be costly and specialised tests are required to confirm the condition and integrity of the structure. If replacement is the preferred option, an end of life assessment (Present Value end-of-life PVEOL) is initiated. This confirms the replacement option or the alternative may be bridge strengthening. Funding for the future replacement and major works for bridges will be discussed during the LTP process.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
16. Assets will deliver the required level of service over their document useful life.	Low-Medium	Low

SOURCES OF FUNDING FOR FUTURE REPLACEMENT OF STRATEGIC ASSETS

The funding needed for the future replacement of significant assets is set by Council’s Revenue and Financing Policy, that incorporates the balanced budget and intergenerational principles. The funding sources used by Council for the renewal or replacement of assets are subsidies and grants, depreciation reserves and loan funding. Council does not fully fund depreciation on elderly housing and rural halls, roads assets and water and wastewater assets.

The risk associated with this assumption is that the required actual asset renewal funding varies from the forecast funding required. If asset consumption calculations are insufficient to cover the costs of renewing or replacing the asset, it may lead to reduction in service levels, additional loan funding or a higher rating requirement.

This risk may be mitigated through review of work programmes and revising budget estimates in conjunction with each Annual Plan. Council has also built depreciation reserves over time and generally these reserves have positive balances, so should be sufficient to fund renewals at least in the short term. Council has developed an Infrastructure Strategy detailing the level of investment need to replace, renew, or upgrade existing assets over the next 30 years.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
17. Subsidy revenue and depreciation reserves will generally be adequate to fund asset renewal expenditure.	Low	Low

OTHER SOURCES OF EXTERNAL FUNDING

Council is able to access central government funds in some situations to assist with delivery of projects and relies on this external funding to help deliver projects.

Better Off Funding

A total of \$3.55 million was approved for a number of community projects which commenced in 2022 with a 5-year timeframe for completion. Projects include walkways, town gateways, social good partnerships and town amenity improvements. During the first three years of the LTP, Better Off Funding totalling \$1.8 million is forecast to be received to fund these projects.

There is a risk that if these projects is not completed by 2026, funding may no longer be available. If costs of the projects increase beyond what is forecast, the shortfall in funding would need to be funded by rates or increased borrowing, the project completion may be deferred to a later time or other external funding sources secured to finish the project.

Mayor’s Taskforce for Jobs Programme

The Mayors Taskforce for Jobs programme is fully funded from central government. There is a risk that if the levels of funding reduce from current levels there would be an increase in rates to fund the shortfall, the programme scope would be reduced or the service would not be provided.

Other external funding

A portion of the operation and maintenance of the stock effluent facility is partly funded by Waikato Regional Council. The plan assumes this funding will continue at the present levels. Specific waste minimisation initiatives are funded through the waste minimisation levy revenue including the public education workshops, Enviro-schools and E-waste recycling.

The plan assumes that funding will be in line with any planned increases in the waste minimisation levy. The risk of reduced external funding may mean an increase in rates to fund the shortfall, the programme scope reduced or the programmes deferred to operate within the forecast funding limits.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
18. External funding assistance will continue to be received at present levels on qualifying expenditure and Council will meet the conditions of each funding agreement.	Low	Low

DEVELOPMENT/FINANCIAL CONTRIBUTIONS

A Development Contribution Policy (DCP) pursuant to the Local Government Act 2002 is only appropriate where Council proposes to undertake significant new growth-related capital projects. In the absence of growth, the costs of developing and implementing a DCP significantly outweighs the benefits unless the opportunity for significant housing and industrial growth occurs.

The growth projections indicate that there is likely to be a small amount of growth in dwellings and in rating units, which may be stronger than population growth. This is, however, dependant on suitable dwellings being available for the increased demand from aging population and immigration returns to normal levels. Over the next decade the household growth is predicted to grow at 0.5%pa. in line with population growth peaking in 2039 at 3,900 households. From 2040s the trend will turn negative as the population begins to decline, therefore general stability can be anticipated, and the impact of growth is assumed to be low.

The Resource Management Amendment Act 2020 re-enacted the ability for councils to collect financial contributions from 1 July 2020, therefore financial contributions have been incorporated into the Proposed District Plan. This will allow Financial Contributions to be collected after the implementation of the District Plan. No budgets have been added for this potential revenue stream.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
19. No material growth related capital expenditure is expected.	Low	Low

AVAILABILITY OF CONTRACTORS TO COMPLETE CAPITAL PROGRAMME

It is assumed there is sufficient capacity within the professional services and physical works contractor market to undertake the capital programme.

There is a low to medium degree of uncertainty around this assumption as there are high levels of forecasted capital expenditure from other central and local government agencies in the North Island as well as strong ongoing (but now weakening) demand for new housing and development nationally. The impact of this on supply and demand on the contracting sector may impact on price competitiveness. Against that, the civil construction sector is seeing spill-over of out of district contractors seeking to establish local market foothold. The removal of the Tranche 2 funding for 3 Waters Reform has reduced the potential for labour and supply shortages within the timeframe of the LTP.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
20. Availability of contractors to complete capital programme	Low - Medium	Medium

INSURANCE

Significant weather events over the past two years has highlighted Council's exposure to increased risk on our infrastructure and other assets within the district. Globally, severe and adverse weather events and natural disasters continue to impact the insurance market.

There is a risk the insurance premiums may increase more than expected, which would require more funding from rates and fees and charges.

Council will continue to work with our insurance partners to stay abreast of, and to mitigate any material changes, and to ensure appropriate levels of insurance are in place with an acceptable tolerance of risk.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
21. Council will secure adequate insurance cover on council assets over the life of the plan.	Low	Low

NATURAL DISASTER EVENTS

There are no significant local natural disasters anticipated during the life of the plan.

The district is classified as a medium risk area for earthquakes, as outlined in the Building Act 2004, therefore there is a medium risk of an earthquake affecting our district. In extreme weather events there is also a risk that rainfall events will result in flooding and inundation of properties and our infrastructure.

There is a risk that a natural disaster may occur which will have a significant impact on our infrastructure, the ability to deliver services and the current planned expenditure within this plan. There may also be adverse effects on the community, population and local economy.

It is difficult to predict the likely financial impact of a significant natural disaster however to mitigate some of the risk, Council will continue to obtain insurance cover for key assets and infrastructure and assumes that Central Government will continue to maintain its 60% damage cost cover for local infrastructure. Waka Kotahi also provides an emergency repairs subsidy (FAR + 20%), once a threshold has been reached, for damage to the roading network from significant natural disasters.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
22. There will be no significant local natural disasters over the life of the plan.	Medium	Medium

EMISSIONS TRADING SCHEME

Through the operation of the district landfill, Council is a mandatory participant in the Emissions Trading Scheme (ETS). Council is required to surrender carbon credits annually to satisfy the obligations under ETS in May of each year for the emissions on waste disposed at the landfill in the

prior calendar year. The amount of the annual emissions obligation is determined by the total waste deposited at the landfill by the default emissions factor (DEF). Significant penalties are imposed if Council does not surrender sufficient carbon credits within the required timeframe. The price of carbon credits is volatile and is sensitive to government announcements around regulatory settings, which can see the price of carbon credits increase or decrease significantly.

The cost of carbon credits is difficult to forecast as changes in legislation or regulation settings can have a significant impact of the market. The price of carbon credits are assumed as follows across the life of the plan.

Assumption	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ETS price	\$85	\$90	\$95	\$100	\$110	\$120	\$130	\$140	\$150	\$160

There is a risk that the price of carbon credits will be higher or lower than what is assumed in the plan. If the price of carbon credits is more than assumed, additional rates funding and fees and charges revenue may be required or less carbon credits may be purchased. If the carbon credits are less than assumed, less rates funding and fees and charges revenue may be required or more carbon credits may be purchased for future years obligations. There is a high level of uncertainty for the carbon credit price over the plan.

The waste tonnages are assumed at 8,600 tonnes per annum including 1,000 tonnes of sludge disposal. There is a risk that waste tonnages will be higher or lower than what is assumed in the plan. If waste tonnages are more than assumed, additional carbon credits will need to purchased to meet the surrender obligation which will increase rates funding and fees and charges revenue. If waste tonnages are lower, less carbon credits will be needed therefore reducing the rates funding and fees and charges revenue required.

With the forecast installation of gas flaring equipment at the landfill, Council intends to apply for a unique emissions factor (UEF). It is assumed that the UEF will be significantly less than the default emissions factor. The DEF of 1.023 is assumed for the first three years of the plan, reducing to 0.61 from Year 4-6, then 0.46 for the remaining years of the plan. There is a risk that the DEF and UEF will be higher or lower than what is assumed in the plan. This will result in more or less carbon credits required to satisfy the surrender obligation thereby increasing or decreasing the level of rates and fees and charges funding required each year.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
23. Waste tonnages, the default or unique emission factor and the carbon credit price will be consistent with the projected values.	Medium High – carbon credit price	Medium

DRAFT

2024 -2034 LTP SERVICE PERFORMANCE MEASURES

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Leadership

What we do

This group consists of activities relating to representation, strategy, communications and engagement; finance and investments; information services; human resources; and risk management.

Why we do it

This group carries out the day-to-day functions of the organisation. We carry out these activities to enable and promote local democracy by providing governance advice and democratic services to elected member, the public, and staff.

Alignment to community outcomes

A district for all people	A prosperous district	A district that values culture	A district that cares for its environment
Primary focus	Secondary contribution	Secondary contribution	Secondary contribution

Alignment to strategic priorities

Strengthening relationships	Preparing for the future	Effective management of resources
Secondary contribution	Primary focus	Secondary contribution

Levels of service - what is important for this activity

For people – we put our people at the heart of every decision we make, striving to make Waitomo more accessible, safe, affordable, and inclusive.

Preparing for the future - we monitor trends at a global, national, and local level, identifying and mitigating risks and developing strategies to lead our community.

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
Our governance services are robust and transparent.	The percentage of Council agendas that are publicly available before a Council meeting.	Target: 100% two days prior Result: 94% Not Achieved	Target: ≥ 60% available 4 working days prior and 100% available 2 working days prior.	Target: ≥ 70% available 4 working days prior and 100% available 2 working days prior.	Target: ≥ 80% available 4 working days prior and 100% available 2 working days prior.	Target: ≥ 90% available 4 working days prior and 100% available 2 working days prior.
We communicate effectively with our community.	Percentage of residents satisfied that they received or could find Council information when they needed it.	New measure	Target: Between 60 – 100 %	Target: Between 70 – 100%	Target: Between 80 – 100%	Target: Between 90 – 100%
We communicate regularly with our community about what matters.	The number of posts on our Facebook page per week.	New measure	Target: ≥ 5 week for at least 45 weeks	Target: ≥ 5 week for at least 45 weeks	Target: ≥ 5 week for at least 45 weeks	Target: ≥ 5 week for at least 45 weeks
We get back to our customers to let them know the outcome of their service requests.	The percentage of service requests where an officer has contacted the customer to inform them of the outcome of the request.	New measure	Target: Set baseline	Target: Increasing trend	Target: Increasing trend	Target: Increasing trend

Community and Partnerships

What we do

Community and Partnerships is a group of activities where WDC, in a number of diverse roles, is actively involved in 'helping the community to help itself'. This group collaborates and partners on initiatives with many external organisations.

Why we do it

Community and Partnerships seeks to improve social outcomes within Waitomo District by working closely with the community. The groups goals are to:

- Create a better quality of life for our community;
- Create a better living environment for our community through community safety and appropriate infrastructure;
- Help local groups with local opportunities and solutions.

Alignment to community outcomes

A district for all people Primary focus	A prosperous district Secondary contribution	A district that values culture Secondary contribution	A district that cares for its environment Secondary contribution
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Alignment to strategic priorities

Strengthening relationships Primary focus	Preparing for the future Secondary contribution	Effective management of resources Secondary contribution
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Levels of service - what is important for this activity

For people – we work with regional coalition partners to deliver projects and strategies, we partner with local providers and deliver community services like our library.

Prosperous district – we promote our district through partnerships and our iSite.

Valuing culture – we work with local iwi and hapū and deliver events that celebrate culture.

Strengthening relationships – we work with community organisations, government agencies, businesses, and schools to deliver better outcomes for our community together.

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
We facilitate strong and sustainable partnerships to support improved outcomes for our community.	All contestable grant funding is disseminated fairly and equitably in accordance with our Policy.	New measure	Target: Achieved	Target: Achieved	Target: Achieved	Target: Achieved
We will work in partnership with others on projects or events that enhance the culture and wellbeing of residents.	The number of projects or events that promote culture or wellbeing delivered in partnership with other organisations.	New measure	Target: ≥ 2	Target: ≥ 2	Target: ≥ 3	Target: ≥ 4
We provide a comprehensive and well used Library service for our community.	The number of active library members.	New measure	Target: ≥ 2% on the year previous	Target: ≥ 2% on the year previous	Target: ≥ 2% on the year previous	Target: ≥ 2% on the year previous
We deliver a range of well attended activities and programmes at the Waitomo District Library.	The number of participants in Library programmes and activities.	New measure	Target: ≥ 5% on the year previous	Target: ≥ 5% on the year previous	Target: ≥ 5% on the year previous	Target: ≥ 5% on the year previous
Our customer service team are friendly and helpful.	The percentage of residents satisfied their initial interaction with council customer services was friendly and helpful.	New measure	Target: Set baseline	Target: Increasing trend	Target: Increasing trend	Target: Increasing trend

Recreation and Property

What we do

The activities under this group consists of parks and recreation, housing and property, and community and public facilities.

Why we do it

This group of activities provides green space for recreation, housing for the elderly, property services, community and public facilities and amenities to promote the health and wellbeing of our community.

Alignment to community outcomes

A district for all people	A prosperous district	A district that values culture	A district that cares for its environment
Primary focus	-	-	Secondary contribution

Alignment to strategic priorities

Strengthening relationships

Secondary contribution

Preparing for the future

Secondary contribution

Effective management of resources

Primary focus

Levels of service - what is important for this activity

For people – we ensure that all our properties and parks meet the required standard for safety and accessibility to create spaces for people to live and play.

Managing resources – we manage our resources effectively, delivering value to our community and keeping sustainability and affordability at the forefront of what we do.

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
We provide parks and open spaces across our District.	Percentage of residents satisfied with our parks and open spaces.	Target: Maintain or increase from 89% Result: 83% Not Achieved	Target: ≥ 85%	Target: ≥ 85%	Target: ≥ 85%	Target: ≥ 85%
We provide community facilities that are compliant with legislative standards.	Ensure facilities with compliance schedules have current Building Warrant of Fitness (BWOFF).	Target: Achieve Result: Achieve Achieved	Target: Achieve	Target: Achieve	Target: Achieve	Target: Achieve
We provide clean public toilets for our community and visitors.	Percentage of residents satisfied with the cleanliness of public toilets.	Target: ≥ 85% Result: 89% Achieved	Target: ≥ 85%	Target: ≥ 85%	Target: ≥ 85%	Target: ≥ 85%

Regulatory Services

What we do

The activities under this group include building compliance, animal control, alcohol licensing, environmental health, and bylaw administration.

Why we do it

These activities are undertaken to contribute towards keeping our community safe and promoting community wellbeing.

Alignment to community outcomes

<p style="text-align: center;">A district for all people</p> <p style="text-align: center;">Primary focus</p>	<p style="text-align: center;">A prosperous district</p> <p style="text-align: center;">Secondary contribution</p>	<p style="text-align: center;">A district that values culture</p> <p style="text-align: center;">Secondary contribution</p>	<p style="text-align: center;">A district that cares for its environment</p> <p style="text-align: center;">Secondary contribution</p>
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Alignment to strategic priorities

<p style="text-align: center;">Strengthening relationships</p> <p style="text-align: center;">Secondary contribution</p>	<p style="text-align: center;">Preparing for the future</p> <p style="text-align: center;">Secondary contribution</p>	<p style="text-align: center;">Effective management of resources</p> <p style="text-align: center;">Secondary contribution</p>
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Levels of service - what is important for this activity

For people – activities of this group keep our community safe by ensuring compliance with legislation, Bylaws and the District Plan.

A prosperous district - The activities of this group enable a thriving and sustainable economy by ensuring that activities comply with legislation (Building Act 2004, Sale and Supply of Alcohol Act 2012, Resource Management Act 1991 etc) and the District Plan. This ensures the right activity occurs in the right place.

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
Building consents are processed in a timely fashion.	All building consents are processed within 20 days.	Target: Achieve Result: 99% Not Achieved	Target: Achieve	Target: Achieve	Target: Achieve	Target: Achieve
We provide regulatory services for alcohol licences.	All premises that sell alcohol are licensed.	Target: 100% Compliance Result: 100% Achieved	Target: 100% Compliance	Target: 100% Compliance	Target: 100% Compliance	Target: 100% Compliance
We provide regulatory services for food licences.	All premises that sell food are licensed and registered.	New measure	Target: 100% Compliance	Target: 100% Compliance	Target: 100% Compliance	Target: 100% Compliance
We provide Land Information Memorandum (LIM) services efficiently.	LIM applications are processed within 10 working days.	Target: 100% Compliance Result: 98% Not Achieved	Target: 100% Compliance	Target: 100% Compliance	Target: 100% Compliance	Target: 100% Compliance
We will process, inspect, and certify building work in the Waitomo District.	WDC maintains building control systems and process to meet IANZ audit requirements.	Target: BCA accreditation maintained Result: BCA accreditation maintained Achieved	Target: BCA accreditation maintained	Target: BCA accreditation maintained	Target: BCA accreditation maintained	Target: BCA accreditation maintained
We will provide an effective Animal Control Service.	Percentage of residents satisfied with the provision of the Animal Control Service.	Target: ≥ 75% Result: 77% Achieved	Target: ≥ 75%	Target: ≥ 75%	Target: ≥ 75%	Target: ≥ 75%
WDC is resourced and staff trained to effectively support operations of Civil Defence Headquarters during an emergency.	The evaluation of annual exercise as a measure of effectiveness of training.	Target: Increasing trend Result: 66% 'Advancing' Achieved	Target: ≥ 61% (comprehensive score)	Target: ≥ 61% (comprehensive score)	Target: ≥ 61% (comprehensive score)	Target: ≥ 61% (comprehensive score)

Resource Management

What we do

The activities in this group relate to district planning and administration of the District Plan.

Why we do it

We cover the planning functions under the Resource Management Act 1991, including the processing, issuing, and monitoring of resource consents, designations, and other application types. This activity also includes monitoring compliance with the Waitomo District Plan and the Resource Management Act 1991.

Alignment to community outcomes

A district for all people

Secondary contribution

A prosperous district

Secondary contribution

A district that values culture

Secondary contribution

A district that cares for its environment

Primary focus

Alignment to strategic priorities

Strengthening relationships

Secondary contribution

Preparing for the future

Primary focus

Effective management of resources

Primary focus

Levels of service - what is important for this activity

Caring for our environment – the environment is cared for through the provisions of the District Plan both proposed and operative.

Preparing for the future – a key to success in the Resource Management and District Planning area is planning for the future in terms of providing for matters such as climate change, natural hazards, and ensuring the preservation of resources (e.g. karst systems, Significant Natural Areas, landscapes)

Managing our resources – resources are managed through provisions of the District Plan, both proposed and operative.

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
Consents are processed in accordance with legislation.	All non-notified land use consent and subdivision consents are processed within 20 days.	Target: Achieve Result: Achieve Achieved	Target: Achieve	Target: Achieve	Target: Achieve	Target: Achieve

Solid Waste

What we do

The activities in this group consists of kerbside collection, waste disposal and waste minimisation.

Why we do it

Effective and efficient waste minimisation is a requirement of all councils under a range of legislation.

Alignment to community outcomes

A district for all people

Secondary contribution

A prosperous district

Secondary contribution

A district that values culture

Secondary contribution

A district that cares for its environment

Primary focus

Alignment to strategic priorities

Strengthening relationships

Secondary contribution

Preparing for the future

Primary focus

Effective management of resources

Secondary contribution

Levels of service - what is important for this activity

Caring for our environment – we collect waste to keep our environment clean and work to increase the proportion of waste we divert from landfill.

A district for all people – collecting recycling and solid waste from roadside and through our transfer stations helps keep people safe and healthy.

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
We will provide a reliable kerbside rubbish collection to stop rubbish becoming a health risk.	The number of justifiable complaints per week about uncollected rubbish.	Target: <10 per week Result: 0.35 Achieved	Target: <7 per week	Target: <7 per week	Target: <7 per week	Target: <7 per week
We provide effective and fit for purpose solid waste facilities.	Percentage of users that are satisfied with the rural transfer stations.	Target: Maintain or increase from the previous rating Result: 91% Achieved	Target: ≥ 90%	Target: ≥ 90%	Target: ≥ 90%	Target: ≥ 90%
	Percentage of users that are satisfied with the Waitomo District Landfill.	New measure	Target: ≥ 90%	Target: ≥ 90%	Target: ≥ 90%	Target: ≥ 90%
We encourage waste minimisation by providing recycling services to reduce waste sent to landfill.	Diversion rate of the District's waste to landfill.	New measure	Target: Increasing trend of diversion rate to ≥ 50%	Target: Increasing trend of diversion rate to ≥ 50%	Target: Increasing trend of diversion rate to ≥ 50%	Target: diversion rate is ≥ 50% of the districts waste to landfill

Stormwater

What we do

This activity covers the management, operations, maintenance, and monitoring of Council's stormwater infrastructure which includes underground reticulation network, council owned open channels, and culverts for Te Kūiti and Rural areas.

Why we do it

We provide these services to meet our obligation under the Local Government Act 2002.

Alignment to community outcomes

A district for all people Primary focus	A prosperous district Secondary contribution	A district that values culture Secondary contribution	A district that cares for its environment Secondary contribution
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Alignment to strategic priorities

Strengthening relationships Secondary contribution	Preparing for the future Primary focus	Effective management of resources Primary focus
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Levels of service - what is important for this activity

A district for all people – improving our stormwater network will reduce the likelihood of flooding from stormwater overflows and improve the health, safety, and wellbeing of our community.

Caring for our environment – we care for our environment by ensuring stormwater discharge complies with environmental standards and regional council consent conditions.

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
We maintain and operate the stormwater network in a way that minimises the likelihood of stormwater entering habitable buildings.	The number of flooding events* that occur in the district in a financial year.	Target: 0 Result: 2 Not Achieved	Target: ≤ 2	Target: ≤ 2	Target: ≤ 2	Target: ≤ 1
	For each flooding event* the number of habitable floors affected in a financial year.	Target: ≤ 1 per 1,000 properties Result: 5.3 Not Achieved	Target: ≤ 5 per 1,000 properties	Target: ≤ 5 per 1,000 properties	Target: ≤ 5 per 1,000 properties	Target: ≤ 3 per 1,000 properties
We comply with our resource consent conditions and minimise the impact of stormwater on the environment.	The number of abatement notices, infringement notices, enforcement orders and convictions related to the management of the stormwater system.	Target: ≤ 2 infringement notices Result: 0 Achieved	Target: ≤ 2 infringement notices	Target: ≤ 2 infringement notices	Target: ≤ 2 infringement notices	Target: ≤ 2 infringement notices
		Target: 0 abatement, enforcement, or conviction actions Result: 0 Achieved	Target: 0, abatement, enforcement, or conviction actions	Target: 0, abatement, enforcement, or conviction actions	Target: 0, abatement, enforcement, or conviction actions	Target: 0, abatement, enforcement, or conviction actions
We will respond within a reasonable timeframe to the flooding.	The median response time to attend a flooding event*, (measured from the time that the notification is received to the time that service personnel reach the site).	Target: ≤ 180 minutes (3hrs) Result: 60 days 14 hours and 31 mins Not Achieved	Target: ≤ 180 minutes (3hrs)	Target: ≤ 180 minutes (3hrs)	Target: ≤ 180 minutes (3hrs)	Target: ≤ 180 minutes (3hrs)
We provide a reliable stormwater system.	The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	Target: ≤ 4 complaints per 1,000 properties Result: 6 per 1000 connections Not Achieved	Target: ≤ 5 complaints per 1,000 properties	Target: ≤ 5 complaints per 1,000 properties	Target: ≤ 5 complaints per 1,000 properties	Target: ≤ 5 complaints per 1,000 properties

Wastewater

What we do

This activity covers the management, operations, maintenance, and monitoring of Council's wastewater reticulation network, treatment, and disposal. This includes, pump stations, reticulation network, and trade waste for Te Kūiti, Maniaiti/Benneydale, Piopio, and Te Waitere townships.

Why we do it

We provide these services to meet our obligation under the Local Government Act 2002.

Alignment to community outcomes

A district for all people Primary focus	A prosperous district Secondary contribution	A district that values culture Secondary contribution	A district that cares for its environment Secondary contribution
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Alignment to strategic priorities

Strengthening relationships Secondary contribution	Preparing for the future Primary focus	Effective management of resources Primary focus
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Levels of service - what is important for this activity

A district for all people – providing an efficient and effective wastewater network supports the health and safety of our community.

Caring for our environment – we care for our environment by ensuring wastewater discharge complies with environmental standards and regional council consent conditions.

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
Our wastewater system is optimised to reduce the risk of harm to the community and environment.	Number of dry weather overflows in a financial year.	Target: ≤10 complaints per 1,000 connections Result: 0 Achieved	Target: ≤5 complaints per 1,000 connections	Target: ≤5 complaints per 1,000 connections	Target: ≤5 complaints per 1,000 connections	Target: ≤5 complaints per 1,000 connections
Our wastewater system is operated and maintained to minimise odour and blockages.	The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with its wastewater system in Piopio.	Target: ≤35 per 1,000 connections Result: 219 per 1000 Not Achieved	Target: ≤200 per 1,000 connections	Target: ≤200 per 1,000 connections	Target: ≤200 per 1,000 connections	Target: ≤200 per 1,000 connections
	The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with its wastewater system in the rest of the District.	Target: ≤35 per 1,000 connections Result: 36.2 per 1000 Not Achieved	Target: ≤35 per 1,000 connections	Target: ≤35 per 1,000 connections	Target: ≤35 per 1,000 connections	Target: ≤35 per 1,000 connections
We comply with our resource consent conditions and minimise the impact of stormwater on the environment. We comply with our resource consent conditions and minimise the impact of wastewater on the environment	The number of abatement notices, infringement notices, enforcement orders and convictions issued for overflow from the wastewater system.	Target: 0 Abatement, infringement, enforcement or conviction actions Result: 1 Not Achieved	Target: 0	Target: 0	Target: 0	Target: 0

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
We will attend and resolve issues with the wastewater system within a reasonable timeframe.	The median attendance time for callouts, from the time that we received notification to the time that our service personnel reach the site.	Target: ≤180 minutes Result: 1hr 46 mins Achieved	Target: ≤180 minutes	Target: ≤180 minutes	Target: ≤180 minutes	Target: ≤180 minutes
We will attend and resolve issues with the wastewater system within a reasonable timeframe.	The median resolution time of callouts in Piopio .	Target: ≤ 540 minutes Result: 4 hrs 40 mins Achieved	Target: ≤ 540 minutes	Target: ≤ 480 minutes	Target: ≤ 450 minutes	Target: ≤ 450 minutes
	The median resolution time of callouts in rest the of District .	Target: ≤ 540 minutes Result: 4 hr 31 mins Achieved	Target: ≤ 540 minutes	Target: ≤ 480 minutes	Target: ≤ 450 minutes	Target: ≤ 450 minutes

Water Supply

What we do

This activity covers the management, operations, maintenance, and monitoring of Council’s water supply infrastructure which includes the intakes, treatment plants, backwash disposal systems, treated water storage, reticulation networks, and pump stations for Te Kūiti, Mokau, Maniaiti/Benneydale, and Piopio.

Why we do it

We provide these services to meet our obligation under the Local Government Act 2002.

Alignment to community outcomes

A district for all people Primary focus	A prosperous district Secondary contribution	A district that values culture Secondary contribution	A district that cares for its environment Secondary contribution
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Alignment to strategic priorities

Strengthening relationships Secondary contribution	Preparing for the future Primary focus	Effective management of resources Primary focus
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Levels of service - what is important for this activity

A district for all people – the provision of safe drinkable water contributes to a healthy, safe, and well community.

Caring for our environment – we care for our environment by ensuring our water take complies with environmental standards and regional council consent conditions.

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
<p>We provide water that is safe to drink and hygienic to use which meets the drinking water standards.</p> <p>The New Zealand Drinking Water Standards are monitored by Taumata Arowai as a national standard for public safety.</p>	Water quality complies with the drinking water standards for bacteria.	Target: Achieved Compliance Result: Not Achieved Compliance Not Achieved	Target: Achieve Compliance	Target: Achieve Compliance	Target: Achieve Compliance	Target: Achieve Compliance
	Water quality complies with the drinking water standards for protozoa.	Target: Achieved Compliance Result: Not Achieved Compliance Not Achieved	Target: Achieve Compliance	Target: Achieve Compliance	Target: Achieve Compliance	Target: Achieve Compliance
<p>We provide an efficient and effective water supply. We will achieve this by undertaking activities such as water leakage detection and maintaining the network of water pipes.</p>	Percentage of real water loss from Council's networked reticulation system.	Te Kūiti Target: ≤ 20%	Target: ≤ 20%	Target: ≤ 20%	Target: ≤ 20%	Target: ≤ 20%
		Mōkau Target: ≤ 5% Result: 1.1% Achieved	Target: ≤ 5%	Target: ≤ 5%	Target: ≤ 5%	Target: ≤ 5%

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
		Piopio Target: ≤ 5% Result: 0.67% Achieved	Target: ≤ 5%	Target: ≤ 5%	Target: ≤ 5%	Target: ≤ 5%
		Maniaiti/Benneydale Target: ≤ 9% Result: 8.64% Achieved	Target: ≤ 5%	Target: ≤ 5%	Target: ≤ 5%	Target: ≤ 5%
We will respond within a reasonable timeframe to issues with the water supply.	The median attendance time for urgent call-outs.	Target: ≤ 180 minutes (3hrs) Result: 1 hr 54 mins Achieved	Target: ≤ 180 minutes (3hrs)	Target: ≤ 180 minutes (3hrs)	Target: ≤ 180 minutes (3hrs)	Target: ≤ 180 minutes (3hrs)
	The median resolution time of urgent call-outs.	Target: ≤ 540 minutes (9 hrs) Result: 9 hrs 22 mins Not Achieved	Target: ≤ 540 minutes (9 hrs)	Target: ≤ 540 minutes (9 hrs)	Target: ≤ 540 minutes (9 hrs)	Target: ≤ 540 minutes (9 hrs)
	The median attendance time, in working days, for non-urgent call-outs.	Target ≤ 660 minutes (11 hrs) Result: 21 hrs 35 mins Not Achieved	Target ≤ 24 hours (1 day)	Target ≤ 24 hours (1 day)	Target ≤ 24 hours (1 day)	Target ≤ 24 hours (1 day)

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
	The median resolution time, in working days, of non-urgent call-outs.	Target: ≤ 96 hours Result: 27 hrs 31 mins <i>Achieved</i>	Target: ≤ 96 hours (4 days)	Target: ≤ 96 hours (4 days)	Target: ≤ 96 hours (4 days)	Target: ≤ 96 hours (4 days)
We provide water that is wholesome and is reliably supplied. The measure indicates customers and community satisfaction with the quality of the water.	The number of complaints received relating to drinking water about clarity.	Target: ≤ 20 per 1000 connections Result: 3.4 per 1000 connection <i>Achieved</i>	Target: ≤ 5 per 1000 connections	Target: ≤ 5 per 1000 connections	Target: ≤ 5 per 1000 connections	Target: ≤ 5 per 1000 connections
	The number of complaints received relating to drinking water about taste.	Target: ≤ 5 per 1000 connections Result: 0.8 per 1000 connection <i>Achieved</i>	Target: ≤ 2 per 1000 connections	Target: ≤ 2 per 1000 connections	Target: ≤ 2 per 1000 connections	Target: ≤ 2 per 1000 connections
	The number of complaints received relating to drinking water about odour.	Target: odour ≤ 5 per 1000 connections Result: 0.4 per 1000 connection <i>Achieved</i>	Target: ≤ 2 per 1000 connections	Target: ≤ 2 per 1000 connections	Target: ≤ 2 per 1000 connections	Target: ≤ 2 per 1000 connections
	The number of complaints received relating to drinking water continuity of supply.	Target: ≤15 per 1000 connections Result: 0.38 per 1000 connection <i>Achieved</i>	Target: ≤ 5 per 1000 connections	Target: ≤ 4 per 1000 connections	Target: ≤ 3 per 1000 connections	Target: ≤ 2 per 1000 connections

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
	The number of complaints received relating to drinking water pressure flow.	Target: ≤ 15 per 1000 connections Result: 1.9 per 1000 connection Achieved	Target: ≤ 10 per 1000 connections	Target: ≤ 5 per 1000 connections	Target: ≤ 5 per 1000 connections	Target: ≤ 5 per 1000 connections
	The number of complaints received relating to drinking water about Council's response to any of these issues.	Target: ≤20 per 1000 connections Result: 0.75 Achieved	Target: ≤ 7 per 1000 connections	Target: ≤ 5 per 1000 connections	Target: ≤ 2 per 1000 connections	Target: ≤ 2 per 1000 connections
We provide efficient management of demand for water for our community.	The average consumption of drinking water per Waitomo District resident, per day.	Target: ≤ 400 litres per person per day Result: 470l Not Achieved	Target: ≤ 400 litres per person per day	Target: ≤ 400 litres per person per day	Target: ≤ 400 litres per person per day	Target: ≤ 400 litres per person per day

Roads and Footpaths

What we do

We maintain and renew the District's existing transport infrastructure, including roads, bridges, and footpaths, and plan and invest in new infrastructure. We currently maintain a network of 461 km of sealed roads and 552 km of unsealed roads.

Why we do it

We provide these services to meet our obligation under the Local Government Act 2002.

Alignment to community outcomes

A district for all people	A prosperous district	A district that values culture	A district that cares for its environment
Primary focus	Secondary contribution	-	Secondary contribution

Alignment to strategic priorities

Strengthening relationships

Preparing for the future

Effective management of resources

Secondary contribution

Primary focus

Levels of service - what is important for this activity

A district for all people – we work to keep our road and footpath network safe and well maintained, enabling people to get to where they need to be.

A prosperous district – a well maintained network of roads and footpaths allows people and goods to move efficiently through the district.

Effective management of resources – we manage our roading budget to ensure roads across the network are maintained effectively.

What you can expect from us	What we will measure	Latest result 2022/23	Targets			
			2024/25	2025/26	2026/27	YR 4-10 2027/34
We are working towards a safe network with a vision of a decreasing trend of deaths and serious injuries on Waitomo District roads within ten years. We aim to achieve this by delivering projects that are focused on maintaining, upgrading, or changing the conditions of the roading environment to keep our community safe.	The change from the previous financial year in the number of fatalities and serious injury crashes on Waitomo District's local road network.	Target: ≤ 1 Result: 4 Change in serious injury crashes: 2 Change in fatal crashes: 0 Not Achieved	Target: Maintain or decrease from previous year.	Target: Maintain or decrease from previous year.	Target: Maintain or decrease from previous year.	Target: Maintain or decrease from previous year.
We aim for a smooth road that provides comfort for road users and improves the safety of the roads.	The average smooth travel exposure rating across the sealed road network. ¹	Target: 90% (of total) Result: 90% Achieved	Target: ≥ 90%	Target: ≥ 90%	Target: ≥ 90%	Target: ≥ 90%
We will maintain the road network by resealing it as needed. Resurfacing is only undertaken as required depending on the condition of the surface in that financial year.	The percentage of Waitomo District's sealed local road network that is resurfaced each year.	Target: 7% (of total) Result: 7.2% Achieved	Target: 7% (of total)	Target: 7% (of total)	Target: 7% (of total)	Target: 7% (of total)
We will provide footpaths that are well maintained. The measure is the percentage of footpaths that meet the service level.	The percentage of footpaths that fall within a condition rating of 3	Target: 90% Result: 97% (2022) Achieved	Target: ≥ 95%	Target: ≥ 95%	Target: ≥ 95%	Target: ≥ 95%
We will investigate and respond to the customer about their request for service relating to road and footpath issues.	The percentage of customer service requests relating to roads and footpaths responded to within ten working days.	Target: 85% Result: 96% Achieved	Target: ≥ 90%	Target: ≥ 90%	Target: ≥ 90%	Target: ≥ 90%
We will maintain the overall condition of the unsealed roads to a specified adequate standard.	The percentage of unsealed road metalled each year.	Target: 10% (of total) Result: 22.2% Achieved	Target: ≥ 15% (of total)	Target: ≥ 15% (of total)	Target: ≥ 15% (of total)	Target: ≥ 15% (of total)

¹ Percentage of measured sealed road lane kilometres not exceeding a NAASRA* roughness count rating of 150 to be at least 90%.

Table - Prospective Statement of Funding Sources

Prospective Statement of Funding Sources (\$000's)	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Wastewater	2,436	2,713	2,936	3,342	3,670	3,833	4,283	4,631	4,688	4,917	4,989
Water Supply	2,093	2,463	2,910	2,963	3,383	3,793	3,948	4,066	4,108	4,246	4,330
Metered Water Supply Rates	1,059	1,251	1,385	1,422	1,459	1,495	1,529	1,564	1,598	1,632	1,666
Aquatic Centre	313	0	0	0	0	0	0	0	0	0	0
District Development Rate	342	0	0	0	0	0	0	0	0	0	0
Piopio Retirement Village Contribution	13	13	13	14	14	14	14	15	15	15	16
District Roading Rate	4,481	5,335	5,479	5,667	5,787	5,897	6,013	6,118	6,192	6,313	6,348
Solid Waste Rate	1,182	1,337	1,584	1,658	1,696	1,716	1,733	1,754	1,788	1,831	1,874
Solid Waste Collection	245	230	235	295	301	308	314	646	659	672	684
Stormwater	545	918	1,019	1,204	1,195	1,274	1,309	1,342	1,332	1,395	1,337
Forecast Total Targeted Rates and Service Charges	12,709	14,260	15,561	16,565	17,505	18,330	19,143	20,136	20,380	21,021	21,244
General Rates	8,113	9,252	9,884	10,291	10,404	10,613	10,894	10,930	11,150	11,349	11,314
UAGC	1,742	1,727	1,764	1,803	1,843	1,881	1,921	1,959	1,998	2,036	2,074
Rates Penalties Revenue	350	360	368	375	383	390	397	405	412	419	427
Total General Rates, UAGC and Rates Penalties	10,205	11,339	12,016	12,469	12,630	12,884	13,212	13,294	13,560	13,804	13,815
Forecast Total Rates Requirement	22,914	25,599	27,577	29,034	30,135	31,214	32,355	33,430	33,940	34,825	35,059
<i>Percentage Change</i>		<i>11.72%</i>	<i>7.73%</i>	<i>5.28%</i>	<i>3.79%</i>	<i>3.58%</i>	<i>3.66%</i>	<i>3.32%</i>	<i>1.53%</i>	<i>2.61%</i>	<i>0.67%</i>
Other Revenue Sources											
Subsidies and Grants	16,177	14,163	12,321	12,976	12,223	12,440	13,071	12,964	14,780	14,214	13,492
Interest Revenue	15	66	72	69	73	74	76	84	84	86	87
Fees and Charges	4,756	5,184	5,367	5,556	5,666	5,809	5,912	6,051	6,185	6,291	6,433
Total Other Revenue	20,948	19,413	17,760	18,601	17,962	18,323	19,059	19,099	21,049	20,591	20,012
Other Funding Sources											
Internal Loans raised	11,990	12,276	9,204	3,832	5,737	5,808	3,233	2,585	6,793	3,539	3,562
Total Funding Sources	55,852	57,288	54,541	51,467	53,834	55,345	54,647	55,114	61,782	58,955	58,633
Funding Applied to											
Operating Expenditure	41,544	43,444	44,031	44,978	45,623	46,946	48,176	48,987	49,962	50,921	51,458
Capital Expenditure	22,516	21,313	17,800	13,624	14,275	14,402	12,490	11,332	17,194	13,532	12,623
Internal Loan Repayments	3,023	3,038	3,622	3,980	4,148	4,412	4,481	4,527	4,732	5,043	4,947
Reserve transfers and non-funding of depreciation	(11,231)	(10,507)	(10,912)	(11,115)	(10,212)	(10,415)	(10,500)	(9,732)	(10,106)	(10,541)	(10,395)
Total Funding Applied	55,852	57,288	54,541	51,467	53,834	55,345	54,647	55,114	61,782	58,955	58,633

Table - Prospective Statement of Funding Sources (Continued)

The following changes have been made to the AP 2024 comparators.

- The comparator has been restated to include rates charged on Council properties as both General Rates, UAGC and Targeted Rates and is included in Operating Expenditure.

Table: Prospective Statement of Comprehensive Revenue and Expense For Years Ending 30 June

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDINGS 30 JUNE (\$'000's)	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Revenue											
Rates revenue including rates penalties	21,461	23,955	25,791	27,201	28,255	29,288	30,387	31,416	31,886	32,727	32,915
Metered water rates	1,059	1,251	1,385	1,422	1,459	1,495	1,529	1,564	1,598	1,632	1,666
Subsidies and grants	16,177	14,163	12,321	12,976	12,223	12,440	13,071	12,964	14,780	14,214	13,492
Interest revenue	15	66	72	69	73	74	76	84	84	86	87
Fees and charges	4,514	4,902	5,082	5,268	5,373	5,513	5,613	5,748	5,879	5,981	6,120
Other revenue including gains/(losses)	241	282	285	289	292	296	299	303	306	310	313
Total Revenue and Gains/(Losses)	43,467	44,619	44,936	47,225	47,675	49,106	50,975	52,079	54,533	54,950	54,593
Expenditure											
Employee benefit expenses	6,859	7,788	7,969	8,063	8,233	8,396	8,558	8,720	8,883	9,045	9,207
Depreciation and amortisation expense	9,470	10,018	10,631	11,029	11,238	11,732	12,082	12,388	12,822	13,156	13,406
Finance costs	1,628	1,622	2,099	2,387	2,796	2,829	2,835	2,838	2,557	2,518	2,267
Other expenses	23,193	23,623	22,930	23,088	22,934	23,558	24,261	24,593	25,243	25,736	26,102
Total Expenditure	41,150	43,051	43,629	44,567	45,201	46,515	47,736	48,539	49,505	50,455	50,982
Surplus/(Deficit)	2,317	1,568	1,307	2,658	2,474	2,591	3,239	3,540	5,028	4,495	3,611
Other Comprehensive Revenue and Expense											
Gains/(Losses) on revaluation of property, plant and equipment	9,836	2,735	28,163	9,062	0	40,177	9,588	0	39,085	9,243	0
Total Other Comprehensive Revenue and Expense	9,836	2,735	28,163	9,062	0	40,177	9,588	0	39,085	9,243	0
Total Comprehensive Revenue and Expense for the year	12,153	4,303	29,470	11,720	2,474	42,768	12,827	3,540	44,113	13,738	3,611

Table: Prospective Statement of Changes In Equity For Years Ending 30 June

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDING 30 JUNE (\$000's)	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Opening balance at 1 July	485,037	698,758	703,061	732,531	744,251	746,725	789,493	802,320	805,860	849,973	863,711
Revaluation of property, plant and equipment	9,836	2,735	28,163	9,062	0	40,177	9,588	0	39,085	9,243	0
Net Income recognised directly in equity	9,836	2,735	28,163	9,062	0	40,177	9,588	0	39,085	9,243	0
Net Surplus/(Deficit) for the year	2,317	1,568	1,307	2,658	2,474	2,591	3,239	3,540	5,028	4,495	3,611
Total Recognised Income for the years ended 30 June	2,317	1,568	1,307	2,658	2,474	2,591	3,239	3,540	5,028	4,495	3,611
Total Comprehensive Revenue & Expense for the year	12,153	4,303	29,470	11,720	2,474	42,768	12,827	3,540	44,113	13,738	3,611
Balance at 30 June	497,190	703,061	732,531	744,251	746,725	789,493	802,320	805,860	849,973	863,711	867,322

Table: Prospective Statement of Financial Position as at 30 June

PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE (\$'000's)	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Equity											
Accumulated funds	246,940	251,973	253,561	256,306	257,753	259,027	260,683	261,569	263,878	265,757	266,358
Council created reserves	21,477	20,555	20,274	20,187	21,214	22,531	24,114	26,768	29,487	32,102	35,112
Investment reserves	6,416	10,606	10,606	10,606	10,606	10,606	10,606	10,606	10,606	10,606	10,606
Hedging reserves	346	736	736	736	736	736	736	736	736	736	736
Revaluation reserve	222,011	419,191	447,354	456,416	456,416	496,593	506,181	506,181	545,266	554,510	554,510
Total Equity	497,190	703,061	732,531	744,251	746,725	789,493	802,320	805,860	849,973	863,711	867,322
Current Assets											
Cash and cash equivalents	2,352	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553
Other financial assets	169	54	54	54	54	54	54	54	54	54	54
Inventory	120	134	137	140	143	146	149	152	155	158	161
Receivables under exchange transactions	274	466	476	487	497	507	518	528	539	549	560
Receivables under non exchange transactions	4,539	4,758	4,863	4,967	5,077	5,181	5,291	5,396	5,505	5,610	5,714
Derivative financial instruments	0	297	297	297	297	297	297	297	297	297	297
Total Current Assets	7,454	7,262	7,380	7,498	7,621	7,738	7,862	7,980	8,103	8,221	8,339
Current Liabilities											
Payables and deferred revenue under exchange transactions	4,197	5,619	5,743	5,865	5,995	6,117	6,247	6,373	6,501	6,627	6,751
Payables and deferred revenue under non exchange transactions	2,032	1,017	1,039	1,062	1,085	1,108	1,131	1,153	1,177	1,199	1,221
Current portion of borrowings	26,326	15,227	14,963	15,069	15,558	15,534	16,599	16,775	12,162	12,816	14,429
Provisions	4	4	4	4	4	4	4	110	5	196	5
Employee entitlements	817	884	903	923	943	963	983	1,002	1,023	1,042	1,062
Derivative financial instruments	31	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	33,407	22,751	22,652	22,923	23,585	23,726	24,964	25,413	20,868	21,880	23,468
Net Working Capital	(25,953)	(15,489)	(15,272)	(15,425)	(15,964)	(15,988)	(17,102)	(17,433)	(12,765)	(13,659)	(15,129)
Non Current Assets											
Property, plant and equipment	521,396	725,753	761,066	772,702	775,717	818,488	828,462	827,383	870,817	880,355	879,548
Intangible assets	7,175	7,208	7,228	7,249	7,271	7,346	7,368	7,391	7,414	7,495	7,519
Investment property	2,167	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581
Other financial assets	323	664	639	889	889	889	889	764	764	639	514
Investment in CCO and Civic Financial Services Ltd	6,432	10,622	10,622	10,622	10,622	10,622	10,622	10,622	10,622	10,622	10,622
Derivative financial instruments	198	260	260	260	260	260	260	260	260	260	260
Total Non Current Assets	537,691	747,088	782,396	794,303	797,340	840,186	850,182	849,001	892,458	901,952	901,044
Non Current Liabilities											
Borrowings	14,023	28,000	34,000	34,000	34,000	34,000	30,000	25,000	29,000	24,000	18,000
Provisions	525	538	593	627	651	705	760	708	720	582	593
Derivative financial instruments	0	0	0	0	0	0	0	0	0	0	0
Total Non Current Liabilities	14,548	28,538	34,593	34,627	34,651	34,705	30,760	25,708	29,720	24,582	18,593
Net Assets	497,190	703,061	732,531	744,251	746,725	789,493	802,320	805,860	849,973	863,711	867,322

Table: Prospective Statement of Public Debt For Year Ending 30 June

PROSPECTIVE STATEMENT OF PUBLIC DEBT FOR THE YEAR ENDING 30 JUNE (\$000's)	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Opening Balance	30,210	33,419	43,227	48,963	49,069	49,558	49,534	46,599	41,775	41,162	36,816
Loans raised	30,139	24,808	20,736	15,106	15,489	14,976	12,065	10,176	14,387	10,654	10,613
Loans repaid	(20,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Closing Balance	40,349	43,227	48,963	49,069	49,558	49,534	46,599	41,775	41,162	36,816	32,429

Table: Prospective Statement of Reserve Fund Movements For Years Ending 30 June

PROSPECTIVE STATEMENT OF RESERVE FUND MOVEMENTS FOR THE YEAR ENDING 30 JUNE (\$000's)	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Opening Balance	22,571	21,045	20,555	20,274	20,187	21,214	22,531	24,114	26,768	29,487	32,102
Transfer to/(from) Reserves	(1,094)	(490)	(281)	(87)	1,027	1,317	1,583	2,654	2,719	2,615	3,010
Closing Balance	21,477	20,555	20,274	20,187	21,214	22,531	24,114	26,768	29,487	32,102	35,112

Prospective Funding Impact Statements

The following changes have been made to the AP 2024 comparators for the Prospective Funding Impact Statements.

- The comparator has been restated to include rates on Council properties as both General rates, uniform annual general charges and Payments to staff and suppliers.
- Internal charges and overheads recovered have been restated to include only recoveries between Groups of Activities, rather than within a particular Group of Activities.
- Recovery of overhead depreciation expense has been reclassified as Increase (decrease) in reserves to match the depreciation expense which is classified as Increase (decrease) in reserves.

Table: Forecast Capital Expenditure

Forecast Capital Expenditure \$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Leadership											
Investments	41	40	41	42	43	43	44	45	46	47	47
Overhead	1,095	667	578	631	595	691	643	500	497	709	613
	1,136	707	619	673	638	734	687	545	543	756	660
Recreation and Property											
Parks and Recreation	351	366	207	212	219	179	277	196	252	247	254
Housing and Other Property	86	57	64	73	106	83	115	84	112	95	132
Community Facilities	458	102	124	142	101	371	322	244	174	265	432
Public Facilities	313	832	288	589	90	114	96	125	103	129	104
	1,208	1,357	683	1,016	516	747	810	649	641	736	922
Community and Partnerships	0	3	0	0	0	0	0	0	0	0	0
Regulatory Services	20	10	10	10	11	11	11	11	11	12	12
Solid Waste											
Kerbside Collection and Recycling	0	0	0	0	0	0	409	0	0	0	0
Waste Management	3,877	3,141	755	366	90	128	421	101	3,972	572	106
	3,877	3,141	755	366	90	128	830	101	3,972	572	106
Stormwater											
Urban Stormwater	469	1,708	1,708	1,858	1,667	1,711	594	621	642	646	647
Rural Stormwater	6	80	77	84	32	33	34	35	35	36	37
	475	1,788	1,785	1,942	1,699	1,744	628	656	677	682	684
Wastewater											
Te Kuiti	583	434	426	448	325	383	344	600	373	454	376
Te Waitere	0	7	7	7	223	7	7	8	8	8	8
Maniaiti/Benneydale	53	45	103	168	497	11	181	12	12	12	12
Piopio	7	7	59	54	207	13	14	15	15	16	16
	643	493	595	677	1,252	414	546	635	408	490	412
Water Supply											
Te Kuiti	5,042	4,988	5,113	445	1,879	2,668	796	528	542	565	603
Mokau	16	205	199	77	147	27	28	29	30	42	43
Piopio	158	157	166	77	343	187	74	75	77	314	943
Maniaiti/Benneydale	22	49	50	21	151	77	23	81	24	24	25
	5,238	5,399	5,528	620	2,520	2,959	921	713	673	945	1,614
Roads and Footpaths											
Subsidised roading	9,730	7,781	7,177	7,656	6,870	6,970	7,350	7,300	9,532	8,588	7,446
Unsubsidised roading	189	636	649	664	679	693	708	722	737	751	765
	9,919	8,417	7,826	8,320	7,549	7,663	8,058	8,022	10,269	9,339	8,211
Total Forecast Capital Expenditure	22,516	21,315	17,801	13,624	14,275	14,400	12,491	11,332	17,194	13,532	12,621

Table: Forecast Depreciation Expense

Forecast Depreciation Expense (\$000's)	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Leadership	738	777	830	855	912	915	885	927	943	910	877
Recreation and Property	1,456	1,584	1,658	1,725	1,775	1,798	1,861	1,886	1,919	1,949	1,984
Community and Partnerships	4	10	11	11	11	11	9	4	4	4	4
Regulatory Services	12	15	16	17	18	12	13	12	13	14	14
Solid Waste	113	122	171	205	212	227	219	313	315	374	436
Stormwater	257	259	275	303	321	334	368	378	388	418	426
Wastewater	1,038	1,088	1,102	1,175	1,191	1,198	1,278	1,286	1,288	1,365	1,369
Water Supply	969	954	1,030	1,157	1,171	1,259	1,418	1,445	1,429	1,445	1,466
Roads and Footpaths	4,883	5,209	5,538	5,580	5,628	5,977	6,031	6,138	6,524	6,678	6,830
Total Depreciation Expense	9,470	10,018	10,631	11,028	11,239	11,731	12,082	12,389	12,823	13,157	13,406

Table: Depreciation Expense and Non funding of Depreciation

Forecast Depreciation Expense and Non funding of Depreciation (\$000's)	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Forecast Depreciation Expense	9,470	10,018	10,631	11,028	11,239	11,731	12,082	12,389	12,823	13,157	13,406
Depreciation Not Funded*											
Elderly Persons Housing	(122)	(99)	(99)	(101)	(104)	(108)	(111)	(111)	(114)	(118)	(121)
Community Halls	(193)	(193)	(197)	(201)	(205)	(201)	(205)	(193)	(191)	(195)	(192)
Gallagher Recreation Centre	(188)	(218)	(223)	(227)	(233)	(237)	(242)	(247)	(251)	(256)	(261)
Kerbside Collection	0	0	0	0	0	0	0	(84)	(85)	(87)	(89)
Stormwater	(32)	(32)	(16)	0	2	4	6	8	10	12	14
Te Kuiti Wastewater	(315)	(328)	(255)	(183)	(109)	(36)	36	110	183	255	329
Te Kuiti Water Supply	(401)	(268)	(208)	(149)	(89)	(29)	31	91	152	212	272
Mokau Water Supply	0	(57)	(44)	(31)	(18)	(5)	8	21	34	47	60
Maniaiti/Benneydale Water Supply	0	(55)	(43)	(30)	(17)	(5)	7	20	33	45	57
Piopio Water Supply	0	(42)	(32)	(23)	(13)	(4)	5	15	24	34	43
Subsidised Roads	(2,841)	(5,153)	(5,463)	(5,486)	(5,514)	(5,838)	(5,870)	(5,955)	(6,314)	(6,444)	(6,571)
Total Forecast Depreciation Not Funded	(4,092)	(6,445)	(6,580)	(6,431)	(6,300)	(6,459)	(6,335)	(6,325)	(6,519)	(6,495)	(6,459)
Total Forecast Depreciation Funded	5,378	3,573	4,051	4,597	4,939	5,272	5,747	6,064	6,304	6,662	6,947

*Brackets "()" mean the funded amount of depreciation is less than depreciation expense.

Table: Prospective Statement of Reserve Funds

Prospective Statement of Reserve Funds (\$000's)	Projected Reserve Balance 30 June 2024	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2024
Operational Reserves (1)				
Leadership				
Representation, Strategy and Engagement	1,012	0	(219)	793
Investments	1,131	0	0	1,131
	2,143	0	(219)	1,924
Recreation and Property				
Parks and Recreation	1,062	0	0	1,062
Housing and Property	787	126	(144)	769
Silverculture	471	0	(93)	378
Community Facilities				
- Library	22	0	0	22
- Aquatic Centre	16	0	0	16
- Les Munro Centre	257	0	0	257
- Aerodrome	119	0	0	119
- Gallagher Recreation Centre	41	0	0	41
Public Facilities	660	0	0	660
	3,435	126	(237)	3,324
Community Partnerships				
	1,627	33	0	1,660
Regulatory Services	560	0	(61)	499
Emergency Management	501	0	0	501
Natural Disaster	426	0	0	426
	1,487	0	(61)	1,426
Solid Waste				
Kerbside Collection	267	0	0	267
Waste Disposal	(432)	0	0	(432)
Waste Minimisation	(27)	0	0	(27)
	(192)	0	0	(192)
Stormwater				
Te Kuiti	55	0	0	55
Rural	187	0	0	187
	242	0	0	242
Resource Management				
	360	0	0	360
Wastewater				
	3,188	0	(2,903)	285
Water Supply				
	(3,031)	0	0	(3,031)
Roads and Footpaths				
Subsidised Roads	(487)	0	0	(487)
Unsubsidised Roads	339	0	0	339
	(148)	0	0	(148)
Total Operational Reserves	9,111	159	(3,420)	5,850

Prospective Statement of Reserve Funds continued (\$000's)	Projected Reserve Balance 30 June 2024	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2024
Depreciation Reserves (2)				
Investments	4	33	0	37
	4	33	0	37
Recreation and Property				
Parks and Recreation	(48)	1,852	(1,011)	793
Housing and Property				
- Elder Persons	214	257	(262)	209
- Community Halls	811	0	0	811
- Land and Buildings	269	2,339	(1,669)	939
Community Facilities				
- Library	699	1,368	(743)	1,324
- Aquatic Centre	5	626	(607)	24
- Les Munro Centre	704	2,785	(378)	3,111
- Aerodrome	34	547	(217)	364
Public Facilities	419	2,910	(2,015)	1,314
	3,107	12,684	(6,902)	8,889
Community and Partnerships				
Te Kuiti Visitor Information	65	42	0	107
Regulatory Services				
	(3)	144	(36)	105
Solid Waste				
	(821)	2,249	(867)	561
Stormwater				
Te Kuiti	775	3,319	(3,525)	569
Rural	57	160	(88)	129
	832	3,479	(3,613)	698
Wastewater				
	807	12,339	(7,239)	5,907
Water Supply				
	565	12,824	(10,311)	3,078
Roads and Footpaths				
Subsidised Roads	6,388	0	(189)	6,199
Unsubsidised Roads	146	666	(429)	383
	6,534	666	(618)	6,582
Business Support				
Business Support	635	5,463	(2,665)	3,433
Plant	(71)	3,213	(3,413)	(271)
	564	8,676	(6,078)	3,162
Total Depreciation Reserves				
	11,654	53,136	(35,664)	29,126

Prospective Statement of Reserve Funds continued (\$000's)	Projected Reserve Balance 30 June 2024	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2024
Special Purpose Reserves (3)				
Gallagher Recreation Centre	61	176	(234)	3
Community Housing Strategy	0	0	(300)	(300)
District Development	16	0	0	16
Carbon Credits	5	0	0	5
Waste Minimisation Reserve	196	233	(17)	412
Total Special Purpose Reserves	278	409	(551)	136
Total Council Created Reserves	21,043	53,704	(39,635)	35,112
Other Reserves				
Investment Reserves (4)	10,606	0	0	10,606
Hedging Reserve (5)	736	0	0	736
Property Revaluation Reserves (6)	392,595	116,828	0	509,423
Total Council and Other Reserves	424,980	170,532	(39,635)	555,877

Table: Reconciliation between the Prospective Statement of Council Created Reserve Funds and Other Statements

Reconciliation between the Prospective Statement of Council Created Reserve Funds and Other Statements (\$000's)	LTP 2024-34 For Ten Years
Prospective Statement of Council Created Reserve Funds	
Forecast Reserve Deposits	53,704
Forecast Reserve Withdrawals	(39,635)
Net Deposit to/(withdrawal from) Council Created Reserves	14,069
Prospective Statement of Funding Sources	
Reserve Transfers and non-funding of depreciation	104,435
Less Total Depreciation Expense	(118,504)
Net funding from Reserves	(14,069)
Variance	0
Prospective Funding Impact Statement: Whole of Council	
(Increase)/decrease in reserves	(5,346)
plus recovery of Corporate Support depreciation	(8,723)
Net funding from Reserves	(14,069)
Variance	0

ACCOUNTING POLICIES

STATEMENT OF RESPONSIBILITY

The Prospective Long Term Plan Financial Statements, which form part of the 2024-2034 LTP, was adopted by Council on XXXXXX

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

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

The Council, who is authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, adopted the Prospective Financial Statements on XXXXXX

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 are 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 Prospective Financial Information contained within this LTP may not be appropriate for purposes other than those described.

Basis of Preparation

The Prospective Financial Statements are for Waitomo District Council (the 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 10-year period ending 30 June 2034. 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.

Standards issued and not yet effective and not early adopted

At adoption of this LTP the following standards were on issue but not yet effective. There is no expected material impact to the prospective financial statements.

Standards, Amendments or Interpretations	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Disclosure of Fees for Audit Firms' Services	1 January 2024	30 June 2025
Amendments to PBE IFRS 17 Insurance Contracts	1 January 2026	30 June 2027

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, the 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 of 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.

NZTA Waka Kotahi roading subsidies

The Council receives funding assistance from Waka Kotahi, 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. Roothing 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 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, with the exception of on-going charges of consultants' fees for resource consents.

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.

Expenditure

Expenditure is recognised when the 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.

Borrowing Costs

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

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.

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.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL).

The Council apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

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

Rates are "written-off" when remitted in accordance with the Council's rates remission policy; and

- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and
- 90B (in relation to Māori freehold land) of the local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Other Financial Assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost.
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, NZLGFA borrower notes, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, the Council has no instruments in this category.

Expected credit loss allowance (ECL)

The Council recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

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

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

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

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Unlisted shares in the subsidiary and other companies

Investments in subsidiaries and other companies is carried in Council's financial statements in the following way:

- Investment in subsidiary is carried at fair value.
- Investments in other companies is carried at cost, which materially approximate their fair value.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its Treasury Management Policy, the 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 remeasured to 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 on derivatives that are not hedge accounted are recognised in surplus or deficit.

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 item is less than 12 months.

The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Hedge accounting

The Council designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

The Council have elected to not adopt the new hedge accounting requirements of PBE IPSAS 41 as permitted under the transitional provisions of PBE IPSAS 41. This means the Council continues to apply the hedge accounting requirements of PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

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 hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

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 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 expense are reclassified 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.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

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.

Hedge ineffectiveness

Hedge ineffectiveness in a hedge relationship can arise from:

- Differences in the timing of cash flows of the hedged items and hedging instruments.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.
- The counterparties credit risk effecting fair value movements of hedging instruments and hedged items.

Payables

Payables and other 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) 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.

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

- *Non-exchange transactions*

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the 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 on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Good and Service Tax (GST)

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

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

Where the Council is not in possession of or issued a valid tax invoice at balance date, the GST portion is not accounted for in either Receivables or Payables.

Commitments and contingencies are disclosed exclusive of GST.

Provisions

A provision is recognised 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

The Council has a legal obligation under the resource consents for open and closed landfills to provide ongoing maintenance and monitoring services at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure 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 asset are depreciated over their useful lives.

Gallagher Recreation Centre Long Term Maintenance Provision

Council has an obligation to Ministry of Education and Te Kuiti High School Board of Trustees to maintain the Gallagher Recreation Centre that Council uses to provide recreation services to the community. This obligation is established under the Property Sharing Agreement for the facility.

A Long Maintenance Provision is established to recognise this obligation and is based on a 30-year maintenance plan for the facility, regular contributions from the Board of Trustees and contributions from the Ministry of Education made on a project basis for significant replacement items.

The provision amount is based on the present value of the future planned maintenance amounts less the future funding contributions.

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 the 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 are recognised as assets and liabilities in the 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 & Equipment

Property, plant and equipment consists of:

Operational Assets

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

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.

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, sewerage reticulation systems, storm water systems, refuse systems and land under roads.

Land (operational, restricted and infrastructural) is measured at fair value. Buildings (operational and restricted) and all infrastructural assets (except for land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

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 the 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 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	Not depreciated

Restricted Assets

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

Restricted Buildings	15 – 100 years
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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
Kerb and Channel, Stormwater Channels	K & C 80 years, SWC 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

Wastewater Assets

Pipes	50 - 120 years
Manholes	100 years
Separator Tanks	50 years
Pump Stations	15 – 100 years
Treatment Plants	15 – 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 and Driveways	12 – 80 years
Weighbridges and 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.

Revaluation

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 an off-cycle revaluation is carried out for that asset class.

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

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 would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in 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 recognised in the other comprehensive revenue and expense.

Revaluation of Restricted Assets

Land and buildings in restricted assets are 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 de-recognised when they are used to satisfy carbon emission obligations.

Service Concession Asset

Gallagher Recreation Centre (GRC) – Licence to use the facility Council has completed following the construction of the stadium on Te Kuiti High School grounds. The development of the facility was in partnership with Ministry of Education and the Te Kuiti High School is recognised as intangible asset for Council's right to access the facility to provide recreation and sporting activities to the wider community. The intangible is recognised at cost.

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 and service concession asset (GRC-licence to use the facility) have been estimated as follows:

Computer software	2 – 5 years
Service concession asset	35 years

Forestry Assets

Immature standing forestry assets that have not yet reached their second prune are measured at cost.

Standing forestry assets that have passed their second prune are independently revalued biannually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate. The calculation is based on assessment of growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains and losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

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 one year 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 held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as 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 (trading as Co-Lab). Council has no significant influence over the company's operational or financial policies.

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.

Council has an interest (0.15%) in Civic Financial Services Limited. Council has no significant influence over the company's operational or financial policies.

Council has an interest (0.04%) in New Zealand National Mutual Riskpool. Council has no significant influence on operational or financial policies.

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 consists of miscellaneous housing and residential sections properties. Investment property is 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 is measured initially at its cost, including transaction costs. After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Cost Allocation

The council has derived the cost of services for each subsequent activity. Direct costs are expensed directly to the activity. Indirect costs relating to the overall running of 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 number 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 asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service 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 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.

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 relate 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 the remission from 1 January to 31 December 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 Rangitoto 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

In preparing this Long Term Plan the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

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

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 services at sites after closure. A provision for post closure 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.

Gallagher Recreation Centre Long Term Maintenance Provision

There is uncertainty around the amounts and timings of the long-term maintenance amounts and contributions made on a project basis by the Ministry of Education.

Infrastructural Assets

There are a number of assumptions and estimates used when performing depreciated 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 storm water, 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, deterioration 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.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

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 Statement of Financial Position. The Council minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of secondhand market prices for similar assets; and
- analysis of prior asset sales.

The Council has not made significant changes, apart from those noted above, to past assumptions concerning useful lives and residual values.

Three Waters Service Delivery Reforms

All legislation relating to water services entities has been repealed by the government; Water Services Entities Act 2022, Water Services Entities Amendment Act 2023, and Water Services Legislation Act 2023.

Council will continue to recognise its three waters assets and operations throughout this LTP.

Feasibility studies are underway for the establishment of a regional water services entity to take over and manage water services regionally, however for this plan no adjustment or assumptions made for this possibility.

Valuation of Investment in Inframax Construction Ltd

The investment in Inframax Construction Limited was revalued as at 30 June 2023 and resulted in a valuation range of \$9.2m to \$12.1m with a mid-point of \$10.602m for the investment. After

consideration of the subsidiary's financial statements and forecasts, Council adopted the mid-point valuation of \$10.602m to be fair value at 30 June 2023. Adoption of this value resulted in a gain on valuation of \$4.19m, which is included in Other Comprehensive Revenue and Expense. Experienced independent valuers performed the valuation of the investment in Inframax Construction Limited at 30 June 2023.

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 forecast years, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; or
- There has been a change of accounting policy.

For this LTP 2024-34 the comparatives have been changed to include rates on Council owned properties to be included as rates revenue and rates expenditure.

Within the Funding Impact Statements, the comparators have been restated for Internal charges and overheads recovered to include recoveries between Group of Activities, rather than recoveries within the within same Group of Activities.

Recovery of Internal charges and overhead depreciation has been reclassified to Increase (decrease) in reserves to match the depreciation expense.

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 LTP.

(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 10 years and include them within this LTP. 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 prospective 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 LTP.

(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 XXXXXX 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 in this LTP is prospective and as such contains no actual operating results.

Changes in accounting policies

The accounting policy for forestry assets has been changed to measure immature standing forestry assets at cost and stands past their second prune at fair value less costs to sell at fair value biannually.

Apart from these two changes there has been no other changes to accounting policies during the year.

COUNCIL FUNDING IMPACT STATEMENT AND RATING INFORMATION

INTRODUCTION

Council is required under clause 15 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement in relation to each year covered by the Long Term Plan (LTP). Funding Impact Statements are outlined in the respective Groups of Activities Section.

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 2024/25 financial year.

The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is on page XX of this LTP and 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 (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, Māori 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 \$178,000 for the 2024/25 year.

Postponements

Under the Policy on Remission of Rates, 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 Uniform Annual General Charge (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

- 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 prospective statement of funding sources provides a summary of the funding sources for the 2024/25 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.

2. FUNDING CAP FOR UNIFORM CHARGES

Section 21 of the Local Government (Rating) Act 2002 (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 over the life of the LTP. The uniform charges for 2024/25 are 14.3% of the total rates revenue. For the remaining 9 years of the Long Term Plan the funding cap is an average of 15.9%.

The average percentage of UAGC to total rates revenue over the life of the plan is 6.1%.

3. SETTING OF THE UNIFORM ANNUAL GENERAL CHARGE (UAGC)

Council will set the value of the UAGC annually taking the following factors into consideration:

- Adherence to the legislative cap (UAGC to be maximum of 30% of total rates)

excluding any fixed rate charges for water or wastewater and;

- Set the amount of UAGC such that it is as fair as possible to all ratepayers and in consideration of the principles of affordability and sustainability and;
- The LGCI (Local Government Cost Indicator) for that year.



PROSPECTIVE STATEMENT OF FUNDING SOURCES

Prospective Statement of Funding Sources (\$000's)	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Wastewater	2,436	2,713	2,936	3,342	3,670	3,833	4,283	4,631	4,688	4,917	4,989
Water Supply	2,093	2,463	2,910	2,963	3,383	3,793	3,948	4,066	4,108	4,246	4,330
Metered Water Supply Rates	1,059	1,251	1,385	1,422	1,459	1,495	1,529	1,564	1,598	1,632	1,666
Aquatic Centre	313	0	0	0	0	0	0	0	0	0	0
District Development Rate	342	0	0	0	0	0	0	0	0	0	0
Piopio Retirement Village Contribution	13	13	13	14	14	14	14	15	15	15	16
District Roading Rate	4,481	5,335	5,479	5,667	5,787	5,897	6,013	6,118	6,192	6,313	6,348
Solid Waste Rate	1,182	1,337	1,584	1,658	1,696	1,716	1,733	1,754	1,788	1,831	1,874
Solid Waste Collection	245	230	235	295	301	308	314	646	659	672	684
Stormwater	545	918	1,019	1,204	1,195	1,274	1,309	1,342	1,332	1,395	1,337
Forecast Total Targeted Rates and Service Charges	12,709	14,260	15,561	16,565	17,505	18,330	19,143	20,136	20,380	21,021	21,244
General Rates	8,113	9,252	9,884	10,291	10,404	10,613	10,894	10,930	11,150	11,349	11,314
UAGC	1,742	1,727	1,764	1,803	1,843	1,881	1,921	1,959	1,998	2,036	2,074
Rates Penalties Revenue	350	360	368	375	383	390	397	405	412	419	427
Total General Rates, UAGC and Rates Penalties	10,205	11,339	12,016	12,469	12,630	12,884	13,212	13,294	13,560	13,804	13,815
Forecast Total Rates Requirement	22,914	25,599	27,577	29,034	30,135	31,214	32,355	33,430	33,940	34,825	35,059
<i>Percentage Change</i>		11.72%	7.73%	5.28%	3.79%	3.58%	3.66%	3.32%	1.53%	2.61%	0.67%
Other Revenue Sources											
Subsidies and Grants	16,177	14,163	12,321	12,976	12,223	12,440	13,071	12,964	14,780	14,214	13,492
Interest Revenue	15	66	72	69	73	74	76	84	84	86	87
Fees and Charges	4,756	5,184	5,367	5,556	5,666	5,809	5,912	6,051	6,185	6,291	6,433
Total Other Revenue	20,948	19,413	17,760	18,601	17,962	18,323	19,059	19,099	21,049	20,591	20,012
Other Funding Sources											
Internal Loans raised	11,990	12,276	9,204	3,832	5,737	5,808	3,233	2,585	6,793	3,539	3,562
Total Funding Sources	55,852	57,288	54,541	51,467	53,834	55,345	54,647	55,114	61,782	58,955	58,633
Funding Applied to											
Operating Expenditure	41,544	43,444	44,031	44,978	45,623	46,946	48,176	48,987	49,962	50,921	51,458
Capital Expenditure	22,516	21,313	17,800	13,624	14,275	14,402	12,490	11,332	17,194	13,532	12,623
Internal Loan Repayments	3,023	3,038	3,622	3,980	4,148	4,412	4,481	4,527	4,732	5,043	4,947
Reserve transfers and non-funding of depreciation	(11,231)	(10,507)	(10,912)	(11,115)	(10,212)	(10,415)	(10,500)	(9,732)	(10,106)	(10,541)	(10,395)
Total Funding Applied	55,852	57,288	54,541	51,467	53,834	55,345	54,647	55,114	61,782	58,955	58,633

4. GENERAL RATE

Description and Use

Council will set the General Rate assessed per \$100 of capital value on every rating unit across the District under section 13(2) (a) of the LGRA. 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
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Development
- Economic Development
- District Promotion
- Emergency Management
- Regulatory Services
- Waste Minimisation
- Resource Management
- Gallagher Recreation Centre

Requirement in 2024/25 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the district	0.23851	10,639

5. 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
- Elderly Persons Housing
- Community Halls
- Cemeteries

- Aerodrome
- Community Development
- District Development
- District Promotion
- Emergency Management
- Regulatory Services
- Resource Management
- Waste Minimisation
- Gallagher Recreation Centre

Requirement in 2024/25 (incl. GST)

UAGC	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district	\$350	1,986

6. TARGETED RATES

Description and Use

Rates which can fund a particular activity or group of activities and can apply to certain areas, categories or to certain ratepayers.

The matters and categories used to define categories of rateable land and calculate liability for targeted rates are set out in the Local Government (Rating) Act 2002 Schedule 2 and Schedule 3 and enable categories of land to be defined by some factor, such as geographic location, provision of service, area or the use to which the land is put.

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.

6.1. Targeted Rates Differentiated on Location

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

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>
Rural Rating Area	<i>All rating units situated within the Rural Rating Area (Refer to RFP for further details)</i>

Piopio Township

All rating units connected or with the ability to connect to the Piopio Wastewater System (Refer to RFP for further details)

Piopio Wider Benefit Rating Area

All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIPs 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)

The District Rooding Rate – Mixed Use category will have a differential factor of 6.0.

Rating units on a state highway are excluded from category b and c as above as damage caused by harvesting may not impact local roads. However, where a property located on a state highway does, in the opinion of Council, utilise local roads for harvesting, these properties will be charged either the District Rooding Rate – forestry exotic or District Rooding Rate – mixed use.

6.2. Differentials and factors of liability

Targeted rates may be set differentially, with different categories of land attracting a different level of rate.

Council has chosen to differentiate the District Rooding Rate into three categories and will use the ‘use to which the land is put’ to define land liable for these rates (schedule 2 (1) LGRA).

Differential Category Definitions

The following land use categories and differential factors will apply to the District Rooding Rate:

a) District Rooding Rate - General

All rating units in the district excluding those properties categorised as differential b) and c) below (being Forestry Exotic (FE) differential and the mixed use differential). For the avoidance of any doubt, this includes all properties not in differential category b and c.

The District Rooding Rate – General category will have a differential factor of 1.0.

b) District Rooding Rate -Forestry Exotic (FE)

Rating units that have been assigned the FE category code (Forestry Exotic) by Council’s Valuation Service Provider and are not located on a state highway.

The District Rooding Rate – Forestry Exotic category will have a differential factor of 12.0.

c) District Rooding Rate - Mixed Use

Rating units that have a mixed forestry use (eg; pastoral and forestry), where the area of forestry is greater than 20 hectares, is not located on a State Highway and the forestry area is 50% or more of the total property area.

6.3. District Rooding Rates

Description and Use

Council will set a differential TR on every rating unit within the district differentiated on the basis of use. The TR will be assessed as a rate per \$100 of capital value 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 2024/25 (incl. GST)

District Rooding Rates (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
District Rooding Rate - General	0.12614	5,502
District Rooding Rate - Forestry Exotic	1.51377	589
District Rooding Rate - Mixed Use	0.75688	45

6.4. 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 2024/25 (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

6.5. 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 2024/25 (incl. GST)

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$20	69

6.6. Te Kuiti Urban Stormwater TFR and Targeted Rate

Description and Use

- (i) Council will set a TFR per rating unit in the Te Kuiti Urban Rating Area to partly fund the Te Kuiti Urban Stormwater Activity.
- (ii) 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 2024/25 (incl. GST)

Te Kuiti Urban Stormwater (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$187	346

Requirement in 2024/25 (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 net-work)	0.08139	641

6.7. Water Supply 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 2024/25 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$856	\$428	1,835
Piopio	\$1,202	\$601	299
Maniaiti / Benneydale	\$1,202	\$601	148
Mokau	\$1,202	\$601	267

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 2024/25 (incl. GST)

Water Supply Rate (TR)	2024/25 Charge per cubic metre (including GST) above 292m ³
Te Kuiti	\$3.94
Piopio	\$4.30
Maniaiti / Benneydale	\$4.74
Mokau	\$6.30
Total Revenue Requirement (\$000)	1,439

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 2024 Jan-Jun 2025	15 th of the month following invoice

6.8. 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 2024/25 (incl. GST)

District Wide Benefit Rate Water Supply (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$61	283

6.9. 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 2024/25 (incl. GST)

Wastewater (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Maniaiti / Benneydale	\$1,111	\$555	127
Te Waitere	\$1,111	\$555	22
Te Kuiti	\$1,111	\$555	1,942
Piopio	\$1,111	\$555	232

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 2024/25 (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	\$555	\$555	113
Category 2	\$555	\$555	24
Category 3	\$1,111	\$555	19

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	\$777	80
Category 2	5-10 Pans	\$333	5
	Over 10 Pans	\$222	27
Category 3	5 th Pan and over	\$777	47

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

6.10. 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 2024/25 (incl. GST)

Trade Waste Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$41	188

6.11. 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 2024/25 (incl. GST)

District Wide Benefit Rate Wastewater (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$63	293

6.12. 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 2024/25 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$'000)
Te Kuiti	\$66	137
Waitomo	\$69	48
Piopio	\$146	34
Mokau	\$142	45

6.13. 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 2024/25 (incl. GST)

Solid Waste (TFR)	Charge per SUIP	Total Revenue Requirement (\$'000)
All Rating Units in the District	\$276	1,538

7. RATES PAYMENTS

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing **1 July 2024** will be payable in four equal instalments with the due dates for payment being:

- 1st Instalment 30 August 2024 (Friday)
- 2nd Instalment 29 November 2024 (Friday)
- 3rd Instalment 28 February 2025 (Friday)
- 4th Instalment 30 May 2025 (Friday)

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 2024 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	3 September 2024
Instalment 2	3 December 2024
Instalment 3	4 March 2025
Instalment 4	3 June 2025

- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2024 that remains unpaid on 1 July 2024, to be added on 5 July 2024.
- (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 2024/25

(Including GST) Capital Value \$ as at September 2021	Te Kuiti Residential \$440,000 2024/25	Te Kuiti Commercial \$450,000 2024/25 3 pans	Te Kuiti Wider Rating Area \$1,005,000 2024/25	Waitomo Commercial \$1,350,000 2024/25 (2 parts)	Maniaiti/Benneydale Residential \$125,000 2024/25	Piopio Residential \$340,000 2024/25	Piopio Wider Rating Area \$615,000 2024/25	Mokau Residential \$485,000 2024/25	Drystock Rural \$4,130,000 2024/25	Dairy Farm Rural \$5,970,000 2024/25 (4 parts)	Te Waitere Residential \$420,000 2024/25
Uniform Annual General Charge (UAGC)	350	350	350	700	350	350	350	350	350	1,400	350
General Rate	1,049	1,073	2,397	3,220	298	811	1,467	1,157	9,850	14,239	1,002
District Roding Rate	555	568	1,268	1,703	158	429	776	612	5,210	7,531	530
District Benefit Water	61	61	61	61	61	61	61	61	61	61	61
District Benefit Wastewater	63	63	63	63	63	63	63	63	63	63	63
Stormwater Urban Fixed Charge	187	187	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	358	366	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	20	40	20	20	20	20	20	80	20
Water Supply (Te Kuiti and Rural)	856	856	0	0	1,202	1,202	0	1,202	0	0	0
Wastewater (Uniform)	1,111	555	0	0	1,111	1,111	0	0	0	0	1,111
Piopio Retirement Village Contribution	0	0	0	0	0	20	20	0	0	0	0
Te Kuiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41	41	41
Solid Waste Management - District	276	276	276	552	276	276	276	276	276	1,104	276
Solid Waste Collection & Recycling	66	66	69	138	0	146	0	142	0	276	0
Proposed Total Rates 2024/25	4,973	4,462	4,545	6,518	3,580	4,530	3,074	3,924	15,871	24,795	3,454
Total Rates (Actual) 2023/24	4,420	4,171	4,263	6,629	3,177	4,066	2,816	3,530	14,758	23,131	3,143
Change (%)	12.5%	7.0%	6.6%	-1.7%	12.7%	11.4%	9.2%	11.2%	7.5%	7.2%	9.9%
Change (\$)	553	291	282	-111	403	464	258	394	1,113	1,664	311

Rates Examples 2023/24

	Te Kuiti Residential \$440,000 2023/24	Te Kuiti Commercial \$450,000 2023/24 3 pans	Te Kuiti Wider Rating Area \$1,005,000 2023/24	Waitomo Commercial \$1,350,000 2023/24 (2 parts)	Maniaiti/Benneydale Residential \$125,000 2023/24	Piopio Residential \$340,000 2023/24	Piopio Wider Rating Area \$615,000 2023/24	Mokau Residential \$485,000 2023/24	Drystock Rural \$4,130,000 2023/24	Dairy Farm Rural \$5,970,000 2023/24 (4 parts)	Te Waitere Residential \$420,000 2023/24
(Including GST) Capital Value \$ as at September 2021											
Uniform Annual General Charge (UAGC)	340	340	340	680	340	340	340	340	340	1,360	340
General Rate	935	956	2,136	2,869	266	722	1,307	1,031	8,776	12,686	892
District Roding Rate	523	535	1,195	1,605	149	404	731	577	4,909	7,097	499
Waitomo Aquatic Centre (Te Kuiti)	122	122	122	0	0	0	0	0	0	0	0
Waitomo Aquatic Centre (Rural)	0	0	0	44	22	22	22	22	22	88	22
District Development Rate - Commercial	0	212	0	636	0	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	315	455	0
District Benefit Water	51	51	51	51	51	51	51	51	51	51	51
District Benefit Wastewater	55	55	55	55	55	55	55	55	55	55	55
Stormwater Urban Fixed Charge	181	181	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	134	137	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	9	18	9	9	9	9	9	36	9
Water Supply (Te Kuiti and Rural)	731	731	0	0	1,010	1,010	0	1,010	0	0	0
Wastewater (Uniform)	994	497	0	0	994	994	0	0	0	0	994
Piopio Retirement Village Contribution	0	0	0	0	0	20	20	0	0	0	0
Te Kuiti Trade Waste Contribution	39	39	39	39	39	39	39	39	39	39	39
Solid Waste Management - District	242	242	242	484	242	242	242	242	242	968	242
Solid Waste Collection & Recycling	73	73	74	148	0	158	0	154	0	296	0
Total Rates (Actual) 2023/24	4,420	4,171	4,263	6,629	3,177	4,066	2,816	3,530	14,758	23,131	3,143

Rates Examples 2024/25 – Residential and Lifestyle

Capital Value \$ as at Sep 2021	Te Kuiti Average Residential \$385,000 2024/25	Piopio Average Residential \$280,000 2024/25	Maniaiti / Benneydale Average Residential \$155,000 2024/25	Mokau Average Residential \$385,000 2024/25	Te Waitere Average Residential \$420,000 2024/25	Low Value Residential \$125,000 2024/25	High Value Residential \$630,000 2024/25	Low Value Lifestyle \$210,000 2024/25	Average Value Lifestyle \$475,000 2024/25	High Value Lifestyle \$1,100,000 2024/25
Uniform Annual General Charge (UAGC)	350	350	350	350	350	350	350	350	350	350
General Rate	918	668	370	918	1,002	298	1,503	501	1,133	2,624
District Rooding Rate	486	353	196	486	530	158	795	265	599	1,388
Stormwater Urban Fixed Charge	187	0	0	0	0	0	187	0	0	0
Stormwater Urban Capital Value	313	0	0	0	0	0	513	0	0	0
Stormwater (Rural)	0	20	20	20	20	20	0	20	20	20
Water Supply	856	1,202	1,202	1,202	0	1,202	856	0	0	0
Wastewater	1,111	1,111	1,111	0	1,111	1,111	1,111	0	0	0
Solid Waste Management - District	276	276	276	276	276	276	276	276	276	276
Solid Waste Collection & Recycling	66	146	0	142	0	0	66	69	69	0
Piopio Retirement Village Contribution	0	20	0	0	0	0	0	0	0	0
Te Kuiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41	41
District Wide Benefit Water	61	61	61	61	61	61	61	61	61	61
District Wide Benefit Wastewater	63	63	63	63	63	63	63	63	63	63
Proposed Total Rates 2024/25	4,728	4,311	3,690	3,559	3,454	3,580	5,822	1,646	2,612	4,823
Total Rates (Actual) 2023/24	4,221	3,868	3,275	3,198	3,143	3,177	5,107	1,528	2,506	4,503
Change (%)	12.0%	11.5%	12.6%	11.3%	9.9%	12.7%	14.0%	7.7%	4.2%	7.1%
Change (\$)	507	443	415	361	311	403	715	118	106	320

Rates Examples 2023/24 – Residential and Lifestyle

Capital Value \$ as at Sep 2021	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
	\$385,000	\$280,000	\$155,000	\$385,000	\$420,000	\$125,000	\$630,000	\$210,000	\$475,000	\$1,100,000
	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24
Uniform Annual General Charge (UAGC)	340	340	340	340	340	340	340	340	340	340
General Rate	818	595	329	818	892	266	1,339	446	1,009	2,337
District Roading Rate	458	333	184	458	499	149	749	250	565	1,308
Waitomo Aquatic Centre (Te Kuiti)	122	0	0	0	0	0	122	0	122	122
Waitomo Aquatic Centre (Rural)	0	22	22	22	22	22	0	22	0	0
Stormwater Urban Fixed Charge	181	0	0	0	0	0	181	0	0	0
Stormwater Urban Capital Value	117	0	0	0	0	0	191	0	0	0
Stormwater (Rural)	0	9	9	9	9	9	0	9	9	9
Water Supply	731	1,010	1,010	1,010	0	1,010	731	0	0	0
Wastewater	994	994	994	0	994	994	994	0	0	0
Solid Waste Management - District	242	242	242	242	242	242	242	242	242	242
Solid Waste Collection & Recycling	73	158	0	154	0	0	73	74	74	0
Piopio Retirement Village Contribution	0	20	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	51	51	51	51	51	51	51	51	51	51
District Wide Benefit Wastewater	55	55	55	55	55	55	55	55	55	55
Total Rates (Actual) 2023/24	4,221	3,868	3,275	3,198	3,143	3,177	5,107	1,528	2,506	4,503

Rates Examples 2024/25 – Pastoral, Dairy and Commercial

Capital Value \$ as at Sep 2021	Low Value Pastoral \$855,000 2024/25	Average Value Pastoral \$3,190,000 2024/25	High Value Pastoral \$10,800,000 2024/25 (4 parts)	Low Value Dairy \$1,090,000 2024/25	Average Value Dairy \$3,610,000 2024/25	High Value Dairy \$14,650,000 2024/25 (7 parts)	Low Value Commercial \$430,000 2024/25	Average Value Commercial \$750,000 2024/25 (3 parts & 13 pans)	High Value Commercial \$14,000,000 2024/25 (2 parts & 11 pans)
Uniform Annual General Charge	350	350	1,400	350	350	2,450	350	1,050	700
General Rate	2,039	7,608	25,759	2,600	8,610	34,942	1,026	1,789	33,391
District Roading Rate	1,079	4,024	13,623	1,375	4,554	18,480	542	946	17,660
Stormwater Urban Fixed Charge	0	0	0	0	0	0	187	187	187
Stormwater Urban Capital Value	0	0	0	0	0	0	350	610	11,395
Stormwater (Rural)	20	20	80	20	20	140	0	0	0
Water Supply	0	0	0	0	0	0	856	2,568	1,712
Wastewater	0	0	0	0	0	0	555	2,442	3,441
Piopia Retirement Village Contribution	20	0	0	0	20	0	0	0	0
Solid Waste Management - District	276	276	1,104	276	276	1,932	276	828	552
Solid Waste Collection & Recycling	0	0	0	69	69	483	66	198	132
Te Kuiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41
District Wide Benefit Water	61	61	61	61	61	61	61	61	61
District Wide Benefit Wastewater	63	63	63	63	63	63	63	63	63
Proposed Total Rates 2024/25	3,949	12,443	42,131	4,855	14,064	58,592	4,373	10,783	69,335
Total Rates (Actual) 2023/24	3,676	11,571	39,207	4,527	13,089	54,614	4,090	10,104	63,665
Change (%)	7.4%	7.5%	7.5%	7.3%	7.5%	7.3%	6.9%	6.7%	8.9%
Change (\$)	273	872	2,924	328	975	3,978	283	679	5,670

Rates Examples 2023/24 – Pastoral, Dairy and Commercial

Capital Value \$ as at Sep 2021	Low Value Pastoral \$855,000 2023/24	Average Value Pastoral \$3,190,000 2023/24	High Value Pastoral \$10,800,000 2023/24	Low Value Dairy \$1,090,000 2023/24	Average Value Dairy \$3,610,000 2023/24	High Value Dairy \$14,650,000 2023/24	Low Value Commercial \$430,000 2023/24	Average Value Commercial \$750,000 2023/24	High Value Commercial \$14,000,000 2023/24 (2 parts & 11 pans)
Uniform Annual General Charge (UAGC)	340	340	1,360	340	340	2,380	340	1,020	680
General Rate	1,817	6,778	22,949	2,316	7,671	31,130	914	1,594	29,749
District Rooding Rate	1,016	3,792	12,838	1,296	4,291	17,414	511	892	16,642
Waitomo Aquatic Centre (Te Kuiti)	0	0	0	0	0	0	122	366	244
Waitomo Aquatic Centre (Rural)	22	22	88	22	22	154	0	0	0
District Development Rate - Commercial	0	0	0	0	0	0	203	353	6,597
District Development Rate - Rural Business	65	243	823	83	275	1,116	0	0	0
Stormwater Urban Fixed Charge	0	0	0	0	0	0	181	181	181
Stormwater Urban Capital Value	0	0	0	0	0	0	131	228	4,253
Stormwater (Rural)	9	9	36	9	9	63	0	0	0
Water Supply	0	0	0	0	0	0	731	2,193	1,462
Wastewater	0	0	0	0	0	0	497	2,187	3,082
Piopio Retirement Village Contribution	20	0	0	0	20	0	0	0	0
Solid Waste Management - District	242	242	968	242	242	1,694	242	726	484
Solid Waste Collection & Recycling	0	0	0	74	74	518	73	219	146
Te Kuiti Trade Waste Contribution	39	39	39	39	39	39	39	39	39
District Wide Benefit Water	51	51	51	51	51	51	51	51	51
District Wide Benefit Wastewater	55	55	55	55	55	55	55	55	55
Total Rates (Actual) 2023/24	3,676	11,571	39,207	4,527	13,089	54,614	4,090	10,104	63,665

Rates Examples 2024/25 – Forestry

Capital Value \$ as at Sep 2021	Low Value Forestry \$112,000 2024/25	Average Value Forestry \$600,000 2024/25	Average Value Forestry \$905,000 2024/25 (4 parts)	High Value Forestry \$3,120,000 2024/25	High Value Forestry \$12,643,000 2024/25	Mixed Use Forestry \$382,000 2024/25
Uniform Annual General Charge	350	350	350	350	350	350
General Rate	267	1,431	2,159	7,442	30,155	911
Forestry Rooding Rate (Forestry Exotic)	1,695	9,083	13,700	47,230	191,386	0
Forestry Rooding Rate (Mixed Use)	0	0	0	0	0	2,891
Stormwater (Rural)	20	20	20	20	20	20
Piopia Retirement Village Contribution	0	0	0	20	0	0
Solid Waste Management - District	276	276	276	276	276	276
Te Kuiti Trade Waste Contribution	41	41	41	41	41	41
District Wide Benefit Water	61	61	61	61	61	61
District Wide Benefit Wastewater	63	63	63	63	63	63
Proposed Total Rates 2024/25	2,773	11,325	16,670	55,503	222,352	4,613
Total Rates (Actual) 2023/24	1,138	2,792	3,826	11,355	43,615	2,053
Change (%)	143.7%	305.6%	335.7%	388.8%	409.8%	124.7%
Change (\$)	1,635	8,533	12,844	44,148	178,737	2,560

Rates Examples 2023/24 – Forestry

Capital Value \$ as at Sep 2021	Low Value Forestry \$112,000 2023/24	Average Value Forestry \$600,000 2023/24	Average Value Forestry \$905,000 2023/24 (4 parts)	High Value Forestry \$3,120,000 2023/24	High Value Forestry \$12,643,000 2023/24	Mixed Forestry \$382,000 2023/24
Uniform Annual General Charge (UAGC)	340	340	340	340	340	340
General Rate	238	1,275	1,923	6,630	26,865	812
District Roading Rate	133	713	1,076	3,709	15,029	454
Waitomo Aquatic Centre (Rural)	22	22	22	22	22	22
District Development Rate - Rural Business	9	46	69	238	963	29
Stormwater (Rural)	9	9	9	9	9	9
Piopio Retirement Village Contribution	0	0	0	20	0	0
Solid Waste Management - District	242	242	242	242	242	242
Te Kuiti Trade Waste Contribution	39	39	39	39	39	39
District Wide Benefit Water	51	51	51	51	51	51
District Wide Benefit Wastewater	55	55	55	55	55	55
Total Rates (Actual) 2023/24	1,138	2,792	3,826	11,355	43,615	2,053

Long Term Plan 2024-34

Financial Reporting and Prudence Benchmarks

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.

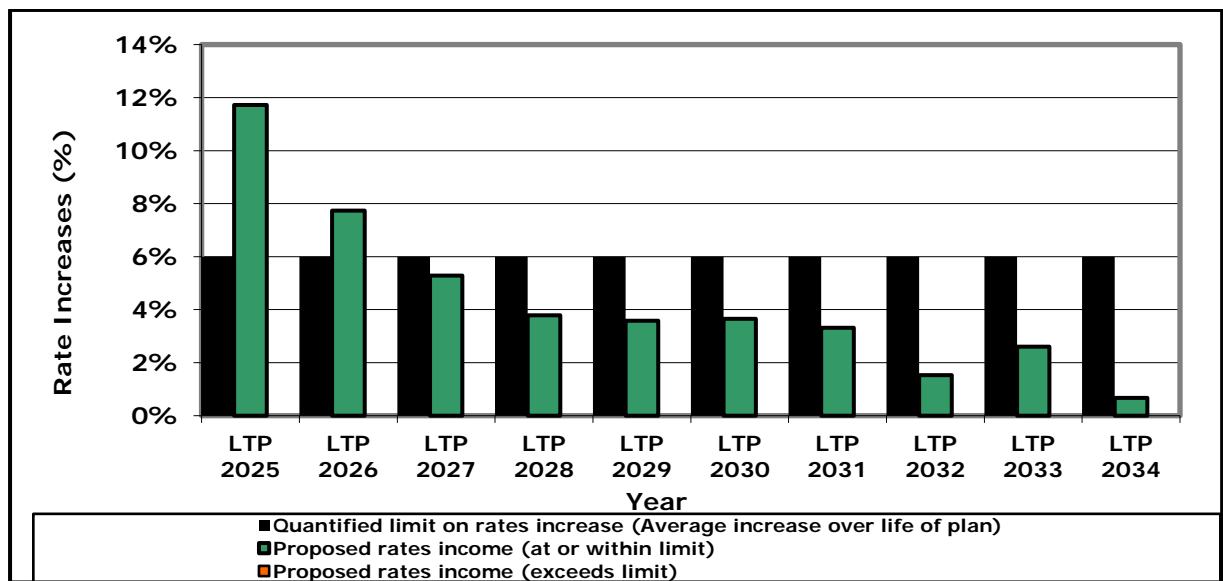
The Council is required to include this statement in its long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

The Council meets the rates affordability benchmark if its planned rates increases equal, or are less than, each quantified limit on rates increases.

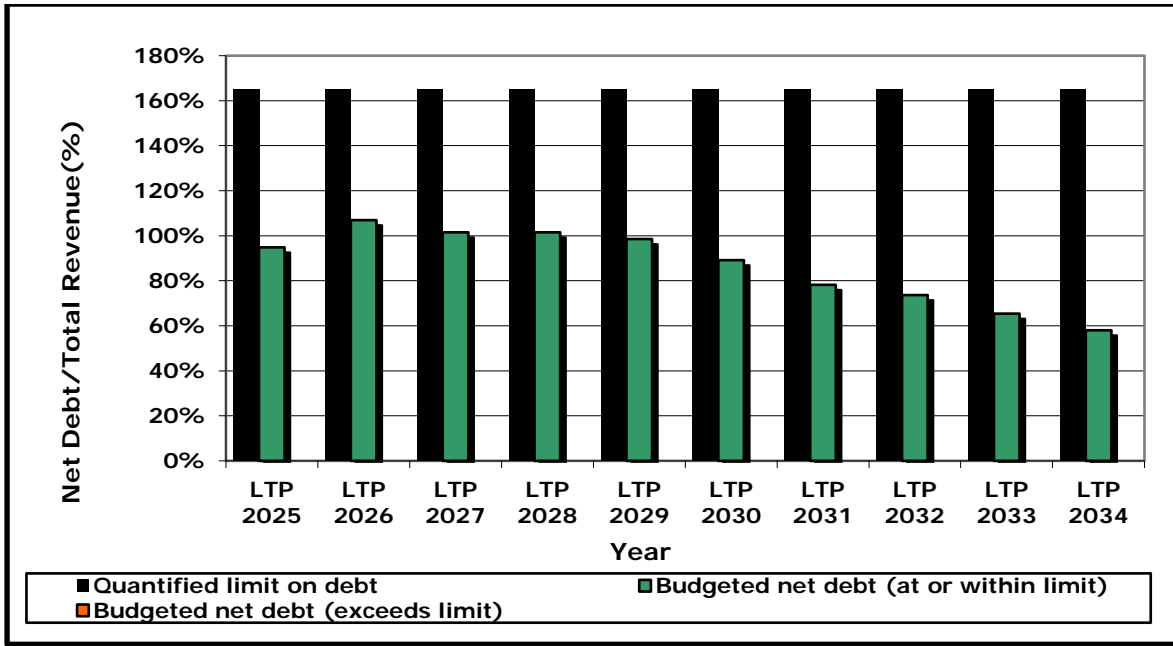
Rates (increases) affordability

The following graph compares the Council's planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this long-term plan. The quantified limit is total rate increases will be limited to an average rate increase of 6% over the ten years of the LTP 2024-34. The average rate increase for this LTP 2024-34 is 4.39%.

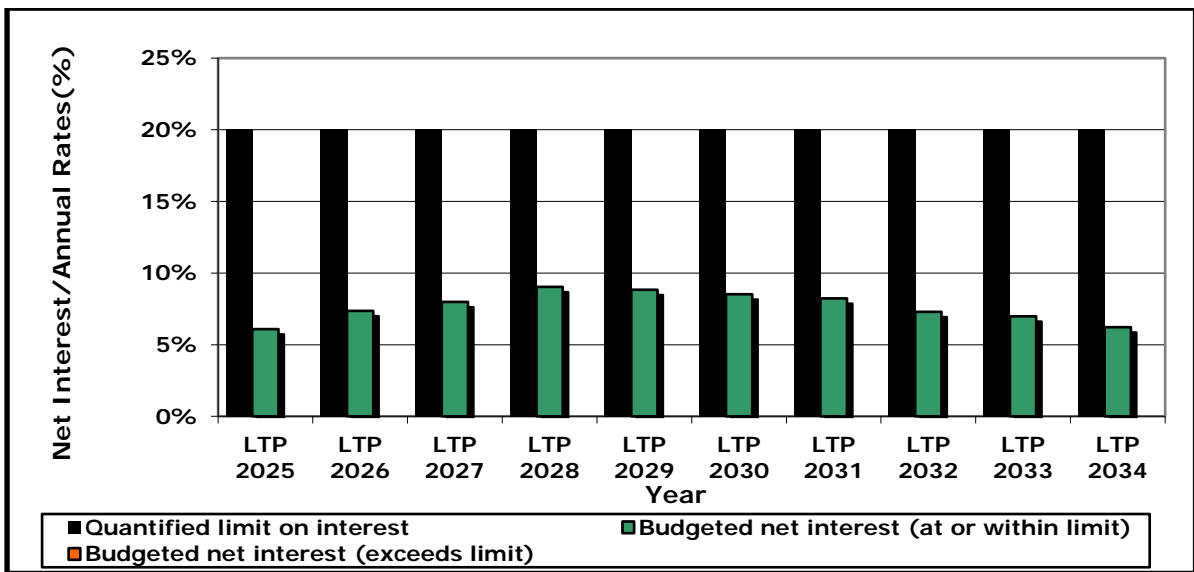


Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this long-term plan. The quantified limit is total net debt will not exceed 165% of total revenue.



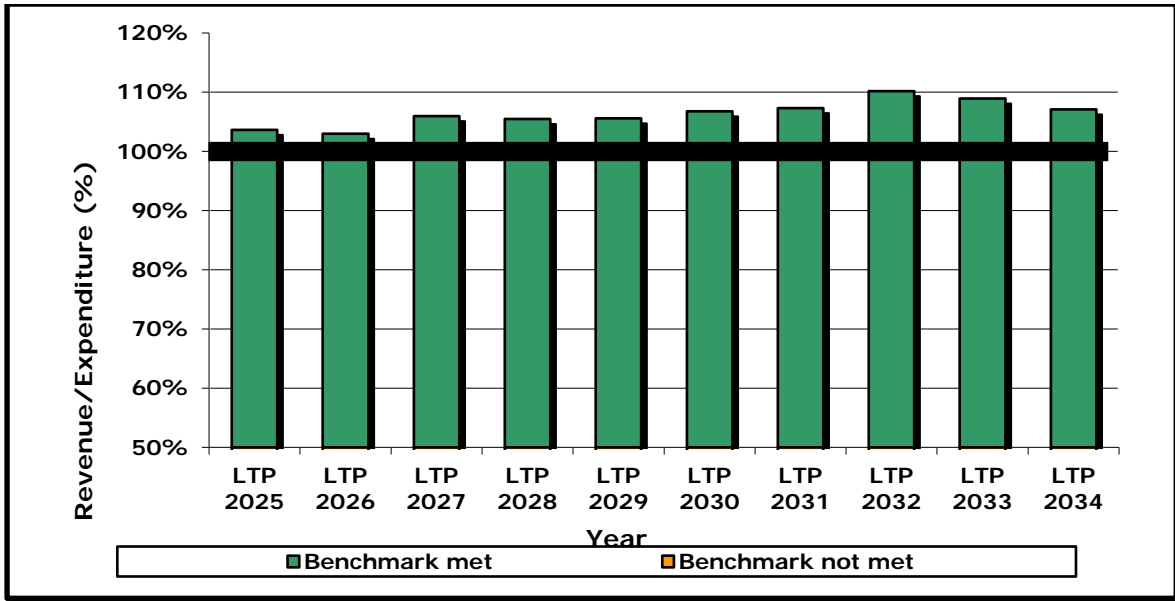
The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this long-term plan. The quantified limit is the ratio of net interest will not exceed 20% of annual rates.



Balanced budget benchmark

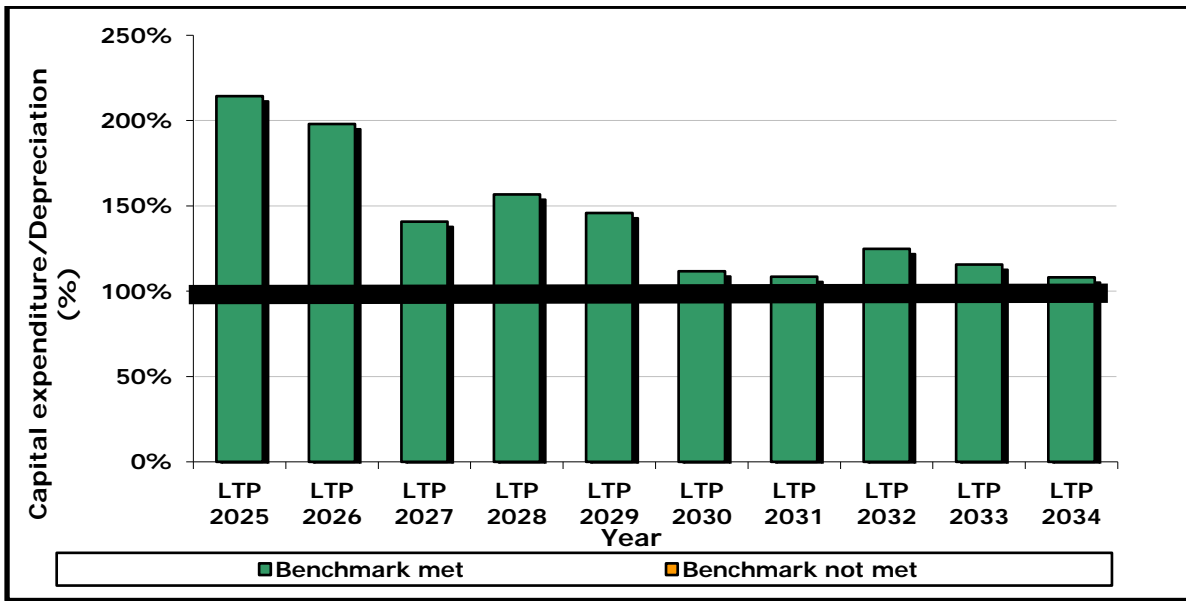
The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



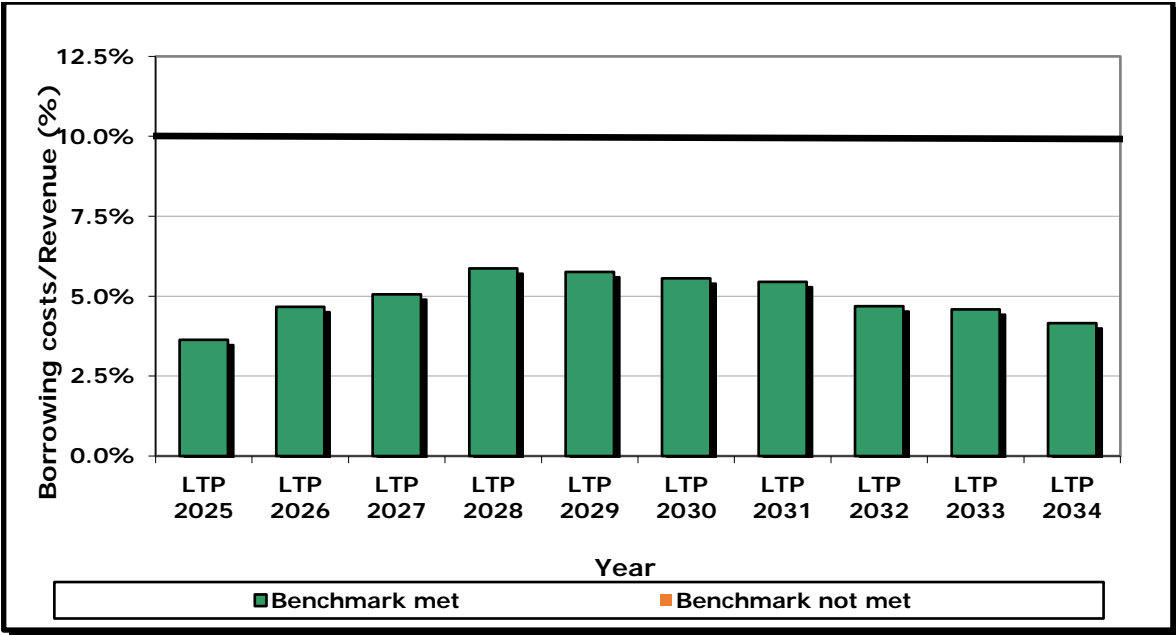
Essential services benchmark

The following graph displays the Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services. The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

The following graph displays the Council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the Council’s population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



DRAFT

Waitomo District Council

Policy on Appointment of Directors to Council Controlled Organisations

First adopted	June 2003
Review History	2008, 2011, 2014, 2017, 2018, June 2024
Date of next review	June 2027
Responsibility	Leadership
Adopted by:	Council [date]



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PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. This purpose of this policy is to set out, in accordance with Section 57 of the Local Government Act 2002 (the "Act") an objective and transparent process for:
 - (a) Identifying and considering the skills, knowledge and experience required of directors of a Council organisation.
 - (b) Appointing directors to a Council organisation.
 - (c) Determining the remuneration of directors of a Council organisation.
2. This policy will:
 - (a) Comply with section 57 of the Local Government Act 2002.
 - (b) Disclose the process and criteria Council will apply to the appointment, removal and setting of remuneration for directors of Council organisations.
3. When Council is involved with CCO's under the definitions of Section 6(1) of the LGA, Council will disclose its interests in these organisations in the Long Term Plan.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Council Organisation ("CO")	as defined in Section 6 of the Act of the Local Government Act 2002 a CO is an organisation in which Council has a voting interest and/or the right to appoint a director, trustee or manager.
Council Controlled Organisation (CCO)	means a CO in which one or more local authorities' control, directly or indirectly, 50% or more of the voting rights and/or have the right, directly or indirectly, to appoint 50% or more of the directors, trustees or managers.
Council Controlled Trading Organisation CCTO	means a CCO which operates a trading undertaking for which making a profit is one of its purposes.
Appointments and Chief Executive Relationship Committee	means a committee appointed by Council consisting elected members that has the authority to appoint directors to CCO's.

POLICY | KAUPAPA HERE

1. Criteria for Selecting Directors (General)

1.1 General Criteria

- 1.1.1. Council will appoint persons as directors of CCO's under the criteria outlined in Section 57(2) and Section 57(3) of the LGA, specifically, persons that Council considers have the skills, knowledge and experience to:

- a) Guide the organisation given the nature and scope of its activities
- b) Contribute to the achievement of the objectives of the organisation.
- c) Knowledge of tikanga Māori (if relevant).

1.2 Skill Criteria

1.2.1. Council considers that any person that it appoints to be a director of a CCO should clearly demonstrate the following skills/attributes:

- a) Intellectual ability
- b) Business experience or other experience, skills or qualifications that are relevant to the activities of the organisation
- c) Sound judgement
- d) High standard of personal integrity
- e) Ability to work as a team member
- f) Understanding of governance issues
- g) Knowledge of tikanga Māori (if relevant)

1.3 Specific Exclusions from Directorship of a Council Controlled Organisation

1.3.1. No person shall be appointed as a director of a CCO who:

- a) Has served a jail sentence of three months or longer or has been convicted of a crime that carries such sentence.
- b) Has been convicted of fraud, theft, or robbery..
- c) Has been declared bankrupt at any point in time or been the director of a company at the time it was placed in receivership or liquidation.

2. Procedures for Appointment of Directors (General)

2.1 Appointment Process

2.1.1 When vacancies arise in the directorship of any CCO, Council will follow the following appointment process:

- a) Council will decide whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:
 - i. Recruiting of candidates,
 - ii. Contract development and negotiation,
 - iii. Ongoing performance monitoring.
- b) When taking a decision on this matter, Council will consider:
 - i. The costs and benefits of any advertisement,
 - ii. The availability of qualified candidates,
 - iii. The urgency of the appointment,
 - iv. The degree of public interest in the issue
- c) Council will consider applications and resolve an appointment in committee (this protecting the privacy of natural persons). Public notice of the appointment will be made as soon as practicable after Council has made its decision.

- d) An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment.

2.2 Length of Tenure

- 2.2.1 Council will decide length of tenure prior to appointment.

2.3 Remuneration

- 2.3.1 Remuneration will be determined on a case by case basis taking in to account the size, form and purpose of the organisation, any previous level of fees paid by the shareholder and any other relevant requirements contained in the organisation's constitution.

2.4 Removal of Directors

- 2.4.1 Directors appointed to CCO's by Council are in the role at the pleasure preference of Council. Council may terminate a director's appointment at any time by way of written notice.

2.5 General

- 2.5.1 Council expects that directors appointed to CCO's will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, Council requires directors to follow the provisions of the Institute of Directors in New Zealand Code of Practice for Directors and the provisions of the Companies Act 1993. All directors are appointed at the pleasure of the Council and may be dismissed for breaches of these stated documents.

3. Procedures for Appointment of Directors to Inframax Construction Limited

NOTE: This section is to be read in conjunction with the Constitution of Inframax Construction Limited.

3.1 Appointment Process

- 3.1.1 Directors on the board of Inframax Construction Limited (ICL) will be appointed by way of Council resolution on receipt of advice/recommendation by the Appointments and Chief Executive Relationship Committee. The Appointments and Chief Executive Relationship Committee will provide advice to Council on the following matters:
 - a) Whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:
 - i. Recruiting of candidates,
 - ii. Contract development and negotiation,
 - iii. Ongoing performance monitoring.
 - b) In preparation of this advice the Investment Representative Committee will consider:
 - i. The costs and benefits of any advertisement,
 - ii. The availability of qualified candidates,
 - iii. The urgency of the appointment,
 - iv. The degree of public interest in the issue.
 - c) The Appointments and Chief Executive Relationship Committee will select and interview a shortlist of candidates, undertake a structured evaluation and make recommendation to Council for final approval. Council may consider applications and resolve an

appointment in committee (this protecting the privacy of natural persons). Public notice of the appointment will be made as soon as practicable after Council has made its decision.

- d) An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment and may not continue to be an elected member if appointed as a director of ICL.

3.2 Appointment of Temporary Directors

- 3.2.1 Temporary directors for ICL will be appointed by the Appointments and Chief Executive Relationship Committee.

3.3 Remuneration

- 3.3.1 The Council will set ICL directors' remuneration either by resolution at the Annual General Meeting or by way of resolution of Council. The resolution will state whether the remuneration is set as a fixed cap for Board Remuneration, to be allocated by the Board, or specifying the salaries to be paid to the directors and chairperson.
- 3.3.2 Remuneration for directors will be determined by an analysis of market rates for comparable positions at the time appointment(s) are being made and thereafter assessed every three years.

3.4 Removal of Directors

- 3.4.1 The Appointments and Chief Executive Relationship Committee may terminate the appointment of an ICL director at any time by way of written notice.

4. Waitomo District Council Controlled Organisations

4.1 Companies in which Waitomo District Council directly owns the shares and trades for profit (CCTO).

- 4.1.1 Inframax Construction Limited.

4.2 Companies in which Waitomo District Council holds shares with other local authorities. (CCO)

- 4.2.1 Waikato Local Authority Shared Services Ltd (WLASS) trading as CoLab.

4.3 Other Entities in which Waitomo District Council holds shares (not CCO)

- 4.3.1 NZ Local Government Insurance Corporation Limited trading as Civic Financial Services Ltd.

5. CCOs in Which Council Has a Minority Interest

- 5.1.1 Where Council has a minority interest in a CCO (i.e. where a CCO is controlled by a number of councils and this Council does not have a majority stake) then the process for the appointment and remuneration of directions will be agreed with other stakeholders (by whatever name) in the CCO. As far as practicable, Council's involvement in the process will be consistent with this policy.

DRAFT

2024-2034

Financial Strategy
Waitomo District Council



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1. INTRODUCTION

This Strategy has been prepared in accordance with the requirements of Section 101A of the Local Government Act 2002 (LGA). The Act's stated purpose of a financial strategy is to:

- Facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
- Provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

The Financial Strategy outlines how Council will manage its finances over the ten years of its Long Term Plan (LTP). It sets out the general approach and principles that will be followed, and it provides a guide to assess spending proposals. The financial strategy includes limits on rates levels, rates rises and borrowing and aims to promote financial stability, affordability and value for money over the short, medium and long term.

The strategy also helps Council to engage transparently with the community about the impact of our proposals on service levels, rates, debt and investments.

Council's guiding principles underpinning the strategy strive to:

- Provide amenities, facilities and services to the District community that contribute to and align with Council's vision.
- Undertake good asset stewardship and management to ensure all community and infrastructure assets are fit for purpose and available for future generations.
- Manage all of our resources effectively, delivering value to our community, keeping sustainability and affordability at the forefront of what we do when setting rates.

2. STRATEGIC CONSIDERATIONS

Factors expected to have a significant impact on Waitomo District over the LTP period include the following:

2.1. POPULATION AND LAND USE CHANGES

Planning assumptions for the 2024-2034 period show that the usually resident population of Waitomo District as a whole will grow at an average rate of 0.3% per year through to 2031 reducing to 0.1% per year between 2031 and 2041, and -0.3% per year between 2041 and 2054. The proportion of people aged over 65 is projected to increase from 15% in 2018 to over 25% in 2053 and the number of people aged between 15 and 64 years of age is projected to decrease. This may have a flow-on effect on the make-up of the work force in the district. Factors such as the ageing population will contribute to a decline in the average household size, from approximately 2.61 residents per household in 2021 to under 2.55 in 2054. This decline assumes there will be sufficient dwellings available. If fewer dwellings are made available, for example due to lower levels of new dwelling construction, then fewer households will be able to form, and the average household size may be higher.

In terms of geographic spread of growth, the Te Kuiti is expected to experience the strongest growth due to the greater availability of serviced and zoned land. Maniaiti/Benneydale and Waitomo Village are also expected to experience growth in the next 10 years due to employment opportunities. the

Waitomo Rural Ward. Population and dwelling growth flows through to rating units.

The District's rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories. Therefore, any rating unit growth is heavily dependent on dwelling growth. No significant land use changes are expected over the 10 year planning horizon.

Population and development projections are important in the context of rating and rates affordability. The number of rating units is currently 5,950 as at 31 January 2024, rating units are trending at 0.5% per year with the dwelling growth with new households on the same trajectory the average trend of 0.5% per year. This growth projection will be applied over the first 10 years after this point population growth is expected to slow and then the population is predicted to reduce. The rating units are also expected to follow this stagnating trend however it is unlikely rating units will reduce and there may still be land development changes that create some increases therefore years 11-30 a small increase of 0.1% per year has been applied.

It is also projected that the current pattern of limited subdivision and building development will continue over the 10 year period. Council will continue to increase the availability of housing and land for development in line with the Housing Strategy developed in 2023. Overall, there is projected to be little change in demand for Council provided services through population or land use changes. There are three areas which will require additional investment to maintain or provide the level of service expected by the community, these are stormwater, roading and solid waste.

Recent flooding events have overwhelmed the stormwater network in Te Kuiti, much of the network is only designed with the capacity for a 1 in 2 year storm event. Significant investment is required to improve the stormwater network's ability to cope with high intensity rainfall events. Climate change scenarios predict that these events will occur more often with more intensity so investment in stormwater is high priority.

The roading network has also been impacted by severe weather events causing over 300 sites needing repair ranging from extensive to minor. Much of the current and future roading programmes will include investment to remedy and rebuild these damaged sites. Where possible the approach is to 'build back better' to provide more resilience in the network for future events. What is difficult to gauge is the sites or areas that are now more at risk or unstable and are therefore more likely to fail due to the cumulated effect of the weather events. Because of limited Waka Kotahi subsidy funding and the impact on our rates this may result in reduced investment in other roading activities such as resealing and re-metalling.

The impact of forestry harvest operations on parts of the roading network, scheduled to occur over the planning period. It has been assumed that a new differential on the district roading rate will provide funding for the additional maintenance and rehabilitation required to maintain current levels of services on the affected sections of local roads. Without additional funding the level of service for these roads would be affected.

The third significant investment will be in options for disposing of solid waste. Council is reviewing its current approach of building a new landfill cell to create additional capacity. Further community engagement on the options for the disposal of solid waste and the sludge from the Te Kuiti Wastewater ponds will be undertaken later in 2024 once options are better developed. Investment in waste minimisation in terms of improved diversion of waste and the potential use of wheelie bins for kerbside collection of rubbish and recyclables is planned for a potential implementation in 2030.

2.2. INFRASTRUCTURE STRATEGY FOR MAINTAINING CURRENT LEVELS OF SERVICE

2.2.1. NETWORK INFRASTRUCTURE

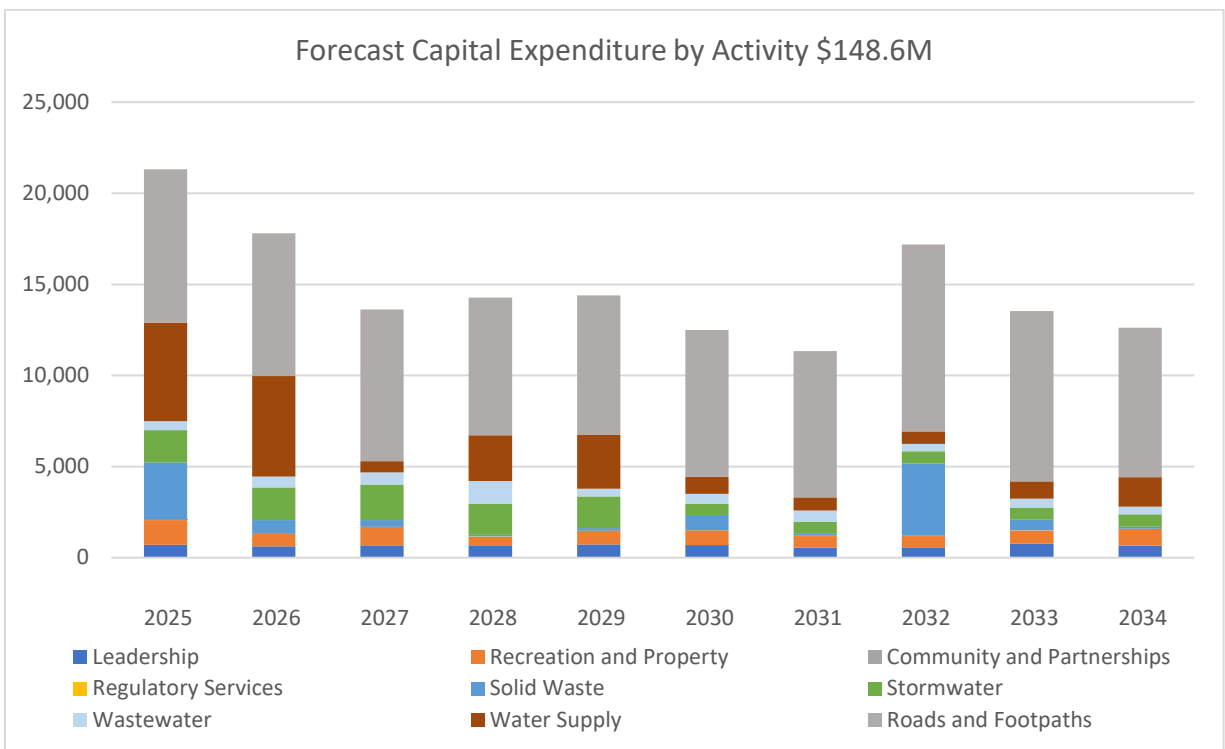
The purpose of the Infrastructure Strategy is to identify the significant network infrastructure issues (roading and 3 waters) facing Waitomo district and options for managing them over a period of at least 30 years.

A number of infrastructure upgrades have been undertaken in the last 10 years and with little projected growth in demand, there are no population driven infrastructure improvements that the District will need to provide for, moving forward. For stormwater and roading networks improvements have been driven by the impact of severe weather events and a need to address these issues due to the increasing likelihood they will occur more frequently in the future.

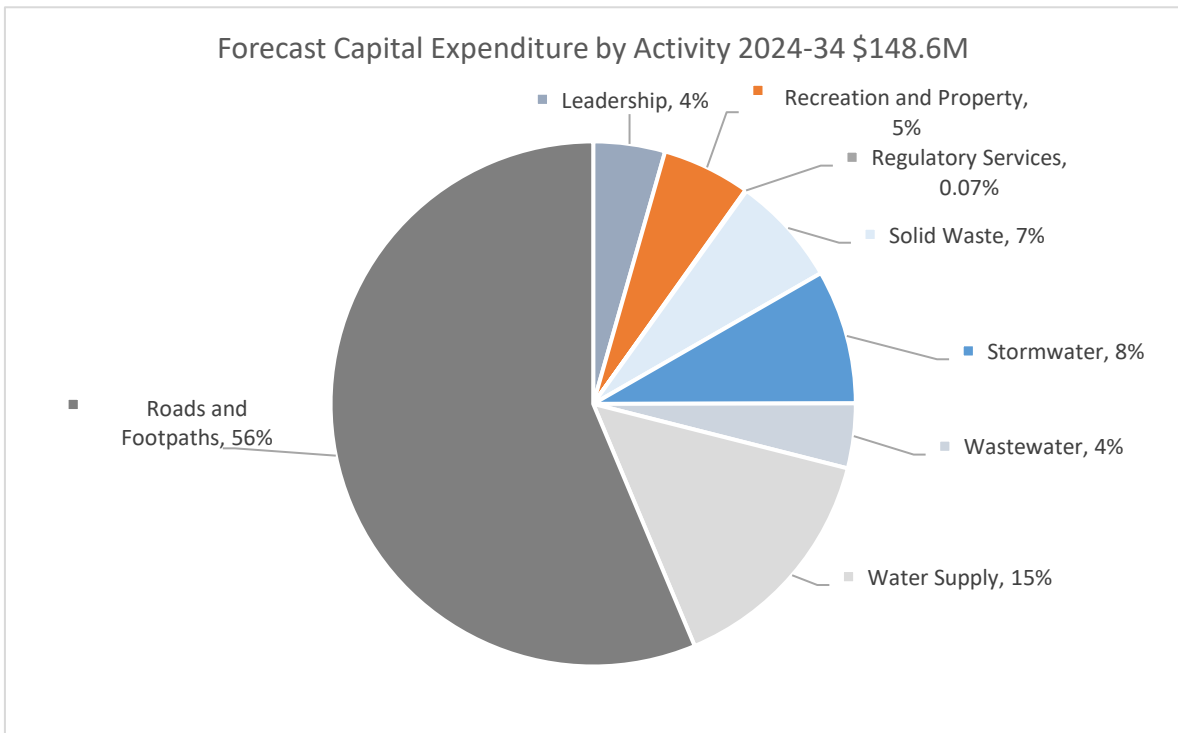
It will also be important to consistently meet renewal needs of network assets in a timely manner, to ensure there is no loss of service due to condition deterioration over time and to ensure public safety, consent conditions and legislative compliance are maintained. Some investigations have been programmed in the 2024-2034 period, in order to identify options for improving the resilience of our infrastructure and for risk mitigation reasons.

The forecast capital expenditure profile is steady over the life of the infrastructure strategy. The emphasis on asset renewals is consistent with the objective of maintaining current levels of service over the life of the LTP.

The total of the 10 year capital expenditure planned for the 2024-2034 period is \$148.6 million. The following graph differentiates the capital expenditure by activity.



Over the 10 years, the total planned capital expenditure by activity is shown in the following graph:



2.3. OTHER FACTORS

Infometrics prepared the population report in September 2022 for WDC to inform a range of long-term planning activities. The projections follow a cohort-component population projection approach, in which the starting population is broken up into age and gender cohorts. Each cohort is analysed and projected separately – considering the probabilities of different life events occurring for each cohort including fertility, mortality, migration, household formation, and labour force participation. We develop districtwide projections first, in consideration of demographic trends and labour market shortfalls. Sub-district projections are used in consideration of the capacity for household growth and historic trends.

Factors such as housing affordability in metropolitan areas, an improved national state highway network, increased use of public transport, central government strategies around regional development, and local government's efforts in the provision of networks and community services and community development could well see the smaller regions becoming more desirable places to live and work, in the future. All other factors detailed in the Planning Assumptions for the LTP have been considered in the development of this Financial Strategy.

2.3.1. THREE WATERS REFORM

There have been recent changes to the legislation for three waters with the repeal of the Water Services Bill which puts the water, wastewater and stormwater assets back under control of local authorities.

The new government's approach to ensure water, wastewater and stormwater is delivered effectively gives control to local councils while using regulators to enforce rules around investment and compliance. This is outlined in the policy 'Local Water Done Well'.

The expectation is that three waters service delivery will be self-sustaining and paid for by users through revenue, rates or a combination of both. This will need to cover cost of maintenance

required to meet compliance and expected levels of service and the future replacement of infrastructure. An Infrastructure Regulator will also ensure that sufficient investment is made to meet minimum standards and to allow for growth.

The option to form Regional Council Controlled Organisations comprised of the water and wastewater service delivery and assets will be available which is likely to offer economies of scale and long-term borrowing separated from council's balance sheet. A business case for the development of a regional or sub-regional water services entity across the Waikato is being developed.

This LTP does not assume that WDC join a Regional CCO, the investment in 3 waters has been based on the available information at the time. The level of investment is prioritised to the most critical issues that could impact public health and safety and resilience for the future. WDC has a stable population base and projections indicated a small amount of growth in the first 10 years followed by a decline to return to current population numbers in 30 years. Infrastructure investment is not a limiting factor to the expected growth at the projected rate.

The LTP has therefore been developed as a "business as usual" approach, due to the limited information available on the actual process and the impacts of the likely future model on local management and control over the delivery of the three waters services.

Council currently has a number of projects underway or planned funded by the 'Better-Off' fund distributed to councils as part of the 3 Waters Reform programme. This funding was to invest in activities other than 3 Waters. The projects have a direct contribution to community wellbeing and Council's strategic direction, a refresh of the Town Concepts Plans was undertaken to prioritise these projects which cover town gateways, walkways, community and cultural hub, improvements to town amenities and social good programmes.

2.3.2. ECONOMIC IMPACTS OF COVID-19

The COVID-19 pandemic brought about the sharpest decline in economic activity on record. Nationally, gross domestic product (GDP) in the June 2020 quarter declined by 12.4% compared to the June 2019 quarter. In Waitomo, the decline in GDP in June 2020 was less than the national average. Waitomo's GDP has been declining since a peak in 2016 and is continuing to trend down however at a much lesser rate than during the pandemic. In the year ended March 2023 GDP reduced by 1.3%, GDP reduced by 4.9% in 2021. Waitomo's GDP is dominated by Primary and Mining sectors.

Areas that were more directly impacted by the pandemic are now showing very positive trends or have returned to pre-pandemic levels.

Business growth has increased at a rate not seen for 10 years at 2.5% in 2023 with the number of business units returning to 2019 levels sitting at 1617 units for 2023.

Unemployment has also improved after a rise in 2021 to 4.1% reducing to 3.0% in 2022 and 3.1% in 2023. These levels have not been achieved since prior to the Global Economic Crisis when unemployment was at 2.9%.

Tourism expenditure domestically has returned to pre-COVID levels at \$67 million in 2023 but international spend is still lagging at \$25.5 million compared to \$46-47 million annually in 2018-2020. The total spend in 2023 of \$93.1 million is a 70.8% increase on 2022 indicating a very positive trend.

2.3.3. DELIVERING ON COUNCIL'S VISION AND MAINTAINING AFFORDABILITY

The purpose of the LGA is to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Council, through its strategic direction, set a vision for the District as 'Te hanga tahi o tatou Takiwa, Shaping our District together'. At the heart of the vision is the intent that the Council and all residents

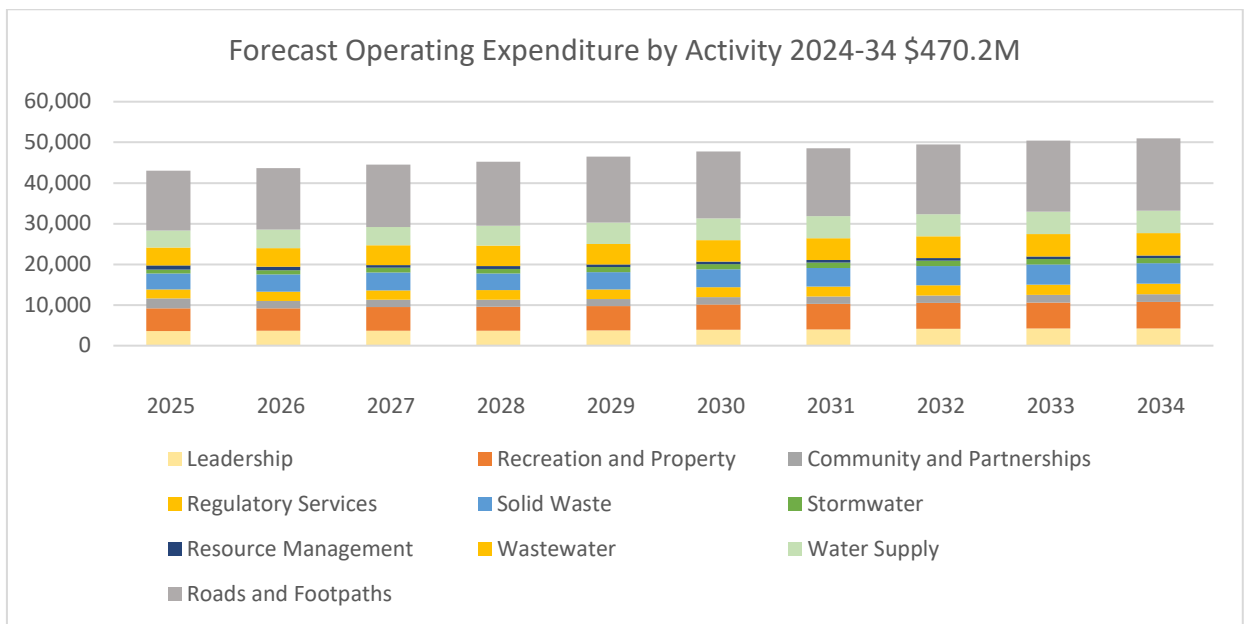
work together to create a District that is prosperous, inclusive, cares for the environment and values culture.

Council takes direction from other Plans and Strategies when considering the Financial Strategy such as the District Plan, Town Concept Plans, Infrastructure, Vibrant Waitomo and Housing Strategies.

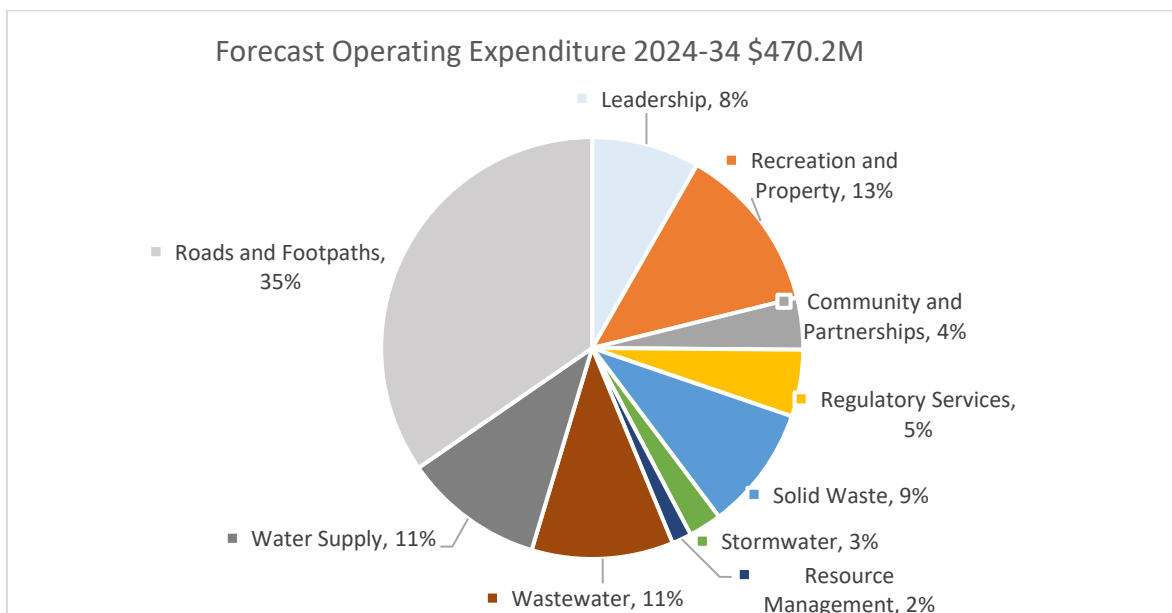
The strategic direction has been reviewed for the LTP, retaining the principles and values of the previous community outcomes and priority areas. The LTP recognises that the effective delivery of Council's strategies can and will influence the make-up and well-being of the community over time.

Council is also clear that all this has to be achieved in a financially prudent and affordable manner, while delivering a level of service expected by the community.

The following graph shows Council's forecast levels of operating expenditure over the 2024 - 2034 period.



The following graph shows the overall forecast operational expenditure over the 10 years by activity:



2.3.4. BALANCED BUDGET

Over the life of the LTP, Council’s objective is to set total operating income at a level that meets, or is greater than, total operating expenditure. This is to ensure that there is access to enough funding to enable the services to continue to be provided long term, and to meet additional demand for services within rates limits.

However, there are activities where this approach may not be practical or prudent on a year-by-year basis due to the activity’s long term nature, e.g. wastewater, roads and footpaths, water supply. Over the next ten years Council intends to:

- Temporarily run activity deficits/ surpluses in order to avoid large variations in rates increases
- Use operational reserves and/or activity balances to fund some specific operational expenditure where appropriate.

Council considers this to be a ‘prudent’ approach to financial management in that it provides for assets to be maintained and renewed, debt levels kept reasonably conservative, and rate increases limited to an affordable level now and in future.

Whilst Council is projecting surpluses over the life of the plan, the majority of these surpluses are attributed to subsidy received for capital projects, additional rate funding for forestry damage to local roads (capital) and rate funding for loan repayments.

From the forecast surpluses, the revenue directly related to capital (ie, NZTA roads subsidy and Better Off Funding), loan repayments and the share of depreciation expense for road assets that are funded by NZTA road subsidy, has to be deducted to determine our operational result. Operational losses are forecast across the life of the plan, however the balanced budget measure is largely achieved by Year 9. These forecast losses are due to mostly to:

- using prior year reserves to fund expenditure (particularly for sludge disposal costs),
- using loans to fund operational spends for district plan development and cloud migration costs (as the benefits attribute over more than one year) in the first three years of the plan, and
- not fully funding depreciation on all assets (see funding of depreciation section for more detail)

The following table illustrates that Council’s planned revenue (excluding revenue to fund capital and loan repayments) as a proportion of planned operating expenses (excluding the share of depreciation on roads assets that are funded by NZTA subsidy) does not meet the balanced budget benchmark as planned revenue is less than planned expenditure.

	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
Total operating revenue(excl revenue to fund capital and loan repayment)	36,140	37,269	38,776	39,750	41,074	42,575	43,513	44,350	45,475	45,967
Total expenditure (excl share of depreciation on roads assets funded by NZTA subsidy)	39,186	39,532	40,453	41,066	42,137	43,334	44,072	44,769	45,622	46,054
Revenue as a % of Expenditure	92.2%	94.3%	95.9%	96.8%	97.5%	98.2%	98.7%	99.1%	99.7%	99.8%

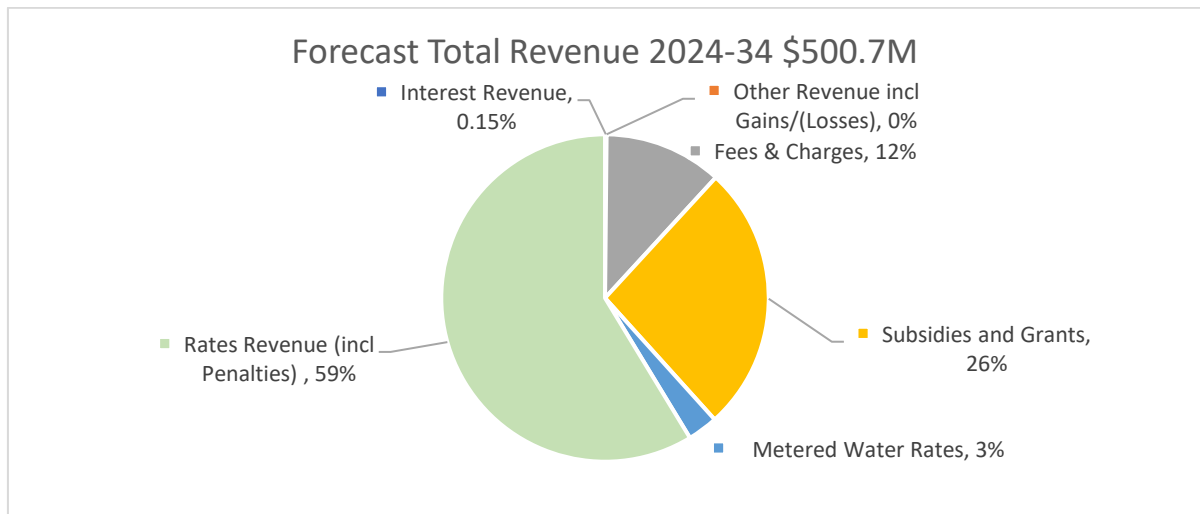
Under the Financial Reporting and Prudence Benchmarks as prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014, Council will achieve the balanced budget benchmark measure as the regulations prescribe that revenue to fund capital expenditure and loan

repayments are included in the measure. The table above however, shows a more accurate view of the operational losses forecast in the early years of the plan. The balanced budget measure improves in the outer years of the plan as rate funding, particularly for wastewater sludge disposal costs, is phased in over the plan as well as fully funding waters depreciation from Year 6 (2029-30). Forecast rate funding from Years 7 onwards is also provided to restore the under-funded depreciation forecast in the early years.

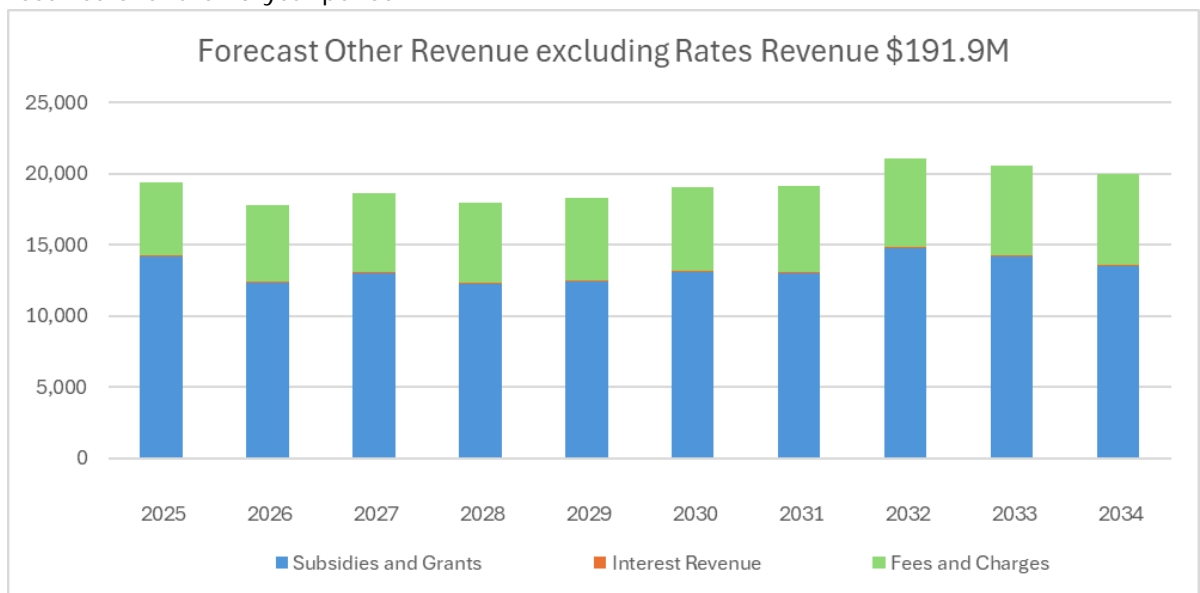
3. COUNCIL’S PLANNED FINANCIAL FUTURE

3.1. REVENUE STREAMS

Sources of funding for the planned services and operations in the 2024-34 period are shown in the graph below.



The following graph shows the forecast other revenue (excluding rates and penalties) to be received over the 10-year period:



3.2. RATES

Council recognises the need to keep rates sustainable and increases in rates affordable over time and will endeavour to keep the income required from rates steady. Council’s direction for achieving affordability of rates are:

- Managing costs through efficiency gains and increasing other revenue sources e.g. user fees and charges, subsidies and grants
- Specific considerations for funding of depreciation
- Council is forecasting the introduction of metered water across the district. The project will commence in Year 4 and 5 with the installation of meters in Piopio and Te Kuiti, with charging by meter commencing in the later years after installation of the meters is largely complete and a period of monitoring and public education.
- Council is also looking to simplify the rating structure to make rates more understandable, equitable and transparent. This includes removal of the District Development and Aquatic Centre rates, implementation of a roading rate differential to ensure that the cost to repair damage to local roads from forestry operations is funded from the forestry land owners as well as incorporating additional rate funding in the financial forecasts to fund these repairs. See Revenue and Financing Policy for more details.

3.2.1. FUNDING OF DEPRECIATION

Council funds depreciation to allow for the replacement of Council's capital assets. Over the life of the LTP we are forecasting \$118.5 million of depreciation. The cost of depreciation is a substantial part of the total rates requirement over the LTP. In keeping with Council's focus on prudent financial management, and ensuring that rates are affordable and sustainable, Council will apply the following to the funding of depreciation:

- a) To fund depreciation for Community Halls and Housing for Elderly only to the extent required for minor renewals. This is because Council considers that future renewals would be from community sources and/or grants and subsidies. These facilities are community occupied, have a life in excess of 50 years and renewals would be dependent on future choices.
- b) To defer depreciation or fund only to the level required to meet annual loan repayments on some stormwater, water and wastewater assets. Council has primarily considered this from an affordability perspective for the current ratepayers and considers this fair and equitable since the current ratepayers are carrying the debt servicing costs anyway. Council does not intend to build up surplus depreciation reserves in the initial years because some assets are brand new with relatively long lives and low risk of failure. The recent revaluations have also increased the waters asset values substantially, thereby increasing depreciation expense. The funding of depreciation policy has been extended for 2024/25 (Year 1) for waters to not fund the increase in depreciation from the most recent valuation of water assets.
- c) Instead of rate-funding depreciation for subsidised roads, Council has elected to fund an amount equal to WDC's share (25%) of the renewal expenditure projects for the subsidised road network each year and annual loan repayments for subsidised roads. Waka Kotahi - NZ Transport Agency will fund 75% of asset improvements, renewals and maintenance for the local roading network. For significant bridges and culverts, Council has elected to loan fund the local share in the year the expenditure is incurred.
- d) To not fund depreciation on the kerbside collection wheelie bins purchased in Year 6 of the LTP, as any replacement bins will be funded through user charges revenue.
- e) To not fund amortisation of the service concession asset for the right to use the Gallagher Recreation Centre or the depreciation on the furniture/fit-out. This is because Council considers that future renewals of the asset would be from the revenue generated from the centre, contributions from the Board of Trustees and Ministry of Education for long term

maintenance, as well as community sources and/or grants and subsidies.

- f) To not fund depreciation on road renewals for roads damaged by forestry logging operations. This is because Council rate-funds annually the full cost of the estimated renewals of these assets from the forestry land owners.

The cumulative effect of the non-funded depreciation is significant and as asset replacement reserve funding is also utilised for principal repayment on internal loans there are times that the depreciation reserve is not sufficient for planned renewals. Loan funding is used for the shortfall, particularly for water and wastewater asset renewals. The LTP forecasts to increase rate funding in the later years of the plan to restore the under-funded depreciation from the initial years of the plan.

In making these proposals (pursuant to section 100(2) of the LGA), Council has considered the overall impact of its financial management policies, levels of service and ensured the cash flow is positive over the life of the LTP (excluding major projects).

3.2.2. LIMIT ON RATES INCREASES

Council has set a rates increase limit for the LTP. The limit is the **average rates increase over the ten years of the plan will not exceed 6%.**

The limit on annual rate increases will not apply where there is an increase in the existing level(s) of service (LoS) of any activity in consultation with the community. This exclusion includes unforeseen events that may occur during the period of the LTP.

The following table illustrates the forecast rates increases over the 2024-34 period and tests these against the rates increase limit set by Council.

	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
Forecast rates revenue increase %	11.72%	7.73%	5.28%	3.79%	3.58%	3.66%	3.32%	1.53%	2.61%	0.67%
Average % increase over 10 years	4.39%									

3.2.3. ABILITY TO MAINTAIN LEVELS OF SERVICE

The service levels core infrastructure in some instances may change over the 2024-2034 period. The sealed and unsealed road network (which is the largest expenditure area for Council) is currently in reasonable condition because of current investment in maintenance, rehabilitation and reseals. Increasing costs and damage to the network means current levels of service cannot be maintained with the same level of expenditure.

Council has been careful to invest in infrastructure upgrades for water supply and wastewater that are essential to give effect to public health and environmental standards. Significant investment for water supply and stormwater has been included in years 2024-2029. Whilst a projected increase in population may slightly improve affordability, there is a need for significant investment to increase resilience and reduce the risk to public health. The water supply and wastewater networks have been designed to, what can be termed, the minimal standards required for a municipal supply in New Zealand under current legislation and regulation. The new government has indicated that minimum standards will be required, while some investment has been included for this the exact quantum required is unknown.

Many of the other public services provided by Council (particularly in the areas of regulation, resource management) are also governed by legislation, regulation, and industry standards and

as a result there are limited options for changes to scale and scope in response to changes in population and development.

The provision of community services such as parks and reserves, housing and property, community facilities, public facilities, community development, community promotion and economic development are the very services that make communities desirable in terms of a place to work, live and play. Specific targeted expenditure to maintain the levels of service has been provided for.

3.3. BORROWING

External borrowing (public debt) is used by Council to fund assets or services that will provide benefit well into the future. This is in accordance with the principle of intergenerational equity. However, the use of borrowing has to be prudent and sustainable and limited to the ability to service and repay the debt. Council approves borrowing by resolution through the Annual Plan or the LTP.

Council recognises the need to manage its finances in a sustainable and affordable manner and has therefore established borrowing parameters to ensure that investment priorities are carefully managed and affordable for the District community. Council has set the following **borrowing limits** in its Treasury Policy:

- The ratio of net debt to total revenue will not exceed 165%
- Net interest will not exceed 20% of annual rates

The following tables illustrate that Council is well within these limits in the 2024-2034 period.

	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
Net debt to Total Revenue Limit	165%	165%	165%	165%	165%	165%	165%	165%	165%	165%
Net Debt to Total Revenue %	95%	107%	101%	102%	99%	89%	78%	74%	65%	58%

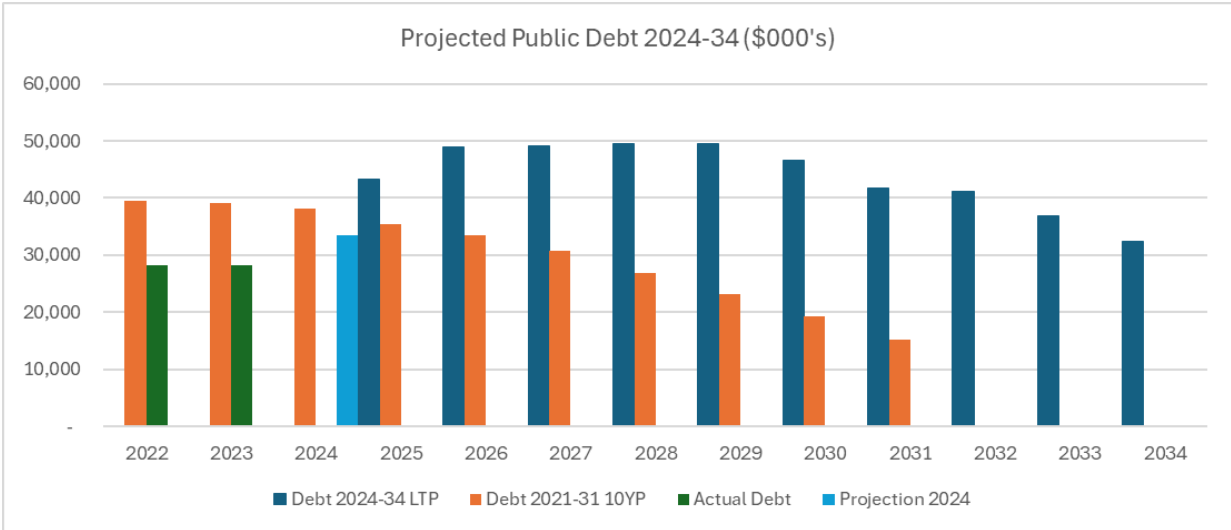
	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
Net Interest to Annual Rates Limit	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Net Interest to Annual Rates %	6.08%	7.35%	7.98%	9.04%	8.83%	8.53%	8.24%	7.29%	6.98%	6.22%

Council is committed to reducing external debt over the duration of the LTP, in order to reduce the debt servicing burden on the District community and make headroom for investing in increasing the 'liveability' of the Waitomo district.

Council's current approach is to repay debt by utilising reserve funds (primarily from rate-funded depreciation) which reduces the need to borrow externally and reduces the interest cost for ratepayers. This will mean however that when the planned asset renewals occur, borrowing for those renewals will need to be made at that time.

The rate funding of forecast principal repayments for the Solid Waste capital improvements loans are deferred to 2025/26 due to affordability considerations. The rate-funding of these loan repayments will be phased over several years starting in Year 2, with the principal repayments fully rate funded by Year 7 (2030-31).

The following graph illustrates the debt profile over the life of the LTP, compared to the forecast debt from the previous 2021-31 10YP.



The borrowing costs per rateable property are forecast to increase from \$299 in 2024-25 to \$512 in Year 5 (2028-29) then reduce to \$400 by Year 10 (2033-34).

	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
Borrowing cost per rateable property	\$ 299	\$386	\$ 436	\$ 508	\$512	\$510	\$508	\$456	\$447	\$ 400

4. COUNCIL'S POLICIES ON GIVING SECURITIES ON ITS BORROWING

Council borrowings are secured over annual rates on every rateable property within the Waitomo District. From time to time, security may be offered over specific assets with Council approval or infrastructural assets where special rating provisions apply.

Council will not borrow, underwrite or guarantee loans on behalf of any other person, association or organisation except the Local Government Funding Agency (LGFA) for which, under various Deeds and a guarantee and indemnity Council guarantees the indebtedness of the LGFA and other guarantors (a requirement of joining the LGFA) and Council offers deemed rates as security for general borrowing programmes.

Any issue of debt securities must be approved by Council and will be in compliance with the relevant legislation.

Securities are not provided for Councils own internal borrowing.

5. FINANCIAL INVESTMENTS AND EQUITY SECURITIES

Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to achieve an acceptable rate of return on all its investments. It recognises that, as a responsible local authority, any investments that it does hold will be low risk and that generally lower risk means lower returns. Also, that sometimes investments will need to be held for purposes other than financial returns.

Council's objectives for holding investments or making any new strategic or equity investments are/will be (one or more):

- a) The expected financial return.
- b) Contribution of the investment in furthering the Waitomo District’s community outcomes as documented in the LTP.
- c) How the investment ‘fits’ within the existing investment portfolio in terms of Council’s preference to spread and minimise risk.
- d) Contribution towards the good of the local government sector either nationally, regionally or within a sub group of Councils.

The following table lists Council’s shareholding investments, the objectives these align with, and the target rate of return.

Investment	Objective of Holding Equity	Target rate of return
Inframax Construction Limited	Economic benefits like job creation thereby furthering community outcomes	No return on shareholders funds
Co-Lab (Waikato Local Authority Shared Services Ltd)	To ensure Co-Lab remains viable as a provider of shared services within the Waikato region	No return on shareholders funds
Civic Financial Services Ltd	Contribution towards the local government sector	No return on shareholders funds