



# Annual Plan 2019/20

Council authorised these Prospective Financial Statements for issue on:  
Tuesday 25 June 2019

# Glossary

## **Activity**

A good or service provided by, or on behalf of, a local authority or a council-controlled organisation, to the Community.

## **Annual Plan**

A document adopted each year by Council that outlines its significant policies (including indicative costs and sources of funds) and the objectives and measures by which Council's performance in undertaking each of its significant activities will be judged.

## **Annual Report**

A document that provides the public with information on the performance of the local authority during the year (both in financial and non-financial terms).

## **Asset**

A resource controlled by Council. Generally accepted accounting practice defines assets as service potential or future economic benefits controlled by an entity as a result of past transactions or other past events.

## **Community Outcomes**

The outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district in the present and for the future.

## **Council-Controlled Organisation (CCO)**

A company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers.

## **Financial Strategy**

A document to facilitate prudent financial management by providing a guide for future funding and expenditure. Also the document will show the overall level of rates, debt and investments.

## **Funding Impact Statement (FIS)**

A document that sets out the funding mechanisms that Council will use, their level, and the reason for their selection.

## **Generally Accepted Accounting Practice (GAAP)**

Approved financial reporting standards that apply to Council or statements which are not approved, but which are appropriate to Council and have the authoritative support of the accounting profession in New Zealand.

## **Levels of Service**

The defined service requirements for a particular activity or service area against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost of the service.

## **Local Authority**

A regional council or territorial authority.

## **Local Government Act 2002 ("the act")**

The legislation which states the purpose of local government and provides a framework for the roles, responsibilities and powers of local authorities.

## **Long Term Plan**

A plan covering ten years that describes the activities that Council will engage in over the life of the Plan, why Council plans to engage in those activities and how those activities will be funded.

## **Postponement of Rates**

When the payment of rates is not waived in the first instance, but delayed until a certain time, or until certain events occur.

## **Remission of Rates**

Reducing the amount owing, or waiving collection of rates altogether.

**Separately Used or Inhabited Part of a Rating Unit**

Any portion of a property or building that is used or inhabited by a person who has the right to do so by virtue of a tenancy, lease, licence or other agreement (refer Council's Rates Relief for High Value Properties Policy).

**Significance**

In relation to any issue before Council, significance means the degree of importance of the issue, as assessed by Council in terms of its likely impact on and likely consequences for:

- The current and future well-being of the District
- Any persons who are likely to be particularly affected by, or interested in the issue
- The financial and other costs of doing so

**Significant**

In relation to any issue, significant means that the issue has a high degree of significance (as per Council's Significance Policy).

**Special Consultative Procedure**

A formal consultation process that sets out a series of steps that Council must follow when consulting on particular types of decisions.

**Statement of Proposal**

A document that provides the basis for consultation with the Community under the Special Consultative Procedure by setting out Council's proposals with respect to a particular matter.

**Strategic Asset**

An asset or group of assets that Council needs to retain to maintain its capacity to promote any community outcome it considers important to the current or future well-being of the Community. The key is whether the assets are essential to the continued delivery of the community outcome. Strategic assets are listed in Council's Significance Policy.

**Territorial Authority**

A city council or a district council named in Schedule 2, Part 2 of the Local Government Act 2002.

**Wastewater**

Sewage and other waste disposed of through the wastewater system.

**Wastewater Disposal Network**

Sewerage system.

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# Section 1: OVERVIEW

# Overview from the Mayor and CEO



## Welcome to Council's 2019/20 Annual Plan

The Annual Plan covers the second year of the 2018 – 2028 Long Term Plan and is primarily in line with what was programmed in the Long Term Plan.

The purpose of the Annual Plan is to:

- Describe Council's activities and their associated costs and funding
- Provide a basis of accountability for Council to the Community
- Council decided as part of the annual plan preparation that it would provide residents and ratepayers with the opportunity to participate in decision-making processes on activities to be undertaken and the level to which these activities are provided

Eighteen public submissions were received on the 2019/20 Annual Plan. People who wished to speak to their submissions did so at an Extraordinary Council Meeting on Tuesday, 14 May. Submissions covered a range of matters including the recycling collection and proposed increases to fees and charges. Specific requests included a Cobham Drive playground upgrade, a CReW-type upcycling centre at the waste transfer station and improvements to the swimming clubrooms. There were also submissions against the increased dog fees, rates and charges. Two submissions were received regarding water. As a result of submissions, Council included in the 2019/20 Plan:

- Funding for Swimming Club Clubrooms
- Funding for upgrading the Cobham Drive Playground
- Funding for cobblestone replacement in the Town Centre

Kawerau is continuing to experience a revitalisation which is seeing new people moving into town, property values increasing and a lot more building and home improvement being done in the district. This is great to see. Council is committed

to support growth and over the past years has made some significant improvements to public facilities and services.

Over the coming year Council will focus on encouraging further growth not only in Kawerau's population, but also our local tourism, business and industrial sectors. We will be continuing to work on the residential developments in Bowen Street and River Road. Also Council will be working to create opportunities for other residential development, encouraging further improvement to Kawerau's housing stock, and assisting with any new industrial developments.

Council is still in a strong financial position and has sound treasury management policies to build on this position.

## Rates for 2019/20

Council will charge the following rates on all rateable properties to which Council provides services:

### General Rate

A general rate charged on the capital value of each property. This rate generates the funds necessary to provide many of the Council services.

In addition, Council also levies a uniform annual general charge (UAGC) per separately used or inhabited part of a rating unit. Council is decreasing the UAGC to \$600 for 2019/20 (\$850 in 2018/19).

### Targeted Rates/Charges

Three targeted rates will be levied in 2019/20 as follows:

Water Supply Service Charge - a uniform annual charge of \$71.10 on each separately used or inhabited part of a rating unit to which Council supplies water, except for properties on metered water supply. For metered properties there will be a charge of \$0.186 per cubic meter.

Wastewater Service Charge – a uniform annual charge of \$168.90 on each separately used or inhabited part of a rating unit that is connected to Council's wastewater disposal network.

Refuse Collection Service Charge - a uniform annual charge of \$178.90 for 60L bins and \$238.90 for 120L bins on each separately used or inhabited part of a rating unit from which Council is prepared to remove refuse.

Council will also undertake a review of Solid Waste Management, improve access to Waterhouse Reserve for cyclists, improve drainage at water stations and improve the state of the Roy Western Reserve.

The following is a summary of the Council's rating requirements for 2019/20:

<b>Rates</b>	<b>2019/20</b>	<b>2018/19</b>	<b>Difference</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
General Rates	9,353,430	9,109,430	244,000	2.7
<u>Targeted Rates</u> <u>Uniform Annual Charges):</u>				
Water Supply*	203,520	173,920	29,600	17.0
Wastewater	419,340	348,320	71,020	20.4
Refuse Collection	417,470	409,960	7,510	1.8
<b>Total Rates</b>	<b>\$10,393,760</b>	<b>\$10,041,630</b>	<b>\$352,130</b>	<b>3.5%</b>

\*includes water by Meter

Council set the following rate limits in its 2018 – 2028 Long Term Plan:

- Total rates will not exceed 88% of total budgeted revenue
- The total rate increase in any year will not exceed the underlying average rate of inflation (for Council costs) plus 2%.

The total rates increase for 2019/20 does not exceed either of these limits. Although the rates charged to individual properties will differ from the overall increase in rates.

### Rate Remission

Council is increasing the rating cap for residential properties to \$3,930.00 (\$3,800 for 2018/19).

This increase is in line with Council's existing policy of increasing the rating cap by the overall increase in rates.

Residential properties with capital values of \$605,600 or higher will pay this amount for Council rates.

Also Council will continue to provide a rate remission for the two farm blocks of 45% so the rates charged to these farm blocks is comparable to the rates charged by neighbouring councils.

The objective of these remissions is to make the rates fair and reasonable for these properties.

### Balanced Budget Requirement

The Local Government Act 2002 requires that Council's projected operating revenues are set at a level sufficient to meet projected operating expenses each year. However, Council can set projected operating revenue at a different level from that required under this constraint, if it believes it is financially prudent to do so.

In 1998/1999, Council decided, after consultation with the Community, that it would not fund depreciation on non-critical assets if there was no intention for them to be replaced. In establishing the level of funding for depreciation, Council resolved that depreciation will not be fully funded for roads that are subject to New Zealand Transport Agency subsidies and for some buildings, which will not be replaced, at least not as they are now.

The Significant Forecasting Assumptions, Risks and Possible Implications in section 3 of this Plan sets out the reasons for the non-funding of this depreciation.

### Council's Financial Management

Council's cash balances over the next 10 years are budgeted to increase as the funding of depreciation leads to growth in depreciation reserves.

These reserves are invested in accordance with Council's Investment Policy and will be retained for expenditure on asset replacement.

As the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from rates.

### **Financial Information**

The prospective financial information contained in this Plan is based on assumptions that the Council reasonably expected to occur as at 25 June 2019. Actual results are likely to vary from the information presented and these variations may be material



M J Campbell, JP  
**MAYOR**

### **Community Consultation**

Council undertook the following consultation with the community prior to the adoption of its Annual Plan for 2019/20:

- Adopt Annual Plan - Consultation Document – 26 March 2019
- Public Notice for Annual Plan Consultation Document – 1 April 2019
- Submission period – 1 April to 3 May 2019
- Heard submissions to Annual Plan – 14 May 2019
- Considered and determine submissions – 28 May 2019.
- Adopted 2019/20 Annual Plan – 25 June 2019.



R B George, CA, MBA  
**CHIEF EXECUTIVE OFFICER**

# Rates for 2019/20

2018/19	Rates (includes GST)	Proposed 2019/20
\$	<b>General Rates</b>	\$
850.00	Uniform Annual General Charge	600.00
	(Charged per separately used or inhabited part of a rating unit)	
.008820	Residential Rates (per dollar of capital value)	.004806
.023245	Commercial/Industrial Rates (per dollar of capital value)	.020529
	<b>Targeted Rates</b>	
59.70	Water Rate (per connected property)	71.70
140.90	Wastewater Rate (per connected property)	168.90
170.10	Refuse Collection (per serviced property) 60L bin	178.90
230.10	Refuse Collection (per serviced property) 120L bin	238.90
0.155	Water by meter (per m <sup>3</sup> )	0.186
\$3,800.00	<b>Residential Rate Cap</b>	\$3,930.00
	<b>Capital Value</b>	
271,900,100	Residential Capital Value	665,795,400
238,964,000	Commercial/Industrial Capital Value	280,590,000
<b>\$510,864,100</b>	<b>Total Capital Value</b>	<b>\$946,385,400</b>

## How much will my Rates be for 2019/20?

### Rates Calculator

(\$)

Write in your Capital Value here (available from your revaluation notice or by going to <a href="http://www.kaweraudc.govt.nz">www.kaweraudc.govt.nz</a> and accessing 'Your Property')	(a)	.....
Uniform Annual General charge	(b)	600.00
Rating factor from Rates and Service Fees table (Residential or Commercial)	(c)	.....
Multiply the annual value by the rating factor	(d)=(a)x(c)	.....
Water Supply Rate	(e)	.....
Wastewater Disposal Rate	(f)	.....
Annual Refuse Collection Rate (small or large)	(g)	.....
Add all the different rate types together (this is the total projected rates for your property)	(h)=(b)+(d)+(e)+(f)+(g)	\$ .....

NB: If your property has separately used parts you will need to add additional UAGC (d), Water supply (e), Wastewater (f) and Refuse Collection (g) charges for each separately used part.

### Rates and Service Fees

		(\$)
Residential	(c)	.004806
Commercial	(c)	.020529
Water Supply Rate	(e)	71.70

		(\$)
Wastewater Disposal Rate	(f)	168.90
Refuse Collection Rate (small)	(g)	178.90
Refuse Collection Rate (large)	(g)	238.90

## Council's Vision

"To be the best council in New Zealand"

## Mission Statement

1. To represent the interests and aspirations of the Kawerau Community, within and beyond the District.
2. To promote the social, economic, environmental and cultural wellbeing of the Kawerau Community.
3. To continue to provide an industrial base within the District for established industries and their supporting businesses.
4. To promote the advantages of Kawerau in order to grow the District population and to further encourage industrial investment and development.
5. To ensure that the independence of the District is maintained.

## Statement of Principles

To achieve its mission, Council will:

1. Provide services, facilities and infrastructure that can support a high quality of life in Kawerau.
2. Engender an attitude of cost effectiveness, customer service and Community responsiveness.
3. Engage with all sectors of the Community to determine their needs and priorities.
4. Maintain a fair system of rating to ensure that Council services are sustainable and satisfy Community needs.
5. Inform and seek feedback from the Community about Council's current and planned activities.
6. Work cooperatively with government agencies, territorial authorities, and other stakeholders to maintain or improve Council services.
7. Maintain relationships with industry and business groups represented in the District.
8. Promote the District to attract development.



JELlicOE COURT WITH MOUNT PUTAUAKI IN THE BACKGROUND

# Council and Staff Information

## Council Structure

### Council

The Council is made up of nine elected members: a Mayor and eight Councillors. The Council is responsible for making decisions about the overarching objectives, strategies and policies which determine the day to day running of Council's operations. Council meets monthly, usually on the last Tuesday of the month.

### Regulatory and Services Committee

Council has one standing committee, to which all elected members belong. Called the Regulatory and Services Committee, it has delegated responsibility for decisions about Council's services and regulatory functions. The Regulatory and Services Committee meets monthly, usually on the Tuesday two weeks before the Council meeting.

The responsibilities of the two Council bodies are shown in the tables below.

### Council Responsibilities

Making Bylaws	Funding and Financial Policies
Setting Policy	Property Sale and Acquisition
Long Term Plan	Rating
Annual Planning and Reporting	Democracy
Consultation and Community Engagement	Governance
Relationship with Māori	Strategic Issues
Community Outcomes	Audit

### Regulatory and Services Committee Responsibilities

REGULATORY		SERVICES	
Resource Management <ul style="list-style-type: none"> <li>• District Plan</li> <li>• Submissions on Regional Plans</li> <li>• Resource Consents</li> <li>• Subdivisions</li> </ul>		Swimming Pools	Economic Development
		Parks and Reserves	Events & Event Promotion
		Cemetery	Information Centre
		Roading	Firmin Lodge
		Footpaths	Marketing & Tourism
Public Health	Bylaws	Water Supply	Public Library
Building	Dog Control	Stormwater	Museum
Plumbing	Noise Control	Wastewater	Public Halls and Facilities
Drainage	Stock Control	Refuse and Recycling	Accounting & Finances
Sale of Liquor	Civil Defence	Plant and Equipment	Asset Management
Gambling Venues		Public Toilets	Grants

Council also has an **Audit and Risk Committee** which is responsible for:

- Monitoring Council's internal and external audit processes
- Ensuring that Council fulfils its legal responsibilities
- Monitoring Council's performance (financial and non-financial)
- Ensuring that Council has best practice policies and procedures for managing risk.

# Elected Members of Council



Mayor M J (Malcolm) Campbell, JP  
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# Operational Structure

## Leadership Team



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Manager  
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Manager  
Planning, Compliance & Capability

07 306 9009  
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## Departmental Structure

<b>Operations and Services</b>	<ul style="list-style-type: none"><li>- Roading</li><li>- Stormwater</li><li>- Water Supply</li><li>- Wastewater</li><li>- Refuse Collection and Disposal</li><li>- Recycling (Zero Waste)</li><li>- Swimming Pools</li><li>- Parks and Reserves</li><li>- Public Halls and Facilities</li><li>- Cemetery</li></ul>
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<b>Chief Executive Officer</b>	<ul style="list-style-type: none"><li>- Operations and Services</li><li>- Regulatory and Planning</li><li>- Finance and Corporate Services</li><li>- Policy and Strategic Planning</li><li>- Economic Development</li></ul>
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<b>Regulatory and Planning</b>	<ul style="list-style-type: none"><li>- Resource Management</li><li>- Building Control</li><li>- Environmental Health</li><li>- Dog Registration and Control</li><li>- Civil Defence</li><li>- Health and Safety</li></ul>
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<b>Finance and Corporate Services</b>	<ul style="list-style-type: none"><li>- Finance</li><li>- Democracy Support</li><li>- Corporate Services</li><li>- Public Library</li><li>- Museum</li><li>- Grants and Funding</li></ul>
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<b>Economic and Community Development</b>	<ul style="list-style-type: none"><li>- Economic Development</li><li>- Events Management</li><li>- i-Site</li><li>- Community Development</li><li>- Youth Development</li></ul>
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**Section 2:**  
**GROUPS OF ACTIVITIES**

# Council's Activity Structure

The work that Council does is combined into what are known as 'groups of activities'. Council has nine activity groups which are:

<b>Activity Group</b>	<b>Activities</b>
1: Democracy	- Democracy
2: Economic and Community Development	- Economic Development - Events Management - Marketing and Tourism - Residential Housing Development - Grants and Funding - Information Centre - Youth Development - Facilities Management
3: Environmental Services	- Resource Management - Building Control - Environmental Health - Dog Registration and Control - Civil Defence
4: Roading	- Roads and Footpaths
5: Stormwater	- Stormwater Drainage and Flood Protection and Control Works
6: Water Supply	- Water Supply
7: Wastewater	- Sewerage and Sewage Treatment and Disposal
8: Solid Waste	- Refuse Collection and Disposal - Recycling (Zero Waste)
9: Leisure and Recreation	- Public Library - Museum - Swimming Pools - Public Halls and Facilities Maintenance - Parks and Reserves - Public Toilets - Cemeteries

# Democracy

Democracy is the political arm of Council. It involves the Mayor and Councillors making decisions for the community both in the present and for the future.

The Mayor and Councillors are elected every three years by a postal vote of registered electors in the district.

The democracy group contributes principally toward Council achieving the community outcome to provide effective governance and leadership which represents community interests and helps maintain the ongoing viability of the District. It also contributes toward the outcome to recognise and encourage the contributions of all sectors of the Community.

## Performance Measures and Targets

Levels of Service	Measures	Current Performance (2017/18)	Target 2019/20	Data source
Council informs the community about key issues and activities.	Public notification of meetings	100% publicly Notified	100% publicly notified	Council records
	Number of Newsletters	11 Newsletters circulated	At least 11	Council records
	Number of visits to Council's website	New measure	At least 45,000	Council records
Council encourages the community to contribute to Council decision-making	Provision of a public forum at council and committee meetings	Public forum held at all meetings	Every meeting	Council records
The community has confidence in their Elected Members	Community satisfaction with Mayor and Councillors	N/A	88%	NRB Survey (every 3 years)
Council encourages the community to contribute to Council decision-making and informs the Community about key issues and activities.	Community satisfaction with Council consultation	N/A	69%	
Financial management is prudent, effective and efficient	Community satisfaction with the Way Rates are Spent	N/A	91%	
	Percentage completion of the annual work programme	Achieved. 117/118 (91.4%) projects were completed.	>90%	Council records

## Funding Impact Statement: Democracy

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
	<b>Sources of operating funding</b>		
593,150	General rates, uniform annual general charges, rates penalties	574,850	603,410
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
0	Fees and charges	0	0
3,470	<b>Internal charges and overheads recovered</b>	3,540	3,540
0	Local authorities fuel tax, fines, infringement fees, and other receipts	20,900	20,900
<b>596,620</b>	<b>Total Operating Funding (A)</b>	<b>599,290</b>	<b>627,850</b>
	<b>Applications of operating funding</b>		
366,750	Payments to staff and suppliers	391,930	386,470
1,470	Finance Costs	1,550	1,540
212,490	<b>Internal charges and overheads applied</b>	189,480	220,060
0	Other operating funding applications	0	0
<b>580,710</b>	<b>Total applications of operating funding (B)</b>	<b>582,960</b>	<b>608,070</b>
<b>15,910</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>16,330</b>	<b>19,780</b>
	<b>Sources of capital funding:</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>0</b>	<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
0	- to replace existing assets	0	0
15,910	Increase (decrease) in reserves	16,330	19,780
0	Increase (decrease) of investments	0	0
<b>15,910</b>	<b>Total applications of capital funding (D)</b>	<b>16,330</b>	<b>19,780</b>
<b>(15,910)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(16,330)</b>	<b>(19,780)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

### Explanation of significant variances between the Long-Term Plan and the Annual Plan

There are no significant variances between the Long Term Plan and the Annual Plan figures for 2019/20.

# Economic and Community Development

This group covers the delivery of the following activities:

- Information Centre
- Events Management
- Economic Development
- Grants and Funding
- Youth Development

The aims of this group are:

- To enhance the quality of life in Kawerau by marketing and encouraging Economic and Community Development in the District.
- To assist in increasing opportunities for Economic and Community Development in the District.

## Performance Measures and Targets

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Council is actively involved in the Eastern Bay of Plenty Regional Economic Development Agency	Representation at Trustee meetings	Council was represented at the monthly meetings.	Representation at 90% of Trustee meetings	Toi EDA minutes
Council is actively involved in the Industrial Symbiosis Project	Allocation of resources to ISK	Achieved (0.6 FTE).	0.5 FTE staff member allocated	Council records
Council encourages positive perceptions of Kawerau by supporting local events.	Frequency of events from February to December.	Achieved (at least 1 event held each month)	At least 1 event held per month from February to December	Council records
Council contributes to successful events	Allocation of resources to event co-ordination	New measure	1.0 FTE staff resource allocated	Council records
Council provides a local information centre which is accessible to visitors and the local community	Number of days open each year	The Information Centre was open 364 days (except Christmas day).	At least 360 days	Council records
Council provides an information centre which suits community needs	Community satisfaction with the information centre	New measure	80%	NRB survey (3 yearly)
	User satisfaction with the information centre	New measure	95%	NRB survey (3 yearly)
Council supports young people to develop skills and attitudes needed to take a positive part in society	Youth Council in place	Achieved. Annual appointments made.	Annual appointments made	Council records
	Satisfaction with youth council collaboration from collaborating groups	New measure	85%	Annual survey of collaborating groups

## Funding Impact Statement: Economic Development

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
	<b>Sources of operating funding</b>		
965,060	General rates, uniform annual general charges, rates penalties	1,150,250	1,013,370
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
453,800	Fees and charges	432,670	461,890
0	Internal charges and overheads recovered	0	0
337,000	Local authorities fuel tax, fines, infringement fees, and other receipts	650,000	581,450
<b>1,755,860</b>	<b>Total Operating Funding (A)</b>	<b>2,232,920</b>	<b>2,056,710</b>
	<b>Applications of operating funding</b>		
1,264,170	Payments to staff and suppliers	1,524,720	1,786,960
76,730	Finance Costs	77,330	107,510
355,920	Internal charges and overheads applied	355,390	379,480
0	Other operating funding applications	0	0
<b>1,696,820</b>	<b>Total applications of operating funding (B)</b>	<b>1,957,440</b>	<b>2,273,950</b>
<b>59,040</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>275,480</b>	<b>(217,240)</b>
	<b>Sources of capital funding:</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
1,572,900	Gross proceeds from sale of assets	4,315,600	2,184,550
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>1,572,900</b>	<b>Total sources of capital funding (C)</b>	<b>4,315,600</b>	<b>2,184,550</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
2,880,000	- to meet additional demand	3,200,000	2,386,000
0	- to improve the level of service	0	0
20,000	- to replace existing assets	20,380	20,220
<span style="color: red;">(1,268,060)</span>	Increase (decrease) in reserves	1,370,700	<span style="color: red;">(438,910)</span>
0	Increase (decrease) of investments	0	0
<b>1,631,940</b>	<b>Total applications of capital funding (D)</b>	<b>4,591,080</b>	<b>1,967,310</b>
<span style="color: red;">(59,040)</span>	<b>Surplus (deficit) of capital funding (C - D)</b>	<span style="color: red;">(275,480)</span>	<b>217,240</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

### Explanation of significant variances between the Long Term Plan and the Annual Plan

The only significant variance to the figures in the Long Term Plan for 2019/20, is that Council is proposing to use \$220k from the proceeds of anticipated property sales which has reduced the rates figure and the amount transferred to reserves.

# Environmental Services

Environmental Services encompasses the following activities:

- Resource Management Planning
- Resource Management Consents
- Building Control
- Environmental Health
- Dog Registration and Control
- Civil Defence

The overall aim of this group of activities is to promote the sustainable development of the District and the health, safety and well-being of its residents.

## Performance Measures and Targets

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Service users consider Council's Building Control Activity to be effective	Satisfaction survey of service users - building consents processes	100%	90%	Targeted survey of service users
	Satisfaction survey of service users - building inspection processes	89%	90%	Targeted survey of service users
Council provides in-house building consent, inspection and approval services	Bi-annual Building Consent Authority accreditation re-assessment	Accreditation and registration retained	Accreditation and registration retained	Council records
Kawerau buildings requiring Building Warrants of Fitness are compliant	Number of buildings audited for BWOF requirements	36.5%	35%	Council records
Swimming pools comply with statutory requirements	Survey to identify swimming pools in the District	Survey completed and follow up actions taken	Survey and all follow up action undertaken	Council records
	Inspection of pool fencing for compliance	35.4%	35%	Council records
Customers consider Council's Environmental Health Activity effective	Satisfaction of service users – Environmental Health inspection processes	100%	90%	Targeted survey of service users
Registered premises comply with statutory requirements	Audit of food premises operating Food Control Plans	20%	100% annually	Council records
	Inspection of registered premises for compliance with relevant standards	N/A	100% annually	Council records
Premises licensed under the Sale and Supply of Alcohol Act 2012 comply with licence conditions	Inspection of licensed premises for compliance	100%	100% annually	Council records
Council monitors and keeps public places free of litter and general environmental health conditions	Weekday patrols	506 patrols	At least 480 weekday patrols	Council and contractor records

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Council responds to complaints and service requests for environmental health conditions (noise complaints, nuisance conditions/health risks)	Response to noise complaints	86% within 20 minutes and 95% within 30 minutes	80% within 20 minutes and 98% within 30 minutes	Council records
	Response to other Environmental Health service requests/ complaints	100%	100% within 1 working day	Council records
Council maintains community satisfaction levels for the Dog Control service	Community satisfaction with Dog Control Service	N/A	>75%	Three yearly NRB Survey
The level of dog registration is maximised	Frequency of dog patrols	506 weekday patrols and 345 after hours patrols	At least 480 weekday and 345 after hours dog patrols	Council records
	Annual District survey to detect unregistered dogs	Survey done February 2018 and follow up action undertaken	All residential properties surveyed and follow up action undertaken	Council records
	Number of dogs on Council's register of known dogs that are unregistered	None at 30 April 2018 (1,466/1,466 registered)	None as at 30 April <sup>1</sup>	Council records
Service requests about uncontrolled dogs are actioned	Adherence to complaint response process to respond, investigate and record the complaint and advise complainant of progress or the outcome within 24 hours	756/776 were responded to within 30 minutes	80% within 20 minutes and 98% within 30 minutes	Council records
Council plans and provides for civil defence emergency management as required by the Civil Defence Emergency Management Act	Level of household planning and preparedness for a civil defence emergency	N/A	>60%	Three yearly NRB Survey
	Kawerau District Civil Defence Emergency Management Plans are current and reviewed every three years.	There were 4 plans that had not been reviewed in the last 3 years	All plans reviewed within past 3 years	Council records
	Emergency Operating Centre (EOC) is equipped, operational and staffed within two hours of the controller activating.	86% of staff were trained	Staff are identified, trained and exercised twice each year	Council records
	Council delivers 4 public engagement initiatives to promote Community awareness, preparedness and resilience.	There were 4 engagements delivered	Initiatives delivered	Council records.

<sup>1</sup> Date chosen to coincide with beginning of cycle for the ensuing year's registration programme.

## Funding Impact Statement: Environmental Services

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
	<b>Sources of operating funding</b>		
936,930	General rates, uniform annual general charges, rates penalties	1,064,620	1,040,940
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
189,770	Fees and charges	194,110	193,110
33,780	Internal charges and overheads recovered	34,520	160
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
<b>1,160,480</b>	<b>Total Operating Funding (A)</b>	<b>1,293,250</b>	<b>1,234,210</b>
	<b>Applications of operating funding</b>		
746,120	Payments to staff and suppliers	832,140	771,980
14,310	Finance Costs	26,220	14,600
371,240	Internal charges and overheads applied	395,770	405,300
0	Other operating funding applications	0	0
<b>1,131,670</b>	<b>Total applications of operating funding (B)</b>	<b>1,254,130</b>	<b>1,191,880</b>
<b>28,810</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>39,120</b>	<b>42,330</b>
	<b>Sources of capital funding:</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>0</b>	<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
700,000	- to replace existing assets*	0	710,000
(671,190)	Increase (decrease) in reserves	39,120	(667,670)
0	Increase (decrease) of investments	0	0
<b>28,810</b>	<b>Total applications of capital funding (D)</b>	<b>39,120</b>	<b>42,330</b>
<b>(28,810)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(39,120)</b>	<b>(42,330)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

\* Asset renewals relates to a new dog pound.

### Explanation of significant variances between the Long Term Plan and the Annual Plan

The cost of the new Dog Pound has been carried forward from 2018/19 to 2019/20. There are reduced costs for noise control (new contract) and water sampling costs are being charged directly to the water activity.

# Roading and Footpaths

Council's roading network comprises approximately 40km of roads, all of which are sealed. The roading network also includes car parks, bridges, footpaths, culverts, street lights, kerbing and channelling, signs and markings.

The aims of this activity group are:

- To provide and maintain a system of roads/footpaths for the safe and comfortable passage of vehicles and pedestrians, cyclists and other vulnerable road users (including mobility scooters) in and through the District.

The roading group involves:

- Management and monitoring of the roading network
- Repairing and maintaining assets and structures
- Operation of the roading activity assets
- Planning to meet future requirements and improve operations

Principal objectives of this activity group are:

- To provide a high quality roading network.
- To anticipate the time when it may be necessary to extend, upgrade or renew the existing roading network and to plan accordingly.
- To ensure the maintenance of public infrastructural assets in perpetuity, so there is no diminution in value and to forecast the estimated future cost of doing so.
- To put in place a sound management regime for all matters relating to the roading network for the future.



KAWERAU I-SITE AND RON HARDIE REC CENTRE

## Performance Measures and Targets

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Council maintains community satisfaction levels for Rooding activity	Community satisfaction with rooding assets	N/A	>91%	NRB survey (3 yearly)
Council provides a network of roads which facilitates the safe movement of people and vehicles around the District	The change from the previous financial year in the number of fatalities and serious crashes on the local road network expressed as a number	Not Achieved. There was one fatality.	Increase of zero or less	NZ Police
Road Quality	The average quality of ride on a sealed local road network, measured by smooth travel exposure	Not Achieved The survey returned a 93% smooth travel exposure	No less than 95%	Annual independent survey
Road maintenance	The percentage of the sealed local road network that is resurfaced	Not achieved. 1.4% was resurfaced	Between 5% and 6.5% resurfaced annually	Council records
Response to service requests (Roads)	The percentage of customer service requests relating to roads to which Council responds within the timeframe specified	Potholes - not achieved (70.6% were repaired within 14 days)	<b>Potholes</b> 90% within 14 days and 100% within 28 days.	Council records (RFS database)
		Streetlights – achieved (92.3% within 14 days)	<b>Streetlights</b> 90% within 14 days and 100% within 28 days	
Council provides an appropriate network of footpaths for pedestrian use.	Community satisfaction with footpaths	N/A	N/A	NRB survey (3 yearly)
Footpath condition	Percentage of footpaths that fall within the level of service or service standard for the condition of footpaths as set out in the LTP	98.75% fell within the standard.	95% <sup>1</sup>	Annual independent survey
Response to service requests (Footpaths)	The percentage of customer service requests relating to footpaths to which Council responds within the timeframe specified	All (2) responded to within 14 days	100% within 14 days	Council records (RFS database)

<sup>1</sup> Against a standard of no more than 20 lips in the 70 km of footpaths

## Funding Impact Statement: Roading and Footpaths

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
	<b>Sources of operating funding</b>		
900,980	General rates, uniform annual general charges, rates penalties	947,850	682,040
0	Targeted rates	0	0
196,280	Subsidies and grants for operating purposes	200,380	138,810
32,000	Fees and charges	17,000	205,000
61,960	Internal charges and overheads recovered	55,780	60,190
65,500	Local authorities fuel tax, fines, infringement fees, and other receipts	66,940	66,000
<b>1,256,720</b>	<b>Total Operating Funding (A)</b>	<b>1,287,950</b>	<b>1,152,040</b>
	<b>Applications of operating funding</b>		
436,990	Payments to staff and suppliers	446,260	364,750
0	Finance Costs	0	0
489,990	Internal charges and overheads applied	507,860	157,510
0	Other operating funding applications	0	0
<b>926,980</b>	<b>Total applications of operating funding (B)</b>	<b>954,120</b>	<b>822,260</b>
<b>329,740</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>333,830</b>	<b>329,780</b>
	<b>Sources of capital funding:</b>		
708,530	Subsidies and grants for capital expenditure	439,680	683,630
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>708,530</b>	<b>Total sources of capital funding (C)</b>	<b>439,680</b>	<b>683,630</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
0	- to meet additional demand	0	0
823,000	- to improve the level of service	50,000	470,000
666,000	- to replace existing assets*	586,630	671,400
(450,730)	Increase (decrease) in reserves	136,880	(127,990)
0	Increase (decrease) of investments	0	0
<b>1,038,270</b>	<b>Total applications of capital funding (D)</b>	<b>773,510</b>	<b>1,013,410</b>
<b>(329,740)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(333,830)</b>	<b>(329,780)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

### Explanation of significant variances between the Long Term Plan and the Annual Plan

Street lighting costs have been decreased by \$50,000 due to power savings from LED lights.

## Capital Expenditure

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
89,500	Kerb Replacement	91,469	91,500
78,000	Street Light Renewals	79,716	20,000
128,000	Reseals	130,816	100,000
34,200	Pavement Treatment	34,952	35,000
35,000	Minor Safety Improvements	35,770	35,000
103,500	Reseal Carparks	13,797	13,800
160,000	Footpath Renewals/Town Centre Cobblestones	163,520	180,000
5,300	Rubbish Bin Replacements	5,417	5,500
1,300	District Seating	1,329	1,300
3,200	Town Centre Music	3,270	3,300
10,000	Video Camera and Audio System Renewals	10,220	10,000
420,000	Culvert Replacement/Stormwater Bunds	50,000	620,000
16,000	Decorative Lighting Renewals	16,354	26,000
405,000	Other (Seal, carpark & flood protection)	0	0
<b>1,489,000</b>	<b>Total Capital Expenditure</b>	<b>636,630</b>	<b>1,141,400</b>

### Explanation of significant variances between the Long Term Plan and the Annual Plan

Culvert replacements (\$420,000) and bunds (\$150,000) have been carried forward from 2018/19 to 2019/20. There is no other significant variances between the budget figures for the Annual Plan and Long term Plan for 2019/20 apart from the reduced capital expenditure for streetlight renewals \$59.7k as this work was completed in the 2017/18 year and reduced reseals because of the road condition.



JELlicoe COURT, KAWERAU

# Stormwater

Kawerau's stormwater system comprises a network of pipes, manholes and cesspits that collect stormwater from roads and transport it to a natural water course. Pipe sizes vary from 150mm to 1200mm. Stormwater from sources other than the roads does not typically cause problems, as Kawerau's soils are very permeable and therefore stormwater is rapidly absorbed into the ground. The stormwater from Council's network is disposed of in the Tarawera River, the Ruruanga Stream or the overflow stream. All reticulation operates by gravity.

The aim of this activity is:

- To dispose of stormwater in an environmentally acceptable manner that minimises impact on the Community.

The Stormwater group involves:

- The collection and removal of stormwater
- Repairing or replacing unsound pipes and other stormwater structures
- Cleaning and unblocking gutters, pipes and cesspits

Principal objectives are:

- To ensure the stormwater network continues to provide a high quality disposal system.
- To anticipate the time when it may be necessary to extend, upgrade or renew the existing stormwater scheme and to plan accordingly.
- To ensure the appropriate maintenance of the stormwater network in perpetuity, so there is no diminution in value and to forecast the estimated future cost of doing so.
- To put in place a sound management regime for all matters relating to the stormwater network.

Council holds resource consents for the discharge of stormwater collected from the transport network to natural water courses. Existing right use consents and separately granted consents are covered by a comprehensive Stormwater Catchment Management Plan.

## Performance Measures and Targets

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (System adequacy)	The number of flooding events that occur in the District.	Achieved. (0 flooding event)	No more than 10	Council records (RFS database)
	Number of habitable floors affected by each flooding event.	N/A	N/A	Properties are not connected to the stormwater system
Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (customer satisfaction)	The number of complaints received by Council about the performance of its stormwater system.	N/A	N/A	Properties are not connected to the stormwater system
Response times	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	Achieved. No flooding events	Less than 1 hour	Council records (RFS database)

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Discharge compliance	Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• infringement notices</li> <li>• enforcement orders, and</li> <li>• convictions, received by Council in relation those resource consents.</li> </ul>	Achieved	No notices, orders or convictions	Council records (RFS database)



KAWERAU MILLS WITH MOUNT PUTAUAKI IN THE BACKGROUND

## Funding Impact Statement: Stormwater

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
	<b>Sources of operating funding</b>		
45,970	General rates, uniform annual general charges, rates penalties	46,500	77,600
0	Targeted rates	0	0
24,060	Subsidies and grants for operating purposes	24,590	24,380
0	Fees and charges	0	0
13,160	Internal charges and overheads recovered	13,290	13,300
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
<b>83,190</b>	<b>Total Operating Funding (A)</b>	<b>84,380</b>	<b>115,280</b>
	<b>Applications of operating funding</b>		
32,080	Payments to staff and suppliers	32,790	52,500
0	Finance Costs	0	0
9,350	Internal charges and overheads applied	9,820	9,900
0	Other operating funding applications	0	0
<b>41,430</b>	<b>Total applications of operating funding (B)</b>	<b>42,610</b>	<b>62,400</b>
<b>41,760</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>41,770</b>	<b>52,880</b>
	<b>Sources of capital funding:</b>		
187,500	Subsidies and grants for capital expenditure	0	29,030
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
187,500	<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>29,030</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
260,000	- to replace existing assets*	0	38,700
(30,740)	Increase (decrease) in reserves	41,770	43,210
0	Increase (decrease) of investments	0	0
<b>229,260</b>	<b>Total applications of capital funding (D)</b>	<b>41,770</b>	<b>81,910</b>
<b>(41,760)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(41,770)</b>	<b>(52,880)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

\*Stormwater pipe renewals

### Explanation of significant variances between the Long Term Plan and the Annual Plan

There is no significant variance between the annual plan and the long term plan budgets for 2019/20 apart from stormwater pipe renewals \$38.7k which were not included in the LTP for 2019/20.

# Water Supply

The water supply system comprises the network of springs, pumps, reservoirs and pipes that distributes potable water to more than 2,400 households, four large industries and approximately 250 businesses, servicing a population of approximately 7,000 people. The aim of this activity is: “To provide a quality water supply in sufficient quantities to meet reasonable community needs”.

The Water Supply activity group involves:

- Management of water supply assets and monitoring water quality
- Repairing or replacing unsound pipes, structures and plant
- Planning to meet future requirements and improve operations

Principal objectives are:

- To ensure that the water supply network continues to provide a high quality water treatment and distribution service.
- To anticipate the time when it may be necessary to extend, upgrade or renew the existing water supply scheme and to plan accordingly.
- To ensure the appropriate maintenance of the public infrastructural assets in perpetuity, so that there is no diminution in value and to forecast the estimated future cost of doing so.
- To put in place a sound management regime for all matters relating to the supply of potable water.

## Performance Measures and Targets

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Provision of a quality water supply	Community satisfaction with water supply	N/A	97%	NRB Survey (every 3 years)
Customer satisfaction	The total number of complaints received about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and f) Council's response to any of these issues expressed per 1000 connections to the networked reticulation system.	Not achieved. There were 12 complaints about water clarity	a) No more than 4 per 1000 connections b) No more than 2 per 1000 connections c) No more than 1 per 1000 connections d) No more than 2 per 1000 connections e) No more than 2 per 1000 connections f) 0 per 1000 connections	Council records (RFS database)

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Safety of drinking water	The extent to which Council's drinking water supply complies with: a) part 4 of the 2008 drinking-water standards (bacteria compliance criteria), and b) part 5 of the 2008 drinking-water standards (protozoal compliance criteria).	Not achieved. Two instances of E-coli and one instance of protozoal non-compliance.	a) No more than 1 instance of bacteria criteria non-compliance and b) No instances of protozoal criteria non-compliance	Toi Te Ora Public Health service reports
Maintenance of the reticulation network	The percentage of real water loss from the Council's networked reticulation system, measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines.	Not achieved. Average was 323 litres per day	<200 litres per connection per day <sup>2</sup>	Council records
Demand management	The average consumption of drinking water per day per resident within the district.	Achieved. Average consumption was 0.458 m3 per day	0.6 m3	Council records
Fault response times	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response times are: <sup>3</sup>			
	a) attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	There were no urgent callouts	Less than two hours	Council records (RFS database)
	b) resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	No urgent callouts	Less than 8 hours	
	c) attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	44 non-urgent call-outs responded to within 24 hours	24 hours	
	d) resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption	Achieved (All 44 callouts were resolved within 48 hours)	48 hours	

<sup>2</sup> Measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines.

<sup>3</sup> Non-Financial Performance Measures Rules 2013 made by the Secretary for Local Government pursuant to and in accordance with section 261B of the Local Government Act 2002

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
The water supply is reliable and has minimal disruptions	Number of unplanned shutdowns - reticulation	There were 3 unplanned shut-downs	No more than 12	Council records
	Number of unplanned shutdowns - pump stations	There were no unplanned shut-downs of pump stations	None	Council records
	Number of water main breaks	There was 1 water main break	No more than 8	Council records
Water is sourced with minimal environmental effects	Compliance with BOP Regional Council water supply resource consents as reported in Annual Consents and Compliance Field Sheet.	Achieved compliance	Compliance <sup>4</sup>	BOP Regional Council



TARAWERA RIVER AND SLALOM COURSE

<sup>4</sup> BOPRC inspection reports state either compliance or non-compliance.

## Funding Impact Statement: Water Supply

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
	<b>Sources of operating funding</b>		
703,980	General rates, uniform annual general charges, rates penalties	745,040	793,810
173,920	Targeted rates	179,030	203,520
0	Subsidies and grants for operating purposes	0	0
0	Fees and charges	0	0
145,910	Internal charges and overheads recovered	142,350	145,000
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
<b>1,023,810</b>	<b>Total Operating Funding (A)</b>	<b>1,066,420</b>	<b>1,142,330</b>
	<b>Applications of operating funding</b>		
306,700	Payments to staff and suppliers	333,830	376,200
0	Finance Costs	0	0
293,350	Internal charges and overheads applied	308,450	321,420
0	Other operating funding applications	0	0
<b>600,050</b>	<b>Total applications of operating funding (B)</b>	<b>642,280</b>	<b>697,620</b>
<b>423,760</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>424,160</b>	<b>444,710</b>
	<b>Sources of capital funding:</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>0</b>	<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
0	- to meet additional demand	0	0
130,000	- to improve the level of service	0	0
137,550	- to replace existing assets*	795,560	660,600
156,210	Increase (decrease) in reserves	(371,420)	(215,890)
0	Increase (decrease) of investments	0	0
<b>423,760</b>	<b>Total applications of capital funding (D)</b>	<b>424,140</b>	<b>444,710</b>
<b>(423,760)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(424,140)</b>	<b>(444,710)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

### Explanation of significant variances between the Long-Term Plan and the Annual Plan

There are no significant variances between the LTP and the Annual Plan apart from there being provision in the Long Term Plan of \$100k for valve refurbishment, which was subsequently decided to be not required for 2019/20.

## Capital Expenditure

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
50,000	Pipework Replacement	618,220	600,000
21,850	Toby Replacement	22,440	12,000
35,100	Valve Replacement	126,350	20,000
29,100	Refurbish Pumps	0	0
12,200	UV Tube Replacement	12,530	12,600
119,300	Reservoir upgrade / Dosing, Bore controls	16,020	16,000
<b>267,550</b>	<b>Total Capital Expenditure</b>	<b>795,560</b>	<b>660,600</b>



TARAWERA RIVER WITH MOUNT PUTAUAKI IN THE BACKGROUND

# Wastewater

This group includes “wastewater collection and disposal”. Council’s wastewater system is a network of pipes, manholes, cleaning eyes, pumps and a treatment plant.

The wastewater activity contributes mainly to providing effective, efficient and sustainable infrastructure and services and to prevent harm and nuisance and to protect people’s health and safety.

The overall aim of this group of activities is “to provide a system of domestic wastewater collection and primary treatment”.

## Performance Measures and Targets

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Provision of domestic wastewater collection and primary treatment	Community satisfaction with wastewater disposal	Not applicable	97%	NRB survey
Customer satisfaction	The total number of complaints received about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) Council’s response to issues with its sewerage system, expressed per 1000 connections to the sewerage system.	Achieved.	a) No more than 1 per 1000 connections b) No more than 15 per 1000 connections c) No more than 15 per 1000 connections d) 0 per 1000 connections	Council records (RFS database)
System adequacy	The number of dry weather sewage overflows from Council’s sewerage system, expressed per 1000 connections to that sewerage system.	Achieved. There were no dry weather overflows during year.	0 per 1000 connections to the sewerage system	Council records
Fault response times	Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median response times are:			
	a) attendance time: from the time that Council receives notification to the time that service personnel reach the site, and	Attendance (3) were within 1 hour	Less than 1 hour	Council records (RFS database)
	b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Resolutions (3) were within 4 hours	Less than 8 hours	Council records (RFS database)
Council provides a reliable domestic wastewater collection and disposal service	Number of disruptions to wastewater collection service	There were 24 disruptions	No more than 50	Council records

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Discharge compliance	Compliance with resource consents for discharge from Council's sewerage system measured by the number of:  a) abatement notices b) infringement notices c) enforcement orders, and d) convictions,  received in relation those resource consents.	No notices, orders or convictions	No notices, orders or convictions	Council records
The wastewater treatment plant operates effectively	Compliance with BOPRC wastewater treatment plant resource consents as reported in annual Consents and Compliance Field Sheet	Achieved	Compliance <sup>5</sup>	BOP Regional Council



STAFF WORKING ON WATER PIPE

<sup>5</sup> BOPRC inspection reports state either compliance or non-compliance.

## Funding Impact Statement: Wastewater

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
	<b>Sources of operating funding</b>		
863,680	General rates, uniform annual general charges, rates penalties	869,580	976,000
348,320	Targeted rates	357,870	419,340
0	Subsidies and grants for operating purposes	0	0
75,000	Fees and charges	77,100	20,000
134,390	<b>Internal charges and overheads recovered</b>	143,570	143,120
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
<b>1,421,390</b>	<b>Total Operating Funding (A)</b>	<b>1,448,120</b>	<b>1,558,460</b>
	<b>Applications of operating funding</b>		
541,650	Payments to staff and suppliers	553,860	635,100
0	Finance Costs	0	0
450,470	<b>Internal charges and overheads applied</b>	464,730	491,070
0	Other operating funding applications	0	0
<b>992,120</b>	<b>Total applications of operating funding (B)</b>	<b>1,018,590</b>	<b>1,126,170</b>
<b>429,270</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>429,530</b>	<b>432,290</b>
	<b>Sources of capital funding:</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>0</b>	<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
50,000	- to meet additional demand	0	0
0	- to improve the level of service	0	0
199,400	- to replace existing assets	48,180	75,300
179,870	Increase (decrease) in reserves	381,350	356,990
0	Increase (decrease) of investments	0	0
<b>429,270</b>	<b>Total applications of capital funding (D)</b>	<b>429,530</b>	<b>432,290</b>
<b>(429,270)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(429,530)</b>	<b>(432,290)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

### Explanation of significant variances between the Long-Term Plan and the Annual Plan

There are no significant variances for this activity between the Long Term Plan and the Annual Plan for 2019/20 apart from an additional \$50k for WWTP maintenance and increased pipe and WWTP renewals.

## Capital Expenditure

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
50,000	Pipework Replacement	0	18,500
32,700	Refurbish Pumps	33,420	38,000
2,700	Milliscreen Bearings	2,870	2,800
164,000	WWTP Renewals	11,890	16,000
<b>249,400</b>	<b>Total Capital Expenditure</b>	<b>48,180</b>	<b>75,300</b>

# Solid Waste

This group includes:

- Refuse Collection
- Refuse Disposal
- Zero Waste

Refuse collection includes a weekly collection of residual waste and a fortnightly collection of green waste for residential properties. Recycling collection from both residential and commercial properties is undertaken on a weekly basis. There is also a transfer station where waste can be taken.

This group of activities contributes mainly to providing effective, efficient and sustainable infrastructure and services and to prevent harm and nuisance and to protect people's health and safety.

The overall aim of this group of activities is "to minimise the presence of refuse within the District and to minimise the amount of local waste, which goes to landfill".

## Performance Measures and Targets

### Refuse Collection and Disposal

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Provision of a cost effective refuse collection and disposal that will encourage a healthy, clean and tidy district	Community satisfaction with refuse collection	N/A	90%	NRB survey
	Community satisfaction with refuse disposal	N/A	73%	
	User satisfaction with refuse disposal	N/A	83%	
Council's refuse collection and disposal services meet the needs of the Kawerau Community and help maintain public health and a clean environment	Frequency of residual refuse collection from residential properties	52 weekly collections	52 weekly collections	Council records
Council's refuse collection and disposal services meet the needs of the Kawerau Community and help maintain public health and a clean environment	Level of compliance with BOP Regional Council refuse disposal resource consents as reported in annual Consents and Compliance Field Sheet	Achieved	Compliance <sup>6</sup>	BOP Regional Council

<sup>6</sup> BOPRC inspection reports state either compliance or non-compliance

## Recycling (Zero Waste)

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Council's refuse collection and disposal services meet the needs of the Kawerau Community	Community satisfaction with recycling services	N/A	92%	NRB survey
Material which would otherwise go to landfill as household refuse is collected by the recycling collection service	Average amount of recyclable material collected from each household.	Achieved. (206kg per household)	No less than 178kg per annum	Council records.
Council's refuse collection and disposal services meet the needs of the Kawerau community and help maintain public health and maintain public health and a clean environment	Frequency of recycling collection from properties	New measure	52 weekly collections	Council records.



STAFF MEMBER AT KAWERAU TRANSFER STATION

## Funding Impact Statement: Solid Waste

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
	<b>Sources of operating funding</b>		
855,500	General rates, uniform annual general charges, rates penalties	880,560	802,040
409,960	Targeted rates	421,210	417,470
0	Subsidies and grants for operating purposes	0	0
348,180	Fees and charges	355,840	468,540
14,860	Internal charges and overheads recovered	15,330	15,410
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
<b>1,628,500</b>	<b>Total Operating Funding (A)</b>	<b>1,672,940</b>	<b>1,703,460</b>
	<b>Applications of operating funding</b>		
1,117,460	Payments to staff and suppliers	1,140,470	1,156,990
11,450	Finance Costs	12,320	11,770
470,430	Internal charges and overheads applied	490,350	502,360
0	Other operating funding applications	0	0
<b>1,599,340</b>	<b>Total applications of operating funding (B)</b>	<b>1,643,140</b>	<b>1,671,120</b>
<b>29,160</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>29,800</b>	<b>32,340</b>
	<b>Sources of capital funding:</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>0</b>	<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
70,000	- to replace existing assets*	0	10,000
(40,840)	Increase (decrease) in reserves	29,800	22,340
0	Increase (decrease) of investments	0	0
<b>29,160</b>	<b>Total applications of capital funding (D)</b>	<b>29,800</b>	<b>32,340</b>
<b>(29,160)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(29,800)</b>	<b>(32,340)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

\*Hotmix and concrete apron

### Explanation of significant variances between the Long-Term Plan and the Annual Plan

There are increased recoveries for refuse disposal in the 2019/20 Annual Plan (\$112.7k) following Council's decision to increase the fees for refuse disposal

# Leisure and Recreation

The Leisure and Recreation group of activities comprises:

- Public Library
- Museum
- Swimming Pools
- Public Halls and Facilities
- Parks and Reserves (including Cemetery)

Public Halls and Facilities comprise the Ron Hardie Recreation Centre, Town Hall, Concert Chamber and Public Toilets.

Parks and Reserves comprise Sports Fields, Passive Reserves, Road Berms, Street Trees, Bedding Displays, Playgrounds and the Cemetery.

The level of service and extent of these activities are provided directly improves the quality of life for all the people of Kawerau in some way.

## Performance Measures and Targets

### Public Library

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
The library is accessible to the public	Percentage of the population who are active members of the library <sup>7</sup>	25.7% were active members	>25%	Council records
	Number of visits to the library per annum	New measure	>90,000	Council records.
	New items per 1,000 population added to the collection each year.	576 new items per 1000 pop were added to collection.	>500	Council records
Council provides public library services and resources which suit Community needs	Community satisfaction with the Public Library	N/A	86%	NRB survey (every 3 years)
	User satisfaction with the Public Library	N/A	96%	

### Museum

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Council provides a museum service which reflects Community needs	Number of exhibitions held	9 exhibitions were held	6	Council records
	Number of historical articles produced <sup>8</sup>	10 historical articles were produced.	10	Council records
	Number of objects accessioned to the museum collection per annum	201 objects were accessioned for the year	200	Council records
Council provides a museum service which reflects Community needs	Community satisfaction with the Museum	N/A	65%	NRB survey (every 3 years)
	User satisfaction with the Museum	N/A	95%	

<sup>7</sup> Those who have used library services in the past two years.

<sup>8</sup>Historical articles include a mix of oral histories, exhibition booklets and special event DVDs.

## Swimming Pools

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Council provides a Swimming Pool Complex which is accessible to the Community	Weeks open per year	Pool open for 49 weeks	At least 48	Council records
Council provides a Swimming Pool Complex which reflects the community's needs	Community satisfaction with Public Swimming Pools	N/A	93%	NRB survey (every 3 years)
	User satisfaction with Public Swimming Pools	N/A	97%	
Pool water meets water quality standards	Level of compliance with standards	96.7% compliance	Full compliance in 95% of tests	Council records

## Public Halls and Facilities

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Council provides public halls and facilities which reflects Community needs	Community satisfaction with Public Halls	N/A	82%	NRB Survey (every 3 years)
	User satisfaction with Public Halls	N/A	94%	
	Community satisfaction with Public Toilets	N/A	66%	
	User satisfaction with Public Toilets	N/A	83%	
Four community halls are available for hire: Ron Hardie Recreation Centre, Town Hall, Concert Chamber and Bert Hamilton Hall	Number of weeks public halls available for hire	Concert chamber was closed for 6 weeks while all other halls available for at least 50 weeks	Each hall is available for 50 weeks <sup>9</sup>	Council records
Clean public toilets are provided in the central business district	Council provides town centre public toilets	Toilets open for 365 days of the year.	Open at least 360 days	Council records

## Parks and Reserves

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Council provides parks and reserves which meet community needs	Community satisfaction with Parks and Reserves	N/A	94%	NRB Survey (every 3 years)
	Community satisfaction with Community attractiveness and beautification	N/A	99%	
Council provides an adequate number of reserves for Community leisure and recreation	Percentage of households situated within 500 metres of a reserve	100% of households are within 500 metres of a reserve.	At least 95%	Council records
Playing surfaces at sports fields are maintained to the requirements of the codes for which they are used	Implementation of recommendations of NZ Sports Turf Institute advisory reports.	NZ Sports Turf Institute recommendations implemented	100%	Council records

<sup>9</sup> Each hall is closed for scheduled maintenance for up to two weeks per year.

Levels of Service	Measures	Current performance (2017/18)	Target 2019/20	Data source
Bedding displays are attractive and updated to suit the season	Number of bedding displays	There were 2 separate bedding displays	2 (1 summer and 1 winter)	Council records
Playground equipment is safe for children to use	Monthly inspections of all playground equipment	6 inspections conducted (was bi-monthly)	12 inspections conducted	Council records
	Remediation of all identified <sup>10</sup> problems	All repairs completed within 14 days	All repairs completed within 2 weeks	Council records
The Kawerau cemetery meets Community interment needs in the present and the medium term	Community satisfaction with the Cemetery	N/A	79%	NRB survey (every 3 years)
	Visitor satisfaction with the Cemetery	N/A	97%	
	Number of burial plots available	Enough plots available for a further 10 years.	At least enough for the next five years	Council records



BBQ AREA AT MAURIE KJAR MEMORIAL SWIMMING POOL

<sup>10</sup> Problems can be identified by users, parents, community members or staff at any time.

## Funding Impact Statement: Leisure and Recreation

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
	<b>Sources of operating funding</b>		
3,990,300	General rates, uniform annual general charges, rates penalties	4,050,070	4,042,330
0	Targeted rates	0	0
900	Subsidies and grants for operating purposes	920	900
65,210	Fees and charges	66,680	83,300
29,040	Internal charges and overheads recovered	33,850	33,080
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	
<b>4,085,450</b>	<b>Total Operating Funding (A)</b>	<b>4,151,520</b>	<b>4,159,610</b>
	<b>Applications of operating funding</b>		
2,137,370	Payments to staff and suppliers	2,124,730	2,126,710
110,780	Finance Costs	109,230	108,470
1,201,680	Internal charges and overheads applied	1,269,320	1,230,480
0	Other operating funding applications	0	0
<b>3,449,830</b>	<b>Total applications of operating funding (B)</b>	<b>3,503,280</b>	<b>3,465,660</b>
<b>635,620</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>648,240</b>	<b>693,950</b>
	<b>Sources of capital funding:</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>0</b>	<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
0	- to meet additional demand	0	0
53,000	- to improve the level of service	0	0
519,760	- to replace existing assets*	260,200	589,100
62,860	Increase (decrease) in reserves	388,040	104,850
0	Increase (decrease) of investments	0	0
<b>635,620</b>	<b>Total applications of capital funding (D)</b>	<b>648,240</b>	<b>693,950</b>
<b>(635,620)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(648,240)</b>	<b>(693,950)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

### Explanation of significant variances between the Long-Term Plan and the Annual Plan

There is additional capital expenditure for the swimming pool \$199,500 which is for Swimming Clubrooms, doing up the entrance and replacing the clay pavers and \$25,000 for Playground upgrades.

## Capital Expenditure

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Plan 2019/20
68,320	Library and Museum - Collection Renewals	69,820	69,490
53,000	-Office Equipment	3,190	1,990
33,500	-Fixture and Fittings	0	3,400
25,740	-Building	9,650	9,600
96,000	Swimming Pool	61,500	239,000
67,800	Recreation Centre	6,340	9,300
41,500	Town Hall	22,560	22,500
6,800	Concert Chambers	10,370	13,800
51,000	Sportsfields and Amenity Buildings	21,220	69,990
50,600	Passive Reserve Renewals	51,720	111,200
58,500	Playground Renewals	3,830	33,830
20,000	Cemetery (Building and Carpark)	0	5,000
<b>572,760</b>	<b>Total Capital Expenditure</b>	<b>260,200</b>	<b>589,100</b>



FIRMIN LODGE, KAWERAU

# Council Controlled Organisations (CCOs)

## Introduction

A CCO is a company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. CCOs are essentially any company with a majority Council shareholding, or a trust or similar organisation with a majority of council-controlled votes or council-appointed trustees.

In order to achieve its objectives, Council is a shareholder in two CCOs: Bay of Plenty Local Authority Shared Services Limited (BoP LASS), which is jointly owned by all eight councils in the Bay of Plenty Region and Gisborne District Council, and Toi Economic Development Agency (Toi-EDA), which is jointly owned by the Kawerau, Opotiki and Whakatane District Councils.

## CCO Performance Measures and Targets

The following is a report of performance targets for the 2019/20 year.

## Bay of Plenty Local Authority Shared Services Limited (BoP LASS)

### About this CCO

The Kawerau District Council is a one-ninth shareholder in BoP LASS. BoP LASS was formed on 15 October 2007 to support councils that operate within the boundaries of the Bay of Plenty region.

The principal activities of BoP LASS are to investigate, develop and deliver shared back office services and communications where and when that can be done more effectively for any combinations of some or all of the councils.

### Governance

BoP LASS will conduct itself in accordance with its constitution, its annual statement of intent agreed with shareholders, the provisions of the Companies Act 1993 and the Local Government Act 2002.

The company is governed by its Directors. To ensure total synergy between the company's activities and its council shareholders' activities, the Directors are also the Chief Executives of their respective council shareholders.

BoP LASS has nine directors appointed by its shareholders. Unless otherwise agreed by the Board, each appointee is the current (or acting) Chief Executive of the council shareholder including:

- Bay of Plenty Regional Council
- Gisborne District Council
- Kawerau District Council
- Opotiki District Council
- Rotorua District Council
- Taupo District Council
- Tauranga City Council
- Western Bay of Plenty District Council
- Whakatane District Council

In addition, the Board may appoint up to three professional Directors to supplement the Directors'/Chief Executives' expertise.

## Policies and Objectives in regard to Ownership and Control

The objectives of BoP LASS as stated in its statement of intent are as follows:

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

- **Joint Procurement:** Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BoP LASS or individually by participating councils.
- **Shared Services:** Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

## Nature and Scope of Activities

The principal nature and scope of the activity of BoP LASS is to:

- Use joint procurement to add value to goods and services sourced for its constituent councils.
- Establish the underlying technology, framework, platform and policies to enable and support collaboration.

- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its shareholders in matters with which it is associated.

## Key Performance Targets

To ensure the Company continues to operate effectively in both governance and management terms over the next three years the targets are

- Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
- A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
- Resource assignment measured from project job tracking.
- Number of listed projects to increase by 20% per year. Number of active users to increase by 20% per year.
- At least one meeting per year (with the leadership team of each shareholding Council).

## Toi Economic Development Agency (Toi-EDA)

### About Toi-EDA

Toi-EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by three territorial authorities (Kawerau, Opotiki and Whakatane) and Te Runanga o Ngati Awa on behalf of the Mataatua Iwi Forum.

The primary objective of Toi-EDA is to make a positive difference to the Eastern Bay of Plenty economy by supporting sustainable business and industry and increasing productivity by focusing on the region's natural and human resources. Toi-EDA provides goods or services for the Community of social benefit rather than making a financial return. Accordingly, it is designated as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

### Toi-EDA as an Exempt CCO

On 30 March 2010, the Council resolved that Toi-EDA would become an exempt Council Controlled Organisation (CCO) under the Local Government Act 2002. As a CCO, Toi-EDA was required by legislation to meet a number of reporting requirements that were considered onerous and expensive in relation to its size. Exemption from these requirements allows Toi-EDA to focus more of its limited resources on economic development. As an exempt CCO, the reporting requirements of Toi-EDA will be similar to those of other Council activities.

This change has not affected the nature or delivery of the services delivered by Toi-EDA.

### Trustees

Toi-EDA operates under a Trust Deed. Toi-EDA's trustees are experienced business people and community leaders who play a vital role in leading and guiding the organisation. They bring a wealth of experience and skills spanning commercial, finance, governance and business development, as well as entrepreneurial skills.

The Trustees' role is to:

- Provide strategic leadership and oversee strategy
- Meet and network with key stakeholders
- Provide advocacy
- Ensure sustainable economic development
- Monitor progress
- Provide governance
- Generate ideas / foster growth
- Influence the community and stakeholders
- Support staff
- Take positions / prepare submissions on major developments
- Perform a custodial role over resources

### Significant Policies and Objectives in regard to Ownership and Control

- To attract people to work, live and play in the Eastern Bay of Plenty
- To align Toi-EDA with regional and national economic development activity

- To encourage alignment with Maori economic development
- To support and develop industry
- To align training and education with employment needs
- To advocate for improved infrastructure and transportation
- To foster communication with the community and partners
- To secure and diversify the Toi-EDA funding base

### **Nature and Scope of Activities**

- Developing and implementing a co-ordinated marketing strategy to attract more people to visit and live in the region
- Identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty
- Advocate for new facilities and event resources
- Promote conference opportunities.
- Implementing economic development projects



PHOTO FROM EASTERN BOP REGIONAL DEVELOPMENT PROJECT

**Section 3:  
TOTAL COUNCIL  
PROSPECTIVE  
FINANCIAL  
STATEMENTS**

# Significant Forecasting Assumptions, Risks and Possible Implications

Financial estimates form part of the Annual Plan. These estimates are based on assumptions about future conditions and events, which may or may not occur. A financial estimate's quality is therefore dependent on the appropriateness, completeness and reasonableness of the underlying assumptions as well as on the underlying information. Actual results may differ from these assumptions and variations may be material. The information in these financial statements may not be appropriate for purposes other than that of Council consulting with the Community on the spending priorities outlined in this Plan.

The LGA 2002 requires these assumptions to be disclosed. This allows the readers to make their own judgement on the assumptions' quality and reliability. To further assist readers make an informed judgement, it is also necessary to provide information about the sensitivity (to change) of financial estimates. The LGA describes these financial estimates as being based on assumptions that "involve a high level of uncertainty".

The Plan must clearly identify:

- All the significant forecasting assumptions and risks underlying the financial estimates
- The assumptions of the Council concerning the useful life of significant assets and the sources of funds for future replacement of significant assets
- In any case where significant forecasting assumptions involve a high level of uncertainty, the fact of that uncertainty and an estimate of the potential effects of that uncertainty on the financial estimates provided

The following assumptions underlying the preparation of these forecasts were made in preparing this Plan.

## 1. Useful lives of significant assets

Assets	Estimated Economic Life (years)
Operational:	
- Buildings	40-67
- Computers/electronic office equipment	3-5
- Fixtures, fittings and equipment	5-50
- Plant (vehicles)	5
- Library lending matter (excluding special collections)	7
Infrastructural:	
- Transport Management:	
✓ Street lighting	6-30
✓ Kerb, channel and footpath	28-95
✓ Pavement surface	1-13
✓ Pavement structure	6-74
✓ Stormwater	4-62
- Water Supply:	
✓ Collection and storage	5-79
✓ Local distribution	7-79
- Wastewater:	
✓ Reticulation system	4-68
✓ Pumping and treatment	2-70
Restricted:	
- Buildings and other	40-53

## 2. Sources of funds for future replacement of significant assets

Some buildings are non-strategic and the level of utilisation in many cases is significantly below availability. As a result, it is unlikely they would be replaced in their present form. Also their replacement may be by rented accommodation or by buildings funded by way of loans. The advantage of not funding depreciation on these buildings is that the Community is not rated for depreciation on assets that are unlikely to be replaced with buildings of equivalent value. Buildings that are unlikely to be replaced in their present form include the Council Buildings (including Town Hall, Concert Chamber, Library/Museum and Offices), Tarawera Park Amenity Building, Recreation Centre, Swimming Pool, Depot and Pensioner Housing.

### 3. Projected growth change factors (population and development)

Based on population projections provided by Stats NZ, the district is expected to have an increase in population (since the last census) and a consequential growth in demand for additional infrastructural services. The existing infrastructural network will cope with any additional demand to a population of at least 10,000 (Kawerau's current population estimate is just over 7,000). Growth is monitored to determine any potential additional demand on infrastructural services and Council through its economic development initiatives anticipates that the projected population will continue to rise

### 4. Cost factors (inflation)

The forecasts in this Plan have been adjusted for inflation using the following projections of price level change adjusters prepared for the Society of Local Government Managers by Business and Economic Research Limited (BERL) apart from costs which are fixed for 2019/20.

#### Inflation adjusters: Percent change per annum

Year ending	Roading	Property	Water	Energy	Staff	Other
2019/20	2.2%	2.2%	2.8%	2.8%	1.6%	2.2%

Source: BERL 2018

### 5. New Zealand Transport Agency (NZTA) subsidy rates

NZTA (formerly Land Transport New Zealand) contributes significantly to the costs of maintaining and renewing the roads and stormwater systems. The assumption has been made that when roads and stormwater systems are due for renewal, NZTA will contribute towards the cost on the agreed rate of 75% (75% for 2018/19). The budgeted NZTA subsidy for 2019/20 is \$875,845.

#### Sensitivity in subsidy revenue to a 5% change in subsidy rates

Risk: Change in rate  
Likelihood: Moderate  
Impact: \$43,790

### 6. Revaluation of non-current assets

Council's current accounting policy is that Infrastructural assets (including land and buildings) are revalued on a three-yearly basis. The last revaluation was as at 30 June 2016. Under the current policy, revaluations will next occur as at 30 June 2019. Provision has been included in the financial statements for the possible movements in the value of Council's non-current assets following the next revaluation.

There has been no provision made for any possible movements in the valuation of Council's current assets.

### 7. Forecast return on investments

The interest rates on invested funds assumed for the 2019/20 Annual Plan period is shown in the table below. This rate is based on the interest rates on current investments as at June 2019.

	2019/20
Interest rate	3.5%
Average investments	\$4,700,000

#### Sensitivity in interest revenue to a 1% change in interest rates

Risk: Change in rate  
Likelihood: High  
Impact: \$47,000

### 8. Expected interest rates on internal borrowing

Council uses its reserves and internal borrowing to fund new capital projects. The primary objective of funding internally is to use reserves efficiently and create operational savings by eliminating the interest rate margin between separately investing and borrowing externally. The following parameters apply to internal loans:

- The term of the internal loan will be determined after considering the original purpose of the reserve fund
- Principal amounts are repaid in quarterly instalments on the due date of each rates instalment. Amounts are agreed upon at the commencement of the loan and determined on a table mortgage basis
- Interest is charged to the activity centre based upon the average rate of Council's investments on the date it resolves to lend internally

- Council has the ability to reset interest rates annually during the preparation of the Annual Plan

It is anticipated that all borrowing will be done internally from depreciation reserves. The expected interest rates on borrowing are based on the forecast interest rates for investments.

	2019/20
Interest rate	3.5%
Average borrowing (internal)	\$1,905,000

**Sensitivity in interest expense to a 1% change in interest rates**

Risk: Change in rate  
 Likelihood: High  
 Impact: \$19,050

**9. Climate Change**

Council has assumed that the excess capacity in the District’s infrastructure will cope with any effects of climate change such as changing weather patterns (extreme weather events).

**10. Insurance**

Council has assumed that it will be able to obtain insurance cover for all existing policies and that the cost for insurance will be similar to that for the current year plus inflation.

**11. Societal Changes**

Council has assumed that there will be no significant changes to the makeup of the district’s population and therefore has not made any provision for additional (or reduced) services.

**12. Impact of Future Legislative Changes**

Any changes required to the Annual Plan will be considered following the implementation of any legislative changes and once the implications of the changes have been fully considered.



PHOTO OF KAWERAU TAKEN FROM MONIKA LANHAM RESERVE

# Prospective Statement of Accounting Policies

## Reporting entity

Council is a local authority in terms of the Local Government Act and designates itself to be a Public Benefit Entity with the primary objective of providing goods and services for the benefit of its Community rather than for a financial return. The purpose of prospective financial statements in this Plan is to provide users with information about the core services that Council intends to provide to the Community, the expected cost of those services and, as a result, how much Council requires by way of rates to fund the intended levels of service.

## Statement of Compliance and Basis of Preparation

The prospective financial statements included in the Annual Plan have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with Generally Accepted Accounting Practice.

The financial statements comply with the applicable reporting standards as appropriate for public benefit entities.

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

## Measurement Base

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of certain classes of Property, Plant and Equipment. The preparation of financial statements that conform to NZ GAAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets that are not readily apparent from other sources.

Estimates and assumptions are reviewed on an ongoing basis and revisions to the accounting estimates recognised in the period of the revision, or in that period and any future periods that are affected by the revision. It should be noted that actual results may vary from these estimates. The accounting

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

## Revenue

### Rates revenue

Rates are set annually by a resolution from Council and rates revenue is recognised within the financial year for which the rates have been set.

### Government grants and subsidies

Council receives government grants from the New Zealand Transport Agency (formerly Land Transport New Zealand), which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

### Petrol tax

Petrol tax is recognised as revenue on receipt.

### Interest revenue

Interest is recognised as revenue using the effective interest method.

### Other revenue

Water meters are read, and the usage billed, on the last day of each quarter. Unbilled usage at the year end is accrued based on the actual reading at 30 June. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. Sales of goods are recognised when a product is sold to the customer and the recognised revenue is the gross amount of the sale.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction. Dividends are recognised when the right to receive payment has been established.

## Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

## 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 Council has no obligation to award on receipt of the grant application and are recognised as expenditure in the financial year for which they are granted.

## Support activity costs

Support activity costs are allocated to significant activities on the basis of relative total direct costs.

## 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, Council recognises finance leases 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.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether 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.

## 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.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

## Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

## Inventories

Inventories include all goods held for the purpose of eventual consumption. They are measured at the lower of cost (using the FIFO method) and current replacement cost.

## Investments

Investments represent Council's shareholdings in New Zealand Local Government Insurance Corporation Limited and BoP LASS Limited and are held at cost. Council classifies its financial assets into four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classifications of Council's investments at initial recognition and re-evaluates this designation at every reporting date.

## Impairment of financial assets

At each balance date, Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

## Non-current assets 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. 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 or non-current assets held for sale are recognised in the Statement of Comprehensive Income.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

## Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed 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.

## Property, plant and equipment

### Operational assets

These include land, buildings, library and museum collections, plant and equipment and motor vehicles.

### Infrastructure assets

This comprises the fixed utility systems (roads, water, wastewater and stormwater) owned by Council. Each asset class includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and sewer pump stations.

### Restricted assets

These include parks and reserves owned by Council which provide a benefit or service to the Community and cannot be disposed of because of legal or other restrictions.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

### Additions

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

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

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### Subsequent costs

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

## Depreciation of property, plant and equipment

Depreciation is provided on either the straight-line (SL) or diminishing value (DV) basis on all property, plant and equipment other than land and pavement formation, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The estimated useful lives, associated depreciation rates and depreciation basis for each major class of assets are as outlined in the table below:

### Depreciation of property, plant and equipment

Assets	Estimated Useful Life (years)	Depreciation Rate	Method
Operational:			
- Buildings	10-67	1.5% - 10.0%	SL
- Computers/electronic office equipment	3-5	20.0% - 33.3%	SL
- Fixtures, fittings and equipment	5-50	2.0% - 20.0%	DV
- Plant (vehicles)	5	20.0%	DV
- Library collections (excluding special collections)	7	15.0%	DV
Infrastructural:			
- Roothing Network:			
✓ Street lighting	6-30	3.3% - 16.0%	SL
✓ Kerb, channel and footpath	28-95	1.1% - 3.6%	SL
✓ Pavement surface	1-13	7.7% - 100%	SL
✓ Pavement structure	6-74	1.4% - 16.7%	SL
- Stormwater	4 - 62	1.6% - 25.0%	SL
- Water Systems:			
✓ Collection and storage	5-79	1.3% - 20.0%	SL
✓ Local distribution	7-79	1.3% - 14.0%	SL
- Wastewater System:			
✓ Reticulation system	4-68	1.5% - 25.0%	SL
✓ Pumping and treatment	2-70	1.4% - 50.0%	SL
Restricted:			
- Buildings and other	5-53	1.8% - 20.0%	SL

Notes: SL = straight-line method of depreciation. DV = diminishing value method of depreciation. Pavement formation is not depreciated.

### Revaluation

Land, buildings and infrastructural assets are revalued every three years, which will next occur as at 30 June 2019.

Those asset classes that are revalued are valued on the bases described below. All other asset classes are carried at depreciated historical cost.

### Operational land and buildings

Operational land and buildings are reported at fair value as determined from market-based evidence by an independent valuer. The next valuation is due to be undertaken at 30 June 2019.

### Infrastructural assets

Infrastructural assets are reported at fair value as determined from market-based evidence by an independent valuer. The next valuation will be as at 30 June 2019. Infrastructural asset classes: Roads, water reticulation, wastewater reticulation and stormwater systems.

### Restricted land and buildings

Restricted land and buildings are recorded at fair value determined on a depreciated replacement cost basis by an independent valuer. The next valuation will be as at 30 June 2019.

### Land under roads

Land under roads, was valued based on fair value of adjacent land, effective 1 July 2004. Under NZ IFRS, Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is no longer revalued.

### Library collections

Library books were valued at deemed cost as at 1 July 1991. Library additions are recorded at cost less accumulated depreciation on the diminishing value basis.

### Accounting for revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset

revaluation reserve, this balance is expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first up to the amount previously expensed, then credited to the revaluation reserve for that class of asset.

## Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Assets	Estimated Useful Life (years)	Amortisation Rate	Method
Computer Software	3-8	12.5% - 33.3%	SL

## Employee benefits

### Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date; annual leave earned, but not yet taken at balance date; retiring and long service leave entitlements expected to be settled within 12 months; and sick leave.

### Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave, retirement leave and superannuation schemes, have been calculated on an actuarial basis.

## Provisions

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

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. Any increase in the provision due to the passage of time is recognised as an interest expense.

## Landfill

Council has a responsibility under its resource consent to provide ongoing maintenance and monitoring of the Kawerau landfill after the site closed. This responsibility is estimated to last until 30 June 2025.

Council recognises a liability for these costs, but the long term nature of the liability means that there are inherent uncertainties in estimating what costs will be incurred. The provision has been estimated taking account of existing technology and using a discount rate equivalent to Council's weighted average interest rate.

## Financial guarantee

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Council currently does not have any financial guarantees.

## Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Council currently has no external borrowings apart from finance leases for office equipment.

## Ratepayer equity

Equity is the Community's interest in Council and is measured as the difference between total assets and total liabilities. The components of equity are:

- Retained earnings
- Council created reserves
- Restricted reserves
- Asset revaluation reserves

## Council created reserves

Council created reserves are reserves established by Council resolution. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

## Restricted 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 Council.

Legally restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by 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.

## Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis.

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

The net amount of GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the Statement of Cash Flows.

## Estimates and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed in "Significant Forecasting Assumptions, Risks and Possible Implications".



TREES ALONG VALLEY ROAD

# Prospective Statement of Comprehensive Revenue and Expense

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
	<b>Revenue</b>		
9,109,430	General Rates	9,623,660	9,353,430
	Targeted Rates		
173,920	- Water Supply	179,030	203,520
348,320	- Wastewater	357,870	419,340
409,960	- Refuse Collection	421,210	417,470
<b>10,041,630</b>	<b>Total Rates</b>	<b>10,581,770</b>	<b>10,393,760</b>
1,117,270	Government Grants & Subsidies	665,570	876,750
65,500	Petrol Tax	66,940	66,000
220,040	Interest Revenue	164,130	152,500
1,595,460	Other Revenue	2,010,580	2,115,660
<b>13,039,900</b>	<b>Total Revenue</b>	<b>13,488,990</b>	<b>13,604,670</b>
	<b>Operating Expenditure</b>		
4,762,610	Personnel Costs	4,839,020	5,053,200
2,783,120	Depreciation	2,812,360	2,942,820
6,790	Finance Costs	5,510	5,500
5,486,560	Other Costs	5,966,570	6,061,070
<b>13,039,080</b>	<b>Total Operating Expenditure</b>	<b>13,623,460</b>	<b>14,062,590</b>
<b>820</b>	<b>Operating Surplus (Shortfall)</b>	<b>(134,470)</b>	<b>(457,920)</b>
	<b>Other Comprehensive Income</b>		
2,296,440	Gain on Asset Revaluation	0	0
<b>2,297,260</b>	<b>Total Comprehensive Income</b>	<b>(134,470)</b>	<b>(457,920)</b>

# Prospective Statement of Changes in Equity

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
	<b>Total Equity</b>		
67,881,118	Opening Balance	70,178,378	71,103,177
2,297,260	Total Comprehensive Income	(134,470)	(457,920)
<b>70,178,378</b>	<b>Closing Balance</b>	<b>70,043,908</b>	<b>70,645,257</b>
	<b>Made up of:</b>		
	<u>Retained Earnings</u>		
36,443,764	Opening Balance	38,679,764	38,679,753
820	Operating Surplus (Shortfall)	(134,470)	(457,920)
2,235,180	Movement in Depreciation Reserve	(1,900,080)	1,111,400
<b>38,679,764</b>	<b>Closing Balance</b>	<b>36,645,214</b>	<b>39,333,233</b>
	<u>Asset Revaluation Reserve</u>		
23,044,604	Opening Balance	25,341,044	25,341,044
2,296,440	Asset Revaluation	0	0
<b>25,341,044</b>	<b>Closing Balance</b>	<b>25,341,044</b>	<b>25,341,044</b>
	<u>Depreciation Reserves</u>		
8,392,750	Opening Balance	6,157,570	7,082,380
(2,235,180)	Movement in Reserve	1,900,080	(1,111,400)
<b>6,157,570</b>	<b>Closing Balance</b>	<b>8,057,650</b>	<b>5,970,980</b>

# Prospective Statement of Financial Position

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
<b><u>ASSETS</u></b>			
<b>Current Assets</b>			
4,474,247	Cash & cash equivalents	6,107,984	4,046,595
1,195,590	Trade & other receivables	1,236,770	1,247,370
1,028,390	Inventories	1,317,910	1,290,920
0	Other financial assets	0	0
<b>6,698,227</b>	<b>Total Current Assets</b>	<b>8,662,664</b>	<b>6,584,885</b>
<b>Non Current Assets</b>			
66,271,489	Property, plant & equipment	64,301,619	67,047,039
81,640	Intangible assets	85,100	85,100
36,250	Investments	36,250	36,250
<b>66,389,379</b>	<b>Total Non Current Assets</b>	<b>64,422,969</b>	<b>67,168,389</b>
<b>73,087,606</b>	<b><u>TOTAL ASSETS</u></b>	<b>73,085,633</b>	<b>73,753,274</b>
<b><u>LIABILITIES</u></b>			
<b>Current Liabilities</b>			
1,946,209	Trade and other payables	2,101,269	2,144,957
10,000	Provisions	10,000	10,000
567,970	Employee benefit liabilities	577,080	602,590
19,600	Borrowings	21,000	21,000
<b>2,543,779</b>	<b>Total Current Liabilities</b>	<b>2,709,349</b>	<b>2,778,547</b>
<b>Non Current Liabilities</b>			
217,459	Provisions and deferred revenue	203,666	195,870
107,590	Employee benefit liabilities	109,310	114,200
40,400	Borrowings	19,400	19,400
<b>365,449</b>	<b>Total Non Current Liabilities</b>	<b>332,376</b>	<b>329,470</b>
<b>2,909,228</b>	<b><u>TOTAL LIABILITIES</u></b>	<b>3,041,725</b>	<b>3,108,017</b>
<b>70,178,378</b>	<b>NET ASSETS</b>	<b>70,043,908</b>	<b>70,645,257</b>
<b><u>RATEPAYER EQUITY</u></b>			
38,679,764	Retained earnings	36,645,214	39,333,233
31,498,614	Reserves	33,398,694	31,312,024
<b>70,178,378</b>	<b><u>Total Ratepayer Equity</u></b>	<b>670,043,908</b>	<b>70,645,257</b>

# Prospective Statement of Cash Flows

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
	<b><u>Cash Flow from Operating Activities</u></b>		
	<b>Cash will be provided from:</b>		
8,849,210	General Rates	9,582,480	9,301,650
932,200	Targeted Rates	958,110	1,040,330
1,117,270	Government Subsidies	665,570	876,750
1,760,960	Other fees & Charges	2,077,520	2,181,660
220,040	Interest Income	164,130	152,500
<b>12,879,680</b>		<b>13,447,810</b>	<b>13,552,890</b>
	<b>Cash will be spent on:</b>		
10,856,435	Payments to suppliers and employees	10,926,873	11,152,470
6,790	Interest paid on debt	5,510	5,500
<b>10,863,225</b>	Total cash spent	<b>10,932,383</b>	<b>11,157,970</b>
<b>2,016,455</b>	<b>Net Cash Flow from Operations</b>	<b>2,515,427</b>	<b>2,394,920</b>
	<b><u>Cash Flow from Investing Activities</u></b>		
	<b>Cash will be provided from:</b>		
1,572,900	Disposal of assets	4,315,600	2,184,550
	<b>Cash will be spent on:</b>		
6,780,910	Purchase and development of property, plant and equipment	5,177,690	5,922,520
0	Net purchase of investments	0	0
<b>(5,208,010)</b>	<b>Net Cash Flow from Investing</b>	<b>(862,090)</b>	<b>(3,737,970)</b>
	<b><u>Cash Flow from Financing Activities</u></b>		
	<b>Cash will be spent on:</b>		
18,700	Debt repayment	19,600	19,600
<b>(18,700)</b>	<b>Net Cash Flow from Financing</b>	<b>(19,600)</b>	<b>(19,600)</b>
<b>(3,210,255)</b>	<b>Net total cash inflow (outflow)</b>	<b>1,633,737</b>	<b>1,362,650</b>
7,684,502	<b>Plus Projected Opening Cash Balances 1 July</b>	4,474,247	5,409,245
<b>4,474,247</b>	<b>Projected Closing Cash Balances 30 June</b>	<b>6,107,984</b>	<b>4,046,595</b>

# Prospective Funding Impact Statement

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
	<b>Sources of operating funding</b>		
9,109,400	General rates, uniform annual general charges, rates penalties	9,723,670	9,353,410
932,200	Targeted rates	958,110	1,040,330
221,240	Subsidies and grants for operating purposes	225,890	164,090
1,258,460	Fees and charges	1,239,680	1,513,310
220,040	Interest and dividends from investments	164,120	152,500
402,500	Local authorities fuel tax, fines, infringement fees, and other receipts	737,840	668,350
<b>12,143,840</b>	<b>Total Operating Funding (A)</b>	<b>13,049,310</b>	<b>12,891,990</b>
	<b>Applications of operating funding</b>		
10,249,180	Payments to staff and suppliers	10,805,590	11,114,300
6,800	Finance Costs	5,500	5,500
0	Other operating funding applications	0	0
<b>10,255,980</b>	<b>Total applications of operating funding (B)</b>	<b>10,811,090</b>	<b>11,119,800</b>
<b>1,887,860</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2,238,220</b>	<b>1,772,190</b>
	<b>Sources of capital funding:</b>		
896,030	Subsidies and grants for capital expenditure	439,680	712,660
0	Development and financial contributions	0	0
(18,350)	Increase (decrease) in debt	(19,600)	(19,600)
1,572,900	Gross proceeds from sale of assets	4,315,600	2,184,550
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>2,450,580</b>	<b>Total sources of capital funding (C)</b>	<b>4,735,680</b>	<b>2,877,610</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
2,930,000	- to meet additional demand	3,200,000	2,386,000
1,006,000	- to improve the level of service	50,000	470,000
2,844,910	- to replace existing assets	1,917,690	3,066,520
(2,442,470)	Increase (decrease) in reserves	1,796,210	(1,272,720)
0	Increase (decrease) of investments	0	0
<b>4,338,440</b>	<b>Total applications of capital funding (D)</b>	<b>6,973,900</b>	<b>4,649,800</b>
<b>(1,887,860)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2,238,220)</b>	<b>(1,772,190)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Prospective Funding Impact Statement – continued

<u>LT Plan</u> <u>2018/19</u> (\$)		<u>Annual Plan</u> <u>2019/20</u> (\$)
	<b>GENERAL RATES</b>	
850.00	<b>Uniform Annual General Charge<sup>11</sup> (UAGC)</b> per separately used or inhabited part of a rating unit <sup>12</sup> (Incl GST)	600.00
2,473,500	Total revenue from the UAGC (Incl GST)	1,748,400
	<b>Differential General Rate<sup>13</sup>:</b>	
0.8820	Residential, Rural Lifestyle and Reserve Rate per cents in \$ of Capital Value (Inc GST)	0.4806
2,398,200	Revenue sought from Residential, Rural Lifestyle and Reserve Rate (Inc GST)	3,199,810
2.3245	All Other Zones (other than Residential, Rural Lifestyle and Reserve) Rate per cents in \$ of Capital Value (Incl GST)	2.0529
5,554,700	Revenue sought from all Other Zones Rates (Incl GST)	5,760,230
	<b>TARGETED RATES<sup>14</sup></b>	
59.70	Water Supply Rate – excluding properties supplied by meter (Incl GST)	71.70
166,660	Revenue sought from Water Supply Rate (Incl GST)	201,120
15.50	Water by meter – cents per cubic metre (Incl GST)	18.60
46,500	Revenue sought from Water by Meter Rate (Incl GST)	55,800
140.90	Wastewater Disposal Rate (Incl GST)	168.90
400,440	Revenue sought from Wastewater Disposal Rate (Incl GST)	482,210
170.10	Refuse Collection Rate (per serviced property) 60-litre bin	178.90
405,180	Revenue sought from Refuse Collection Rate 60–litre bin (Incl GST)	426,140
230.10	Refuse Collection (per serviced property) 120-litre bin	238.90
66,270	Revenue sought from Refuse Collection Rate 120-litre (Incl GST)	72,150
	<b>CAPITAL VALUES (at end of previous financial year)</b>	
271,900,100	Residential	665,795,400
238,964,000	Commercial/Industrial	280,590,000
<b>\$510,864,100</b>	<b>Total Capital Values</b>	<b>946,385,400</b>
<b>90,331,600</b>	<b>TOTAL LAND VALUE</b>	<b>348,521,000</b>
<b>2,931</b>	<b>Number of rating units (at end of previous financial year)</b>	<b>2,936</b>

<sup>11</sup> The Uniform Annual General Charge (UAGC) is the minimum contribution for each rating unit towards the costs of those activities funded by the General Rate.

<sup>12</sup> A separately used or inhabited part of a rating unit includes any part of a rating unit that is used or occupied through an agreement (tenancy, lease, licence or other) or any part or parts of a rating unit that are used for more than one single use. Separately used or inhabited parts include:

- A residential property that contains units, flats or houses, each of which is **separately inhabited or is capable of separate habitation** (NB Where a residential property contains not more than one additional separately inhabited part and where members of the owner's family inhabit the separate part on a rent-free basis, then this will **not** give rise to an additional separately used or inhabited part).
- A commercial, or other non-residential property that contains separate residential accommodation in addition to its commercial, farming or other primary use.
- A commercial premises that contains separate shops, offices, kiosks or other retail or wholesale outlets, each of which is operated as a **separate business or is capable of operation as a separate business**

<sup>13</sup> The objective of Council's system of differential rating is primarily to retain a ratio between commercial and industrial ratepayers on the one hand and residential ratepayers on the other. The rates set on capital value will be apportioned so that a ratio of 55:45 (Commercial/Industrial: Residential) is charged for the total General Rate.

<sup>14</sup> The water supply targeted rate funds the use costs related to the water supply service. The wastewater targeted rate funds the use costs related to the wastewater collection and disposal service. The refuse collection targeted rate funds the costs related to the refuse collection service. Each of these targeted rates are charged on each separately used or inhabited part of a rating unit (as defined for the UAGC), which is connected to the service (water and wastewater) and per bin where Council provides the service (refuse collection).

NB No lump sum contributions are invited in respect to the targeted rates.

# Prospective Funding Impact Statement – continued

Capital Value (2018)	General Rate & UAGC	Targeted Rates			Total Rates	Increase %
	(UAGC = \$600)	Water	Wastewater	Refuse		
<b>Residential:</b>						
\$29,000	739.37	71.70	168.90	178.90	\$1,158.87	-12.0%
\$170,000	1,417.02	71.70	168.90	178.90	\$1,836.52	5.5%
\$210,000	1,609.26	71.70	168.90	178.90	\$2,028.76	4.4%
\$230,000	1,705.38	71.70	168.90	178.90	\$2,124.88	3.2%
\$285,000	1,969.71	71.70	168.90	178.90	\$2,389.21	4.9%
\$335,000	2,210.01	71.70	168.90	178.90	\$2,629.51	3.4%
\$370,000	2,378.22	71.70	168.90	178.90	\$2,797.72	2.9%
\$420,000	2,618.52	71.70	168.90	178.90	\$3,038.02	1.8%
\$490,000	2,954.94	71.70	168.90	178.90	\$3,374.44	1.1%
<b>Commercial/Industrial:</b>						
\$140,000	3,474.06	71.70	168.90		\$3,714.66	11.6%
\$175,000	4,192.58	71.70	168.90		\$4,433.18	3.0%
\$325,000	7,271.93	71.70	168.90		\$7,512.53	2.5%
\$850,000	18,049.65	71.70	168.90		\$18,290.25	5.6%
\$18,600,000	382,439.40	71.70	168.90		\$382,680.00	4.9%
\$29,400,000	604,152.60	71.70	168.90		\$604,393.20	-2.1%
\$33,550,000	689,347.95	71.70	168.90		\$689,588.55	-3.2%
\$120,500,000	2,474,344.50	71.70	168.90		\$2,474,585.10	-1.2%

# Prospective Revenue by Activity

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
3,470	Democracy	24,440	24,440
790,800	Economic & Community Development	1,082,670	1,043,340
223,550	Environmental Services	228,630	193,270
1,064,270	Roading	779,780	1,153,630
224,720	Stormwater	37,880	66,710
319,830	Water Supply	321,380	348,520
557,710	Wastewater	578,540	582,460
773,010	Solid Waste	792,380	901,430
95,140	Leisure & Recreation	101,460	117,270
211,560	Sundry	164,580	111,150
(233,590)	Eliminations	(246,410)	(290,980)
<b>4,030,470</b>		<b>3,865,330</b>	<b>4,251,240</b>
9,009,430	General Rates	9,623,660	9,353,430
<b>13,039,900</b>	<b>Total Revenue</b>	<b>13,488,990</b>	<b>13,604,670</b>

# Prospective Expenditure by Activity

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
653,620	Democracy	657,530	686,100
1,849,500	Economic & Community Development	2,110,270	2,446,020
1,160,480	Environmental Services	1,293,250	1,234,210
1,719,770	Roading	1,750,990	1,615,090
207,460	Stormwater	208,650	272,780
1,023,800	Water Supply	1,066,410	1,142,330
1,421,390	Wastewater	1,448,130	1,558,460
1,628,500	Solid Waste	1,672,930	1,703,470
4,194,560	Leisure & Recreation	4,261,030	4,261,710
37,500	Sundry	38,030	28,360
(857,500)	Eliminations	(883,760)	(885,940)
<b>13,039,080</b>	<b>Total Expenditure</b>	<b>13,623,460</b>	<b>14,062,590</b>

# Prospective Operational Shortfall by Activity

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
93,650	Economic & Community Development	(122,650)	389,300
(245,530)	Roading	23,340	(220,580)
(63,220)	Stormwater	124,280	128,470
109,100	Leisure & Recreation	109,500	102,100
105,180	Sundry	0	58,630
<b>(820)</b>	<b>Total Operating Shortfall</b>	<b>134,470</b>	<b>457,920</b>
	<i>Made up of:</i>		
105,180	<b>Sundry</b> (transfer to/from surplus)	0	58,630
12,900	<b>Funding to/(from) property sales</b>	(203,400)	308,550
<b>118,080</b>		<b>(203,400)</b>	<b>367,180</b>
	<b>Depreciation not funded:</b>		
80,750	Economic & Community Development	80,750	80,750
463,050	Roading	463,050	463,050
124,280	Stormwater	124,280	157,500
109,100	Leisure & Recreation	109,500	102,100
<b>777,180</b>		<b>777,580</b>	<b>803,400</b>
	<b>Less funding for capital work:</b>		
(896,080)	Roading & Stormwater	(439,710)	(712,660)
<b>(820)</b>	<b>Operational Deficit/(Surplus)</b>	<b>134,470</b>	<b>457,920</b>

# Reconciliation from operating funding to operation surplus/deficit

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
1,887,860	Operating Funding Surplus/(deficit)	2,238,220	1,772,190
896,080	Plus subsidy for capital expenditure	439,680	712,710
2,783,120	Less depreciation	2,812,370	2,942,820
<b>820</b>	<b>Operating Surplus/(Deficit)</b>	<b>(134,470)</b>	<b>(457,920)</b>

# Prospective Capital Programme

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
2,900,000	Economic and Community Development	3,220,380	2,406,220
700,000	Environmental Services	0	710,000
1,489,000	Roading and Footpaths	636,630	1,141,400
260,000	Stormwater	0	38,700
267,550	Water Supply	795,560	660,600
249,400	Wastewater	48,180	75,300
70,000	Solid Waste	0	10,000
572,760	Leisure & Recreation	260,200	589,100
272,200	Plant Buildings & Office Equipment	216,740	291,200
<b>6,780,910</b>	<b>Total Asset Renewals</b>	<b>5,177,690</b>	<b>5,922,520</b>
	<b>Funded By:</b>		
883,180	Government Subsidies	439,680	712,660
1,560,000	Asset Disposals	4,160,000	2,184,550
4,337,730	Depreciation Reserves	578,010	3,025,310
<b>6,780,910</b>	<b>Total Funding</b>	<b>5,177,690</b>	<b>5,922,520</b>

The significances variances between the Long Term Plan and the Annual Plan budgets for 2019/20 are:

- Renewal expenditure for new dog pound \$710k
- Reduced expenditure for reseals and streetlight replacement \$85.2k
- Additional expenditure for stormwater pipe renewals (per AMP) \$38.7k
- Reduced expenditure needed for value and toby replacements \$135k
- Additional expenditure needed for wastewater pipe replacement and septic-tank waste holding tank \$37k
- Additional improvements required for the pool and field amenity buildings \$220k
- Additional expenditure required for plant and vehicles \$31k as well as the district office and depot \$43.5k
- Additional Playground upgrades \$25k
- Town Centre Cobblestones \$20k
- Walkway Canopy for Town Centre Toilets \$30k
- Ruruanga Stream Rebuild \$20k
- Stoneham Walk Remedial Work \$40k

Capital expenditure is funded from Depreciation Reserves for those activities where depreciation is funded.

Depreciation on some buildings is not fully funded and therefore any capital expenditure on these assets is funded from general rates. The buildings where depreciation is not fully funded are: Town Hall, Concert Chamber, Library/Museum and Offices, Tarawera Park Amenity Building and clubrooms, Recreation Centre, Swimming Pool, Depot and Pensioner Housing. Subsidised roading and stormwater expenditure is subsidised by New Zealand Transport Agency.

A detailed breakdown of the capital items is included in the activity section of this plan.

# Depreciation Expense by Activity

<u>Long Term Plan</u> <u>2018/19</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2019/20</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2019/20</u>
15,910	Democracy	16,320	19,820
152,690	Economic and Community Development	152,830	172,120
28,800	Environmental Services	39,110	42,360
792,790	Roading	796,870	793,380
166,030	Stormwater	166,040	210,380
423,760	Water Supply	424,140	444,160
429,260	Wastewater	429,530	432,040
29,170	Solid Waste	29,790	32,440
744,710	Leisure & Recreation	757,730	796,120
<b><u>2,783,120</u></b>	<b>Total Depreciation Expense</b>	<b><u>2,812,360</u></b>	<b><u>2,942,820</u></b>

## Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose. Surpluses held in reserves are credited with interest.

Council currently does not hold any restricted reserves, which are reserves that have rules set by legal obligation that restrict the use towards which Council may put those funds.

Council-created reserves are discretionary reserves which Council has established for the fair and transparent use of monies. These reserves are held in cash and internal loan investments. The funds are invested in accordance with Council's treasury management policy.

Also, Council has revaluation reserves which record the amount that Council's asset have increased in value.

Over the page is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information for the 2019/20 year.

<b>Restricted Reserve – Purpose of Fund</b>	<b>Balance @ 1 July 2019</b>	<b>Deposits</b>	<b>Expenditure</b>	<b>Balance @ 30 June 2020</b>
	\$	\$	\$	\$
<b>Council created Reserves – Purpose of Fund</b>	<b>Balance @ 1 July 2019</b>	<b>Deposits</b>	<b>Expenditure</b>	<b>Balance @ 30 June 2020</b>
	\$	\$	\$	\$
<b>Asset Renewal Reserve (All Activities)</b>				
To set funds aside for the renewal of assets utilised by the following activities:				
Democracy	101,820	2,000	-	103,820
Building & Inspection	606	5	-	611
Environmental Health	4,149	20	-	4,170
Dog Control	(42,472)	24,030	710,000	(728,442)
Roading/Footpaths	1,815,170	318,950	457,770	1,676,350
Stormwater	366,085	52,238	9,670	408,653
Water Supply	3,983,253	438,000	660,600	3,760,652
Wastewater	3,992,764	419,500	75,300	4,336,964
Refuse Disposal	(221,163)	8,700	27,600	(240,063)
Zero Waste	91,463	6,200	-	97,663
Library	(393,087)	60,775	84,479	(416,791)
Museum	(119,486)	10,180	10,400	(119,705)
Swimming Pool	(769,075)	141,600	256,075	(883,550)
Rec Centre	(408,600)	78,900	9,300	(339,000)
Town Hall	171,296	48,100	22,500	196,896
Concert Chamber	77,618	21,000	13,800	84,818
Town Centre Toilets	(142,256)	6,500	29,990	(165,746)
Sportsfields	280,652	147,300	40,000	387,952
Passive Reserves	(315,548)	80,000	111,200	(346,748)
Road Berms	229	-	-	229
Street Trees	16,744	2,256	-	19,000
Bedding Displays	1,273	10	-	1,283
Playgrounds	308,048	45,084	33,830	319,302
Pensioner Housing	(14,930)	0	-	(14,930)
Cemetery	30,577	6,500	5,000	32,077
Commercial Rental Buildings	(1,423,015)	2,000	510,000	(1,931,015)
Firmin Field Building	(232,712)	40,000	35,770	(228,482)
I-Site	(136,564)	31,420	14,420	(119,564)
District Office & Depot	(432,087)	104,401	81,700	(409,386)
Finance	416,320	56,240	20,400	452,159
Operations & Services	5,837	(20)	-	5,817
Plant	69,471	145,615	189,100	25,986
<b>Total</b>	<b>7,082,380</b>	<b>2,297,504</b>	<b>3,408,904</b>	<b>5,970,980</b>
<b>Revaluation Reserve – Purpose of Fund</b>	<b>Balance @ 1 July 2019</b>	<b>Additions</b>	<b>Expenditure</b>	<b>Balance @ 30 June 2020</b>
	\$	\$	\$	\$
Revaluation Reserve - records the amount that Council's assets have increased in value.	25,341,044	0	0	<b>25,341,044</b>

# Disclosure Statement

For the period ending 30 June 2020

## Purpose of this Statement

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

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

<b>Benchmarks</b>		<b>Planned</b>	<b>Met</b>
Rates affordability benchmark			
Income	[quantified limit on rates – 88% of total revenue]	76.4%	Yes
Increases	[quantified limit on rates increases–inflation plus 2%]	3.5%	Yes
Debt affordability benchmark	[quantified limit on borrowing – 0% excluding finance leases]	0% - excluding finance leases	Yes
Balanced budget benchmark	100%	96.7%	No
Essential services benchmark	100%	101.9%	Yes
Debt servicing benchmark	15%	0.0%	Yes

## Notes

### 1 Rates affordability benchmark

- (1) For this benchmark,-
  - (a) the council's planned rates income for the year is compared with a limit of 88% of total income contained in the financial strategy included in council's long term plan, and
  - (b) the council's planned rates increases for the year are compared with a limit of inflation plus 2% on rates increases for the year contained in the financial strategy of council's long term plan.
- (2) Council meets the rates affordability benchmark if-
  - (a) its planned rates income for the year equals or is less than the quantified limit on rates, and
  - (b) its planned rate increases for the year equal or is less than the quantified limit on rates increases.

### 2 Debt affordability benchmark

- (1) For this benchmark the council's planned borrowing is compared with a limit of \$0 (apart from finance leases) on borrowing contained in the financial strategy included in council's long term plan.
- (2) The council meets the debt affordability benchmark if its planned borrowing is within the quantified limit on borrowing.

### 3 Balanced budget benchmark

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

#### **4 Essential services benchmark**

- (1) For this benchmark the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) The council meets the essential services benchmark if its planned capital on network services equals or is greater than expected depreciation on network services.

#### **5 Debt servicing benchmark**

- (1) For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments and revaluations of property plant or equipment).
- (2) Because Statistics New Zealand projects that the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

# Section 4: POLICIES

# Revenue and Financing Policy

## Policy Objectives

The objectives of the Revenue and Financing Policy are to explain who pays and why, as well as outline how Council's activities are funded and to meet the requirements of the Local Government Act.

## Principles

This policy is based on the principles that:

- Council has a responsibility to exercise prudent financial management.
- The cost of providing Council services should be borne equitably by the Community and those who use the service.
- Fees and charges should be fair.
- Council will consider affordability when determining the level of fees and charges.

## Definitions

### Community outcomes

The outcomes a local authority aims to achieve in order to promote the economic and cultural well-being of its district in the present and for the future. They define the desired future of the District. Kawerau's community outcomes are described earlier in this plan.

### Distribution of benefits

Identifying who benefits from an activity provided by Council is important when considering who should pay for the service. Generally, if only individuals receive the benefits of an activity (private benefits), user-pays systems should be considered. If the benefits of an activity are shared by a large group within the Community then an appropriate funding option for that activity would be a targeted rate. Alternatively, if the benefits of an activity are shared by the whole Community (public benefits) then an appropriate funding option for that activity would be the general rate.

### Industrial/Commercial

All properties other than those classified as "Residential".

### Residential

Properties zoned "Residential", "Rural Lifestyle" and "Reserve" in terms of Council's Operative District Plan and properties situated in any zone which are used solely for residential purposes.

### Period of benefits

The legislative requirement to assess the period over which the benefits from each activity will flow,

aids in identifying the period over which the operating and capital expenditure should be funded.

For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded annually.

Assets provide benefits over more than one year - benefits are derived over the useful life of each asset. Useful lives range from a few years in the case of computer equipment through to many decades for infrastructural assets such as the water supply network. This introduces the concept of intergenerational equity whereby costs of any expenditure should be recovered at the time the benefits of that expenditure accrue. This is particularly relevant for larger assets such as the wastewater, stormwater, roading and water supply networks.

To ensure that each year's ratepayers pay for the benefits that are received the depreciation charges that are associated with an asset are funded by that year's ratepayers. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.

### Funding of capital expenditure

Capital expenditure that needs to be funded relates predominantly to three things – the purchase of new assets, the replacement of existing assets and the repayment of loan principal on debt previously raised by Council.

Depreciation reserves are funded from general rates that are collected to fund depreciation.

Capital expenditure is funded from the Depreciation Reserves for those activities where Depreciation is funded. Internal borrowing is used when there is insufficient reserve funds for that particular activity.

It is estimated that from 2028, Council will need to borrow externally to fund infrastructure asset renewals. A table of the renewals expenditure is included in the financial statements of the Long Term Plan.

The Local Government Act requires that operating revenues in any one financial year should be set at an adequate level to meet all projected operating expenses. The Act states that expenditure must include the cost of depreciation.

Depreciation on some assets is not fully funded (see financial strategy) and therefore capital expenditure on these assets is funded from general rates or internal loans.

### **Contributors to the need for an activity (polluter pays)**

The 'polluter pays' principle is that if a person creates a problem which incurs costs for Council, that person should contribute some or all of the funding required to meet those costs. For example, dog owners who allow their dogs to roam should pay a fine to cover the costs of impounding. However, this is not always practical, as identifying and charging the offender is not always possible. For instance, people who create graffiti or dump rubbish illegally are not always caught. Council's policy is to recover costs where practical.

### **Costs and benefits of funding the activity distinctly from other activities**

Council is required to consider the costs and benefits when selecting a particular funding mechanism. It is possible to establish specific charges or rates for each service, however this is not the best approach if the cost of establishing and administering a charging system outweighs the benefits or the revenue gained. This has to be assessed on a case-by-case basis. Council is also required to consider alternative funding mechanisms in terms of transparency and accountability. For instance, a funding mechanism that is targeted at specific cost items is more transparent to users of the activity, whereas a general or aggregated funding approach is less transparent. However, if the targeted charging approach excessively increases administrative costs then an aggregated charging approach may be better.

### **Overall impact of the method of funding**

In addition to all of the issues explained above, Council is required to consider the overall impact that any allocation of charges and costs may have on the current and future social, economic, environmental and cultural well-being of the Community.

## **Background**

Council has broken its business down to activity level. In some cases, it has looked at activities from two points of view - availability of the service and use of the service. Activities have been separated in this way where they benefit different groups in the Community. In general, Council has assessed the availability of an activity as a public benefit and the use of an activity as a private benefit.

'Availability' relates to the costs incurred to keep a service or asset in such a condition that it can become operational within a short start up period (e.g. keeping library items up to date). 'Use' relates to costs incurred as a result of the asset being used (e.g. staff costs of issuing library items).

### **Legislative requirements**

The Local Government Act sets out a process consideration. The first step is to determine, for each activity to be funded, appropriate funding sources having regard to:

- The community outcomes to which the activity primarily contributes
- The distribution of benefits among the Community as a whole, any identifiable part of the Community, and individuals
- The period in or over which those benefits are expected to occur
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

The second stage is to take the combined results of the allocations from the first stage and to assess the overall impact of that on the current and future social, economic, environmental, and cultural well-being of the Community.

## **Policy Statement**

### **General rate**

Council funds general rates through a Uniform Annual General Charge (UAGC) on each separately used or inhabited part of a rating unit and rates charged on capital value in accordance with Council's Differential Rating System.

The purpose of the UAGC is to spread the effect of general rates on all ratepayers more evenly. The higher the UAGC, the higher the rates on lower valued properties (in proportion to their value).

The UAGC level has been selected because Council believes this produces the fairest and most equitable overall result for the Community.

Council charges its general rates on a differential basis in accordance with the Local Government (Rating) Act 2002. Council introduced differential rating 1978. The objective of Council's system of differential rating is primarily to retain a ratio between commercial and industrial ratepayers on the one hand and residential ratepayers on the other. The general rate (including the UAGC) is

apportioned on a ratio of 55:45 Industrial/Commercial: Residential.

## Targeted rates

**Water** Council charges a uniform fixed amount for the provision of water supply. The rate is charged to each separately used or inhabited part of a rating unit to which Council supplies water, except for properties on metered water supply.

**Wastewater** Council charges a uniform fixed amount for the collection and treatment of wastewater.

The rate is charged to each separately used or inhabited part of a rating unit that is connected to Council's wastewater disposal network.

**Refuse Collection** Council charges a uniform fixed amount for the collection of residual refuse. The rate is charged to each separately used or inhabited part of a rating unit from which Council is prepared to remove residual refuse.

## Grants and subsidies

A large part of Council's expenditure on roads is subsidised by the New Zealand Transport Agency (NZTA). Subsidies contribute to the long-term maintenance of the carriageways and their associated drainage and lighting systems, together with part of the costs of street cleaning.

## Interest and dividends

Council has minimal equity investments and therefore receives no dividend income of any consequence.

Council receives interest from its financial investments. Significant replacement of infra-structural assets will not occur until the years 2025-2030. Until this time, Council's cash balances will increase as the funding of depreciation leads to growth in the depreciation reserves. These reserves are invested in accordance with Council's Investment Policy and will be retained for expenditure on asset replacement.

As the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from general rates.

## Fees and charges

Council places fees and charges on a wide range of its activities. A number of considerations are taken into account by Council when setting fees. These include:

- The cost of the service provided and the private benefits received

- The ability of users to pay and the possible exclusionary effects on people with low incomes
- The risks of people not using Council services if charges for those services are perceived as too high
- In appropriate cases, whether the user lives in the District or outside the District

## Proceeds from asset sales

Proceeds from asset sales will be used for the repayment of debt or the acquisition of new assets.

## Reserve funds

Most Council reserve funds are associated with depreciation reserves.

## Financial contributions

Council has the ability to collect financial contributions as per its Financial Contributions Policy.

## Assessment of the overall impact of allocation of revenue needs

Council believes that its selection of funding tools leads to the most equitable funding of Council's activities in terms of:

- The distribution of benefits amongst the Community
- The period in, or over which those benefits are expected to occur
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- Being affordable

While some activities would normally be funded by user fees and charges due to the level of private benefit that they provide, Council wishes to enhance the well-being of Kawerau residents by encouraging them to use various Council services. It is felt that the inability to pay for various services should not stop or restrict access to those services.

Council has therefore determined that the following activities will be funded through general rates:

- Free access to the Library/Museum
- Free access to the Swimming Pool
- Partial waivers of rentals of the Town Hall, Concert Chambers, Recreation Centre and Passive Reserves for groups who achieve the outcomes desired by this policy
- Free access to the Town Centre Toilets
- Free access to the Refuse Disposal Site for people acting charitably

## Summary – Allocation of Costs

Significant Activity	Funding Ratio	
	Public Benefit (%)	Private Benefit (%)
<b>Democracy</b>	100	0
<b>Economic and Community Development</b>		
Economic Development	100	0
Pensioner Housing	0	100
Community, Cultural and Social Availability	100	0
Community, Cultural and Social Use	10	90
Commercial Rental Buildings	0	100
<b>Environmental Services</b>		
Resource Management - Planning Availability	100	0
Resource Management - Planning Use	100	0
Resource Management - Consents	30	70
Building and Inspection Availability	100	0
Building and Inspection Use	20	80
Environmental Health Availability	100	0
Environmental Health Use	50	50
Dog Control	100	0
Dog Registration	0	100
Civil Defence	100	0
<b>Roading</b>		
<b>Stormwater</b>	100	0
<b>Water Supply</b>		
Water Supply Availability	100	0
Water Supply Use	0	100
<b>Wastewater</b>		
Wastewater Availability	100	0
Wastewater Use	0	100
<b>Solid Waste</b>	10	90
Refuse Collection		
Refuse Disposal Availability	100	0
Refuse Disposal Use	0	100
Zero Waste	100	0
<b>Leisure and Recreation</b>		
Library/Museum Availability	100	0
Library/Museum Use	0	100
Swimming Pools Availability	100	0
Swimming Pools Use	0	100
Public Halls		
Recreation Centre Availability	100	0
Recreation Centre Use	30	70
Town Hall Availability	100	0
Town Hall Use	30	70
Concert Chamber Availability	100	0
Concert Chamber Use	30	70
Parks and Reserves		
Sports Fields	100	0
Passive Reserves	100	0
Road Berms	100	0
Street Trees	100	0
Annual Bedding Displays	100	0
Playgrounds	100	0
Cemetery Availability	100	0
Cemetery Use	0	100

**Summary – Mix of Funding Mechanisms for the District**

<b>Activity Group</b>		<b>Public Benefit</b>	<b>Private Benefit</b>
<b>Democracy</b>		General Rates	
<b>Economic and Community Development</b>			
Economic Development		General Rates	User Fees and Charges
Commercial Rental Buildings			User Fees and Charges
Community, Cultural and Social	Availability	General Rates	
Community, Cultural and Social	Use		User Fees and Charges
Pensioner Housing			User Fees and Charges
<b>Environmental Services</b>			
Resource Management - Planning	Availability	General Rates	
Resource Management - Planning	Use	General Rates	
Resource Management - Consents		General Rates	User Fees and Charges
Building and Inspection	Availability	General Rates	
Building and Inspection	Use	General Rates	User Fees and Charges
Environmental Health	Availability	General Rates	
Environmental Health	Use	General Rates	User Fees and Charges
Dog Control		General Rates	
Dog Registration			User Fees and Charges
Civil Defence		General Rates	
<b>Roading</b>		General Rates	Transport Management Subsidies
<b>Stormwater</b>		General Rates	Subsidies
<b>Water Supply</b>			
Water Supply	Availability	General Rates	
Water Supply	Use		Separate Rate and User Fees and Charges
<b>Wastewater</b>			
Wastewater	Availability	General Rates	Targeted Rate and
Wastewater	Use		User Fees and Charges
<b>Solid Waste</b>			
Refuse Collection		General Rates	Targeted Rate
Refuse Disposal	Availability	General Rates	
Refuse Disposal	Use		User Fees and Charges
Zero Waste		General Rates	
<b>Leisure and Recreation</b>			
Library/Museum	Availability	General Rates	
Library/Museum	Use		General Rates/User Fees and Charges
Swimming Pools	Availability	General Rates	
Swimming Pools	Use		General Rates/User Fees and Charges
Public Halls			
Recreation Centre	Availability	General Rates	
Recreation Centre	Use	General Rates	User Fees and Charges
Town Hall	Availability	General Rates	
Town Hall	Use	General Rates	User Fees and Charges
Concert Chamber	Availability	General Rates	
Concert Chamber	Use	General Rates	User Fees and Charges
Town Centre Toilets	Availability	General Rates	
Town Centre Toilets	Use		General Rates/User Fees and Charges
Parks and Reserves			
Sports Fields		General Rates	
Passive Reserves		General Rates	
Road Berms		General Rates	
Street Trees		General Rates	
Annual Bedding Displays		General Rates	
Playgrounds		General Rates	
Cemetery	Availability	General Rates	
Cemetery	Use		User Fees and Charges

# Rating Policy

## Policy Objectives

The objectives of this policy are:

- To generate sufficient rates revenue to ensure that Council activities are adequately funded
- To operate a rating system which is fair and equitable to the Community of Kawerau
- To charge rates which are affordable to ratepayers

## Principles

This policy is based on the principles of fairness, equity and affordability.

## Definitions

### Capital value

The value of land plus improvements, as assessed by the Valuer General.

### Differential rating system

Where the amount of rates charged differs (i.e. is 'differential') according to any of the matters used to define categories of rateable land under the Local Government (Rating) Act 2002.

### Industrial/commercial land

All rateable land other than that classified as residential.

### Rating unit

For land for which there is a certificate of title, a rating unit is the land comprised in the certificate of title. Where there is no certificate of title, what constitutes a rating unit is either the land described in an instrument which exists or if there is no instrument, the land that the Valuer General considers would be appropriate to sell or transfer as a separate property or, for crown land, to treat as if comprised in a certificate of title. If land in a rating unit is in two or more districts, the part in each district constitutes a separate rating unit.

### Residential land

Land which is zoned as residential, rural lifestyle or reserve under Council's operative district plan and any other land located in a zone used solely for residential purposes.

### Residual waste

Waste collected from residential properties which is not separated into green waste or recycling collection bins.

### Separately used or inhabited part of a rating unit

Any portion of a rating unit that is used or inhabited by a person who has the right to do so by virtue of a tenancy, lease, licence or other agreement.

## Background

Council has used a differential rating system since 1978. The matters it uses to differentiate categories of rateable land are:

- Where the land is situated (its zoning under Council's operative district plan), and
- The use to which the land is put (industrial/commercial or residential).

## Policy Statement

### General Rates

Council will levy general rates which comprise: a uniform annual general charge (UAGC) of \$600 including GST (\$850 for 2018/19), and a differential rate based on the capital value of the rating unit.

The UAGC is charged on every separately used or inhabited part of a rating unit and the purpose is to spread the cost of general rates more evenly across all ratepayers.

The differential general rate will be set so as to retain the ratio between commercial/industrial and residential general rates revenue of 55:45.

### Water Rates

Council will levy a uniform fixed amount on each separately used or inhabited part of a rating unit to which Council supplies water, except those on a metered water supply. This amount is known as the water rate.

### Metered Water Charges

A rate per cubic meter of water used will be levied on each separately used or inhabited part of a property with a metered water supply. The charge is levied on a quarterly basis at a minimum of \$20.00 (incl. GST).

## Wastewater Rates

Council will levy a uniform fixed amount on each separately used or inhabited part of a rating unit which is connected to Council's wastewater disposal network.

## Refuse Collection Rates

Council will levy a uniform fixed amount on each separately used or inhabited part of a rating unit from which Council collects refuse.

## Levying and Collecting

Council will set and charge rates for the year 1 July to 30 June. The due dates for the payment of instalments in the 2019/20 year are shown below.

Instalment no.	Due date
1	Friday 23 August 2019
2	Friday 22 November 2019
3	Friday 21 February 2020
4	Friday 24 May 2020

Rates for the year may be paid in full at any time provided each instalment is paid on or before the due date.

## Rates Penalty Charges

Council also charges the following penalties:

### Rates Instalment Penalty

A penalty of 10 percent of the value of any part of a rates instalment for the current year, which is not paid by the due date.

### Rates Arrears Penalty

A penalty of 5 percent of the value of any part of the rates for the previous year which remains outstanding on 2 July 2019, and a further 5 percent penalty on any portion of this amount (including arrears penalties) which are still not paid by 3 January 2020.

# Rate Remission and Postponement Policies

Council has previously adopted the following rate remission and postponement policies:

- Rates relief for high valued residential properties
- Rates relief for farm properties
- Rates relief for developments
- Rate remission and postponement for Maori freehold land
- Rate penalty remission

The only change to these policies for 2019/20 is a proposed increase in the rating cap for high valued residential properties (to \$3,930) in accordance with Council's policy, otherwise all rate remission and postponement policies remain unchanged.

**Section 5:  
FEES AND CHARGES**

# Fees and Charges

## 1. Finance and Corporate Services

- 1.1 Cemetery
- 1.2 Plans/Reports
- 1.3 Facilities for Hire
- 1.4 Library Fees

## 2. Operations and Services

- 2.1 Landfill and Solid Waste
- 2.2 Miscellaneous
  - Rubbish Bin Hire
  - Residual Refuse Bin Charges
  - Replacement Lost or Stolen bins

## 3. Regulatory and Planning Services

- 3.1 Annual Premises Licence and Registration Fees
- 3.2 Building and Other Inspection Fees
- 3.3 Dog Control
- 3.4 Environmental Health
- 3.5 Liquor Licensing
- 3.6 Noise Control
- 3.7 Resource Management Activity
- 3.8 Miscellaneous
  - Event fees and charges
  - Impoundment of bikes etc
  - Stock impounding fees

**NB: All fees and charges include GST**

# 1. Finance and Corporate Services

## 1.1 Cemetery

### Purchase of Plots

#### **Adults**

Purchase of each with Right of Burial in perpetuity \$1,200

#### **Children**

Purchase of each plot \$600

#### **Stillborn Infants/Ashes**

Plot provided \$180

#### **RSA**

No charge

Plots in the RSA section of the Cemetery are provided free of charge

### Burial Fees

Adults \$490

Children (under 10 years) \$220

Stillborn Infants \$90

Second Interment \$490

Ashes \$90

RSA \$490

Weekend or Public Holiday \$120

### Miscellaneous

Exhumation of Casket from the Cemetery \$610

Re-interment of any Casket in the Cemetery \$430

Scatter Ashes in Garden of Remembrance No charge

Purchase Niche in Wall of Remembrance \$70

Purchase of Plaque with the Standard Inscription \$180

Permit Fee to install a Plaque in Wall of Remembrance \$5

Headstone Permit \$5

## 1.2 Plans/Reports

Annual Plan (per copy) \$20

Annual Report (per copy) \$20

Long Term Plan (per copy) \$20

NB: These charges apply only to non residents who are not ratepayers.

## 1.3 Facilities for Hire

A refundable bond of \$500.00 is payable prior to the hire of the Circus Paddock.

A refundable bond of \$200.00 is payable prior to the hire of any other Council facility.

A 70% discount will apply to the Concert Chamber, Recreation Centre, Town Hall and Passive Reserves if the hirer is non-profit making, Kawerau based and the event meets one of the following criteria:

The event:

- i. Supports opportunities for entertainment and for building a sense of community
- ii. Encourages the use of community amenities
- iii. Creates opportunities for education and betterment for all Kawerau people
- iv. Creates opportunities for building self esteem – for feeling good about themselves and others
- v. Provides them with places where they can socialise, recuperate, relax and engage in mental and physical exercise.
- vi. Specifically targets students, the unemployed, the elderly or those suffering injury or poor health and the impaired

### Boyce Park

Casual Hire (per day) \$20.00

### Circus Paddock

Hire (per day) \$40.00

Power Charge (per day) Actual Cost

### Concert Chamber

Seats 260 – 270 people

#### **Discounted**

Casual Hire (per hour) \$11.20

Bulk Hire (20 hours or more – per hour) \$5.60

Kitchen Hire (per hour) \$20.00

Piano (per hour) \$2.00

#### **Not Discounted**

Casual Hire (per hour) \$38.00

Bulk Hire (20 hours or more – per hour) \$19.00

Kitchen Hire (per hour) \$68.00

Piano (per hour) \$2.00

### Firmin Field

Casual Hire (per day) \$20.00

### Maurie Kjar Swimming Pool

Private Hire (per hour) \$25.00

BBQ Hire (per BBQ) – small \$5.00

BBQ Hire (per BBQ) - large \$10.00

### **Prideaux Park**

Casual Hire (per day)	\$20.00
Pavilion (per hour)	\$10.00
Floodlights (per hour)	\$10.00

### **Stoneham Park**

Casual Hire (per day)	\$20.00
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### **Tarawera Park**

Casual Hire (per field per day)	\$20.00
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### **Toilets**

Service Fee (per toilet block)	\$40.00
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**Town Hall** Seats maximum of 530 people or 250 seated with tables

### **Discounted**

Casual Hire (per hour)	\$13.20
Bulk Hire (20 hours or more – per hour)	\$6.40
Heating (per hour)	\$12.00
Kitchen Hire (per hour)	\$20.00
Spotlights (per day)	\$20.00

### **Not Discounted**

Casual Hire (per hour)	\$44.00
Bulk Hire (20 hours or more – per hour)	\$22.00
Heating (per hour)	\$40.00
Kitchen Hire (per hour)	\$68.00
Spotlights (per day)	\$20.00
Piano (per hour)	\$2.00

**Recreation Centre** Tiered seating for 360 people

### **Discounted**

Casual Hire (per hour)	\$20.00
Bulk Hire (20 hours or more – per hour)	\$10.00
Kitchen Hire (per hour)	\$20.00

### **Not Discounted**

Casual Hire (per hour)	\$66.50
Bulk Hire (20 hours or more – per hour)	\$31.00
	\$68.00

### **Firmin Lodge**

Casual Hire (per hour) – hall & kitchen	\$40.00*
Small occupancy (overnight) per night	\$300.00*
Shared occupancy (2 groups) per night	\$550.00*
Sole occupancy – per night	\$960.00*

\*discount of 50% for specific events

## **1.4 Library and Museum Fees**

Local Requests (per item)	\$0.50
Inter-loan Requests (per item)	\$1.50
Lost Book Fee	Actual Cost
Replacement Library Cards (per card)	\$2.00
Photocopying/Printing (per page)	\$0.20

### **Overdue Fines**

DVDs/Videos (per item per day)	\$1.00
All other items (per item per day)	\$0.10
Administration Fee (for billed overdue items/per item)	\$5.00

### **Withdrawn Library Items for Sale**

Hardback Books	\$1.00
Softback Books	\$0.50
Children's Books	\$0.50
Magazines	\$0.50
Cassette Tapes	\$1.00
Videos/DVDs	\$2.00
Computer CDs	\$5.00

### **Printing and Photocopying**

Black and White A4	\$0.20 per copy
Colour A4	\$1.00 per copy
Black and White A3	\$0.40 per copy
Colour A3	\$2.00 per copy

### **Museum Charges**

<b>Photocopies:</b>	
Black and White A4	\$1.00 per copy
Colour A4	\$2.00 per copy
Black and White A3	\$2.00 per copy
Colour A3	\$4.00 per copy

<b>Laminated photocopies:</b>	
Black and White A4	\$3.00 per copy
Colour A4	\$4.00 per copy
Black and White A3	\$4.00 per copy
Colour A3	\$7.00 per copy

<b>Images for publication:</b>	
Local history/Education	\$10.00 per image
Commercial	\$50.00 per image

<b>Digital Scan:</b>	
First image (incl CD)	\$25.00 per image
Additional image (same CD)	\$20.00 per image

<b>Commercial prints (Black &amp; White/Colour):</b>	
6x4	\$10.00
5x7	\$13.00
6x8	\$15.00
8x10	\$24.00
8x12	\$24.00
12x18	\$35.00

## 2. Operations and Services

### 2.1 Landfill and Solid Waste

#### Non Recycled Loads

Bag	\$5 (\$15 max)
Car	\$15
All other vehicles (including trailers)	\$15+ \$240/tonne

#### Fully Recycled Loads

Bag	\$3 (\$9 max)
Car	\$9
All other vehicles (including trailers)	\$5/m <sup>3</sup> (\$5 min)

#### Partially Recycled Loads

Car	\$10
All other vehicles (including trailers)	\$10 \$200/tonne

#### Green Waste

Trailer	\$10/m <sup>3</sup>
Truck	\$10/m <sup>3</sup>

#### Other Material

Soil & Broken Concrete	\$60/tonne
Tyres – car and ute	\$10 each
Tyres – truck	\$30 each
Timber	\$240/tonne

### 2.2 Miscellaneous

#### Rubbish Bin Hire (set of 5 bins per event)

Serviced	\$75.00
Unserviced	\$40.00

#### Residual Refuse Bin upgrade to 120-litre

Month Requested	Months Chargeable	Pro Rata Cost
July	12	\$60
August	11	\$55
September	10	\$50
October	9	\$45
November	8	\$40
December	7	\$35
January	6	\$30
February	5	\$25
March	4	\$20
April	3	\$15
May	2	\$10
June	1	\$5

#### **Notes:**

1. The above charges apply only to additional bin requests that are made after 1 July. In future years the full year cost will be charged as part of the property rates until there is a change of either tenant or ownership.
2. The full year cost will be set each year by Council during the Annual Plan process.
3. A bin request received part way through a month will be charged for the whole of that month.

#### Replacement Lost or Stolen Bins

120-litre residual wheelie bin	\$10
60-litre residual wheelie bin	\$10
240-litre green wheelie bin	\$10
60-litre recycle bin	\$10

# 3. Regulatory and Planning Services

## 3.1 Annual Premises Licence and Registration Fees

Hairdresser's Registration -p/annum	\$90
Offensive Trade Registration p/annum	No charge fixed

## 3.2 Other Inspection Fees

Abandoned vehicles	\$200
Private Swimming Pool inspection	\$60
Services not otherwise listed	Actual Cost
Specific expertise	Actual Cost

## 3.3 Building

Solid fuel heater – Free standing	\$240
Solid fuel heater – Inbuilt	\$300
Marquee – Public use	\$355
Marquee – Private use	\$355
Garage/Carport	\$355
Garage/Carport – Specific design	\$470
Conservatory (Deck in situ)	\$355
Conservatory (New deck)	\$530
Wet area shower	\$355
Dwelling alterations – Minor	\$530
Dwelling alterations – Complex	\$1,100
Relocated dwelling	\$700
New dwelling	\$1,480
Commercial	\$2,370 deposit
Industrial	\$3,175 deposit
Industrial/Commercial alterations	\$875 deposit
Certificate of acceptance	Cost of consent + \$400 penalty \$175 deposit
Amendment	\$175 deposit
Exemption	\$85
Exemption (discretionary)	\$160
Compliance schedule	\$115
Certificate of public use – with building consent	\$70
Certificate of public use – lodged after building consent	\$130
Extension of time	\$45
Extension of time – with inspection	\$100
Waiver and modification	\$145
Notice to fix	\$115
Swimming pool fencing	\$115
BWOF audit – three yearly	\$145
Processing and inspection fee (p/hr)	\$115
Land Information Memorandum	\$153
Project Information Memorandum	\$60

## Building Infringement Offences and Fees

Provision under Building Act (section, description)	Infringement Fee
s40 Failing to comply with the requirement that building work must be carried out in accordance with a building consent	\$750
s42 Failing to apply for certificate of acceptance for urgent work as soon as reasonably practicable after completion of building work	\$500
s101 Failing to comply with requirement to obtain a compliance schedule	\$250
s108(5)(a) Failing to display a building warrant of fitness required to be displayed	\$250
s108(5)(b) Displaying a false or misleading building warrant of fitness	\$1,000
s108(5)(c) Displaying a building warrant of fitness other than in accordance with section 108	\$1,000
s116B(1)(a) Using, or knowingly permitting the use of, a building for a use for which it is not safe or not sanitary	\$1,500
s116B(1)(b) Using, or knowingly permitting the use of, a building that has inadequate means of escape from fire	\$2,000
s124 Failing to comply with a notice, within the time stated in the notice, requiring work to be carried out on a dangerous, earthquake-prone, or insanitary building	\$1,000
s128 Using or occupying a building, or permitting another person to do so, contrary to a territorial authority's hoarding, fence, or notice	\$2,000
s168 Failing to comply with a notice to fix	\$1,000
s363 Using, or permitting use of building having no consent or code compliance certificate or certificate for public use for premises for public use	\$1,500
s367 Willfully obstructing, hindering, or resisting a person executing powers conferred under the Act or its regulations	\$500
s368 Willfully removing or defacing a notice published under the Act or inciting another person to do so	\$500

## 3.4 Dog Control

### Registration Charges for Puppies and Pro-rata Refunds for Disposals

Month	Entire Dog	Desexed Dog
July	\$70.00	\$35.00
August	\$64.20	\$32.10
September	\$58.30	\$29.20
October	\$52.50	\$26.30
November	\$46.70	\$23.30
December	\$40.80	\$20.40
January	\$35.00	\$17.50
February	\$29.20	14.60
March	\$23.30	\$11.70
April	\$17.50	\$8.70
May	\$11.70	\$5.80
June	\$5.70	\$2.90

**Late Penalty Fee** – 50% addition to the original fee charged.

**NB:** All new dogs registered MUST be microchipped.

<b>Replacement Tag Fee</b>	\$5.00
<b>Microchipping Fee</b>	\$15.00
<b>Impound Fees:</b>	
Seizure Fee	\$80.00
First Impound Fee	\$80.00
Second and Subsequent Impounding Fee	\$110.00
Sustenance Fee (daily)	\$10.00
<b>Rehoming Fee</b>	\$10.00

### Infringement Offences and Fees

Wilful obstruction of Dog Control Officer or Ranger	\$750
Failure or refusal to supply information or wilfully providing false particulars	\$750
Failure to supply information or wilfully providing false particulars about a dog	\$750
Failure to comply with any bylaw authorised by the section	\$300
Failure to undertake dog owner education programme or dog obedience course (or both)	\$300
Failure to comply with obligations of probationary owner	\$750
Failure to comply with effects of disqualification	\$750
Failure to comply with effects of classification of dog as dangerous dog	\$300
Fraudulent sale or transfer of dangerous dog	\$500
Failure to comply with effects of classification of dog as menacing dog	\$300
Failure to advise of muzzle and leashing requirements	\$100
Failure to implant microchip transponder in dog	\$300
False statement relating to dog registration	\$750
Falsely notifying death of dog	\$750
Failure to register dog	\$300
Fraudulent procurement or attempt to procure replacement dog registration label or disc	\$500
Failure to advise change of dog ownership	\$100
Failure to advise change of address	\$100
Removal, swapping or counterfeiting of registration label or disc	\$500
Failure to keep dog controlled or confined	\$200
Failure to keep dog under control	\$200
Failure to provide proper care and attention, to supply proper and sufficient food, water and shelter and to provide adequate exercise	\$300
Failure to carry leash in public	\$100
Failure to comply with barking dog abatement notice	\$200
Allowing a dog known to be dangerous to be at large unmuzzled or unleashed	\$300
Releasing dog from custody	\$750

## 3.5 Environmental Health

### Food Premises:

Registration Fee - Food (per annum)	\$150
Registration Fee – National Programme	\$150
Verification Fee – Food Plan	\$150
Hawkers Licences (issued per Bylaws)	\$30
Mobile Shops Bylaw Licence (per annum)	\$280
- If trading within the Kawerau District more than once a fortnight on average.	

## 3.6 Miscellaneous Fees

### Event Fees and Charges

Amusement Device Permit (one device)	\$11.50
Additional amusement devices	\$2.30ea
Food Sale Licence (each)	\$10

**NB: The devices certificate of registration must be provided.**

Marquee Building Consent (exceeding 100m <sup>2</sup> )	\$58
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### Impoundment of Bicycles, Skateboards or Scooters

Impoundment Fee	Maximum \$50
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## 3.7 Liquor Licensing

The fees for obtaining liquor licences is specified in the Sale and Supply of Alcohol (Fees) Regulations 2013.

## 3.8 Noise Control

Impounded stereo release fee	\$100.00
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**NB: Stereos are kept for a minimum of one month**

### Stock Impounding Fees

Council will recover actual costs when an animal is impounded

## 3.9 Resource Management Activity

<b><u>Land Use Consent:</u></b>	<b><u>Deposit*</u></b>
Notified application (ex cost of advertisement)	\$2,500*
Limited notified	\$1,200*
Boundary Activity - approved by neighbours	\$200.00
Non-notified	\$520.00*
Change or cancellation of conditions (S127)	\$520.00*
Extension of approval period (S125)	\$520.00*
Review of consent conditions (S128)	\$520.00*
Cost of commissioning report and other costs	Actual cost
Monitoring	\$130 p/hr
Certificate of Compliance (S139)	\$130 p/hr
Existing use certificate	\$130 p/hr

<b><u>Subdivision Consent:</u></b>	<b><u>Deposit*</u></b>
Notified application 1-3 lots (excl cost of advertisement)	\$2,500.00*
Limited notified	\$1,200.00*
Non-notified	\$520.00*
Each additional lot	\$50.00
Company lease, cross lease, unit title plan	\$520.00*
Certification of survey plans (S223)	\$130.00*
Issue of compliance certificate (S224(c))	\$200.00*
Combined survey plans and compliance certificates	\$250.00*
Inspections to confirm compliance with conditions S224(c) or S224(f)	\$130 p/hr
Extension, re-approval or variation of scheme plan or land transfer plan	\$520.00*
Certificate under S226	\$130 p/hr
Preparation of bond documents, consent notices, other legal	Actual cost
Engineering plan checking and inspection	\$130 p/hr
Right of way	\$520.00*

\* Deposits only – Additional charges may apply

<b>Plan Changes, Designations, Heritage Orders</b>	<b>Deposit*</b>
Request for plan change	\$4,000.00*
Notice of requirement for designation / heritage order	\$4,000.00*
Alteration, review, renewal of designation / heritage order	\$800.00*
Waiver of requirement for Outline Plan	\$320.00

<b>Miscellaneous Charges</b>	<b>Deposit*</b>
Operative Plan (per copy)	
-Mail list print version	\$100.00
-Photocopy	\$25.00
Planning certificate sale of liquor	\$260.00*
Overseas investment certificate	\$120.00*
Certificates requiring Council Seal	\$55.00*
Processing and Inspection Fee	\$150.00p/hr
Request for Information	Actual cost

\*Deposit The deposit is the estimated cost of processing the application and is payable at the time of lodging the application. An additional charge may be payable once the processing is complete. The additional charge will be calculated on the actual time spent processing the application by Council officers, consultants plus disbursements. Where the cost of processing is less than the deposit paid, a refund will be made to the applicant.