



**ANNUAL PLAN  
2016-2017**  
THE NEXT STEP  
IN OUR JOURNEY



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## Summary

Waikato district is in the middle of the 'golden triangle' between Auckland, Hamilton and Tauranga. Its location means that the Waikato is benefiting from the current and project growth of these cities especially with regards to land, transport, access to resources, people, homes and businesses.

However, with the benefits of growth there are also costs. The balance the Waikato District Council has to find is between supporting growth in our growth areas (which increases costs – particularly in the early stages of growth) and ensuring non-growth areas continue to have existing, or possibly improved, services.

It is this balance that is considered when planning for our Long Term Plan, which is a ten year plan produced by Council every three years. An annual plan is then produced in the two years between each Long Term Plan and outlines what we intend to achieve in each of those financial years, how much it will cost, and how it will be funded (including the setting of rates).

The 2016/2017 Annual Plan outlines our plans for the next financial year.

Since we've recently talked to you about what you want in your district as part of the Long Term Plan 2015-2025 consultation process (in 2015) – and because nothing significant has changed – we are not required by legislation to undertake formal community consultation or hold hearings on the Annual Plan; but we did communicate to you about what's happening through community market days and events, our quarterly newsletter (LINK), our website and with your rates notice.

### Key points:

- The projects that the community agreed on as part of our Long Term Plan haven't changed.
- If you are intending to seek funding for community projects or events from Council, we'd like to ensure you're aware of the various options available. Information about the various sources are available on the community funding page of our website:  
**[www.waikatodistrict.govt.nz/funding](http://www.waikatodistrict.govt.nz/funding)**
- The general and UAGC average rate increase for 2016/17 is 2.67%.
- You'll find more information on our website : <https://www.waikatodistrict.govt.nz/annual-plan>

## **What we do**

The following pages provide information about our work programme – the major projects and activities we have decided on for the 2016/17 year and their associated budgets.

Our eight groups of activities contribute to keeping our district running, providing the services and facilities needed to meet residents' needs. Whilst seven of the activity groups are externally focussed, the organisational support group is internally focussed and is not an official group of activity as required under the Local Government Act, however, it includes a significant amount of our activities and provides a complete picture of the activities we provide.

While many of the activities relate to legislation, for example the Building Act 2004 and the Resource Management Act 1991, they contribute to the community's social, cultural, environmental and economic well-being and therefore also contribute to the community outcomes in some way, either directly or indirectly.

## Governance

Governance includes the work of the elected Council and its committees, the community boards, Maaori liaison and elections. Strong leadership is required for the district to progress and prosper. The Council and community boards work in partnership with the community to make the key decisions for the districts long-term future, responding to the differing needs of diverse communities, through plans and strategies, and by facilitating progress against Council's goals.

A vital aspect for the Council is its relationship with Iwi especially with the joint management agreement with Waikato Tainui and other partnership agreements.

The governance group also includes the three-yearly local authority elections, with the organisation providing support through an electoral officer and organisation of the election process.

### Key Projects

The following key projects are planned for 2016-17:

Projects	Description	Total cost for 2016/17 (\$000)
Local Authority Election	Three yearly council elections	316

## **Sustainable Environment**

This group of activities includes animal control, building quality, strategic and district planning, solid waste and environmental health. We provide these services to both community and council.

**Strategic Focus:** To have an integrated approach to providing sustainable, attractive, affordable and safe options for living, in a way that's in tune with what ratepayers want. This needs to result in more streamlined processes that cost less while still providing required results for both community and the Council.

**Animal control** - The Animal Control Team delivers animal control services in the areas of dog registration, complaint response, wandering stock, and general animal control, as required by the Dog Control Act 1996, Impounding of Stock Act 1955 and Council's dog control policies and bylaws. This is achieved through active enforcement of requirements and via the education of dog owners and the general public.

**Building quality** - Responsible for ensuring that buildings in our district comply with legislation, including fencing of swimming pools, process building consent applications and carry out construction inspections (protecting the community).

**Strategic and district planning** - Land use and growth management planning is done so that the district can grow and develop in a sustainable manner and in accordance with the principles contained in the Resource Management Act (RMA) 1991.

**Solid waste** - As set out in in the Waste Minimisation and Management Plan (WMMP), Council has adopted an aspirational vision of "Working towards zero waste for the Waikato district."

The goals of the WMMP are summarised as:

- Working more closely with our communities in managing waste;
- Working more closely with the growing waste management industry in the district and the other councils around us;
- Improving our kerbside recycling collections;
- Considering ways to reduce the amount of rubbish we collect and how much it costs; and
- Improving transfer stations to recover and recycle more material than we do now.

**Environmental health** - provides a range of services to ensure food outlets maintain high food safety standards, alcohol outlets operate to the conditions of their licences, and that noise and nuisance complaints, hazardous substances and contaminated sites are all managed.



## Key Projects

The following key projects are planned for 2016-17:

Projects	Description	Total cost for 2016/17 (\$000)
<b>Solid Waste</b>		
Huntly Transfer Station Upgrade	Upgrade works to support the conversion to a resource recovery centre.	308
Huntly Resource Recovery Centre Upgrade	Create a resource recovery centre.	308
Raglan Transfer Station Upgrade	Vehicle pad replacement	51

## **Sustainable Communities**

This group of activities includes economic development, grants and donations, parks, property and facilities, emergency management and customer and partnership focus. We provide these services to address those social and economic wellbeing's that ensure "communities" are developed rather than just discrete sets of towns and villages. It's about the provision of leisure options and the protection of enduring communities.

**Strategic Focus:** To support economic growth (rather than spatial growth), to enrich our communities through employment and improved quality of life, rather than simply encouraging population growth.

**Economic development:** We are continually providing infrastructure to support businesses and residents, ensuring that the rules in our district plan are enabling in attracting industry to our district along with many other initiatives. The goal is to ensure our district has longevity by bringing more employment opportunities. The unit leads, supports and co-ordinates economic development activities, plans and initiatives across the district's growth nodes to help build a local environment that attracts and sustains new and existing business investment, residential development and visitor experiences.

**Grants and donations:** Every year we provide grants and donations to various organisations and charities throughout the district, which otherwise might not have access to funding for their work-

**Parks and Facilities:** We provide many parks and reserves, playgrounds and public facilities including aquatic centres and six libraries, walkways and sports grounds, providing the facilities and amenities needed for a healthy and thriving community.

**Emergency management:** Public safety and emergency management activities are fundamental to the protection of life and property in the community. We have a key role in disaster and emergency response, management and recovery, including rural fire management.

**Customer and Partnership focus:** This is one of the key ways residents can contact us about the issues and questions regarding the services we provide. This includes staff in our libraries and service centres, and our call centre. In order for our customer to feel supported outside of normal working hours, an afterhours service is provided by Hamilton City Council.

## Key Projects

The following key projects are planned for 2016-17:

Projects	Description	Total cost for 2016/17 (\$000)
Playground Programme	As per Playground Strategy, comprehensive programme to reach levels of service for provision of playgrounds	399
Boat Ramps and Jetties	Bringing Council owned boat ramps up to compliance levels.	271
Raglan Sports Ground	New sports ground in Raglan	305
Tamahere Recreation Reserve	Development of the recreation reserve at Tamahere. Including: <ul style="list-style-type: none"> <li>• Skate park</li> <li>• Playground</li> <li>• Fitness Trail</li> </ul>	438
Skate park	Te Kauwhata Village Green Skate Park (Whangamarino)	215
Community Centre Renewal	Huntly Civic Centre – renewals based on condition assessments	6
Wharf Maintenance	Raglan Wharf renewal works	59
Public Toilet	Onewhero public toilet - new public toilet at Onewhero rugby grounds	350

## Roading

This group of activities includes roading, corridor maintenance, bridges, footpaths, passenger transport, road safety, network development and maintenance.

**Strategic Focus:** To concentrate on maintaining the current road network and projects which are mostly growth driven.

Waikato District Council is responsible for the following transportation asset groups:

- Pavements
- Sealed and Unsealed Roads
- Bridges, Large culverts, Retaining walls and Guardrails
- Footpaths, Walkways and Cycle ways
- Concrete Footpaths, Footpaths or Cycle lanes
- Drainage Facilities
- Culverts, Surface Water Channels, Sumps, Manholes and Cesspits
- Street Lighting
- Road Lighting, Under Veranda and Flag Lighting
- Traffic Facilities
- Signs, Traffic Controls, Road Marking and Sight Rails, Traffic Signals
- Minor Structures.
- Bus Shelters

### Key Projects

The following key projects are planned for 2016-17:

Projects	Description	Total cost for 2016/17 (\$000)
Districtwide – traction seal	Construct traction seal on unsealed roads in areas where there are potential safety issues.	202
Pokeno - Progress with structure plan roads	Will proceed to suit development progress.	728
Raglan - Progress with structure plan roads	Will proceed to suit development progress.	2,020
Tuakau - Progress with structure plan roads	Will proceed to suit development progress.	1,939

## Stormwater

This group of activities applies to urban stormwater schemes and Council maintained open drains and associated assets within the Waikato district. It does not include roading drainage, which is covered in the Transportation Activity Management Plan (AMP), or rural drainage schemes operated by the Waikato Regional Council.

Under the Land Drainage Act 1908, both the Regional and District councils are responsible for drainage issues on land that is not part of a drainage district. The division of this responsibility has not been formalised between the councils, and it is currently Council's practise to accept responsibility for those calls it receives about land drainage. Council acknowledges that this is a challenge and has identified a process to address this.

**Strategic Focus:** To maintain our current stormwater infrastructure to protect our environment from storm damage and run off, and address any growth-driven projects.

The Service Delivery Group is responsible for the efficient management of all Council's stormwater infrastructure at Ngaruawahia, Huntly, Te Kauwhata urban and district, Raglan, Meremere, Taupiri, Horotiu, Te Kowhai, Port Waikato, Pokeno, Tuakau and Tamahere drainage district.

There are also some dormant drainage districts that Council inherited from Franklin District Council and it is proposed for these to be disestablished.

## Key Projects

The following key projects are planned for 2016-17:

Projects	Description	Total cost for 2016/17 (\$000)
Districtwide – stormwater network upgrades to address lack of capacity	Install new pipes to increase capacity of network.	144
Ngaruawahia - Kent St/George St Network Improvements	Upgrade stormwater network to address residential flooding.	410
Pokeno - extensions of stormwater network to service growth	This work is dependent on growth occurring in Pokeno.	410
Pokeno – riparian planting of streams and drainage reserve associated with development	This work is dependent on growth occurring in Pokeno.	99
Raglan – stormwater network extensions and upgrades to address properties in flood hazard areas and to improve amenity value.	Plan and implement works based on the stormwater catchment management plan.	356
Te Kauwhata – Amo St Stormwater Upgrade	Install pipes to service un-reticulated properties.	36
Tuakau - extensions of stormwater network to service growth	Council to construct network to meet future growth needed. This work is dependent on growth occurring in Tuakau.	51

## Wastewater

This group of activities includes all wastewater systems owned and managed by Council. This includes wastewater treatment plants, pump stations and the reticulation network.

**Strategic Focus:** To ensure wastewater is suitably collected, treated and disposed of to protect our environment and the public's health.

The Service Delivery Group is responsible for the efficient management of all Council's wastewater infrastructure at Ngaruawahia, Hopuhopu, Huntly, Te Kauwhata, Raglan, Tuakau, Meremere, Rangiriri, Taupiri, Horotiu, Matangi, Te Kowhai Road, Maramarua, Te Ohaaki and Tauwhare Pa. Management includes network development, maintenance, and disposal of network components such as pipes, manholes, pump stations and treatment plant equipment.

There are five main wastewater schemes; Huntly, Central District, Raglan, Mid Waikato and North Waikato servicing the urban areas of the district. There are five smaller village schemes; Te Kowhai, Meremere, Matangi, Tauwhare Pa and Maramarua.

Approximately 35% of rateable properties are connected to a council scheme.

### Key Projects

The following key projects are planned for 2016-17:

Projects	Description	Total cost for 2016/17 (\$000)
Huntly – meet treatment levels of service and comply with resource consent conditions.	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	1,633
Ngaruawahia – meet treatment levels of service and comply with resource consent conditions.	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	54
Raglan – meet treatment levels of service and comply with resource consent conditions.	Upgrade the wastewater treatment plant to meet levels of service and comply with resource consent conditions.	108
Te Kauwhata –extensions of wastewater network to service growth	Council and developer led construction of network to meet future growth needed. This work is dependent on growth occurring in Te Kauwhata.	323
Tuakau - extensions of wastewater network to service growth.	Council and developer led construction of network to meet future growth needed. This work is dependent on growth occurring in Tuakau.	269

## Water Supply

This group of activities applies to all drinking water supplies owned and managed by Council. This includes all water treatment plants, pump stations, reservoirs and the reticulation network.

**Strategic Focus:** To maintain our present network, addressing specific health issues and projects that are predominately growth driven.

The Service Delivery Group is responsible for the efficient management of all Council's water supply infrastructure at Ngaruawahia, Horotiu, Huntly, Raglan, Hopuhopu, Taupiri, Te Kauwhata, Meremere, Whangamarino, Rangiriri, Tuakau, Pokeno, Southern Districts (Tamahere, Matangi, Eureka, Newstead, Puketaha, Gordonton), Western Districts (Te Kowhai Road and Stonebridge), Onewhero, Port Waikato and Te Akau South. Management includes network development, maintenance, and disposal of network components such as pipes, valves, hydrants, pumps and treatment plant equipment.

There are five main water schemes; Central District, Huntly, Raglan, Mid Waikato and Tuakau servicing primarily the urban areas of the district. The other remaining schemes service villages and rural areas.

Approximately 45% of rateable properties are connected to a council scheme.

### Key Projects

The following key projects are planned for 2016-17:

Projects	Description	Total cost for 2016/17 (\$000)
Hopuhopu/Taupiri – address insufficient water supply	Connect Hopuhopu/Taupiri water system to Ngaruawahia and Huntly water supply networks and decommission the existing water treatment plant.	2,049
Horotiu – provide storage to community	Install reservoir to meet levels of service.	1,096
Huntly – provide additional storage	Install reservoir to meet future growth needs and levels of service.	516
Pokeno – continue extensions of water supply network to service growth	Council and developer led construction of network to meet future growth is needed. This work is dependent on growth occurring in Pokeno.	165
Tuakau – continue extensions of water supply network to service growth for Whangarata Business Park and the Tuakau Structure Plan area	Tuakau – continue extensions of water supply network to service growth for Whangarata Business Park and the Tuakau Structure Plan area.	861



## Organisational Support

This group of activities is essentially the Council's engine room and includes communications, business improvement, human resources, health and safety, finance and treasury, rates, information management, legal counsel and corporate property.

**Strategic Focus:** To put into action the initiatives to take the organisation forward; making services more efficient and cost effective for ratepayer and continually reviewing how we can improve.

**Communications** - The Communications team is responsible for the Council's corporate communication and public relations activities.

The communications portfolio includes: strategic communications, crisis and issues management, media liaison, internal communications, stakeholder relations, reputation and corporate brand management, marketing communication, design, online communication and management of significant Council events. This function is legislated to support Civil Defence emergency and Public Information Management (PIM) requirements.

The Communications team is responsible for the development and positive positioning of the Council's image and reputation. This function supports projects (as appropriate) across the business.

**Business improvement** - Business improvement focused on delivering demonstrable dollar savings to the organisation through improved efficiency.

**Human resources** – Council's human resources function is focused on building organisational trust within and between all levels of our employees. This will build stronger and more respectful relationships, create opportunities to establish dialogue, increase levels of employee engagement and result in a more productive workforce. This approach will also create the foundation upon which we can build more meaningful performance tools, development plans and succession strategies.

The results of these efforts will be projects, training and services that will align values and support decision making. Our goal is that all employees will have clarity in how their contribution supports the vision, managers will have the tools that they require to be effective in support and developing their staff, together we will foster a culture of service that earns the trust, respect and confidence of our community.

**Health and safety** - Council is committed to providing and maintaining a safe and healthy workplace that will contribute to the wellbeing of all employees, volunteers, visitors, contractors and any other persons using Council facilities as a place of work.

In order for Council to fulfil its commitment to health and safety

- Council will adapt all policies and procedures and operate within the requirements of the Health & Safety of Work Act 2016
- Complete the Health and Safety Strategic Action Plan items and other initiatives to promote safe work practises.

**Finance and treasury** - Undertakes financial planning activities and prepares financial information to facilitate good decision making. Ensures there are effective and efficient financial and rating systems in place, in line with policy and legislation. Manages Council's funds in accordance with the treasury risk management policy. This function is responsible for managing the day-to-day financial operations

of Council (accounts payable, credit control, bank management, and payroll) and reporting on the Council's finances.

**Rates** - Ensures there are effective, efficient and accurate rating systems in place, in line with policy and legislation.

**Information management (IM)** – IM is responsible for managing, securing, backup and making available the information assets of the Council by providing specialist IM knowledge and expertise. This is aimed at delivering increased capabilities and supporting an efficient and effective organisation thereby ensuring that customers have access to required services and information

**Legal counsel** - To provide legal services, and risk management support to the organisation, manage all legal proceedings taken by or against Council, including enforcement action, initiate or provide input into the strategic direction of Council, i.e. bylaws, policies, processes and promote a legal compliance culture within the organisation.

### Key Projects

The following key projects are planned for 2016-17:

Projects	Description	Total cost for 2016/17 (\$000)
Council Offices Upgrades	Upgrade of council offices.	311
Libraries renewal and upgrades	Renewal and upgrade of library facilities to meet levels of service.	238
Various IT (software and hardware renewal and upgrades)	Renewal and upgrade of IT systems.	912

## Funding Impact Statement (FIS)

The Council proposes to set the following rates for the financial year commencing 1 July 2016 and ending 30 June 2017.

All amounts (except where otherwise stated) are inclusive of GST

### General rate

The Council proposes to set a General Rate on the capital value of rateable land within its district. The General Rate required to undertake the work programme outlined in the second year of the Long Term Plan 2015-25 is proposed to be \$0.0023825 in the dollar of capital value. This work program covers Animal Control, Community and Safety, Corporate and Council Leadership, Environmental Health, Community Liaison, Libraries, Parks and Reserves, Resource Management, Roading, Solid Waste management, Stormwater, Wastewater and Water Supply

### Uniform Annual General Charge (UAGC)

The Council proposes to set a UAGC of \$442.33 per rating unit in the 2016/2017 year.

The Council considered and agreed on a range of services, which a UAGC might fund. The appropriate services are viewed as people-related, rather than property-related, including libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental health, resource management planning, environmental consents planning, area offices and democracy/local government.

At \$442.33 the UAGC along with other fixed charges will contribute approximately 21.5 percent of the total rates revenue expected to be collected by the Council. The legislative maximum for rates revenue collected from the UAGC and targeted rates set on a uniform basis is 30 per cent (LGRA). The Council considered that the amount of the UAGC was fair and equitable and took into account the needs of our diverse community.

### Rating of separately used or inhabited parts of a rating unit

Objective: To fairly apportion charges to properties containing multiple residences or multiple uses.

Conditions and Criteria:

The Council will raise multiple charges against each separately used or inhabited part of a rating unit.

Definition:

The basis of a unit of separate use or inhabitation is that the part can be separately let and permanently occupied by the owner or any other person having the right to use or inhabit that part by virtue of a lease, tenancy, licence or any other agreement.

For the purpose of this definition, where the use or inhabitation is an accessory one or is ancillary to another property or part thereof, it is not a separately used or inhabited part. For example:

- Not separately used or inhabited parts of a rating unit:
- A residential sleep-out or granny flat without independent kitchen facilities.
- A hotel room with or without kitchen facilities.
- Motel rooms with or without kitchen facilities.
- Individual storage garages/sheds/partitioned areas of a warehouse.
- Individual offices/premises of partners in a partnership.

These are separately used or inhabited parts of a rating unit:

- Houses/flats/apartments.
- Flats that share kitchen/bathroom

### **Targeted rates**

#### **Targeted Community Facilities Rates**

The Council proposes to set targeted rates for the purpose of covering the costs of maintenance and operation of community facilities in the respective defined rating areas of Huntly (urban), Ngaruawahia and Raglan. This rate is a fixed amount per rating unit on all rating units within the defined catchment area.

#### **Huntly Pool (Rural)**

The Council proposes to set a targeted rate for the purpose of covering part of the costs of maintenance and operation of the Huntly Pool. This rate is a fixed amount per rating unit on all rating units within the defined catchment area.

#### **Targeted Hall or Community Centres**

The Council proposes to set targeted rates for the purpose of covering the costs of maintenance and operation of halls, other facilities and community centres in the respective defined rating areas. This rate is a fixed amount per separately used or inhabited part of a rating unit within the defined hall/community centre area (except for the Te Kohanga rate which is an amount in dollar of land value). The targeted rates are specific to individual areas.

### **Refuse & Recycling**

#### **Northern Waikato and Central Waikato district refuse collection**

The Council proposes to set a targeted rate for household refuse collection, recycling and disposal where the refuse collection service is provided. The rate is a fixed amount per separately used or inhabited part of a residential rating unit within the serviced area.

#### **Raglan recycling and waste collection**

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling and waste minimisation where the service is provided in Raglan. This rate is a fixed amount per separately used or inhabited part of a residential rating unit within the area.

#### **Te Mata/Te Uku recycling collection point**

The Council proposes to set a targeted rate for the purpose of covering the costs of recycling collection points for the Te Mata and Te Uku area. This rate is a fixed amount per separately used or inhabited part of a residential rating unit within the area.

#### **Tuakau refuse collection**

The Council proposes to set a targeted rate for refuse collection, recycling and disposal in the Tuakau area. The rate is a fixed amount per wheelie bin supplied to each rating unit within the serviced area.

### **Water Supply**

The Council proposes to set targeted rates to fund expenditure on water activities.

#### **Non metered targeted rate**

This rate is assessed on rating units in the urban centres of Huntly, Ngaruawahia and Raglan without a water meter and is differentiated based on the provision (connected to the supply) or availability/serviceability (rating unit situated within 100 metres of any part of the waterworks) of a water supply service to a rating unit.

The rate is a fixed amount per connection.

### **Availability**

The rate is a fixed amount of \$207.60 per rating unit for availability/serviceability (rating unit situated within 100 metres of any part of the waterworks) of a water supply service to a rating unit.

### **Metered – connection charge targeted rate**

These rates are assessed on rating units with a water meter and assessed as a fixed amount of \$207.60 per metered connection.

The Council also proposes to set rates per cubic metre of water supplied to rating units (see below).

### **Water by Meter**

The Council proposes to set targeted rates to fund expenditure on water activities for metered water supply. The rates are an amount per unit of water (cubic metre) consumed or supplied as measured or controlled by a meter.

### **Wastewater**

The Council proposes to set targeted rates to fund expenditure on wastewater activities. The Council sets a rate for Zones A, B and C, and a separate rate for Zones D and E.

Zone A – Huntly, Ngaruawahia, Horotiu and Te Ohaki

Zone B – Raglan, Te Kauwhata, Rangiriri and Whaanga Coast\*

Zone C – Maramarua, Matangi, Meremere, Te Kowhai, Taupiri and Tauwhare Pa

Zone D – Tuakau

Zone E – Pokeno\*

\*New charges proposed to come into effect once connected to wastewater

The rates are differentiated by residential or commercial use.

Properties in the residential differential are further differentiated by connection or availability of the service.

For the purposes of this rate:

- residential is defined as any part of a rating unit that is used primarily for residential purposes. This is the base differential.
- availability is defined as any rating unit situated within 30 metres of a public wastewater drain to which it is capable of being effectively connected - set as 50 per cent of the fixed amount for connected properties.
- Commercial (commercial) is defined as any part of a rating unit that is not categorised as residential, commercial (non-rateable) or commercial (assistance for the elderly). The rates are set and assessed as 100 per cent of the residential connected differential for rating units with up to two pans, and 50 per cent of the residential connected rate for the third and subsequent pans for the additional use they make of the wastewater systems.
- Commercial (non-rateable) is defined as organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council. The rates are set and assessed as 100 per cent of the residential connected differential for rating units with up to two pans, and 10 per cent of the connected rate for the third and subsequent pans in accordance with the Council's aim to assist non-profit organisations
- Commercial (assistance for the elderly) is defined as organisations that are supportive of the elderly, including retirement homes, rest homes and Council - owned pensioner flats, as determined by the Council. The rates are set and assessed as 100 per cent of the residential connected differential for rating units with up to two pans and 20 per cent of the connected

rate for the third and subsequent pans in accordance with the Council's aim of assisting with the elderly.

### **Urban stormwater**

The Council proposes to set a targeted rate to fund expenditure on stormwater activities for stormwater catchments in Horotiu, Huntly, Matangi, Meremere, Ngaruawahia, Pokeno, Port Waikato, Raglan, Taupiri, Te Kauwhata and Tuakau based on the availability of drainage to land as a fixed amount per rating unit.

### **Land drainage – Travers Road**

The Council proposes to set a targeted rate to fund expenditure on drainage activities based on the degree of benefit received from the Travers Road drainage system. This charge is assessed as an amount per hectare of land. The rate is set on a differential basis.

The differential categories are based on classifications:

Class A

Class B

Class C.

### **Tamahere rural stormwater – availability and land drainage**

The Council proposes to set a targeted rate to fund expenditure on rural stormwater activities for the Tamahere stormwater rating area based on the availability of drainage to land. This targeted rate is a fixed amount per rating unit across the scheme.

In addition to this targeted rate, ratepayers in the Tamahere stormwater rating area will also be liable for a Land Drainage targeted rate to fund expenditure on drainage activities received from the Tamahere drainage system. This charge is an amount per hectare of land.

### **Tamahere stormwater infrastructural development (structure plan)**

The Council proposes to set a targeted rate to fund extensions to the existing stormwater infrastructure in Tamahere to ensure that the potential for high water flows to cause erosion in the gully system is minimised. This rate is a fixed amount per rating unit across the Tamahere structure plan catchment for a period of 10 years up to and including the rating year 2017/2018.

### **Community board charges**

The Council proposes to set a targeted rate for the purpose of covering the direct costs of operating all the community boards within the district. This rate is a fixed amount per rating unit for all rating units within the Onewhero-Tuakau, Huntly, Taupiri, Ngaruawahia and Raglan community boards' catchments.

### **Capital works targeted rates**

The Council proposes to set targeted rates for the purpose of funding the capital cost and interest charges of specific capital work. Council initially provided ratepayers with an option on whether to pay for the cost of the capital work by a single payment over 3 instalments in a year or via targeted rates over an expected period of 10 years.

Council annually provides ratepayers with an option to pay off the balance of the rating unit's anticipated liability for targeted rates as at the 30<sup>th</sup> of June of the preceding financial year.

The targeted rates only apply to those rating units for which liability has not been discharged.

### **Taupiri wastewater scheme**

A charge of \$2,531.25 per rating unit (inclusive of GST) was made for the purpose of covering the capital cost of the wastewater system.

For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as:

- a fixed amount per rating unit of \$258.75 (inclusive of GST) (comprising \$225.00 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

#### **Rangiriri wastewater scheme**

A charge of \$2,812.50 per rating unit was made for the purpose of covering the capital cost of the wastewater system.

For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as:

- a fixed amount per rating unit of \$307.53 (inclusive of GST) (comprising \$250.00 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

#### **Te Ohaki Road wastewater scheme**

A charge of \$3,220.00 per rating unit was made for the purpose of covering the capital cost of the wastewater system.

For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as:

- a fixed amount per rating unit of \$389.28 (inclusive of GST) (comprising \$280.00 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

#### **Tauwhare Pa wastewater scheme**

A charge of \$4,637.16 per rating unit was made for the purpose of covering the capital cost of the wastewater system.

For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as

- a fixed amount per rating unit of \$560.61 (inclusive of GST) (comprising \$403.23 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

#### **Te Ohaki Road water scheme**

A charge of \$2,817.50 per rating unit was made for the purpose of covering the capital cost of the wastewater system.

For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as:

- a fixed amount per rating unit of \$406.04 (inclusive of GST) (comprising \$245.00 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

#### **Lump Sum contributions:**

##### ***Whaanga Coast wastewater scheme contributions***

A charge of \$15,390 per rating unit was made for the purpose of covering the capital cost of the wastewater system.

For rating units that have not discharged their liability by way of lump sum contribution, the Council will set a targeted rate as:

- a fixed amount per rating unit of \$2,074.97 (inclusive of GST) (comprising \$1,338.26 capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

***Lump sum contributions generally***

The Council will not accept lump sum contributions in respect of any targeted rate, except where stated explicitly in this Funding Impact Statement.



## Rating Base Information

Rates for the financial year commencing 1 July 2016 to 30 June 2017 (All figures are inclusive of GST)

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
General Rate	All rateable land in the district	Work program as highlighted in the annual plan including Animal Control, Community and Safety, Corporate and Council Leadership, Environmental Health, Community Liaison, Libraries, Parks and Reserves, Resource Management, Roading, Solid Waste management, Stormwater, Wastewater and Water Supply	Uniform rate in the dollar of capital value	0.0023825	45,890
Uniform annual general charge (UAGC)		People related activities including but not limited to libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental health, resource management planning, environmental consents planning, area offices and democracy/ local government.	Fixed amount per rating unit	442.33	12,238
Targeted catchment facilities rates (apply to all rating units within each ward catchment area).	Huntly Community Facilities (urban catchment)	Covers the cost of maintenance and operation of community facilities.	Fixed amount per rating unit	42.00	127
	Ngaruawahia Community Facilities			25.00	63
	Raglan Community Facilities			25.00	52

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
Huntly pool rural	Based on location of rating unit in catchment area	Covers the cost of maintenance and operation of community facilities.	Fixed amount per rating unit	16.00	3
Targeted hall or community centre rates (apply to all rating units within each hall catchment area).	Te Kohanga	Covers the cost of maintenance and operation of halls, other facilities and community centres.	Uniform rate in the dollar of land value	0.000026	3
	Aka Aka		Fixed amount per separately used or inhabited part of a rating unit	23.00	4
	Eureka		35.00	8	
	Glen Murray		50.00	6	
	Gordonton		26.00	14	
	Horsham Downs		35.00	14	
	Karioitahi		28.74	1	
	Mangatangi		30.00	5	
	Mangatawhiri		58.50	12	
	Maramarua		24.00	8	
	Matangi		24.00	24	
	Meremere		24.00	4	
	Naike		40.89	4	
	Ohinewai		24.00	3	
	Opuatia		32.00	3	
	Orini		26.00	5	
	Otaua		50.00	8	
Pokeno	23.00	12			
Port Waikato	25.00	11			

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
	Pukekawa			40.00	16
	Puketaha			38.00	12
	Ruawaro			29.00	7
	Tamahere			70.00	88
	Taupiri			24.00	13
	Tauwhare			30.00	9
	Te Akau/Waingaro			32.00	7
	Te Hoe			30.00	4
	Te Kowhai			50.00	39
	Te Mata			24.00	5
	Tuakau			46.13	79
	Whangarata			46.00	3
	Waikaretu			50.00	3
	Whitikahu			53.00	9
Waste management - solid waste and recycling collection Tuakau	Rating units within serviced areas		Fixed amount per wheelie bin.	127.83	229
Waste management - recycling collection Raglan	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit	108.30	205
Waste management - recycling collection Te Mata/Te Uku	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit	39.22	28

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
Waste management -solid waste collection district wide (includes recycling)	Residential rating units within serviced areas. ( Eureka, Glen Afton/Pukemiro, Gordonton and surrounds, Horotiu, Horsham Downs, Huntly and surrounds, Meremere, Ngaruawahia and surrounds, Rangiriri and surrounds, Rotokauri, Tamahere and surrounds, Taupiri and surrounds, Te Kauwhata and surrounds, Te Kowhai, Whatawhata)		Fixed amount per separately used or inhabited part of a rating unit	127.83	1,945
Waste management - solid waste collection Northern Waikato	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit	127.83	421
Water Supply - Non metered	Connected properties in the urban centres of Huntly, Ngaruawahia and Raglan.	District wide water activities as per the long term plan.	Fixed amount per separately used or inhabited part of a rating unit	549.42	3,239
	Serviceable properties in the urban centres of Huntly, Ngaruawahia, Pokeno and Raglan.		Fixed amount per rating unit	207.60	79
Water Supply - Metered	Metered rating units in serviced areas	District wide water activities as per the long term plan.	Fixed amount per metered connection to which the service is provided.	207.60	1,531
			Charge Per cubic metre of water consumed (as measured by meter).	1.76	6,799

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
Wastewater - Zone A	Residential - connected	Wastewater activities within the relevant zone.	Fixed amount per separately used or inhabited part of a rating unit situated in Zone A	683.45	3,435
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit in Zone A	341.73	96
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone A	683.45	-
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone A	68.35	38
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone A	683.45	-

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone A	136.69	1
	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone A	683.45	-
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone A	341.73	96
Wastewater - Zone B	Residential - connected	Wastewater activities within the relevant zone.	Fixed amount per separately used or inhabited part of a rating unit situated in Zone B	740.57	1,777
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit in Zone B	370.29	97
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone B	740.57	-
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone B	74.06	9

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone B	740.57	-
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone B	148.11	13
	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone B	740.57	-
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone B	370.29	40
Wastewater - Zones C	Residential - connected	Wastewater activities within the relevant zone.	Fixed amount per separately used or inhabited part of a rating unit situated in Zone C	817.82	407
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit in Zone C	408.91	0

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone C	817.82	-
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone C	81.78	1
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone C	817.82	-
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone C	163.56	-
	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone C	817.82	-
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone C	408.91	2



Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
Wastewater - Zone D	Residential - connected	Wastewater activities within the relevant zone.	Fixed amount per separately used or inhabited part of a rating unit situated in Zone D	667.05	1,061
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit in Zone D	333.53	15
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone D	667.05	-
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone D	66.71	-
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone D	667.05	-
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone D	133.41	-

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone D	667.05	-
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone D	333.53	-
Wastewater - Zone E	Residential - connected	Wastewater activities within the relevant zone	Fixed amount per separately used or inhabited part of a rating unit situated in Zone E	733.91	155
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit in Zone E	366.96	30
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone E	733.91	-
	Non residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone E	73.39	-

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone E	733.91	-
	Non residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone E	146.78	-
	Non residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans situated in Zone E	733.91	-
	Non residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans situated in Zone E	366.96	40
Urban Stormwater	Rating units within the stormwater catchment areas (Horotiu, Huntly, Matangi, Meremere, Ngaruawahia, Pokeno, Port Waikato, Raglan, Taupiri, Te Kauwhata and Tuakau).	District wide stormwater activities as per the long term plan.	Fixed amount per rating unit	164.00	1,675
Travers Road land drainage	Travers Road land drainage - Class A	Land drainage activities.	Amount per hectare of land area	181.04	2
	Travers Road land drainage - Class B			120.70	2
	Travers Road land drainage - Class C			90.52	2
Tamahere structure plan stormwater	Rating units within the Tamahere structure plan catchment area	Existing stormwater infrastructure	Fixed amount per rating unit	189.00	185
Tamahere rural stormwater	Rating units within the Tamahere stormwater catchment area.	Tamahere rural stormwater activities	Fixed amount per rating unit	29.11	24

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
Tamahere land drainage	Rating units within the Tamahere land drainage catchment area.	Land drainage activities.	Amount per hectare of land area	6.59	10
Community Boards	Huntly ward	Direct costs of operating all the community boards within the district	Fixed amount per rating unit	18.20	55
	Ngaruawahia ward			18.20	46
	Onewhero-Tuakau ward			18.20	69
	Raglan ward			18.20	45
	Taupiri ward			18.20	4
Te Ohaki Capital Water Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	406.04	-
			Balance of Loan - Fixed amount per connection.	2,817.50	101
Taupiri Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	258.75	16
			Balance of Loan - Fixed amount per connection.	258.75	-
Rangiriri Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	307.53	2
			Balance of Loan - Fixed amount per connection.	575.00	-
Te Ohaki Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	389.28	10
			Balance of Loan - Fixed amount per connection.	1,610.00	-
Te Ohaki Capital Wastewater Scheme	Connected Marae in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	6,177.94	6
			Balance of Loan - Fixed amount per connection.	0.00	-

Source	Category	Funding	Basis of Rating	Annual Plan 2016/17	Estimated Revenue
				\$	\$ 000's
Tauwhare Pa Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	560.61	20
			Balance of Loan - Fixed amount per connection.	2,318.58	-
Whaanga Coast Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work.	Loan Instalments - Fixed amount per connection.	2,074.97	41
			Balance of Loan - Fixed amount per connection.	12,312.00	-


# Rates Breakdown Indicator Properties

THESE ARE THE INDICATED RATES, EXCLUSIVE OF GST

## PASTORAL PROPERTY EXAMPLES

		Median – Minimum Capital Value		Average Capital Value		Median – Maximum Capital Value	
		2015/16 Actual	2016/17 Proposed	2015/16 Actual	2016/17 Proposed	2015/16 Actual	2016/17 Proposed
<b>EUREKA</b>	Rating Valuation	1,250,000.00	1,250,000.00	2,360,000.00	2,360,000.00	4,220,000.00	4,220,000.00
	Capital Value rates	2,902.00	2,918.56	5,478.98	5,622.70	9,797.15	10,054.15
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	243.36	267.33	243.36	267.33	730.08	801.99
	Total Rates	3,575.48	3,628.22	6,152.46	6,332.36	10,957.35	11,298.47
	\$ Increase	-194.66	110.78	156.49	179.90	434.27	341.12
	Percentage Increase	-5.2%	3.1%	2.6%	2.9%	4.1%	3.1%
	Weekly Impact	-3.74	2.13	3.01	3.46	8.35	6.56
<b>HUKANUI-WAARENGA</b>	Rating Valuation	910,000.00	910,000.00	1,710,000.00	1,710,000.00	5,000,000.00	5,000,000.00
	Capital Value rates	2,112.66	2,168.08	3,969.94	4,074.08	11,608.00	11,912.50
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	0	0	0	0	699	699.00
	Total Rates	2,542.78	2,610.41	4,400.06	4,516.41	12,737.12	13,053.83
	\$ Increase	-88.89	67.63	454.79	116.35	-566.18	316.71
	Percentage Increase	-3.4%	2.7%	11.5%	2.6%	-4.3%	2.5%
	Weekly Impact	-1.71	1.30	8.75	2.24	-10.89	6.09
<b>NEWCASTLE</b>	Rating Valuation	1,030,000.00	1,030,000.00	1,390,000.00	1,390,000.00	3,820,000.00	3,820,000.00
	Capital Value rates	2,391.25	2,453.98	3,227.02	3,311.68	8,868.51	9,101.15
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	213.36	237.33	213.36	237.33	640.08	711.99
	Total Rates	3,034.73	3,133.64	3,870.50	3,991.34	9,938.71	10,255.47
	\$ Increase	-85.10	98.91	-88.58	120.83	-372.74	316.76
	Percentage Increase	-2.7%	3.3%	-2.2%	3.1%	-3.6%	3.2%
	Weekly Impact	-1.64	1.90	-1.70	2.32	-7.17	6.09
<b>ONEWHERO-TE AKAU</b>	Rating Valuation	714,000.00	714,000.00	1,425,000.00	1,425,000.00	8,325,000.00	8,325,000.00
	Capital Value rates	1,657.62	1,701.11	3,308.28	3,395.06	19,327.32	19,834.31
	UAGC	430.12	442.33	0	0	430.12	442.33
	Fixed Targeted Rates	18.20	18.20	32.00	32.00	200.00	200.00
	Total Rates	2,105.94	2,161.64	3,340.28	3,427.06	19,957.44	20,476.64
	\$ Increase	-94.78	55.69	-36.55	86.78	-486.25	519.20
	Percentage Increase	-4.3%	2.6%	-1.1%	2.6%	-2.4%	2.6%
	Weekly Impact	-1.82	1.07	-0.70	1.67	-9.35	9.98
<b>WHANGAMARINO</b>	Rating Valuation	826,000.00	826,000.00	1,630,000.00	1,630,000.00	5,920,000.00	5,920,000.00
	Capital Value rates	1,917.64	1,967.95	3,784.21	3,883.48	13,743.87	14,104.40
	UAGC	0	0	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	0	0	152.62	315.66	826.72	889.86
	Total Rates	1,917.64	1,967.95	4,366.95	4,641.47	15,000.71	15,436.59
	\$ Increase	178.33	50.30	203.67	274.52	-55.02	435.88
	Percentage Increase	10.3%	2.6%	4.9%	6.3%	-0.4%	2.9%
	Weekly Impact	3.43	0.97	3.92	5.28	-1.06	8.38

# COMMERCIAL PROPERTY EXAMPLES

		Median – Minimum Capital Value		Average Capital Value		Median – Maximum Capital Value	
		2015/16 Actual	2016/17 Proposed	2015/16 Actual	2016/17 Proposed	2015/16 Actual	2016/17 Proposed
<b>AWAROA KI TUAKAU</b>	Rating Valuation	220,000.00	220,000.00	430,000.00	430,000.00	1,540,000.00	1,540,000.00
	Capital Value rates	510.75	524.15	998.29	1,024.48	3,575.26	3,669.05
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	995.63	1,295.68	2,854.50	3,346.27	2,041.07	2,647.99
	Total Rates	1,936.50	2,262.16	4,282.91	4,813.08	6,046.45	6,759.37
	\$ Increase	102.92	125.66	235.81	330.17	356.33	312.92
	Percentage Increase	5.6%	5.9%	5.8%	7.4%	6.3%	4.9%
	Weekly Impact	1.98	2.42	4.54	6.35	6.85	6.02
<b>HUNTLY</b>	Rating Valuation	210,000.00	210,000.00	420,000.00	420,000.00	3,580,000.00	3,580,000.00
	Capital Value rates	487.54	500.33	975.07	1,000.65	8,311.33	8,529.35
	UAGC	0	0	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	614.22	683.45	1,666.53	1,798.80	1,438.42	1,530.45
	Total Rates	1,101.76	1,183.78	3,071.72	3,241.78	10,179.87	10,502.13
	\$ Increase	45.93	82.02	67.50	170.06	-102.55	322.26
	Percentage Increase	4.3%	7.4%	2.2%	5.5%	-1.0%	3.2%
	Weekly Impact	0.88	1.58	1.30	3.27	-1.97	6.20
<b>NGARUAWAHIA</b>	Rating Valuation	215,000.00	215,000.00	410,000.00	410,000.00	1,780,000.00	1,780,000.00
	Capital Value rates	499.14	512.24	951.86	976.83	4,132.45	4,240.85
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	2,356.11	2,568.36	3,478.30	3,832.09	1,021.42	1,098.25
	Total Rates	3,285.37	3,522.93	4,860.28	5,251.25	5,583.99	5,781.43
	\$ Increase	847.56	237.55	189.46	390.97	-57.13	197.44
	Percentage Increase	34.8%	7.2%	4.1%	8.0%	-1.0%	3.5%
	Weekly Impact	16.30	4.57	3.64	7.52	-1.10	3.80
<b>RAGLAN</b>	Rating Valuation	440,000.00	440,000.00	820,000.00	820,000.00	2,100,000.00	2,100,000.00
	Capital Value rates	1,021.50	1,048.30	1,903.71	1,953.65	4,875.36	5,003.25
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	1,135.66	1,155.37	1,135.66	1,155.37	4,898.80	5,000.97
	Total Rates	2,587.28	2,646.00	3,469.49	3,551.35	10,204.28	10,446.55
	\$ Increase	22.33	58.72	-19.85	81.86	672.08	242.27
	Percentage Increase	0.9%	2.3%	-0.6%	2.4%	7.1%	2.4%
	Weekly Impact	0.43	1.13	-0.38	1.57	12.93	4.66
<b>TAMAHERE</b>	Rating Valuation	1,320,000.00	1,320,000.00	2,000,000.00	2,000,000.00	6,800,000.00	6,800,000.00
	Capital Value rates	3,064.51	3,144.90	4,643.20	4,765.00	15,786.88	16,201.00
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	539.14	570.71	229.76	229.76	10,064.30	10,886.88
	Total Rates	4,033.77	4,157.94	5,303.08	5,437.09	26,281.30	27,530.21
	\$ Increase	-267.37	124.17	1,006.90	134.01	-299.45	1,248.91
	Percentage Increase	-6.2%	3.1%	23.4%	2.5%	-1.1%	4.8%
	Weekly Impact	-5.14	2.39	19.36	2.58	-5.76	24.02

# LIFESTYLE PROPERTY EXAMPLES



	Median – Minimum Capital Value		Average Capital Value		Median – Maximum Capital Value	
	2015/16 Actual	2016/17 Proposed	2015/16 Actual	2016/17 Proposed	2015/16 Actual	2016/17 Proposed
<b>AWAROA KI TUAKAU</b>						
Rating Valuation	321,000.00	321,000.00	641,000.00	641,000.00	1,320,000.00	1,320,000.00
Capital Value rates	745.23	764.78	1,488.15	1,527.18	3,064.51	3,144.90
UAGC	430.12	442.33	430.12	442.33	430.12	442.33
Fixed Targeted Rates	182.20	182.20	0	0	46.31	127.83
Total Rates	1,357.55	1,389.31	1,918.27	1,969.51	3,540.94	3,715.06
\$ Increase	55.69	31.76	111.26	51.25	282.01	174.12
Percentage Increase	4.3%	2.3%	6.2%	2.7%	8.7%	4.9%
Weekly Impact	1.07	0.61	2.14	0.99	5.42	3.35
<b>HUNTLY</b>						
Rating Valuation	173,000.00	173,000.00	345,000.00	345,000.00	960,000.00	960,000.00
Capital Value rates	401.64	412.17	800.95	821.96	2,228.74	2,287.20
UAGC	0	0	430.12	442.33	430.12	442.33
Fixed Targeted Rates	200.00	207.60	455.36	486.93	213.36	237.33
Total Rates	601.64	619.77	1,686.43	1,751.22	2,872.22	2,966.86
\$ Increase	133.40	18.14	43.80	64.79	-101.65	94.64
Percentage Increase	28.5%	3.0%	2.7%	3.8%	-3.4%	3.3%
Weekly Impact	2.57	0.35	0.84	1.25	-1.96	1.82
<b>NGARUAWAHIA</b>						
Rating Valuation	620,000.00	620,000.00	505,000.00	505,000.00	1,560,000.00	1,560,000.00
Capital Value rates	1,439.39	1,477.15	1,172.41	1,203.16	3,621.70	3,716.70
UAGC	430.12	442.33	430.12	442.33	430.12	442.33
Fixed Targeted Rates	213.36	237.33	469.92	517.86	448.36	479.93
Total Rates	2,082.87	2,156.81	2,072.45	2,163.35	4,500.18	4,638.96
\$ Increase	1,090.78	73.94	-34.04	90.90	-95.23	138.78
Percentage Increase	109.9%	3.5%	-1.6%	4.4%	-2.1%	3.1%
Weekly Impact	20.98	1.42	-0.66	1.75	-1.83	2.67
<b>RAGLAN</b>						
Rating Valuation	216,000.00	216,000.00	431,000.00	431,000.00	1,481,000.00	1,481,000.00
Capital Value rates	501.47	514.62	1,000.61	1,026.86	3,438.29	3,528.48
UAGC	0	0	430.12	442.33	0	0
Fixed Targeted Rates	0	0	18.20	18.20	0	0
Total Rates	501.47	514.62	1,448.93	1,487.39	3,438.29	3,528.48
\$ Increase	12.52	13.15	0.77	38.46	-30.60	90.19
Percentage Increase	2.6%	2.6%	0.1%	2.7%	-0.9%	2.6%
Weekly Impact	0.24	0.25	0.02	0.74	-0.59	1.73
<b>TAMAHERE</b>						
Rating Valuation	460,000.00	460,000.00	825,000.00	825,000.00	2,100,000.00	2,100,000.00
Capital Value rates	1,067.94	1,095.95	1,915.32	1,965.56	4,875.36	5,003.25
UAGC	430.12	442.33	430.12	442.33	430.12	442.33
Fixed Targeted Rates	283.36	307.33	509.08	533.05	445.99	469.96
Total Rates	1,781.42	1,845.61	2,854.52	2,940.94	5,751.47	5,915.54
\$ Increase	99.80	64.19	71.76	86.42	-15.96	164.07
Percentage Increase	5.9%	3.6%	2.6%	3.0%	-0.3%	2.9%
Weekly Impact	1.92	1.23	1.38	1.66	-0.31	3.16



# DAIRY LAND PROPERTY EXAMPLES



	Median – Minimum Capital Value		Average Capital Value		Median – Maximum Capital Value		
	2015/16 Actual	2016/17 Proposed	2015/16 Actual	2016/17 Proposed	2015/16 Actual	2016/17 Proposed	
<b>EUREKA</b>	Rating Valuation	1,563,000.00	1,563,000.00	3,050,000.00	3,050,000.00	7,530,000.00	7,530,000.00
	Capital Value rates	3,628.66	3,723.85	7,080.88	7,266.63	17,481.65	17,940.23
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	251.36	275.33	248.36	272.33	754.08	825.99
	Total Rates	4,310.14	4,441.51	7,759.36	7,981.29	18,665.85	19,208.55
	\$ Increase	434.69	131.37	356.48	221.93	2,341.35	542.70
	Percentage Increase	11.2%	3.0%	4.8%	2.9%	14.3%	2.9%
	Weekly Impact	8.36	2.53	6.86	4.27	45.03	10.44
<b>HUKANUI-WAERENGA</b>	Rating Valuation	1,335,000.00	1,335,000.00	2,625,000.00	2,625,000.00	11,200,000.00	11,200,000.00
	Capital Value rates	3,099.34	3,180.64	6,094.20	6,254.06	26,001.92	26,684.00
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	213.36	237.33	478.72	526.66	478.72	526.66
	Total Rates	3,742.82	3,860.30	7,003.04	7,223.05	26,910.76	27,652.99
	\$ Increase	-118.95	117.48	363.11	220.01	5006.27	742.23
	Percentage Increase	-3.1%	3.1%	5.5%	3.1%	22.9%	2.8%
	Weekly Impact	-2.29	2.26	6.98	4.23	96.27	14.27
<b>NEWCASTLE</b>	Rating Valuation	1,205,000.00	1,205,000.00	2,440,000.00	2,440,000.00	6,175,000.00	6,175,000.00
	Capital Value rates	2,797.53	2,870.91	5,664.70	5,813.30	14,335.88	14,711.94
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	0	0	0	0	426.72	474.66
	Total Rates	3,227.65	3,313.24	6,094.82	6,255.63	15,192.72	15,628.93
	\$ Increase	255.42	85.59	689.99	160.81	1684.05	436.21
	Percentage Increase	8.6%	2.7%	12.8%	2.6%	12.5%	2.9%
	Weekly Impact	4.91	1.65	13.27	3.09	32.39	8.39
<b>ONEWHERO-TE AKAU</b>	Rating Valuation	1,020,000.00	1,020,000.00	1,840,000.00	1,840,000.00	3,430,000.00	3,430,000.00
	Capital Value rates	2,368.03	2,430.15	4,271.74	4,383.80	7,963.09	8,171.98
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	58.20	58.20	98.20	98.20	183.88	346.92
	Total Rates	2,856.35	2,930.68	4,800.06	4,924.33	8,577.09	8,961.23
	\$ Increase	-113.27	74.33	209.25	124.27	1785.42	384.14
	Percentage Increase	-3.8%	2.6%	4.6%	2.6%	26.3%	4.5%
	Weekly Impact	-2.18	1.43	4.02	2.39	34.34	7.39
<b>WHANGAMARINO</b>	Rating Valuation	980,000.00	980,000.00	1,940,000.00	1,940,000.00	6,600,000.00	6,600,000.00
	Capital Value rates	2,275.17	2,334.85	4,503.90	4,622.05	15,322.56	15,724.50
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	0	0	237.36	261.33	400.00	415.20
	Total Rates	2,705.29	2,777.18	5,171.38	5,325.71	16,152.68	16,582.03
	\$ Increase	-96.66	71.89	-210.44	154.33	1258.35	429.35
	Percentage Increase	-3.4%	2.7%	-3.9%	3.0%	8.4%	2.7%
	Weekly Impact	-1.86	1.38	-4.05	2.97	24.20	8.26

# RESIDENTIAL PROPERTY EXAMPLES



	Median – Minimum Capital Value		Average Capital Value		Median – Maximum Capital Value		
	2015/16 Actual	2016/17 Proposed	2015/16 Actual	2016/17 Proposed	2015/16 Actual	2016/17 Proposed	
<b>AWAROA KI TUAKAU</b>	Rating Valuation	380,000.00	380,000.00	335,000.00	335,000.00	2,500,000.00	2,500,000.00
	Capital Value rates	882.21	905.35	777.74	798.14	5,804.00	5,956.25
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	18.20	18.20	1,041.76	1,134.21	18.20	18.20
	Total Rates	1,330.53	1,365.88	2,249.62	2,374.68	6,252.32	6,416.78
	\$ Increase	553.77	35.35	163.14	125.06	3,651.11	164.46
	Percentage Increase	71.3%	2.7%	7.8%	5.6%	140.4%	2.6%
	Weekly Impact	10.65	0.68	3.14	2.41	70.21	3.16
<b>HUNTLY</b>	Rating Valuation	82,000.00	82,000.00	16,500.00	165,000.00	560,000.00	560,000.00
	Capital Value rates	190.37	195.37	383.06	393.11	1,300.10	1,334.20
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	213.36	237.33	1,572.78	1,694.40	1,572.78	1,694.40
	Total Rates	833.85	875.03	2,385.96	2,529.84	3,303.00	3,470.93
	\$ Increase	22.56	41.17	53.96	143.88	34.45	167.93
	Percentage Increase	2.8%	4.9%	2.3%	6.0%	1.1%	5.1%
	Weekly Impact	0.43	0.79	1.04	2.77	0.66	3.23
<b>NGARUAWAHIA</b>	Rating Valuation	110,000.00	110,000.00	255,000.00	210,000.00	650,000.00	650,000.00
	Capital Value rates	255.38	262.08	592.01	500.33	1,509.04	1,548.63
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	671.11	713.33	1,555.78	1,677.40	263.36	287.33
	Total Rates	1,356.61	1,417.74	2,577.91	2,620.06	2,202.52	2,278.29
	\$ Increase	536.05	61.13	177.77	146.62	5.73	75.76
	Percentage Increase	65.3%	4.5%	7.4%	5.9%	0.3%	3.4%
	Weekly Impact	10.31	1.18	3.42	2.82	0.11	1.46
<b>RAGLAN</b>	Rating Valuation	191,000.00	191,000.00	385,000.00	385,000.00	1,130,000.00	1,130,000.00
	Capital Value rates	443.43	455.06	893.82	917.26	2,623.41	2,692.23
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	771.43	785.09	1,562.32	1,605.49	1,562.32	1,605.49
	Total Rates	1,644.98	1,682.48	2,886.26	2,965.08	4,615.85	4,740.05
	\$ Increase	-82.01	37.50	67.87	78.83	-939.22	124.20
	Percentage Increase	-4.7%	2.3%	2.4%	2.7%	-16.9%	2.7%
	Weekly Impact	-1.58	0.72	1.31	1.52	-18.06	2.39
<b>TAMAHERE</b>	Rating Valuation	315,000.00	315,000.00	440,000.00	440,000.00	650,000.00	650,000.00
	Capital Value rates	731.30	750.49	1,021.50	1,048.30	1,509.04	1,548.63
	UAGC	430.12	442.33	430.12	442.33	430.12	442.33
	Fixed Targeted Rates	437.36	468.93	502.66	526.62	785.36	833.30
	Total Rates	1,598.78	1,661.75	1,954.28	2,017.25	2,724.52	2,820.18
	\$ Increase	-169.07	62.96	29.09	62.98	469.97	95.66
	Percentage Increase	-9.6%	3.9%	1.5%	3.2%	20.8%	3.5%
	Weekly Impact	-3.25	1.21	0.56	1.21	9.04	1.84

# Financial Planning

## Prospective funding impact statement - Whole of Council

A forecast for the year ending 30 June 2017

	<b>LTP 2015/16 NZ \$'000</b>	<b>LTP 2016/17 NZ \$'000</b>	<b>Annual plan 2016/17 NZ \$'000</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	49,798	51,726	51,604
Targeted rates	21,191	21,668	21,557
Subsidies and grants for operating purposes	8,412	8,429	8,047
Fees and charges	7,254	9,446	9,725
Interest and dividends from investments	400	500	500
Local authorities fuel tax, fines, infringement fees, and other receipts	5,599	5,968	7,976
<b>Total operating funding</b>	<b>92,654</b>	<b>97,737</b>	<b>99,409</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	68,846	72,127	74,556
Finance costs	3,008	3,968	3,588
Other operating funding applications	2,162	2,376	2,355
<b>Total applications of operating funding</b>	<b>74,016</b>	<b>78,471</b>	<b>80,499</b>
<b>Surplus (deficit) of operating funding</b>	<b>18,638</b>	<b>19,266</b>	<b>18,910</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	9,577	9,494	9,494
Development and financial contributions	8,015	8,217	8,217
Increase (decrease) in debt	18,129	17,015	19,142
Gross proceeds from sale of assets	218	217	217
Lump sum contributions	-	-	-
Other dedicated capital funding	1,588	93	93
<b>Total sources of capital funding</b>	<b>37,527</b>	<b>35,036</b>	<b>37,163</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	11,200	9,360	9,360
- to improve the level of service	11,649	12,945	12,945
- to replace existing assets	25,623	25,828	25,826
Increase (decrease) in reserves	7,464	5,954	7,700
Increase (decrease) of investments	229	215	242
<b>Total applications of capital funding</b>	<b>56,165</b>	<b>54,302</b>	<b>56,073</b>
<b>Surplus (deficit) of capital funding</b>	<b>(18,638)</b>	<b>(19,266)</b>	<b>(18,910)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Prospective statement of comprehensive revenue and expense

A forecast for the year ending 30 June 2017

	LTP 2015/16 NZ \$'000	LTP 2016/17 NZ \$'000	Annual plan 2016/17 NZ \$'000
<b>Revenue</b>			
Rates	70,989	73,394	73,161
Development and financial contributions	8,015	8,217	8,217
Subsidies and grants	17,989	17,923	17,541
Finance revenue	100	100	100
Other revenue	14,742	18,357	20,643
<b>Total revenue</b>	<b>111,835</b>	<b>117,991</b>	<b>119,662</b>
<b>Expenses</b>			
Depreciation and amortisation expense	22,304	23,178	24,462
Personnel expenses	26,834	27,602	28,028
Finance costs	3,008	3,968	3,588
Other expenses	44,088	46,817	48,799
<b>Total operating expenses</b>	<b>96,234</b>	<b>101,565</b>	<b>104,877</b>
<b>Surplus (deficit) before tax</b>	<b>15,601</b>	<b>16,426</b>	<b>14,785</b>
<b>Other comprehensive revenue and expense</b>			
Gain (loss) on property revaluations	25,391	25,476	25,507
<b>Total other comprehensive revenue &amp; expense</b>	<b>25,391</b>	<b>25,476</b>	<b>25,507</b>
<b>Total comprehensive revenue and expense</b>	<b>40,992</b>	<b>41,902</b>	<b>40,292</b>

### Note 1: Reconciliation of total comprehensive revenue and expense with net operating funding per prospective whole of Council funding impact statement

	LTP 2015/16 NZ \$'000	LTP 2016/17 NZ \$'000	Annual plan 2016/17 NZ \$'000
Total prospective revenue and expense wholly attributable to Waikato District Council	40,992	41,902	40,292
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	18,638	19,266	18,910
<b>Difference</b>	<b>22,354</b>	<b>22,636</b>	<b>21,382</b>
<b>The difference is due to:</b>			
Capital income	19,180	17,804	17,804
Vested assets	-	2,451	2,451
Revaluation of assets	25,391	25,476	25,507
Gain (loss) on sale of assets	87	83	82
Depreciation and amortisation	(22,304)	(23,178)	(24,462)
<b>Total explained difference</b>	<b>22,354</b>	<b>22,636</b>	<b>21,382</b>

**Note 2: Exchange and non-exchange revenue**

	<b>LTP 2015/16 NZ \$'000</b>	<b>LTP 2016/17 NZ \$'000</b>	<b>Annual plan 2016/17 NZ \$'000</b>
<b><u>Revenue from non-exchange transactions</u></b>			
Revenue from rates	65,510	67,482	67,250
Vested & found assets	-	2,451	2,451
Regulatory revenue	3,748	3,830	1,529
Infringements and fines	184	194	194
NZTA government subsidies	17,989	17,923	17,541
Petrol tax	425	441	441
Other subsidies and grants	-	-	70
Other fees and charges - Council	792	813	715
Other non-exchange revenue	2,835	1,603	1,057
<b>Total revenue from non-exchange transactions</b>	<b>91,483</b>	<b>94,737</b>	<b>91,248</b>
<b><u>Revenue from exchange transactions</u></b>			
Water billing charges	5,479	5,912	5,911
Development & financial contributions	8,015	8,217	8,217
Other fees and charges - Council	4,117	4,491	10,469
Finance income	100	100	100
Dividends	300	400	400
Subvention payment received	-	-	-
Other exchange revenue	2,341	4,134	3,317
<b>Total revenue from exchange transactions</b>	<b>20,352</b>	<b>23,254</b>	<b>28,414</b>
<b>Total revenue</b>	<b>111,835</b>	<b>117,991</b>	<b>119,662</b>

## Prospective statement of financial position

A forecast for the year ending 30 June 2017

	LTP 2015/16 NZ \$'000	LTP 2016/17 NZ \$'000	Annual plan 2016/17 NZ \$'000
<b>ASSETS</b>			
<b><u>Current assets</u></b>			
Cash and cash equivalents	495	436	10,418
Recoverables from non-exchange transactions	15,234	15,228	9,142
Receivables from exchange transactions	1,752	2,083	13,457
Non-current assets held for sale	400	400	-
Biological assets - cattle	83	83	90
Other financial assets	71	66	55
Prepayments	459	467	447
<b>Total current assets</b>	<b>18,494</b>	<b>18,763</b>	<b>33,609</b>
<b><u>Non-current assets</u></b>			
Property, plant and equipment	1,622,212	1,680,806	1,679,519
Intangible assets	5,780	5,933	5,623
Investment property	450	450	445
Investments in CCO's and other similar organisations	7,359	7,359	7,359
Other financial assets	1,260	1,480	1,346
<b>Total non-current assets</b>	<b>1,637,061</b>	<b>1,696,028</b>	<b>1,694,292</b>
<b>Total assets</b>	<b>1,655,555</b>	<b>1,714,791</b>	<b>1,727,901</b>
<b>LIABILITIES</b>			
<b><u>Current liabilities</u></b>			
Payables under exchange transactions	23,931	24,154	33,908
Taxes and transfers payable	1,305	1,317	1,244
Employee entitlements	3,256	3,335	3,150
Provisions	311	311	356
Borrowing	4,502	24,306	24,820
<b>Total current liabilities</b>	<b>33,305</b>	<b>53,423</b>	<b>63,478</b>
<b><u>Non-current liabilities</u></b>			
Provisions	1,655	1,655	1,645
Employee entitlements	219	224	203
Derivative financial instruments	(234)	(234)	2,052
Borrowing	64,124	61,335	54,634
<b>Total non-current liabilities</b>	<b>65,764</b>	<b>62,980</b>	<b>58,534</b>
<b>Total liabilities</b>	<b>99,069</b>	<b>116,403</b>	<b>122,012</b>
<b>Net assets/equity</b>	<b>1,556,486</b>	<b>1,598,388</b>	<b>1,605,889</b>
<b>NET ASSETS/EQUITY</b>			
Accumulated comprehensive revenue and expense	998,502	1,018,601	1,024,526
Other reserves	557,984	579,787	581,363
<b>Total net assets/equity</b>	<b>1,556,486</b>	<b>1,598,388</b>	<b>1,605,889</b>

## Prospective statement of changes in net assets/equity

A forecast for the year ending 30 June 2017

	LTP 2015/16 NZ \$'000	LTP 2016/17 NZ \$'000	Annual plan 2016/17 NZ \$'000
<b><u>Balance at beginning of year</u></b>			
Accumulated comprehensive revenue & expense	976,906	998,502	1,005,693
<b>Other reserves</b>			
Revaluation	562,440	587,831	577,921
Restricted	29	30	168
Council created	11,215	9,928	15,239
Special rates and user pays	(2,908)	(3,548)	(3,292)
Capital replacement funds	5,510	5,412	8,363
Development contributions	(37,732)	(41,703)	(38,529)
Fair value through other comprehensive revenue and expense	34	34	34
<b>Total net assets/equity at beginning of year</b>	<b>1,515,494</b>	<b>1,556,486</b>	<b>1,565,597</b>
<b><u>Comprehensive revenue and expense for the year</u></b>			
Accumulated comprehensive revenue & expense	15,601	16,426	14,785
<b>Other reserves</b>			
Revaluation	25,391	25,476	25,507
Revaluation (landfill)	-	-	-
Fair value through other comprehensive revenue and expense	-	-	-
<b>Total comprehensive revenue and expense for the year</b>	<b>40,992</b>	<b>41,902</b>	<b>40,292</b>
<b><u>Transfers to (from) accumulated comprehensive revenue &amp; expense</u></b>			
Accumulated comprehensive revenue & expense	5,995	3,673	4,048
<b>Other reserves</b>			
Revaluation	-	-	-
Restricted	1	2	1
Council created	(1,287)	(936)	(1,139)
Special rates and user pays	(640)	(1,244)	(1,235)
Capital replacement fund	(98)	313	124
Development contributions	(3,971)	(1,808)	(1,799)
<b>Total transfers to (from) accumulated comprehensive revenue &amp; expense</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Net assets/equity at end of year</u></b>			
Accumulated comprehensive revenue & expense	998,502	1,018,601	1,024,526
<b>Other reserves</b>			
Revaluation	587,831	613,307	603,428
Restricted	30	32	169
Council created	9,928	8,992	14,100
Special rates and user pays	(3,548)	(4,792)	(4,527)
Capital replacement funds	5,412	5,725	8,487
Development contributions	(41,703)	(43,511)	(40,328)
Fair value through other comprehensive revenue and expense	34	34	34
<b>Total net assets/equity at end of year</b>	<b>1,556,486</b>	<b>1,598,388</b>	<b>1,605,889</b>

## Prospective statement of reserve funds

A forecast for the year ending 30 June 2017

Reserve	Purpose	Forecast Balance	Transfers into fund	Transfers out of fund	Balance
		1-Jul-16			30-Jun-17
		\$'000	\$'000	\$'000	\$'000
Conservation fund	To fund expenditure items for conservation purposes.	446	46	(67)	425
Raglan Harbour reserve	Council took over assets from the Raglan Harbour Board. Any revenue or expense on these properties is kept separate from general funds.	176	418	(456)	138
Housing for the elderly	Income from housing for the elderly is put aside for use on the properties involved.	58	220	(268)	10
Plant reserve	Reserve used for control of expenditure and sale proceeds for vehicle and other plant running and maintenance costs.	226	1,533	(1,574)	185
Lake Hakanoa Caravan Park reserve	Revenue and expense for the Lake Hakanoa Caravan Park at Huntly is kept separate. The camp operation is self funding.	104	181	(130)	155
Raglan Kopua Holiday Park reserve	Revenue and expense for Kopua Camp at Raglan is kept separate. The camp operation is self funding.	884	1,195	(863)	1,216
Wainui Reserve farm	Revenue and expense for Wainui Reserve farm operations is kept separate. The farm operation is self funding and surpluses are used towards projects at Wainui Reserve.	204	152	(153)	203
Hillary Commission grants	These funds are committed to a club development programme for the future.	22	-	-	22
Creative NZ grant	The balance from Creative Communities New Zealand to be re-distributed as grants to suitable candidates.	26	-	-	26
Disaster recovery fund	Fund set aside for use in the event of a disaster.	1,215	37	-	1,252
Hillary Commission loans	Remaining funds and interest credits built up from Council's contribution to match Hillary Commission loans used in the past to assist sporting organisations. All loans have been repaid.	53	3	-	56
North Waikato development reserve	Remaining funds with interest credits from the Department of Corrections for use to assist the local community.	322	16	(1)	337
Hamilton East property proceeds	Proceeds from the sale of the Hamilton East property held separate for property related purposes.	2,302	-	-	2,302



Reserve	Purpose	Forecast Balance	Transfers into fund	Transfers out of fund	Balance
		1-Jul-16			30-Jun-17
		\$'000	\$'000	\$'000	\$'000
LTCCP contribution reserve	Reserve created on amalgamation of part of the Franklin District Council with Waikato District Council to assist with operational funding.	2,779	-	(1,355)	1,424
Landfill aftercare contribution	Reserve created on amalgamation of part of the Franklin District Council with Waikato District Council to assist with aftercare costs for closed landfills transferred.	332	15	(52)	295
Structure plan non-growth reserve	Reserve to provide funding for the non growth element of Structure Plan development.	625	133	-	758
Waste minimisation reserve	To manage waste minimisation grants and qualifying expenditure.	369	216	(559)	26
Huntly College jubilee award	A restricted reserve; the interest income from which is to be used for educational sponsorship.	14	1	(1)	14
Frances Paki Trust	A restricted reserve in memory of Francis Paki of Huntly. Interest income to be used as sponsorship for educational purposes.	1	1	(1)	1
Mungall Scholarship Trust	A restricted reserve in memory of Agnes Simpson Mungall. Interest income to be used for educational sponsorship.	1	-	-	1
Sundry reserves	Sundry reserves for township development and other operational purposes.	2,518	55	(217)	2,356
Targeted rate reserves – operational	Reserves to monitor operational costs in relation to special rates and user pays.	(3,292)	21,391	(22,626)	(4,527)
Replacement funds	Reserves where amounts equivalent to funded depreciation are held for use on capital renewals work.	8,362	19,477	(19,352)	8,487
Revaluation reserves	Non-cash reserves representing the increases or decreases in the value of infrastructural assets that are periodically revalued.	577,922	25,506	-	603,428
Capital rates and contributions	Reserves for structure plans, development contributions, financial contributions and capital targeted rates.	(36,407)	8,959	(10,422)	(37,870)
		<b>559,904</b>	<b>79,556</b>	<b>(58,097)</b>	<b>581,363</b>

**Prospective cash flow statement**  
**A forecast for the year ending 30 June 2017**

	<b>LTP 2015/16</b>	<b>LTP 2016/17</b>	<b>Annual plan 2016/17</b>
	NZ \$'000	NZ \$'000	NZ \$'000
<b><u>Cash flows from operating activities</u></b>			
<b>Receipts</b>			
Receipts from rates revenue	65,418	67,403	67,179
Subsidies received	18,658	18,368	18,217
Contributions received	8,356	8,200	8,618
Receipts from other revenue	19,345	20,874	23,247
Interest received	100	100	100
Dividends received	200	300	300
<b>Payments</b>			
Employee costs	(26,655)	(27,518)	(27,885)
Suppliers	(44,686)	(46,674)	(48,970)
Interest paid	(3,008)	(3,968)	(3,588)
Goods and services tax (net)	-	-	-
<b>Net cash flows from operating activities</b>	<b>37,728</b>	<b>37,085</b>	<b>37,218</b>
<b><u>Cash flows from investing activities</u></b>			
Purchase of property, plant and equipment	(55,219)	(53,342)	(55,574)
Proceeds from sale of property, plant and equipment	218	217	217
Community loans repayments received	-	-	-
Purchase of intangible assets	(572)	(819)	(819)
Community loans granted	-	-	-
Acquisition of investments	(229)	(215)	(242)
<b>Net cash flows from investing activities</b>	<b>(55,802)</b>	<b>(54,159)</b>	<b>(56,418)</b>
<b><u>Cash flows from financing activities</u></b>			
Proceeds from borrowings	18,129	17,015	19,142
Repayment of borrowings	-	-	-
<b>Net cash flows from financing activities</b>	<b>18,129</b>	<b>17,015</b>	<b>19,142</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>55</b>	<b>(59)</b>	<b>(58)</b>
Cash and cash equivalents at the beginning of the year	440	495	10,476
<b>Cash and cash equivalents at 30 June</b>	<b>495</b>	<b>436</b>	<b>10,418</b>

# Disclosure statement

## For the year ending 30 June 2017

### What is the purpose of this statement?

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

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

<b>Benchmark</b>		<b>Planned</b>	<b>Met</b>
Rates affordability benchmarks			
▪ income	\$2,888	\$2,737	Yes
▪ increases	4%	-1.4%	Yes
Debt affordability benchmarks			
▪ total debt	\$177m	\$78.45m	Yes
▪ average net debt	\$5,999	\$2,589	Yes
Balanced budget benchmark	100%	106%	Yes
Essential services benchmark	100%	210%	Yes
Debt servicing benchmark	15%	3%	Yes

### Notes

#### 1. Rates affordability benchmark

(1) For this benchmark:

- (a) Council's planned rates income for the year is compared with a quantified limit on total rates per rateable property contained in the financial strategy included in Council's long-term plan; and
- (b) Council's planned rates increases for the year are compared with a quantified limit on (cumulative from the 2016 limit) increases in total rates per rateable property contained in the financial strategy included in 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 rates increases for the year equal or are less than the quantified limit on rates increases.

#### 2. Debt affordability benchmark

(1) For this benchmark:

- (a) Council's planned borrowing is compared with a quantified limit on total debt contained in the financial strategy included in Council's long-term plan; and
- (b) Council's planned borrowing is compared with a quantified limit on average net debt per rateable property contained in the financial strategy included in Council's long-term plan.

(2) Council meets the debt affordability benchmark if:

- (a) its planned borrowing is within the quantified limit on total debt; and
- (b) its planned borrowing is within the quantified limit on net debt per rateable property.

### **3. Balanced budget benchmark**

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

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

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

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

- (1) For this benchmark, 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 Council's population will grow faster 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.

# Statement of accounting policies for the year ending 30 June 2017

## REPORTING ENTITY

Waikato District Council (Council) is a territorial authority governed by the Local Government Act 2002 (LGA 2002) and is domiciled in New Zealand.

The Waikato District Council Group (the Group) consists of the ultimate parent Waikato District Council (Council), its 100% owned subsidiaries Strada Corporation Limited (Strada) and the Waikato District Community Wellbeing Trust. Strada is a 50% party to a Joint Venture Agreement, Waikato Quarries Limited. All the companies in which Council has an interest, directly or through Strada, are incorporated and domiciled in New Zealand.

The primary objective of Council and the Group is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the Group as Public Benefit Entities (PBE) for the purposes of financial reporting.

The prospective financial statements are for the year ending 30 June 2017. They were authorised for issue by Council on 13 June 2016. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

## BASIS of PREPARATION

### Statement of compliance

Council's prospective financial statements have been prepared in accordance with the requirements of LGA 2002 which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These prospective financial statements (with the exception of the Funding Impact Statement) have been prepared in accordance with Tier I PBE accounting standards.

These prospective financial statements are the first prepared in accordance with PBE standards.

Included in this plan are three types of financial information –

1. the usual NZ GAAP regulated statements of financial position, comprehensive revenue and expense and the like;
2. funding impact statements (FIS); and,
3. a disclosure statement.

The key difference between these three types of information is that FISs and the disclosure statement are not required by NZ GAAP.

The FIS is intended to make the sources and applications of Council funds more transparent to its stakeholders than might be the case if only the usual NZ GAAP financial statements were provided. The FIS format is prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014 and is required by the Local Government Act 2002.

The purpose of the disclosure 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.

### Measurement base

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment properties, and certain financial instruments (including derivative instruments).

The actual results for the 2014/2015 financial year and the LTP financial performance and cash flows for the 2015/2016 financial year, as modified by known changes, have been used to arrive at the opening balances for the plan as at 1 July 2016.

## **Functional and presentation currency**

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's). The functional currency for Council is New Zealand dollars.

## **Changes in accounting policies**

The accounting policies set out below have been modified from those applied in prior financial statements. Those modifications have resulted from the implementation of the new PBE standards.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of consolidation**

Council has not consolidated the prospective financial statements to include its subsidiaries Strada and the Waikato District Community Wellbeing Trust as a group because Council believes that consolidation would not enhance an understanding of Council's core activities and services.

### **Revenue**

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable.

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised. An asset acquired through a non-exchange transaction is initially measured at its fair value at the date of acquisition.

Specific revenue items are recognised as follows:

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the year to which the rates resolution relates. They are recognised at the amounts due. Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Water billing revenue is recognised on an accrual basis. Unbilled usage, because there are unread meters at year-end, is accrued on an average usage basis.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when Council has received as application that satisfies its rates remission policy.
- Council receives government grants from the New Zealand Transport Agency (NZTA), 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.
- Revenue from the sale of goods is recognised when a product is sold to the customer. 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.
- Fes and charges revenue is recognised when the service is provided.
- Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease.
- Traffic and parking infringement income is recognised when the infringement notice is issued.
- Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested in Council are recognised as income when control over the asset is obtained.

- Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged.
- Interest income is recognised using the effective interest method.
- Dividends receivable are recognised when the right to receive the payment has been established.

### **Construction contracts**

Contract revenue and contract costs are recognised as revenue and expense respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts and costs that are specifically chargeable to the customer under the terms of the contract.

An expected deficit on construction contracts is recognised immediately as an expense in surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised deficits and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less deficits, the net amounts are presented as a liability.

### **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; they 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 when a successful applicant has been notified of Council approval.

### **Foreign currency transactions**

Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in surplus or deficit.

### **Leases**

#### ***Operating leases***

An operating lease is a lease which does not transfer substantially all the risks and rewards incidental to ownership. 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 include cash on 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 that are repayable on demand and form an integral part of Council's cash management are shown within borrowings in current liabilities in the statement of financial position.

### **Recoverables from non-exchange transactions and other receivables**

Recoverables from non-exchange transactions 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.

### **Inventory**

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at cost, using the first-in-first-out (FIFO) basis, adjusted when applicable, for any loss of service potential. Where inventories are acquired through a non-exchange transaction their cost is measured at their fair value at the date of acquisition.

Inventory held for use in the production of goods and services on a commercial basis, such as raw material stocks and trading stocks, is valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised as an expense in the period the write-down or loss occurs.

Net realisable value represents the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs to make the sale, exchange or distribution.

### **Other financial assets**

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

Council classifies its financial assets into the following categories:

- loans and receivables
- held to maturity investments
- fair value through surplus or deficit
- fair value through other comprehensive revenue and expense.

The classification depends on the purpose for which the investments were acquired.

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after balance date, which are included in non-current assets.

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

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



### ***Held to maturity investments***

Held to maturity investments are non-derivative financial assets with fixed or determinable payments, with fixed maturities and with a positive intention and ability to hold to maturity. They are included in current assets, except for those with maturities greater than 12 months after balance date which are included in non-current assets.

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

### ***Financial assets at fair value through surplus or deficit***

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Council's derivatives are categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied. Assets in this category are classified as current assets. After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in surplus or deficit.

### ***Financial assets at fair value through other comprehensive revenue and expense***

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date. They comprise of the following:

- investments that it intends to hold long term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

### ***Impairment of financial assets***

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in surplus or deficit.

### ***Loans and receivables***

Impairment is established when there is objective evidence that Council and the group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

For community loans, impairment losses are recognised directly against the instrument's carrying amount.

### ***Financial assets at fair value through other comprehensive revenue and expense***

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

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

Impairment losses recognised in surplus or deficit on equity investments are not reversed through surplus or deficit.

### **Derivative financial instruments**

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The associated gains or losses of derivatives are recognised in surplus or deficit. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

### **Non-current assets held for sale**

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than 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 of non-current assets held for sale are recognised in surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

### **Property, plant and equipment**

Property, plant and equipment consist of:

- Operational assets: These include land, buildings, improvements, landfill post closure, library books, plant and equipment, furniture, computers and motor vehicles.
- Restricted assets: These are parks and reserves owned by Council which provide a benefit or service to the community, and can only be disposed of after following a rigorous legal and public consultation process.
- Infrastructure assets: These are the fixed utility systems 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 wastewater pump stations.

Council's pensioner housing and other non-commercial rental properties, which are held for service delivery objectives rather than for rental income or capital appreciation, are accounted for as property, plant and equipment.

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

### **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the Group and the cost of the item can be measured reliably. Only assets with a life of over one year and value of over \$2,000 are capitalised. Subsequent expenditure on an asset which

restores or increases the service potential of the asset beyond the current economic benefit of that asset is capitalised. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

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.

### **Assets under construction (work in progress)**

Assets under construction are recognised at cost less impairment and not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

### **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 reported net in surplus or deficit. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to accumulated funds.

### **Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

<b>Description</b>	<b>Useful Life (Years)</b>	<b>Depreciation Rate</b>
Audio-visual materials and electronic games – Libraries	5	20%
Buildings	12.5– 100	1% - 8%
Vehicles / Moveable plant	4 – 20	5% - 25%
Library books	8	12.5%
Computers	4 – 7	14% - 25%
Office equipment	2 – 20	5% - 50%
Furniture and fixtures	10	10%
Water treatment	1 – 100	1% - 100%
Water reticulation	2 – 100	1% - 50%
Wastewater	1 – 100	1% - 100%
Urban stormwater	30 – 100	1% - 33.5%
Roading pavement – sealed	1 – 100	1% - 100%
Pavement (basecourse)		
- sealed	65 – 105	0.95% - 1.54%
- unsealed metal	20	5%
Surface water channel	20 – 80	1.25% - 5%
Culverts	80	1.25%
Guardrails/Barriers	40 – 80	1.25% - 2.5%
Footpaths	15 – 80	1.25% - 6.7%
Street lighting	20	5%
Bridges	60 – 100	1.67% - 5%
Parks and reserves	10-100	1% -10%
Solid waste	5 – 80	1.25% - 20%
Signs	20	5%

The residual value, depreciation method and useful life of an asset are reviewed, and adjusted if applicable, at each balance date.

### **Revaluation**

Land, buildings (operational and restricted); parks and reserves; and infrastructural assets (except land under roads) are revalued on a regular basis to ensure that their carrying amounts do not differ

materially from fair value, and at least every three years. All other asset classes are stated at depreciated historical cost.

The carrying values of the revalued assets are assessed at each balance date to ensure that they do not differ materially from the assets' fair value. If there is a material difference, the off-cycle asset classes are revalued.

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to 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 surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in surplus or deficit up to the amount previously expensed, with any remainder recognised in other comprehensive revenue and expense.

## **Intangible assets**

### ***Software acquisition and development***

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Staff training costs and costs associated with maintaining computer software are recognised as an expense when incurred. This asset class, which is amortised on a straight-line basis, has a useful life of 4 to 7 years and the amortisation rates are between 14% and 25%.

### **Consents**

Consent costs for capital works are recognised at cost, and amortised over the life of the consents - between ten and thirty-five years. The amortisation charge for each period is recognised in surplus or deficit.

## **Impairment of property, plant and equipment and intangible assets**

Intangible assets having an indefinite useful life, or which are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. Where there is an indicator of impairment, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use for non-cash generating assets is the present value of its remaining service potential.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows from the continued use and eventual disposal of the asset.

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

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

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in surplus or deficit.

## **Biological assets**

Cattle on Council's reserve are revalued annually at fair value less estimated cost to sell. Fair value is determined based on market price at balance date.

Gains or losses from a change in fair value less estimated costs to sell are recognised in surplus or deficit. The costs incurred in relation to the cattle are included in surplus or deficit.

## **Investment property**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

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

## **Creditors and other payables**

Short term creditors and other payables are recorded at their face value.

## **Employee entitlements**

### ***Short-term employee entitlements***

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

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

### ***Long-term employee entitlements***

Entitlements that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculation is based on:

Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information; and

The present value of the estimated future cash flows.

The inflation factor is based on the expected long-term increase in remuneration for employees.

### ***Presentation of employee entitlements***

Employee entitlements expected to be settled within 12 months of balance date are classified as current liabilities. All other employee entitlements are classified as non-current liabilities.

## **Superannuation schemes**

### ***Defined contribution schemes***

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

## **Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

Provision has been made for future environmental obligations in respect of closed landfills and contract completion costs.

## **Borrowings**

Borrowing is initially recognised at fair value net of transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

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

## **Net assets/equity**

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

- Accumulated comprehensive revenue and expense
- Other reserves
  - asset revaluation
  - restricted
  - council-created
  - special rates and user pays
  - capital replacement funds
  - development contribution
  - fair value through other comprehensive revenue and expense.

### ***Asset revaluation reserves***

These reserves relate to the revaluation of property, plant and equipment to fair value.

### ***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.

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.

### ***Council-created reserves***

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

### **Fair value through other comprehensive revenue and expense**

This reserve comprises the cumulative net change in the fair value of financial instruments at fair value through other comprehensive revenue and expense.

### **Goods and Services Tax (GST)**

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Cost allocation policy**

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using cost drivers such as actual usage, staff numbers and floor area.

### **Cautionary note for prospective financial statements**

The purpose for the preparation of the prospective financial statements is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flows of Council for the ten years ending 30 June 2025. The information contained in these statements may not be appropriate for purposes other than that as previously described.

The preparation of prospective financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from these estimates and the variations may be material.

### **Significant forecasting assumptions**

The significant forecasting assumptions and risks underlying the financial estimates are identified in Council's Long Term Plan 2015-2025 pages 73-82.

## Glossary

<b>Action Plan</b>	A plan identifying a series of actions to be taken to achieve defined outcomes.
<b>Activity</b>	Services provided by or on behalf of the council.
<b>Amortisation</b>	The reduction of the value of an asset by prorating its cost over a period of years.
<b>Annual Plan</b>	Contains details of the council's action plan for the next financial year, the budget and the level of rates required to fund that spending. It also contains details of any variation from the financial statements and funding impact statement that are included in the council's current 10-Year Plan.
<b>Asset</b>	A resource; the council's asset ownership extends over land, buildings, plant, equipment, forestry and infrastructure such as roads, bridges, footpaths, sewerage schemes, water supply and stormwater reticulation.
<b>Activity Management Plans</b>	A plan for the management of one or more assets that combine multidisciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to provide a specified level of service.
<b>Capital Expenditure</b>	Money spent to build or buy a new asset, or to improve the standard of any existing asset.
<b>Community</b>	A group of individuals and organisations that are linked together by some common factor, interest, identity or administrative boundary.
<b>Community Boards</b>	Pass on community concerns and make recommendations to the elected council and its committees.
<b>Community Outcomes</b>	The outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural wellbeing of its district or region, in the present and for the future.
<b>Community Wellbeing</b>	The overall wellbeing (quality of life) of the community taking into account economic, cultural, social and environmental wellbeing.
<b>Development Contributions</b>	Payment from developers to help fund new infrastructure required by growth (as set out in the Local Government Act 2002).
<b>District Plan</b>	Required by the Resource Management Act 1991, it defines how resources and development will be managed by the district. The Plan is based on economic, cultural, social and environmental wellbeing.
<b>Equity</b>	The market value of assets less any liabilities.
<b>Funding Impact Statement</b>	A financial statement that discloses the revenue and financial mechanisms that council proposes to use.
<b>General Rate</b>	A charge calculated using the rateable value of property that is paid to council to fund its general services but not services funded by targeted rate, fees or charges.
<b>Governance</b>	Is how the council engages with the community, oversees the effective and responsible management of resources, delivers services and sets the strategic direction for the District.
<b>Hapu</b>	A cluster of related whanau (extended family), descended from a single ancestor that has collective decision-making rights over its territory.



<b>Hearing</b>	A meeting at which members of the public speak to elected representatives and/or staff about an issue.
<b>Indicator</b>	A measure or combination of measures, either qualitative or quantitative, against which performance or progress can be assessed.
<b>Interest</b>	Interest on bank accounts, overdrafts and debt.
<b>Iwi</b>	Larger than the hapū - A cluster of related hapū, descended from a single ancestor, varying in size.
<b>Levels of Service (LOS)</b>	The extent of a service provided by the council.
<b>Local Authority</b>	A regional, district or city council.
<b>Local Government Act 2002</b>	The legislation that defines the powers and responsibilities of Local Government organisations (regional, city and district councils).
<b>Partnership</b>	This refers to the council's relationship with groups within the community to achieve outcomes. This does not refer to a legal partnership.
<b>Passenger Transport</b>	Can also be referred to as public transport – includes buses.
<b>Rates</b>	Rates are what each property owner pays for the services provided by councils. The charge is set in accordance to the Local Government (Rating) Act 2002.
<b>Resource Management Act 1991</b>	Legislation setting out Local Government's responsibilities to promote the sustainable management of natural and physical resources. The Act includes a range of regulatory and other responsibilities for the councils, including requirements for the state of the environment monitoring and reporting.
<b>Renewals</b>	Activities required to upgrade, refurbish or replace current facilities or assets, with facilities or assets of equivalent capability or service potential.
<b>Revenue</b>	Revenue received by the council to fund the services it provides. Revenue sources include – rates; fees and charges for using a particular service; penalties and fines; and grants and subsidies.
<b>Significance</b>	The degree of importance that council has given to an issue, proposal, decision or any other matter that is likely to impact on the District's wellbeing.
<b>Strategic Plan</b>	An explanation of the overall direction and emphasis that the council's activities and programmes will take to realise the long-term vision.
<b>Strategy</b>	A plan of action designed to guide progress towards the long-term vision.
<b>Targeted Rate</b>	A rate that is levied to fund a particular service or facility.
<b>Wellbeings</b>	The four wellbeings refer to the social, economic, environmental and cultural wellbeing of communities in the present and for the future.
<b>Vested Assets</b>	An existing right to the immediate or future possession of property, resources, cash, stock and goodwill.
<b>10-Year Plan (Long Term Plan)</b>	A strategic plan, covering at least 10 years, that describes a local authorities activities and the community outcomes of the authority's district or region. A council's 10-Year Plan is the basis for its accountability to the community.