

# DRAFT 2022/23 ANNUAL PLAN



# Message from the Mayor

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To be drafted after public consultation, hearings and decisions.

**Jim Mylchreest JP**  
*Mayor of Waipā*



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### What is an Annual Plan?

Every three years we produce a Long Term Plan to set the future direction of Council for the district. Outside of those years we produce an Annual Plan which identifies any changes or additions to the projects, activities and financial information included in the Long Term Plan. The current Long Term Plan was adopted in 2021.

In addition we produce an Annual Report to review our performance against the Long Term and Annual Plans. Together, these three documents:

1. Identify Council's priorities.
2. Outline Council's programme of work.
3. Measure our performance.

### What has changed from the Long Term Plan

Very little has changed overall. There have been changes to individual projects so some are being implemented in 2021/22 (sooner than originally planned) and others being implemented later (either pushed back into 2022/23 or will now be undertaken in later years).

The projects that are being pushed out to 2022/23 mostly relate to infrastructure projects supporting the development of new residential and industrial areas. These types of projects include physical works, such as the road urbanisations, installation and upgrade of underground water and wastewater infrastructure, but also include securing the necessary land for public purposes to accommodate future infrastructure such as roading and stormwater reserve land.

One major change identified in the draft Annual Plan relates to the development of the Te Awamutu to Pirongia (via Lake Ngā Roto) Cycleway. \$5,280,000 has been deferred from the 2021/22 financial year into 2022/23, due to delays associated with securing the necessary property agreements for the off-road sections of Section 1 - Te Awamutu to Lake Ngā Roto Cycleway. Accordingly, the construction of Section 1 - Te Awamutu to Lake Ngā Roto Cycleway is now planned for the 2022/23 financial year.

To address the high cost of recycling contamination and additional costs to send contaminated recyclables to landfill the targeted recycling rate has increased by \$170,000. Council is exploring other ways to help address this issue. Some potential options are increasing recycling audits, increasing the annual recycling charge, or reducing the number of collections to offset the increasing cost of disposing of the contaminated materials to landfill.

Waka Kotahi have not been able to co-fund our urban mobility programme to the same level we had hoped. However, we will be doing the planning and preparation so we are ready to deliver the programme in Cambridge and Te Awamutu when funding becomes available.

Like many other organisations, Council is facing constrained labour markets and higher construction costs, which make it more expensive to operate our business. We are working hard to ensure that we deliver our services and projects in the most effective and efficient way.

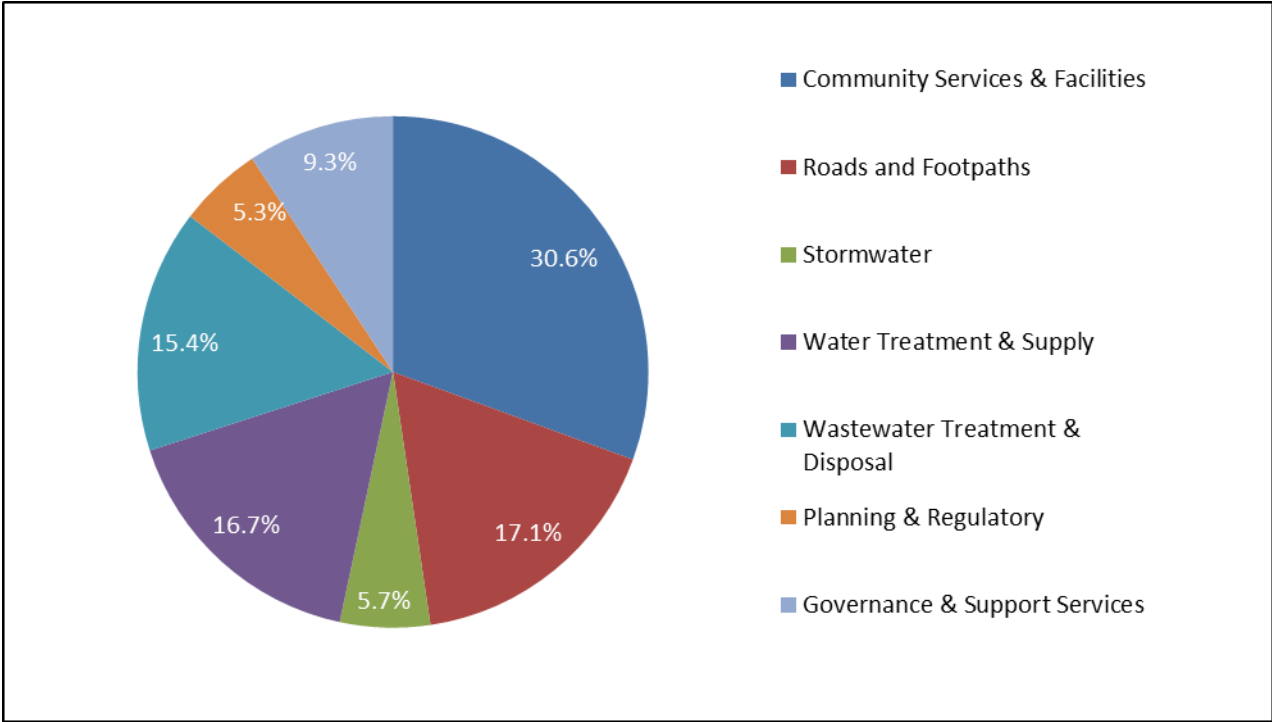
**Rates**

In the 2021/31 Long Term Plan the expected rates increase for 2022/23 was 4.4%. This Annual Plan provides for an average (after growth) rates increase across the district of 4.3%. This is slightly below what is provided in the 2021/31 Long Term Plan.

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## How will your rates be spent in 2022/23?

The chart below outlines where your rates will be spent in 2022/23 by showing the proportion allocated to each of the Council's activity groups.



It is important to note that there are other funding sources which are used to contribute to the overall running costs of Council and our district. These include development contributions, loans, user fees and charges, external fundraising, and central government funding contributions.

## Summary of changes from the 2021/2031 Long Term Plan: by group of activities

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Our 2021/31 Long Term Plan contains our proposed activities, projects and programmes and associated budgets for 2022/23.

This Annual Plan looks at the groups of activities detailed in the Long Term Plan and identifies where there are changes from what was originally proposed.

The groups of activities covered in this section are:

- Community services and facilities
- Governance
- Planning and regulatory
- Roads and footpaths
- Stormwater
- Support services
- Wastewater treatment and disposal
- Water treatment and supply

The following is outlined for each group of activities:

- A description of the group's services
- Key projects identified for the 2022/23 year
- Changes from the Long Term Plan 2021/31
- Statement of cost of the service
- Capital expenditure
- Funding Impact Statement

# Governance

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## What we do

To ensure elected members can make the best informed decisions impacting our communities, they need a support network that includes strategic advisors, iwi advisors, engagement specialists and business support.

## Key projects for 2022/23

- Strengthening partnerships with iwi.
- Development of spatial plans and structure plans.
- Meaningful engagement with the community around current and future projects and services.
- Delivery of the 2022 triennial elections and induction of the new Council

## Changes from the Long Term Plan 2021/31

There are no significant or material changes from the programme outlined in the Long Term Plan (pages 108 to 116). The variations from the Long Term Plan 2021/31 are shown in the following tables.

### Cost of service variances

#### Expenditure:

- Increase of \$235,000 for Council and Committees. This includes an increase in honorarium payable to Councillors of \$87,000. Remuneration for Council members is set by the Remuneration Authority. As 2022/23 is an election year, an additional budget was set aside for training for Councillors, post-election. The remainder of the \$235,000 is due to an increase in overhead allocation to align with inflationary and other Council wide cost base increases.
- Increase of \$258,000 for Strategic Relationships. This is mainly due to a restructure of activities, coupled with an increase in overhead allocation.



## Statement of cost of service

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>REVENUE</b>				
Council	12	12	12	-
Elections	-	56	56	-
Community Grants	42	43	43	-
<b>TOTAL REVENUE</b>	<b>54</b>	<b>111</b>	<b>111</b>	<b>-</b>
<b>OPERATING EXPENDITURE</b>				
Council & Committees	2,998	3,044	3,279	235
Cambridge Community Board	221	233	240	7
Te Awamutu Community Board	195	206	224	18
Elections	28	205	206	1
Community Grants	682	674	681	7
Strategic Planning	2,133	2,292	2,300	8
Community Relationships	1,732	1,697	1,791	94
Strategic Relationships	655	526	784	258
<b>TOTAL EXPENDITURE</b>	<b>8,644</b>	<b>8,877</b>	<b>9,505</b>	<b>628</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(8,590)</b>	<b>(8,766)</b>	<b>(9,394)</b>	<b>(628)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>				
Capital Expenditure (excluding Vested)	-	-	-	-
Debt Repayment (Internal)	539	509	414	(95)
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>539</b>	<b>509</b>	<b>414</b>	<b>(95)</b>

## Capital expenditure table

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>Level of Service</b>				
Total Capital Expenditure to Improve Level of Service	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding Impact Statement

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	7,712	7,962	8,252	290
Targeted rates	1,020	1,030	1,060	30
Subsidies and grants for operating purposes	54	55	55	-
Fees and charges	-	56	56	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>8,786</b>	<b>9,103</b>	<b>9,423</b>	<b>320</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	4,280	4,453	4,896	443
Finance costs	39	32	39	7
Internal charges and overheads applied	3,219	3,289	3,479	190
Other operating funding applications	1,099	1,096	1,085	(11)
<b>Total applications of operating funding (B)</b>	<b>8,637</b>	<b>8,870</b>	<b>9,499</b>	<b>629</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>149</b>	<b>233</b>	<b>(76)</b>	<b>(309)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	149	233	(76)	(309)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>149</b>	<b>233</b>	<b>(76)</b>	<b>(309)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(149)</b>	<b>(233)</b>	<b>76</b>	<b>309</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Grants to Community Organisations as per Community Grants Activity

	2021/22 LTP YR 1	2022/23 LTP YR 2	2022/23 Budget	2022/23 Variance
Pirongia Ward Grants	27,600	27,600	27,600	-
Cambridge Community Board Grants	49,600	49,600	49,600	-
Te Awamutu Community Board Grants	49,600	49,600	49,600	-
Waikato Sports Foundation	61,850	61,850	61,850	-
Cambridge Museum	165,080	169,372	169,372	-
Citizens Advice Bureau - Cambridge	14,300	14,300	14,300	-
Citizens Advice Bureau - Te Awamutu	26,500	26,500	26,500	-
Nga Iwi Toopu Support	20,000	20,000	20,000	-
Pirongia Historical Visitors Centre	8,000	8,000	8,000	-
Cambridge Visitor Information Centre	138,530	142,132	142,132	-
Te Awamutu Public Relations	138,530	142,132	142,132	-
Pirongia Ratepayers Association	5,500	5,500	5,500	-
District Promotions	150,000	150,000	150,000	-
Waikato Biodiversity Forum	3,000	3,000	-	(3,000)
Te Awamutu Safer Community Charitable Trust	40,000	20,000	20,000	-
Waikato Regional Airport Ltd	159,600	163,750	163,750	-
Cambridge Safer Community Charitable Trust	20,000	20,000	20,000	-
District Wide Creative Communities Scheme Funds	42,000	43,092	43,092	-
Community Led Events	30,000	30,000	30,000	-
Category 1 Heritage Buildings	10,000	10,000	10,000	-
Temple Cottage Charitable Trust	1,000	1,026	1,000	(26)
<b>TOTAL</b>	<b>1,160,690</b>	<b>1,157,453</b>	<b>1,154,427</b>	<b>(3,026)</b>

# Planning and Regulatory

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## What we do

We provide planning and regulatory services to manage the natural and physical resources of the district, and promote and protect the health and safety of our communities.

Planning and regulatory activities include:

- Animal control
- Building compliance
- Development engineering
- Environmental health
- Resource consents, enforcement and land information memoranda

## Key projects for 2022/23

- Development of Dog Pound

## Key changes from the Long Term Plan 2021/31

There are no significant or material changes from the programme outlined in the Long Term Plan (pages 107 to 125). The variations from the Long Term Plan 2021/31 are shown in the following tables.

### Cost of service variances

Revenue:

- Increase in revenue for Building Control and Development Engineering due to impacts from growth.

Expenditure:

- Increase in costs for Building Control, Resource Management and Development Engineering activities is mainly due to the timing of development. These costs have been partially offset by additional revenue budgeted for in the 2022/23 financial year.

## Statement of cost of service

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>REVENUE</b>				
Fees and Charges:				
Resource Management	1,555	1,700	2,117	417
Building Control	2,326	2,333	3,038	705
Environmental Health	440	461	442	(19)
Animal Control	602	624	615	(9)
Development Engineering	550	613	701	88
<b>TOTAL REVENUE</b>	<b>5,473</b>	<b>5,731</b>	<b>6,913</b>	<b>1,182</b>
<b>OPERATING EXPENDITURE</b>				
Resource Management	3,090	3,275	3,962	687
Building Control	3,106	3,254	3,942	688
Environmental Health	1,317	1,355	1,352	(3)
Animal Control	932	974	1,046	72
Development Engineering	1,071	1,092	1,272	180
<b>TOTAL EXPENDITURE</b>	<b>9,516</b>	<b>9,950</b>	<b>11,574</b>	<b>1,624</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(4,043)</b>	<b>(4,219)</b>	<b>(4,661)</b>	<b>(442)</b>
<b>CAPITAL EXPENDITURE</b>				
Capital Expenditure (excluding Vested)	150	616	616	-
Debt Repayment	50	95	83	(12)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>200</b>	<b>711</b>	<b>699</b>	<b>(12)</b>

## Capital expenditure table

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
Dog Pound Development	150	616	616	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>150</b>	<b>616</b>	<b>616</b>	<b>-</b>

## Funding Impact Statement

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	3,639	3,779	4,158	379
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	1	1	1	-
Fees and charges	5,474	5,730	6,913	1,183
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>9,114</b>	<b>9,510</b>	<b>11,072</b>	<b>1,562</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	6,777	7,112	8,386	1,274
Finance costs	5	11	16	5
Internal charges and overheads applied	2,726	2,819	3,164	345
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>9,508</b>	<b>9,942</b>	<b>11,566</b>	<b>1,624</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>(394)</b>	<b>(432)</b>	<b>(494)</b>	<b>(62)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	150	616	616	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(544)	(1,048)	(1,110)	(62)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(394)</b>	<b>(432)</b>	<b>(494)</b>	<b>(62)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>394</b>	<b>432</b>	<b>494</b>	<b>62</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Community Services and Facilities

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## What we do

We undertake activities to provide for the wellbeing of our communities and make them great places to live, work and play.

Community services and facilities include:

- Parks and reserves
  - Open spaces
  - Playgrounds
  - Public toilets
  - Cemeteries
- Libraries
- Property
  - Community land and buildings
  - Pensioner housing
- Museum and Heritage
- Swimming pools
- Waste management and minimisation

## Key projects for 2022/23

- Te Awamutu / Ngā Roto / Pirongia Cycling Connection
- Te Ara Wai Exhibition – Design and Build
- Cambridge Town Hall Upgrades
- Land acquisition for Structure Plan areas
- District Wide Skateparks
- Sport field upgrades at John Kerkhoff Park, Cambridge

## Key changes from the Long Term Plan 2021/31

The variations from the Long Term Plan 2021/31 are shown in the following tables.

### Te Awamutu / Ngā Roto / Pirongia Cycling Connection

#### Section 1 – Te Awamutu to Lake Ngā Roto Cycleway

Due to delays associated with securing the necessary property agreements for the off-road sections of the cycleway between Te Awamutu and Lake Ngā Roto, the timing of construction has been deferred from 2021/22 to 2022/23.

Subject to the necessary property agreements being secured, it is intended to have the physical works contract for Section 1 – Te Awamutu to Lake Ngā Roto Cycleway awarded in the first half of the 2022/23 financial year.

### **Reserve Land acquisition and development in growth areas C1, C2, C3 and Cambridge North**

There is a timing change to align with private development of these areas. This timing is largely controlled by private developers.

### **Development of Colgan St Property**

The development has been delayed due to a plan change requirement to change the land designation from Reserve back to Urban.

### **Cost of service variances**

Revenue:

- Decrease in external funding anticipated for the Te Ara Wai project, due to delays in the timing of that project.
- Increase of \$1,400,000 for external funding required to support the delivery of Section 1 - Te Awamutu to Lake Ngā Roto Cycleway. This variance is due to the deferral of construction of the cycleway from 2021/22 to 2022/23.
- Increase in \$1,990,000 for Cemeteries relates to the anticipated sale of land. The sale was planned for the 2021/22 financial year, but projections show that it would only be sold in 2022/23.
- Timing adjustments for Asset Sales due to delay of developments for Colgan Street and Te Rahu Road. The Asset Sales are coded against the Property activity rather than the activity requiring the funds, such as District Museums.

Expenditure:

- Increase of \$205,000 for Parks and Reserves mainly due to higher interest costs and depreciation.
- Increase of \$116,000 for District Museums due to an increase in interest costs, depreciation and overhead costs allocated to the Museum activity.
- Increase of \$185,000 for District Pools mainly due to an increase in interest rates, as well as the expected increase in electricity/gas costs and an increase for the management contract in place.
- Increase of \$384,000 for Property Services mainly due to deferral of Asset Management Condition assessments, and Seismic and Asbestos Building assessments from the 2021/22 year to the 2022/23 year. Higher interest costs have been offset by a reduction in overhead expenses.
- Increase of \$147,000 for Housing for the Elderly due to an increase of \$95,000 for insurance, rates, depreciation expense, and a \$38,000 increase in overhead allocation.
- Increase of \$178,000 in recycling expenses due to additional costs associated with the monitoring of waste and additional contamination costs.

### **Capital expenditure variances:**

- Net increase of \$2,300,000 for Reserve and Playground purchases mainly relating to Cambridge North and C1, C2, C3, due to development timing and increases in estimated costs.
- Increase of \$826,000 for the Colgan Street development due to a change in timing of development.



- Increase of \$4,300,000 required to support the delivery of Section 1 - Te Awamutu to Lake Ngā Roto Cycleway. The variance is due to the deferral of the construction of the cycleway from 2021/22 to 2022/23.
- Increase of \$366,000 for land acquisition in Te Awamutu Growth Areas due to change in the timing of development.
- Decrease of \$500,000 for District Wide Skateparks due to a transfer of funds for design work undertaken in 2021/22.
- Increase of \$2,155,000 for the building of Housing for the Elderly in the 2022/23 financial year. The project experienced delays in 2021/22 caused by the COVID-19 disruptions and had to be moved to the 2022/23 year.

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## Statement of cost of service

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>REVENUE</b>				
Fees and Charges:				
Parks and Reserves	10	10	10	-
Mighty River Domain	804	893	893	-
District Museums	1,593	5,753	2,155	(3,598)
District Libraries	179	184	184	-
District Pools	559	575	592	17
Heritage	1,400	-	1,400	1,400
Cemeteries	2,786	366	2,356	1,990
Public Toilets	-	-	-	-
Properties	7,046	8,868	10,286	1,418
Housing for the Elderly & Own your Own Housing	1,281	1,339	1,358	19
Forestry	1,886	-	3	3
Emergency Management	208	214	219	5
Waste Management	280	226	230	4
National Cycle Centre of Excellence	-	-	-	-
<b>TOTAL REVENUE</b>	<b>18,032</b>	<b>18,428</b>	<b>19,686</b>	<b>1,258</b>
<b>OPERATING EXPENDITURE</b>				
Parks and Reserves	8,087	8,330	8,535	205
Mighty River Domain	1,661	1,752	1,753	1
District Museums	1,171	1,224	1,340	116
District Libraries	2,276	2,360	2,430	70
District Pools	4,844	4,967	5,152	185
Heritage	333	402	442	40
Cemeteries	519	530	547	17
Public Toilets	691	758	815	57
Properties	3,653	3,526	3,910	384
Housing for the Elderly & Own your Own Housing	1,788	1,911	2,058	147
Forestry	1,191	437	441	4
Emergency Management	359	366	387	21
Waste Management	2,925	3,009	3,187	178
National Cycle Centre of Excellence	8	7	11	4
<b>TOTAL EXPENDITURE</b>	<b>29,506</b>	<b>29,579</b>	<b>31,008</b>	<b>1,429</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(11,474)</b>	<b>(11,151)</b>	<b>(11,322)</b>	<b>(171)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>				
Capital Expenditure (excluding Vested)	23,800	24,677	34,169	9,492
Vested Assets	-	-	-	-
Debt Repayment (Internal)	1,575	1,698	1,721	23
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>25,375</b>	<b>26,375</b>	<b>35,890</b>	<b>9,515</b>

## Capital expenditure table

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>				
Reserves - C1, C2 & C3	3,990	8,286	9,944	1,658
Playground Reserve Land Cambridge North	410	-	-	-
Playground Reserve Land CB Nth LTP Yr3	379	-	1,928	1,928
CB Nth Land Acquisition and Development	1,320	1,285	-	(1,285)
T8 Land Acquisition and Development: Structure Plan Areas	784	401	481	80
T1 Land Acquisition and Development: Structure Plan Areas	-	1,429	1,715	286
Hora Hora Memorial Hall Refurbishment	-	-	-	-
TA Maori Woman's League House Ramp	-	-	-	-
C8 Hautapu Industrial reserve land only	700	-	-	-
CB North Reserve Land	480	-	-	-
Waipuke Park Extension	-	-	-	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>8,063</b>	<b>11,401</b>	<b>14,068</b>	<b>2,667</b>
<b>To Improve Level of Service</b>				
Reserve Developments	-	-	-	-
Destination Playgrounds	-	-	-	-
Public Conveniences - New Toilet Blocks	-	212	212	-
Pensioner Housing Upgrades and New Build	3,170	-	2,155	2,155
Karapiro Domain Improvements	119	687	687	-
Cambridge Town Pool Development	-	-	-	-
Addison Street Development - Property	15	-	20	20
Peat Lake Programme	26	15	15	-
Matakitaki Access & Restoration (Heritage)	-	-	-	-
Design & Build Te Ara Wai	-	1,439	1,439	-
Ngaroto - Heritage Restoration	105	65	65	-
Cycling - Te Awamutu/Ngaroto/Pirongia Connection	5,100	1,088	5,388	4,300
Lake Rotopiko Heritage Development	50	31	31	-
Pukemako A & B - Planning & Restoration	-	21	21	-
Land Wars - Site Interpretation & Facilities	-	-	-	-
Mangakaware - Restoration & Development	7	8	8	-
Mt Pirongia - collaboration with DOC	30	-	-	-
Library RFID Technology	265	-	-	-
Erosion Control and Amenity Enhancement	327	295	295	-
Maungatautari - Hicks Rd Formation	150	-	-	-
Kihikihi Town Hall	20	-	-	-
Pirongia Town Hall	20	-	20	-
Cambridge Town Hall Upgrades	60	1,748	1,748	-
Colgan St Development - Property	886	-	826	826
Te Rahu Road Development - Property	385	-	-	-
22 Fort St CB	-	-	-	-
Premier Reserves Development	-	-	-	-
Sports Reserves Development	-	-	-	-
Neighbourhood Reserves Development	181	10	10	-
Amenity Reserves Development	33	97	97	-
LTP Potential Property Developments & Sales	210	216	216	-

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
Cambridge Town Belt Development	-	-	-	-
Waipuke Reserve Development	53	167	167	-
Storage Facilities for Climax Engine	105	-	-	-
Cemetery Capacity Developments	-	-	-	-
Cambridge Town Hall Clock Tower Repair	25	180	205	25
Castleton Park	473	86	86	-
Sports Fields Improvements	-	617	617	-
Collective Hydro Lakes	70	51	51	-
Play Provision Outside Structure Plan	500	-	-	-
Ngahinapouri Land Acquisition and Development	-	280	280	-
Horahora Domain Land Purchase	400	-	-	-
District Wide Skateparks	120	1,778	1,278	(500)
Memorial Park	288	-	-	-
Lake Te Ko Utu	268	499	499	-
Cemetery Capacity Developments	140	486	486	-
Cycleway TA/Pirongia Section 2	-	-	-	-
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>13,661</b>	<b>10,076</b>	<b>16,922</b>	<b>6,826</b>
<b>To Replace Existing Assets</b>				
Carpark Renewals	24	62	62	-
Library Books	354	364	364	-
District Pools Plant Renewals	103	603	603	-
Pensioner Housing Renewals	300	308	308	-
Parks Structure Renewals	-	103	103	-
Plant Replacement Mighty River Domain	80	15	15	-
Leamington Domain Facility Maintenance	36	-	-	-
Mighty River Domain Facility Renewals	-	-	-	-
Memorial Park Bridge Replacement	-	-	-	-
Karapiro / Arapuni Lakes Programme	-	154	154	-
Playground Equipment & Safety Surfaces Renewal	566	441	421	(20)
Cemeteries Renewals	-	-	-	-
Parks Renewals	325	308	308	-
Public Conveniences Renewals	75	463	463	-
Parks Plant and Equipment Replacement	196	328	328	-
Cemeteries Renewals	18	49	49	-
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>2,077</b>	<b>3,198</b>	<b>3,178</b>	<b>(20)</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>23,801</b>	<b>24,675</b>	<b>34,168</b>	<b>9,473</b>

## Funding Impact Statement

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	16,166	16,830	17,422	592
Targeted rates	5,904	6,166	6,597	431
Subsidies and grants for operating purposes	287	333	261	(72)
Fees and charges	6,324	4,421	4,439	18
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	26	26
<b>Total sources of operating funding (A)</b>	<b>28,681</b>	<b>27,750</b>	<b>28,745</b>	<b>995</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	20,456	19,962	20,991	1,029
Finance costs	390	415	830	415
Internal charges and overheads applied	3,547	3,819	3,712	(107)
Other operating funding applications	537	542	572	30
<b>Total applications of operating funding (B)</b>	<b>24,930</b>	<b>24,738</b>	<b>26,105</b>	<b>1,367</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3,751</b>	<b>3,012</b>	<b>2,640</b>	<b>(372)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,440	2,098	5,549	3,451
Development and financial contributions	1,375	1,947	2,152	205
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	8,481	7,978	9,411	1,433
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>11,296</b>	<b>12,023</b>	<b>17,112</b>	<b>5,089</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	7,279	9,571	14,068	4,497
- to improve the level of service	14,444	11,906	16,922	5,016
- to replace existing assets	2,077	3,200	3,178	(22)
Increase (decrease) in reserves	(8,753)	(9,642)	(14,416)	(4,774)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>15,047</b>	<b>15,035</b>	<b>19,752</b>	<b>4,717</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(3,751)</b>	<b>(3,012)</b>	<b>(2,640)</b>	<b>372</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Roads and Footpaths

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## What we do

The roads and footpaths group is the primary service provider for the provision of the local transport network.

It oversees a range of the district's core infrastructure assets and services including:

- Roads and structures
- Footpaths and cycleways
- Signage and traffic facilities
- Street lighting
- Road corridor amenity

## Key projects for 2022/23

- Frontier Road Plan Change
- Cambridge North infrastructure growth projects
- Cambridge growth cells C1, C2 and C3 infrastructure and land purchase
- Hautapu infrastructure growth projects
- Picquet Hill infrastructure growth projects
- Urban walking and cycling projects
- Sealed road resurfacing
- Pavement rehabilitation
- Victoria Bridge Painting Substructure

## Key changes from the Long Term Plan 2021/31

The variations from the Long Term Plan 2021/31 are shown in the following tables. The main activity changes are as follows:

### Cambridge growth development including C1, C2, C3

Due to the accelerated growth of new residential development in this area, budget has either been brought forward from future LTP years or deferred from the 2021/22 year to align with development timing. Additional budget has also been added to reflect additional costs not incorporated in the LTP. The budget for Roads and Footpaths is to install the necessary road service infrastructure.

### Hautapu growth development

Budget for construction of C10/Victoria Road Southern Roundabout and a new collector road (stage 1) – construction is to start in the 2021/2022 financial year with completion in 2022/2023 – this was not budgeted in the 2021-31 LTP.

## Urban Upgrades – Development Related

Cambridge Road Urbanisation – construction planned to start in May 2022 with completion early in the 2022/23 financial year – budget deferred from 2021/22.

### Frontier Road Plan Change

Additional costs for underground services not included in the LTP budget.

### Ngahinapouri SH39 Intersection and N1 / N2 Development

Due to developer timing, a portion of the 2022/23 LTP budget has been deferred to the 2023/24 financial year.

### Urban walking and cycling projects

Due to funding pressures, Waka Kotahi have not been able to fund their 51% share of the planned urban walking and cycling project for Cambridge and Te Awamutu in the three year period 2021-2024. Council will progress the project at a slower rate using just its budgeted local share. This is a reduction of \$390,000 in revenue.

### Cost of service variances:

Revenue:

- Increase of \$30,000 interest revenue allocated to stormwater reserves due to a higher interest rate.
- Net increase of \$36,000 is the result of a decrease in funding from Waka Kotahi for urban walking and cycling projects and streetlight upgrades offset by revenue for projects transferred from the 2021/22 year.

Expenditure:

- Increase of \$138,000 in depreciation expenditure due to an increase in the fair value of roading assets in the roading asset revaluation.
- Increase in internal charges and overheads of \$174,000 resulting from the reallocation of overheads.
- Increase of \$52,000 in finance costs due to an increase in interest rates.

### Capital expenditure variances:

- Net increase of \$14.2 million for Cambridge Growth Cells to keep infrastructure in line with the timing of developers.
- Increase of \$6.4 million for Hautapu and C10 growth infrastructure to align with the timing of developers.
- Increase of \$1 million for Cambridge Road urbanisation deferred from 2021/22 to this financial year.
- Increase of \$400,000 for the Frontier Road Plan Change for installation of underground services.
- Decrease of \$738,000 for Ngahinapouri SH39 intersection to align with delayed timing of development.
- Increase of \$1.26 million for Town Concept Plans deferred from 2021/22.
- Decrease of \$765,000 in cycleway projects due to decrease in Waka Kotahi funding.

## Statement of cost of service

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>REVENUE</b>				
Fees, charges and NZTA subsidy	9,550	11,266	11,302	36
Finance Income	1	-	30	30
<b>TOTAL REVENUE</b>	<b>9,551</b>	<b>11,266</b>	<b>11,332</b>	<b>66</b>
<b>OPERATING EXPENDITURE</b>				
Depreciation and Amortisation	11,342	11,452	11,590	138
Activity Expenses	9,674	9,957	10,460	503
Internal charges and Overheads	1,891	1,704	1,878	174
Finance Costs	286	307	359	52
<b>TOTAL EXPENDITURE</b>	<b>23,193</b>	<b>23,420</b>	<b>24,287</b>	<b>867</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(13,642)</b>	<b>(12,154)</b>	<b>(12,955)</b>	<b>(801)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>				
Capital Expenditure (excluding Vested)	59,071	36,466	61,478	25,012
Vested Assets	4,365	4,509	4,509	-
Debt Repayment (Internal)	1,297	1,484	1,444	(40)
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>64,733</b>	<b>42,459</b>	<b>67,431</b>	<b>24,972</b>



## Capital expenditure table

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>To Meet Additional Demand</b>				
Cambridge North Capital Projects	1,350	-	-	-
Cambridge Growth Cells (C1,C2 and C3) incls Land Purchase	31,150	6,880	21,813	14,933
Cambridge Growth Cells (C5, C6) Lamb Street	300	1,033	300	(733)
Hautapu Structure Plan and Cycleway	5,100	8,987	15,427	6,440
St Leger and Kihikihi Road	300	-	250	250
Picquet Hill Plan Change Roading	3,500	-	2,830	2,830
Frontier Road Plan Change	14	1,209	1,609	400
Urban Upgrades - Development Related	1,300	-	1,000	1,000
Hamilton Rd/Cambridge Rd Urbanisation	300	2,583	2,583	-
Ngahinapouri SH39 Intersection & N1/N2 Development	-	1,054	316	(738)
T9/T10 New Collector Road and Walkway	1,000	1,240	1,240	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>44,314</b>	<b>22,986</b>	<b>47,368</b>	<b>24,382</b>
<b>To Improve Level of Service</b>				
Seal Extensions	-	-	-	-
New Footpaths	100	103	103	-
Car Park Improvements	-	-	-	-
Town Concept Plans and Streetscape Implementation	1,300	268	1,528	1,260
Passenger Transport Infrastructure	100	103	163	60
Street Light Improvements	150	155	76	(79)
Cycle Projects District Wide	4,310	1,550	785	(765)
CBD Accessibility Improvements	-	-	-	-
Cambridge Bypass Roading Improvements	-	-	-	-
Major Improvements	215	-	217	217
Bridge Footpath Widening	-	-	-	-
Associated Improvements	-	-	-	-
Minor Improvements	1,355	1,431	1,418	(13)
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>7,530</b>	<b>3,610</b>	<b>4,290</b>	<b>680</b>
<b>To Replace Existing Assets</b>				
Footpath Renewals	375	387	336	(51)
Amenity Lighting Renewals	3	3	3	-
Car Park Renewals	55	57	57	-
Drainage Renewals	389	402	402	-
Pavement Rehabilitation	1,800	1,859	1,859	-
Structures Component Renewal	410	103	103	-
Traffic Services Renewals	40	41	41	-
Unsealed Road Metalling	60	62	62	-
Sealed Road Resurfacing	4,030	4,163	4,163	-
Bridge Renewals	-	2,737	2,737	-
Guardrail Renewals	55	57	57	-
Bus Shelter Renewals	10	-	-	-
Cycleway Renewals	-	-	-	-
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>7,227</b>	<b>9,871</b>	<b>9,820</b>	<b>(51)</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>59,071</b>	<b>36,467</b>	<b>61,478</b>	<b>25,011</b>

## Funding Impact Statement

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	13,100	12,448	13,112	664
Targeted rates	269	272	338	66
Subsidies and grants for operating purposes	2,902	3,060	3,250	190
Fees and charges	1,469	1,336	1,183	(153)
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	29	29
<b>Total sources of operating funding (A)</b>	<b>17,740</b>	<b>17,116</b>	<b>17,912</b>	<b>796</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	8,652	8,935	9,438	503
Finance costs	286	307	359	52
Internal charges and overheads applied	1,891	1,704	1,878	174
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>10,829</b>	<b>10,946</b>	<b>11,675</b>	<b>729</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>6,911</b>	<b>6,170</b>	<b>6,237</b>	<b>67</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,178	6,870	6,870	-
Development and financial contributions	5,045	6,990	6,503	(487)
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>10,223</b>	<b>13,860</b>	<b>13,373</b>	<b>(487)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	44,314	22,986	47,368	24,382
- to improve the level of service	7,530	3,610	4,290	680
- to replace existing assets	7,227	9,871	9,820	(51)
Increase (decrease) in reserves	(41,937)	(16,437)	(41,868)	(25,431)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>17,134</b>	<b>20,030</b>	<b>19,610</b>	<b>(420)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(6,911)</b>	<b>(6,170)</b>	<b>(6,237)</b>	<b>(67)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Stormwater

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## What we do

We are the primary service provider for managing stormwater in urban areas. Council maintains all of Waipā's public rural drains.

Waipā maintains stormwater assets worth \$98 million and consisting of 158 kilometres of pipes, 2,944 manholes and other related structures such as open drains, streams, swales, soak systems and retention structures. An appropriately managed system will limit the impacts of flooding and ensure that stormwater discharges to the environment are properly managed.

## Key projects for 2022/23

- Cambridge North residential stormwater works
- Cambridge growth cells (C1, C2 and C3) stormwater works
- Hautapu industrial stormwater works
- Houchens Road Detention Ponds
- Stormwater risk reduction projects

## Key changes from the Long Term Plan 2021/31

The variations from the Long Term Plan 2021/31 are shown in the following tables. The main activity changes are as follows:

### Cambridge growth development including C1, C2, C3

Due to the accelerated growth of new residential development in this area, budget has either been brought forward from future LTP years or deferred from the 2021/22 year to align with development timing. Additional budget has also been added to reflect additional costs not incorporated in the LTP. The budget for stormwater is to install the necessary stormwater service infrastructure.

### Bond Road Stormwater Upgrade (Swale)

This project was not funded in the 2021-31 LTP but is now required due to developer timing, the budget is for land purchase and construction.

### District Wide Flood Studies

Deferred from the 2021/22 year, this project has been delayed as it requires updated survey data – this data will now be available for rural mapping in October 2022.

### Cost of service variances:

#### Revenue:

- Increase of \$5,000 interest revenue allocated to stormwater reserves due to higher interest rate.

#### Expenditure:

- Decrease of \$488,000 in depreciation expenditure due to timing of the capitalisation of stormwater assets.

### Capital expenditure variances:

- Increase of \$1.5 million for Cambridge North stormwater works, due to the timing of development.
- Increase of \$12.4 million for Cambridge growth cells (C1, C2 and C3) to align with timing of development. This also includes additional budget to reflect the increased cost base of these projects.
- Increase of \$2.3 million for Bond Rd stormwater upgrade – this project was not budgeted in the 2021-2031 LTP but due to timing of the development, land purchase and construction is now planned for 2022/23.

### Statement of cost of service

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>REVENUE</b>				
Fees and Charges	4	4	4	-
Finance Income	-	-	5	5
<b>TOTAL REVENUE</b>	<b>4</b>	<b>4</b>	<b>9</b>	<b>5</b>
<b>OPERATING EXPENDITURE</b>				
Depreciation and Amortisation	1,942	2,489	2,001	(488)
Activity Expenses	1,964	2,029	1,977	(52)
Internal charges and Overheads	560	634	716	82
Finance Costs	7	9	4	(5)
<b>TOTAL EXPENDITURE</b>	<b>4,473</b>	<b>5,161</b>	<b>4,698</b>	<b>(463)</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(4,469)</b>	<b>(5,157)</b>	<b>(4,689)</b>	<b>468</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>				
Capital Expenditure (excluding Vested)	62,470	26,435	42,760	16,325
Vested Assets	2,813	2,914	2,914	-
Debt Repayment (Internal)	118	240	73	(167)
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>65,401</b>	<b>29,589</b>	<b>45,747</b>	<b>16,158</b>

## Capital expenditure table

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>				
Cambridge Deferred Residential Stormwater Works	5,398	-	1,470	1,470
Cambridge Growth Cells (C1, C2 and C3)	48,056	23,064	35,503	12,439
Hautapu Industrial Stormwater	6,907	-	-	-
Cambridge Park Stormwater Provision	-	-	-	-
Bond Road Stormwater Culvert	-	-	2,275	2,275
Kihikihi Stormwater Works	234	671	671	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>60,595</b>	<b>23,735</b>	<b>39,919</b>	<b>16,184</b>
<b>To Improve Level of Service</b>				
Consent, Remedial and Flood Mitigation Work	528	1,584	1,724	140
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>528</b>	<b>1,584</b>	<b>1,724</b>	<b>140</b>
<b>To Replace Existing Assets</b>				
Renewals	1,347	1,116	1,116	-
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>1,347</b>	<b>1,116</b>	<b>1,116</b>	<b>-</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>62,470</b>	<b>26,435</b>	<b>42,759</b>	<b>16,324</b>

## Funding Impact Statement

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	319	371	336	(35)
Targeted rates	3,933	4,571	4,138	(433)
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	4	4	4	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	5	5
<b>Total sources of operating funding (A)</b>	<b>4,256</b>	<b>4,946</b>	<b>4,483</b>	<b>(463)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,748	1,814	1,762	(52)
Finance costs	7	9	4	(5)
Internal charges and overheads applied	560	634	716	82
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,315</b>	<b>2,457</b>	<b>2,482</b>	<b>25</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,941</b>	<b>2,489</b>	<b>2,001</b>	<b>(488)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	7,395	9,697	8,844	(853)
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>7,395</b>	<b>9,697</b>	<b>8,844</b>	<b>(853)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	60,595	23,735	39,919	16,184
- to improve the level of service	528	1,584	1,724	140
- to replace existing assets	1,347	1,116	1,116	-
Increase (decrease) in reserves	(53,134)	(14,249)	(31,914)	(17,665)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>9,336</b>	<b>12,186</b>	<b>10,845</b>	<b>(1,341)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,941)</b>	<b>(2,489)</b>	<b>(2,001)</b>	<b>488</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Wastewater Treatment and Disposal

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## What we do

We provide a safe, effective and reliable system for managing wastewater in urban areas to maintain public health and protect land and waterways from contamination.

The wastewater treatment and disposal activity includes the reticulation network for the collection of sewage and trade waste and its treatment and disposal.

## Key projects for 2022/23

- Cambridge growth cells (CBN, C1, C2 and C3) wastewater works
- Hautapu industrial wastewater works
- Pipe Upgrades Te Awamutu
- Cambridge Wastewater Treatment Plant
- Asset renewals

## Key changes from the Long Term Plan 2021/31

The variations from the Long Term Plan 2021/31 are shown in the following tables. The main activity changes are as follows:

### Cambridge Growth Development including Cambridge North, C1, C2, C3

Due to the accelerated growth of new residential development in Cambridge, budget has either been brought forward from future LTP years or deferred from the 2021/22 year to align with development timing. The budget for wastewater treatment and disposal is to install the necessary wastewater service infrastructure.

### Hautapu growth development

Due to the timing of development, the majority of the 2021/22 budgets have been deferred to 2022/23.

### Cambridge Wastewater Treatment upgrade

This has been deferred from the 2021/22 year due to the timing of the new treatment plant discharge consenting. The site clearance, disposal fields pre-works and foundation improvements are presently scheduled for the summer of 2022/23. This timing is to ensure a dry construction period and also follows the submission of the new discharge consent application which is scheduled for mid-2022.

### Pipe Upgrades Te Awamutu

Scoping and design of this project will be completed in the 2021/22 financial year with construction planned for 2022/23 – budget deferred from 2021/22 to 2022/23.

## Cost of service variances:

### Revenue:

- Increase of \$17,000 interest revenue allocated to wastewater reserves due to higher interest rates.

### Expenditure:

- Higher depreciation expenditure of \$75,000 due to the increase in value of the wastewater assets after revaluation.
- Increase in activity charges of \$279,000 mainly due to higher electricity costs and the reallocation of the rates expense for Council.
- Decrease in internal charges and overheads of \$110,000 from impacts on the reallocation of overheads.
- Increase of \$64,000 in finance costs due to an increase in interest rates.

## Capital expenditure variances:

- Increase of \$2.1 million for Cambridge growth cells (C1, C2 and C3) wastewater works due to developer timing.
- Increase of \$1.8 million for Hautapu industrial development due to the timing of the development.
- Increase of \$2.5 million for the Cambridge Wastewater Treatment Plant due to the timing of the new treatment plant discharge consenting.
- Increase in the district wide pipe upgrades resulting from a deferral from the 2021/22 year for \$3.5 million.
- Reduction in the Te Awamutu Growth Provision for T8 – Design for the Golf Road gravity main will be completed in the 2022/23 year with construction in the 2023/24 financial year.

## Statement of cost of service

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>REVENUE</b>				
Fees and Charges	1,300	1,347	1,347	-
Finance Income	-	-	17	17
<b>TOTAL REVENUE</b>	<b>1,300</b>	<b>1,347</b>	<b>1,364</b>	<b>17</b>
<b>OPERATING EXPENDITURE</b>				
Depreciation and Amortisation	5,883	5,909	5,984	75
Activity Expenses	6,542	7,293	7,572	279
Internal charges and Overheads	872	950	840	(110)
Finance Costs	346	307	371	64
<b>TOTAL EXPENDITURE</b>	<b>13,643</b>	<b>14,459</b>	<b>14,767</b>	<b>308</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(12,343)</b>	<b>(13,112)</b>	<b>(13,403)</b>	<b>(291)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>				
Capital Expenditure (excluding Vested)	15,604	6,968	16,358	9,390
Vested Assets	1,811	1,876	1,876	-
Debt Repayment (Internal)	1,825	2,336	1,628	(708)
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>19,240</b>	<b>11,180</b>	<b>19,862</b>	<b>8,682</b>



## Capital expenditure table

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>				
Cambridge North Wastewater Provision	-	-	-	-
Cambridge Growth Cells (C1, C2 and C3)	4,471	1,317	3,457	2,140
Hautapu Industrial Wastewater	1,692	1,123	2,910	1,787
Cambridge Wastewater Treatment Plant Consent & Upgrades	2,282	1,915	4,415	2,500
Te Awamutu Wastewater Treatment Plant Upgrade	-	218	218	-
District Wide Wastewater Pump Station Upgrades	410	52	52	-
District Wide Wastewater Pipe Upgrades	3,542	-	3,500	3,500
				-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>12,397</b>	<b>4,625</b>	<b>14,552</b>	<b>9,927</b>
<b>To Improve Level of Service</b>				
Waikeria Prison Expansion - WW Connection	-	-	-	-
Cambridge Wastewater Treatment Plant Upgrade	-	-	-	-
Vogel & Alpha Street Odour Control	-	-	-	-
Te Awamutu Growth Provision (T8)	126	577	40	(537)
District Wide Wastewater Modelling	36	37	37	-
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>162</b>	<b>614</b>	<b>77</b>	<b>(537)</b>
<b>To Replace Existing Assets</b>				
Renewals	-	-	-	-
Cambridge Pipe Bridge	-	-	-	-
Plant and Pumps	3,045	1,729	1,729	-
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>3,045</b>	<b>1,729</b>	<b>1,729</b>	<b>-</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>15,604</b>	<b>6,968</b>	<b>16,358</b>	<b>9,390</b>

## Funding Impact Statement

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	664	664	664	-
Targeted rates	10,049	11,788	11,480	(308)
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,300	1,347	1,347	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	17	17
<b>Total sources of operating funding (A)</b>	<b>12,013</b>	<b>13,799</b>	<b>13,508</b>	<b>(291)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	6,132	6,883	7,162	279
Finance costs	346	307	371	64
Internal charges and overheads applied	872	950	840	(110)
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>7,350</b>	<b>8,140</b>	<b>8,373</b>	<b>233</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>4,663</b>	<b>5,659</b>	<b>5,135</b>	<b>(524)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	4,202	4,672	4,520	(152)
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>4,202</b>	<b>4,672</b>	<b>4,520</b>	<b>(152)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	12,523	5,202	14,552	9,350
- to improve the level of service	36	37	77	40
- to replace existing assets	3,045	1,729	1,729	-
Increase (decrease) in reserves	(6,739)	3,363	(6,703)	(10,066)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>8,865</b>	<b>10,331</b>	<b>9,655</b>	<b>(676)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(4,663)</b>	<b>(5,659)</b>	<b>(5,135)</b>	<b>524</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Water Treatment and Supply

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## What we do

The water treatment and supply group of activities includes all the services involved in abstracting, treating, storing and distributing water to users through the reticulation network.

We provide reticulated water supplies to Cambridge, Te Awamutu, Kihikihi, Pirongia, Ōhaupō, Pukerimu and Karāpiro and operate seven water treatments plants. We are responsible for maintaining water supply assets worth \$198 million including 573km of water pipes plus pump stations, reservoirs and treatment plants.

## Key projects for 2022/23

- Cambridge North to Hautapu water supply requirements
- Cambridge growth cells C1, C2 and C3 water infrastructure works
- Cambridge and Te Awamutu Fire and Water LOS upgrades
- Telemetry Upgrade Waipā
- District-wide water main renewals

## Key changes from the Long Term Plan 2021/31

The variations from the Long Term Plan 2021/31 are shown in the following tables. The main activity changes are as follows:

### Cambridge growth cells C1, C2 and C3 water infrastructure works

Due to the accelerated growth of new residential development in this area, budget has been deferred from the 2021/22 year to align with development timing.

### Cost of service variances

Expenditure:

- Increase in depreciation expenditure of \$291,000 due to the water asset revaluation and the timing of asset capitalisation.
- Increase in activity expenses of \$254,000 mainly due to higher electricity costs and employee related expenses from changes in allocation to the Water activity.
- Decrease in internal charges and overheads of \$228,000 mainly due to the waters portion of total council works compared to other activities and internal staff numbers impacting on the reallocation of overheads.

**Capital expenditure variances:**

- Increase of \$500,000 for Cambridge North growth cells due to timing of development.
- Parallel Road water treatment plant upgrade has increased by \$1.2 million (transferred from 2021/22) for the installation of additional equipment.
- Increase of \$380,000 for Cambridge Growth Cells (C1, C2 and C3) due to timing of the development.
- Increase of \$1,114,000 for District Wide watermain renewals due to deferral of budget from 2021/22 to 2022/23.

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## Statement of cost of service

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>REVENUE</b>				
Fees and charges	550	570	570	-
Targeted rates for water supply	11,636	12,337	12,470	133
Finance Income	-	-	25	25
<b>TOTAL REVENUE</b>	<b>12,186</b>	<b>12,907</b>	<b>13,065</b>	<b>158</b>
<b>OPERATING EXPENDITURE</b>				
Depreciation and Amortisation	5,247	5,079	5,370	291
Activity Expenses	6,672	7,503	7,757	254
Internal charges and Overheads	1,148	1,042	814	(228)
Finance Costs	399	346	407	61
<b>TOTAL EXPENDITURE</b>	<b>13,466</b>	<b>13,970</b>	<b>14,348</b>	<b>378</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(1,280)</b>	<b>(1,063)</b>	<b>(1,283)</b>	<b>(220)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>				
Capital Expenditure (excluding Vested)	7,542	11,703	15,644	3,941
Vested Assets	2,728	2,826	2,826	-
Debt Repayment (Internal)	1,038	1,068	560	(508)
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>11,308</b>	<b>15,597</b>	<b>19,030</b>	<b>3,433</b>

## Capital expenditure table

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>				
Dedicated Main Leamington to Hautapu	225	-	230	230
Cambridge North to Hautapu Pipeline	745	1,658	2,158	500
Hautapu East Water Development (C10)	620	-	-	-
Cambridge Growth Cells (C1, C2, C3, C4 and C7)	1,023	406	786	380
Water Supply Provision Cambridge (C6)	-	-	-	-
Cambridge Water Reticulation Active Control	-	-	-	-
Karapiro Water Treatment Plant Upgrade	-	-	-	-
Alpha Street Water Treatment Plant Upgrade	40	-	-	-
Te Awamutu Internal CBD Rising Main	58	1,082	1,082	-
Te Awamutu Growth Cells	350	-	177	177
Pukerimu Water Supply	-	83	83	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>3,061</b>	<b>3,229</b>	<b>4,516</b>	<b>1,287</b>
<b>To Improve Level of Service</b>				
Raw Water Main Renewal & Inlet Pump Installation	-	-	-	-
Parallel Road Water Treatment Plant Upgrade	-	-	1,200	1,200
Parallel Road to Taylors Hill Pipeline	-	-	-	-
Pukerimu Water Supply - Parallel Rd to Titanium Park	-	-	-	-
Te Awamutu Fire/LOS Service Upgrades	63	359	359	-
Karapiro Rising Main	-	-	-	-
Te Awamutu Active Reticulation Control	-	-	-	-
District Wide Water Modelling	54	422	422	-
Cambridge Fire & Water LOS Upgrades	124	1,565	1,805	240
District Wide Zone Identification	86	248	248	-
Fairview Rd Water Main	58	500	500	-
Standby Generators for Treatment Plants	248	-	-	-
DW Complex Water Connections	-	-	-	-
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>633</b>	<b>3,094</b>	<b>4,534</b>	<b>1,440</b>
<b>To Replace Existing Assets</b>				
District Wide Water Main Renewals	2,272	3,613	4,727	1,114
Reservoir Renewals	451	532	632	100
Plant and Pumps	790	887	887	-
Water Connections	336	349	349	-
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>3,849</b>	<b>5,381</b>	<b>6,595</b>	<b>1,214</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>7,543</b>	<b>11,704</b>	<b>15,645</b>	<b>3,941</b>

## Funding Impact Statement

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	530	560	560	-
Targeted rates	11,665	12,365	12,555	190
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	550	570	570	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	25	25
<b>Total sources of operating funding (A)</b>	<b>12,745</b>	<b>13,495</b>	<b>13,710</b>	<b>215</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	6,154	6,986	7,244	258
Finance costs	399	346	407	61
Internal charges and overheads applied	1,148	1,042	814	(228)
Other operating funding applications	5	5	5	-
<b>Total applications of operating funding (B)</b>	<b>7,706</b>	<b>8,379</b>	<b>8,470</b>	<b>91</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>5,039</b>	<b>5,116</b>	<b>5,240</b>	<b>124</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	2,978	3,234	3,521	287
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,978</b>	<b>3,234</b>	<b>3,521</b>	<b>287</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	3,060	3,228	4,516	1,288
- to improve the level of service	633	3,094	4,534	1,440
- to replace existing assets	3,849	5,381	6,595	1,214
Increase (decrease) in reserves	475	(3,353)	(6,884)	(3,531)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>8,017</b>	<b>8,350</b>	<b>8,761</b>	<b>411</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(5,039)</b>	<b>(5,116)</b>	<b>(5,240)</b>	<b>(124)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Support Services

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### What we do

This group provides a range of specialist skills and services to support the organisation to efficiently deliver services.

Support Services includes:

- Customer support
- Financial management
- Human resources
- Information services
- Legal and corporate support
- Business improvement

### Key projects for 2022/23

- Renewal and upgrade of plant, i.e. vehicles and tractors
- Digital Roadmap implementation

### Key changes from the Long Term Plan 2021/31

There are no material changes from the programme outlined in the Long Term Plan 2021/31 relating to employee related expenditure and software upgrades. The variations from the Long Term Plan 2021/31 are shown in the following tables.

#### Cost of service variances

Expenditure:

- Increase of employee related expenses of \$705,000. This includes annual inflationary increases (aligned with market movement) for staffing resources. It also includes costs associated with an Executive team structure review and other position changes.
- Increase in finance costs of \$94,000 mainly due to an increase in interest rates.
- Increase in Activity Costs due to substantial increases in insurance expenditure of \$161,000 and an increase in annual valuation expenses of \$60,000.
- Increase in depreciation of \$109,000 due to the timing of vehicle renewals.



## Statement of cost of service

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>REVENUE</b>				
Fees and Charges	103	106	106	-
<b>TOTAL REVENUE</b>	<b>103</b>	<b>106</b>	<b>106</b>	<b>-</b>
<b>OPERATING EXPENDITURE</b>				
Employee Related Expenses	10,259	10,505	11,210	705
Depreciation and Amortisation	1,524	2,056	2,165	109
Activity Expenses	3,958	4,125	4,343	218
Finance Costs	100	104	198	94
<b>TOTAL EXPENDITURE</b>	<b>15,841</b>	<b>16,790</b>	<b>17,916</b>	<b>1,126</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(15,738)</b>	<b>(16,684)</b>	<b>(17,810)</b>	<b>(1,126)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>				
Capital Expenditure (excluding Vested)	3,341	4,046	4,712	666
Debt Repayment	568	712	640	(72)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>3,909</b>	<b>4,758</b>	<b>5,352</b>	<b>594</b>

## Capital expenditure table

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>To Improve Level of Service</b>				
Buildings	374	1,016	1,365	349
Computer Software Upgrades	1,462	969	1,287	318
<b>Total to Improve Level of Service</b>	<b>1,836</b>	<b>1,985</b>	<b>2,652</b>	<b>667</b>
<b>To Replace Existing Assets</b>				
Buildings	94	96	96	-
Plant	1,321	1,888	1,888	-
Carpark Renewals	-	-	-	-
Computer Hardware Renewals	70	77	77	-
Computer Software Renewals	20	-	-	-
<b>Total to Replace Existing Assets</b>	<b>1,505</b>	<b>2,061</b>	<b>2,061</b>	<b>-</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>3,341</b>	<b>4,046</b>	<b>4,713</b>	<b>667</b>

## Funding Impact Statement

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	362	355	352	(3)
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	63	65	65	-
Internal charges and overheads recovered	15,139	15,661	16,173	512
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>15,564</b>	<b>16,081</b>	<b>16,590</b>	<b>509</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	14,223	14,635	15,553	918
Finance costs	100	104	198	94
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>14,323</b>	<b>14,739</b>	<b>15,751</b>	<b>1,012</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,241</b>	<b>1,342</b>	<b>839</b>	<b>(503)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	315	937	937	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>315</b>	<b>937</b>	<b>937</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure	-	-	-	-
- to meet additional demand	-	-	-	-
- to improve the level of service	1,836	1,985	2,652	667
- to replace existing assets	1,505	2,061	2,061	-
Increase (decrease) in reserves	(1,785)	(1,767)	(2,937)	(1,170)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,556</b>	<b>2,279</b>	<b>1,776</b>	<b>(503)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,241)</b>	<b>(1,342)</b>	<b>(839)</b>	<b>503</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Statement of prospective financial information

The financial information contained within this plan is prospective financial information which complies with the Financial Reporting Standard 42 (FRS42). FRS42 sets the principles and specifies minimum disclosures for the preparation and presentation of general purpose prospective financial information. The purpose of this financial information is to enable the public to participate in the decision making process as to the services that we will provide over the financial year 2019/20, and to provide a broad accountability mechanism for Council to the community. The financial information may not be appropriate for purposes other than those described.

In relation to the FRS42, the financial year 2022/23 is considered to be a 'forecast year' and based on future events, which are expected to occur. The actual results achieved for the period are likely to vary from the information presented and may vary depending upon the circumstances that arise during the period.

The forecast financial information has been prepared in accordance with Council's current policies which comply with the New Zealand International Financial Reporting Standards.

We are responsible for the Prospective Financial Statements, including the appropriateness of the underlying assumptions and all other required disclosures.

### Use of prior year surpluses

Due to the higher costs Council is facing for the 2022/23 year, Council is using \$1.93 million of prior years' surplus to offset the impact of rate increases. The use of cash surplus of \$740,000 was indicated in the Long Term Plan.

Operating projects have been transferred from the 2021/22 year into the 2022/23 year due to timing delays. These projects are funded from cash surplus to the value of \$371,400.

## Prospective statement of comprehensive revenue and expense for the year ending 30 June 2023

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>OPERATING INCOME</b>				
Rates	73,176	78,562	77,028	(1,534)
Fees & charges	15,187	13,532	23,980	10,448
Reserve contributions	1,375	1,947	2,152	205
Development contributions	19,620	24,593	23,388	(1,205)
Gain on revaluation of investment properties & forestry	447	450	450	-
Vested assets	11,717	12,126	12,126	-
Discovered assets	-	-	-	-
Dividends	20	20	20	-
Finance income	15	15	15	-
Subsidies and Grants	14,789	19,660	16,928	(2,732)
Other revenue	5,818	5,719	454	(5,265)
Gain on swap derivative	-	-	-	-
<b>Total Operating Income</b>	<b>142,164</b>	<b>156,624</b>	<b>156,541</b>	<b>(83)</b>
<b>OPERATING EXPENDITURE</b>				
Employee benefit expenses	28,840	29,263	31,728	2,465
Depreciation & amortisation	30,326	31,587	31,848	261
Other expenses	41,281	43,008	44,669	1,661
Finance costs	1,976	3,397	2,892	(505)
Loss on revaluation	-	-	-	-
Loss on swap derivative	-	-	-	-
<b>Total Operating Expenditure</b>	<b>102,423</b>	<b>107,255</b>	<b>111,137</b>	<b>3,882</b>
<b>OPERATING SURPLUS</b>	<b>39,741</b>	<b>49,369</b>	<b>45,404</b>	<b>(3,965)</b>
<b>Other Comprehensive Income recognised directly in Equity</b>				
Property Plant and Equipment				
Revaluation gains/(losses) taken to equity	9,462	81,490	81,490	-
Intangible Revaluation gains/(losses) taken to equity	-	-	-	-
Investment Revaluation gains/(losses) taken to equity	-	-	-	-
Cash flow hedges	-	1,292	1,292	-
<b>Total Other Comprehensive Income for the year</b>	<b>9,462</b>	<b>82,782</b>	<b>82,782</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>	<b>49,203</b>	<b>132,151</b>	<b>128,186</b>	<b>(3,965)</b>

Any operating surpluses generally come from non-cash items; we budget for a general funds cash break-even position. The statement of comprehensive revenue and expense also includes significant infrastructural revaluations which are also non-cash items.

## Prospective statement of changes in equity for the year ending 30 June 2023

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
Balance at 1 July	1,826,014	1,874,887	1,863,165	(11,722)
Total comprehensive income previously reported	49,203	132,151	128,186	(3,965)
	<b>1,875,217</b>	<b>2,007,038</b>	<b>1,991,351</b>	<b>(15,687)</b>
<b>EQUITY</b>				
Retained Earnings	613,453	655,118	605,987	(49,131)
Other reserves	1,261,764	1,351,920	1,385,364	33,444
Total Equity	<b>1,875,217</b>	<b>2,007,038</b>	<b>1,991,351</b>	<b>(15,687)</b>

## Prospective statement of financial position as at 30 June 2023

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	5,383	3,316	2,820	(496)
Trade and other receivables	2,167	1,958	790	(1,168)
Investment in CCO's	-	-	1,890	1,890
Non current assets held for sale	-	-	-	-
<b>Total Current Assets</b>	<b>7,550</b>	<b>5,274</b>	<b>5,500</b>	<b>226</b>
<b>Non Current Assets</b>				
Trade and other receivables	14	14	13	(1)
Property plant and equipment	2,089,619	2,259,189	2,217,267	(41,922)
Intangible Assets	4,173	4,704	2,913	(1,791)
Forestry Assets	2,597	2,637	3,075	438
Investments in CCO's	18,786	18,786	23,433	4,647
Investment Properties	16,436	16,846	19,823	2,977
<b>Total Non Current Assets</b>	<b>2,131,625</b>	<b>2,302,176</b>	<b>2,266,524</b>	<b>(35,652)</b>
<b>Total Assets</b>	<b>2,139,175</b>	<b>2,307,450</b>	<b>2,272,024</b>	<b>(35,426)</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	16,621	16,617	12,470	(4,147)
Provisions	1,744	452	162	(290)
Employee benefit liabilities	1,744	1,744	2,032	288
Borrowings	9,000	15,000	37,000	22,000
Deferred Revenue	-	-	-	-
<b>Total Current Liabilities</b>	<b>29,109</b>	<b>33,813</b>	<b>51,664</b>	<b>17,851</b>
<b>Non Current Liabilities</b>				
Trade and other payables	250	-	250	250
Derivative financial instruments	-	-	-	-
Provisions	699	699	759	60
Borrowings	233,900	265,900	228,000	(37,900)
<b>Total Non Current Liabilities</b>	<b>234,849</b>	<b>266,599</b>	<b>229,009</b>	<b>(37,590)</b>
<b>Total Liabilities</b>	<b>263,958</b>	<b>300,412</b>	<b>280,673</b>	<b>(19,739)</b>
<b>EQUITY</b>				
Retained Earnings	613,453	655,118	605,987	(49,131)
Other reserves	1,261,764	1,351,920	1,385,364	33,444
<b>Total Equity</b>	<b>1,875,217</b>	<b>2,007,038</b>	<b>1,991,351</b>	<b>(15,687)</b>

## Prospective statement of cash flow for the year ending 30 June 2023

	2021/22	2022/23	2022/23	2022/23
	LTP Yr 1	LTP yr 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>Cash Flows from Operating Activities</b>				
Receipts from rates revenue	73,176	78,562	77,028	(1,534)
Interest received	15	15	15	-
Dividends received	20	20	20	-
Receipts from other revenue	53,380	56,453	59,793	3,340
Payments to suppliers and employees	(72,160)	(72,201)	(77,434)	(5,233)
Interest Paid	(1,976)	(3,397)	(2,892)	505
Goods and services tax (net)	(42)	42	-	(42)
<b>Net Cash Flow from Operating Activities</b>	<b>52,413</b>	<b>59,494</b>	<b>56,530</b>	<b>(2,964)</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from sale of property, plant and equipment	8,798	8,915	10,348	1,433
Proceeds from sale of investment property	85	-	-	-
Purchase of intangible assets	(1,462)	(969)	-	969
Purchase of property, plant and equipment	(168,049)	(107,507)	(172,988)	(65,481)
Purchase & Development of investment property	-	-	-	-
Investment in Associates	-	-	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>(160,628)</b>	<b>(99,561)</b>	<b>(162,640)</b>	<b>(63,079)</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from borrowings	111,000	38,000	105,000	67,000
Repayment of borrowings	-	-	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>111,000</b>	<b>38,000</b>	<b>105,000</b>	<b>67,000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>2,785</b>	<b>(2,067)</b>	<b>(1,110)</b>	<b>957</b>
Cash and cash equivalents at the beginning of the year	2,598	5,383	3,930	(1,453)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>5,383</b>	<b>3,316</b>	<b>2,820</b>	<b>(496)</b>

## Statement of borrowing for the year ending 30 June 2023

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>Movements in Borrowings</b>				
Opening Balance	177,400	242,900	160,000	(82,900)
Net Loans Raised/(Repaid)	65,500	38,000	105,000	67,000
Closing Balance	242,900	280,900	265,000	(15,900)
Current Portion of External Debt	9,000	15,000	37,000	22,000
Term Portion of External Debt	233,900	265,900	228,000	(37,900)
	242,900	280,900	265,000	(15,900)

The above represents the expected level of external borrowings but this could fluctuate depending on future use of reserves.

## Operating expenditure variations to Long Term Plan

	2022/23 LTP \$000	2022/23 Annual Plan \$000	2022/23 Variance \$000
<b>Governance</b> Increases from additional Honorium for Elected Members and restructure for Strategic Relationships and increase in overheads.	8,766	9,394	628
<b>Planning and Regulatory</b> Costs related to the increased number of resource and building consents received due to growth, along with higher interest expenses.	4,219	4,661	442
<b>Community Services and Facilities</b> Higher inflation impacting on expenses such as Salaries, insurance, interest and depreciation	11,151	11,322	171
<b>Roads and Footpaths</b> Restructure of operating program undertaken plus higher depreciation and interest expense.	12,154	12,955	801
<b>Stormwater</b> Decrease in depreciation expenditure from timing of capitalisation of Stormwater assets.	5,157	4,689	(468)
<b>Water Treatment and Supply</b> Increase in depreciation and interest expenses offset by reduction in overhead and internal charges	1,063	1,283	220
<b>Wastewater Treatment and Disposal</b> Higher inflation impacting on expenses such as Salaries, insurance, interest and depreciation	13,112	13,403	291
<b>Support Services</b> Executive Team structure review and higher inflation impacting on expenses such as Salaries, insurance, interest and depreciation.	16,684	17,840	1,156
	<b>72,306</b>	<b>75,547</b>	<b>3,241</b>



## Capital expenditure programme

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>Projects</b>				
Governance	-	-	-	-
Planning and Regulatory	150	616	616	-
Community Services and Facilities	23,800	24,677	<b>34,169</b>	9,492
Roads and Footpaths	63,436	40,975	65,987	25,012
Stormwater	65,283	29,349	<b>45,674</b>	16,325
Water Treatment and Supply	10,270	14,530	18,470	3,940
Wastewater Treatment and Disposal	17,415	8,844	<b>18,234</b>	9,390
Support Services	3,341	4,046	4,712	666
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>183,695</b>	<b>123,037</b>	<b>187,862</b>	<b>64,825</b>

**Note:** Refer to the group of activity section in this plan which outlines the individual projects in detail and the variations to the Long Term Plan.

## Council reserve funds, movements and balances

	2021/22 Forecast \$000	2022/23 Transfer to Reserve \$000	2022/23 Transfer From Reserve \$000	2022/23 Closing Balance \$000
<i>Council created reserves consist of:</i>				
<b>Property Reserves</b>				
Asset Sales Cambridge	-	-	-	-
Asset Sales Te Awamutu	(0)	1,990	(826)	1,164
Asset Sales General	2,396	9,427	(1,367)	10,456
Endowment Land Cambridge	-	-	-	-
Endowment Land Pirongia	3	0	-	3
Endowment Land Te Awamutu	123	1	-	124
Endowment Land Waipa District	14	0	-	14
Forestry Reserve	467	3	(461)	10
Pensioner Housing Reserve	2,825	376	(2,463)	738
<b>Reserve Contributions &amp; Development Contributions</b>				
District Wide Stormwater	501	37,563	(37,715)	348
District Wide Waste Water	2,966	9,325	(10,571)	1,721
District Wide Water Treatment and Supply	3,404	3,544	(5,290)	1,658
District Wide Rooding	1,719	43,863	(43,272)	2,310
District Wide Reserve Developments	829	1,217	(153)	1,892
District Wide Land Purchase	(0)	12,823	(12,776)	48
Karapiro Reserve Development	-	48	(48)	-
Te Awamutu Library/Museum	3	0	-	3
<b>Special Funds</b>				
Cemetery Paterangi	5	0	-	5
Project Funding Reserve	7,148	3,619	(5,194)	5,572
General Insurance Reserve	526	4	(165)	364
Infrastructure Insurance Reserve	572	4	-	576
Te Awamutu 110kv Compensation Reserve	339	2	-	342
Pavement Levies	112	1	-	113
Road Asset Technical Accord (RATA)	15	0	-	15
Waste Minimisation	525	4	(40)	489
<b>Separate Balances</b>				
Rooding Reserve	4,382	84,050	(83,121)	5,313
Stormwater Reserve	703	47,334	(47,329)	708
Water Supply Reserve	3,710	27,797	(28,207)	3,300
Waste Water Reserve	2,450	32,365	(33,198)	1,617
Depreciation Reserve - Long Term Assets	3,641	3,937	(2,333)	5,245
Depreciation Reserve - Medium Term Assets	685	4,795	(5,107)	372
<b>Asset Revaluation Reserves</b>				
<b>Asset revaluation reserves consist of:</b>				
<b>Operational assets</b>				
Land	225,712	14,767	-	240,479
Buildings	32,750	3,956	-	36,706
Intangible	709	-	-	709
Investments	19,651	450	-	20,101
<b>Infrastructural Assets</b>				
Sewerage System	82,084	-	-	82,084
Water System	91,036	-	-	91,036
Drainage network	77,277	-	-	77,277
Rooding network	729,686	62,767	-	792,453
<b>Total</b>	<b>1,298,968</b>	<b>406,030</b>	<b>(319,636)</b>	<b>1,385,364</b>

## Council reserves

The table below sets out the purpose of the reserves held by Council and the related activities for these reserves.

Reserve	Purpose	Activity
<b>Property Reserves</b>		
Asset Sales Cambridge	Proceeds from Cambridge asset sales held in reserve to fund future asset purchases	Properties
Asset Sales Te Awamutu	Proceeds from Te Awamutu asset sales held in reserve to fund future asset purchases	Properties
Asset Sales General	Proceeds from district wide asset sales held in reserve to fund future asset purchases	Properties
Endowment Land Cambridge	Proceeds from sale of Cambridge endowment land held in reserve for endowment purposes	Properties
Endowment Land Pirongia	Proceeds from sale of Pirongia endowment land held in reserve for endowment purposes	Properties
Endowment Land Te Awamutu	Proceeds from sale of Te Awamutu endowment land held in reserve for endowment purposes	Properties
Endowment Land Waipā District	Proceeds from sale of District Wide endowment land held in reserve for endowment purposes	Properties
Forestry Reserve	Proceeds from forestry harvesting to fund future forestry activities	Forestry
Residential Housing Reserve	Proceeds from residential housing rental revenue to fund the operating and capital expenditure	Properties
Pensioner Housing & Own Your Own Housing	Proceeds from pensioner housing and own your own housing revenue to fund the operating and capital expenditure within its own portfolio	Properties
<b>Reserve Contributions &amp; Development Contributions</b>		
Cambridge North	Proceeds from development contributions to fund growth related expenditure	Roads & Footpaths / Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
District Wide Stormwater	Proceeds from development contributions to fund growth related expenditure	Stormwater
District Wide Wastewater	Proceeds from development contributions to fund growth related expenditure	Wastewater Treatment & Disposal

Reserve	Purpose	Activity
District Wide Water Treatment & Supply	Proceeds from development contributions to fund growth related expenditure	Water Treatment & Supply
District Wide Roding	Proceeds from development contributions to fund growth related expenditure	Roads & Footpaths
District Wide Reserve Developments	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves
District Wide Land Purchase	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves
Te Awamutu Library/Museum	Proceeds from development contributions to fund growth related expenditure for Te Awamutu Library/Museum	District Libraries / Museums
<b>Special Funds</b>		
Cemetery Paterangi	Proceeds held in reserve to fund future capital works	Cemeteries
Project Funding Reserve	Funding for specific projects to be completed in the following year	All activities
General Insurance Reserve	Provision to pay call-ups and to fund increase in deductibles of claims as well as to help to pay future premium increases	All activities
Infrastructure Insurance Reserve	Provision to pay additional contributions that may occur and to help cover the insurance deductible if a major event happens in the Waipā District	Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
Te Awamutu 100kv Compensation Reserve	Proceeds from the granting of easement rights for the Waipā Networks 110kv line, held in reserve for appropriate future utilisation with due regard to the source of these funds.	Properties
Pavement Levies	Levies collected from land use consents for future pavement rehabilitation	Roads & Footpaths
Road Asset Technical Accord (RATA)	Funds held in reserve for future works	Roads & Footpaths
Waste minimisation	Net funds from waste minimisation levy held for use on waste minimisation activities	Waste Minimisation
<b>Separate Balances</b>		
Roding Reserve	Funds held in reserve for capital works expenditure	Roads & Footpaths
Stormwater Reserve	Funds held in reserve for capital works expenditure	Stormwater

Reserve	Purpose	Activity
Water Supply Reserve	Funds held in reserve for capital works expenditure	Water Treatment & Supply
Wastewater Reserve	Funds held in reserve for operating and capital works expenditure	Wastewater Treatment & Disposal
Depreciation Reserve Long Term Assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Depreciation Reserve Medium Term Assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
<b>Asset Revaluation Reserves</b>		
<b>Operational</b>		
Land	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
Buildings	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
<b>Infrastructural Assets</b>		
Sewerage System	Non cash reserve to record appreciation values arising from asset revaluations	Wastewater Treatment & Disposal
Water System	Non cash reserve to record appreciation values arising from asset revaluations	Water Treatment & Supply
Drainage Network	Non cash reserve to record appreciation values arising from asset revaluations	Stormwater
Roading Network	Non cash reserve to record appreciation values arising from asset revaluations	Roads & Footpaths

# Financial Disclosure Statements

Annual Plan disclosure statement for year ending 30 June 2021.

## What is the purpose of this statement?

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

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

Benchmark		Planned	Met
Rates affordability benchmark:			
▪ Income	Rate levels will be limited to a maximum of 65% of total revenue.	50%	Yes
▪ Increases	Annual increases for existing ratepayers will be limited to no more than the forecast Local Government Cost Index for the year plus 2%	4.3%	Yes
Debt affordability benchmark	Quantified limit is set at 250% of total revenue forecasted	169%	Yes
Balanced budget benchmark	100%	107%	Yes
Essential services benchmark	100%	549%	Yes
Debt servicing benchmark	15%	2.4%	Yes

### Notes:

#### 1 Rates affordability benchmark

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

#### 2 Debt affordability benchmark

- (a) For this benchmark, the council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the council's Long Term Plan.

- (b) The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

### **3 Balanced budget benchmark**

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

### **4 Essential services benchmark**

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

### **5 Debt servicing benchmark**

- (a) For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- (b) Because Statistics New Zealand projects that the council's population will grow faster than the national population is projected to grow, 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

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## Reporting entity

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

The group consists of the ultimate parent, Waipā District Council, and the Waipā Community Facilities Trust. Council is not presenting group forecast financial statements as the parent statements are considered to be more relevant to users. The main purpose of these statements is to provide users with information about the core services that Council intends to provide ratepayers, the expected cost of those services and the consequent requirement for rate funding.

The primary objective of Council and group is to provide goods or 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 (PBEs) for financial reporting purposes.

## Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and the local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R.), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

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

## Summary of significant accounting policies

### ***Goods and services taxation (GST)***

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

The net amount of GST recoverable from, or payable to, the 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 is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### ***Income tax***

The Council is tax exempt for income tax purposes.



### ***Budget figures***

The budget figures have been prepared in accordance with the New Zealand Generally Accepted Accounting Practices, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

### ***Cost allocation***

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

Direct costs are those costs directly attributable and charged to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities using appropriate cost drivers such as computer equipment used, staff numbers and floor area.

### ***Revenue***

Revenue may be derived from either exchange or non-exchange transactions.

### ***Exchange transactions***

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Specific accounting policies for major categories of exchange revenue transactions are listed below.

### ***Interest and dividends***

Interest income is recognised using the effective interest method.

Dividends are recognised when Council's right to receive the payment is established.

### ***Housing for the Elderly revenue***

Rental revenue arising from tenancy agreements is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of revenue and expenditure due to its operating nature.

### ***Other gains and losses***

Other gains and losses include fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties and realised gains and losses on the sale of Property, Plant and Equipment (PPE) held at cost.

### ***Sales of goods***

Revenue from the sale of goods is recognised when a product is sold to the customer.

### ***Non-exchange transactions***

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

or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner.

Specific accounting policies for major categories of non-exchange revenue transactions are listed below.

### ***Rates revenue***

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an actual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction in rates revenue when the Council has received an application that satisfies its rates remission policy.

### ***Development contributions***

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide the service.

### ***New Zealand Transport Agency roading subsidies***

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

### ***Other grants received***

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

### ***Direct charges***

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licencing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such services is recognised when the Council or Group issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council or Group has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council or Group for the service) if the service is not completed.

### ***Building and resource consent revenue***

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

### ***Entrance fees***

Entrance fees are fees charged to users of the Council's local facilities, such as the pools. Revenue from entrance fees are recognised upon entry to such facilities.

### ***Infringement fees and fines***

Infringement fees and fines mostly relate to animal infringements and parking infringements and are recognised when the revenue is received. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

### ***Vested or donated physical assets***

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 revenue when control over the asset is obtained.

The fair value of vested assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is either based on construction price information provided by the property developer or values as per the last revaluation.

For long-lived assets that must be used for a specific purpose (e.g. land must be used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is only recognised if Council expects that it will need to return or pass the asset to another party.

Council is required by the New Zealand Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by that Council for which those other Local Authorities rate.

## Personnel costs

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

## Other expenses

### ***Grant expenditure***

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria, and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and grants are recognised as expenditure on payment.

### ***Operating leases***

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

### ***Finance costs***

In accordance with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

## Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

## Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return of a similar asset/investment. They 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 the Statement of Comprehensive Revenue and Expense as a grant.

A provision between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Comprehensive Revenue and Expense as a grant.

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

## Other financial assets

Council classifies its investments in the following categories:

- Financial assets at fair value through surplus or deficit;
- Loans and receivables;
- Held-to-maturity investments; and
- Financial assets at fair value through other comprehensive revenue and expense.

The classification depends on the reason behind acquiring the investment. Council decides how to classify its investments when they are acquired.

Purchases and sales of investments are recorded on the value date. Financial assets are no longer recognised when the right to receive cash flows from the financial assets has expired or has been transferred. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, Council establishes fair value through valuation techniques. At each year end Council assesses whether there is evidence that a financial asset or group of financial assets is impaired. Any impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit. A financial asset falls in this category if acquired principally to sell in the short-term or if designated this way by Council. After initial recognition, they are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. These financial assets are classified as current assets if they are held for trading or expected to be realised within twelve months of the year end date.

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They arise when Council provides money, goods or services directly to a debtor with no intention of selling the receivable asset. After initial recognition, they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. They are included in current assets, except for those with maturities greater than twelve months after the year end date, which are classified as non-current assets.

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

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the intention and ability to hold to maturity. After initial recognition, they are measured at amortised cost using the effective interest method. Gains or losses when the asset is impaired or derecognised are recognised in the 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 share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council includes in this category:

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

## Assets held for sale

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

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

These assets are not depreciated or amortised.

## Property, plant and equipment

Property, plant and equipment consists of:

- Operational assets which include land, buildings, library books, plant, furniture and equipment, and motor vehicles.
- Infrastructural assets which are the fixed utility systems. Each asset class includes all items that are required for the network to function, for example sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is 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 it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Additions are generally recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value at the date of acquisition.

### **Disposals**

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

## Subsequent costs

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

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

## Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, 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:

**Table 1: Useful lives and associated depreciation rates of major classes of assets**

	Components	Years
Water Treatment	Structures	25 – 80
	Plant	10 – 100
	Pipes	60
Water Reticulation	Pipes	30 – 100
	Fittings	10 – 100
Sewage Treatment	Structures	25 – 100
	Plant	10 – 100
	Pipes	60
Sewerage Reticulation	Pipes	50 – 100
	Fittings	25 – 100
	Manholes	80
Stormwater	Structures	15 – 80
	Pipes	50 – 100
	Manholes	50 – 80
Formation/carriageway and shoulder		Infinite
Pavement structure		12 – 150
Pavement surface (seal)		6 – 65
Catchpits and culverts		50 – 75
Bridges		50 – 115
Kerb and channel		50 – 75
Lighting		20 – 35
Footpaths		15 – 70
Signs		10 – 35
Railings		20 – 35

	Components	Years
Islands		35 – Infinite
Traffic Signals		15 – 50
Buildings – not componentised		0 – 100
Building – structure		35 – 100
Building – fit-out		20 – 40
Building – services		30 – 45
Plant/motor vehicles		15 – 25
Furniture, fittings and equipment		3 – 75
Computer equipment		3 – 10
Intangibles		0 – 10
Library Books		7

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

### **Revaluation**

Those asset classes that are revalued are valued on a two-yearly cycle on the basis described below, with the exception of Operational Land and Buildings, which is valued every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then 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 in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### **Operational land and buildings**

At fair value as determined from market-based evidence where there is a market, or depreciated replacement cost for specialised assets, by an independent valuer.

### **Infrastructural assets**

At fair value determined on a Depreciated Replacement Cost (DRC) basis by an independent valuer.

### **Land under roads and road reserves**

Land under roads is no longer revalued.



## ***Accounting for revaluations***

Revaluations of property, plant and equipment are on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase in revaluation that offsets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

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

Assets that have a finite useful life are reviewed for indicators of and are tested annually for impairment at each balance date. When 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.

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 against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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

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 the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

### ***Value in use for non-cash-generating assets***

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

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### ***Value in use for cash-generating assets***

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

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

## ***Impairment of revalued assets***

In April 2017 the XRB issued *Impairment of Revalued Assets*, which now scopes in revalued property, plant and equipment into the impairment accounting standards. Previously, only property, plant and equipment assets measured at cost were scoped into the impairment accounting standards.

Council has early adopted this amendment in preparing its 30 June 2017 financial statements. Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. Council can therefore impair a revalued asset without having to revalue the entire class of an asset to which the asset belongs.

## **Intangible assets**

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

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

### ***Amortisation***

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense. The useful lives and associated amortisation rates of computer software have been estimated at 3-10 years (33% - 10%).

### ***Impairment of intangible assets***

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for indicators of impairment and tested annually for impairments each balance date.

### ***Emissions trading scheme***

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the New Zealand Units (NZU). Gains and losses on disposals are reported in the surplus or deficit. If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. NZUs are not amortised and have an indefinite life.

## **Forestry assets**

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and

assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the Statement of Comprehensive Revenue and Expense. The costs to maintain the forestry assets are included in the Statement of Comprehensive Revenue and Expense.

## 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.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are measured at fair value as determined annually by an independent valuer. Gains and losses on revaluation, acquisition and disposal are recognised in the Statement of Comprehensive Revenue and Expense.

## Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## Provisions

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

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

## Employee benefit liabilities

Employee benefits expected to be settled within twelve months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and 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 is anticipated it will be used by staff to cover those future absences.

## Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

## Derivative financial instruments

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

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Statement of Comprehensive Revenue and Expense. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Hedging policy).

The fair value of interest rate swaps is the estimated amount that the Council would receive or pay to terminate the swap at the Statement of Financial Position date, taking into account current interest rates and the current credit worthiness of the swap counterparts.

### ***Hedging***

Derivatives are first recognised at fair value on the date a contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Council designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

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

### ***Fair value hedge***

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Comprehensive Revenue and Expense, together with any changes in the fair value of the assets or liability that are attributable to the hedged risk.

### ***Cash flow hedge***

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Revenue and Expense.

Amounts accumulated in equity are recycled in the Statement of Comprehensive Revenue and Expense in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of the non-financial assets (for example inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost of carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transactions is ultimately recognised in the Statement of Comprehensive Revenue and Expense.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of Comprehensive Revenue and Expense.

#### *Derivatives that do not qualify for hedge accounting*

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the Statement of Comprehensive Revenue and Expense.

## Equity

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

- Retained earnings
- Council created reserves
- Revaluation Reserves
- Cash flow hedge reserve

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

Council created reserves are a component of equity representing a particular use to which various parts of equity have been assigned. Council may alter them without reference to any third party or the Courts. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

#### ***Revaluation reserves***

This reserve relates to the revaluation of property, plant and equipment to fair value.

#### ***Cash flow hedge reserves***

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flows hedges.

## Critical accounting estimates and assumptions

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

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

- Estimating the landfill aftercare provision - Council has the responsibility under the resource consents to provide ongoing maintenance and monitoring of the landfills after the sites are closed. The landfill provision is estimated taking into account existing technology and is discounted using a weighted average cost of capital.

- Estimating the fair value of land, buildings, and infrastructural assets – there are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over land, buildings and infrastructural assets. These include:
  - The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
  - Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the assets, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk Council’s infrastructural assets useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council’s asset management planning activities, which gives Council further assurance over its useful life estimates.
- Experienced independent valuers perform Council’s land, buildings and infrastructural asset revaluations.
- Land is valued as vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.
- Assumption of an open market “willing buyer willing seller” scenario. This is effectively the price an informed purchaser would have to pay to acquire a similar property.
- Where there is a designation held against the land, adjustments have been made to reflect that designation.
- All buildings have been valued on either a fair market basis or depreciated replacement cost approach.
- Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.
- The highest and best use of the property is considered when formulating which approach to undertake the building valuation. Where market-based evidence exists, structures have been valued on a market basis in relation to market-based net rates per square metre.

## Funding Impact Statement

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The funding impact statement, has been prepared in accordance with schedule 10 of the Local Government Act 2002, as well as sections 13 to 19 of the Local Government (Rating) Act 2002 and sets out:

- The revenue and financing mechanisms used;
- An indicative level or amount of funding for each mechanism;
- A summary of the total rates requirement; and
- The application of funding methods to Council activities.

This statement should be read in conjunction with our Revenue & Financing Policy (refer to Long Term Plan 2021/31) that sets out our policies in respect of each source of funding for operating and capital expenses.

In relation to the FRS42, the financial year 2022/23 is considered to be a 'forecast year' and based on future events, which are expected to occur. The actual results achieved for the period are likely to vary from the information presented and may vary depending upon the circumstances that arise during the period.

The forecast financial information has been prepared in accordance with Council's current policies which comply with the New Zealand International Financial Reporting Standards.

We are responsible for the Prospective Financial Statements, including the appropriateness of the underlying assumptions and all other required disclosures.

**Note:** Section 23 of the Local Government (Rating) Act 2002 (LGRA) requires rates to be set in accordance with the Funding Impact Statement and the Long Term Plan 2018-2028 (LTP) for that financial year. The LTP contains the Revenue and Financing Policy which specifies certain proportions of costs for various activities to be funded by general rate, targeted rates, and fees and charges.

External legal advice has been obtained which concludes that whilst the Funding Impact Statement makes provision for rates based on apportionments which are different from those provided in the Revenue and Financing Policy, there is sufficient compliance with section 23 of the LGRA. Further, there is no material risk in proceeding to set rates without amending the Revenue and Financing Policy at this time. This conclusion is based on the following:

- The Revenue and Financing Policy makes it clear that proportions of funding are determined and disclosed each year in the Funding Impact Statement.
- There is general discussion in the Revenue and Financing Policy about different mechanisms being used to fund different types of benefit, but this is in terms of what the Council "seeks to" achieve.
- The Revenue and Financing Policy is explicit that the economic benefit and assessment tables for each activity identify what the funding **targets** (not definitive outcomes) are.
- The proposed allocations are not far off the targets.

## Consolidated statement of cost of Service

	2021/22 LTP YR 1 \$000	2022/23 LTP YR 2 \$000	2022/23 Budget \$000	2022/23 Variance \$000
<b>REVENUE</b>				
Governance	54	111	111	-
Planning and Regulatory	5,473	5,731	6,913	1,182
Community Services and Facilities	18,032	18,428	19,686	1,258
Transportation	9,551	11,266	11,332	66
Stormwater	4	4	9	5
Wastewater Treatment and Disposal	1,300	1,347	1,364	17
Water Treatment and Supply	12,186	12,907	13,065	158
Support Services	15,264	15,891	17,382	1,491
<b>GROSS REVENUE</b>	<b>61,864</b>	<b>65,685</b>	<b>69,862</b>	<b>4,177</b>
Less Internal Charges	15,161	15,785	16,173	388
<b>NET REVENUE</b>	<b>46,703</b>	<b>49,900</b>	<b>53,689</b>	<b>3,789</b>
<b>OPERATING EXPENDITURE</b>				
Governance	8,644	8,877	9,505	628
Planning and Regulatory	9,516	9,950	11,574	1,624
Community Services and Facilities	29,506	29,579	31,008	1,429
Transportation	23,193	23,420	24,287	867
Stormwater	4,473	5,161	4,698	(463)
Wastewater Treatment and Disposal	13,643	14,459	14,767	308
Water Treatment and Supply	13,466	13,970	14,348	378
Support Services	15,841	16,790	17,916	1,126
<b>GROSS EXPENDITURE</b>	<b>118,282</b>	<b>122,206</b>	<b>128,103</b>	<b>5,897</b>
Less Internal Charges	15,161	15,785	16,173	388
Less rates charged to Council properties	1,126	1,155	1,459	304
<b>NET EXPENDITURE</b>	<b>101,995</b>	<b>105,266</b>	<b>110,471</b>	<b>5,205</b>
<b>NET COST OF SERVICE - OPERATING</b>	<b>(55,292)</b>	<b>(55,366)</b>	<b>(56,782)</b>	<b>(1,416)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>				
Capital Expenditure (excluding Vested)	171,978	110,911	175,737	64,826
Vested Assets	11,717	12,125	12,125	-
Debt Repayment	7,010	8,142	6,563	(1,579)
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>190,705</b>	<b>131,178</b>	<b>194,425</b>	<b>63,247</b>



## Consolidated funding impact statement

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	40,335	42,371	40,860	(1,511)
Targeted rates	32,840	36,191	36,168	(23)
Subsidies and grants for operating purposes	3,244	3,449	3,567	118
Fees and charges	15,184	13,529	14,577	1,048
Interest and dividends from investments	35	35	35	-
Local authorities fuel tax, fines, infringement fees, and other receipts	412	412	514	102
<b>Total sources of operating funding (A)</b>	<b>92,050</b>	<b>95,987</b>	<b>95,721</b>	<b>(266)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	66,120	68,221	72,402	4,181
Finance costs	1,976	3,397	2,892	(505)
Other operating funding applications	1,641	1,643	1,662	19
<b>Total applications of operating funding (B)</b>	<b>69,737</b>	<b>73,261</b>	<b>76,956</b>	<b>3,695</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>22,313</b>	<b>22,726</b>	<b>18,765</b>	<b>(3,961)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	6,618	8,968	12,419	3,451
Development and financial contributions	20,995	26,540	25,540	(1,000)
Increase (decrease) in debt	65,500	38,000	105,000	67,000
Gross proceeds from sale of assets	8,796	8,915	10,348	1,433
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>101,909</b>	<b>82,423</b>	<b>153,307</b>	<b>70,884</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	127,771	64,721	120,423	55,702
- to improve the level of service	25,157	22,832	30,815	7,983
- to replace existing assets	19,050	23,358	24,499	1,141
Increase (decrease) in reserves	(47,756)	(5,762)	(3,665)	2,097
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>124,222</b>	<b>105,149</b>	<b>172,072</b>	<b>66,923</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(22,313)</b>	<b>(22,726)</b>	<b>(18,765)</b>	<b>3,961</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Reconciliation between the funding impact statement and statement of comprehensive revenue and expense

The funding impact statement is prepared in compliance with the requirements of clause 20, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is not compliant with generally accepted accounting standards (GAAP). The funding impact statement is intended to show in a transparent manner, how all sources of funding received by us are applied. It does not include “non-cash” that is classified as income on the statement of comprehensive revenue and expense (as required by GAAP) such as assets that are vested to us through the subdivision process, or unrealised gains on assets. The statement of comprehensive revenue and expense also requires “non-cash” expenses such as depreciation, amortisation and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between these two statements.

	2021/22	2022/23	2022/23	2022/23
	LTP YR 1	LTP YR 2	Budget	Variance
	\$000	\$000	\$000	\$000
Total prospective revenue and expense wholly attributable to District Council	48,881	131,821	128,186	(3,635)
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	22,313	22,726	18,765	(3,961)
<b>Difference</b>	26,568	109,095	109,421	326
<b>The difference is due to:</b>				
Capital income	36,415	44,427	48,290	3,863
Vested assets	11,717	12,126	12,126	-
Revaluation of assets	9,500	82,822	83,232	410
Gain (loss) on sale/disposal of assets	(747)	1,301	(2,379)	(3,680)
Depreciation and amortisation	(30,317)	(31,581)	(31,848)	(267)
<b>Total explained difference</b>	26,568	109,095	109,421	326

## Rates Information

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The number of rateable properties estimated for 2022/23 is 22,947.

The capital value of rateable properties estimated for 2022/23 is \$23,183,365,052.

The land value of rateable properties estimated for 2022/23 is \$13,655,002,016.

Rates requirement figures quoted in the section below are inclusive of GST at the prevailing rate.

### District wide funding

The funding of district wide activities will be from a combination of general rates and uniform annual general charge (UAGC). This combination of general rates and UAGC is referred to as 'district wide funding'. Activities funded from district wide funding include governance, animal control, building, environmental health, resource management, development engineering, parks and reserves, Mighty River Domain, libraries, Cambridge pool, Te Awamutu Events Centre, museums, heritage, cemeteries, public toilets, property, rural halls, town halls, community buildings, civil defence, litter bins, recycling, roading, stormwater, water supply and sewerage.

### Definition of a separately used or inhabited part of a rating unit (SUIP)

A separately used or inhabited part of a rating unit exists where there is use or ability to use a part or parts of the rating unit as an independent residence; or in the case of a rating unit used for commercial or industrial business, where there is use or ability to use a part or parts of the rating unit for independent trading operations. This is on the basis that where a rating unit is configured for the purpose of separate inhabitation or use, even if it is not currently occupied, this constitutes a separate use of the rating unit by the owner.

### General rate

A general rate is set under section 13 of the Local Government (Rating) Act 2002 based on the capital value of each rating unit in the district with no differential being set. The rate for 2022/23 is 0.1285 cents in the dollar on the capital value of each rating unit.

The general rate will fund 60.6 percent of the district wide funding.

Amount to be raised: \$29,786,780 inclusive of GST.

### Uniform annual general charge (UAGC)

A uniform annual general charge is set under section 15 of the Local Government Rating Act 2002 at \$751.00 inclusive of GST per separately used or inhabited part of a rating unit.

The uniform annual general charge will fund a portion of the district wide funding.

Amount to be raised: \$19,097,930 inclusive of GST.

## Targeted rates

Targeted rates are set under sections 16 and 19 of the Local Government Rating Act 2002 for the activities listed below. Council will not invite lump sum contributions in respect of any of these targeted rates.

### *Targeted ward rates*

A targeted ward rate is set on each rating unit in the district. The targeted rate will be a fixed amount per rating unit. This rate will be set on a differential basis based on location, being the wards of Te Awamutu, Kakepuku, Cambridge, Maungatautari and Pirongia. The rates for the 2022/23 year are shown in the following table:

Ward	\$ Rate (GST inclusive)	\$ Raising
Cambridge	314.78	2,936,494
Kakepuku	194.61	249,106
Maungatautari	252.71	379,322
Pirongia	170.69	552,708
Te Awamutu	266.27	1,857,773

The targeted ward rate will fund a portion of the district-wide funding and fund the public community/group benefit element of activities.

The activities funded from the targeted ward rate include community boards, community grants, libraries, Swimming Pools, District Museum, Cambridge Town Hall (Cambridge ward only) community properties (Cambridge and Te Awamutu Wards), passenger transport, Cambridge Refuse Centre grant, and National Cycling Centre of Excellence.

Amount to be raised: \$5,975,404 inclusive of GST.

### *Cambridge community sports hall*

A targeted rate is set to fund the loan charges for the grant made for the development of the sports hall located at the Cambridge High School. The rate is

The targeted rate is a fixed amount per rating unit. A rate of \$10.69 inclusive of GST is set for each rating unit in the Cambridge and Maungatautari wards.

Amount to be raised: \$113,274 inclusive of GST.

### *Urban Town Halls*

A targeted rate is set to fund the maintenance costs for the Pirongia Memorial Hall and the Kihikihi Town Hall and part of the maintenance costs of the Cambridge Town Hall.

The targeted rate is a fixed amount per rating unit. A rate of \$5.90 inclusive of GST is set for each rating unit in the Cambridge and Te Awamutu wards, and in the Pirongia township being roll number 4605.

Amount to be raised: \$98,951 inclusive of GST.

## Capital works

A targeted rate is set to fund capital costs in connection with improvements and extensions to footpaths, kerbing and channelling of roads and street lighting as follows.

The capital works rate is based on the capital value of the rating unit. The capital works rate is set on a differential basis based on location, with the categories being the areas of Te Awamutu and Cambridge. The rates in cents per dollar of capital value are shown in the following table:

Ward	Rate in cents per dollar (GST inclusive)	\$ Raising
Cambridge	0.0006	54,239
Te Awamutu	0.0009	39,435

Amount to be raised: \$93,673 inclusive of GST.

## Stormwater

A targeted rate is set to fund the operating costs and loan charges for stormwater in urban and rural areas of the district. The stormwater rate is based on the capital value of each rating unit in the district. The stormwater rate is set on a differential basis based on location, the categories being urban and rural. Urban is defined as being the urban drainage areas of Cambridge, Te Awamutu, Kihikihi, Ohaupo, Pirongia and Karāpiro, as shown on Drainage Maps on [www.waipadc.govt.nz](http://www.waipadc.govt.nz). Rural is defined as the remaining area of the district not defined as urban. The rates for 2022/23 in cents per dollar of capital value are shown in the following table:

	Rate in cents per dollar (GST inclusive)	\$ Raising
Urban	0.0394	4,093,362
Rural	0.0054	664,999

Amount to be raised: \$4,758,361 inclusive of GST.

## Sewerage charges

A targeted rate is set for sewerage disposal costs and loan charges for each rating unit in the areas of the Cambridge sewerage scheme and the Te Awamutu sewerage scheme.

The targeted rate is set on a differential basis based on the provision of service, the categories of service being connected and serviceable. Connected means any rating unit that is connected to the Cambridge or Te Awamutu sewerage scheme. Serviceable means any rating unit situated within 30 metres of a public sewerage drain in one of the above Council sewerage scheme areas to which it is capable of being effectively connected but which is not so connected. For connected rating units, the rate is calculated based on the number of pans and urinals at the rating unit. For serviceable rating units, the rate is an amount per rating unit. The rates for the 2022/23 year are:

	\$ Rate per pan or urinal (GST inclusive)	\$ Raising
Connected (3 or less pans)	810.75	11,101,057
Connected (4 to 10 pans)	689.15	842,127
Connected (11-15 pans)	567.53	244,604
Connected (16-20 pans)	494.56	108,803
Connected (21-35 pans)	445.91	237,672
Connected (36-45 pans)	389.17	49,034
Connected (46 or more pans)	364.84	461,155
	\$ Rate per rating unit (GST inclusive)	\$ Raising
Serviceable	405.38	157,691

A rating unit used primarily as a residence for one household will be treated as having no more than one pan or urinal. Rating units that are neither connected to the scheme nor serviceable are not liable for this rate.

Amount to be raised: \$13,202,142 inclusive of GST.

### **Water charges**

A targeted rate is set to fund water supply costs and loan charges to non-metered rating units in the areas of the Cambridge water supply and the Te Awamutu water supply.

The targeted rate is set on a differential basis based on the provision of service, the categories of service being connected and serviceable, and is a fixed amount per separately used or inhabited part of a rating unit. Connected means connected to Council water works in the Cambridge or Te Awamutu water supply areas, but excluding metered connections. Serviceable means within 100 metres of a supply pipe in either of the above water supply areas and capable of being effectively connected but not so connected. The rates for the 2022/23 year are:

	\$ Rate per Suip (GST inclusive)	\$ Raising
Connected	-	
Serviceable	121.06	26,053

Rating units that have a metered supply and those that are neither connected to the scheme, nor serviceable are not liable for this rate.

Amount to be raised: \$26,053 inclusive of GST.

- (a) A targeted rate is set for the supply of water to rating units with metered connections.

The targeted rate includes both an amount per separately used or inhabited part of a rating unit and a charge based on the cubic metres of water consumed and is set for all metered rating units other than rating units subject to a separate water supply contract. The amount of the consumption-based component of the rate depends on the service provided, namely potable or raw water supply. The rates for the 2022/23 year are:

	\$ Rate per SUIP (Incl GST)	Consumption \$ Rate (GST incl)
Potable Water	139.96	1.6997 per m <sup>3</sup>
Raw Water	139.96	0.4249 per m <sup>3</sup>

Amount to be raised: \$14,407,070 inclusive of GST.

- (b) A targeted rate is set to fund the Arohena rural water supply loan costs for Waipā ratepayers within the Arohena rural water supply area (administered by the Ōtorohanga District Council).

The Arohena water rate is based on the capital value of each rating unit located within the Arohena rural water supply area. The rate for 2022/23 in cents per dollar of capital value is 0.0078 inclusive of GST.

Amount to be raised: \$5,635 inclusive of GST.

### **Recycling charges**

A targeted rate is set to fund the provision of a kerbside refuse recycling service to each household in the district.

The targeted rate is a fixed amount of \$124.00 inclusive of GST per separately used or inhabited part of a rating unit (SUIP) (where for the purposes of Recycling rates SUIP is defined to include only household units).

Amount to be raised: \$2,747,807 inclusive of GST.

### **Community hall charges**

Council has a number of community halls which have a targeted rate set for each hall. The targeted rates are to fund part of the costs of the relevant community hall.

These rates are a fixed amount per separately used or inhabited part of a rating unit (SUIP) (where for the purposes of Community Hall rates SUIP is defined to include only household units), and will be charged to every rating unit within the relevant community hall areas on which there is at least one residential household.

The plans showing the boundaries of the various community hall areas can be found at [www.waipadc.govt.nz](http://www.waipadc.govt.nz).

The following table shows the details for the various community hall targeted rates:

	\$ Rate per Suip (GST inclusive)	\$ Raising
Fencourt Hall	16.00	6,510
Hautapu Hall	20.40	10,261
Horahora Hall	26.95	4,042
Karapiro Hall	26.75	9,764
Koromatua Hall	20.40	5,998
Maungatautari Hall	37.25	6,556
Monavale	30.00	6,541
Ngahinapouri Hall	30.00	10,502
Ohaupo Hall	13.30	6,079
Parawera Hall	18.60	2,324
Paterangi Hall	28.55	5,825
Pukeatua Hall	21.30	4,047
Rangioawhia Hall	14.25	1,880
Rukuhia Hall	26.10	8,300
Te Miro Hall	27.90	5,161
Te Rore Hall	13.80	662
Whitehall Hall	30.00	3,000

### Community Centres

Council has a number of community centres which have a targeted rate set for each community centre. The targeted rates are to fund part of the costs of the relevant community centre.

These rates are a fixed amount per separately used or inhabited part of a rating unit SUIP (where for the purposes of community centre rates SUIP is defined to include only household units), and will be charged to every rating unit within the relevant community centre area on which there is at least one residential household.

The plans showing the boundaries of the various community centres areas can be found at [www.waipadc.govt.nz](http://www.waipadc.govt.nz).

The following table shows the details for the various community centres targeted rates:

	\$ Rate per Suip (GST inclusive)	\$ Raising
Kaipaki	39.70	12,227
Ohaupo	38.80	38,762
Pirongia	17.35	16,191

### Early payment of rates

Sections 55 and 56 of the Local Government Rating Act 2002 empower us to accept early payment of rates. Council accepts payment in full of all rates assessed in each year on or before the due date for the first instalment of the year. No discount will be given to any payment of rates received on this basis.



## Rates payable by instalments

Rates (other than rates for metered water supply) are payable by four equal instalments with the due dates and penalty dates as set out in the table below:

Instalment	Due Date	Penalty Added
Instalment 1	22 August 2022	29 August 2022
Instalment 2	21 November 2022	28 November 2022
Instalment 3	21 February 2023	28 February 2023
Instalment 4	22 May 2023	28 May 2023

## Water Rates payable by instalment

Invoices for the supply of water via metered connections are payable in four instalments. The location where the water is supplied within the District will determine the month of meter reading, invoice date, due date and the penalty date. The due dates and penalty dates are per the following table.

Location	Invoiced during month of:	Due Date	Penalty Added
Te Awamutu / Pirongia	July	22-Aug-22	5-Sep-22
	October	30-Nov-22	7-Dec-22
	January	2-Mar-23	9-Mar-23
	April	29-May-23	6-Jun-23
Kihikihi	July	29-Aug-22	5-Sep-22
	October	30-Nov-22	7-Dec-22
	January	2-Mar-23	9-Mar-23
	April	29-May-23	6-Jun-23
Cambridge	August	30-Sep-22	7-Oct-22
	November	9-Jan-23	16-Jan-23
	February	31-Mar-23	11-Apr-23
	May	30-Jun-23	7-Jul-23
Pukerimu / Ohaupo	September	31-Oct-22	7-Nov-22
	December	30-Jan-23	7-Feb-23
	March	1-May-23	8-May-23
	June	31-Jul-23	7-Aug-23

## Penalties on rates not paid by the due date

Section 58 of the Local Government Rating Act 2002 enables penalties to be imposed. A penalty of 3 per cent will be added to all instalments or part thereof remaining unpaid on the relevant date in the "Penalty Added" column of the table above under the heading "Rates payable by instalment".

An additional penalty of 3 per cent will be added to any rates assessed in any previous year that are still unpaid on 5<sup>th</sup> July 2022. The penalty will be added on 6<sup>th</sup> July 2022.

A further additional penalty of 3 per cent will be added to rates from the previous years that are still unpaid after 5<sup>th</sup> January 2023. The penalty will be added on 6<sup>th</sup> January 2023.

**Penalties on water rates not paid by the due date**

Section 58 of the Local Government Rating Act 2002 enables penalties to be imposed. A penalty of 3 per cent will be added to all instalments or part thereof remaining unpaid on the relevant date in the “Penalty Added” column of the table above under the heading “Water Rates payable by instalment”.

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## Rates breakdown – Indicator Properties

A rates calculator is provided on Council's website which enables the proposed rates changes to be seen on individual properties.

The indicator properties are shown GST INCLUSIVE but do not include metered water.

Cambridge Ward (Residential) Rating Valuation,	2021/22 \$440,000 \$	2022/23 \$	2021/22 \$700,000 \$	2022/23 \$	2021/22 \$1,450,000 \$	2022/23 \$
Fixed Targeted Rates	1,134	1,260	1,134	1,260	1,134	1,260
UAGC	730	751	730	751	730	751
Capital Value Rates	734	747	1,163	1,185	2,403	2,449
Total Rates	2,598	2,758	3,027	3,196	4,267	4,460
\$ incr per week		3.09		3.25		3.71
Percentage Increase		6.2%		5.6%		4.5%

Rural Residential Cambridge Rating Valuation,	2021/22 \$790,000 \$	2022/23 \$	2021/22 \$1,110,000 \$	2022/23 \$	2021/22 \$2,440,000 \$	2022/23 \$
Fixed Targeted Rates	409	422	439	470	449	479
UAGC	730	751	730	751	730	751
Capital Value Rates	1,046	1,068	1,467	1,499	3,217	3,288
Total Rates	2,185	2,241	2,636	2,720	4,396	4,518
\$ incr per week		1.11		1.61		2.35
Percentage Increase		2.6%		3.2%		2.8%

Commercial / Industrial Cambridge Rating Valuation,	2021/22 \$315,000 \$	2022/23 \$	2021/22 \$860,000 \$	2022/23 \$	2021/22 \$2,220,000 \$	2022/23 \$
Fixed Targeted Rates	1,027	1,136	1,743	1,947	2,458	2,758
UAGC	730	751	1,460	1,502	1,460	1,502
Capital Value Rates	527	537	1,428	1,455	3,676	3,747
Total Rates	2,284	2,424	4,631	4,904	7,594	8,007
\$ incr per week		2.69		5.26		7.93
Percentage Increase		6.1%		5.9%		5.4%

Te Awamutu Ward (Residential) Rating Valuation,	2021/22 \$450,000 \$	2022/23 \$	2021/22 \$560,000 \$	2022/23 \$	2021/22 \$950,000 \$	2022/23 \$
Fixed Targeted Rates	1,073	1,201	1,073	1,201	1,073	1,201
UAGC	730	751	730	751	730	751
Capital Value Rates	751	766	933	951	1,579	1,610
Total Rates	2,554	2,718	2,736	2,903	3,382	3,562
\$ incr per week		3.15		3.22		3.46
Percentage Increase		6.4%		6.1%		5.3%

Rural Residential Te Awamutu	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Rating Valuation,	\$620,000		\$1,070,000		\$1,770,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	357	390	357	390	464	514
UAGC	730	751	730	751	1,460	1,502
Capital Value Rates	824	842	1,417	1,448	2,341	2,392
Total Rates	1,911	1,983	2,504	2,589	4,265	4,408
\$ incr per week		1.39		1.64		2.76
Percentage Increase		3.8%		3.4%		3.4%

Commercial / Industrial Te Awamutu	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Rating Valuation,	\$365,000		\$960,000		\$2,230,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	966	1,077	1,681	1,888	3,291	3,712
UAGC	730	751	2,920	3,004	2,920	3,004
Capital Value Rates	611	622	1,596	1,626	3,699	3,770
Total Rates	2,307	2,450	6,197	6,518	9,910	10,486
\$ incr per week		2.77		6.18		11.08
Percentage Increase		6.2%		5.2%		5.8%

Pirongia Ward - Rural	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Rating Valuation,	\$670,000		\$2,880,000		\$6,280,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	296	321	377	436	377	419
UAGC	730	751	1,460	1,502	1,460	1,502
Capital Value Rates	878	897	3,773	3,856	8,227	8,409
Total Rates	1,904	1,969	5,610	5,794	10,064	10,330
\$ incr per week		1.26		3.55		5.12
Percentage Increase		3.4%		3.3%		2.6%

Pirongia Village	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Rating Valuation,	\$520,000		\$690,000		\$1,020,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	287	312	287	312	287	312
UAGC	730	751	730	751	730	751
Capital Value Rates	863	879	1,143	1,164	1,686	1,718
Equivalent Metered Water at 250cm						
Total Rates	1,880	1,942	2,160	2,227	2,703	2,781
\$ incr per week		1.20		1.30		1.51
Percentage Increase		3.3%		3.1%		2.9%

Ohaupo Village	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Rating Valuation,	\$620,000		\$810,000		\$935,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	322	347	322	347	322	347
UAGC	730	751	730	751	730	751
Capital Value Rates	812	830	1,334	1,360	1,540	1,570
Equivalent Metered Water at 250cm						
Total Rates	1,864	1,928	2,386	2,458	2,592	2,668
\$ incr per week		1.23		1.38		1.46
Percentage Increase		3.4%		3.0%		2.9%

Ngahinapouri	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Rating Valuation,	\$510,000		\$1,370,000		\$4,181,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	300	325	290	315	437	479
UAGC	730	751	730	751	1,460	1,502
Capital Value Rates	668	683	1,795	1,834	5,477	5,598
Total Rates	1,698	1,759	2,815	2,900	7,374	7,579
\$ incr per week		1.17		1.65		3.95
Percentage Increase		3.6%		3.0%		2.8%

Kakepuku Ward	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Rating Valuation,	\$1,400,000		\$5,000,000		\$7,520,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	291	319	557	619	505	567
UAGC	730	751	2,190	2,253	2,190	2,253
Capital Value Rates	1,834	1,875	6,550	6,695	9,851	10,069
Total Rates	2,855	2,945	9,297	9,567	12,546	12,889
\$ incr per week		1.72		5.19		6.59
Percentage Increase		3.1%		2.9%		2.7%

Maungatautari Ward	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Rating Valuation,	\$840,000		\$2,305,000		\$6,200,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	387	415	375	403	621	683
UAGC	730	751	730	751	1,460	1,502
Capital Value Rates	1,100	1,125	3,020	3,086	8,122	8,302
Total Rates	2,217	2,291	4,125	4,240	10,203	10,487
\$ incr per week		1.42		2.24		5.47
Percentage Increase		3.3%		2.8%		2.8%