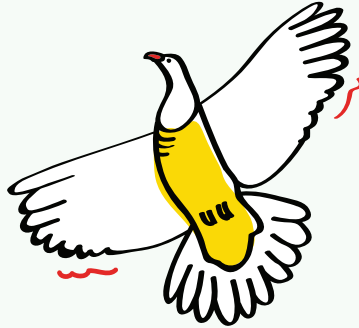


Annual Plan | Mahere-aa-tau

2023/24



What is an Annual Plan?

Every three years, Council produces a **Long Term Plan** (LTP) to set the direction of Council for the next 10 years. In the intervening years between LTPs an **Annual Plan** is adopted which sets out the budget for the year ahead and the sources of funding (how it will be paid for). The current LTP was adopted in 2021, so this year's annual plan covers year three of the 2021-2031 LTP.

This Annual Plan is our statement to the community about our proposed budget for the 2023/24 year, and highlights any differences from what was proposed in year three of the 2021-2031 LTP. It gives an overview of the work we plan to undertake and provides financial statements detailing how we will pay for it, for example through general rates, targeted rates, subsidies, development contributions, user fees and charges.

For more information, including details about our levels of service and our key financial policies, please refer to the LTP. This can be found on Council's website.

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SECTION 1: SETTING THE SCENE

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

WHAT A JOURNEY IT HAS BEEN OVER THE PAST YEAR! We have experienced significant challenges, changes, rapid growth, and faced uncertainties, like Cyclone Gabrielle, that have tested our resilience. Despite what may be thrown at us, our top priority is to always put those who call our district home first, ensuring that we navigate these challenges with care and consideration.



The Waikato district continues to thrive and is one of the fastest growing parts of Aotearoa, with nearly 90,000 residents across 400,000 hectares. With such a large and diverse area to look after, it is our role to deliver a complex range of core services that support those who call our district home. We are also focused on creating liveable, thriving, and connected communities. We do this by carefully balancing affordability and ensuring our services are meeting your needs.

How will we go about doing all of this?

In this Annual Plan, we present our roadmap for the 2023/24 financial year. It outlines what we plan to do this year and how it will be paid for. All the key projects for the year are shown, including infrastructure maintenance, roading improvements, upgrades to our water supply infrastructure, enhancements to storm water and wastewater systems, and projects that will foster sustainable environments and communities.

These significant infrastructure upgrades are vital for the growth of our communities but are expensive to deliver. As the successful delivery of our services is as important to us as it is to you, our dedicated team will continue to work hard to deliver these crucial services to keep the district moving, healthy and resilient.

We are also actively working on internal and external projects to enhance community well-being and build safer, more resilient and closely connected communities. We are continuously seeking ways to deliver services more effectively and efficiently, to maximise the value we provide to you.

How will we pay for it?

The past 12 months has been financially challenging. Since 2022, the cost of living has increased by 7.7 per cent for New Zealand households. High inflation far beyond what was assumed in the Long-Term Plan has also affected our ability to deliver services and maintain infrastructure. We recognise the importance of keeping pace with these rising costs and ensuring the long-term, uninterrupted delivery of essential services that our residents rely on.

It is for all these reasons, beyond our control, that the general rate increase of 7 per cent for this year's Annual Plan is higher than what we initially indicated in the 2021-2031 Long-Term Plan. It is important that everyone understands that this increase does not look the same for all households. There is information available about what this year's Annual Plan means for you and your property through our online rates information database.

Being prepared for the changing world

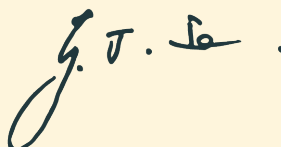
Whilst any such rate increase is difficult to accept for many, it is important to note that this rate increase will enable us to bolster our depleted disaster recovery fund. This will ensure that we are well-prepared for future weather events that scientists predict are increasingly likely to impact us all, with widespread potential effects of flooding on our roading network and significant potential affects for many of our coastal and rural communities.

As we all continue to navigate a changing world, together we'll adapt and respond as best we can by ensuring we deliver on our commitment to you. In times of need, it is important to come together to work towards a common goal, remembering that people are at the heart of all the decisions we make. We are proud to represent a resilient and passionate district and look forward to continuing to create a brighter future together.

**IN TIMES OF NEED, IT IS
IMPORTANT TO COME
TOGETHER TO WORK
TOWARDS A COMMON
GOAL, REMEMBERING
THAT PEOPLE ARE AT
THE HEART OF ALL THE
DECISIONS WE MAKE.**



Her Worship, Jacqui Church
Mayor



Gavin Ion
Chief Executive

Your Mayor and Councillors

The Waikato District Council is an elected body of 14 representatives – the Mayor and 13 Councillors. The Council is accountable to the ratepayers and residents of the Waikato district for the planning, direction and management of the resources to meet the present and future needs of the community.



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Mayor

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Deputy Mayor

Western Districts General Ward
Councillor

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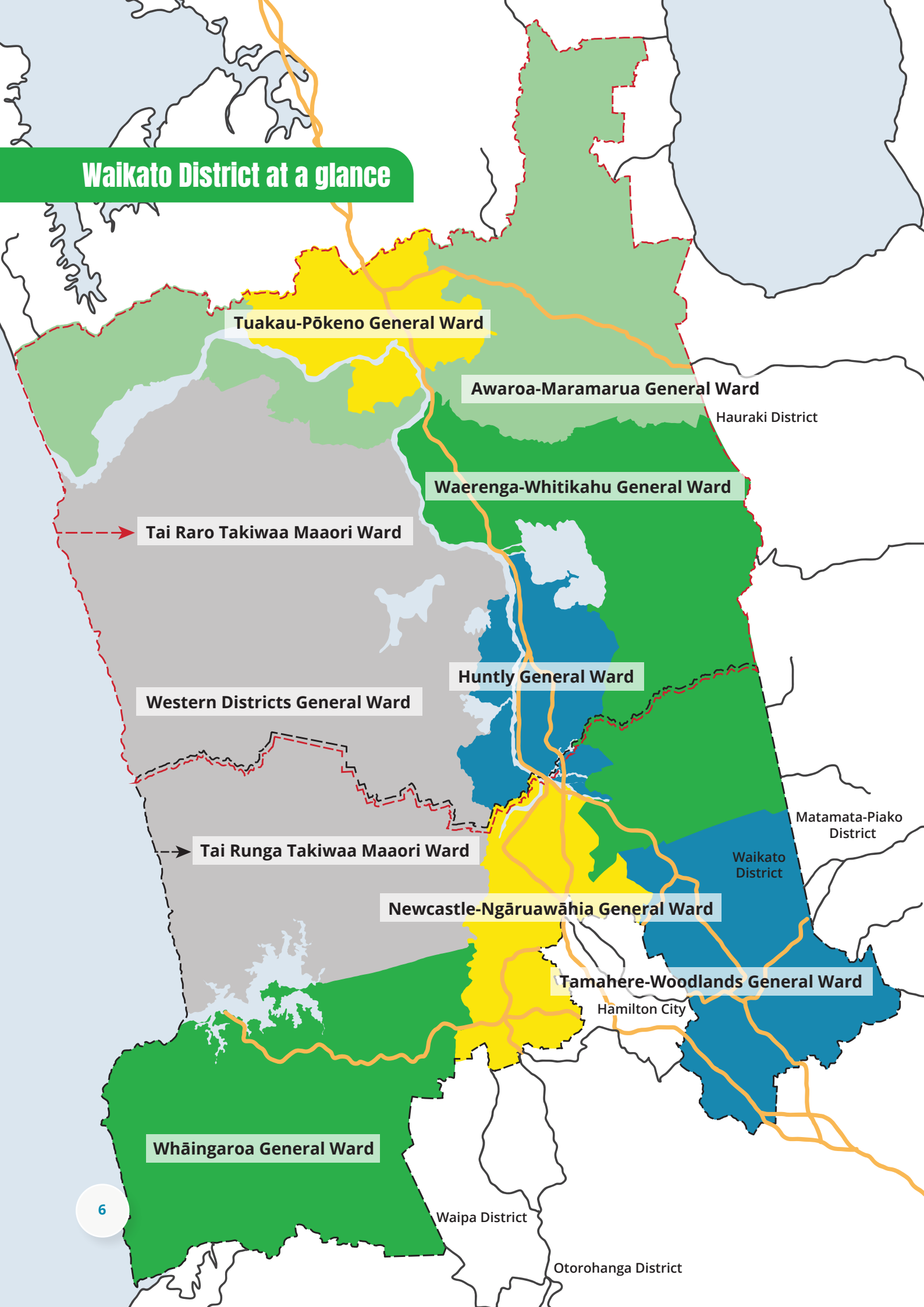


Lisa Thomson

Whāingaroa General Ward
Councillor

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Waikato District at a glance



Tuakau-Pōkeno General Ward

Awaroa-Maramarua General Ward

Waerenga-Whitikahu General Ward

Tai Raro Takiwaa Maaori Ward

Western Districts General Ward

Huntly General Ward

Tai Runga Takiwaa Maaori Ward

Newcastle-Ngāruawāhia General Ward

Tamahere-Woodlands General Ward

Whāingaroa General Ward

Hauraki District

Matamata-Piako District

Waikato District

Hamilton City

Waipa District

Otorohanga District



OUR DISTRICT IS HOME TO **88,900 PEOPLE**
– THAT'S **1.73% OF NEW ZEALAND'S POPULATION**

OUT OF 88,900 THERE ARE **51% MALE AND 49% FEMALE**
WITH AN AVERAGE AGE OF 37 YEARS OLD

WHO LIVE IN **25,514 URBAN, RURAL OR RESIDENTIAL**
PROPERTIES OR WORK IN **3,519 BUSINESS PROPERTIES OR**
FARM ON **3,569 FARMLAND PROPERTIES**

(Note: There are 90 properties categorised as 'OTHER')

WAIKATO IS THE PRINCIPAL IWI IN THE DISTRICT, WITH 21 OF
THEIR 33 HAPUU AND **39 OF THEIR 68 MARAE LOCATED HERE.**

THERE ARE AROUND **20,000 MAAORI**
LIVING IN OUR DISTRICT

THE WAIKATO DISTRICT COVERS MORE THAN
400,000 HECTARES (418.893HA)



THERE ARE **6 COUNCIL LIBRARIES**
WITH OVER **85,277 BOOKS**

**COUNCIL MAINTAINS OVER 2,400 KMS OF
SEALED AND UNSEALED ROADS**
– THAT’S LONGER THAN STATE HIGHWAY 1
FROM AUPOURI PENINSULA TO BLUFF



WE HAVE 1,289HA OF NATURAL RESERVES
THAT ARE HOME TO THOUSANDS OF SPECIES



WE OWN AND MAINTAIN
229HA OF SPORT AND RECREATION AREAS
FOR ACTIVE COMMUNITIES – THAT’S AROUND 229 RUGBY FIELDS

**OVER 1 MILLION RUBBISH AND
RECYCLING COLLECTIONS PER YEAR**
THROUGHOUT OUR DISTRICT

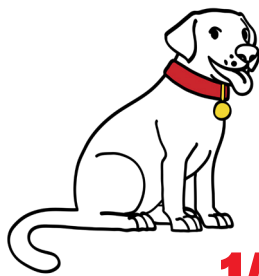


OVER 1,100 KMS OF PIPE THAT EITHER SUPPLY, DRAIN OR
REMOVE WATER THROUGH OUR RESIDENTIAL TOWNS

**42 COMMUNITY CENTRES
AND TOWN HALLS**
TO HELP BRING OUR COMMUNITIES TOGETHER



60 PLAYGROUNDS FOR OUR YOUNGSTERS
TO ENJOY, LEARN AND GROW



217 DOGS REHOMED
IN 2021/2022

14,351 DOGS REGISTERED
IN 2021/2022

969 NEW LOTS WERE ISSUED TITLES FROM
SUBDIVISIONS ACROSS THE DISTRICT AND **980**
RESOURCE CONSENT APPLICATIONS ISSUED



WE ISSUED **2,249 BUILDING CONSENT**
APPLICATIONS IN 2021/2022

IN 2021/2022 THERE WERE **79,955 CALLS** TO OUR
CONTACT CENTRE TO **GET INFORMATION, REPORT ISSUES,**
REQUEST ASSISTANCE, OR PROVIDE FEEDBACK RELATED TO
COUNCIL SERVICES AND PROGRAMMES



Our Vision and Community Outcomes

Our Vision and Community Outcomes are our aspirations for the Waikato district, describing at a high level what we want to achieve in everything we do.



OUR VISION

Liveable, Thriving and Connected Communities

He noohanga aahuru, He iwi whai ora, He hapori tuuhono tahi

Liveable communities are well-planned and people-friendly, providing for a range of quality residential options, social infrastructure, walkways, and open spaces. They reflect what's important to people and support a shared sense of belonging, both to the local community and the wider district.

Thriving communities participate in Council decision-making and community-led projects, provide input into the management of their local assets, and sustain the local business sector that provides local employment.

Connected communities have fit-for-purpose infrastructure to create liveable, thriving communities. Connectivity through roads, cycleways, walkways and digital capabilities enable rapid information sharing and engaging in activities together. By these means, people in connected communities access services and amenities that meet their social, health, education and employment needs.



OUR COMMUNITY OUTCOMES

Council has a responsibility for improving the well-being of the community. Our community outcomes give us, and the community, the opportunity to define what well-being means and how we can contribute to this. Community outcomes are aspirational statements and recognise that other agencies and the community itself are also responsible for promoting and supporting community well-being. These community outcomes were set through the 2021-2031 LTP and this Annual Plan reflects the work we will do to support and improve the well-being of our community.

Supporting our communities | Kia tautoko ki a taatou Haapori

We consider the well-being of all of our people in all our planning and activities. We support and plan for the development of complete and connected communities.

Building our economy | Ka hanga a taatou Oohanga

We attract diverse enterprise/business; creating jobs and opportunities for our community. We continue to support our existing industry. We support others who leverage our location to ensure tourism brings benefits to a range of people in our communities.

Sustaining our environment | Kia toituu to taatou Taiao

We are a community that believes in environmental sustainability; we pursue and promote related ideas and manage regulatory processes to safeguard and improve our district.

Working together with you | Kia mahi tahi taatou

Our communities work with us so we are collectively focused on the right things at the right time.

Providing value for money | Ka whai painga mo te puutea

Residents and ratepayers get value for money because we find innovative ways to deliver strategic, timely and fit for purpose infrastructure and services at the most effective cost.

OUR APPROACH

When considering the overall financial picture, Council's approach continues to be:

- Supporting growth in targeted areas;
- Maintaining existing assets;
- Modernising infrastructure where it is prudent to do so;
- Doing more within existing budgets;
- Moving the cost of providing a service to those who use them i.e. user pays.



SECTION 2: OVERVIEW



Key drivers impacting our district

In developing our Annual Plan, we have taken into account several crucial factors influencing our economic landscape and how they will affect the budget of the Council for the year 2023/24. Our primary focus has been to strike a balance between delivering essential services to the community and ensuring rates remain affordable.

The cost of living for New Zealand households has risen by 7.7 percent since 2022, surpassing the inflation levels anticipated in our Long Term Plan. This has directly impacted our operational costs and financial capacity. It is imperative for us to keep up with these escalating costs to ensure the uninterrupted provision of vital services that our residents depend on.

While COVID-19 no longer dominates as the primary driver of economic uncertainty, the ongoing repercussions of the pandemic continue to affect New Zealand as a whole. We are currently facing economic uncertainty stemming from various global issues. The effects of climate change have become more evident and palpable than ever before. At a local level, we are still grappling with the aftermath of Cyclone Gabrielle and other severe weather events that occurred earlier in 2023 and caused more than \$18m damage to our infrastructure.

These shifting weather patterns also present a significant source of uncertainty for both the Council and the community. However, we acknowledge the need to enhance our preparedness for such events in the future. Although our disaster recovery fund played a crucial role in responding to Cyclone Gabrielle and other weather-related incidents, it has now been depleted. Therefore, it is vital that we replenish this fund to ensure its availability when needed again.

We recognise the importance of keeping the quality and reliability of our services, even in the face of economic and environmental challenges. The rate increase outlined in the Annual Plan reinforces our commitment to uninterrupted service delivery and the long-term sustainability of our district.

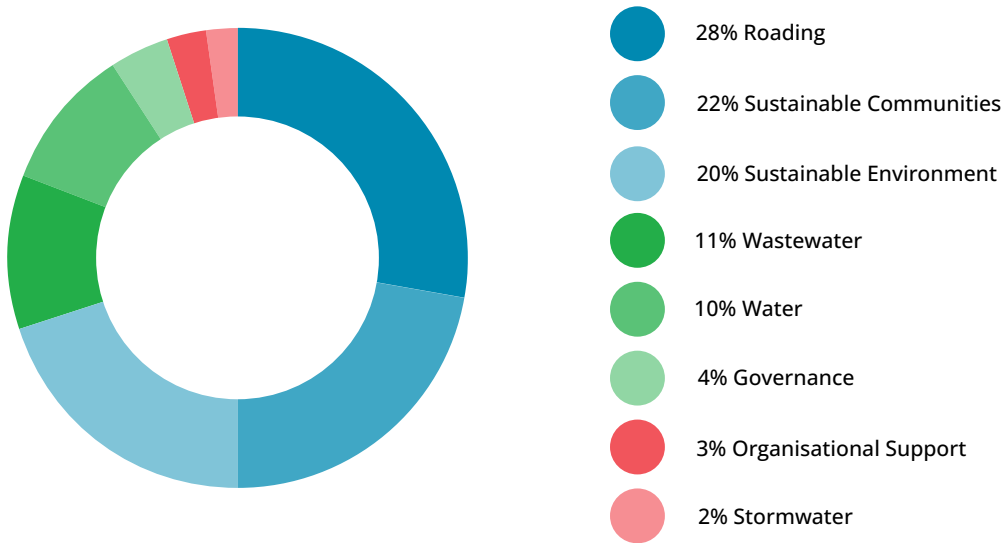
While most of the significant forecasting assumptions from the Long Term Plan (LTP) have been carried over to this Annual Plan, we have adjusted the inflation assumption. The 2023/24 budget now incorporates higher inflation rates than initially projected in the LTP.

THE COST OF LIVING FOR NEW ZEALAND HOUSEHOLDS HAS RISEN BY 7.7 PERCENT SINCE 2022, SURPASSING THE INFLATION LEVELS ANTICIPATED IN OUR LONG TERM PLAN

Financial highlights

The total cost of Council’s expenditure in the 2023/24 year is \$184 million, compared to \$168 million as proposed in year three of the 2021-2031 LTP. Below is the breakdown of where the money is spent across our groups of activities:

Where is the money spent?

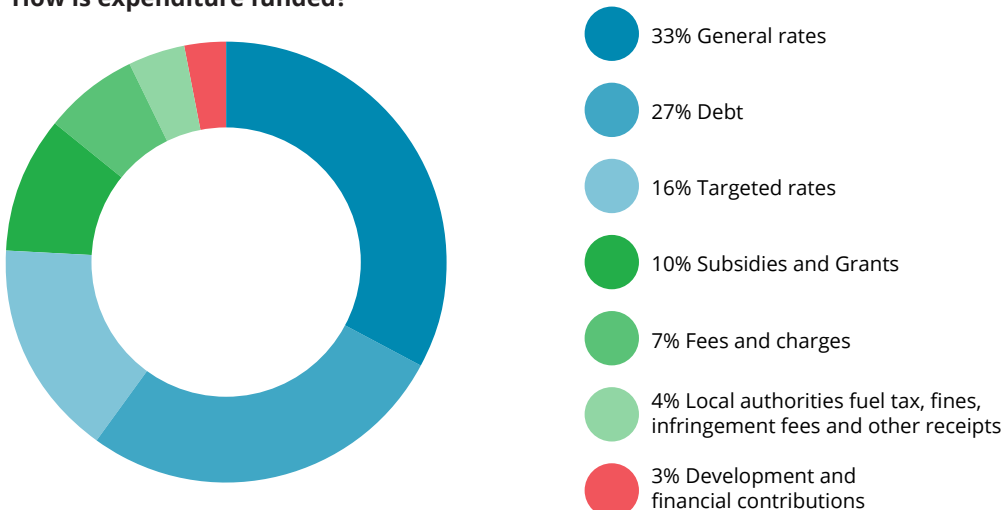


Sustainable Environment includes the following activities: animal control, building quality, strategic and district planning, rubbish and recycling (solid waste) and environmental health (e.g. food and alcohol licensing and monitoring, noise and nuisance complaints, contaminated sites etc).

Sustainable Communities includes the following activities: economic and community development, open spaces (i.e. parks and reserves), strategic property and facilities, emergency management and customer and partnership focus.

The money collected through your general rates is expected to make up 33 per cent of the money that funds all of our services and projects. The graph below shows the breakdown of all of our sources of income for 2023/24.

How is expenditure funded?



Summary of key changes from our 2021-2031 Long Term Plan

In the 2023/24 year, our primary focus remains aligned with the objectives outlined in our 2021 - 2031 Long Term Plan (LTP). However, we have made necessary adjustments to accommodate changes in our operating environment.

The financial allocations in this Annual Plan have been prepared, taking into account the income and expenses arising from regular Council operations. They are based on the fundamental assumption that the Council will continue delivering services at the levels specified in the LTP.



Damage to Port Waikato-Waikaretu Road as a result of Cyclone Gabrielle.

GENERAL RATES

This Annual Plan has deviated as little as possible from what was planned in the 2021-2031 LTP. The main change that we know our communities will be impacted by is the average general rate increase of 7 per cent, which is higher than the 3.5 per cent increase initially indicated in year three of the LTP. This increase is due to several changes in the economic environment within which Council is operating, which have meant that sticking with an increase of only 3.5 per cent would not be sufficient to maintain our current levels of service to the community.

The economic and environmental factors that have influenced our budget this year include inflationary pressures that mean it is costing us more to deliver the same; wage inflation and a tight labour market meaning we don't always have enough people to deliver on our work programmes; rising interest rates and delays on District Rating Valuations in 2020 (due to COVID) causing some uncertainty in our capital value assumptions; and significant costs associated with recovery following Cyclone Gabrielle and the Auckland Anniversary Weekend floods.

A number of things have directly contributed to a higher level of expenditure anticipated compared to year three of the LTP. These include infrastructure asset depreciation being higher than projected in the LTP as a result of significantly higher asset valuations. Costs associated with increases in staff numbers to meet demand, along with an increase in consultant costs due to staff vacancies, lower Waka Kotahi subsidies for roading and transportation, and some smaller cost increases in other activities, have been partially offset by an increase in the amount of user fees and charges expected to be collected, and lower external interest costs. We are also expecting higher rating income due to growth in the district.

The table below summarises the general rate related changes for 2023/24 since the LTP was adopted:

Description of change	Impact on General Rate (\$)
Additional general rating income from higher than anticipated growth in the district	2,779,919
Lower interest payable because Council debt is lower than anticipated	1,114,114
Higher than expected depreciation costs due to high inflation	-3,356,996
Waka Kotahi subsidies lower than anticipated	-287,287
Higher than anticipated Council support costs due to market movements	-2,034,783
Expected costs to deliver improved customer service	-1,000,000
General rate revenue increase to meet the Annual Plan deficit	2,785,033

TARGETED RATES

Targeted rates have mostly remained at the same level that was proposed in the LTP, though overall we are expecting targeted rate income (excluding any new targeted rates) in 2023/24 to be \$0.9 million higher than year three of the LTP due to higher than expected growth.

There are two new targeted rates in this Annual Plan, and one change to the apportionment of an existing targeted rate. These are described below.

Huntly Memorial Hall

The Huntly War Memorial Hall has had considerable work put into it over the last few years, coordinated and managed by the Hall Committee elected in 2019. The hall is now meeting seismic requirements, is functional and well-presented, and will be a strong asset for the community for years to come.

In 2022/23, Waikato District Council granted the Hall Committee an operational grant of \$38,000, however an ongoing need for funding was identified to cover operational costs such as electricity, insurance, rates, water, certifications such as the building WOF, and fire extinguishers, stationery, security and more.

From 1 July 2023, \$8 per rateable dwelling will be split from the existing Huntly community facilities targeted rate to cover the operational costs of the Huntly War Memorial Hall and enable the committee to continue to offer a high standard of service and facility for the community. This is not an additional rate for the Huntly community but is a reapportionment of the \$42 community facilities targeted rate that was already being collected and will now appear separately on Huntly rates bills. The Huntly community facilities targeted rate will therefore be \$34 per rateable dwelling.

Whatawhata Community Hall

The Whatawhata Community Hall has recently been completed and is the culmination of a joint venture between Waikato District Council and the Whatawhata community. The community worked hard to fundraise for the hall, and Council also provided grants and other financial contributions. When this project was kicking off, consultation was undertaken with the community, and it was agreed that a targeted rate would be established upon completion of the project, to cover ongoing operational and capital works costs of this community facility.

From 1 July 2023, a targeted rate of \$57 per property, per year for the Whatawhata Community Hall will be put in place for properties in the Whatawhata community. This rate is made up of a loan repayment amount of \$25, and \$32 towards annual operating costs. The establishment of this new targeted rate ensures that the hall is fully funded to provide a safe and well-maintained asset for the community for years to come.



Tamahere Gully Restoration

Over the past decade, the Tamahere Mangaone Restoration Trust (the Trust) has been restoring and rehabilitating reserves and gullies in Tamahere. This work has been done on a voluntary basis with grants and donations covering costs, and the Trust has been supported by Waikato District Council since 2021.

From 1 July 2023, a targeted rate of \$52 per property, per year will be put in place over the next five years for the Tamahere community, to fund the Trust to accelerate restoration works in the Tamahere Gully Network. This targeted rate will apply only to properties in the pre-2022 Tamahere Ward area, not for the whole of the current Tamahere-Woodlands General Ward.

Consultation on the introduction of this targeted rate was requested by the Tamahere Community Committee in recognition of the priority placed on gully restoration in the Tamahere Community Blueprint. Consultation with the community took place between 6 April and 25 May 2023 using various communications channels, including letters to all properties in the pre-2022 Tamahere Ward area. A total of 231 submissions were received and this feedback helped shape the Council's decision to approve the targeted rate at a meeting on 13 June 2023. The work to be funded by the targeted rate aligns with the community's vision and the Council's strategic objectives outlined in the Trails Strategy, the Taiao (Nature) in the Waikato Strategy, and the Tamahere Community Blueprint.



Tree planting restoration work completed by Tamahere Mangaone Restoration Trust.

SECTION 3: WHAT WE DO

Governance

The Governance group of activities includes the work of the elected Council and its committees, the community boards and committees, Maaori liaison, and elections.

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

Key for the Council is its relationship with iwi, guided by the joint management agreement with Waikato-Tainui and other partnership agreements. Governance activities include support for the three-yearly elections, with the organisation providing support through the Electoral Officer and organisation of the election process.

The Governance group of activities contributes to all of our community outcomes as it directly supports the democratic process and the decision-making of elected members, ensuring community well-being in all its facets is at the forefront of all decisions.



Key: ● Contributes in a **major** way ● Contributes in a **minor** way

No Major Governance Projects Planned for 2023/24

Sustainable Environment

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

The strategic focus of this group of activities is to have an integrated approach to providing sustainable, attractive, affordable and safe options for living, in a way that's in tune with what ratepayers want. The goal is for this to result in more streamlined processes that cost less while still providing the required results for both community and Council.

ANIMAL CONTROL

The Animal Control team delivers animal control services through dog registration, complaint response, dealing with wandering stock and providing general animal control, as required by the Dog Control Act 1996, Impounding of Stock Act 1955 and Council's Dog Control Policy and Bylaw. This is achieved through active enforcement and via the education of dog owners and the general public.

BUILDING QUALITY

The Building Quality team is responsible for ensuring that buildings in our district comply with legislation, inspecting the fencing of swimming pools, processing building consent applications and carrying out construction inspections, as required by the Building Act 2004.

STRATEGIC AND DISTRICT PLANNING

Land use and growth management planning is done through the Waikato 2070 Growth Strategy, township plans (e.g. Structure Plans, Town Centre Plans and Blueprints) and the District Plan so that the district can grow and develop in a sustainable manner and in accordance with the principles contained in the Resource Management Act (RMA) 1991.

ENVIRONMENTAL HEALTH

The Environmental Health team ensures food outlets maintain high food safety standards, alcohol outlets are appropriately licenced, and that noise and nuisance complaints, hazardous substances and contaminated sites are all managed. These activities are driven by the Food Act 2014, Sale & Supply of Alcohol Act 2012, Health act 2006 and the Resource Management Act (RMA) 1991.

SOLID WASTE

The Solid Waste team manage rubbish and recycling collection around the district, transfer stations and waste minimisation initiatives.

Council has adopted an aspirational vision of 'Working towards zero waste for the Waikato district' through their Waste Minimisation and Management Plan (WMMP).

The goals of the WMMP are summarised as:

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

The Sustainable Environment group of activities contributes in some way to all of our community outcomes. Primarily though, it contributes heavily to "supporting our communities" and "sustaining our environment". As with all our services and activities, there is a strong element of "working together with you" and "providing value for money" through this group of activities.



Key: ● Contributes in a **major** way ● Contributes in a **minor** way

Key projects planned for 2023/24

Projects	Description	Cost for 2023/24 (\$)
Huntly resource recovery centre upgrade	Continuation of the rehabilitation works required at the Huntly Resource Recovery Centre. Unspent budget from 2023 will be carried forward.	31,703
North Waikato Resource Recovery Centre	Continuation of the construction of the North Waikato Resource Recovery Centre. Unspent budget from 2023 will be carried forward into 2024.	105,678
Proposed District Plan Appeals	To progress towards resolution of appeals.	700,000
District Plan Maintenance	To change the District Plan to respond to legislative and non-legislative requirements.	1,100,000

Sustainable Communities

This group of activities includes economic development, open spaces (i.e. parks and reserves), strategic property and facilities, emergency management and customer and partnership focus. We provide these services to address those social and economic well-beings that ensure “communities” develop as our townships grow. It’s about the provision of leisure options and the protection of enduring communities.

The strategic focus of this group of activities is to support economic growth, rather than spatial growth, to enrich our communities through employment and improved quality of life, rather than simply encouraging population growth.

ECONOMIC AND COMMUNITY DEVELOPMENT

We are continually providing infrastructure to support businesses and residents, and updating the District Plan to attract industry to our district and manage how our townships grow. The goal is to ensure our district has longevity by bringing more employment opportunities. The unit plans, leads, supports and co-ordinates economic and community development across the district’s growth nodes to help build a local environment that attracts and sustains new and existing business investment, residential development and visitor experiences.

OPEN SPACES, STRATEGIC PROPERTY AND FACILITIES

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

COMMUNITY VENUES AND EVENTS

We support and assist event organisers to host commercial and noncommercial events in Waikato District Council reserves. We encourage people to come together by facilitating and promoting events and activities that create a sense of community.

EMERGENCY MANAGEMENT

Community resilience and emergency management activities are fundamental in supporting our communities to prepare for, respond to, and recover in the event of an emergency. As an organisation we need to be resilient and prepared to manage an emergency. We work with our communities to increase their resilience through education and community planning.

CUSTOMER AND PARTNERSHIP FOCUS

Customer-facing staff provide the key means to enable residents and ratepayers to raise issues and questions about the services we provide. They include staff in our libraries and service centres, and in our contact centre. To support our customers outside of normal working hours, we contract Hamilton City Council to provide an afterhours call service.

The sustainable communities group of activities contributes to the achievement of all our community outcomes, with a high impact on “supporting our communities” and “sustaining our environment”. It also contributes to all aspects of our vision of having liveable, thriving and connected communities.



Key: ● Contributes in a **major** way ● Contributes in a **minor** way

Key projects planned for 2023/24

Projects	Description	Cost for 2023/24 (\$)
Te Kowhai Village - Sports Ground	Development of the new Te Kowhai Village community sports park to create additional field capacity due to increased population.	1,512,781
Desitination Park at The Point, Ngaaruawaahia	Typical work includes parking, freedom camping facilities, jetty structure, planting, signage (historical and cultural), BBQ facilities and landscaping.	486,251
Neighbourhood Park at Buckland Road Development, Tuakau	Construction of proposed playground and associated park amenities.	448,432
Pookeno Library / Community Hub	Concept design to be completed in FY2023/24.	528,390
Pookeno Skate Park	Construction of skate park and BMX track as requested by Pookeno Community Committee.	486,251
District Wide Destination Playground Replacements	Typical work includes replacement of existing playgrounds with modern equivalent to meet current safety standards, improve landscaping, signage and access. Will result in no change or minor changes in levels of service.	514,292
Huntly Boiler Replacement at Huntly Aquatic Centre	This project is 40 per cent funded by Energy Efficiency and Conservation Authority to support the replacement of our existing gas fired boiler at Huntly Aquatic Centre with an electric hot water heat pump.	395,000

Roading

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

The strategic focus of this group of activities is to concentrate on maintaining the current road network and completing projects which are mostly growth driven.

Waikato District Council is responsible for the following:

- pavements
- sealed and unsealed roads
- bridges
- large culverts, retaining walls and guardrails
- footpaths, walkways and cycleways
- drainage facilities
- culverts, surface water channels, sumps, manholes and cesspits
- street lighting
- road lighting, under verandah and flag lighting
- signs, traffic controls, road marking and sight rails, traffic signals
- bus shelters

We are not responsible for state highways, which are managed and maintained by Waka Kotahi.

The Roothing group of activities primarily contributes to the “supporting our communities” outcome, while also contributing in a major way to our vision – in particular building liveable and connected communities. In addition, we always aim to achieve the community outcomes of “working together with you” and “value for money” in all our services and activities.



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Key: ● Contributes in a **major** way ● Contributes in a **minor** way

Key Projects Planned for 2023/24

Projects	Description	Cost for 2023/24 (\$)
Sealed pavement maintenance	Prevents safety issues on the network.	4,247,720
Unsealed roads maintenance	Prevents safety issues on the network & to address service requests.	2,887,691
Drainage maintenance	Reduces flooding and slips resulting in road closures.	2,504,987
Environmental maintenance	Sight lines eg: vegetation trimming, mowing, dangerous trees. For the customer this improves safety (sight lines) and trees falling on the network causing safety and road closure issues.	2,120,864
Pavement rehabilitation	This is to reduce long-term maintenance costs and improve safety.	4,164,658
Periodic remetalling	There is customer expectation to ensure our unsealed network is drivable and safe.	1,115,027
Chip sealing	This is to reduce long-term maintenance costs and improve safety.	5,128,786
River road minor improvements	This supports the growth of traffic to the Waikato Expressway and the Northgate Development.	1,392,896
New footpaths	To meet community expectations.	957,900
Te Huia rail service	Key service for the community.	233,625

Water Supply

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

Our strategic focus in this group of activities is to maintain our present network, addressing specific health issues and projects that are predominantly growth driven.

We are responsible for the efficient management of all Council's water supply infrastructure at Ngaaruawaahia, Horotiu, Huntly, Raglan, Hopuhopu, Taupiri, Te Kauwhata, Meremere, Whangamarino, Rangiriri, Tuakau, Pookeno, Southern Districts (Tamahere, Maatangi, Eureka, Newstead, Puketaha, Gordonton) and Western Districts (Te Kowhai Road and Stonebridge), Onewhero, Port Waikato and Te Akau South.

Management of water supply infrastructure includes network development, maintenance, and management of network components such as pipes, valves, hydrants, pumps and treatment plant equipment.

There are five main water schemes; Central District, Huntly, Raglan, Mid-Waikato and North Waikato servicing primarily the urban areas of the district. The other remaining schemes service villages and rural areas. Approximately 50% of rateable properties are connected to a Council scheme.

Watercare Services currently deliver the bulk of the operations, maintenance and capital delivery for the Council under a long term contract.

The water supply group of activities primarily contributes to the “supporting our communities” outcome, as well as to “sustaining our environment”, “working together with you” and “providing value for money”. Having safe drinking water and well maintained water supply infrastructure also contributes to having liveable communities.



Key: ● Contributes in a **major** way ● Contributes in a **minor** way

Key Projects Planned for 2023/24

Projects	Description	Cost for 2023/24 (\$)
District Wide water supply treatment plant	Renewals project.	881,160
Ngaaruawaahia water supply reticulation	Upgrades project.	1,101,450
Raglan Hills Reservoir No.2	To meet levels of service.	1,718,262
Pookeno water supply reservoir extensions	To meet levels of service.	2,202,900
Meremere (Mid Waikato) New Meremere Watermain	Renewals project.	1,018,590
Tuakau water supply reticulation extensions	Upgrades project.	1,652,175
District Wide water supply reticulation renewals	Renewals project.	1,101,450

Stormwater

This group of activities applies to urban stormwater schemes and Council-maintained open drains and associated assets within the Waikato district. It does not include roading drainage, which is covered in the Roothing group of activities, or rural drainage schemes, which are operated by the Waikato Regional Council.

Under the Land Drainage Act 1908, both Regional and District Councils are responsible for land drainage issues. Urban stormwater networks in the district are maintained and managed by Waikato District Council with rural land drainage largely being managed by Waikato Regional Council.

The strategic focus for this group of activities is to maintain our current stormwater infrastructure to protect our environment from storm damage and run off, and address any growth driven projects.

We are responsible for the efficient management of all Council’s stormwater infrastructure at Ngaaruawaahia, Huntly, Te Kauwhata urban and district, Raglan, Meremere, Taupiri, Horotiu, Te Kowhai, Port Waikato, Pookeno, Tuakau and Tamahere District.

Watercare Services currently deliver the bulk of the operations, maintenance and capital projects delivery for the Council under a long term contract.

The stormwater group of activities primarily contributes to the “supporting our communities” outcome, as well as to “sustaining our environment”, “working together with you” and “providing value for money”. It also contributes to having liveable communities.



Key: ● Contributes in a **major** way ● Contributes in a **minor** way

Key Projects Planned for 2023/24

Projects	Description	Cost for 2023/24 (\$)
District Wide Storm Water Network	Renewals project.	229,102
Pookeno stormwater reticulation upgrades	Upgrades project.	247,826
Tuakau stormwater reticulation upgrades	Upgrades project.	330,434

Wastewater

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

The strategic focus of this group of activities is to ensure wastewater is suitably collected, treated and disposed of to protect our environment and the public's health.

We are responsible for the efficient management of all Council's wastewater infrastructure at Ngaaruwaahia, Hopuhopu, Huntly, Te Kauwhata, Raglan, Tuakau, Pookeno, Meremere, Rangiriri, Taupiri, Horotiu, Maatangi, Te Kowhai Road, Maramarua, Te Ohaaki and Tauwhare Pa.

Wastewater management includes network development, maintenance, and disposal of network components such as pipes, manholes, pump stations and treatment plant equipment.

There are five main wastewater schemes; Huntly, Central District, Raglan, Mid-Waikato and North Waikato servicing the urban areas of the district. There are five smaller village schemes; Te Kowhai, Meremere, Maatangi, Tauwhare Pa and Maramarua. Approximately 45% of rateable properties are connected to a Council scheme.

Watercare Services currently deliver the bulk of the operations, maintenance and capital delivery for the Council under a long term contract.

The wastewater group of activities primarily contributes to the "supporting our communities" outcome, as well as to "sustaining our environment", "working together with you" and "providing value for money". It also contributes to having liveable communities.



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Key Projects Planned for 2023/24

Projects	Description	Cost for 2023/24 (\$)
Te Kauwhata wastewater treatment plant	Upgrades project.	14,022,000
District Wide wastewater reticulation	Renewals project.	2,863,770
Raglan wastewater treatment plant	Upgrades project.	6,873,048
Pookeno wastewater pump station upgrades - Wastewater Reticulation	Upgrades project.	8,873,048
Tuakau wastewater pump station upgrades	Upgrades project.	6,000,000
District Wide wastewater treatment plant renewals	Renewals project.	881,160

Organisational Support

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

The strategic focus of this group of activities is to put into action initiatives to take the organisation forward; making services more efficient and cost effective for ratepayers and continually reviewing how we can improve.

This group of activities primarily contributes to the community outcomes of "working together with you" and "providing value for money". This internal organisational support also ensures all our teams are well equipped and supported to provide excellent service to our communities and move us towards our vision of having liveable, thriving, connected communities.



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Key Projects Planned for 2023/24

Projects	Description	Cost for 2023/24 (\$)
Cyber Security	Enhancement of councils information system and data protection through the delivery of cyber security enhancement initiatives.	105,678
TechnologyOne Cloud Migration	Modernisation of the councils ERP platform and migration to the TechnologyOne Cloud environment.	351,704
Customer Portal	Phased rollout of self-service functionality to rate payers and customers of the council.	190,220
Online Democratic Process	Digitisation of the democratic systems used by council and councillors to delivery efficiency and accessibility improvements.	211,356
Partner Integration	Integration between council and key partner systems to enhance the efficiency and timeliness of delivery.	105,678
Business Continuity Plan (BCP)	Upgrade councils business continuity solutions to deliver to changing customer requirements for the resilience and availability of critical systems.	133,933
Library books	To maintain our collection and meet levels of service.	471,905
Ngaaruawaahia Community Facility Upgrade	To meet levels of service.	158,517

SECTION 4: FINANCIALS

Funding Impact Statement

DEFINITIONS

Residential – General

Properties for which the permitted activity in the District Plan is related to residential zone, village zone, country living zone, rural zone, paa, education, recreation and conservation use.

Residential - Wastewater

Residential is defined as any part of a rating unit that is used primarily for residential purposes.

Commercial

Properties for which the permitted activity in the District Plan is related to business, industrial, transportation use and other network utilities.

Commercial – wastewater

Commercial (commercial) is defined as any part of a rating unit that is not categorised as residential, commercial (non-rateable) or commercial (assistance for the elderly).

Commercial (non-rateable) is defined as organisations classified by the Act as fully non-rateable or organisations that are not for-profit as determined by the Council.

Commercial (assistance for the elderly) is defined as organisations that are supportive of the elderly, including retirement homes, rest homes and Council-owned pensioner flats, as determined by the Council.

Separately Used or Inhabited part of a rating unit (SUIP)

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner, or a person other than the owner and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or Long-term basis by someone other than the owner. For the purposes of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'. This includes any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

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

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

The following are examples of where there may be application of multiple charges because a rating unit is comprised of more than one separately used or inhabited part:

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

As a minimum, the land or premises intended to form a separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use.

The Council proposes to set the following rates for the financial year commencing 1 July 2023 and ending 30 June 2024. All amounts (except where otherwise stated) are inclusive of GST.

RATES

General Rate

The Council proposes to set a general rate on the capital value of rateable land within its district. The general rate required to undertake the work programme outlined in the Annual Plan 2023/2024 is proposed to be \$0.0022918 per dollar of the capital value. The work programme covers Animal Control, Community and Safety, Corporate and Council Leadership, Environmental Health, Community Liaison, Libraries, Parks and Reserves, Resource Management, Roading, Solid Waste Management, Stormwater, Wastewater and Water Supply.

Uniform Annual General Charge (UAGC)

The Council proposes to set a UAGC of \$462.55 per rating unit in the 2023/2024 rating year.

Targeted Rates

Community Facilities

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

Community Boards

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

www.waikatodistrict.govt.nz/ltpmaps

Halls or Community Centres

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

www.waikatodistrict.govt.nz/ltpmaps

Tamahere Recreation Reserve

The Council proposes to set a targeted rate for the purpose of covering the costs of loan interest and additional operational costs for the above average level of service of Tamahere Recreation Reserve. This rate is a fixed amount per separately used or inhabited part of a rating unit (SUIP) used for residential purposes within the defined catchment area of the Tamahere Ward.

Huntly Pool (Rural)

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

www.waikatodistrict.govt.nz/ltpmaps

Tamahere gully conservation

The Council proposes to set targeted rates for the purpose of covering the costs of ongoing and future conservation within the Tamahere Gully network. This rate is a fixed amount per rating unit on all rating units within the catchment area.

Rubbish and Recycling

District wide refuse and recycling collection

The rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

Raglan recycling and food waste collection

This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

Te Mata/Te Uku recycling collection point

This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

Tuakau rubbish and recycling collection

The rate is a fixed amount per wheelie bin supplied to each rating unit within the serviced area.

Glen Murray recycling collection point

This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

Water Supply

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

Availability

The rate is a fixed amount of \$403.58 per rating unit for availability/serviceability of a water supply service to a rating unit (available or serviceable means a rating unit situated within 100 metres of any part of the water network).

Metered and unmetered – connection charge

The rate is a fixed amount of \$403.58 per separately used or inhabited part of a rating unit (SUIP). The Council also proposes to set rates for water supplied to rating units (*see next page*).

Water by Meter

The Council proposes to set targeted rates to fund expenditure on water activities for metered water supply. The rates are an amount per unit of water (cubic metre) consumed or supplied as measured or controlled by a meter. The rate for 2023/24 is \$2.27 per cubic metre.

Unmetered Water

The Council proposes to set targeted rates to fund expenditure on water activities for unmetered water supply. The rate for 2023/24 is a fixed amount of \$460.96 per separately used or inhabited part of a rating unit.

Wastewater

The Council proposes to set a District Wide targeted rate to fund expenditure on wastewater activities for those properties that receive the wastewater service.

The rates are differentiated by residential or commercial use. Properties in the residential differential are further differentiated by connection or availability of the service.

For the purposes of this rate:

- Residential is the base differential. The rate is set and assessed as an amount per separately used or inhabited part of a rating unit (SUIP) for connected rating units.
- Availability is defined as any rating unit situated within 30 metres of a public wastewater drain to which it is capable of being effectively connected - set as 50 per cent of the fixed amount for connected properties and set and assessed as an amount per rating unit for residential properties.
- Commercial (commercial) - The rates are set and assessed as:
 - An amount per separately used or inhabited part of a connected rating unit (SUIP) for the first two pans (equivalent to 100 per cent of the residential connected differential); and
 - An amount per pan for the third and subsequent pans in any connected separately used or inhabited parts of a rating unit (SUIP; equivalent to 50 per cent of the residential connected differential).
- Commercial (non-rateable) - The rates are set and assessed as:
 - An amount per separately used or inhabited part of a connected rating unit for the first two pans (SUIP; equivalent to 100 per cent of the residential connected differential); and
 - An amount per pan for the third and subsequent pans in any connected separately used or inhabited parts of a rating unit (SUIP; equivalent to 10 per cent of the residential connected differential).
- Commercial (assistance for the elderly) - The rates are set and assessed as:
 - An amount per separately used or inhabited part of a connected rating unit for the first two pans (SUIP; equivalent to 100 per cent of the residential connected differential), and
 - An amount per pan for the third and subsequent pans in any connected separately used or inhabited part of a rating unit (SUIP; equivalent to 20 per cent of the residential connected differential).

Pookeno wastewater scheme

For rating units that have not discharged their liability, the Council will set a targeted rate as:

- a fixed amount per connection of \$1,548.01 (inclusive of GST) (comprising the capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

Whaanga Coast wastewater scheme

A charge of \$15,390 per rating unit was made for the purpose of covering the capital cost of the wastewater system. For rating units that have not discharged their liability, the Council will set a targeted rate as:

- a fixed amount per connection of \$1,539 (inclusive of GST) (comprising the capital per year plus GST and interest on the outstanding portion of the lump sum at the start of each rating year).

Capital Works

The Council proposes to set targeted rates for the purpose of funding the capital cost and interest charges of specific capital work. The rates are a fixed charge per connection for connected properties within the relevant scheme catchment area.

Council initially provided ratepayers with an option on whether to pay for the cost of the capital work by a single payment over three instalments in a year or via targeted rates over an expected period of 10 years.

Council annually provides ratepayers with an option to pay off the balance of the rating unit's anticipated liability for future years for these targeted rates.

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

Stormwater

Urban stormwater

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

www.waikatodistrict.govt.nz/ltpmaps

Tamahere rural stormwater – availability and land drainage

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

www.waikatodistrict.govt.nz/ltpmaps

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

www.waikatodistrict.govt.nz/ltpmaps

LUMP SUM CONTRIBUTIONS

Lump sum contributions generally

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

EARLY PAYMENT POLICY

Per resolution WDC05/105/1/2 Council will accept payment in advance of any applicable rate instalment both in the current or future years. No discount will be given, or interest paid in relation to any payments on this basis. Any such payments made in advance will be credited against the appropriate rate instalment as directed by the ratepayer.

DUE DATES

The Waikato District Council due dates for rate payments for the 2023/24 year (excluding water by meter rates) shall be due in three equal instalments as follows:

First Instalment	20 September 2023
Second Instalment	22 January 2024
Third Instalment	20 May 2024

A penalty of 10 per cent on so much of any rates instalment that has been assessed after 01 July 2023 and which is unpaid after the due date for payment, will be applied on the penalty dates as follows:

First instalment	21 September 2023
Second instalment	23 January 2024
Third instalment	21 May 2024

The Waikato District Council water by meter rates shall be invoiced separately and payable in two instalments each year. For the 2023/24 financial year, the meter reading dates and the payment due dates of instalments for each area are:

Area	Reading Date 1	Payment Due Date 1	Reading Date 2	Payment Due Date 2
Ngaaruawaahia	July 2023	6 September 2023	January 2024	6 March 2024
Taupiri	July 2023	6 September 2023	January 2024	6 March 2024
Horotiu	July 2023	6 September 2023	January 2024	6 March 2024
Huntly	August 2023	4 October 2023	February 2024	3 April 2024
North Waikato	September 2023	1 November 2023	March 2024	1 May 2024
Pookeno	September 2023	1 November 2023	March 2024	1 May 2024
Port Waikato	October 2023	6 December 2023	April 2024	5 June 2024
Onewhero	October 2023	6 December 2023	April 2024	5 June 2024
Tuakau	October 2023	6 December 2023	April 2024	5 June 2024
Southern Districts	November 2023	4 January 2024	May 2024	3 July 2024
Western Districts	November 2023	4 January 2024	May 2024	3 July 2024
Raglan	December 2023	7 February 2024	June 2024	7 August 2024
Te Aakau	December 2023	7 February 2024	June 2024	7 August 2024

A penalty of 10 per cent on so much of any water by meter instalment that has been assessed after 1 July 2023 and which is unpaid after the due date for payment will be applied on the following dates:

Area	Penalty Date 1	Penalty Date 2
Ngaaruawaahia	7 September 2023	7 March 2024
Taupiri	7 September 2023	7 March 2024
Horotiu	7 September 2023	7 March 2024
Huntly	5 October 2023	4 April 2024
North Waikato	2 November 2023	2 May 2024
Pookeno	2 November 2023	2 May 2024
Port Waikato	7 December 2023	6 June 2024
Onewhero	7 December 2023	6 June 2024
Tuakau	7 December 2023	6 June 2024
Southern Districts	5 January 2024	4 July 2024
Western Districts	5 January 2024	4 July 2024
Raglan	8 February 2024	8 August 2024
Te Aakau	8 February 2024	8 August 2024

A penalty of 10 per cent on so much of any rates or metered water rates assessed before 30 June 2023 which remain unpaid on 1 July 2023. The penalty date is 1 July 2023.

A further penalty of 10 per cent on any rates or metered water rates to which a penalty has been added on 1 July 2023 if the rates remain unpaid. The penalty date is 1 January 2024.

Rating Base Information

Rates for the financial year commencing 1 July 2023 to 30 June 2024 (All figures are inclusive of GST).

Source	Category	Funding	Basis of rating	Annual Plan 2023/24 (\$)	Estimated revenue (\$'000)
General Rate		Work program as highlighted in the Long Term Plan including Animal Control, Community and Safety, Corporate and Council Leadership, Environmental Health, Community Liaison, Libraries, Parks and Reserves, Resource Management, Roding, Solid Waste management, Stormwater, Wastewater and Water Supply	Uniform rate in the dollar of capital value	0.00229180	71,700
Uniform annual general charge (UAGC)	All rateable land in the district	People related activities including but not limited to libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental health, resource management planning, environmental consents planning, area offices and democracy/ local government	Fixed amount per rating unit	462.55	13,184
Targeted community facilities rates (apply to all rating units within each ward catchment area)	Huntly Community Facilities (urban catchment)	Covers the cost of maintenance and operation of community facilities	Fixed amount per rating unit	34.00	94
	Ngaaruawaahia Community Facilities			25.00	63
	Raglan Community Facilities			25.00	48
Huntly pool rural	Based on location of rating unit in catchment area	Covers the cost of maintenance and operation of community facilities	Fixed amount per rating unit	16.00	3
Tamahere Recreation Reserve	Based on location of rating unit within the Tamahere Ward	Covers the cost of loan interest and additional operational costs for the above average level of service of the Tamahere Recreation Reserve	Fixed amount per separately used or inhabited part of a rating unit	38.00	77

Source	Category	Funding	Basis of rating	Annual Plan 2023/24 (\$)	Estimated revenue (\$'000)
Targeted hall or community centre rates (apply to all rating units within each hall catchment area)	Te Kohanga	Covers the cost of maintenance and operation of halls, other facilities and community centres	Uniform rate in the dollar of land value	0.000026	3
	Aka Aka	Covers the cost of maintenance and operation of halls, other facilities and community centres	Fixed amount per separately used or inhabited part of a rating unit	55.00	11
	Eureka			35.00	9
	Glen Murray			50.00	6
	Gordonton			26.00	13
	Horsham Downs			35.00	15
	Huntly			8.00	22
	Karioitahi			55.00	3
	Mangatangi			34.50	6
	Mangaatawhiri			58.50	15
	Maramarua			24.00	9
	Maatangi			30.00	32
	Meremere			24.00	5
	Naike			40.89	5
	Oohinewai			24.00	3
	Opuatia			32.00	3
	Orini			26.00	5
	Otaua			55.00	12
	Pookeno			23.00	42
	Port Waikato			125.00	52
	Pukekawa			40.00	17
	Puketaha			38.00	12
	Ruawaro			29.00	7
	Tamahere			70.00	105
	Taupiri			24.00	14
	Tauwhare			30.00	9
	Te Aakau/Waingaro			32.00	7
	Te Hoe			30.00	4
	Te Kowhai			50.00	41
	Te Mata			24.00	6
	Tuakau			46.13	88
	Whangarata			46.00	4
Whatawhata	57.00			51	
Waikaaretu	50.00	2			
Whitikahu	53.00	9			
Tamahere gully conservation	Rating units within catchment area	Contribution to ongoing and future conservation work in the Tamahere Gully network.	Fixed amount per rating unit	52.00	52

Source	Category	Funding	Basis of rating	Annual Plan 2023/24 (\$)	Estimated revenue (\$'000)
Tuakau refuse and recycling collection	Rating units within serviced areas	Covers the cost of refuse and recycling collection where the service is provided	Fixed amount per wheelie bin	221.61	405
Glen Murray refuse and recycling collection	Rating units within serviced areas		Fixed amount per separately used or inhabited part of a rating unit	64.79	16
Raglan recycling collection	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit	159.01	295
Raglan food waste collection	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit	76.76	143
Te Mata/Te Uku recycling collection points	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit	63.21	43
District wide refuse and recycling collection	Residential rating units within serviced areas. (Eureka, Glen Afton/Pukemiro, Gordonton and surrounds, Horotiu, Horsham Downs, Huntly and surrounds, Meremere, Ngaaruawaahia and surrounds, Port Waikato and surrounds, Pukekawa, Rangiriri and surrounds, Rotokauri, Tamahere and surrounds, Taupiri and surrounds, Te Kauwhata and surrounds, Te Kowhai, Whatawhata)		Fixed amount per separately used or inhabited part of a rating unit	221.61	3,514
Water Supply - Available	Available (not connected but within 100 metres of the public water supply - to which it is capable of effectively being connected)	District wide water activities as per the annual plan	Fixed amount per separately used or inhabited part of a rating unit	403.58	620

Source	Category	Funding	Basis of rating	Annual Plan 2023/24 (\$)	Estimated revenue (\$'000)
Water Supply - Non-Metered	Non-Metered rating units in serviced areas	District wide water activities as per the annual plan	Fixed amount per separately used or inhabited part of a rating unit	403.58	4
			Fixed amount per separately used or inhabited part of a rating unit for water consumed (non-metered)	460.96	55
Water Supply - Metered	Metered rating units in serviced areas	District wide water activities as per the annual plan	Fixed amount per separately used or inhabited part of a rating unit	403.58	6,038
			Charge Per cubic metre of water consumed (as measured by meter)	2.27	7,384

Source	Category	Funding	Basis of rating	Annual Plan 2023/24 (\$)	Estimated revenue (\$'000)
Wastewater	Residential - connected	District wide wastewater activities as per the annual plan	Fixed amount per separately used or inhabited part of a rating unit	1,372.24	13,078
	Residential - available (not connected but within 30 metres of a public wastewater drain - to which it is capable of effectively being connected)		Fixed amount per rating unit	686.12	1,167
	Non-residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans	686.12	263
	Non-residential/commercial - Non rateable (Organisations classified by the Act as fully non-rateable or organisations that are non-profitable as determined by the Council) - connected		Additional fixed amount per pan for the third and any subsequent pans	686.12	11
	Non-residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans	1,372.24	3
	Non-residential/commercial - Assistance for the elderly (Organisations supportive of the elderly as determined by the Council) - Connected		Additional fixed amount per pan for the third and any subsequent pans	274.45	15
	Non-residential/commercial - Commercial - Connected		Fixed amount per separately used or inhabited part of a rating unit for the first two pans	1,372.24	577
	Non-residential/commercial - Commercial - Connected		Additional fixed amount per pan for the third and any subsequent pans	686.12	301

Source	Category	Funding	Basis of rating	Annual Plan 2023/24 (\$)	Estimated revenue (\$'000)
Urban Stormwater	Rating units within the stormwater catchment areas for which the service is available (Horotiu, Huntly, Maatangi, Meremere, Ngaaruawaahia, Pookeno, Port Waikato, Raglan, Taupiri, Te Kauwhata and Tuakau)	District wide stormwater activity as per the annual plan	Fixed amount per rating unit	238.72	2,925
Tamahere rural stormwater	Rating units within the Tamahere stormwater catchment area	Tamahere rural stormwater activities	Fixed amount per rating unit	29.11	26
Tamahere land drainage	Rating units within the Tamahere land drainage catchment area	Land drainage activities	Amount per hectare of land area	6.59	9
Community Boards	Huntly	Direct costs of operating all the community boards within the district	Fixed amount per rating unit	23.12	64
	Ngaaruawaahia			23.12	59
	Tuakau			23.12	62
	Raglan			23.12	52
	Taupiri			23.12	7
	Rural-Port Waikato			23.12	37
Pookeno Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work	Loan Instalments - Fixed amount per connection	1,548.01	67
Whaanga Coast Capital Wastewater Scheme	Connected properties in scheme area	Covers the capital cost and interest charges of the work	Loan Instalments - Fixed amount per connection	1,539.00	15

Rates Breakdown: Indicator properties

These are the indicated rates, inclusive of GST.

RESIDENTIAL										
	Tuakau		Huntly		Ngaaruawaahia		Raglan		Maatangi	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Average Capital Value	610,000	610,000	415,000	415,000	485,000	485,000	850,000	850,000	650,000	650,000
General Rates	1,306.38	1,398.00	888.76	951.1	1,038.68	1,111.52	1,820.36	1,948.03	1,392.04	1,498.67
UAGC	432.25	462.55	432.25	462.55	432.25	462.55	432.25	462.55	432.25	462.55
Fixed Targeted Rates	2,104.18	2,282.28	2,100.05	2,278.15	2,083.05	2,261.15	2,018.44	2,173.55	2,064.93	2,266.15
Total Rates	3,842.81	4,412.83	3,421.06	3,691.80	3,553.98	3,835.22	4,271.05	4,584.13	3,889.22	4,218.37
Total % increase (over 2022/23)	7.81%		7.91%		7.91%		7.33%		8.46%	
Total \$ increase (over 2022/23)	300.02		270.73		281.25		313.08		329.15	

RURAL						
	Low range		Mid-range		High range	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Average Capital Value	1,030,000	1,030,000	1,550,000	1,550,000	2,920,000	2,920,000
General Rates	2,205.85	2,360.55	3,319.48	3,552.29	6,253.47	6,692.06
UAGC	432.25	462.55	432.25	462.55	432.25	4662.55
Fixed Targeted Rates	-	-	254.74	237.61	1,517.83	1,609.85
Total Rates	2,638.10	2,823.10	4,006.47	4,252.45	8,200.55	8,764.46
Total % increase (over 2022/23)	7.01%		6.14%		6.88%	
Total \$ increase (over 2022/23)	185.01		245.98		563.90	

	Lifestyle		Commercial		Industrial	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Average Capital Value	1,070,000	1,070,000	2,200,000	2,200,000	2,310,000	2,310,000
General Rates	2,291.51	2,452.23	4,711.52	5,041.96	4,947.10	5,294.06
UAGC	432.25	462.55	432.25	462.55	432.25	462.55
Fixed Targeted Rates	245.62	251.61	1,842.43	2,039.54	2,497.48	2,725.66
Total Rates	2,969.38	3,166.39	6,986.20	7,544.05	7,876.83	8,482.27
Total % increase (over 2022/23)	6.63%		7.99%		7.69%	
Total \$ increase (over 2022/23)	197.00		557.85		605.44	

Note 1: Individual rate increases will vary depending on property type, value and location, and services available.

Note 2: Fixed Targeted Rates reflect the range of services available for each property example. These do not include water-by-meter charges.

Financial statements

PROSPECTIVE FUNDING IMPACT STATEMENT – WHOLE OF COUNCIL

A forecast for the year ending 30 June 2024

	Annual plan 2022/23	Long Term Plan 2023/24	Annual plan 2023/24
	\$'000	\$'000	\$'000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	78,102	80,283	86,383
Targeted rates	36,439	39,484	40,360
Subsidies and grants for operating purposes	10,082	10,406	10,566
Fees and charges	17,137	14,829	17,857
Interest and dividends from investments	50	82	180
Local authorities fuel tax, fines, infringement fees, and other receipts	10,517	10,577	10,978
Total operating funding	152,327	155,661	166,324
Applications of operating funding			
Payments to staff and suppliers	123,255	119,742	132,533
Finance costs	5,769	7,064	5,950
Other operating funding applications	2,877	3,150	3,409
Total applications of operating funding	131,901	129,956	141,892
Surplus (deficit) of operating funding	20,426	25,705	24,432
Sources of capital funding			
Subsidies and grants for capital expenditure	13,356	20,938	14,632
Development and financial contributions	13,326	8,134	8,134
Increase (decrease) in debt	62,543	42,070	68,649
Gross proceeds from sale of assets	3,930	972	564
Lump sum contributions	-	-	-
Other dedicated capital funding	208	216	216
Total sources of capital funding	93,363	72,330	92,195
Applications of capital funding			
Capital expenditure			
- to meet additional demand	33,857	25,498	36,632
- to improve the level of service	32,914	23,524	26,278
- to replace existing assets	47,000	46,690	45,710
Increase (decrease) in reserves	1,345	1,590	6,492
Increase (decrease) of investments	(1,327)	733	1,515
Total applications of capital funding	113,789	98,035	116,627
Surplus (deficit) of capital funding	(20,426)	(25,705)	(24,432)
Funding balance	-	-	-

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

A forecast for the year ending 30 June 2024

	Annual plan 2022/23	Long Term Plan 2023/24	Annual plan 2023/24
	\$'000	\$'000	\$'000
REVENUE			
Rates	114,541	119,766	126,743
Development and financial contributions	13,326	8,134	8,134
Subsidies and grants	23,439	31,344	25,198
Finance revenue	50	50	340
Other revenue	28,475	26,270	29,507
Total revenue	179,831	185,564	189,922
EXPENSES			
Depreciation and amortisation expense	36,271	38,393	42,500
Employee costs	41,189	38,788	47,202
Finance costs	5,769	7,064	5,950
Other expenses and losses	83,804	84,144	88,739
Total operating expenses	167,033	168,389	184,391
Surplus (deficit) before tax	12,798	17,175	5,531
Other comprehensive revenue and expense			
Gain (loss) on property revaluations	64,403	59,716	65,500
Total other comprehensive revenue and expense	64,403	59,716	65,500
Total comprehensive revenue and expense	77,201	76,891	71,031

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

	Annual plan 2022/23	Long Term Plan 2023/24	Annual plan 2023/24
	\$'000	\$'000	\$'000
Total prospective revenue and expense wholly attributable to Waikato District Council	77,201	76,891	71,031
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	20,426	25,705	24,432
Difference	56,775	51,186	46,599

The difference is due to:

Capital income	26,890	29,288	22,983
Vested assets	613	616	616
Revaluation of assets	64,403	59,716	65,500
Gain (loss) on sale of assets	1,140	(41)	-
Depreciation and amortisation	(36,271)	(38,393)	(42,500)
Total explained difference	56,775	51,186	46,599

Note 2: Exchange and non-exchange revenue

	Annual plan 2022/23	Long-Term Plan 2023/24	Annual plan 2023/24
	\$'000	\$'000	\$'000
Revenue from non-exchange transactions			
Revenue from rates	107,579	112,383	119,360
Vested and found assets	613	616	616
Regulatory revenue	1,879	1,893	1,893
Infringements and fines	176	176	176
NZTA government subsidies	23,293	31,195	25,065
Petrol tax	561	572	572
Other subsidies and grants	513	524	508
Other fees and charges - Council	1,775	573	1,713
Other non-exchange revenue	514	264	594
Total revenue from non-exchange transactions	136,903	148,196	150,497
Revenue from exchange transactions			
Water billing charges	6,962	7,383	7,383
Development and financial contributions	13,326	8,134	8,134
Other fees and charges - Council	15,434	15,144	16,015
Finance income	50	50	340
Dividends	-	32	-
Other exchange revenue	7,156	6,625	7,553
Total revenue from exchange transactions	42,928	37,368	39,425
Total revenue	179,831	185,564	189,922

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

A forecast for the year ending 30 June 2024

	Annual plan 2022/23	Long Term Plan 2023/24	Annual plan 2023/24
	\$'000	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	9,928	9,933	9,886
Recoverables from non-exchange transactions	6,149	9,296	7,827
Receivables from exchange transactions	8,144	9,910	11,599
Non-current assets held for sale	-	1,256	6,544
Biological assets - cattle	107	103	3
Other financial assets	32	-	48
Prepayments	1,822	1,339	2,581
Total current assets	26,182	31,837	38,488
Non-current assets			
Property, plant and equipment	2,132,801	2,254,829	2,467,059
Intangible assets	9,723	7,552	4,451
Investment property	600	560	625
Investments in CCO's and other similar organisations	23,984	17,414	33,863
Derivative financial instruments	-	-	1,551
Other financial assets	4,758	5,116	5,426
Total non-current assets	2,171,866	2,285,471	2,512,975
Total assets	2,198,048	2,317,308	2,551,463
LIABILITIES			
Current liabilities			
Payables under exchange transactions	34,484	30,132	32,907
Taxes and transfers payable	2,593	1,420	2,452
Employee entitlements	4,997	4,475	5,891
Provisions	274	467	223
Borrowing	21,398	59,459	23,134
Total current liabilities	63,745	95,953	64,607
Non-current liabilities			
Provisions	2,187	2,708	1,985
Employee entitlements	253	282	273
Derivative financial instruments	12,568	21,615	-
Borrowing	145,448	178,376	163,309
Total non-current liabilities	160,457	202,981	165,567
Total liabilities	224,202	298,934	230,174
Net assets/equity	1,973,846	2,018,374	2,321,289
NET ASSETS/EQUITY			
Accumulated comprehensive revenue and expense	1,276,210	1,280,049	1,380,082
Other reserves	697,636	738,325	941,207
Total net assets/equity	1,973,846	2,018,374	2,321,289

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

A forecast for the year ending 30 June 2024

	Annual plan 2022/23	Long Term Plan 2023/24	Annual plan 2023/24
	\$'000	\$'000	\$'000
Balance at beginning of year			
Accumulated comprehensive revenue and expense	1,237,142	1,244,778	1,351,403
Other reserves			
Revaluation	647,214	726,113	931,586
Restricted	208	198	151
Council created	28,239	27,789	17,412
Special rates and user pays	(17,712)	(23,792)	(23,735)
Capital replacement funds	24,254	23,042	6,133
Development contributions	(43,150)	(70,772)	(63,024)
Fair value through other comprehensive revenue and expense	20,450	14,127	30,332
Total net assets/equity at beginning of year	1,896,645	1,941,483	2,250,258
Comprehensive revenue and expense for the year			
Accumulated comprehensive revenue and expense	12,798	17,175	5,531
Other reserves			
Revaluation	64,403	59,716	65,500
Revaluation (landfill)	-	-	-
Fair value through other comprehensive revenue and expense	-	-	-
Total comprehensive revenue and expense for the year	77,201	76,891	71,031
Transfers to (from) accumulated comprehensive revenue and expense			
Accumulated comprehensive revenue and expense	26,270	18,096	23,148
Other reserves			
Revaluation	-	-	-
Restricted	(2)	(3)	(11)
Council created	1,492	2,858	(904)
Special rates and user pays	(4,708)	(2,864)	13,074
Capital replacement fund	(2,930)	559	3,835
Development contributions	(20,122)	(18,646)	(39,142)
Total transfers to (from) accumulated comprehensive revenue & expense	-	-	-
Net assets/equity at end of year			
Accumulated comprehensive revenue and expense	1,276,210	1,280,049	1,380,082
Other reserves			
Revaluation	711,617	785,829	997,086
Restricted	206	195	140
Council created	29,731	30,647	16,508
Special rates and user pays	(22,420)	(26,656)	(10,661)
Capital replacement funds	21,324	23,601	9,968
Development contributions	(63,272)	(89,418)	(102,166)
Fair value through other comprehensive revenue and expense	20,450	14,127	30,332
Total net assets/equity at end of year	1,973,846	2,018,374	2,321,289

PROSPECTIVE STATEMENT OF RESERVE FUNDS

A forecast for the year ending 30 June 2024

RESERVE	PURPOSE	RELATED ACTIVITIES	Forecast Balance 1-Jul-23 \$'000	Transfers into fund \$'000	Transfers out of fund \$'000	Balance 30-Jun-24 \$'000
Conservation fund	To fund expenditure items for conservation purposes.	Sustainable environment	405	12	1	418
Raglan Harbour reserve	Council took over assets from the Raglan Harbour Board. Any revenue or expense on these properties is kept separate from general funds.	Sustainable communities	(841)	75	(726)	(1,492)
Housing for the elderly	Income from housing for the elderly is put aside for use on the properties involved.	Sustainable communities	2,715	424	(185)	2,954
Plant reserve	Reserve used for control of expenditure and sale proceeds for vehicle and other plant running and maintenance costs.	Organisational support	(977)	1,730	(2,046)	(1,293)
Lake Hakanoa Caravan Park reserve	Revenue and expense for the Lake Hakanoa Caravan Park at Huntly is kept separate. The camp operation is self-funding.	Sustainable communities	209	213	(249)	173
Raglan Holiday Park Papahua	Revenue and expense for camp at Raglan is kept separate. The camp operation is self-funding.	Sustainable communities	1,887	1,776	(1,528)	2,135
Wainui Reserve farm	Revenue and expense for Wainui Reserve farm operations is kept separate. The farm operation is self-funding and surpluses are used towards projects at Wainui Reserve.	Sustainable communities	441	180	(169)	452
Hillary Commission grants	These funds are committed to a club development programme for the future.	Sustainable communities	22	-	-	22
Creative NZ grant	The balance from Creative Communities New Zealand to be re-distributed as grants to suitable candidates.	Sustainable communities	-	-	-	-
Disaster recovery fund	Fund set aside for use in the event of a disaster.	Organisational support	2,247	549	(1,330)	1,466

RESERVE	PURPOSE	RELATED ACTIVITIES	Forecast Balance 1-Jul-23 \$'000	Transfers into fund \$'000	Transfers out of fund \$'000	Balance 30-Jun-24 \$'000
Hillary Commission loans	Remaining funds and interest credits built up from Council's contribution to match Hillary Commission loans used in the past to assist sporting organisations. All loans have been repaid.	Sustainable communities	70	2	-	72
North Waikato development reserve	Remaining funds with interest credits from the Department of Corrections for use to assist the local community.	Sustainable communities	123	4	-	127
Hamilton East property proceeds	Proceeds from the sale of the Hamilton East property held separate for property related purposes.	Organisational support	2,308	-	-	2,308
Hakarimata Restoration Trust	A restricted reserve for Hakarimata Hills Reserve Trust to record all trust operations.	Sustainable environment	1	-	-	1
Landfill aftercare contribution	Reserve created on amalgamation of part of the Franklin District Council with Waikato District Council to assist with aftercare costs for closed landfills transferred.	Sustainable environment	632	18	(49)	601
Structure plan non-growth reserve	Reserve to provide funding for the non-growth element of Structure Plan development.	Organisational support	2,083	420	1	2,504
Waste minimisation reserve	To manage waste minimisation grants and qualifying expenditure.	Sustainable environment	583	941	(905)	619
Huntly College jubilee award	A restricted reserve; the interest income from which is to be used for educational sponsorship.	Sustainable communities	14	-	-	14
Frances Paki Trust	A restricted reserve in memory of Francis Paki of Huntly. Interest income to be used as sponsorship for educational purposes.	Sustainable communities	2	-	-	2

RESERVE	PURPOSE	RELATED ACTIVITIES	Forecast Balance 1-Jul-23 \$'000	Transfers into fund \$'000	Transfers out of fund \$'000	Balance 30-Jun-24 \$'000
Mungall Scholarship Trust	A restricted reserve in memory of Agnes Simpson Mungall. Interest income to be used for educational sponsorship.	Sustainable communities	1	-	-	1
Huntly Social Services	A restricted reserve created by the transfer of funds from the former Huntly Social Services Co-ordinating Committee Inc when it was wound up in 2015.	Sustainable communities	179	5	(17)	167
Sundry reserves	Sundry reserves for township development and other operational purposes.	Sustainable communities	29,834	4,341	(4,586)	29,589
Targeted rate reserves – operational	Reserves to monitor operational costs in relation to special rates and user pays.	Stormwater, Sustainable communities, Wastewater, Water supply	(23,735)	40,550	(27,476)	(10,661)
Replacement funds	Reserves where amounts equivalent to funded depreciation are held for use on capital renewals work.	Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply, Organisational support	6,133	53,554	(49,719)	9,968
Revaluation reserves	Non-cash reserves representing the increases or decreases in the value of infrastructural assets that are periodically revalued.	Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply, Organisational support	931,585	65,500	(1)	997,084
Capital rates and contributions	Reserves for structure plans, development contributions, financial contributions and capital targeted rates.	Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply	(57,066)	10,895	(49,853)	(96,024)
			898,855	181,189	(138,837)	941,207

PROSPECTIVE CASH FLOW STATEMENT

A forecast for the year ending 30 June 2024

	Annual plan 2022/23	Long Term Plan 2023/24	Annual plan 2023/24
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Receipts			
Receipts from rates revenue	107,237	112,109	118,889
Subsidies received	24,133	31,556	26,065
Contributions received	12,906	8,565	8,565
Receipts from other revenue	34,722	32,465	35,944
Interest received	50	50	180
Dividends received	-	-	-
Payments			
Employee costs	(40,835)	(38,768)	(46,564)
Suppliers	(84,814)	(83,979)	(89,623)
Interest paid	(5,769)	(7,064)	(5,950)
Goods and services tax (net)	-	-	-
Net cash flows from operating activities	47,630	54,934	47,506
Cash flows from investing activities			
Purchase of property, plant and equipment	(105,486)	(95,338)	(112,506)
Proceeds from sale of property, plant and equipment	3,930	972	564
Community loans repayments received	-	-	-
Purchase of intangible assets	(7,231)	(1,920)	(2,758)
Community loans granted	-	-	-
Acquisition of investments	(1,928)	(893)	(1,765)
Proceeds from sale of investments	500	160	250
Net cash flows from investing activities	(110,215)	(97,019)	(116,215)
Cash flows from financing activities			
Proceeds from borrowings	82,543	52,070	78,649
Repayment of borrowings	(20,000)	(10,000)	(10,000)
Net cash flows from financing activities	62,543	42,070	68,649
Net increase(decrease) in cash and cash equivalents	(40)	(15)	(60)
Cash and cash equivalents at the beginning of the year	9,968	9,948	9,946
Cash and cash equivalents at 30 June	9,928	9,933	9,886

Notes to the financial statements

REPORTING ENTITY

Waikato District Council (Council) is a territorial authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing Council's operations includes the LGA and the Local Government (Rating) Act 2002 (LG(R)A).

The Waikato District Council Group (the Group) consists of the ultimate parent Waikato District Council (Council) and its 100 per cent owned subsidiary; Strada Corporation Limited (Strada).

Strada is no longer trading and has been registered as non-active with Inland Revenue.

The Waikato Community Wellbeing Trust, which previously formed part of the Group, has cashed up its investment portfolio with Kiwi Wealth in September 2022 and the Waikato District Council gifted the assets of the Trust to Momentum Waikato to establish a named fund in accordance with the terms and conditions as stated in the Deed of Gift signed on 7 October 2022.

The companies in which Council has an interest, either directly or through Strada, are incorporated and domiciled in New Zealand.

The principal activity of Council is the provision of local infrastructure, local public services and the performance of regulatory functions to the community. Council does not operate to make financial return.

Council has designated itself and the Group as public benefit entities (PBE's) for financial reporting purposes.

The prospective financial statements are for the year ending 30 June 2024. They were authorised for issue by Council on 28 June 2023. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

BASIS OF PREPARATION

Statement of compliance

Council's prospective financial statements have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence Regulations 2014 (LG(FRP)R) which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These prospective financial statements (with the exception of the Funding Impact Statement) have been prepared in accordance with and comply with Tier 1 PBE accounting standards; including PBE FRS 42 Prospective Financial Statements.

Included in this plan are three types of financial information –

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

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

The FIS is intended to make the sources and applications of Council funds more transparent to its stakeholders than might be the case if only the usual NZ GAAP financial statements were provided. The FIS format is prescribed by the Local

Government (Financial Reporting and Prudence) Regulations 2014 LG(FRP)R) and is required by the LGA.

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

Measurement base

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

The actual results for the 2021/2022 financial year and the Annual Plan financial performance and cash flows for the 2022/2023 financial year, as modified by known changes, have been used to arrive at the opening balances for the plan as at 1 July 2023.

Functional and presentation currency

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

STANDARDS NEWLY EFFECTIVE AND WHICH HAVE BEEN ADOPTED

Amendment to PBE IPSAS 2 Cash Flow Statement

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for the year ending 30 June 2022. The Council has adopted the new standard in preparing its 2022 financial statements. The adoption resulted in the disclosure of reconciliation of liabilities arising from financial activities in the notes to the financial statements of its 2022 Annual Report.

PBE FRS 48 service performance reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Council has adopted PBE FRS 48 in the prospective statement of service performance. The adoption resulted in the disclosure of judgements used in the selection, measurement and aggregation of service performance information.

Other changes in accounting policies

There have been no other changes in accounting policies since the publication of Council's 2022 Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

Revenue

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

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

Specific revenue items are recognised as follows:

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the year to which the rates resolution relates. They are recognised at the amounts due. Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue from water-by-meter rates is recognised on an accrual basis. Unbilled usage, because there are unread meters at year-end, is accrued on an average usage basis.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when Council has received as application that satisfies its rates remission policy.
- Council receives government grants from the New Zealand Transport Agency (NZTA), which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.
- Revenue from the sale or provision of goods is recognised when a product is sold to the customer. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- Fees and charges revenue is recognised when the service is provided.
- Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease.
- Traffic and parking infringement income is recognised when the infringement notice is issued.
- Found and vested assets are recognised at fair value at the time Council obtains control of the asset. The fair value is recognised as revenue and the amount is determined by reference to the costs of purchase and/or construction.
- Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged.
- Interest income is recognised using the effective interest method.
- Dividends receivable are recognised when the right to receive the payment has been established.

Construction contracts

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

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

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

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

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

Borrowing costs

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

Grant expenditure

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

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

Foreign currency transactions

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

Operating Leases

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities. The carrying amount of cash and cash equivalents approximates their fair value.

Recoverables from non-exchange transactions and other receivables

Short-term receivables are recorded at the amount due, less any provision for uncollectability. The provision is calculated by applying an expected credit loss model.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Cattle

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

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

Other financial assets

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

Classification

Council classifies its financial assets into the following categories:

- Amortised cost
- Fair value through surplus or deficit
- Fair value through other comprehensive revenue and expense for the following two subcategories:
 - Investments in Equity
 - Other financial assets that are not investments in equity.

The classification depends on Council's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortised cost

Council classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following:

- Cash and cash equivalents
- Receivables from exchange and non-exchange transactions
- Term deposits
- Community Loans, and
- LGFA Borrower notes

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

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

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

Financial assets at fair value through surplus or deficit

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

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. Investments in Equity that are not held for trading and are held for Long-term strategic purposes are subsequently measured at fair value through other comprehensive revenue and expense.

They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date. They comprise of the following:

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

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

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

Council's shareholding in Civic Financial Services Limited and Waikato Regional Airport Limited fall within this category.

Financial assets at cost

Investments in Equity that are held at cost are those that as per PBE IPSAS 41 para. AG140 states that investments in equity instruments and contracts on those instruments must be measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Council's shareholding in Waikato Local Authority Shared Services Limited (WLASS), trading as Co-Lab, and Strada are held at cost as the fair value cannot be reliably measured.

IMPAIRMENT OF FINANCIAL ASSETS

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

Financial assets at amortised cost

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

is impaired.

Cash and cash equivalents have not been impaired due to investments being held in high credit rated banks (BNZ, WPT, ASB and ANZ) and impairment is immaterial.

For receivables from exchange and non-exchange transactions, Council has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

- Operational assets: These include land, buildings, improvements, landfill post closure,

library books, plant and equipment, furniture, computers and motor vehicles.

- Restricted assets: These are parks and reserves owned by Council which provide a benefit or service to the community, and can only be disposed of after following a rigorous legal and public consultation process.
- Infrastructure assets: These are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function. For example, wastewater reticulation includes reticulation piping and wastewater pump stations.

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

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

Additions

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

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

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

Assets under construction (work in progress)

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

Disposals

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

Depreciation

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

Description	Useful life (years)	Depreciation rate
Audiovisual materials and electronic games Libraries	5	20%
Buildings	15 – 100	1 – 6.7%
Vehicles / moveable plant	4 – 20	5 – 25%
Library books	8	12.5%
Computers	3 – 7	20 – 33%
Office equipment	3 – 15	6.67 – 33.3%
Furniture and fixtures	10	10%
Water supply	4 – 100	1 – 25%
Wastewater	3 – 100	1 – 33.3%
Urban stormwater	5 – 100	1 – 20%
Roading pavement sealed	2 – 100	1 – 50%
Pavement (basecourse)		
sealed	65 – 105	0.95 – 1.5%
unsealed metal	20	5%
Surface water channel	20 – 80	1.25 – 5%
Culverts	50 – 80	1.25 – 2%
Guardrails / barriers	40 – 80	1.25 – 2.5%
Drainage	50 – 80	1.25 – 2%
Retaining walls	50 – 100	1 – 2%
Footpaths	15 – 80	1.25 – 6.67%
Street lighting	20	5%
Bridges		
timber	50	2%
all other	100	1%
Parks & reserves	1 – 100	1 – 100%
Solid waste		
refuse transfer stations	10 – 80	1.25 – 10%
landfills	5 - 90	1.11 - 20%
Signs	20	5%

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

Revaluation

Land and buildings (operational and restricted); parks and reserves; and infrastructural assets (except land under roads) are revalued on a regular basis to ensure that their carrying amounts do not differ materially from fair value, and at least every three years. All other asset classes are stated at depreciated historical cost.

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

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in surplus or deficit up to the amount previously expensed, with any remainder recognised in other comprehensive revenue and expense.

Impairment of property, plant and equipment

Items of property, plant and equipment having a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

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

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was 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.

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. This asset class, which is amortised on a straightline basis, has a finite useful life of three to seven years and the amortisation rates are between 20 per cent and 33 per cent.

Consents

Consent costs for capital works are recognised at cost and amortised over the life of the consents – between 10 and 35 years. The amortisation charge for each period is recognised in surplus or deficit.

Impairment of intangible assets

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in surplus or deficit.

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.

INVESTMENT PROPERTY

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

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

CREDITORS AND OTHER PAYABLES

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

EMPLOYEE ENTITLEMENTS

Short-term employee entitlements

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

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

Long-term employee entitlements

Entitlements that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and

retirement gratuities, have been calculated on an actuarial basis. The calculation is based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information; and
- The present value of the estimated future cash flows.
- The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

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

Superannuation schemes

Defined contribution schemes

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

PROVISIONS

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

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

BORROWING

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

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

NET ASSETS/EQUITY

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

- Accumulated comprehensive revenue and expense

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

Asset revaluation reserves

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

Restricted reserves

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

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

Council-created reserves

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

Fair value through other comprehensive revenue and expense

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

GOODS AND SERVICES TAX (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

COST ALLOCATION POLICY

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

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

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

CAUTIONARY NOTE FOR PROSPECTIVE FINANCIAL STATEMENTS

The purpose for the preparation of the prospective financial statements is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flows of Council for the year ending 30 June 2024. The information contained in these statements may not be appropriate for purposes other than that as previously described.

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

SIGNIFICANT FORECASTING ASSUMPTIONS

The significant forecasting assumptions and risks underlying the financial estimates are identified in Council's *Long Term Plan 2021-2031* pp 46-51.

Annual Plan Disclosure Statement

For the year ending 30 June 2024

WHAT IS THE PURPOSE OF THIS STATEMENT?

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

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

Benchmark		Planned	Met
Rates affordability benchmarks			
• Total rates	\$263.2m	\$143.1m	Yes
• Rates increases	8%	9%	No
Debt benchmark			
• Limit on total debt	175%	101%	Yes
Balanced budget benchmark	100%	98%	No
Essential services benchmark	100%	266%	Yes
Debt servicing benchmark	15%	3%	Yes

NOTES

1 Rates affordability benchmark

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

2 Debt affordability benchmark

- (1) For this benchmark Council's planned borrowing is compared with a quantified limit on total debt contained in the financial strategy included in Council's Long Term Plan.
- (2) Council meets the debt affordability benchmark if its planned borrowing is within the quantified limit on total debt.
- (3) The quantified limit is calculated as follows: Net debt as a percentage of total revenue will not exceed 175 per cent.

3 Balanced budget benchmark

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

4 Essential services benchmark

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

5 Debt servicing benchmark

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



Annual Plan | Mahere-aa-tau 2023/24

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