



2020/21

EXCEPTIONS

ANNUAL PLAN

2020/21 MAHERE-Ā-TAU

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INTRODUCTION

KŌRERO WHAKATAKI

From the Mayor and Chief Executive

KIA ORA, WELCOME TO THE 2020/21 EXCEPTIONS ANNUAL PLAN

The many effects of the COVID-19 pandemic have changed our world. At a local District level there are many unknowns about what the future holds. Our plan seeks to do what we can, in the short term to help ease some of the possible impacts on our District community.

However, while we are cognisant of the heightened uncertainty due to COVID-19, the duty remains to carefully balance the immediate challenges against the longer term needs of the District.

Council settled on a FY2020/21 budget that increases the total amount of rate revenue by 1.54%.

This Annual Plan enables us to continue to deliver the level of services agreed with the community. Council will work hard to ensure that the delivery of those services is carried out in a financially sustainable and prudent manner.

The total value of property rates for FY2020/21 is \$20.85 Million and is less than was originally projected (\$21.13 million) when we first developed the 10 Year Plan for 2018-28. This change is mainly driven by reduced costs in the cost of funds, delivery of solid waste, sewerage, water, roads and footpaths services. Most importantly, the reduced overall rates requirement also takes into account increased operating costs that are imposed on us as a Council such as health monitoring and reporting requirements for water supplies, the increased waste disposal levies and delivery of all the requirements of Resource Consent conditions required to operate our Landfill. Like you, whether it be in a business setting or in our personal lives, our cost of operating changes, and we must ensure that we plan for these changes and keep the books in balance.

This Annual Plan closely aligns with the various work and other programmes we committed to in the 10 Year Plan adopted in June 2018. For that reason and as provided for by the Local Government Act, the Council did not seek feedback from the public on the small number of changes confirmed in this Plan.

Some of our projects for the FY 2020/21 include:

- Development of the next 10 Year Plan for the period 2021 to 2031.
- Working to complete the review of the Waitomo District Plan.

- Delivery of the agreed Vibrant Safe Waitomo Strategy and Action Plan.
- Completion of the remedial work required for Te Maika Jetty.
- Implementing risk management initiatives with a focus on Business Continuity Planning for the delivery of our essential services such as Water Supply.
- Asset condition assessments to inform the review of Asset Management Plans and future renewal programmes.
- Development of a new Landfill Cell at the District Landfill to extend the remaining life of this important asset.
- Delivery of the ongoing Road Rehabilitation and the Footpaths Improvement Programme.

In addition to these projects we will also continue to deliver against our commitments made to you through our 10 Year Plan – at a lower average rate increase than originally forecast. This outcome has been achieved whilst maintaining and renewing the District’s various infrastructure assets to ensure that their value and usefulness is maintained into the future.

The Council acknowledges the hardships faced by many across our District community in light of the COVID-19 lockdown. The ongoing impacts of COVID-19 on our local tourism, hospitality and retail sectors will also be a focus going forward. Council has temporarily reset the Vibrant Safe Waitomo work programme to focus on enabling recovery and to address the needs of our community through collaboration with other agencies.

Public debt at the end of the FY2020/21 is forecast to be \$5.8 million less than that forecast for the 10 Year Plan. Debt is forecast to be \$42.5 million at 30 June 2021, compared to the original \$48.3 million forecast.

We look forward to the year ahead and representing our residents and ratepayers to create a better future for our District, with vibrant communities and thriving business.

Ngā mihi



John Robertson
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YOUR COUNCIL



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**DELIVERING ON OUR
COMMUNITY OUTCOMES**
KO NGĀ WHAKATŪTUKITANGA
HAPORI

OUR COMMUNITY OUTCOMES

Our community outcomes

Our Community Outcomes and Focus Areas describe what we aim to achieve for our community and what the community can expect us to work towards.

These outcomes and focus areas shaped the development of the 2018-28 10 Year Plan and this Annual Plan. All our activities contribute to the overall achievement of our community outcomes and our vision – *creating a better future with vibrant communities and thriving business.*

Our outcomes are:



Vibrant Communities

- *A place where the multicultural values of all its people and, in particular, Māori heritage and culture is recognised and valued.*
- *A place where all age groups have the opportunity to enjoy social, cultural and sporting activities within our District.*
- *A place where young people have access to education, training and work opportunities.*
- *A place where young people feel valued and have opportunities for input into the decisions for the District.*
- *A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.*

Thriving Business

- *A place that attracts more people who want to live, work and play, and raise a family.*
- *A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.*

Effective Leadership

- *A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.*
- *A place where the governance actively seeks to participate and take a leadership role in regional and national initiatives aimed at the development of the District.*

Sustainable Infrastructure

- *A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.*

OUR FOCUS AREAS

Our focus areas



Community Connectivity and Development

We have recently adopted the **Vibrant Safe Waitomo Strategy and Action Plan**, which involves coordinated and collaborative joint activities and community projects that address our local needs, and in doing so contribute to taking the District community forward.

We will continue to support Waitomo District Youth Council and youth liaison, to involve our young people in community activities, local governance and decision making.

The 2020/21 year will see us continue to provide (with no changes to service levels) community services that ensure safety and liveability in our communities like animal control, the aquatic centre, library services, maintenance of our parks and gardens.

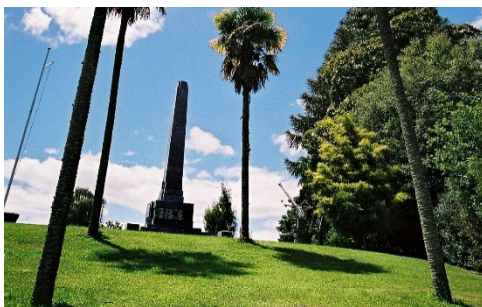


Economic Development

Our aim is to promote and support sustainable development in the Waitomo District.

We will also continue to work with our involvement in Te Waka – The Waikato Regional Economic Development Agency on COVID-19 recovery initiatives. This work aims to support existing local businesses and potential future business opportunities within the District.

We will continue with District promotion and marketing initiatives and providing facilities and services that support industry.



Good Asset Stewardship and Management

Maintaining and managing our core infrastructure well so it is available for use by future generations continues to form a vital part of Council's future planning.

We outlined the management matters for our water supply, wastewater (sewerage), stormwater and roads and footpaths infrastructure assets over the next 30 years in our Infrastructure Strategy. We will continue to deliver on this strategy.



For the 2020/21 year, we will continue to investigate alternative source of water for Te Kuiti, and further improvements will be made to the Mokau Water Treatment Plant.

We are also developing a new cell to extend the landfill capacity, and will continue to maintain and upgrade our parks and recreational reserves along with our community facilities.





GROUPS OF ACTIVITIES
NGĀ WHAKATŪTUKITANGA

HOW TO READ THIS SECTION

Waitomo District Council has ten groups of activities outlined within this section. Sometimes a group of activity may have multiple activities within it. This section provides the following details on each group of activities.

ACTIVITY

Provides a brief description of each activity that makes up the group.

MAIN FOCUS AREAS FOR 2020/21

Identifies projects the council will be undertaking during the financial year.

VARIATIONS FROM 2018-28 TEN YEAR PLAN (10YP)

Outlines the key variations in the 2020/21 financial year compared to the corresponding year in the 10YP.

ESTIMATED COST OF SERVICE STATEMENT

Describes what we will deliver to the community and our measures of success.



GOVERNANCE – LEADERSHIP AND INVESTMENTS

This group comprises Representation, Planning and Policy and Monitoring, Investments and Treasury Management and Organisational Overhead activities and service groups.

ACTIVITY

Leadership includes preparation of policies guiding strategic direction and strategic financial decisions.

Investments includes investment in Waikato Local Authority Shared Services (WLASS), Inframax Construction Ltd (ICL), Council owned quarries and investment in Civic Financial Services Ltd.

MAIN FOCUS AREAS FOR 2020/21

- We will continue to fulfil our statutory role by preparing and consulting on relevant plans and strategies.
- Draft, consult and adopt the 2021-31 10YP.
- Implement Council's Risk Management Framework and Business Continuity Plans.
- Actively participate in the Waikato Mayoral Forum to review / consider opportunities to collaborate in planning, purchasing and service delivery options.
- Continue to digitise Council's hard copy building records.

VARIANCE FROM 2018-28 10YP

The key variations in 2020/21 financial year compared to the corresponding year in the 2018-28 10YP are noted below. The variations are not considered material to the overall financial forecasts for the 2020/21 year presented in the 10YP.

Operating Income

- Investments revenue is forecast to decrease due to the removal of dividend revenue. This is partly offset by a forecast increase for quarry royalty.

Operating Expenditure

- Forecast expenditure has been increased for remuneration entitlements for

elected members as determined by the Remuneration Authority, and to provide for remuneration of RMA Commissioners for Proposed District Plan Hearings.

- Additional expenditure is forecast for organisational capacity to complete Council's organisational programme including the development of the 2021-31 10 Year Plan.
- Forecast additional expenditure for implementing the Risk Management Framework and Business Continuity Plans.
- Interest costs within the Investments activity are forecast to decrease.

Capital Expenditure

- Forecast expenditure has been included for the replacement of the depot roof and vehicle fleet and mower equipment renewals.
- This forecast increase is partly offset by a decrease in expenditure for Information Services as most of the capital expenditure was brought forward to the 2019/20 financial year.

Funding Changes

- External loan repayment is forecast to decrease due to the removal of dividend revenue.
- Reserve funding is forecast to increase due to the increase in capital expenditure.
- The overall Rates Requirement is forecast to increase for this activity due to the increase in operational expenditure.
- The General Rate is forecast to increase compared to 10YP as the 2020/21 10YP budget did not reflect the overall funding adjustment between General Rate and UAGC.



ESTIMATED COST OF SERVICE STATEMENT

EAP 2019/20 \$000's	LEADERSHIP AND INVESTMENTS	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Income			
440	Representation	448	461	13
408	Investments	459	108	(351)
12	Treasury Management and Overhead	12	13	1
860	Total Operating Income	919	582	(337)
	Operating Expenditure			
809	Representation	777	981	204
1,008	Planning and Policy and Monitoring	1,047	1,618	571
488	Investments	497	391	(106)
12	Treasury Management and Overhead	12	13	1
2,317	Total Operating Expenditure	2,333	3,003	670
1,457	Net Operating Cost/(Surplus)	1,414	2,421	1,007
	Capital Expenditure			
41	Investments	42	42	0
877	Treasury Management and Overhead	651	681	30
918	Total Capital Expenditure	693	723	30
2,375	Net Expenditure for Activity	2,107	3,144	1,037
	Funded by			
(350)	External Loan Repayments	(400)	0	400
858	Reserves	651	682	31
1,181	General Rates	928	1,803	875
686	UAGC	928	659	(269)
2,375	Total Funding	2,107	3,144	1,037
493	Depreciation and Amortisation Expense	499	540	40

COMMUNITY SERVICES

This group comprises parks and reserves, housing and other properties, recreation and culture, public amenities and safety.

ACTIVITY

Parks and Reserves involves the provision of parks and reserves for recreation, green places and landscapes that are restful and enhance the visual amenity of our communities.

Housing and other property involves provision of housing community facilities such as halls and housing.

Recreation and culture involves the provision of recreation and cultural opportunities to support the health and well-being of the community.

Public amenities involves the provision of cemeteries, public car parks, public toilets, street furniture and our CCTV system.

Safety involves the administration of Civil Defence Emergency Management function; to coordinate a response to an emergency, and to manage recovery in the District.

MAIN FOCUS AREAS FOR 2020/21

- Safety improvement works in reserves, namely the removal of dangerous trees.
- Continuation of Brook Park / Motakiora fencing renewals.
- Development of a track strategy and revision of activity and asset plans.
- Renewal of Te Maika Jetty structure.
- Completion of amenity areas for the Te Kuiti Railway Overbridge.
- Upgrades to the library facility including re-carpeting, shelving and security.
- Completion of the taxiway at the Aerodrome and removal of unsafe buildings.

VARIANCE FROM 2018-28 10YP

The key variations in 2020/21 financial year compared to the corresponding year in the 2018-28 10YP are noted below. The variations are not considered material to the overall financial forecasts for the 2020/21 year presented in the 10YP.

Operating Income

- Grant funding for maintaining Kiritehere and Waikawau toilets.

Operating Expenditure

- Forecast increase for maintenance and removal of dangerous trees, development of a track strategy and revision of activity and asset plans.
- Additional forecast expenditure for the operations of Te Kuiti Holiday Park and Marokopa Holiday Park.
- Forecast additional expenditure to deliver the stage two of the Aerodrome project.
- Additional forecast cost to provide temporary public toilets over summer in Mokau.
- Forecast increase for Safety in line with historical trends for emergency management and for internal resourcing costs.
- Interest costs are forecast to decrease.
- Forecast increase in depreciation due mainly to building revaluation increases.

Capital Expenditure

- Additional forecast expenditure for renewal of Te Maika Jetty, upgrades to the library facilities and health and safety improvements at the Aerodrome.
- Forecast expenditure for Public Amenities reduced as the budget for the Te Kuiti Railway Overbridge project was moved to Roads and Footpaths activity, however additional expenditure is forecast for the amenity areas for this project.
- Additional forecast expenditure for continuation of fencing along the railway corridor in Te Kuiti to improve safety.

Funding Changes

- Internal Loan funding has increased to fund the renewal of Te Maika jetty.
- Reserves funding is forecast to increase to fund the Library upgrades and Aerodrome renewals.
- The rates requirement is forecast to increase due to the increase in overall operational expenditure for this activity.

ESTIMATED COST OF SERVICE STATEMENT

EAP 2019/20 \$000's	COMMUNITY SERVICE	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Income			
25	Parks and Reserves	28	23	(5)
307	Housing and Other Property	316	329	13
144	Recreation and Culture	150	147	(3)
211	Public Amenities	56	78	22
687	Total Operating Income	550	577	27
	Operating Expenditure			
763	Parks and Reserves	737	788	51
1,205	Housing and Other Property	984	1,155	171
1,392	Recreation and Culture	1,249	1,408	159
1,021	Public Amenities	1,121	1,132	11
210	Safety	156	210	54
4,591	Total Operating Expenditure	4,247	4,693	446
3,904	Net Operating Cost/(Surplus)	3,697	4,116	419
	Capital Expenditure			
192	Parks and Reserves	174	249	75
142	Housing and Other Property	39	75	36
207	Recreation and Culture	105	215	110
460	Public Amenities	347	248	(99)
1,001	Total Capital Expenditure	665	787	122
4,905	Net Expenditure for Activity	4,362	4,903	541
	Funded by			
444	Internal Loans	365	463	98
655	Reserves	367	552	185
1,614	General Rates	1,546	1,656	110
1,920	UAGC	1,807	1,943	136
4	Targeted Rate - Marokopa Hall	4	4	0
81	Targeted Services Rate - Rural	82	86	4
187	Targeted Services Rate - Urban	191	199	8
4,905	Total Funding	4,362	4,903	541
948	Depreciation and Amortisation Expense	659	980	321

COMMUNITY DEVELOPMENT

This group of activities represents a range of collaborative and partnership approaches and initiatives involving many agencies and organisations. These activities involve a common theme of promoting a better quality of life within the District.

ACTIVITY

Community support seeks to improve social outcomes within Waitomo District by working closely with community and sporting groups within the District community.

Tourism development and district promotion is delivered through a partnership between central government, local government and the tourism industry.

District development involves the facilitation and support of initiatives that will enhance the District's economic sustainability.

Te Kuiti i-SITE Visitor Information Centre provides a free, friendly and objective information service to visitors and the local community.

MAIN FOCUS AREAS FOR 2020/21

- Delivery of the Vibrant Safe Waitomo Strategy and Action Plan.
- Promote economic development in the Waitomo district in collaboration with Te Waka.
- Involvement in the Hamilton and Waikato Regional Tourism Organisation.
- Administration of grant funding as per the Community Development Fund Policy.
- Support the Waitomo District Youth Council and youth liaison.
- Provision of Visitor Information i-SITE services and support for events.
- Promote and support an active and healthy community in collaboration with Sport Waikato.

VARIANCE FROM 2018-28 10YP

The key variations in 2020/21 financial year compared to the corresponding year in the 2018-28 10YP are noted below. The variations are not considered material to the overall financial forecasts for the 2020/21 year presented in the 10YP.

Operating Expenditure

- Forecast increase in expenditure due to the resequencing of the first tranche of the stadium grant expenditure to the Game on Charitable Trust (GOCT) to the 2020/21 financial year. The 10YP assumed both the \$1 million initial grant and subsequent \$500,000 grant to have been paid by 30 June 2020. The forecast interest cost that is attributed to this grant has decreased as the loan has not yet been drawn.
- Expenditure is forecast to increase for rates remissions granted under Council's remission policies.

Capital Expenditure

- Minor expenditure forecast for i-SITE building renewals has been removed.

Funding Changes

- Internal Loan funding is for the grant to GOCT for the proposed new stadium, which has been re-sequenced.
- General Rate and UAGC funding has decreased as the overall forecast operational expenditure has reduced.



ESTIMATED COST OF SERVICE STATEMENT

EAP 2019/20 \$000's	COMMUNITY DEVELOPMENT	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Income			
2	Community Support	2	2	0
27	Community Development	43	32	(11)
29	Total Operating Income	45	34	(11)
	Operating Expenditure			
1,889	Community Support	1,035	1,993	958
891	Community Development	879	894	15
2,780	Total Operating Expenditure	1,914	2,887	973
2,751	Net Operating Cost/(Surplus)	1,869	2,853	984
	Capital Expenditure			
2	Community Development	5	0	(5)
2	Total Capital Expenditure	5	0	(5)
2,753	Net Expenditure for Activity	1,874	2,853	979
	Funded by			
1,000	Internal Loans	0	1,000	1,000
3	Reserves	(23)	0	23
954	General Rates	1,024	1,005	(19)
435	UAGC	523	488	(35)
16	Targeted Rates - Piopio Retirement	16	16	0
346	Targeted Rates - District Development	334	344	10
2,753	Total Funding	1,874	2,853	979
11	Depreciation and Amortisation Expense	17	13	(4)

COMPLIANCE

This group includes the regulatory functions devolved to Council by legislation and leads the making of the necessary policies and bylaws to ensure a safe and nuisance free environment for all the residents and visitors of the District.

ACTIVITY

Building control covers the processing and monitoring of building consents, and the issuing of Code of Compliance certificates pursuant to the Building Act 2004. This activity also covers the monitoring and enforcement of residential pools and earthquake-prone buildings requirements.

Alcohol licensing oversees the administration of the Sale and Supply of Alcohol Act 2012 at a local level by way of the Waitomo District Licensing Committee.

Environmental health involves the provision of environmental health services. This includes general public health inspections, licensing and inspection of food premises and hairdressers; and responding to noise and public health complaints.

Bylaw administration involves managing a range of bylaws that Council has in place.

Animal and dog control involves the registration and impounding of dogs, owner education, and implementing and enforcing our Dog Control Bylaw and Policy. This activity also covers wandering stock.

MAIN FOCUS AREAS FOR 2020/21

- Continue with implementation of Earthquake Prone Buildings Policy pursuant to the Building Act 2004.
- Continue with implementation of legislation relating to pool barriers and pool fencing pursuant to the Building Act 2004.

VARIANCE FROM 2018-28 10YP

The key variations in 2020/21 financial year compared to the corresponding year in the 2018-28 10YP are noted below. The variations are not considered material to the overall financial forecasts for the 2020/21 year presented in the 10YP.

Operating Expenditure

- Forecast increase in expenditure for a shared services initiatives for resource management monitoring and animal control.
- The implementation of the online building consenting system is expected to add additional costs to the Building Control activity, however these will be recovered from applicants.
- Additional expenditure is forecast for internal resourcing of the building control activity.
- There is expected increase in costs for legal services.

Funding Changes

- General Rate and UAGC funding has increased as there is an overall increase in forecast operating expenditure.



ESTIMATED COST OF SERVICE STATEMENT

EAP 2019/20 \$000's	COMPLIANCE	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Income			
458	Compliance	469	465	(4)
458	Total Operating Income	469	465	(4)
	Operating Expenditure			
1,225	Compliance	1,032	1,247	215
1,225	Total Operating Expenditure	1,032	1,247	215
767	Net Operating Cost/(Surplus)	563	782	219
767	Net Expenditure for Activity	563	782	219
	Funded by			
(137)	Reserves	0	0	0
708	General Rates	439	609	170
196	UAGC	124	173	49
767	Total Funding	563	782	219
6	Depreciation and Amortisation Expense	5	8	3

SOLID WASTE MANAGEMENT

This group provides for the environmentally safe reduction, diversion, collection and disposal of the district's solid waste.

ACTIVITY

Waste minimisation focuses on the reduction and diversion (reuse, recycling and recovery) of solid waste.

Kerbside recyclables and refuse collection is provided for the residents of Te Kuiti, Piopio, Awakino, Mokau, Waitomo Village and some surrounding rural roads.

Waste transfer stations are provided for the communities of Maniaiti/Benneydale, Piopio, Marokopa, Kinohaku and Awakino and a fully consented landfill is located at Te Kuiti.

MAIN FOCUS AREAS FOR 2020/21

- Development of the new cell to extend the capacity of the landfill.
- Address the additional monitoring and compliance requirements at the landfill required under the newly granted resource consent.
- Infrastructure maintenance and transfer station safety improvements.
- Delivery of the Waste minimisation promotion programmes and educational initiatives.

VARIANCE FROM 2018-28 10YP

The key variations in 2020/21 financial year compared to the corresponding year in the 2018-28 10YP are noted below. The variations are not considered material to the overall financial forecasts for the 2020/21 year presented in the 10YP.

Operating Income

- Landfill revenue from user charges is forecast to increase, reflective of historical trends and expected use.

Operating Expenditure

- Expenditure is forecast to increase for the landfill for compliance costs mandated under the new resource consent.

- Forecast expenditure for the operation of the transfer stations has increased in line with historical trends. Additional expenditure is also forecast for waste disposal levy, safety improvements and internal resourcing costs.
- Forecast expenditure has increased for waste minimisation initiatives. This cost is funded by the waste levy rebate.
- Interest costs are forecast to decrease.

Capital Expenditure

- Additional forecast expenditure required to meet the newly granted resource consent conditions for the Landfill.
- Forecast expenditure for the renewal of the recycling shed at the Landfill has been removed as the asset is in good condition.

Funding Changes

- Internal Loan funding is forecast to increase to fund the additional capital expenditure at the Landfill.
- Reserve funding is forecast to reduce as the renewal of the recycling shed is not required.
- General Rates and UAGC funding has increased due to an increase in the overall operating expenditure for Waste Minimisation.
- Solid Waste Management Targeted Rate funding has decreased as more funding is expected from user charges at the Landfill.



ESTIMATED COST OF SERVICE STATEMENT

EAP 2019/20 \$000's	SOLID WASTE MANAGEMENT	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Income			
140	Collection	143	147	4
1,008	Management	1,030	1,404	374
1,148	Total Operating Income	1,173	1,551	378
	Operating Expenditure			
337	Collection	351	359	8
1,791	Management	1,966	2,094	128
2,128	Total Operating Expenditure	2,317	2,453	136
980	Net Operating Cost/(Surplus)	1,144	902	(242)
	Capital Expenditure			
1,046	Management	1,211	1,181	(30)
1,046	Total Capital Expenditure	1,211	1,181	(30)
2,026	Net Expenditure for Activity	2,355	2,083	(272)
	Funded by			
776	Internal Loans	838	861	23
171	Reserves	339	326	(13)
8	General Rates	9	19	10
8	UAGC	9	19	10
37	Targeted Rate Collection - Mokau	39	38	(1)
27	Targeted Rate Collection - Piopio	28	28	0
103	Targeted Rate Collection - Te Kuiti	109	108	(1)
38	Targeted Rate Collection - Waitomo	39	39	0
858	Targeted Rate - Solid Waste Management	945	645	(300)
2,026	Total Funding	2,355	2,083	(272)
97	Depreciation and Amortisation Expense	108	81	(27)

STORMWATER DRAINAGE

This group provides for collection, diversion, and disposal of urban surface water runoff following rainfall.

ACTIVITY

Providing, maintaining and upgrading Council's stormwater network comprising of open drains, pipes and manholes.

MAIN FOCUS AREAS FOR 2020/21

- Completion of Stormwater Catchment Plans, which will be used for the development of Asset and Activity Plans and the 2021 – 31 10YP.
- Completion of the annual renewals programme based on condition assessment.
- Ongoing monitoring and maintenance of stormwater exit and entry points.

VARIANCE FROM 2018-28 10YP

The key variations in 2020/21 financial year compared to the corresponding year in the 2018-28 10YP are noted below. The variations are not considered material to the overall financial forecasts for the 2020/21 year presented in the 10YP.

Operating Expenditure

- Expenditure is forecast to increase for catchment assessments which will inform the Asset Management Plan and future work programme. Internal resourcing costs are also forecast to increase.

Capital Expenditure

- Forecast decrease in capital expenditure as the renewal programme has been reduced to reflect historical spend.

Funding Changes

- Forecast reserve funding has reduced due to the decrease in the planned renewal programme.
- Stormwater Targeted Rate (urban) funding has increased as there is an increase in overall operating expenditure for Te Kuiti Stormwater.



ESTIMATED COST OF SERVICE STATEMENT

EAP 2019/20 \$000's	STORMWATER DRAINAGE	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Expenditure			
392	Urban	370	404	34
47	Rural	40	34	(6)
439	Total Operating Expenditure	410	438	28
	Net Operating Cost/(Surplus)	410	438	28
	Capital Expenditure			
137	Urban	203	128	(75)
5	Rural	5	5	0
142	Total Capital Expenditure	208	133	(75)
	Net Expenditure for Activity	618	571	(47)
	Funded by			
126	Reserves	199	133	(66)
408	Targeted Rate - Stormwater (Urban)	379	404	25
47	Targeted Rate - Stormwater (Rural)	40	34	(6)
581	Total Funding	618	571	(47)
198	Depreciation and Amortisation Expense	185	196	11

RESOURCE MANAGEMENT

This group involves the administration, application and enforcement of the Operative Waitomo District Plan.

ACTIVITY

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

District Planning involves setting the direction, form and shape of our urban and rural communities to ensure growth development is sustainably managed, while protecting our cultural and historic heritage, outstanding landscapes and significant natural features. District Plan reviews and structure planning are included in this activity.

MAIN FOCUS AREAS FOR 2020/21

- The main focus in this planning cycle is to continue the review of the Waitomo District Plan (“Proposed District Plan”) as required by the Resource Management Act 1991.

VARIANCE FROM 2018-28 10YP

The key variations in 2020/21 financial year compared to the corresponding year in the 2018-28 10YP are noted below. The variations are not considered material to the overall financial forecasts for the 2020/21 year presented in the 10YP.

Operating Income

- Revenue is forecast to increase due to the type and complexity of resource consents applications, and additional revenue is expected from resource consent monitoring.

Operating Expenditure

- Forecast increase for consultant fees to process complex resource consent applications. In most cases the increased cost is fully recoverable from the applicant.
- Forecast increase in monitoring and enforcement of resource consents and the District Plan, with some of this cost recoverable from the exacerbator.
- Forecast interest costs have reduced. This is offset partly by increased consultant fees to consider and provide advice on submissions for the Proposed District Plan.

Funding Changes

- There is a minor increase forecast for Internal Loan funding due to the increase in consultant fees associated with the Proposed District Plan.



ESTIMATED COST OF SERVICE STATEMENT

EAP 2019/20 \$000's	RESOURCE MANAGEMENT	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Income			
190	District Plan Administration	89	165	76
190	Total Operating Income	89	165	76
	Operating Expenditure			
372	District Plan Administration	312	411	99
582	District Planning	1,172	1,156	(16)
954	Total Operating Expenditure	1,484	1,567	83
764	Net Operating Cost/(Surplus)	1,395	1,402	7
764	Net Expenditure for Activity	1,395	1,402	7
	Funded by			
542	Internal Loans	1,102	1,117	15
(36)	Reserves	(91)	(91)	0
129	General Rates	192	188	(4)
129	UAGC	192	188	(4)
764	Total Funding	1,395	1,402	7
0	Depreciation and Amortisation Expense	0	0	0

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE

The Sewerage Group provides for the environmentally safe collection, treatment and disposal of the District's sewage waste in Te Kuiti, Te Waitere, Maniaiti/Benneydale and Piopio.

ACTIVITY

Providing, maintaining and upgrading Council's sewerage network comprising sewage treatment plants and disposal systems, pump stations and sewer pipe network.

MAIN FOCUS AREAS FOR 2020/21

- Undertake a new assessment of water and sanitary services available to communities in the District.
- Completion of asset condition assessments to inform Asset Management Plan.
- Review capacity and condition of soakage field at Te Waitere.
- Plant renewals for Maniaiti/Benneydale and Piopio.
- Riparian planting at Te Kuiti.

VARIANCE FROM 2018-28 10YP

The key variations in 2020/21 financial year compared to the corresponding year in the 2018-28 10YP are noted below. The variations are not considered material to the overall financial forecasts for the 2020/21 year presented in the 10YP.

Operating Income

- Trade waste revenue is forecast to decrease based on recent trends. The large commercial trade waste customers have improved the quality and quantum of waste discharged into the network, with better pre-treatment of their waste before discharge, resulting in reduced revenue.

Operating Expenditure

- Expenditure is forecast to decrease in line with recent historical trends due to better plant optimisation and efficiencies

and improved asset management across all schemes.

- Interest costs are forecast to decrease.

Capital Expenditure

- Forecast decrease in the Te Kuiti Sewerage asset renewal programme to match historical spend and resourcing and to allow for the completion of planning and condition assessments to inform the 2021-31 10YP.
- The Mangaokewa stream crossing augmentation budget has been re-sequenced with detailed scoping and design forecast for 2020/21 year to inform the 2021-31 10YP.
- Additional forecast expenditure has been included for riparian planting at Te Kuiti to comply with resource consent conditions.
- Forecast expenditure for renewal of the aeration system at Te Kuiti has been removed as proactive maintenance has extended the life of these assets.

Funding Changes

- Internal loan funding is forecast to decrease in line with the reduced asset renewal programme.
- Forecast reserve funding has increased to fund some of the asset renewal programme.
- There has been a decrease in the overall rate requirement for this activity as forecast operating costs have decreased.



ESTIMATED COST OF SERVICE STATEMENT

EAP 2019/20 \$000's	SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Income			
873	Te Kuiti	865	810	(55)
1	Maniaiti/Benneydale	1	1	0
8	Piopio	9	10	1
882	Total Operating Income	875	821	(54)
	Operating Expenditure			
2,707	Te Kuiti	2,856	2,518	(336)
54	Te Waitere	57	55	(2)
177	Maniaiti/Benneydale	176	147	(29)
303	Piopio	305	276	(29)
5	Waitomo	5	0	(5)
3,246	Total Operating Expenditure	3,399	2,996	(401)
2,364	Net Operating Cost/(Surplus)	2,524	2,175	(347)
	Capital Expenditure			
338	Te Kuiti	605	309	(295)
15	Te Waitere	26	26	0
54	Maniaiti/Benneydale	13	13	0
30	Piopio	31	30	(1)
437	Total Capital Expenditure	675	378	(296)
2,801	Net Expenditure for Activity	3,199	2,553	(643)
	Funded by			
216	Internal Loans	605	261	(344)
100	Reserves	(2)	117	122
1,974	Targeted Rate - Te Kuiti	2,044	1,723	(321)
165	Targeted Rate - Trade Waste Contribution	176	153	(23)
17	Targeted Rate - Te Waitere	21	15	(6)
113	Targeted Rate - Maniaiti/Benneydale	122	97	(25)
216	Targeted Rate - Piopio	233	187	(46)
2,801	Total Funding	3,199	2,553	(643)
830	Depreciation and Amortisation Expense	810	828	18

WATER SUPPLY

The Water Supply activity provides for the environmentally safe collection, treatment and reticulation of Council's public water supplies to New Zealand Drinking Water Standards (NZDWS).

ACTIVITY

Providing, maintaining and upgrading Council's water supply schemes comprising of water treatment plants and intake systems, reservoirs, pump stations and pipe reticulation network.

MAIN FOCUS AREAS FOR 2020/21

- Continue the investigation of an alternative water source in Te Kuiti.
- Delivery of the reticulation renewal programme including replacements of pipework.
- Upgrades to Mokau water treatment plant to improve the quality of supply.
- UV upgrades for Maniaiti/Benneydale water supply.

VARIANCE FROM 2018-28 10YP

The key variations in 2020/21 financial year compared to the corresponding year in the 2018-28 10YP are noted below. The variations are not considered material to the overall financial forecasts for the 2020/21 year presented in the 10YP.

Operating Expenditure

- Additional forecast expenditure has been included to implement monitoring and reporting requirements under the new Health Protection Regulatory Regime to be implemented by Central Government.
- Interest costs and depreciation are forecast to decrease.

Capital Expenditure

- Forecast expenditure for the investigation into an alternative source of water in Te Kuiti has been re-sequenced from the 2021/22 year.
- Additional expenditure for filter pipework replacement is forecast for Te Kuiti due to deteriorating asset condition.
- Increased expenditure is planned for Mokau water treatment plant to improve the quality of treated water to meet the NZDWS and provide operational contingency and improved resilience.
- Forecast expenditure has also been included for the continuation of the water replacement programme.
- Additional expenditure for UV upgrades and redundancy is forecast for Maniaiti/Benneydale.

Funding Changes

- Internal loan funding is forecast to increase to fund the additional capital expenditure for Mokau and Te Kuiti.
- Reserve funding is forecast to decrease due to the removal of reserve funding of operational expenditure.
- Water Supply Targeted Rate funding has decreased due to a decrease in overall operating expenditure.
- Metered Water Rates is forecast to increase due to the harmonisation of metered water charges.



ESTIMATED COST OF SERVICE STATEMENT

EAP 2019/20 \$000's	WATER SUPPLY	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Expenditure			
1,914	Te Kuiti	2,163	2,008	(155)
388	Mokau	398	336	(62)
391	Piopio	423	371	(52)
183	Maniaiti/Benneydale	190	162	(28)
5	Waitomo	5	0	(5)
2,881	Total Operating Expenditure	3,179	2,877	(302)
	Net Operating Cost/(Surplus)			
2,881	Net Operating Cost/(Surplus)	3,179	2,877	(302)
	Capital Expenditure			
380	Te Kuiti	358	425	67
76	Mokau	11	523	512
216	Piopio	69	69	0
4	Maniaiti/Benneydale	4	29	25
676	Total Capital Expenditure	442	1,046	604
	Net Expenditure for Activity			
3,557	Net Expenditure for Activity	3,621	3,923	302
	Funded by			
594	Internal Loans	369	948	579
278	Reserves	270	197	(73)
1,162	Targeted Rate - Te Kuiti	1,492	1,357	(135)
241	Targeted Rate - Mokau	238	197	(41)
271	Targeted Rate - Piopio	266	224	(42)
130	Targeted Rate - Maniaiti/Benneydale	128	108	(20)
881	Metered Water Rates	858	892	34
3,557	Total Funding	3,621	3,923	302
602	Depreciation and Amortisation Expense	676	626	(50)

ROADS AND FOOTPATHS

The Roads and Footpaths activity provides a safe and reliable transport infrastructure network to facilitate the movement of people and goods, which includes the provision of roads (excluding state highways), footpaths, bridges, traffic services, streetlights, carparks and traffic safety programmes.

ACTIVITY

Road Network: We manage and maintain a network of 461km of sealed roads and 553km of unsealed roads. This includes identifying the need for and undertaking maintenance and renewals of the road network, footpaths and ancillary systems such as streetlights, signs and road markings.

Subsidised roading: New Zealand Transport Agency (NZTA), provides a subsidy for works that meet their criteria via Waikato Regional Council's Land Transport Programme.

Unsubsidised roading: These activities are carried out to ensure safe and efficient travel within and through the District as necessary for road or pedestrian safety and convenience, but are not subsidised by NZTA.

MAIN FOCUS AREAS FOR 2020/21

- Delivery of the street lighting infill programme.
- Delivery of the road rehabilitation and the footpaths improvement programme.
- Speed limits review and the development of the Road Safety Programme.

VARIANCE FROM 2018-28 10YP

The key variations in 2020/21 financial year compared to the corresponding year in the 2018-28 10YP are noted below. The variations are not considered material to the overall financial forecasts for the 2020/21 year presented in the 10YP.

Operating Income

- Subsidy revenue is forecast to decrease due to forecast reduction in capital and maintenance expenditure.

Operating Expenditure

- Reduction in forecast expenditure for unsealed pavement maintenance and routine drainage maintenance.
- Forecast increase in cost related to emergency reinstatement (first response) and network asset management.
- Interest costs and depreciation are forecast to decrease.

Capital Expenditure

- Forecast decrease in cost for Bridge replacement. The Mokauiti Bridge structure has been assessed as being still in reasonable condition therefore no expenditure is required for replacement of this bridge.

Funding Changes

- External Loan Repayments: The portion of NZTA subsidy revenue applied to accelerated debt reduction is forecast to decrease slightly due to the reduced forecast subsidy revenue.
- Forecast reserve funding has reduced due to the decrease in the renewal programme and the planned reserve transfer to the overdrawn operational reserve has also been removed.
- The rates requirement for this activity has decreased due to a decrease in overall operating expenditure.



ESTIMATED COST OF SERVICE STATEMENT

EAP 2019/20 \$000's	ROADS AND FOOTPATHS	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Income			
10,569	Subsidised Roads	10,160	9,871	(289)
97	Unsubsidised Roads	101	100	(1)
10,666	Total Operating Income	10,261	9,971	(290)
	Operating Expenditure			
9,546	Subsidised Roads	10,098	9,683	(415)
226	Unsubsidised Roads	234	205	(29)
9,772	Total Operating Expenditure	10,332	9,888	(444)
(894)	Net Operating Cost/(Surplus)	71	(83)	(154)
	Capital Expenditure			
7,995	Subsidised Roads	7,112	6,802	(310)
166	Unsubsidised Roads	193	166	(27)
8,161	Total Capital Expenditure	7,305	6,968	(337)
7,267	Net Expenditure for Activity	7,376	6,885	(491)
	Funded by			
746	Internal Loans	452	424	(28)
(649)	External Loan Repayments	(720)	(698)	22
1,922	Reserves	2,021	1,953	(68)
90	UAGC	95	88	(7)
12	Targeted Services Rate - Rural	13	11	(2)
98	Targeted Services Rate - Urban	110	94	(16)
5,048	Targeted Rate - District Roading Rate	5,405	5,013	(392)
7,267	Total Funding	7,376	6,885	(491)
2,771	Depreciation and Amortisation Expense	2,890	2,836	(52)



FINANCES
PŪTEA

FINANCIAL SUMMARY

EAP 2019/20 \$000's	Cost of Service Statement for All of Council	10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
14,920	Total Operating Income	14,381	14,166	(215)
30,333	Total Operating Expenditure	30,647	32,049	1,402
15,413	Net Operating Cost/(Surplus)	16,266	17,883	1,617
12,383	Total Capital Expenditure	11,204	11,216	12
27,796	Total Net Expenditure	27,470	29,099	1,629
	Funded by			
4,318	Internal Loans	3,731	5,074	1,343
(999)	External Loan Repayments	(1,120)	(698)	422
3,939	Reserves	3,731	3,869	138
20,538	General Rates, UAGC and Service Charges	21,128	20,854	(274)
27,796	Total Funding	27,470	29,099	1,629
5,956	Depreciation and Amortisation Expense	5,849	6,108	259

The Cost of Service Statement illustrates that operating income forecast is \$215,000 less than the 10YP forecast. This is due mostly to a decrease in forecast dividend revenue. This decrease is partly offset by an increase in forecast revenue for Solid Waste for landfill user charges. Subsidy revenue is forecast to decrease for Roads and Footpaths due to reduced operational expenditure as well as a reduced renewal programme with the Mokauiti Bridge not requiring replacement.

Council's planned **Total Operating Expenditure** for the 2020/21 financial year is **\$1,402,000** more than the forecast contained in the 10YP for the same year.

The main contributors to the increase in the Total Operating Expenditure are:

- The resequencing of the first tranche of the stadium grant expenditure to the GOCT to the 2020/21 financial year. The 10YP assumed both the \$1 million initial grant and subsequent \$500,000 grant to have been paid by 30 June 2020.
- Additional expenditure has been forecast for Leadership and Investments for additional remuneration for elected members as determined by the Remuneration Authority. Additional capacity has also been provided for completion of the 2021-31 10YP and other organisational programs and to provide for

implementation of the Risk Management Framework and Business Continuity Plans.

- Additional expenditure has been forecast for Community Services for, the removal of unsafe trees, development of asset and activity plans and strategies, additional costs for the operation of Holiday Parks, the removal of unsafe buildings at the Aerodrome and increased depreciation expense.
- These increases are partly offset by a forecast decrease in interest costs as a result of lower public debt than forecast in the 10YP and a more favourable interest rate assumption being applied as overall market rates have reduced.

The capital expenditure planned for 2020/21 is at a similar level as for the third year of the 2018-28 10YP;

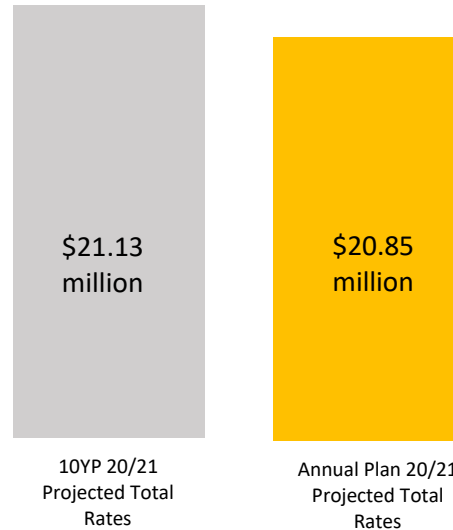
- Treatment plant and network improvements are planned for Mokau to improve the quality of treated water.
- Roads and Footpaths is forecast to be less due to the removal of expenditure for Mokauiti Bridge replacement as the structure is in reasonable condition.
- Sewerage expenditure has reduced due to reflect historical trends and allow for planning and condition assessments to inform the 10YP and future renewal programme.

FORECAST TOTAL RATES REQUIREMENT

The total rates revenue required for the 2020/21 financial year is \$20.85 million (excluding GST) whereas the 2018-28 10YP forecast for the same year was for \$21.13 million; a decrease of \$274,000.

This is an overall increase of 1.54% in rates from current year, which is less than the 2.20% forecast in the 2018-28 10YP for 2020/21.

To achieve this result, Council has prioritised needs and re-sequenced works where appropriate. More favourable interest rates and a lower than forecast public debt position have also contributed to the reduction in this year's rates requirement.



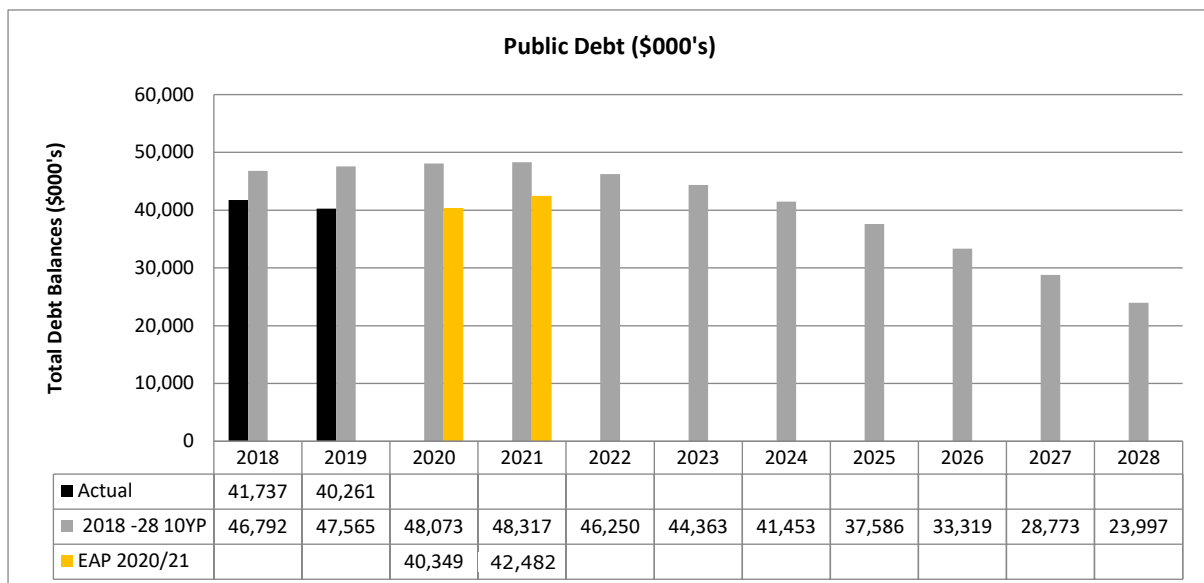
RATES PENALTIES

Council recognises that the Covid-19 pandemic will have economic ramifications for both the community and Council operations. To support the individuals and businesses that are negatively impacted by the pandemic, the penalty charge on Instalment 1 has been reduced to 4%. The penalty charge on the remaining instalments is unchanged at 10%.

In addition, the arrears penalty that is usually imposed in July, on outstanding rates balances at 1 July 2020, will be delayed until January 2021. This deferral will provide an additional six months for ratepayers to clear their arrears without incurring penalties on their 1 July balance.

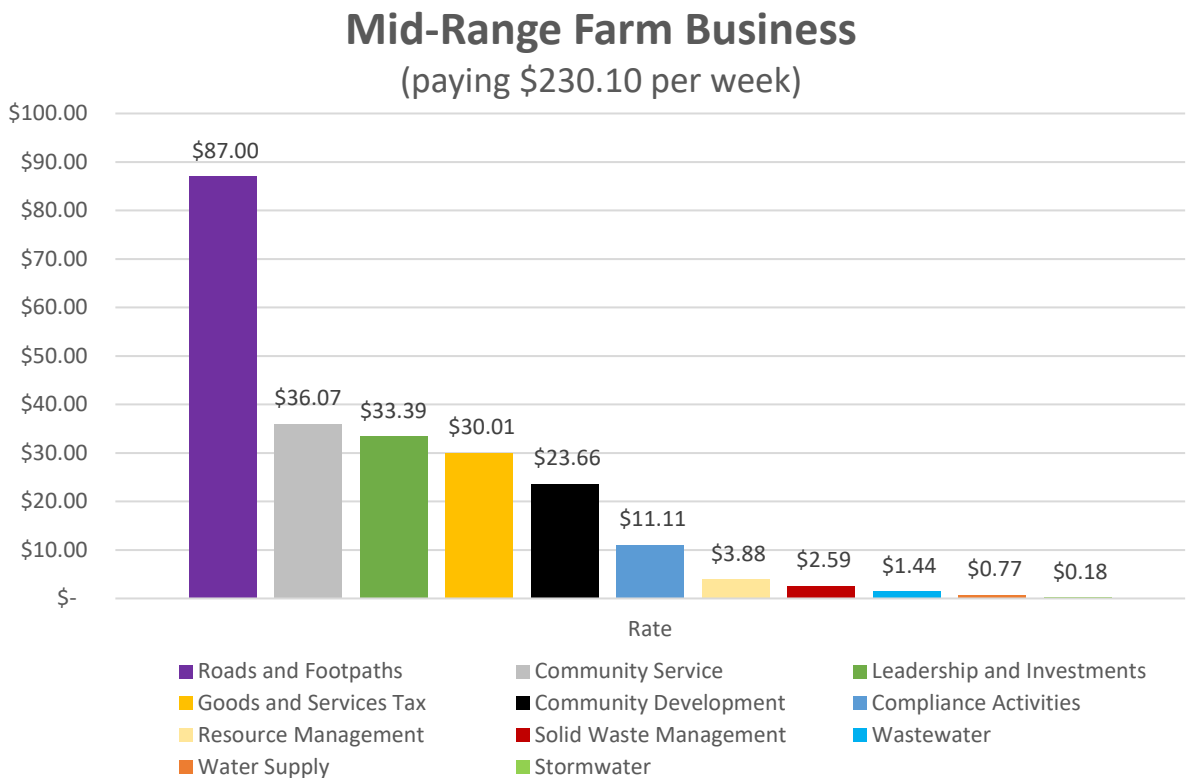
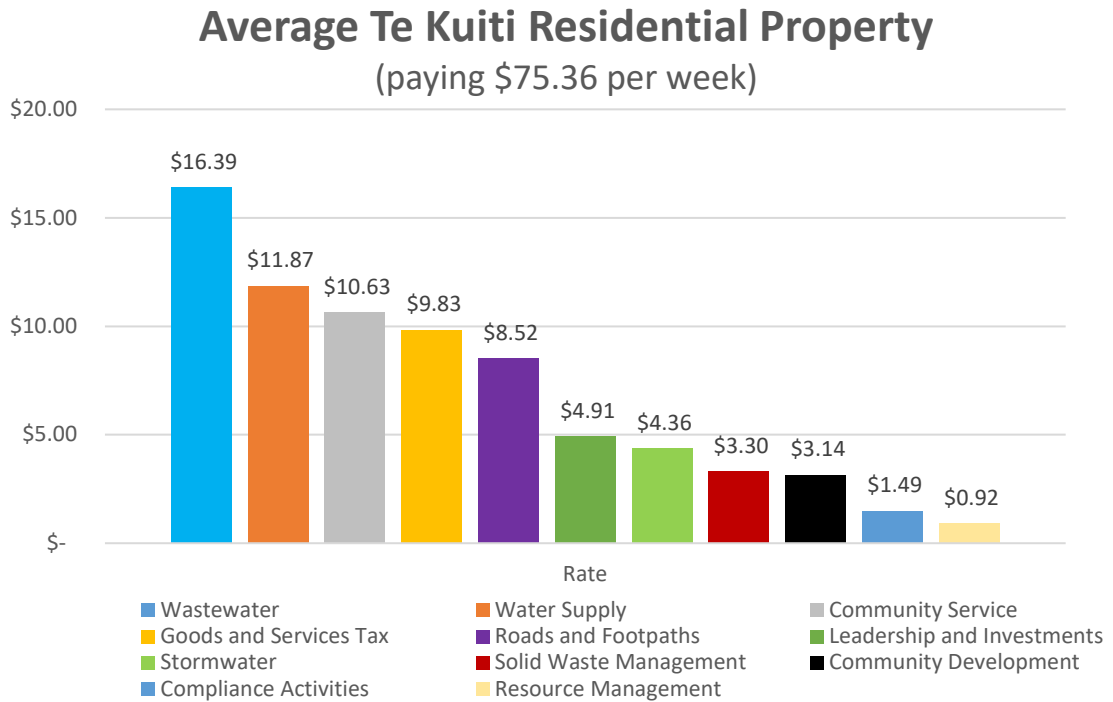
OVERALL PUBLIC DEBT

Public debt is tracking below forecasts set in the 2018-28 10YP. Debt is forecast in the Annual Plan to be \$42.5 million at 30 June 2021, whereas debt was forecast to be \$48.3 million at the same date in the 2018-28 10YP.



WHERE YOUR RATES ARE SPENT

The following provides a summary of where rates are spent on a weekly basis using indicative residential and rural properties.



INTRODUCTION

This section outlines Council’s prospective financial performance and position for the 2020/21 financial year in prospect. The information that follows show the financial impact of the measures and decisions Council has taken as detailed in this plan.

Summary Cost of Service Statement for All of Council

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Operating Income			
860	Leadership	919	582	(337)
687	Community Service	550	577	27
29	Community Development	45	34	(11)
458	Compliance	469	465	(4)
1,148	Solid Waste Management	1,173	1,551	378
190	Resource Management	89	165	76
882	Sewerage	875	821	(54)
10,666	Roads and Footpaths	10,261	9,971	(290)
14,920	Total Operating Income	14,381	14,166	(215)
	Operating Expenditure			
2,317	Leadership	2,333	3,003	670
4,591	Community Service	4,247	4,693	446
2,780	Community Development	1,914	2,887	973
1,225	Compliance	1,032	1,247	215
2,128	Solid Waste Management	2,317	2,453	136
439	Stormwater Drainage	410	438	28
954	Resource Management	1,484	1,567	83
3,246	Sewerage	3,399	2,996	(403)
2,881	Water Supply	3,179	2,877	(302)
9,772	Roads and Footpaths	10,332	9,888	(444)
30,333	Total Operating Expenditure	30,647	32,049	1,402
15,413	Net Operating Cost/(Surplus)	16,266	17,883	1,617
	Capital Expenditure			
918	Leadership	693	723	30
1,001	Community Service	665	787	122
2	Community Development	5	0	(5)
1,046	Solid Waste Management	1,211	1,181	(30)
142	Stormwater Drainage	208	133	(75)
437	Sewerage	675	378	(297)
676	Water Supply	442	1,046	604
8,161	Roads and Footpaths	7,305	6,968	(337)

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
12,383	Total Capital Expenditure	11,204	11,216	12
27,796	Net Expenditure for Activity	27,470	29,099	1,629
	Funded by			
4,318	Internal Loans	3,731	5,074	1,343
(999)	External Loan Repayments	(1,120)	(698)	422
3,939	Reserves	3,731	3,869	138
4,594	General Rates	4,138	5,280	1,142
3,464	UAGC	3,678	3,558	(120)
12,480	Targeted Rates	13,312	12,016	(1,296)
27,796	Total Funding	27,470	29,099	1,629
5,956	Depreciation and Amortisation Expense	5,849	6,108	259

Prospective Statement of Comprehensive Revenue and Expense for Years Ending 30 June

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's
	Revenue		
20,087	Rates Revenue excluding metered water rates	20,709	20,412
881	Metered Water Rates from non-exchange transactions	858	892
10,577	Subsidies and Grants	10,017	9,749
350	Investment Income	400	0
14	Interest revenue from exchange transactions	15	15
3,355	Fees and Charges	3,303	3,765
194	Other revenue including gains/(losses)	207	187
35,458	Total Revenue and Gains/(Losses)	35,509	35,020
	Expenditure		
5,690	Employee benefit expenses	5,724	5,884
5,956	Depreciation and amortisation expense	5,849	6,108
2,035	Finance costs	2,665	1,426
16,652	Other expenses	16,409	18,631
30,333	Total Expenditure	30,647	32,049
5,125	Surplus/(Deficit)	4,862	2,971
	Other Comprehensive Revenue and Expense		
6,004	Gains/(Losses) on revaluation of property, plant and equipment	3,732	4,291
6,004	Total Other Comprehensive Revenue and Expense	3,732	4,291
11,129	Total Comprehensive Revenue and Expense for the year	8,594	7,262

Prospective Statement of Changes in Equity for Year Ending 30 June

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's
	Total Equity		
318,213	Opening balance at 1 July	314,593	331,131
6,004	Revaluation of property, plant and equipment	3,732	4,291
6,004	Net Income recognised directly in equity	3,732	4,291
5,125	Net Surplus/(Deficit) for the year	4,862	2,971
5,125	Total Recognised Income for the years ending 30 June	4,862	2,971
11,129	Total Comprehensive Revenue & Expense for the year	8,594	7,262
329,342	Balance at 30 June	323,187	338,393

Prospective Statement of Financial Position as at 30 June

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's
	Equity		
220,986	Accumulated Funds	225,150	224,958
14,609	Council Created Reserves	11,606	16,845
11,804	Available for Sale Reserves	4,504	11,439
(1,616)	Hedging Reserves	(1,563)	(2,343)
83,559	Revaluation Reserve	83,490	87,494
329,342	Total Equity	323,187	338,393
	Current Assets		
537	Cash and Cash Equivalents	448	570
3	Other Financial Assets	3	3
84	Inventory	51	93
531	Receivables Under Exchange Transactions	412	157
4,801	Receivables Under Non Exchange Transactions	6,225	5,041
5,956	Total Current Assets	7,139	5,864
	Current Liabilities		
3,718	Payables and Deferred Revenue Under Exchange Transactions	4,288	3,178
878	Payables and Deferred Revenue Under Non Exchange Transactions	555	750
24,140	Current Portion of Borrowings	21,000	23,482
3	Provisions	27	3
616	Employee Entitlements	573	623
605	Derivative Financial Instruments	608	677
29,960	Total Current Liabilities	27,051	28,713
(24,004)	Net Working Capital	(19,912)	(22,849)
	Non Current Assets		
361,134	Property, Plant and Equipment	366,249	368,549
1,076	Intangible Assets	505	1,152
788	Investment Property	750	897
410	Other Financial Assets	401	495
11,820	Investment in CCO & Civic Financial Services Ltd	4,520	11,455
375,228	Total Non Current Assets	372,425	382,548
	Non Current Liabilities		
20,000	Borrowings	27,317	19,000
750	Provisions	981	461
1,132	Derivative Financial Instruments	1,028	1,845
21,882	Total Non Current Liabilities	29,326	21,306
329,342	Net Assets	323,187	338,393

Prospective Cash Flow Statement for years ending 30 June

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's
	Cash flows from Operating Activities		
	Cash forecast to be provided from:		
20,968	Rates Revenue (including penalties)	20,765	21,304
10,577	Subsidies and Grants	10,017	9,749
350	Investment Income	400	0
503	Property Rentals	523	543
125	Petroleum Tax	136	135
14	Interest Revenue	15	15
2,921	Receipts from other revenue	3,510	3,274
35,458		35,366	35,020
	Cash forecast to be applied to:		
22,063	Payments to Suppliers and Employees	21,427	24,088
280	Elected Members	242	427
2,035	Interest Paid on Borrowings	2,665	1,426
24,378		24,334	25,941
11,080	Net Cash Inflows from Operating Activities	11,032	9,079
	Cash flows from Investing Activities		
	Cash forecast to be provided from:		
4	Repayment of Advance to Community Groups	3	4
4		3	4
	Cash forecast to be applied to:		
12,100	Purchase and development of Property, Plant and Equipment	10,742	10,784
283	Purchase of Intangible Assets	462	432
12,383		11,204	11,216
(12,379)	Net Cash Outflows from Investing Activities	(11,201)	(11,212)
	Cash flows from Financing Activities		
	Cash forecast to be provided from:		
21,299	Proceeds from Borrowings	30,244	27,133
21,299		30,244	27,133
	Cash forecast to be applied to:		
20,000	Repayment of Borrowings	30,000	25,000
20,000		30,000	25,000
1,299	Net Cash Inflows from Financing Activities	244	2,133
0	Net increase/(decrease) in cash and cash equivalents	75	0
537	Cash and cash equivalents at the beginning of the year	373	570
537	Cash and cash equivalents at the end of the year	448	570
	Cash at the end of the year represented by:		
537	Cash and cash equivalents	448	570

Prospective Statement of Public Debt for years ending 30 June

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's
42,841	Opening Balance	48,073	40,349
21,299	Loans Raised	30,244	27,133
(20,000)	Loans Repaid	(30,000)	(25,000)
44,140	Closing Balance	48,317	42,482

Note: Loans raised or repaid shown in the Public Debt, Cash Flow and Statement of Financial Position prospective statements are based on budgeted cash flow requirements, which includes working capital movements and do not equate to either the internal loans drawn or the external loan repayments shown in the Estimated Cost of Service Statements or the Statement of Funding Sources.

Prospective Statement in Reserve Fund Movements for the years ending 30 June

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's
14,741	Opening Balance	11,842	16,911
(132)	Transfer to/(from) Reserves	(237)	(66)
14,609	Closing Balance	11,605	16,845

Note: Reserves form part of Council's total equity which is matched by net assets (i.e assets less liabilities, both current and non-current). Reserves are not matched by available cash.

The use of reserves as a funding tool will therefore result in either a decrease in available cash, or when cash is not available, an increase in in Public Debt.

Reconciliation of Summary Cost of Service Statement to Prospective Statement of Comprehensive Revenue and Expense

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's
5,125	Surplus/(Deficit) from Prospective Comprehensive Revenue and Expense Statement	4,862	2,971
15,413	Net Operating Cost/(Surplus) from Summary Cost of Service Statement for All of Council Activities	16,266	17,883
	Plus Rates Revenue		
4,594	General Rates	4,138	5,280
3,464	UAGC	3,678	3,558
12,480	Targeted Rates and Service Charges	13,312	12,016
5,125	Net Surplus/(Deficit)	4,862	2,971

Forecast Capital Expenditure

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Governance: Leadership and Investments			
41	Investments	42	42	0
877	Corporate Support	651	681	30
918		693	723	30
	Community Service			
192	Parks and Reserves	174	249	75
142	Housing and Other Property	39	75	36
207	Recreation and Culture	105	215	110
460	Public Amenities	347	248	(99)
1,001		665	787	122
	Community Development			
2	District Development	5	0	(5)
2		5	0	(5)
	Solid Waste Management			
1,046	Landfill Management	1,211	1,181	(30)
1,046		1,211	1,181	(30)
	Stormwater Drainage			
137	Te Kuiti Stormwater	203	128	(75)
5	Rural Stormwater	5	5	0
142		208	133	(75)
	Sewerage			
338	Te Kuiti Sewerage	605	309	(296)
15	Te Waitere Sewerage	26	26	0
54	Maniaiti/Benneydale Sewerage	13	13	0
30	Piopio Sewerage	31	30	(1)
437		675	378	(297)
	Water Supply			
380	Te Kuiti Water	358	425	67
76	Mokau Water	11	523	512
216	Piopio Water	69	69	0
4	Maniaiti/Benneydale	4	29	25
676		442	1,046	604
	Roads and Footpaths			
7,995	Subsidised Roads	7,112	6,802	(310)
166	Unsubsidised Roads	193	166	(27)
8,161		7,305	6,968	(337)
12,383	Total Capital and Renewal Expenditure	11,204	11,216	12

FUNDING IMPACT STATEMENT

Introduction

Council is required under clause 20 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement.

The Funding Impact Statement provides a summary of Council's funding sources and how the funds are to be applied, as well as the detailed rate requirement for the 2020/21 financial year.

The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is available on Council's website www.waitomo.govt.nz

Rates Remissions and Postponements

Remissions

Council has developed a rates remissions policy as per LGA (section 102 (3)(a), 108 and 109) and Local Government (Rating) Act 2002 (Section 85).

Remission categories include Properties Used Jointly as a Single Unit, Community Organisations, Penalties, Financial Hardship, Organisations Providing Care for the Elderly, Clubs and Societies, New Residential Subdivisions, Council Properties, Maori Freehold Land, Cases of Land Affected by Natural Calamity, New Businesses and Rates and/or Penalties following a rating sale or abandoned land sale. The estimated value of these rates remissions is \$383,500 for the 2020/21 year.

Postponements

Under the Policy on Remission of Rates, Council will not offer any permanent postponements of rates.

Separately Used or Inhabited Part of a Rating Unit (SUIP)

Council has resolved that the basis of calculating liability for the Uniform Annual General Charge (UAGC) and for certain targeted fixed rates (TFRs), will be the number of 'separately used or inhabited parts' (SUIPs) of rating units.

Council sets TFRs in all rating areas of the District on a SUIP basis for provision of:

- Water Supplies
- Sewerage Systems
- Solid Waste Management
- Solid Waste Collection
- Unsubsidised Roading
- Aquatic Centre
- Marokopa Community Centre
- Rural Stormwater

Definition of SUIP

A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer,

having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

1. STATEMENT OF FUNDING SOURCES

The table on the following page provides a summary of the funding sources for the 2020/21 year. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecasts. The table is produced on a GST exclusive basis.

Explanation of Rates adjustment between General Rate and UAGC

The Statement of Funding Sources and the associated Funding Impact Statement provide for an overall funding adjustment. That adjustment is made after consideration of the overall impact on the community (as provided for by section 101 (3) (b) of the LGA) and applies to the 2020/21 financial year. This adjustment results in the transfer of \$571,760* from the Uniform Annual General Charge to the General Rate in an effort to maintain a funding equity between urban and rural ratepayers within the Waitomo District and their respective contribution to those services with a high element of public good. The above adjustment is reflected in the Estimated Cost of Service Statements.

	Year 2020/21	
	General Rate \$000's	UAGC \$000's
Rate requirement before application of Section 101 (3)(b) adjustment	4,708	4,130
*Section 101(3)(b) Adjustment	572	(572)
Subtotal	5,280	3,558
Add - GST @ 15%	792	534
Total Requirement (inc GST) (as per Sections 3 and 4 - Funding Impact Statement)	6,072	4,092

2. FUNDING CAP FOR UNIFORM CHARGES

Section 21 of the Local Government (Rating) Act 2002 (LGRA) requires that revenue from certain rates must not exceed 30% of total rates revenue. Those rates include Uniform Annual General Charges and Targeted Rates that are set on a uniform basis.

Council is not in breach of the Funding Cap for this Exceptions Annual Plan. The uniform charges for 2020/21 are 22.6% of the total rates revenue (25.5% before Section 101 (3) (b) adjustment).

Statement of Funding Sources

EAP 2019/20 \$000's		10YP 2020/21 \$000's	EAP 2020/21 \$000's	VARIANCE to 10YP \$000's
	Targeted Rates and Service Charges			
2,485	Sewerage	2,596	2,175	(421)
1,804	Water	2,124	1,886	(238)
881	Metered Water Rate	858	892	34
378	Targeted Services Rate	396	390	(6)
346	District Development Rate	334	344	10
16	Piopia Retirement Village Contribution	16	16	0
5,048	District Rooding Rate	5,405	5,013	(392)
858	Solid Waste Management	945	645	(300)
205	Solid Waste Collection	215	213	(2)
455	Stormwater	419	438	19
4	Marokopa Community Centre	4	4	0
12,480	Forecast Total Targeted Rates and Service Charges	13,312	12,016	(1,296)
3,464	UAGC	3,678	3,558	(120)
4,594	General Rates	4,138	5,280	1,142
20,538	Forecast Total Rates Requirement	21,128	20,854	(274)
	<i>Percentage Rates Increase</i>	<i>2.20%</i>	<i>1.54%</i>	
	Other Revenue Sources			
10,577	Subsidies and grants	10,017	9,749	(268)
350	Investment Income	400	0	(400)
14	Interest Revenue	15	15	0
430	Rates Penalties Revenue	437	450	13
3,549	Fees and Charges	3,512	3,952	440
14,920	Total Other Revenue	14,381	14,166	(215)
	Other Funding Sources			
4,318	Internal Loans Raised	3,731	5,074	1,343
4,318	Total Other Funding Sources	3,731	5,074	1,343
39,776	Total Funding Sources	39,240	40,094	854
	Funding applied to			
30,333	Operating Expenditure	30,647	32,049	1,402
12,383	Capital Expenditure	11,204	11,216	12
3,116	Internal Loan Repayments	3,399	3,327	(72)
999	External Loan Repayments	1,120	698	(422)
(7,055)	Reserve Transfers	(7,130)	(7,196)	(66)
39,776	Total Funding Used	39,240	40,094	854

3. GENERAL RATE

Description and Use

The General Rate set on every rating unit across the District is assessed as a rate per \$100 of capital value. The General Rate is not set differentially. The rationale for assessing the General Rate using Capital Value is contained in the Revenue and Financing Policy.

The General Rate will contribute to the funding of:

- Governance: Leadership and Investments
- Leased Reserves
- Other Land and Buildings
- District Libraries
- Aquatic Centre
- Arts, Culture and Heritage
- Aerodrome
- Public Amenities
- Parks and Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Support
- District Development
- Emergency Management
- Compliance
- Waste Minimisation
- Resource Management

Requirement in 2020/21 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the district	0.17435	6,072

4. UNIFORM ANNUAL GENERAL CHARGE

Description and Use

Council will set a Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District under Section 15(1) (b) of the LGRA. The rationale for use of the UAGC is contained in the Revenue and Financing Policy.

The UAGC will contribute to the funding of:

- Governance: Leadership and Investments
- Parks and Reserves
- District Libraries
- Aquatic Centre
- Arts, Culture and Heritage
- Other Land and Buildings
- Public Amenities
- Leased Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Aerodrome
- Community Support
- Emergency Management
- Compliance
- Resource Management
- Waste Minimisation
- Subsidised Rooding

Requirement in 2020/21 (incl. GST)

UAGC	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district	\$718	4,092

5. TARGETED RATES

Description and Use

Targeted Rates are set on categories of land defined by some factor, such as geographic location or provision of service.

The titles of 'Targeted Rate' ('TR') and Targeted Fixed Rate (TFR) are used by this Council. Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value or water consumption.

5.1. Targeted rates differentiated On Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Targeted Services TFR, Piopio Retirement Village Contribution TFR, Rural Stormwater TFR, Te Kuiti Urban Stormwater TFR and targeted rate, and the Marokopa Community Centre TFR.

The following location definitions for the respective rating areas will apply:

Te Kuiti Urban Rating Area	<i>All rating units situated within the Te Kuiti Urban Ward (Refer to Revenue and Financing Policy (RFP) for further details)</i>
Te Kuiti Urban and Periphery Rating Area	<i>All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town), in Te Kuiti. (Refer to RFP for further details)</i>
Rural Rating Area	<i>All rating units situated within the Rural Ward (Refer to RFP for further details)</i>
Piopio Township	<i>All rating units connected or with the ability to connect to the Piopio Sewerage System (Refer to RFP for further details)</i>
Piopio Wider Benefit Rating Area	<i>All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIP's connected or with the ability to connect to the Piopio Sewerage System) that are deemed to indirectly benefit from the Piopio Sewerage reticulation network. (Refer to RFP for further details)</i>
Marokopa Community Centre Rating Area	<i>Any separately used or inhabited part of a rating unit within the defined Marokopa Community Centre area (as contained in the RFP).</i>

(a) Targeted Services TFR

Description and use

Council will set a Targeted Services TFR per separately used or inhabited part of a rating unit in the District, differentiated by rating areas, to part fund the Unsubsidised Rooding Activity and part fund the Aquatic Centre Activity. The rating areas for the purpose of assessing the Targeted Services TFR will be the Te Kuiti Urban and Periphery Rating Area and Rating Units in the District not in the Te Kuiti Urban and Periphery Rating area.

Requirement in 2020/21 (incl. GST)

Targeted Services (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti Urban and Periphery Rating Area	\$141	337
Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area	\$34	112

(b) Piopio Retirement Village Contribution TFR

Description and Use

Council will set a TFR per rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Inc. through the remission of service charges. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2020/21 (incl. GST)

Piopio Retirement Village Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$24	18

(c) Rural Stormwater TFR

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit in the Rural Rating Area of the District to fund the Rural Stormwater Activity.

Requirement in 2020/21 (incl. GST)

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$11	39

(d) Te Kuiti Urban Stormwater TFR and Targeted Rate

Description and Use

- (i) Council will set a TFR per rating unit in the Te Kuiti Urban Rating Area to partly fund the Urban Stormwater Activity.
- (ii) Council will set a Targeted Rate to partly fund the Urban Stormwater Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kuiti Urban Rating Area

excluding those in respect of which there is a current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

Requirement in 2020/21 (incl. GST)

Urban Stormwater (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$167	303

Requirement in 2020/21 (incl. GST)

Urban Stormwater Targeted Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area (excluding rating units not using network)	0.03480	161

5.2. Marokopa Community Centre TFR

Description and Use

Council will set a TFR assessed per separately used or inhabited part of a rating unit within the defined Marokopa Community Centre Rating Area (as contained in the Revenue and Financing Policy).

Requirement in 2020/21 (incl. GST)

Marokopa Community Centre (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Marokopa Community Centre Rating Area	\$22	5

5.3. Water Rates

Description and Use

Council will set a TFR for Water Supply differentiated on the basis of supply area.

The TFR is set per separately used or inhabited part of a rating unit within Te Kuiti and Rural Communities (Piopio, Maniaiti/Benneydale and Mokau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

Requirement in 2020/21 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$664	\$332	1,405
Piopio	\$916	\$458	231
Maniaiti / Benneydale	\$916	\$458	111
Mokau	\$916	\$458	204

Council will set a TR per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP, differentiated by supply area that has been fitted with a water meter and/or is defined

as having an extraordinary supply (in accordance with Council's Water Services Bylaw).

Requirement in 2020/21 (incl. GST)

Water Supply Rate (TR)	2020/21 Charge per cubic metre (including GST) above 292m ³
Te Kuiti	\$2.77
Piopio	\$3.03
Maniaiti / Benneydale	\$3.34
Mokau	\$4.44
Total Revenue Requirement (\$000)	1,026

Metered Water Supply Due Dates

	Reading Period	Due Date
Te Kuiti Meat Companies	Monthly	15 th of the month following invoice
Te Kuiti, Piopio, Mokau and Maniaiti / Benneydale	Jul-Dec 2020 Jan-Jun 2021	15 th of the month following invoice

5.4. District Wide Benefit Rate for Water Supply

Description and Use

Council will set a TFR on every rating unit within the District to part fund the water supply activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2020/21 (incl. GST)

District Wide Benefit Rate Water Supply (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$46	217

5.5. Sewerage Rates

Description and Use

Council will set a TFR to provide for the collection and disposal of sewage. The TFR is set per separately used or inhabited part of a rating unit within the District, with liability calculated based on whether the SUIP is connected to the sewerage network, or merely serviceable (Serviceable means the rating unit is within 30m of sewer reticulation and practically serviceable in the opinion of Council).

Requirement in 2020/21 (incl. GST)

Sewerage (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Maniaiti / Benneydale	\$894	\$447	101
Te Waitere	\$894	\$447	15
Te Kuiti	\$894	\$447	1,527
Piopio	\$894	\$447	194

(a) Sewerage rates for non-residential properties in Te Kuiti

Description and Use

For all non-residential properties in Te Kuiti, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following categories:

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

Requirement in 2020/21 (incl. GST)

Base Charge:

Non – residential Targeted Rate (TFR)	Base Charge Per SUIP (up to 4 pans)	Per serviceable SUIP	Total Revenue Requirement (\$000)
Category 1	\$447	\$447	93
Category 2	\$447	\$447	20
Category 3	\$894	\$447	16

Pan Charge:

Non – residential Targeted Rate (TFR)	Number of Pans	Charge per pan (pan charge)	Total Revenue Requirement (\$000)
Category 1	5 th pan and over	\$626	64
Category 2	5-10 Pans	\$268	3
	Over 10 Pans	\$179	22
Category 3	5 th Pan and over	\$626	38

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

5.6. Trade Waste Contribution TFR

Description and Use

A Trade Waste Contribution TFR will be set per rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kuiti Wastewater Network. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2020/21 (incl. GST)

Trade Waste Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$37	176

5.7. District Wide Benefit Rate for Sewerage

Description and Use

Council will set a TFR on every rating unit within the District to part fund the sewerage activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2020/21 (incl. GST)

District Wide Benefit Rate Sewerage (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$49	232

5.8. District Rooding RateDescription and Use

Council will set a District Rooding targeted rate as a rate per \$100 of capital value on every rating unit across the District to part fund Subsidised Rooding (part of Roads and Footpaths Activity). The rationale for use of the rate is contained in the Revenue and Financing Policy.

Requirement in 2020/21 (incl. GST)

District Rooding Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
All Rating Units in the District	0.16553	5,765

5.9. Solid Waste Collection RateDescription and Use

Council will set a TFR per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kuiti, Piopio, Mokau (including Awakino) communities and Waitomo Village and some surrounding parts).

Requirement in 2020/21 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$61	124
Waitomo	\$67	45
Piopio	\$135	32
Mokau	\$141	44

5.10. Solid Waste Management RateDescription and Use

Council will set a TFR per separately used or inhabited part of a rating unit District wide to part fund the activity of solid waste management.

Requirement in 2020/21 (incl. GST)

Solid Waste Management (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All Rating Units in the District	\$131	742

5.11. District Development RateDescription and Use

Council will set a District Development Targeted Rate as a rate per \$100 of capital value differentiated between Commercial and Industrial Businesses, and Rural Businesses, to part fund Economic Development, Visitor Information Centre, District and Regional Promotion and Event Co-ordination activities. Refer to the Revenue and Financing Policy for details.

Requirement in 2020/21 (incl. GST)

District Development Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Commercial and Industrial Businesses	0.05077	198
Rural Businesses	0.00889	198

6. RATES PAYMENTS

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing **1 July 2020** will be payable in four equal instalments with the due dates for payment being:

1st Instalment	31 August 2020 (Monday)
2nd Instalment	30 November 2020 (Monday)
3rd Instalment	26 February 2021 (Friday)
4th Instalment	31 May 2021 (Monday)

Note

The due date for payment of each instalment is the last working day in each of the months specified above.

Rates payments will be allocated to the oldest debt first.

Penalties

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 4 percent (4%) on any part of Instalment 1 that has been assessed for the financial year commencing 1 July 2020 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty date below:

Instalment 1 3 September 2020

- (b) A penalty charge of 10 percent (10%) on any part of Instalment 2, Instalment 3 or Instalment 4 that has been assessed for the financial year commencing 1 July 2020 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 2 3 December 2020
 Instalment 3 3 March 2021
 Instalment 4 3 June 2021

- (c) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2020 that remains unpaid on 1 January 2021, to be added on 7 January 2021.

- (d) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.



RATES EXAMPLES

Rates Examples 2020/21

(Including GST) Capital Value \$ as at September 2018	Te Kuiti Residential \$270,000 2020/21	Te Kuiti Commercial \$330,000 2020/21 3 pans	Te Kuiti Wider Rating Area \$810,000 2020/21	Waitomo Commercial \$1,590,000 2020/21 (2 parts)	Maniaiti/Benneydale Residential \$60,000 2020/21	Piopio Residential \$205,000 2020/21	Piopio Wider Rating Area \$460,000 2020/21	Mokau Residential \$385,000 2020/21	Drystock Rural \$3,130,000 2020/21	Dairy Farm Rural \$5,850,000 2020/21 (4 parts)	Te Waitere Residential \$270,000 2020/21
Uniform Annual General Charge (UAGC)	718	718	718	1,436	718	718	718	718	718	2,872	718
General Rate	471	575	1,412	2,772	105	357	802	671	5,457	10,199	471
District Roding Rate	447	546	1,341	2,632	99	339	761	637	5,181	9,684	447
Targeted Services Rate (Urban)	141	141	141	0	0	0	0	0	0	0	0
Targeted Services Rate (Rural)	0	0	0	68	34	34	34	34	34	136	34
District Development Rate - Commercial	0	168	0	807	0	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	278	520	0
District Benefit Water	46	46	46	46	46	46	46	46	46	46	46
District Benefit Sewerage	49	49	49	49	49	49	49	49	49	49	49
Stormwater Urban Fixed Charge	167	167	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	94	115	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	11	22	11	11	11	11	11	44	11
Water Supply (Te Kuiti and Rural Communities)	664	664	0	0	916	916	0	916	0	0	0
Sewerage (Uniform)	894	447	0	0	894	894	0	0	0	0	894
Piopio Retirement Village Contribution	0	0	0	0	0	24	24	0	0	0	0
Te Kuiti Trade Waste Contribution	37	37	37	37	37	37	37	37	37	37	37
Solid Waste Management - District	131	131	131	262	131	131	131	131	131	524	131
Solid Waste Collection & Recycling	61	61	67	134	0	135	0	141	0	268	0
Marokopa Community Centre	0	0	0	0	0	0	0	0	22	0	0
Proposed Total Rates 2020/21	3,920	3,865	3,953	8,265	3,040	3,691	2,613	3,391	11,964	24,379	2,838
Total Rates (Actual) 2019/20	3,945	3,814	3,825	8,018	3,387	4,006	2,560	3,535	11,371	23,324	2,956
Change (%)	-0.6%	1.3%	3.3%	3.1%	-10.2%	-7.9%	2.1%	-4.1%	5.2%	4.5%	-4.0%

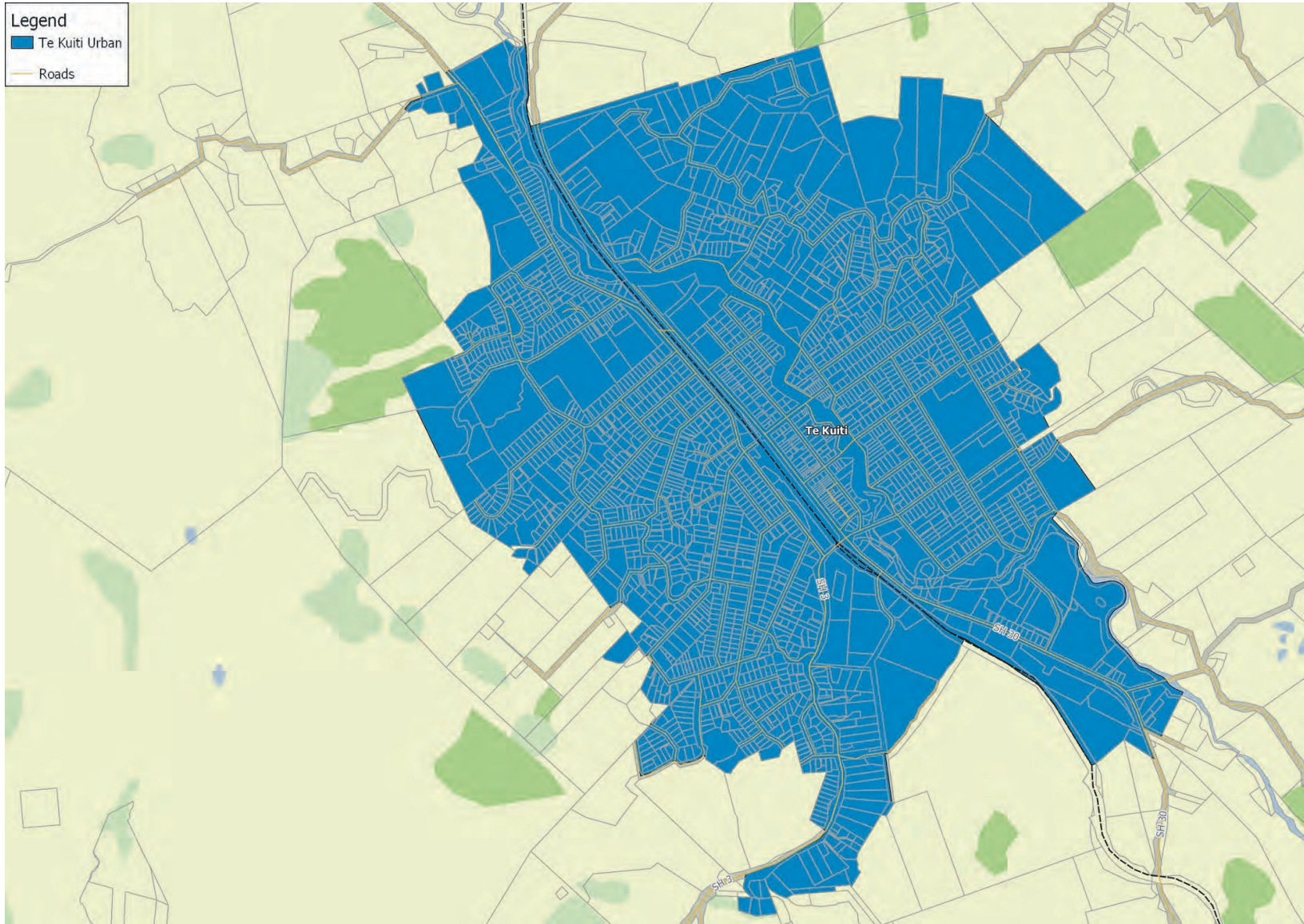
Rates Examples 2019/20

(Including GST) Capital Value \$ as at September 2018	Te Kuiti Residential \$270,000 2019/20	Te Kuiti Commercial \$330,000 2019/20 3 pans	Te Kuiti Wider Rating Area \$810,000 2019/20	Waitomo Commercial \$1,590,000 2019/20 (2 parts)	Maniaiti/ Benneydale Residential \$60,000 2019/20	Piopio Residential \$205,000 2019/20	Piopio Wider Rating Area \$460,000 2019/20	Mokau Residential \$385,000 2019/20	Drystock Rural \$3,130,000 2019/20	Dairy Farm Rural \$5,850,000 2019/20 (4 parts)	Te Waitere Residential \$270,000 2019/20
Uniform Annual General Charge (UAGC)	703	703	703	1,406	703	703	703	703	703	2,812	703
General Rate	411	503	1,234	2,421	91	312	701	586	4,767	8,909	411
District Roding Rate	452	552	1,355	2,660	100	343	770	644	5,237	9,788	452
Targeted Services Rate (Urban)	137	137	137	0	0	0	0	0	0	0	0
Targeted Services Rate (Rural)	0	0	0	64	32	32	32	32	32	128	32
District Development Rate - Commercial	0	169	0	815	0	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	280	523	0
District Benefit Water	44	44	44	44	44	44	44	44	44	44	44
District Benefit Sewerage	56	56	56	56	56	56	56	56	56	56	56
Stormwater Urban Fixed Charge	163	163	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	102	124	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	15	30	15	15	15	15	15	60	15
Water Supply (Te Kuiti and Rural Communities)	575	575	0	0	1,103	1,103	0	1,103	0	0	0
Sewerage (Uniform)	1,028	514	0	0	1,028	1,028	0	0	0	0	1,028
Piopio Retirement Village Contribution	0	0	0	0	0	24	24	0	0	0	0
Te Kuiti Trade Waste Contribution	40	40	40	40	40	40	40	40	40	40	40
Solid Waste Management - District	175	175	175	350	175	175	175	175	175	700	175
Solid Waste Collection & Recycling	59	59	66	132	0	131	0	137	0	264	0
Marokopa Community Centre	0	0	0	0	0	0	0	0	22	0	0
Total Rates (Actual) 2019/20	3,945	3,814	3,825	8,018	3,387	4,006	2,560	3,535	11,371	23,324	2,956

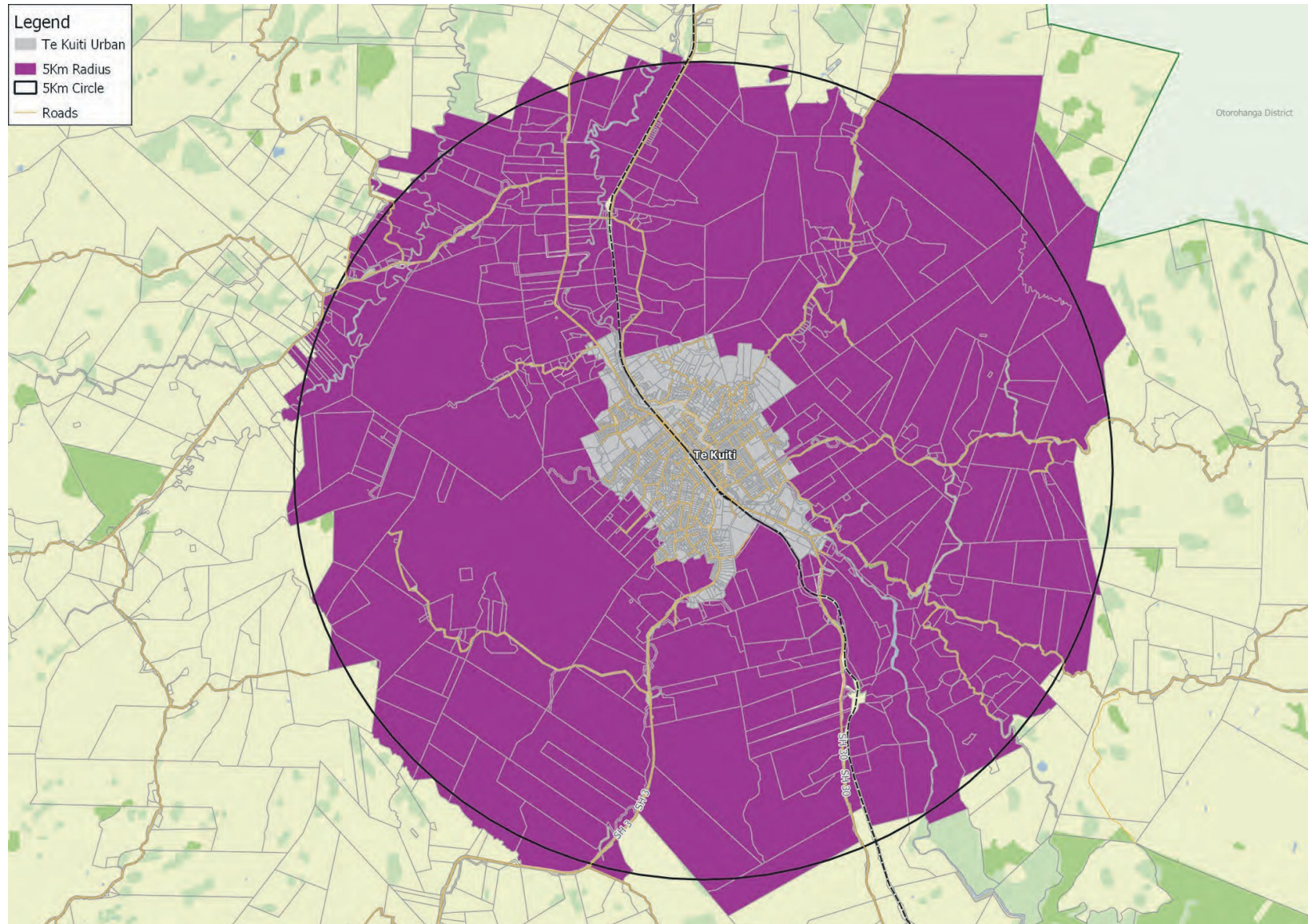


RATING MAPS

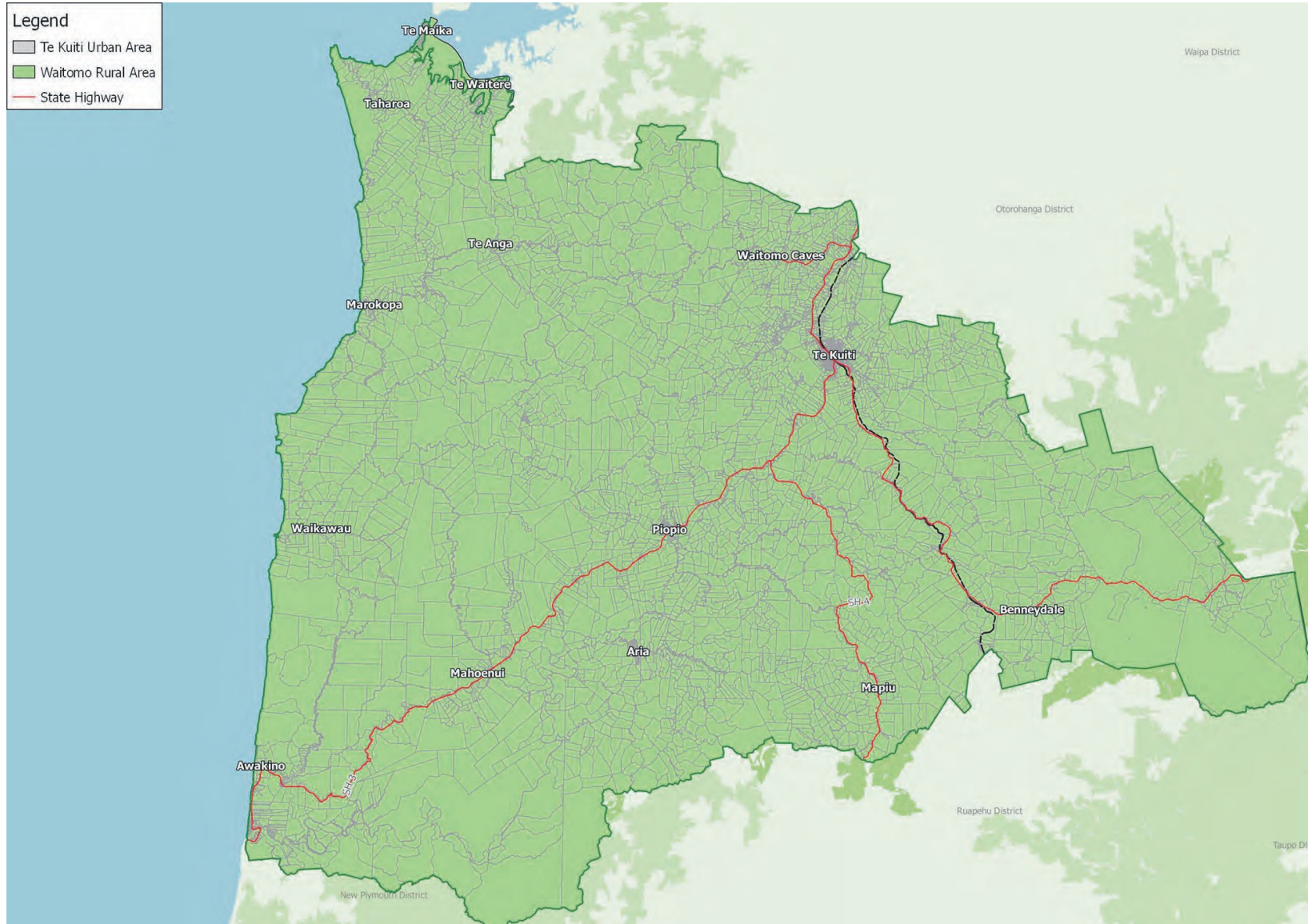
Te Kuiti Urban Rating Area



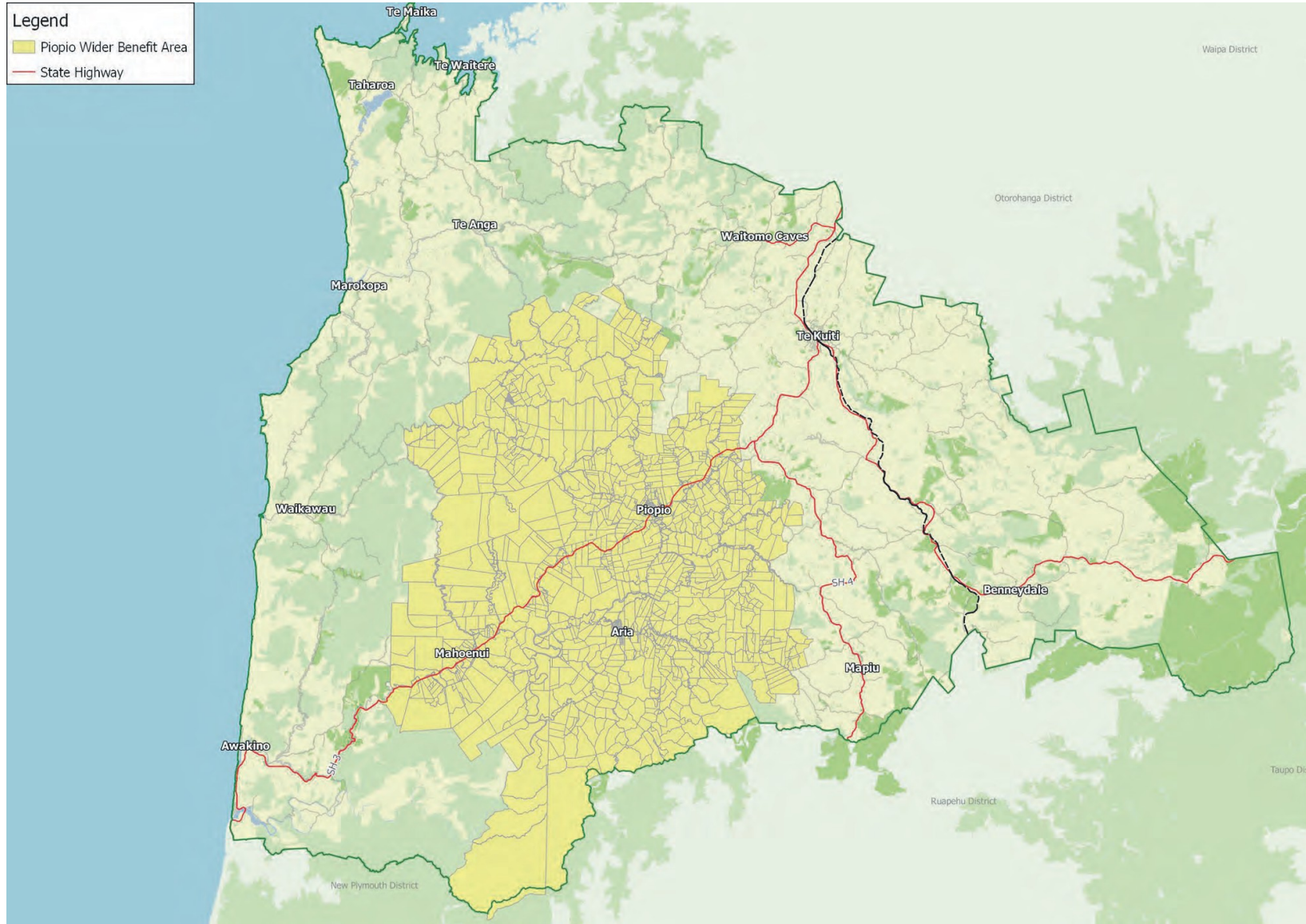
Te Kuiti Urban and Periphery Rating Area



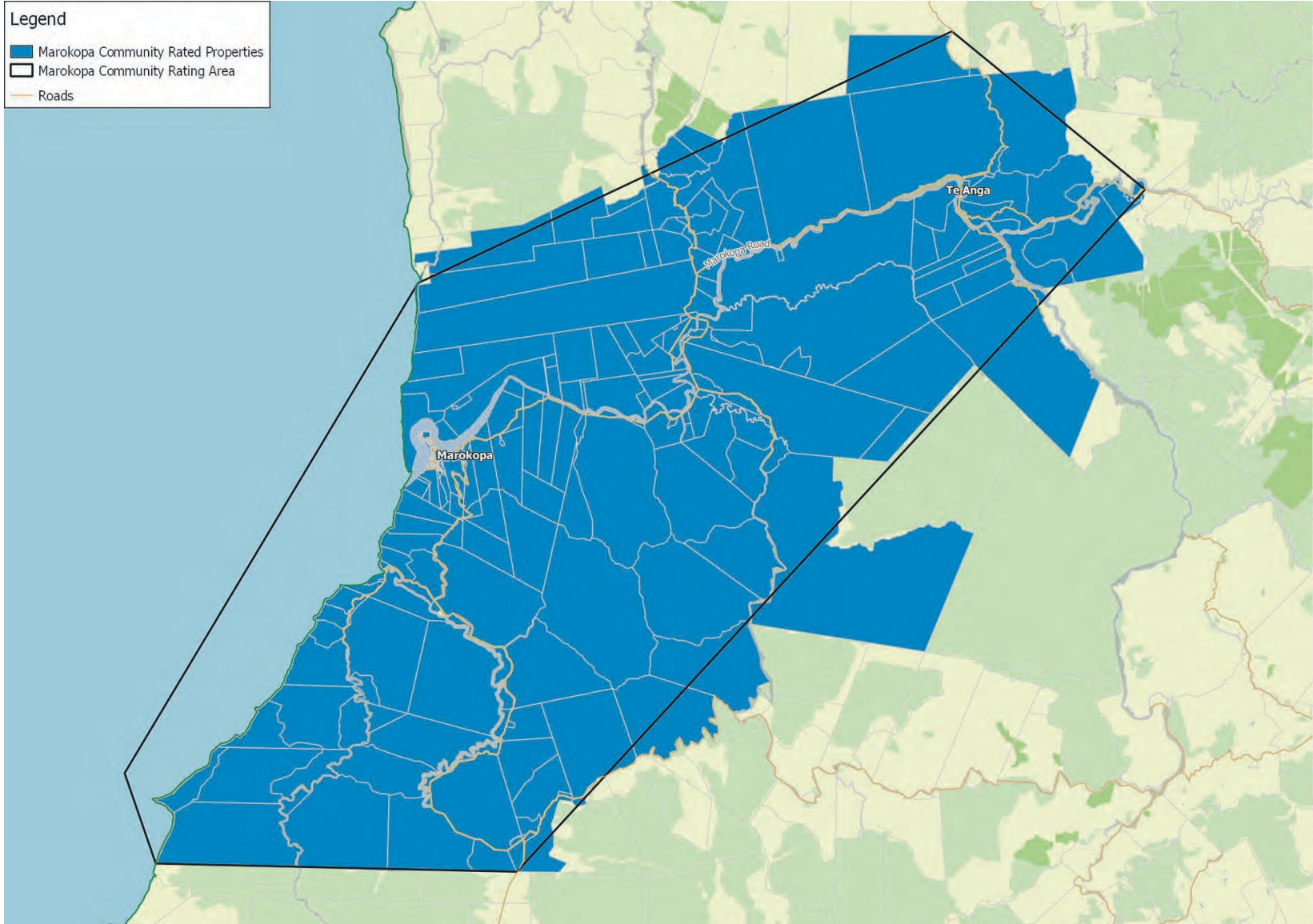
Rural Rating Area



Piopio Wider Benefit Rating Area



Marokopa Community Centre Rating Area



FUNDING IMPACT STATEMENTS

(Local Government (Financial Reporting and Prudence) Regulations 2014)

The following information is presented for compliance with the Local Government (Financial and Prudence Reporting) Regulations 2014 and should not be relied upon for any other purpose than compliance with the Regulations. The statements are not prepared in compliance with generally accepted accounting practice and do not include depreciation expense.

Waitomo District Council: Funding Impact Statement for 2020/21 For Whole of Council	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	8,488	8,252	9,288
Targeted Rates	12,480	13,313	12,016
Subsidies and grants for operating purposes	4,581	4,823	4,784
Fees and charges	3,299	3,276	3,717
Interest and Dividends from Investments	364	414	15
Local authorities fuel tax, fines, infringement fees and other receipts	209	196	193
Total operating funding (A)	29,421	30,274	30,013
Applications of operating funding			
Payments to staff and suppliers	22,430	22,197	24,584
Finance costs	2,035	2,665	1,426
Other operating funding applications	0	0	0
Total applications of operating funding (B)	24,465	24,862	26,010
Surplus (deficit) of operating funding (A-B)	4,956	5,412	4,003
Sources of capital funding			
Subsidies and grants for capital expenditure	5,996	5,235	4,965
Development and financial contributions	0	0	0
Increase (decrease) in debt	4,318	3,731	5,074
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	41	0	42
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	10,355	8,966	10,081
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	1,339	571	860
Capital Expenditure - to replace existing assets	11,044	10,631	10,356
Increase (decrease) in reserves	2,928	3,176	2,868
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	15,311	14,378	14,084
Surplus (deficit) of capital funding (C-D)	(4,956)	(5,412)	(4,003)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2020/21 For Governance: Leadership and Investments	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	2,297	2,292	2,912
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	25	26	76
Internal charges and overheads recovered	19,517	20,315	19,624
Local authorities fuel tax, fines, infringement fees and other receipts	364	415	15
Total operating funding (A)	22,203	23,048	22,627
Applications of operating funding			
Payments to staff and suppliers	8,992	9,079	9,855
Finance costs	2,035	2,640	1,411
Internal charges and overheads applied	10,313	10,430	10,823
Other operating funding applications	0	0	0
Total applications of operating funding (B)	21,340	22,149	22,089
Surplus (deficit) of operating funding (A-B)	863	899	538
Sources of capital funding			
Subsidies and grants for capital expenditure	0	42	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum Contribution	41	0	42
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	41	42	42
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	337	9	20
Capital Expenditure - to replace existing assets	581	683	703
Increase (decrease) in reserves	(14)	249	(143)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	904	941	580
Surplus (deficit) of capital funding (C-D)	(863)	(899)	(538)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2020/21 For Community Services	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	3,534	3,354	3,599
Targeted Rates	272	277	289
Subsidies and grants for operating purposes	1	1	27
Fees and charges	523	548	547
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	3	0	3
Total operating funding (A)	4,333	4,180	4,465
Applications of operating funding			
Payments to staff and suppliers	1,754	1,605	1,848
Finance costs	0	0	0
Internal charges and overheads applied	1,889	1,983	1,865
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,643	3,588	3,713
Surplus (deficit) of operating funding (A-B)	690	592	752
Sources of capital funding			
Subsidies and grants for capital expenditure	160	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	444	365	463
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	604	365	463
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	432	191	235
Capital Expenditure - to replace existing assets	569	473	552
Increase (decrease) in reserves	293	293	428
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,294	957	1,215
Surplus (deficit) of capital funding (C-D)	(690)	(592)	(752)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2020/21 For Community Development	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	1,389	1,547	1,493
Targeted Rates	362	350	360
Subsidies and grants for operating purposes	0	0	0
Fees and charges	27	43	32
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2	2	2
Total operating funding (A)	1,780	1,942	1,887
Applications of operating funding			
Payments to staff and suppliers	1,992	1,039	2,109
Finance costs	0	0	0
Internal charges and overheads applied	777	857	765
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,769	1,896	2,874
Surplus (deficit) of operating funding (A-B)	(989)	46	(987)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,000	0	1,000
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	1,000	0	1,000
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	2	5	0
Increase (decrease) in reserves	9	41	13
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	11	46	13
Surplus (deficit) of capital funding (C-D)	989	(46)	987
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2020/21 For Compliance	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	904	563	782
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	1	0	0
Fees and charges	430	451	450
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	27	18	15
Total operating funding (A)	1,362	1,032	1,247
Applications of operating funding			
Payments to staff and suppliers	334	223	311
Finance costs	0	0	0
Internal charges and overheads applied	885	803	929
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,219	1,026	1,240
Surplus (deficit) of operating funding (A-B)	143	6	7
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	143	6	7
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	143	6	7
Surplus (deficit) of capital funding (C-D)	(143)	(6)	(7)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2020/21 For Solid Waste Management	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	16	17	38
Targeted Rates	1,063	1,160	858
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,111	1,135	1,512
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	37	38	39
Total operating funding (A)	2,227	2,350	2,447
Applications of operating funding			
Payments to staff and suppliers	1,481	1,525	1,753
Finance costs	0	25	15
Internal charges and overheads applied	550	659	605
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,031	2,209	2,373
Surplus (deficit) of operating funding (A-B)	196	141	74
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	776	838	861
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	776	838	861
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	52	0
Capital Expenditure - to replace existing assets	1,046	1,159	1,181
Increase (decrease) in reserves	(74)	(232)	(246)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	972	979	935
Surplus (deficit) of capital funding (C-D)	(196)	(141)	(74)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2020/21 For Stormwater Drainage	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted Rates	455	419	438
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	455	419	438
Applications of operating funding			
Payments to staff and suppliers	121	129	134
Finance costs	0	0	0
Internal charges and overheads applied	120	96	108
Other operating funding applications	0	0	0
Total applications of operating funding (B)	241	225	242
Surplus (deficit) of operating funding (A-B)	214	194	196
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	142	208	133
Increase (decrease) in reserves	72	(14)	63
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	214	194	196
Surplus (deficit) of capital funding (C-D)	(214)	(194)	(196)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2020/21 For Resource Management	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	258	384	376
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	190	89	165
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	448	473	541
Applications of operating funding			
Payments to staff and suppliers	296	772	892
Finance costs	0	0	0
Internal charges and overheads applied	658	713	675
Other operating funding applications	0	0	0
Total applications of operating funding (B)	954	1,485	1,567
Surplus (deficit) of operating funding (A-B)	(506)	(1,012)	(1,026)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	542	1,102	1,117
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	542	1,102	1,117
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	36	90	91
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	36	90	91
Surplus (deficit) of capital funding (C-D)	506	1,012	1,026
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2020/21 For Sewerage	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted Rates	2,485	2,596	2,175
Subsidies and grants for operating purposes	0	0	0
Fees and charges	882	875	821
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	3,367	3,471	2,996
Applications of operating funding			
Payments to staff and suppliers	1,314	1,372	1,217
Finance costs	0	0	0
Internal charges and overheads applied	1,102	1,216	950
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,416	2,588	2,167
Surplus (deficit) of operating funding (A-B)	951	883	829
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	216	605	261
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	216	605	261
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	437	675	378
Increase (decrease) in reserves	730	813	710
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,167	1,488	1,090
Surplus (deficit) of capital funding (C-D)	(951)	(883)	(829)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2020/21 For Water Supply	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted Rates	2,685	2,982	2,778
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	2,685	2,982	2,778
Applications of operating funding			
Payments to staff and suppliers	1,073	1,147	1,196
Finance costs	0	0	0
Internal charges and overheads applied	1,206	1,356	1,056
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,279	2,503	2,252
Surplus (deficit) of operating funding (A-B)	406	479	526
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	594	369	948
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	594	369	948
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	339	87	373
Capital Expenditure - to replace existing assets	337	354	673
Increase (decrease) in reserves	324	407	428
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,000	848	1,474
Surplus (deficit) of capital funding (C-D)	(406)	(479)	(526)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2020/21 For Roads and Footpaths	EAP 2019/20 \$000's	10YP 2020/21 \$000's	EAP 2020/21 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	90	95	88
Targeted Rates	5,158	5,529	5,118
Subsidies and grants for operating purposes	4,578	4,823	4,757
Fees and charges	112	109	114
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	140	136	135
Total operating funding (A)	10,078	10,692	10,212
Applications of operating funding			
Payments to staff and suppliers	5,073	5,306	5,270
Finance costs	0	0	0
Internal charges and overheads applied	1,928	2,139	1,781
Other operating funding applications	0	0	0
Total applications of operating funding (B)	7,001	7,445	7,051
Surplus (deficit) of operating funding (A-B)	3,077	3,247	3,161
Sources of capital funding			
Subsidies and grants for capital expenditure	5,836	5,193	4,965
Development and financial contributions	0	0	0
Increase (decrease) in debt	746	452	424
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	6,582	5,645	5,389
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	231	232	232
Capital Expenditure - to replace existing assets	7,930	7,074	6,736
Increase (decrease) in reserves	1,498	1,586	1,582
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	9,659	8,892	8,550
Surplus (deficit) of capital funding (C-D)	(3,077)	(3,247)	(3,161)
Funding Balance ((A-B) + (C-D))	0	0	0

STATEMENT OF RESERVE FUNDS

The Council maintains reserves as a sub-part of its equity. Schedule 10(16) Local Government Act 2002 requires certain information on Reserve Funds to be included in the Council's Exceptions Annual Plan. The following represents a summary of Reserve Funds over the period of the plan and provides information on:

- the purpose of the Reserve Fund
- the activity to which the fund relates
- the amount expected to be in the fund at:
 - the commencement of the year;
 - the end of the year;
- the amount expected to be deposited in the fund during the year; and
- the amount expected to be withdrawn from the fund
- during the year.

1. OPERATIONAL RESERVES

Operational Reserves are created to hold short-term funding surpluses (or deficits) arising from the various activities of Council.

This occurs when:

- Operating expenditure exceeds or is less than the budget;
- Operating income exceeds or is less than budget; or
- A combination of both.

A balance held in an operational reserve forms part of the Council's funding considerations for a particular activity in each subsequent year's budget.

For example, the balance in an operational reserve will determine whether more or less income is required in the subsequent year's budget to clear that balance.

Council ensures that rates collected for a particular activity from an identified group of ratepayers are used only for that activity and for the benefit of that identified ratepayer group.

2. DEPRECIATION RESERVES

The Council sets aside accumulated funds from rates in specific Depreciation Reserves to fund repayments on loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives.

Each major activity e.g. water, roading, wastewater, stormwater, solid waste, etc. has its own Depreciation Reserve so that the funds from each can be applied to the appropriate activity.

Council ensures that funds accumulated for a particular activity from an identified group of ratepayers can only be used for that activity and for the benefit of that identified ratepayer group.

The purpose of accumulating specific Depreciation Reserves is to ensure that Council's ability to provide services to the District's communities is maintained.

3. INVESTMENT REVALUATION RESERVES

Council's investment activities include its subsidiary company Inframax Construction Ltd, and Housing and Other Property.

Council is obliged to periodically review the value of its investment in each of these activities. Investment revaluation reserves are therefore created when the value of Council's investment either increases or decreases as a result of that revaluation.

Revaluations of investments do not form part of the Revaluation Reserve shown in the Public Equity section of the Statement of Financial Position.

The balances held in an investment revaluation reserve are not utilised in any way other than to recognise movements in the value of Council's investments.

4. SPECIAL PURPOSE RESERVES

There are four special purpose reserves;

- District Development Special Purpose Reserve: Funds were received from the Development King Country Trust in April 2012 with the intention of setting up a Waitomo District Economic Development Board (or similar entity) to assist with a more integrated strategic focus on sustainable delivery of economic development initiatives within the District.
- Waste Minimisation Special Purpose Reserve: Funds received from the Ministry for the Environment under Section 31 of the Waste Minimisation Act 2008 can only be spent on activities that promote or achieve waste minimisation and in accordance with Council's Waste Management and Minimisation plan. This special purpose reserve is a net accumulation of levy monies received and expenditure on waste minimisation activities that meet the aforementioned purpose.
- Carbon credits reserve is used to record the funding and expenditures in relation to Council responsibilities for the Emissions Trading Scheme.
- Hedging Reserve comprises the effective portion of the cumulative net charge in the fair value of derivatives designated as cash flow hedges.

Prospective Statement of Reserve Funds	Projected Reserve Balance 30 June 2020 \$000's	Forecast Reserve Deposits \$000's	Forecast Reserve Withdrawals \$000's	Projected Reserve Balance 30 June 2021 \$000's
Operational Reserves (1) (Debits = reserves in funds, Credits = overdrawn reserves)				
Leadership and Investments				
Leadership	30	0	0	30
Investments	832	0	0	832
	862	0	0	862
Community Service				
Parks and Reserves	695	0	0	695
Housing and Other Property	1,020	0	0	1,020
Recreation and Culture – Library	(183)	0	0	(183)
Recreation and Culture – Aquatic Centre	(128)	0	0	(128)
Recreation and Culture - Arts and Culture	256	0	0	256
Recreation and Culture – Aerodrome	141	0	0	141
Public Amenities	381	0	0	381
Safety	424	0	0	424
	2,606	0	0	2,606
Community Development				
Community Development	314	0	0	314
	314	0	0	314
Compliance				
Compliance	(149)	0	0	(149)
	(149)	0	0	(149)
Solid Waste Management				
Collection	143	0	0	143
Management - Landfill and Transfer Stations	909	0	0	909
Management - Waste Minimisation	(39)	0	0	(39)
	1,013	0	0	1,013
Stormwater				
Te Kuiti Stormwater	(105)	0	0	(105)
Rural Stormwater	182	0	0	182
	77	0	0	77
Resource Management				
Resource Management	104	0	0	104
	104	0	0	104
Sewerage				
Waitomo Sewerage	(15)	0	0	(15)
Te Kuiti Sewerage	4,281	168	0	4,449
Te Waitere Sewerage	28	0	(40)	(12)
Maniaiti/Benneydale Sewerage	(286)	0	(49)	(335)
Piopio Sewerage	296	0	(79)	217
	4,304	168	(168)	4,304
Water Supply				
Te Kuiti Water	(768)	275	0	(493)
Mokau Water	(709)	0	(109)	(818)
Piopio Water	(644)	0	(120)	(764)
Maniaiti/Benneydale Water	(75)	0	(46)	(121)
Waitomo Water	(26)	0	0	(26)
	(2,222)	275	(275)	(2,222)
Roads and Footpaths				
Subsidised Roads	(917)	0	0	(917)
Unsubsidised Roads	597	0	0	597
	(320)	0	0	(320)
Corporate Support				
Gratuities	71	0	0	71
Long Service Leave	25	0	0	25
Natural Disaster	426	0	0	426
	522	0	0	522
Total Operational Reserve	7,111	443	(443)	7,111

Prospective Statement of Reserve Funds	Projected Reserve Balance 30 June 2020 \$'000's	Forecast Reserve Deposits \$'000's	Forecast Reserve Withdrawals \$'000's	Projected Reserve Balance 30 June 2021 \$'000's
Depreciation Reserves (2)				
Leadership and Investments				
Investments	(2)	0	0	(2)
	(2)	0	0	(2)
Community Service				
Parks and Reserves	(92)	82	(66)	(76)
Housing and Other Property – Housing	225	13	(13)	225
Housing and Other Property – Community Halls	805	3	(33)	775
Housing and Other Property – Other Land and Buildings	186	78	(69)	195
Housing and Other Property – Railway Station	(7)	63	(57)	(1)
Recreation and Culture – Library	576	106	(99)	583
Recreation and Culture – Aquatic Centre	(44)	41	(13)	(16)
Recreation and Culture - Arts and Culture	201	199	(28)	372
Recreation and Culture – Aerodrome	45	25	(80)	(10)
Public Amenities	176	143	(82)	237
	2,071	753	(540)	2,284
Community Development				
I-SITE	49	13	(5)	57
	49	13	(5)	57
Compliance				
Animal Control	(44)	8	(1)	(37)
	(44)	8	(1)	(37)
Solid Waste Management				
Management - Landfill and Transfer Stations	(833)	81	(315)	(1,067)
	(833)	81	(315)	(1,067)
Stormwater				
Te Kuiti Stormwater	750	187	(150)	787
Rural Stormwater	35	9	(6)	38
	785	196	(156)	825
Sewerage				
Te Kuiti Sewerage	124	671	(581)	214
Te Waitere Sewerage	1	3	0	4
Maniaiti/Benneydale Sewerage	187	40	(28)	199
Piopio Sewerage	122	114	(95)	141
	434	828	(704)	558
Water Supply				
Te Kuiti Water	469	344	(265)	548
Mokau Water	(166)	69	(104)	(201)
Piopio Water	147	79	(103)	123
Maniaiti/Benneydale Water	157	34	(51)	140
	607	526	(523)	610
Roads and Footpaths				
Subsidised Roads	6,589	2,802	(2,904)	6,487
Unsubsidised Roads	139	36	(38)	137
	6,728	2,838	(2,942)	6,624
Corporate Support				
Corporate	(429)	366	(399)	(462)
Plant	48	173	(282)	(61)
	(381)	539	(681)	(523)
Total Depreciation Reserves	9,414	5,782	(5,867)	9,329
Investment Revaluation Reserves (3)				

Prospective Statement of Reserve Funds	Projected Reserve Balance 30 June 2020 \$000's	Forecast Reserve Deposits \$000's	Forecast Reserve Withdrawals \$000's	Projected Reserve Balance 30 June 2021 \$000's
Other Land and Building Investment Revaluation Reserve	288	0	0	288
Available for Sale Reserves	11,439	0	0	11,439
Total Investment Revaluation Reserves	11,727	0	0	11,727
Special Purpose Reserves (4)				
Community Development				
District Development	16	0	0	16
	16	0	0	16
Solid Waste Management				
Carbon Credits Reserve	0	324	(300)	24
Waste Minimisation Reserve	82	39	(44)	77
	82	363	(344)	101
Hedging Reserve	(2,343)	0	0	(2,343)
Total Special Purpose Reserves	(2,245)	363	(344)	(2,226)
Total Reserves	26,007	6,588	(6,654)	25,941
Net Movement in All Council Created Reserves			(66)	

Reconciliation of Reserve Movements shown in the Estimated Cost of Service Statements and the net movement in Reserve Funds

Reconciliation of Prospective Reserve Funding to Estimated Cost of Service Statements (\$000's)	Estimated Cost of Service Statements							Projected Statement of Reserve Funds		
	Total Movement (to)/from Reserves	Plus Depreciation and Amortisation Charged to Retained Earnings	Plus Carbon Credits Surrendered Charged to Retained Earnings	Less External Loan Repayments	Less Internal Loan Repayments	Transfer to Corporate Support Reserves	Total Net Movement	Projected Reserve Balance 30 June 2020	Projected Reserve Balance 30 June 2021	Net Movement in Reserves
Leadership and Investments	(682)	540	0	0	0	142	0	(860)	(860)	0
Community Service	(552)	980	0	0	(215)	0	213	(4,965)	(5,178)	(213)
Community Development	0	13	0	0	(5)	0	8	(379)	(387)	(8)
Compliance	0	8	0	0	(1)	0	7	193	186	(7)
Solid Waste Management	(326)	81	324	0	(294)	0	(215)	(262)	(47)	215
Stormwater	(133)	196	0	0	(23)	0	40	(862)	(902)	(40)
Resource Management	91	0	0	0	(91)	0	0	(104)	(104)	0
Sewerage	(117)	828	0	0	(584)	0	124	(4,738)	(4,862)	(124)
Water Supply	(197)	626	0	0	(426)	0	3	1,615	1,612	(3)
Roads and Footpaths	(1,953)	2,836	0	698	(1,685)	0	(104)	(6,408)	(6,304)	104
Corporate Support	0	0	0	0	0	(142)	(142)	(141)	1	142
Hedging Reserves	0	0	0	0	0	0	0	2,343	2,343	0
Available for Sale Reserves	0	0	0	0	0	0	0	(11,439)	(11,439)	0
	(3,869)	6,108	324	698	(3,327)	0	(66)	(26,007)	(25,941)	66

ACCOUNTING POLICIES

STATEMENT OF RESPONSIBILITY

The Exceptions Annual Plan 2020/21 was adopted by Council on 26 May 2020.

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

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

Council, who are authorized to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, adopted the Exceptions Annual Plan 2020/21 on 26 May 2020.

No actual financial results have been incorporated within the prospective financial statements.

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

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

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The financial information contained within the Exceptions Annual Plan 2020/21 may not be appropriate for purposes other than those described.

Basis of Preparation

The prospective financial statements are for Waitomo District Council as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities and associates have not been prepared.

STATEMENT OF COMPLIANCE

The prospective financial statements have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE (Public Benefit Entity) accounting standards.

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

PRESENTATION CURRENCY AND ROUNDING

The reporting period for these prospective financial statements is the year ending 30 June 2021. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000's), unless otherwise stated.

MEASUREMENT BASIS

The measurement basis applied is historical cost, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments and investment property. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

REVENUE

Revenue comprises rates, revenue from operating activities, grant revenue, interest revenue, and other revenue and is measured at the fair value of consideration received or receivable.

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Council and the revenue can be reliably measured.

Revenue may be derived from either exchange or non-exchange transactions. These are defined as:

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

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

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

The following specific recognition criteria must also be met before revenue is recognised.

RATES REVENUE

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates arising from late payment penalties are recognised when rates become overdue. Rates revenue is classified as non-exchange revenue.

NEW ZEALAND TRANSPORT AGENCY (NZTA) ROADING SUBSIDIES

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

OTHER SUBSIDIES AND GRANTS RECEIVED

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

FEES, LEVIES & CHARGES

Other fees, levies and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence. Fees, levies and charges are classified as non-exchange revenue.

INTEREST REVENUE

Revenue is recognised using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument. Interest revenue is classified as exchange revenue.

SALE OF GOODS

The sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer. This revenue is classified as exchange revenue.

PROPERTY RENTAL REVENUE

Rental revenue arising on property owned by the Council is accounted for on a straight-line basis over the lease term. Property rental revenue is generally classified as non-exchange.

DONATED, SUBSIDISED OR VESTED ASSETS

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised when the control of the asset is transferred to Council. The fair value of this asset is recognised as revenue, unless there is a use or return condition attached to the asset and is classified as non-exchange revenue.

EXPENDITURE

Expenditure is recognised when Council has been supplied with the service or has control of the goods supplied.

GRANT EXPENDITURE

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

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

DEPRECIATION AND AMORTISATION

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

BORROWING COSTS

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

INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the Statement of Financial Position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business

combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly into equity.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

INVENTORY

Inventory held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The amount of any write down from the loss of service potential or from cost to net realisable value is recognised in surplus or deficit in the period of the write down.

FINANCIAL ASSETS

Financial assets and liabilities are initially measured 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 the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks or rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- financial assets at fair value through surplus or deficit,
- loans and receivables, and
- available for sale.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The three categories of financial assets are:

1. Financial Assets at Fair Value Through Surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. 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. Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Derivative financial instrument assets are included in this class.

2. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified as Receivables in the Prospective Statement of Financial Position.

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

Loans made 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 asset. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit. The loans are subsequently measured at amortised cost using the effective interest method.

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

3. Available for Sale

Available for sale financial assets are those that are designated into the category at initial inception and are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of or realise the investment within 12 months of balance date. The Council includes the following in this category:

- Investments that the Council intends to hold long-term but which may be realised before maturity; and

- Shareholdings that Council holds for strategic purposes. Council's investment in Inframax Construction Limited is included in this category.

After initial recognition these investments are measured at their fair value.

Gains and losses arising from changes in fair value are recognised in other comprehensive revenue and expense and accumulated as a separate component of equity in the available-for-sale revaluation reserve with the exception of impairment losses, which are recognised directly in surplus or deficit.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is reclassified from equity to the surplus or deficit (as a reclassification adjustment).

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for any evidence of impairment at each balance date. Any impairment losses are recognised in the surplus or deficit.

Loans and receivables

Impairment is established when there is evidence that Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the assets' carrying value and the present value of estimated future cash flows, discounted using the original effective interest rate.

Available for sale

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

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

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used 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 method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in surplus or deficit.

The Council designates certain derivatives as either:

- hedges of highly probable forecast transactions (cash flow hedge); or
- derivatives that do not qualify for hedge accounting.

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

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current, if the remaining maturity of the hedged items is less than 12 months.

CASH FLOW HEDGE

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expenses are classified into surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to surplus or deficit.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to surplus or deficit.

DERIVATIVES THAT DO NOT QUALIFY FOR HEDGE ACCOUNTING

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any

derivative instruments that do not qualify for hedge accounting are recognised immediately in surplus or deficit.

PAYABLES

Payables are recognised at their face value when the Council becomes obligated to make future payments resulting from the purchase of goods or services.

Payables may be derived from either exchange or non-exchange transactions. These are defined as:

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) goods, assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash) to another entity in exchange.

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

Non-exchange transactions

A non-exchange transaction is a transaction where Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Non exchange payables include payables for GST, deposits and bonds held and deferred grant revenue.

BORROWINGS

Borrowings are initially recognised at their fair value net of transaction costs.

After initial recognition, all borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

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

GOOD AND SERVICES TAX (GST)

All items in the prospective financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then 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 Prospective Statement of Financial Position.

Commitments and contingencies are disclosed exclusive of GST.

PROVISIONS

A provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

LANDFILL POST CLOSURE COSTS

Council has a legal obligation under the its resource consents held for both open and closed landfills to provide for ongoing maintenance and monitoring at the landfill sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure expenditure arises.

The provision is a measure based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill post closure asset is depreciated over its useful life.

EMPLOYEE ENTITLEMENTS

Short-Term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

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

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

LEASES

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to

ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases recognised as assets and liabilities in the Prospective Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

A finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

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

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of operational assets, restricted assets, and infrastructural assets.

OPERATIONAL ASSETS

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

INFRASTRUCTURAL ASSETS

Infrastructural assets are the fixed utility systems providing an ongoing service to the community, but are not generally regarded as tradable. They include infrastructural land, roads, water reticulation systems, solid waste assets, sewerage reticulation systems, stormwater systems, and land under roads.

RESTRICTED ASSETS

Restricted assets cannot be disposed of because of legal and other restrictions but provide a benefit or service to the community. These are mainly assets associated with reserves vested under the Reserves Act, endowments and other property held in Trust for specific purposes.

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 cost of the item can be measured reliably.

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

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction,

it is recognised at fair value as at the date of acquisition.

DISPOSALS

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

Subsequent costs

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

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

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, land under roads, work in progress and those assets in the tables below that are not depreciated, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Operational Assets

Operational assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Operational buildings	15-100 years
Plant and equipment	4-13 years
Motor vehicles	5-7 years
Furniture and fittings	5-30 years
Computers	4-5 years
Library books	7 years
Archive books	No depreciated

Infrastructural Assets

Infrastructural assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Roads and Footpaths

Pavement formation	Not depreciated
Pavement subbase	25 - 115 years or not depreciated
Pavement base	25 -120 years or not depreciated
Sealed surface	2 - 16 years
Metal surface	Not depreciated
Bridges and major culverts	30-100 years
Retaining walls and other structures	20-100 years
Footpaths and footpath crossings	18-80 years
Drainage and culvers	20-80 years
Kerbs and channels	80 years
Stormwater channels	Not depreciated
Road shoulders	Not depreciated
Guard rails	15-50 years
Street lights	20 years
Street poles	30-60 years
Road signs	15 years
Sign posts	Not depreciated
Resource consents	5-35 years

Water Supply Assets

Pipes	60-120 years
Fire hydrant valves	75 years
Meters	30 years
Tobies	60 years
Pump stations	20-100 years
Dam structures	100 years
Reservoir structures	80 years
Treatment plants	5-100 years
Resource consents	11-100 years or not depreciated

Waste Water Assets

Pipes	50-120 years
Manholes	100 years
Separator tanks	50 years
Pump stations	15-100 years
Treatment Plants	12-100 years
Resource consents	15-35 years

Stormwater Assets

Pipes	60-120 years
Manholes and Cesspits	100 years
Resource consents	20 years

Solid Waste Assets

Landfill cells and earthworks	Not depreciated
Building and shelters	10-60 years
Oxidation ponds	80 years
Roading & driveways	8-80 years
Weighbridges & automatic gates	15-50 years
Bins and containers	15-80 years
Retaining walls	25-100 years
Fencing and other assets	15-35 years
Resource consents	30-35 years

The depreciation rates are applied at a component level and are dependent on the remaining useful life for each component. The residual value and useful life on an asset is reviewed and adjusted where applicable at each balance date.

Restricted Assets

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

Restricted Buildings	15 – 100 years
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REVALUATIONS

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

Land and buildings (operational and restricted) and infrastructural assets (except for land under roads) are revalued with sufficient regularity to ensure that their carrying value does not materially differ from fair value and at least every three years. The carrying values of revalued items are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then that asset class is revalued earlier than the three yearly planned revaluation.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to a property revaluation reserve in equity for that class of asset. Where this should result in a debit balance in the revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive revenue and expense.

REVALUATION OF RESTRICTED ASSETS

Land and buildings in the restricted asset class are assets subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for which the assets can be used).

INTANGIBLE ASSETS

Computer Software

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

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life for software. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for software have been estimated as follows:

Computer software	2 - 5 years
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NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. This condition is regarded as met only when the sale is highly probable and the assets (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within 12 months from the date of classification. Non-current

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

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

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

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

INVESTMENT IN UNLISTED SHARES

Council has an interest (1.6%) in a Council Controlled Organisation (CCO); Waikato Local Authority Shared Services Limited. Council has no significant influences over operational or financial policies of the company.

As this investment is not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investment is therefore measured at cost.

INVESTMENT PROPERTY

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

Investment property consists of miscellaneous housing properties and land.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, it is measured at fair value, determined annually by an independent valuer. Gains or losses arising from a change in fair value are recognised within surplus or deficit.

COST ALLOCATION

The Council has derived the cost of service for each significant activity. Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These costs are allocated to Council activities using appropriate cost drivers such as resource use, staff numbers and floor area. All overhead costs have been allocated to significant activities.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

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

Value in use for non-cash generating assets

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

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

Value in use cash generating assets

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

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

EQUITY

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

- accumulated funds,
- other reserves; and
- property revaluation reserves.

Other Reserves

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

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without

reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. Transfers to and from these reserves are at the discretion of the Council.

Council created reserves are a combination of depreciation reserves and transfers of surplus or deficit from operations. The purpose of the reserves is to maintain balances of funded depreciation for future renewal of assets and to hold revenue streams in separate balances as required by Council.

Available for sale reserves consists of valuation gains associated with Council's investments, classified as available for sale financial assets.

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

PROPERTY REVALUATION RESERVES

Property revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

EMISSIONS TRADING SCHEME (ETS)

The regulations for landfill methane emissions under the New Zealand Emissions Trading Scheme (NZ ETS) require waste disposal facility operators to surrender New Zealand Units (NZU's) by 31 May of each year to match their emissions of the preceding calendar year. The cost of meeting ETS obligations is mandatory and Council is required to surrender NZU's for the landfill methane emissions associated with the Waitomo District Landfill. NZU's that are purchased to meet these liabilities are recognised at cost and subsequently recognised at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy. The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates. Further information around assumptions used in this Exceptions Annual Plan can be found in the 2018-2028 10YP.

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

The interest rate assumption has been revised to a weighted average interest rate of 3.5% for this EAP (10YP 20/21: 5.5%) to reflect the expected interest rate for 2020/21 based on anticipated market conditions.

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

Landfill Aftercare Provision

The Council has a legal obligation under resource consents for open and closed landfills to provide ongoing maintenance and monitoring service at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

Infrastructural Assets

There are a number of assumptions and estimates used when performing discounted replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset. For example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes situated underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or underestimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Infrastructural assets are revalued on a 3 yearly basis by an independent valuer.

Property, plant and equipment useful lives and residual values

At each balance date the Council reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Council to consider a number

of factors such as the physical condition of the asset, expected period of use of the asset by the Council, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the Prospective Statement of Financial Position. The Council minimises the risk of this estimation uncertainty with:

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

Council has not made significant changes to past assumptions concerning useful lives and residual values.

Valuation of Investment in Inframax Construction Limited

The investment of Inframax Construction Ltd was revalued at 30 June 2019 resulting in a loss on valuation of \$0.4 million. The valuation report indicated a value between \$10.6 million and \$12.3 million for the investment. Council recognised the investment at \$11.4 million.

Experienced independent valuers perform the valuation of the investment in Inframax Construction Ltd. The valuers used the capitalisation of earnings approach for the valuation which is consistent with prior years. There are a number of estimates and assumptions used when performing the valuation of an investment. These include assessing a suitable level of earnings and capitalising the earnings using a market-derived multiple. The valuation is also prepared using information from historical financial performance and three year financial forecasts.

It has been assumed that there has been no change in the value of the investment in Inframax Construction Ltd over the life of this plan.

COMPARATIVES

To ensure consistency with the current year, certain comparative information is reclassified where appropriate. This could occur where:

- classifications have changed between periods;
- the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- there has been a change of accounting policy.

PUBLIC BENEFIT ENTITY FINANCIAL REPORTING STANDARD 42 PROSPECTIVE FINANCIAL STATEMENTS (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

- (i) Description of the nature of the entity's current operation and its principal activities

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Exceptions Annual Plan.

- (ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span one year and include them within the Exceptions Annual Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

- (iii) Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results.

These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Exceptions Annual Plan.

- (iv) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented and the variations may be material.

- (v) Other Disclosures

The prospective financial statements were authorised for issue on 26 May 2020 by Waitomo District Council.

The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures.

The Information for this Exceptions Annual Plan is prospective and as such contains no actual operating results.

RATING BASE INFORMATION

The projected number of rating units within our district at 30 June 2020 is 5,871.

The projected total capital value of rating units within our District at 30 June 2020 is \$3,635,760,780.

The projected total land value of rating units within our District at 30 June 2020 is \$2,283,978,980.

EXCEPTIONS ANNUAL PLAN DISCLOSURE STATEMENT

FOR THE YEAR ENDING 30 JUNE 2021

WHAT IS THE PURPOSE OF THIS STATEMENT?

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

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

Benchmark		Planned	Met [Yes/No]
RATES AFFORDABILITY BENCHMARK			
income	The quantified limit is total rates revenue will be limited to an average of 75% of total operating expenditure.	65%	Yes
increases	The quantified limit is total rate increases will be limited to a cap of the forecast Local Government Cost Index for the year plus 2%.	1.54%	Yes
DEBT AFFORDABILITY BENCHMARK			
The quantified limit is total borrowing cost will not exceed 10% of total revenue.		4%	Yes
The quantified limit is that total borrowings must not exceed 20% of total assets		11%	Yes
The quantified limit is the ratio of net interest to total revenue will not exceed 20%.		4%	Yes
The quantified limit is that net debt will not exceed 170% of total (cash) revenue.		67%	Yes
The quantified limit is that net interest will not exceed 20% of annual rates.		7%	Yes
BALANCED BUDGET BENCHMARK			
100%		109%	Yes
ESSENTIAL SERVICES BENCHMARK			
100%		190%	Yes
DEBT SERVICING BENCHMARK			
10%		4%	Yes

NOTES

1. Rates Affordability Benchmark

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

2. Debt Affordability Benchmark

- i For this benchmark, Council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in Council's Long Term Plan.
- ii The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3. Balanced Budget Benchmark

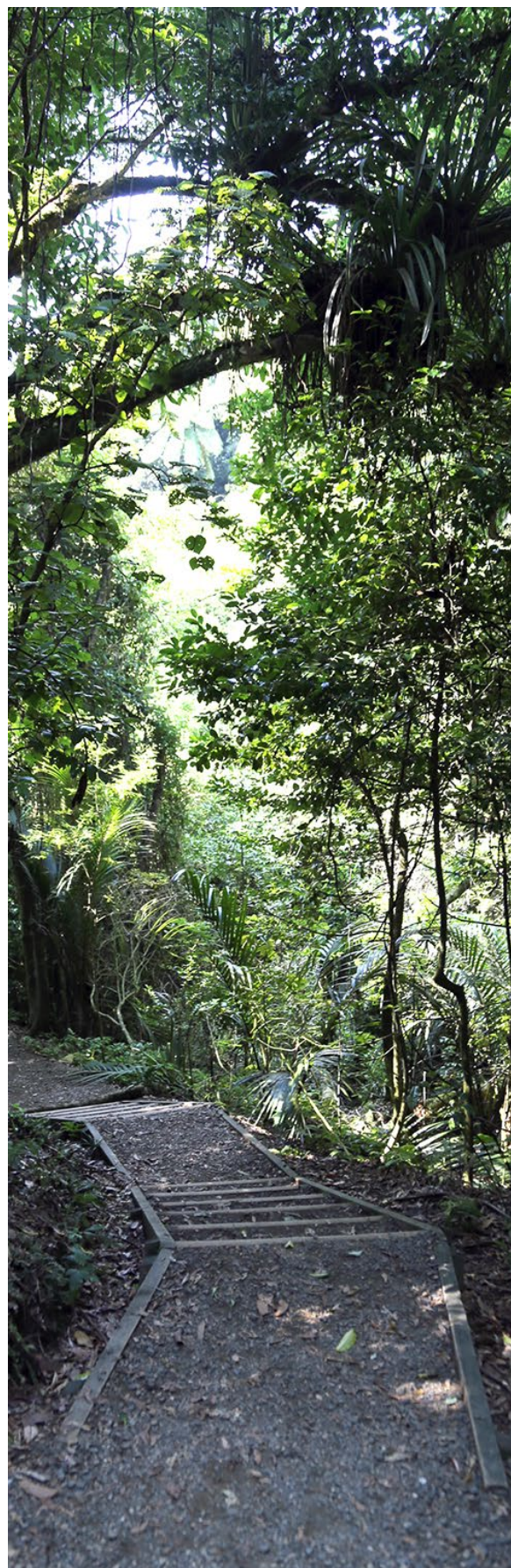
- i For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses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

4. Essential Services Benchmark

- i For this benchmark, Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- ii The council meets 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

- i For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).
- ii Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if it's planned borrowing costs equal or are less than 10% of its planned revenue.





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