



Date: Tuesday, 11 June 2019
Time: 1.30pm
Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa

AGENDA

Late Reports

Ordinary Council Meeting

11 June 2019

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz

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8 GENERAL ITEMS

8.11 FINANCIAL PERFORMANCE TO 30 APRIL 2019

Author: Gary Borg, Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager
Finance and Corporate Support

Authoriser: Kitea Tipuna, Pouwhakarae – Hapori / Whakatūtaki Group Manager
Community and Engagement

Appendices: 1. Financial Performance to 30 April 2019 [↓](#)

1. PURPOSE

- 1.1 This report provides information on Council's financial performance for the 10 months ended 30 April 2019. No decisions are required by Council at this stage.
- 1.2 This report has also been delivered to the Finance Audit & Risk Committee at an Extraordinary Meeting on 11 June 2019.

RECOMMENDATION

The Group Manager: Finance and Corporate Support RECOMMENDS that Council receive the report.

2. CURRENT SITUATION

- 2.1 The financial performance report for the half year ended 30 April 2019 is attached as **Appendix 1**.

Signatories

	
Author Gary Borg	Approved by Kitea Tipuna

FINANCIAL PERFORMANCE

TO 30 APRIL 2019



TE WAIROA
WAIROA DISTRICT

Summary

STATEMENT OF REVENUE AND EXPENDITURE
Whole of Council
For Year Ending 30th June 2019

	2018/19 Apr-19 Actuals	2018/19 Apr-19 Annual Plan	2018/19 Year to Date Variance	2018/19 Full year Forecast	2018/19 Full Year Annual Plan	2018/19 Full Year Variance
INCOME						
Rates	10,569,377	10,628,959	(59,582)	12,683,379	12,754,751	(71,372)
Subsidies	6,909,858	4,053,860	2,855,998	8,466,186	4,864,639	3,601,547
Capital Subsidy	4,031,032	3,918,010	113,022	7,524,838	4,701,620	2,823,218
Petrol Tax	54,696	70,830	(16,134)	81,021	85,000	(3,979)
Fees and Charges	1,343,907	1,483,800	(139,893)	1,605,027	1,748,574	(143,547)
Investment Income	289,517	727,650	(438,133)	557,159	873,166	(316,007)
TOTAL INCOME	23,198,387	20,883,109	2,315,278	30,917,610	25,027,750	5,889,861
EXPENDITURE						
Staff Costs	4,514,394	4,560,100	(45,706)	5,469,866	5,472,049	(2,182)
Depreciation and Amortisation	4,360,000	4,364,700	(4,700)	5,237,615	5,237,615	0
Finance Costs	368,588	430,120	(61,532)	791,226	707,449	83,776
Other Operating Expense	13,097,366	10,333,530	2,763,836	17,513,197	13,081,303	4,431,894
TOTAL EXPENDITURE	22,340,347	19,688,450	2,651,897	29,011,903	24,498,416	4,513,488
NET SURPLUS/(DEFICIT)	858,040	1,194,659	(336,619)	1,905,707	529,334	1,376,373

As at 30 April 2019 Council reports a surplus of \$0.86 million, with a full year outlook of \$1.9 million, a favourable variance of \$1.376 million against budget.

This is the result of increased capital subsidy revenue received and expected in respect of reinstatement works on the roading network in response to emergency events in the winter of 2018. Most of the expenditure qualifies for the enhanced NZTA Funding Assistance Rate of 95% of expenditure.

Setting this revenue aside, Council would be reporting a year to date operating deficit of \$3.173 million, nearly \$0.5m adverse to budget.

The most material elements of this variance relate to escalating contractor and maintenance costs, particularly in water services, waste management and property.

These are explored in further detail below.

For the purposes of this report depreciation charges have been estimated at budget. They are not expected to be materially different.

Rates are currently accounted for at the whole of Council level only, and separately analysed in the annual report funding impact statements.

Some phasing differences persist but have been addressed for material items revenue and expense items.

STATEMENT OF FINANCIAL POSITION

	30th June 2018 ACTUAL (\$ 000)	30th April 2019 ACTUAL (\$ 000)	30th June 2019 FORECAST (\$ 000)	30th June 2019 LTP (\$ 000)	Variance
CURRENT ASSETS					
Cash and cash equivalents	3432	701	3395	2286	1109
Inventories	49	50	50	58	-8
Trade & other receivables from non-exchange transactions	2609	4558	2952	3138	-186
Financial assets at fair value	3068	2873	2048	2997	-949
Taxation Refundable	0	0	0	0	0
Total Current Assets	9,158	8,182	8,445	8,479	(34)
LESS CURRENT LIABILITIES					
Trade & other payables	4060	4558	4148	7908	-3760
Term Liabilities - Current Portion	5012	5374	4852	8297	-3445
Taxation Payable	0				0
Total Current Liabilities	9,072	9,932	9,000	16,205	(7,205)
Working Capital	86	(1,750)	(555)	(7,726)	7171
NON CURRENT ASSETS					
Property, Plant & Equipment	260474	265506	268334	273090	-4756
Loans & other receivables	33	0	0	0	0
Investments in Subsidiary	1250	1250	1250	1250	0
Investment Property	0				0
Biological asset - forestry	260	260	260	260	0
Available for sale financial assets	23	23	23	23	0
Intangible Assets	129	129	116.1	188	-71.9
Financial assets at fair value	7267	4962	2000	7125	-5125
Deferred Taxation	0	0	0	0	0
	269,436	272,130	271,983	281,936	(9,953)
NON CURRENT LIABILITIES					
Employee Entitlements	115	115	115	115	0
Landfill Aftercare	750	750	750	730	20
Quarry Aftercare	-	-	-	-	0
Borrowings	-	-	-	-	0
	865	865	865	845	20
Net Assets	268,657	269,515	270,563	273,365	(2,802)
Represented by					
Equity	268,657	269,515	270,563	273,365	(2,802)

Groups of Activities

Operating Statement
Community Facilities
For Year Ending 30th June 2019

	2018/19 Apr-19 Actuals	2018/19 Apr-19 Annual Plan	2018/19 Year to Date Variance	2018/19 Full year Forecast	2018/19 Full Year Annual Plan	2018/19 Full Year Variance
INCOME						
Subsidies and Grants	118,321	50,050	68,271	123,252	60,068	63,184
Fees and Charges	53,022	54,250	(1,228)	63,627	65,110	(1,483)
Investment Income	300	-	300	360	-	360
TOTAL INCOME	171,643	104,300	67,343	187,239	125,178	62,061
EXPENDITURE						
Staff Costs	236,759	237,240	(481)	284,111	284,679	(568)
Depreciation and Amortisation	224,539	224,540	(1)	269,447	269,447	-
Finance Costs	1,049	21,940	(20,891)	26,327	26,327	-
Other Operating Expense	1,427,956	1,413,050	14,906	1,722,458	1,695,623	26,834
TOTAL EXPENDITURE	1,890,304	1,896,770	(6,466)	2,302,342	2,276,076	26,267
NET SURPLUS/(DEFICIT) BEFORE RATES	(1,718,661)	(1,792,470)	73,809	(2,115,104)	(2,150,898)	35,794

Additional grants and donations were received to support various community initiatives. Some revenue that was received last year but not expended has been brought forward.

Operating Statement
Leadership & Governance
For Period Ending 2018/19

	2018/19 Year to Date Actuals	2018/19 Year to Date Annual Plan	2018/19 Year to Date Variance	2018/19 Full year Forecast	2018/19 Full Year Annual Plan	2018/19 Full Year Variance
INCOME						
Subsidies & Grants	275,000	-	275,000	300,000	-	300,000
Petrol Tax	54,696	70,830	(16,134)	81,021	85,000	(3,979)
Fees and Charges	88,966	29,440	59,526	107,459	35,334	72,125
Investment Income	107,266	539,100	(431,834)	338,459	646,917	(308,458)
TOTAL INCOME	525,927	639,370	(113,443)	826,939	767,251	59,688
EXPENDITURE						
Staff Costs	688,397	694,660	(6,263)	826,519	833,598	(7,079)
Depreciation and Amortisation	21,323	21,320	3	25,587	25,587	-
Finance Costs	168,462	165,880	2,582	311,452	390,361	(78,909)
Other Operating Expense	1,866,173	1,481,280	384,893	2,293,680	1,777,501	516,179
TOTAL EXPENDITURE	2,744,354	2,363,140	381,214	3,457,239	3,027,047	430,192
NET SURPLUS/(DEFICIT) BEFORE RATES	(2,218,427)	(1,723,770)	(494,657)	(2,630,300)	(2,259,796)	(370,503)

Subsidy revenue is the receipt of funds from MBIE for the Wairoa Capability Support Project. There is a corresponding variance within operating expenses, where the funding was utilised for a feasibility study supporting Council's economic development strategy.

Most of the remaining adverse variance under operating expenses is offset by the favourable variance in revenue from fees and charges resulting from Council assuming the operation of the Gaiety Theatre. To date the theatre is achieving its financial objective of breaking even.

The adverse variance in investment income has two components, relating to Councils holding of fixed interest bonds:

- Reduction in interest received. Council has liquidated \$3 million of investments during the year to fund its capital renewals programme. At a weighted average interest rate of 5% this equates to \$150,000 in interest not earned. The budget forecast that a greater proportion of capital expenditure would be new CapEx, funded by borrowing, and now that Council is a member of the LGFA this will be revisited.
 - Council currently holds \$6 million in bond investments compared to \$5 million in external debt.
- A fair value adjustment of \$230,000 on the investment portfolio. This is a non-cash adjustment that reflects the reduction in expected future cash flows from Council's investments as they approach maturity.

A schedule of Council's investment portfolio is shown below:

Description	Maturity Date	Quantity	Yield/Price	Cost (NZD)	Capital Value	Accrued Interest	Market Value (NZD)	Est. Inc. (NZD)	% of Portfolio
Bank of New Zealand 5.57% 25/06/2019 (BNZ190)	25/06/2019	650,000	1.97%	\$673,841.35	\$ 653,575.00	\$ 12,517.00	\$666,092.30	\$36,205.00	10.12%
Auckland Council 4.728% 02/10/2019 (AKC1070)	2/10/2019	500,000	1.95%	\$500,000.00	\$ 505,850.00	\$ 1,785.00	\$507,634.62	\$23,640.00	7.71%
NZ Local Govt Funding Agency 6.00% 15/05/2021 (LGF040)	15/05/2021	750,000	1.83%	\$846,021.00	\$ 812,475.00	\$ 20,605.00	\$833,080.48	\$45,000.00	12.66%
ASB 4.245% 26/05/2021 (ABB040)	26/05/2021	750,000	2.26%	\$750,086.25	\$ 780,000.00	\$ 13,643.00	\$793,643.47	\$31,837.50	12.06%
Auckland Intl Airport 5.52% 28/05/2021 (AIA130)	28/05/2021	479,000	2.27%	\$486,516.80	\$ 510,422.00	\$ 11,192.00	\$521,614.41	\$26,440.80	7.93%
Fonterra Co-op Group 4.33% 20/10/2021 (FCG030)	20/10/2021	500,000	2.64%	\$509,246.00	\$ 520,050.00	\$ 582.00	\$520,631.71	\$21,650.00	7.91%
ASB 4.20% 24/02/2022 (ABB060)	24/02/2022	250,000	2.38%	\$250,000.00	\$ 262,325.00	\$ 1,184.00	\$264,208.66	\$10,500.00	4.01%
GMT Bond 5.00% 23/06/2022 (GMB030)	23/06/2022	250,000	2.98%	\$266,361.70	\$ 265,050.00	\$ 4,386.00	\$269,435.93	\$12,500.00	4.09%
Contact Energy 4.63% 15/11/2022 (CEN040)	15/11/2022	250,000	2.84%	\$261,041.75	\$ 265,050.00	\$ 2,403.00	\$267,452.88	\$11,575.00	4.06%
Spark Finance Ltd 4.51% 10/03/2023 (SPF560)	10/03/2023	450,000	2.60%	\$467,288.10	\$ 481,410.00	\$ 2,817.00	\$484,227.00	\$20,295.00	7.36%
Meridian Energy 4.53% 14/03/2023 (MEL030)	14/03/2023	500,000	2.89%	\$510,550.00	\$ 529,850.00	\$ 2,889.00	\$532,739.07	\$22,650.00	8.10%
Wellington Intl Airport 4.25% 12/05/2023 (WIA030)	12/05/2023	500,000	2.86%	\$500,000.00	\$ 526,250.00	\$ 9,901.00	\$536,150.71	\$21,250.00	8.15%
Meridian Energy 4.88% 20/03/2024 (MEL040)	20/03/2024	350,000	3.03%	\$366,786.35	\$ 379,155.00	\$ 1,920.00	\$381,074.77	\$17,080.00	5.79%
Total:				\$6,387,739.30	\$ 6,491,462	\$ 85,824	\$6,577,986.01	\$300,623.30	100%

Operating Statement
Planning & Regulatory
For Period Ending 2018/19

	2018/19 Year to Date Actuals	2018/19 Year to Date Annual Plan	2018/19 Year to Date Variance	2018/19 Full year Forecast	2018/19 Full Year Annual Plan	2018/19 Full Year Variance
INCOME						
Fees and Charges	353,119	273,780	79,339	367,008	296,530	70,478
TOTAL INCOME	353,119	273,780	79,339	367,008	296,530	70,478
EXPENDITURE						
Staff Costs	571,182	679,780	(108,598)	704,611	815,717	(111,106)
Depreciation and Amortisation	89,022	89,030	(8)	106,826	106,826	-
Finance Costs	9,679	18,750	(9,071)	25,573	22,496	3,077
Other Operating Expense	536,025	1,036,910	(500,885)	695,562	1,244,264	(548,702)
TOTAL EXPENDITURE	1,205,908	1,824,470	(618,562)	1,532,572	2,189,303	(656,731)
NET SURPLUS/(DEFICIT) BEFORE RATES	(852,790)	(1,550,690)	697,901	(1,165,564)	(1,892,773)	727,209

Fees and Charges

Nearly half of the favourable variance is from dog registrations. There are now over 3,000 dogs registered in the district. Most of the remainder relates to dog and freedom camping infringements.

Staff Costs

This is the net effect of the 2018 restructure and a vacant position that was filled in May 2019.

Other Operating Expenses

This variance relates to the district plan review. Most of the work to date has been completed in house, with the initial focus on the production of the ePlan.

Operating Statement
Property
For Period Ending 2018/19

	2018/19 Year to Date Actuals	2018/19 Year to Date Annual Plan	2018/19 Year to Date Variance	2018/19 Full year Forecast	2018/19 Full Year Annual Plan	2018/19 Full Year Variance
INCOME						
Fees and Charges	188,821	179,170	9,651	226,585	215,000	11,585
Investment Income	33,082	39,680	(6,598)	39,698	47,607	(7,909)
TOTAL INCOME	221,903	218,850	3,053	266,283	262,607	3,676
EXPENDITURE						
Staff Costs	30,379	8,340	22,039	36,455	10,000	26,455
Depreciation and Amortisation	419,258	419,260	(2)	503,110	503,110	-
Finance Costs	3,670	46,700	(43,030)	56,042	56,042	-
Other Operating Expense	376,566	183,640	192,926	450,552	220,392	230,159
TOTAL EXPENDITURE	829,874	657,940	171,934	1,046,159	789,544	256,614
NET SURPLUS/(DEFICIT) BEFORE RATES	(607,971)	(439,090)	(168,881)	(779,875)	(526,937)	(252,938)

The adverse variance in operating expenses is due to maintenance on several of Council's buildings, much of which became urgent after being deferred in previous years:

Community Centre: \$27,000

Pensioner Housing: \$95,000

Memorial Hall: \$19,000 (including disabled access improvements)

Council Offices: \$55,000 (including security works and refurbishments)

Some of this expenditure may qualify as capital and is under review.

Finance costs relate to internal borrowings for the upgrade to the community centre and will be charged at year end.

Operating Statement
Stormwater
For Period Ending 2018/19

	2018/19 Year to Date Actuals	2018/19 Year to Date Annual Plan	2018/19 Year to Date Variance	2018/19 Full year Forecast	2018/19 Full Year Annual Plan	2018/19 Full Year Variance
INCOME						
Investment Income	28,440	28,440	-	34,125	34,125	-
TOTAL INCOME	28,440	28,440	-	34,125	34,125	-
EXPENDITURE						
Staff Costs	-	-	-	-	-	-
Depreciation and Amortisation	150,925	150,920	5	181,110	181,110	-
Finance Costs	-	47,150	(47,150)	56,581	56,581	-
Other Operating Expense	246,846	165,790	81,056	276,230	198,959	77,272
TOTAL EXPENDITURE	397,771	363,860	33,911	513,921	436,650	77,272
NET SURPLUS/(DEFICIT) BEFORE RATES	(369,331)	(335,420)	(33,911)	(479,796)	(402,525)	(77,272)

Other operating costs include internal recharges of staff time that were not anticipated in the budget, and there is a corresponding credit in the transport activity. \$52,000 of the variance however, relates to contract management costs in the renewed 3 water maintenance contract that had not been considered in the budget.

Finance costs relate to internal borrowings for renewals in previous years and will be charged at year end.

Operating Statement
Transport
For Period Ending 2018/19

	2018/19 Year to Date Actuals	2018/19 Year to Date Annual Plan	2018/19 Year to Date Variance	2018/19 Full year Forecast	2018/19 Full Year Annual Plan	2018/19 Full Year Variance
INCOME						
Subsidies & Grants	6,516,537	4,003,810	2,512,727	8,042,935	4,804,571	3,238,364
Capital Subsidy	4,031,032	3,918,010	113,022	7,524,838	4,701,620	2,823,218
Fees and Charges	43,265	33,330	9,935	52,530	40,000	12,530
TOTAL INCOME	10,590,834	7,955,150	2,635,684	15,620,303	9,546,191	6,074,112
EXPENDITURE						
Staff Costs	372,881	348,930	23,951	447,457	418,713	28,744
Depreciation and Amortisation	2,305,213	2,309,900	(4,687)	2,771,871	2,771,871	-
Finance Costs	-	3,070	(3,070)	3,679	3,679	-
Other Operating Expense	7,812,907	5,809,440	2,003,467	10,836,222	6,971,312	3,864,910
TOTAL EXPENDITURE	10,491,002	8,471,340	2,019,662	14,059,230	10,165,576	3,893,654
NET SURPLUS/(DEFICIT) BEFORE RATES	99,832	(516,190)	616,022	1,561,073	(619,385)	2,180,457

As discussed in the summary this activity is forecast to report a surplus resulting from a higher than expected level of capital subsidy, and a higher average FAR due to the proportion of emergency reinstatement and response works to be completed.

Operating Statement
Waste Management
For Period Ending 2018/19

	2018/19 Year to Date Actuals	2018/19 Year to Date Annual Plan	2018/19 Year to Date Variance	2018/19 Full year Forecast	2018/19 Full Year Annual Plan	2018/19 Full Year Variance
INCOME						
Fees and Charges	315,827	404,160	(88,333)	404,490	485,000	(80,510)
Investment Income	-	-	-	-	-	-
TOTAL INCOME	315,827	404,160	(88,333)	404,490	485,000	(80,510)
EXPENDITURE						
Staff Costs	-	37,740	(37,740)	-	45,285	(45,285)
Depreciation and Amortisation	85,931	85,930	1	103,117	103,117	-
Finance Costs	-	42,410	(42,410)	50,892	50,892	-
Other Operating Expense	1,399,750	980,750	419,000	1,685,568	1,176,917	508,651
TOTAL EXPENDITURE	1,485,681	1,146,830	338,851	1,839,577	1,376,211	463,366
NET SURPLUS/(DEFICIT) BEFORE RATES	(1,169,853)	(742,670)	(427,183)	(1,435,087)	(891,211)	(543,876)

The waste management activity operated for several months out of contract on a day works basis. Furthermore, despite the level of service and charging regime being a key consultation item in the LTP, the contract tender process was prolonged by escalating costs in the market and a second public consultation was undertaken in December 2018.

The cost baseline has been reset for the Annual Plan 2019-20 and Council is currently reviewing a proposal to introduce a supplementary revenue stream that will also help avoid future compliance costs.

There is a favourable variance in staff costs because the budget contemplated some Council involvement in the weighbridge operation.

Operating Statement
Wastewater
For Period Ending 2018/19

	2018/19 Year to Date Actuals	2018/19 Year to Date Annual Plan	2018/19 Year to Date Variance	2018/19 Full year Forecast	2018/19 Full Year Annual Plan	2018/19 Full Year Variance
INCOME						
Fees and Charges	51,545	166,660	(115,115)	85,854	200,000	(114,146)
Investment Income	66,520	66,520	-	79,831	79,831	-
TOTAL INCOME	118,065	233,180	(115,115)	165,685	279,831	(114,146)
EXPENDITURE						
Staff Costs	-	-	-	-	-	-
Depreciation and Amortisation	391,876	391,880	(4)	470,251	470,251	-
Finance Costs	136,319	50,790	85,529	197,265	60,947	136,319
Other Operating Expense	976,704	721,640	255,064	1,109,557	865,995	243,562
TOTAL EXPENDITURE	1,504,899	1,164,310	340,589	1,777,074	1,397,193	379,881
NET SURPLUS/(DEFICIT) BEFORE RATES	(1,386,834)	(931,130)	(455,704)	(1,611,388)	(1,117,362)	(494,027)

The revenue budget for wastewater was predicated on several new connections to the network, particularly in Mahia, Opoutama and Blue Bay. There has been some activity, but the volume is lower than predicted.

Council's external borrowing was refinanced in July 2018. Since this activity was main reason for these borrowings, also for the largest single capital project in the LTP, the debt has been allocated to wastewater. A review of this, against the allocations in the internal loan model and the capital repayments received for the Mahia and Opoutama scheme will be completed as part of the Annual Report 2019. This will validate the adverse variance in finance costs.

The adverse variance in operating expenses is due to the inclusion of contract management costs in the renewed 3 waters maintenance contract that had not been anticipated in the budget.

Operating Statement
Water Supply
For Period Ending 2018/19

	2018/19 Year to Date Actuals	2018/19 Year to Date Annual Plan	2018/19 Year to Date Variance	2018/19 Full year Forecast	2018/19 Full Year Annual Plan	2018/19 Full Year Variance
INCOME						
Fees and Charges	247,552	333,750	(86,198)	295,327	400,500	(105,173)
Investment Income	53,910	53,910	-	64,686	64,686	-
TOTAL INCOME	301,462	387,660	(86,198)	360,013	465,186	(105,173)
EXPENDITURE						
Staff Costs	140,564	183,040	(42,476)	172,332	219,648	(47,316)
Depreciation and Amortisation	489,236	489,240	(4)	587,083	587,083	0
Finance Costs	-	990	(990)	1,183	1,183	-
Other Operating Expense	1,040,905	1,025,760	15,145	1,245,087	1,230,853	14,233
TOTAL EXPENDITURE	1,670,705	1,699,030	(28,325)	2,005,685	2,038,767	(33,083)
NET SURPLUS/(DEFICIT) BEFORE RATES	(1,369,242)	(1,311,370)	(57,872)	(1,645,671)	(1,573,581)	(72,090)

Metered water revenue is significantly below budget. Following recent revelations concerning water loss in the network it is possible that the budget was based on production volumes rather than consumption.

There is a favourable variance in staff costs because the budget assumed a higher FTE allocation to this activity.

8.12 ADOPTION OF THE ANNUAL PLAN 2019/20

Author: Kimberley Tuapawa, Pouwhakarae – Pārongo / Wheako Kiritaki Group Manager Information and Customer Experience

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. Draft Annual Plan [↓](#)

1. PURPOSE

- 1.1 The purpose of this report is to present the Annual Plan 2019/20 for adoption.

RECOMMENDATION

The Group Manager Information and Customer Experience RECOMMENDS that Council adopts the Annual Plan 2019/20, attached as Appendix 1.

2. BACKGROUND

- 2.1 The Annual Plan 2019/20 sets the budget and rates requirement for the 2019/20 financial year, and is based on Year Two of the Council's Long Term Plan (LTP). Under Section 95 of the Local Government Act 2002, Council is required to prepare and adopt an Annual Plan for each financial year. It must be adopted before June 30 of that year.
- 2.2 Due to changes to the Act, the Annual Plan is now an *exceptions-based* document, which means it does not need to include content that is unchanged from the long term plan (LTP). Also, it is not necessary to consult on the Annual Plan, unless its content is significantly or materially different to that in the LTP.
- 2.3 Council began planning for the Annual Plan 2019/20 in January, with a project plan set in place to support the Plan's development and ensure its timely completion. The project plan identified all key project components, including tasks, roles, and timeframes. As circumstances changed the project plan was adapted and refined, and updated details were communicated to key staff and Council members.
- 2.4 At the outset, a period of consultation was factored in to the project plan, however this was not required as the Annual Plan's content was not significantly or materially different from that in Year Two of the LTP. Council has kept within the rates thresholds signalled in the LTP, with an average rates increase for 2019/20 of 5%.
- 2.5 Council took a new approach with the design and development of the 2019/20 Annual Plan. The aim was to create a "new look" document that was engaging and easy for the community to understand. Staff sought to achieve this by: 1) reducing the amount of content through the removal of duplicated LTP material, and by 2) improving the document's presentation through the enhancement of visual elements, format and layout. In addition to this, by modelling other 'successful' Annual Plan designs and by incorporating feedback from staff and Council members, these objectives were met and resulted in the release of a more concise and attractive document that was easier to read and understand.

3. CURRENT SITUATION

- 3.1 The Annual Plan 2019/20 is complete in its final draft form, and attached as Appendix 1. The document is comprised of two key parts: 1) *General information*, which features a joint statement and rates increase information, along with expenditure and funding across key activity groups, key projects and key changes, and 2) *Financial information*, which contains all key financial statements, funding impact statement and reserves information.
- 3.2 Council was not required to consult on this Annual Plan, however it is keen to share its information with the community, and provide a chance for people to discuss aspects of it. Therefore, Council will be hosting information sessions around the district during June 2019. This will involve taking the community caravan out and having staff on hand to answer any questions. A project plan for this work is in place.
- 3.3 The Annual Plan 2019/20 does not require an auditor's report, as it is not being used as a vehicle for making amendments to the LTP.

4. OPTIONS

- 4.1 The options identified are:
 - a. Adopt the Annual Plan 2019/20, attached as Appendix 1.
 - b. Adopt the Annual Plan 2019/20, attached as Appendix 1, with minor changes.
 - c. Redraft the Annual Plan and consult on significant changes.
- 4.2 The preferred option is a) **Adopt the Annual Plan 2019/20, attached as Appendix 1**. This meets the purpose of local government as it will help meet the current and future needs of communities by providing a reference for future annual plans, funding decisions and service delivery.

5. CORPORATE CONSIDERATIONS

What is the change?

- 5.1 Adoption of the Annual Plan 2019/20, which sets the budget and rates requirement for the year. It is based on Year Two of the Council's LTP 2018-28, and acts as a link between the LTP and the annual setting of rates. It highlights differences between the LTP and the planned financials or levels of service for the year.
- 5.2 Adopting the Annual Plan 2019/20 will not trigger an S17a review.

Compliance with legislation and Council Policy

- 5.3 The legislative requirements associated with the Annual Plan are contained in the Local Government Act 2002, in particular:
 - Section 95 (3): The requirement to prepare and adopt an Annual Plan before the commencement of the year to which it relates.
 - Section 95 (2A): No requirement to formally consult if the Annual Plan does not include significant or material differences from the content of the LTP for the financial year to which the Annual Plan relates.
 - Part 2, Schedule 10: The requirement for the following information to be included in the Annual Plan: (18): Forecast financial statements, (19): Financial statements

for previous year, (20): Funding impact statement, (20A): Rating base information, and (21): Reserve funds information

- 5.4 The Annual Plan 2019/20 is consistent with and supports all other Council policies and plans, including the Long Term Plan 2018-28 and District Plan.

What are the key benefits?

- 5.5 Aside from legislative compliance, the main benefit of the Annual Plan is that it provides information to the community on how Council intends to deliver services, fund its activities and achieve its outcomes over the next financial year. It also provides a reference for future decisions of Council in achieving its objectives.

What is the cost?

- 5.6 There is no cost associated with adopting the Annual Plan. Costs to develop and print the document are budgeted for as part of Council's Leadership and Governance activity.

What is the saving?

- 5.7 Nil

Who has been consulted?

- 5.8 It was not necessary for Council to consult on this Annual Plan, as its contents was not significantly or materially different from that in Year Two of the LTP. However, Council is keen to share its information with the community, and provide a chance for people to discuss aspects of it. Therefore, Council will be hosting information sessions around the district during June 2019. This will involve taking the community caravan out and having staff on hand to answer any questions.

Maori Standing Committee

- 5.9 The Annual Plan is relevant to the community as a whole. There are no specific considerations relating to this committee.

6. SIGNIFICANCE

- 6.1 The matters contained in the Annual Plan affect the entire community.
- 6.2 The Annual Plan normally generates a high level of interest from members of the community. This is often linked to the setting of rates, to significant initiatives, and to any changes to these as stated in the LTP. All significant initiatives that Council has planned to undertake are outlined in Plan, attached as Appendix 1.
- 6.3 The Annual Plan determines Council's budget, service levels and funding capacity for the 2019/20 year.
- 6.4 The impact on strategic assets is considered in the Infrastructure Strategy and Activity Management Plans in the LTP 2018-28.
- 6.5 The adoption of the Annual Plan is administrative and assessed as being of low significance. However, the matters addressed in it affect all areas of Council for at least the next financial year. In this regard it is of high significance.

- 6.6 The Annual Plan is not required to specifically address the relationship of Māori to ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga, but these considerations are embedded in Council's vision and community outcomes.

7. RISK MANAGEMENT

- 7.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:

- a. By adopting the Annual Plan 2019/20, Council would mitigate the following risks:

Human	Financial	Regulatory
Low	Extreme	Low
Operations	Employees	Reputational
Considerable	Considerable	Extreme

Further Information

Full supporting information is available in Council's Long Term Plan 2018-28 and Activity Management Plans, which can be found on Council's website: www.wairoadc.govt.nz and from Council's main office.

Background Papers

Extraordinary Council. 25 September, 2019. Adoption of the Long Term Plan 2018-28.

References (to or from other Committees)

Council. 11 June, 2019. Fees and Charges 2019/20.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
Author Kimberley Tuapawa	Approved by Steven May

ANNUAL PLAN 2019/20



RĀRANGI TAKE

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Left to right: Craig Little (Mayor), Denise Eaglesome-Karekare (Deputy Mayor), Mike Bird, Min Johansen, Jeremy Harker, Hine Flood, Charlie Lambert

ANNUAL PLAN 2019/20

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HE KARERE TAIHONOTANGA

JOINT STATEMENT

Welcome to our Annual Plan 2019/20. This document sets the budget and rates requirement for the year, and is based on Year Two of the Council's Long Term Plan (LTP).

Rates

We acknowledge that rates will be increasing as signalled in Year Two of the LTP and individual ratepayers will be affected differently. This is based on a number of factors, including;

- the new property valuations, and;
- the increased costs of key infrastructure projects and works like wastewater, roading, waste management, water piping etc. The costs for carrying out Council's business on behalf of the community is expected to increase. Our obligation is to meet these increased costs through rates.

Council has worked hard to keep within the thresholds we signalled in Year Two of the LTP and ensuring that this is as affordable as possible.

As there are no major differences between the Annual Plan and Year Two of the LTP, including the threshold for rates increases, there is no requirement to consult in a formal way. However, Council is keen to share its information with the community, and provide a chance for everyone to discuss the plan.

General Revaluations 2018

Property valuations were carried out by an independent valuation service provider from August to October last year and property owners were notified of their new valuations. In total, rateable 'land values' in the district increased by 38.1%, and 'capital values' increased by 29.3%.

The valuations of different categories of land increased by different amounts or proportions. This means that it

is necessary to adjust the rates based on these changes. Changes in property values do not affect the total amount of rates that Council receives, just how this is distributed across the district.

Effect on Proposed Rates

Council is required to revalue all land in the district, once every three years. General Revaluation 2018 reported higher increases in land values for pastoral properties, followed by residential properties.

This means that a higher level of some rates will be charged on these two groups when compared against other property types, including forestry and commercial property. Their values increased by a smaller percentage. Rural residential property values did not alter to the same degree.

In line with Council's Revenue and Financing Policy, Council funded activities such as roading, airport maintenance and environmental health costs are rated based on a property's land value. Other activities, such as maintaining parks and reserves and economic development costs are rated on a property's capital value.

Close to half of our activities are funded by charges based on land and capital values.

Other Information

We continue to work hard to increase efficiencies within Council's operations to ensure we are operating in an affordable way. We welcome your feedback and encourage you to visit our website for further information.

🌐 www.wairoadc.govt.nz

C Little
Mayor Craig Little

S. May
CEO Steven May



ANNUAL PLAN 2019/20

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TE ARONGA RAUTAKI

STRATEGIC DIRECTION



OUR MISSION

The Wairoa District Council exists so that residents and visitors alike can enjoy the community in which they live and visit, supported by local decision-making to promote the social, economic, environmental and cultural well-being of the Wairoa District in the present and for the future.



OUR VISION

- Connected Communities
- Desirable Lifestyles
- Treasured Environments



COMMUNITY OUTCOMES

Economic wellbeing

1. A strong, prosperous and thriving economy
2. A safe and integrated infrastructure

Social and cultural wellbeing

3. A community that values and promotes its culture and heritage
4. Safe and accessible recreational facilities
5. Supportive, caring and valued communities
6. Strong district leadership and a sense of belonging

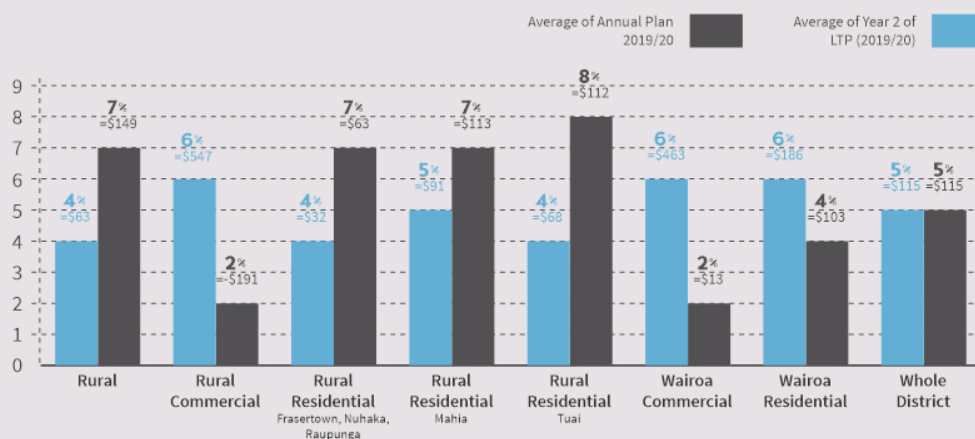
Environmental wellbeing

7. A safe and secure community
8. A lifetime of good health, education and wellbeing
9. An environment that is appreciated, protected and sustained for future generations.

ANNUAL PLAN RATES INCREASE

The average rates increase for 2019/20 is 5%. However, Council's activities are rated in a variety of ways and with a large number of differentials. Therefore, individual ratepayers will be affected differently depending on the value, location and type of property they own.

The rates are calculated based on Council's Revenue and Financing Policy¹ provisions. There were no changes to this Policy after public consultation last year, so the way Council calculates rates remains unchanged². The graph below shows the average proposed rates increase for 2019/20 by sector compared with the average proposed rates increase for Year 2 (2019/20) of the LTP.



Note: All percentages & figures have been rounded to the nearest whole figure.

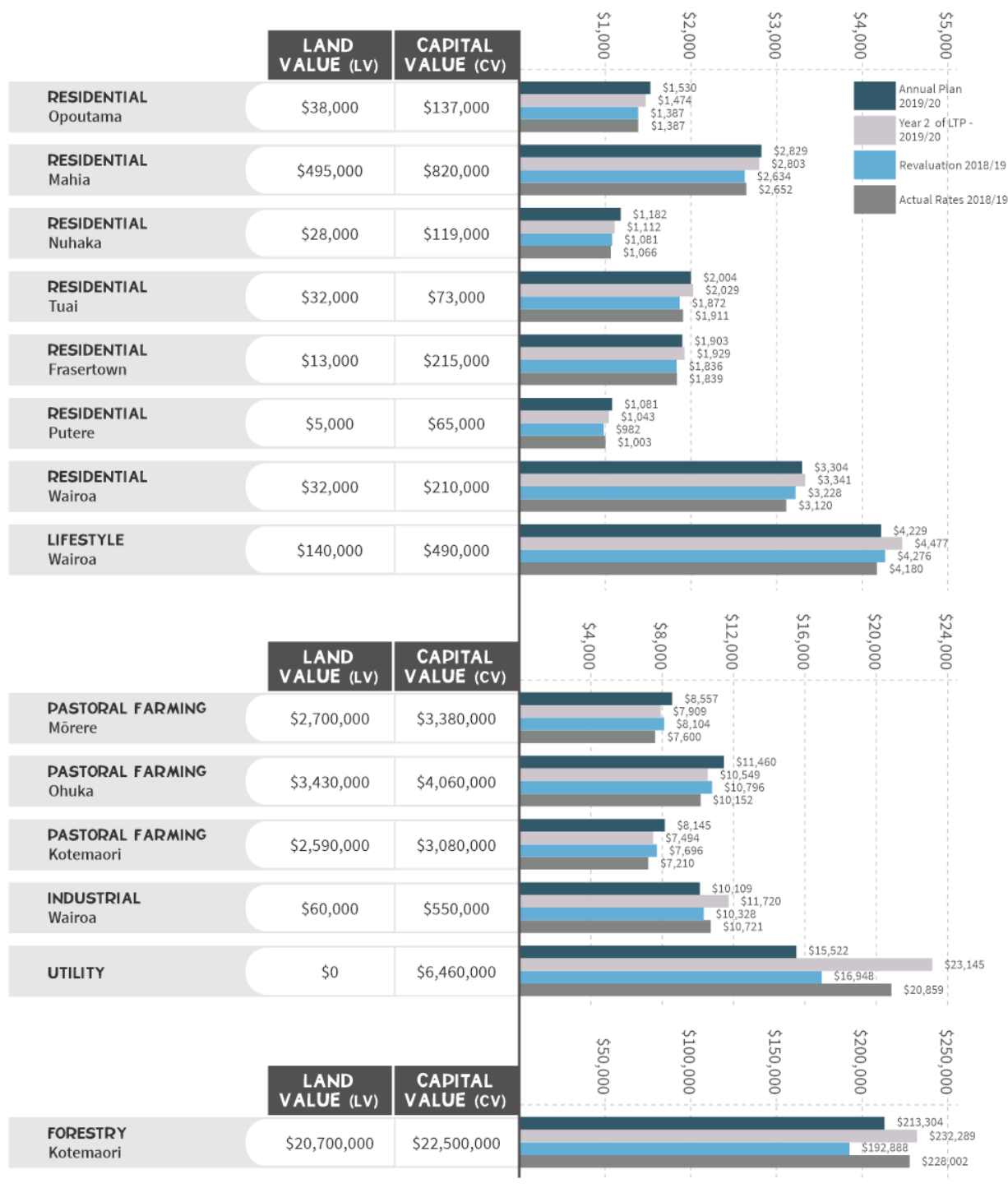
¹ To learn more about Council's Revenue & Financing Policy, please refer to p. 210 of the LTP 2018-28.

² To learn more about rates and how Council makes its decisions on funding and expenditure, please refer to Council's Financial Strategy on pp. 12-26 of the LTP.

HE ĀHUATANGA TĪPAKO

SAMPLE PROPERTIES

The graph below shows details for a few selected sample properties from different rating categories throughout the Wairoa District. For each of these the graph shows the actual rates for the year 2018/19, what the 2018/19 rates would have been with the new property revaluation values, the forecast 2019/20 rates in year 2 of the LTP and the proposed 2019/20 rates in the Annual Plan.



ANNUAL PLAN 2019/20

TE PŪTAKE PĀRONGO MŌ TE TĀKE

RATING BASE INFORMATION

As at 30 June 2019	All Rating Units
Number of Rating Units	7,202
Capital Value of Rating Units	\$2,420,794,250
Land Value of Rating Units	\$1,552,305,000

KA HAERE ŌU TĀKE KI HEA

WHERE YOUR RATES GO

	WATER SUPPLY	To fund the water supply activities in the Wairoa District. Council owns and operates water supply systems in Wairoa, Frasertown, Tuai, Blue Bay (non-operational) and Māhanga (pending upgrade).	11%
	WASTE WATER	To fund the wastewater activities. Council owns and operates waste water systems in Wairoa, Tuai, Mahia and Opoutama.	9%
	STORM WATER	To fund the stormwater activities. This consists of a network of pipes, open drains and outlets, and relates to the Wairoa urban area, Tuai village and Mahia Beach.	3%
	WASTE MANAGEMENT	To fund the waste management facilities. These provide a service by which refuse can be disposed of in a controlled manner.	7%
	TRANSPORT	To fund the roading activities to ensure the safe and efficient flow of all traffic. To fund the airport activity to maintain an operational facility in the district.	26%
	COMMUNITY FACILITIES	To fund and service public cemeteries, operate parks and reserves, fund the Library, and play a role in supporting community events, initiatives and facilities, including the Community Centre and Museum.	19%
	PLANNING & REGULATORY	To fund Council's regulatory activities including resource planning, environmental health, building control, liquor control, dog control, livestock control, and general bylaw enforcement.	7%
	LEADERSHIP & GOVERNANCE	To fund community representation, which includes elections, governance, administration and long-term planning. To fund Māori relationships and economic development, tourism and the Information Centre.	18%

Note: To learn more about these key activity groups, what the Council does and why they do it, and how these activities contribute to the Wairoa community, refer to pp. 42-156 of the LTP

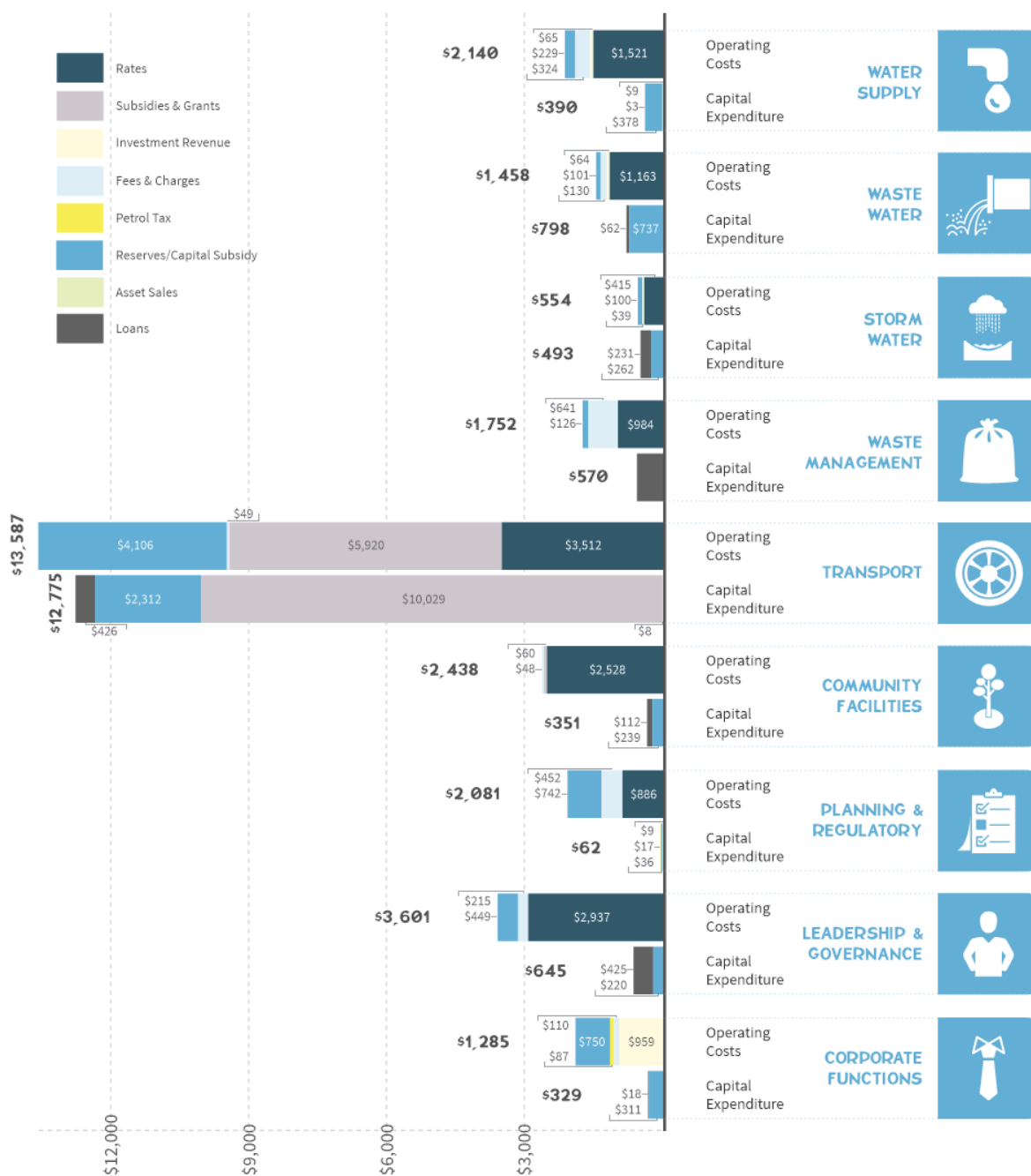
TE UTU WHAKAHAERE MĀ TE WHAKAPAUNGA UTU

OPERATING COSTS VS. EXPENDITURE (\$'000)

The following information outlines what Council plans to spend for each activity group over the year and how we plan to fund each activity group's expenditure. 'Reserves' are Council's depreciation reserves that are part of what is rated for each year in order to have money set aside to fund our infrastructure replacements to spread the costs of replacing an asset over the asset's expected life. Council also uses these reserves instead of getting external loans for other projects.

The graph below shows total operating costs and capital expenditure for each of Council's activity groups. For each of these the graph shows the amount Council plans to receive via various funding sources. Amounts are in \$ thousands.










Note: To learn more about how key activity groups are funded, refer to pp. 42-156 of the LTP.



ANNUAL PLAN 2019/20

Ā MĀTAU WHAKAAROTAU

OUR PRIORITY AREAS

		1	2	3	4	5	6	7	8	9	Significant Initiatives
	WATER SUPPLY	★				★		★	★	★	Works on water supply intake, Māhanga water supply, Blue Bay water supply
	WASTE WATER	★		★		★		★	★	★	Wastewater discharge consent, Modification of existing wastewater facilities, Transitioning to a land-based discharge, Network renewals commitment, River health partnership strategy
	STORM WATER	★	★		★	★		★	★	★	Piping open drains
	WASTE MANAGEMENT	★	★	★	★	★		★		★	Wairoa Landfill services Mahia greenwaste and recycling centre
	TRANSPORT	★	★	★	★	★	★	★	★	★	Bridge strengthening programme Rooding: Maintaining State Highway 38 Rooding: Reducing dust impact Rooding: Emergency works and reinstatement
	COMMUNITY FACILITIES		★	★	★	★		★	★	★	CBD enhancement Works on Tuai Hall
	PLANNING & REGULATORY	★		★	★	★		★	★	★	
	LEADERSHIP & GOVERNANCE	★	★	★	★	★	★	★	★	★	
	CORPORATE FUNCTIONS	★	★	★		★		★	★	★	

ECONOMIC WELLBEING

- 1 A strong, prosperous and thriving economy
- 2 A safe and integrated infrastructure

SOCIAL & CULTURAL WELLBEING




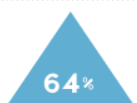


- 3 A community that values and promotes its culture & heritage
- 4 A safe and integrated infrastructure
- 5 Supportive, caring and valued communities
- 6 Strong district leadership and a sense of belonging

ENVIRONMENTAL WELLBEING

- 7 A safe and secure community
- 8 A safe and integrated infrastructure
- 9 Supportive, caring and valued communities

NGĀ WHAKAREREKĒ HIRANGA

KEY CHANGES

		Main Reasons for Change
 	Rates Revenue has stayed the same as forecasted for Year 2 of the 2018-28 LTP	<p>Despite escalating costs in core infrastructure Council has maintained a rates increase within the threshold of 5% set by its Financial Strategy.</p> <p>Total rates revenue will be almost exactly the same as that forecast in year 2 of the LTP.</p> <p>This has been achieved by:</p> <ul style="list-style-type: none"> • reducing the amount rated for depreciation • reducing some discretionary operating budgets • increasing anticipated investment revenue • offsetting expected revenue from asset sales against rates <p>Council must balance the cost of delivering service levels against affordability. This is a short term remedy that would not be prudent in the long term and Council will look to address this deficit over several years.</p>
	Operating Expenditure up to \$28.9 million from forecasted \$25.5 million	<p>Operating Costs are forecast to be more than \$3 million higher than anticipated in the LTP.</p> <p>Of this \$2 million is the result of increases in the costs of road maintenance.</p> <p>More than \$0.3 million relates to increases across the water services and a further \$0.2 million relates to increase in waste management costs, a matter than Council consulted on in 2018.</p> <p>The remaining increases are distributed across the remaining activities and corporate functions.</p>
	Capital Expenditure up to \$16.4 million from forecasted \$10 million	<p>Total capital expenditure will be \$16.4 million, compared to \$10 million in the LTP.</p> <p>The main differences versus the LTP are as follows:</p> <ul style="list-style-type: none"> • An additional \$4.6 million will be spent on roading to reinstate parts of the network that were damaged in the weather events of 2018. • This will be funded between 75-95% by NZTA subsidies, which is why capital subsidy revenue will be more than double the amount anticipated in the LTP. • An additional \$0.7 million will be spent on runway resurfacing and safety improvements at the Wairoa airport. • This is deferred work that had originally been proposed in 2017. • An additional \$0.5 million will be spent on improvements and compliance upgrades at the Wairoa landfill and recycling centre. • This expenditure is required to make the facility legally compliant and also mitigates the increase in annual operating costs by approximately \$70,000.
 	Balance Sheet & Liquidity Net assets up to \$308 million from forecasted \$306.6 million Net cash inflow up to \$1.6 million from forecasted \$1.0 million	<p>As a result of the above cash and investments will be \$1 million less than expected in the LTP and borrowings will be \$0.7 million higher.</p> <p>Council's balance sheet will remain healthy and it will still generate a positive cash flow. However, the margins will become tighter and will need to be carefully managed.</p>

ANNUAL PLAN 2019/20

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NGĀ KAUPAPA HIRANGA

SIGNIFICANT INITIATIVES



WASTEWATER

Overview:

Council's wastewater discharge consent expired in May 2019. A new consent application was lodged with Hawke's Bay Regional Council in 2018. It was based on a community-led best practicable option package involving the modification of the existing wastewater facilities, transitioning to a land-based discharge, and a network renewals commitment. It also includes an ongoing commitment to the river health partnership strategy.

This project is one of the most significant infrastructure initiatives Wairoa has seen in 30 years. It includes:

- Reducing inflow to the wastewater treatment plant of stormwater and groundwater by upgrading the stormwater reticulation network, capacity upgrades and removal of illegal stormwater connections to the wastewater reticulation network.
- Disposing of some of the treated wastewater to land, and increase the capacity to dispose to land over time.
- Investigating and implementing storage needs to facilitate land disposal.
- Adding filtration and UV disinfection to the treatment process to produce a cleaner effluent with reduced levels of pathogens.

A total cost of \$6.5 million was approved, however due to inflation assumptions the overall cost is estimated to be \$8.15 million. The cost of this project is spread over 6 years but will only have an effect on rates once the money is being spent. The proposed expenditure is:

- \$1.65M for renewals of the wastewater reticulation system
- \$1.5M for renewal works on the oxidation ponds
- \$1M for the consent process
- \$4M for proposed works associated with a new consent.

As Council lodged the application in 2018, the current service can continue until the new consented option is rolled out.



BRIDGE STRENGTHENING

Overview:

Council is currently carrying out strengthening work on a number of bridges across the district, but many more require strengthening work. A bridge strengthening programme was endorsed to improve the resilience of our road network, in response to legislative changes. This programme is providing economic benefits for current and future land use in the district. It includes accommodating increased dimension heavy-production motor vehicles (HPMV) on our roads.

The total project cost of approximately \$1.4m per annum of the LTP is subsidised by NZTA at 75%. The remaining local share of 25% will cost ratepayers \$320,000 per annum.

Update:

Throughout the first year of the LTP, Council has made progress with the bridge strengthening programme. A number of capacity assessments are being completed and designs are being undertaken for physical works to start.

Key changes from 2019/2020 year of LTP:

Council has taken the opportunity to apply for Provincial Growth Funding (PGF) to reduce the financial burden on ratepayers. If this application is accepted it will fund the 25% local share not funded by NZTA. Consequently the budget was removed anticipating a successful application.

If the 25% local share is not funded by the PGF, Council will be required to review the programme or seek other funding. The Council will consider HPMV routes at the completion of year 2 of the LTP with funding secured by the PGF.



ROADING - STATE HIGHWAY 38

Overview:

In 2015, NZTA delegated maintenance of the unsealed sections of State Highway 38 to Council. This arrangement is ongoing and is 100% funded by the NZTA through their maintenance and operations budgets.

Update:

Ongoing maintenance of the unsealed sections of SH38 is undertaken by contractors engaged by Council. The contract model used to deliver maintenance on the unsealed sections has been changed, with the new contract in effect since 1st March 2019. The aim of the change in contract delivery is to ensure that the road delivers the desired experience for users, while meeting the requirements of the government's policies for state highways.



ROADING - DUST IMPACT

Overview:

The impacts of land use changes and forestry harvesting cycles on our rural roads, and especially unsealed roads, presents an ongoing issue for residents.

Council allocated \$90,000 per annum to fund work to mitigate and reduce impacts from dust on unsealed roads. This does not include resealing.

Update:

Road sealing was undertaken near Putere School on Putere Road this year.



PROPERTY REVALUATIONS

Overview:

Council is required to revalue all land in the district, once every three years. Property valuations were carried out by an independent valuation service provider in October last year and property owners were notified of their new valuations. In total, rateable 'land values' in the district increased by 38.1%, and 'capital values' increased by 29.3%.

The valuations of different categories of land increased by different amounts or proportions. This means that it is necessary to adjust the rates based on these changes. Changes in property values do not affect the total amount of rates that Council receives, just how this is distributed across the district.

Effect on Proposed Rates:

General Revaluation 2018 reported higher increases in land values for pastoral properties, followed by residential properties. This means that a higher level of some rates will be charged on these two groups when compared against other property types, including forestry and commercial property. Their values increased by a smaller percentage. Rural residential property values did not alter to the same degree.

In line with Council's Revenue and Financing Policy, Council funded activities such as roading, airport maintenance and environmental health costs are rated based on a property's land value. Other activities, such as maintaining parks & reserves and economic development costs are rated on a property's capital value.

Close to half of our activities are funded by charges based on land and capital values.



ROADING - EMERGENCY WORKS - REINSTATEMENT

Overview:

Each year, natural events impact on the transport system. To recover from these events an assessment of the repair work required is undertaken and budgeted for in the LTP.

The scope of recovery work ranges from cleaning up slips and debris to construction of retaining walls to reinstating roads and access for communities. An assessment of the amount required for each is funded through targeted rates, loan and reserves funding to ensure affordability for ratepayers.

Update:

During September 2018, the district was subjected to a high intensity rainfall event. As a result, the districts road system was severely impacted with a number of road closures due to washouts and slips.

The estimated cost of the damage was \$8.41m with a significant portion (95%) of this being funded by NZTA. The initial cleanup of the slips (\$1m) has been undertaken and contracts to repair some of the dropouts have been awarded. This work has commenced, however a significant number of dropouts in the district remain. Council has secured funding with NZTA to reinstate the roads. But due to the extent of repair work, recovery will span over at least 2 years of the LTP.

Key changes from 2019/2020 year of LTP:

There is a \$5.2m increase in the budget from the proposed budget in Year 2 of the LTP to reflect the reinstatement of the transport system required. Between 75-95% is funded by NZTA, and Council's share has been funded from reserves and loans.



MAHIA GREENWASTE & RECYCLING CENTRE

Overview:

Mahia's waste and recycling needs have increased over the past few years, and Council agreed to spend \$150,000 on the establishment of a greenwaste and recycling centre at Mahia to accommodate residents' and visitors' waste and recycling needs more effectively.

Update:

Council are exploring options for suitable sites around the Mahia Peninsula. In addition to the original scope and based on community feedback Council is looking to secure a site that will allow extended opening hours and operations. This requires significant design and coordination with land owners and neighbours.



CBD ENHANCEMENT

Overview:

Last year, Council heard ideas from the community around improvements to Wairoa's CBD. This followed years of comments from those wanting to see improvements to safety, security, and the look of closed shops. It was an opportunity to understand what the community saw as its issues and opportunities for the town centre, what their visions were and how much of the CBD should be covered by this project.

Council opted to not invest \$1.5 million into the CBD enhancement but instead to carry-over and use the existing \$200,000 budget for some minor work. This decision was based on community feedback from people asking for the town to be tidied up rather than a total enhancement.



WAIROA LANDFILL

Overview:

Council implemented all of the proposed changes to the landfill service, creating a cost-effective delivery whilst reducing the burden across all ratepayers. Changes will see an increased minimum charge for general waste and greenwaste, increased fee per tonne for general waste and for greenwaste, and landfill and recycling centre is closed on three days during the week. These changes create a more user pays system, and will result in an increase of \$70,000 in revenue.

Update:

Council consulted on the number of days to open the facility at the end of 2018 and early 2019. The decision was to open it for 4 days instead of 6 days. The community's preference was to have a reduction in operating hours rather than a rates increase based on increased landfill operating expenses.

From April 1 the landfill and recycling centre is operating over four days a week, Tuesday, Thursday, Saturday and Sunday from 8am until 2pm. The service is being delivered by national contractor Smart Environmental with a focus on delivering a convenient and cost-effective service for local people.



WATER INTAKE

Overview:

Due to ongoing high rainfall, flooding has occurred which has resulted in damage to the riverbank. It was imperative that Council repair and stabilise area where the water intake is situated to ensure ongoing water supply to the Wairoa township. Construction of the sheet pile retaining wall is underway and, despite challenging site conditions, the project is almost complete.

Key changes from 2019/2020 year of LTP:

An old retaining wall 4-6m below ground level was discovered during the work. As a result the project has cost an additional \$20,000 to construct. This is unbudgeted emergency works.



PIPING OPEN DRAINS

Overview:

Last year, Council agreed to spend \$1.2 million on new footpaths and piped open drains under an accelerated programme. However, after securing confirmation of funding from NZTA, Council resolved to move all of the locally funded footpath budget for the duration of the plan, and in 2018/19 and 2019/20 \$75,000 of the open drain budget into the subsidised roading activity budget, and make the Kitchener St open drain a priority. There is an additional \$500,000 available to spend on other new footpaths and piped open drains.

Update:

A key safety priority for the Wairoa Township has been piping the open drain along Kitchener Street. To ensure that good quality infrastructure is built, Council had a peer review conducted on the initial design. The design has been changed to reflect the effects of increased rainfall and other climate changes. As a result, the project costs increased and physical works were not completed in Year 1 of the LTP.

Key changes from 2019/2020 year of LTP:

Although the project cost has increased it will still proceed with 75% funding from NZTA with an estimated completion of 2020/21.



MĀHANGA WATER SUPPLY

Overview:

The Māhanga water supply does not meet the current New Zealand Drinking-water Standards (NZDWS). As a result of the outcome from the referendum in 2017, Council is required to upgrade the water supply to the settlement of Māhanga. This supply will need to be fully compliant with the NZDWS, and a key part is to ensure that the water source (i.e. bore) can provide a sustainable and cost-effective water supply. An estimated sum of \$235,000 was allocated to upgrade the treatment of the Māhanga drinking water supply.

Update:

There are significant challenges to delivering long term safe drinking water in the Māhanga community. If the public drinking water supply at Māhanga was upgraded, Council would estimate costs to be significantly higher due to the changes made to the NZDWS in 2019. Council has invited the community to meet in June 2019 to discuss the project and highlight the key challenges, opportunities and a way forward. It is unlikely that Council will be able to deliver a compliant drinking water supply under new standards to the Māhanga community for \$235,000 as indicated in the LTP.



BLUE BAY WATER SUPPLY

Overview:

Council are working on options to upgrade the water supply at Blue Bay system to meet the current NZDWS. An estimated budget of \$215,000 was included for this upgrade in 2018/2019.

Update:

The drinking water supply upgrade for the Blue Bay sections was not completed by December 2018 as initially planned due to higher than expected costs. The Blue Bay community requested that Council partner and share costs for the scheme's development. Council anticipate a decision for cost-sharing to be made by December 2019.



TUAI HALL

Overview:

Following engagement with the Tuai community in 2018 and 2019, Council has updated its arrangements for the management of its property assets in Tuai. This includes the Tuai Hall, Craft Rooms and former Play Centre. The intention behind this is to ensure that the properties are accessible and fit for use by all members of the community.

Having received feedback from the community on suitability and having carried out asset condition assessments, Council is looking to carry out remedial works and upgrades to the buildings, drawing \$80,000 from the Tuai reserve fund to complete this work.

Note: To learn more about these key projects and activities, please refer to the LTP.

TE MATAPAE PUAKANGA MŌ TE MAHERE-A-TAU

ANNUAL PLAN DISCLOSURE STATEMENT

ANNUAL PLAN DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2019

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). Please refer to the regulations for more information, including definitions of some of the terms used in this statement.

	Policy Limit	Planned	Met
Rates Affordability Benchmark ¹			Yes
Revenue	60% of operating expenses	46%	Yes
Revenue	70% of total revenue	40%	Yes
Increases	5% per annum	5.0%	Yes
Debt Affordability Benchmark ²	Borrowings not more than total revenue	25%	Yes
Balanced Budget Benchmark ³	100%	115%	Yes
Essential Services Benchmark ⁴	100%	361%	Yes
Debt Servicing Benchmark ⁵	Debt servicing not more than 15% of rates revenue	4%	Yes

¹ Rates Affordability Benchmark

1. For this benchmark,
 - a. the Council's planned rates income for the year is compared with 60% of operating costs and 70% of total revenue contained in the financial strategy included in the Council's long-term plan; and
 - b. the Council's planned rates increases for the year are compared with 5% on rates increases for the year contained in the financial strategy included in the Council's long-term plan.
2. The 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

1. For this benchmark, the Council's planned borrowing is compared with borrowings of no more than total revenue contained in the financial strategy included in the Council's long-term plan.
2. The Council meets the debt affordability benchmark if its planned borrowing is within its quantified limit on borrowing.

³ Balanced Budget Benchmark

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

⁴ **Essential services benchmark**

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

⁵ **Debt servicing benchmark**

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

TE PĀRONGO PŪTEA

FINANCIAL INFORMATION

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TE MATAPAE AHIPŪTEA WHIWHI ME UTU WHAKAHAERE (KAUNIHERA KATOA)

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE (WHOLE COUNCIL)

	Annual Plan 2018/19 \$000	Long Term Plan 2019/20 \$000	Annual Plan 2019/20 \$000	Variance to Long Term Plan 2019/20 \$000
Revenue				
Rates	12,755	13,338	13,325	(13)
Subsidies	4,865	5,231	5,980	749
Capital Subsidy	4,702	5,081	10,853	5,772
Petrol Tax	85	87	87	-
Fees and Charges	1,749	1,811	1,971	160
Investment Income	873	719	1,127	408
Reserves	-	-	-	-
Other Income	-	-	-	-
Total Revenue	25,028	26,267	33,343	7,076
Expenses				
Staff Costs	5,472	5,679	6,071	392
Depreciation and Amortisation	5,238	5,655	5,379	(276)
Finance Costs	707	771	705	(66)
Other Operating Expense	13,081	13,421	16,740	3,319
Total Expenses	24,498	25,525	28,895	3,370
Net Surplus/(Deficit) from Operations	529	742	4,448	3,706
Plus Other Comprehensive Revenue				
Revaluation of Property Plant and Equipment	-	15,288	15,073	(215)
Total Comprehensive Revenue	529	16,030	19,521	3,491

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TE MATAPAE TAUĀKĪ O TE AHUPŪTEA (NGĀ MAHINGA)

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE
(WHOLE COUNCIL)

	Long Term Plan 2019/20 \$000	Annual Plan 2019/20 \$000	Variance to Long Term Plan 2019/20 \$000
Operating Revenue			
Water Supply	1,955	1,911	(44)
Wastewater	1,458	1,357	(101)
Stormwater	473	453	(20)
Waste Management	1,359	1,626	267
Transport	8,467	9,480	1,013
Community Facilities	2,733	2,636	(97)
Planning & Regulatory	1,422	1,339	(83)
Leadership & Governance	2,376	3,152	776
Corporate Functions	942	535	(407)
Total Revenue	26,267	33,343	7,076
Operating Expenditure			
Water Supply	2,134	2,140	6
Wastewater	1,510	1,458	(52)
Stormwater	473	554	81
Waste Management	1,379	1,752	373
Transport	10,802	13,587	2,785
Community Facilities	2,325	2,438	113
Planning & Regulatory	2,136	2,081	(55)
Leadership & Governance	3,427	3,601	174
Corporate Functions	1,339	1,285	(54)
Total Expenditure	25,525	28,895	3,370

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TE MATAPAE TŪ AHUPŪTEA (KAUNIHERA KATOA)

PROSPECTIVE STATEMENT OF FINANCIAL POSITION
(WHOLE COUNCIL)

	Annual Plan 2018/19 \$000	Long Term Plan 2019/20 \$000	Annual Plan 2019/20 \$000	Variance to Long Term Plan 2019/20 \$000
Assets				
Current Assets				
Cash and Cash Equivalents	2,287	1,137	410	(727)
Inventories	58	58	58	-
Trade and Other Receivables	3,138	3,602	2,483	(1,119)
Total Current Assets	5,483	4,797	2,952	(1,845)
Non Current Assets				
Reserves				
Property Plant and Equipment	261,026	282,104	279,200	(2,904)
Work in Progress	12,073	10,034	16,415	6,381
Loans and Other Receivables	0	0	0	-
Investment Property	-	-	-	-
Biological Assets	260	260	260	-
Investments in Subsidiary	1,250	1,250	1,250	-
Available for Sale Financial Assets	23	23	23	-
Intangible Assets	188	217	231	14
Financial Assets at Fair Value	9,122	7,872	7,620	(252)
Total Non Current Assets	283,943	301,760	305,000	3,240
Total Assets	289,426	306,557	307,952	1,395
Liabilities				
Current Liabilities				
Trust Funds and Deposits	250	250	250	-
Trade Payables	7,408	7,501	8,259	758
Employee Benefit Liabilities	400	407	407	-
Contract Retentions	615	627	615	(12)
Total Current Liabilities	8,673	8,785	9,531	746
Non Current Liabilities				
Employee Benefit Liabilities	112	115	115	-
Borrowings	6,536	7,498	8,183	685
Landfill Aftercare	730	753	753	-
Total Non Current Liabilities	7,378	8,365	9,050	685
Total Liabilities	16,051	17,151	18,581	1,430
Equity				
Retained earnings				
Unrestricted Reserves	141,802	144,084	140,766	(3,318)
Surplus/(Deficit) for the year	529	742	4,448	3,706
Transfers to/from Special Reserves	1,752	(89)	528	617
Total Retained earnings	144,084	144,737	145,742	1,005

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	Annual Plan 2018/19 \$000	Long Term Plan 2019/20 \$000	Annual Plan 2019/20 \$000	Variance to Long Term Plan 2019/20 \$000
Other Reserves				
Revaluation Reserves	111,913	127,201	126,986	(215)
Special Funds	17,379	17,467	16,643	(824)
Total Other Reserves	129,292	144,669	143,628	(1,041)
Total Equity	273,376	306,557	307,952	1,395
Total Equity & Liabilities	289,426	306,557	307,952	1,395

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**TE MATAPAE TŪ AHUPŪTEA (WHAKARĀPOTO) -
NGĀ RAWA MĀRIKA (KAUNIHERA KATOĀ)**

**PROSPECTIVE STATEMENT OF FINANCIAL POSITION (SUMMARY) -
NET TANGIBLE ASSETS (WHOLE COUNCIL)**

	Annual Plan 2018/19 \$000	Long Term Plan 2019/20 \$000	Annual Plan 2019/20 \$000	Variance to Long Term Plan 2019/20 \$000
Working Capital				
Total Current Assets	5,483	4,797	2,952	(1,845)
Total Current Liabilities	(8,673)	(8,785)	(9,531)	(746)
Net Working Capital	(3,190)	(3,988)	(6,579)	(2,591)
Plus/(Less) Non-Current Items				
Total Non-Current Assets	283,943	301,760	305,000	3,240
Total Non-Current Liabilities	(7,378)	(8,365)	(9,050)	(685)
Total Net Tangible Assets	273,376	289,406	289,370	(36)
Total Equity	273,376	289,406	289,371	(35)

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TE MATAPAE MANA TAURITE (KAUNIHERA KATOA)

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
(WHOLE COUNCIL)

	Annual Plan 2018/19 \$000	Long Term Plan 2019/20 \$000	Annual Plan 2019/20 \$000	Variance to Long Term Plan 2019/20 \$000
Opening Equity	272,846	273,376	269,851	(3,525)
Net Surplus/(Deficit) for Period	529	742	4,448	3,706
Other Comprehensive Income	-	15,288	15,073	(215)
Total Comprehensive Income	520	16,030	19,521	3,491
Closing Equity	273,376	289,406	289,371	(35)
Components of Equity				
Ratepayers Equity at the beginning of the year	141,802	144,084	140,766	(3,318)
Net Surplus/(Deficit) for period	529	742	4,448	3,706
Fair Value Asset Adjustments				
Transfer from restricted reserves	5,425	3,914	8,358	4,444
Transfers to restricted reserves	(3,673)	(4,003)	(7,830)	(3,827)
Transfer from revaluation reserve on disposal				
Ratepayers Equity at 30 June	144,084	144,737	145,742	1,005
Special Funds				
Special Funds at the beginning of the year	19,131	17,379	17,171	(208)
Transfer from ratepayers equity	3,673	4,003	7,830	3,827
Transfer to ratepayers equity	(5,425)	(3,914)	(8,358)	(4,444)
Special Funds at 30 June	17,379	17,467	16,643	(824)
Revaluation Reserve				
Revaluation reserve infrastructural at the beginning of the year	111,913	111,913	111,913	-
Net transfer from revaluation reserve on disposal				
Transfer to revaluation	-	15,288	15,073	(215)
Revaluation reserve infrastructural at 30 June	111,913	127,201	126,986	(215)
Total Closing Equity at 30 June	273,376	289,406	289,371	(35)

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TE MATAPAE KAPEWHITI (KAUNIHERA KATOA)

PROSPECTIVE CASH FLOW STATEMENT
(WHOLE COUNCIL)

	Annual Plan 2018/19 \$000	Long Term Plan 2019/20 \$000	Annual Plan 2019/20 \$000	Variance to Long Term Plan 2019/20 \$000
Cashflow from Operating Activities				
Cash will be provided from:				
Rates	12,327	12,162	13,259	1,097
Other Revenue	11,399	12,210	18,891	6,681
Investment Income	694	551	959	408
Total Inflows from Operations	24,420	24,923	33,109	8,186
Cash will be applied to:				
Payments to Suppliers and Employers	(14,197)	(18,249)	(21,222)	(2,973)
Interest paid	(529)	(603)	(536)	67
Total Outflows from Operations	(14,726)	(18,852)	(21,758)	(2,906)
Net Cash Flow from Operations	9,694	6,071	11,351	5,280
Investing Activities				
Cash will be provided from:				
Sale of Investments	-	1,250	1,500	250
Total Inflows from Investing Activities	-	1,250	1,500	250
Cash will be applied to:				
Asset purchases and construction	(12,073)	(9,434)	(16,405)	(6,971)
Investments Purchased	(1,975)	-	-	-
Total Outflows from Investing	(14,048)	(9,434)	(16,405)	(6,971)
Net Cash Flows from Investing	(14,048)	(8,184)	(14,905)	(6,721)
Financing Activities				
Cash will be provided from:				
Loans Raised in Year	1,536	1,037	1,648	611
Cash will be applied to:				
Loans Repaid in Year	-	(75)	-	75
Net Cash Flow from Financing	1,536	962	1,648	686
Net Increase/(Decrease)	(2,818)	(1,151)	(1,907)	(756)
Plus Opening Bank Balance	5,104	2,287	2,316	29
Bank Balance at End of Year	2,286	1,136	410	(726)

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TE MATAPAE PŪTEA PENAPENA (KAUNIHERA KATOĀ)

PROSPECTIVE MOVEMENT IN RESERVES STATEMENT
(WHOLE COUNCIL)

	Annual Plan 2018/19 \$000	Long Term Plan 2019/20 \$000	Annual Plan 2019/20 \$000	Variance to Long Term Plan 2019/20 \$000
Reserves held for Emergency Purposes				
Opening Balance	594	607	607	0
Transfer to Reserves	13	14	14	(0)
Transfer from Reserves	-			
Closing Balance	607	621	621	-
Reserves held for future Asset Purchases				
Opening Balance	15,750	13,670	13,463	(207)
Transfer to Reserves	3,301	3,679	7,588	3,909
Transfer from Reserves	(5,381)	(3,829)	(8,276)	(4,447)
Closing Balance	13,670	13,520	12,775	(745)
Reserves held for future Operational Costs				
Opening Balance	1,185	1,210	1,211	1
Transfer to Reserves	25	28	29	1
Transfer from Reserves	-		(82)	(82)
Closing Balance	1,210	1,238	1,158	(80)
Reserves held for repayment of maturing debt				
Opening Balance	1,601	1,890	1,891	1
Transfer to Reserves	289	198	199	1
Transfer from Reserves	-			
Closing Balance	1,890	2,088	2,089	1
Total Reserve Funds	17,377	17,467	16,643	(824)

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TE ĀHUATANGA PŪTEA PENAPENA

MOVEMENT IN SPECIAL RESERVES

Name of Special Reserve	Purpose of Reserve	Activity to which Reserve relates	Opening Balance \$000	Deposits \$000	Withdrawals \$000	Closing Balance \$000
Reserves held for Emergency Purposes						
Disaster Recovery	To fund response to and recovery from emergency events and ensure business continuity	Emergency Management	607	14		621
Reserves held for future Asset Purchases						
Water Production Depreciation	To fund the renewal and replacement of Water Supply assets	Water Supply	1,000	252	(117)	1,135
Water Reticulation Depreciation Wairoa	To fund the renewal and replacement of network assets in the Wairoa reticulation system	Water Supply	1,666	436	(280)	1,823
Water Reticulation Depreciation Tuai	To fund the renewal and replacement of network assets in the Tuai reticulation system	Water Supply	47	1		48
Water Reticulation Frasertown	To fund the renewal and replacement of network assets in the Frasertown reticulation system	Water Supply	34	1		35
Water Reticulation - Peri Urban	To fund the renewal and replacement of network assets in the Peri-Urban reticulation system	Water Supply	267	6		273
Water Reticulation Depreciation Māhanga	To fund the renewal and replacement of network assets in the Māhanga reticulation system	Water Supply	13			13
Water Treatment Depreciation Frasertown	To fund the renewal and replacement of Water Treatment assets supplying the Frasertown network	Water Supply	41	1		41
Water Reticulation Depreciation Peri-Urban	To fund the renewal and replacement of Water Treatment assets supplying the Peri-urban network	Water Supply	115	3		118
Water Treatment - Wairoa	To fund the renewal and replacement of Water Treatment assets supplying the Wairoa network	Water Supply	46	1		47
Sewerage Depreciation Wairoa	To fund the renewal and replacement of wastewater assets in the Wairoa reticulation system	Wastewater	2,425	693	(742)	2,375
Sewerage Depreciation Tuai	To fund the renewal and replacement of wastewater assets in the Tuai reticulation system	Wastewater	300	7		306
Stormwater Reticulation Depreciation Wairoa	To fund the renewal and replacement of stormwater assets in the Wairoa reticulation system	Stormwater	1,693	242	(266)	1,669
Stormwater Depreciation Mahia	To fund the renewal and replacement of stormwater control assets in Mahia	Stormwater	11			11

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Name of Special Reserve	Purpose of Reserve	Activity to which Reserve relates	Opening Balance \$000	Deposits \$000	Withdrawals \$000	Closing Balance \$000
Landfill Depreciation	To fund the renewal and replacement of landfill and recycling assets	Waste Management	412	100	(1)	511
Airport Runway Depreciation	To fund the renewal and replacement of the Airport runway	Transport		7	(769)	(762)
Roading Depreciation	To fund the local share of the renewal and replacement of the roading network	Transport		3,259	(2,910)	349
Footpaths Depreciation	To fund the renewal and replacement of footpaths	Transport	734	17		750
Parking Areas Depreciation	To fund the renewal and replacement of car parks	Transport	458	38	(5)	491
Bridges Depreciation	To fund the local share of the renewal and replacement of bridges	Transport	2,766	937	(1,985)	1,719
Library Books Depreciation	To fund the renewal and replacement of library books	Community Facilities	202	68	(41)	229
Parks & Reserves Depreciation	To fund the renewal and replacement of playground equipment and other recreational assets throughout the district	Community Facilities	25	206	(195)	35
Information Services Renewal	To fund the renewal and replacement of IT equipment	Corporate Functions	412	304	(222)	494
Pensioner Housing Depreciation	To fund the renewal and replacement of buildings used for pensioner housing	Corporate Functions	132	35		167
Asset & Vehicle Depreciation	To fund the renewal and replacement of vehicles, furniture and office equipment	All Activities	666	975	(743)	898
Reserves held for future Operational Costs						
Water Production	To fund the ongoing costs associated with growth of demand in the water supply activity	Water Supply	280	8		288
Reserves Tuai	A Special Fund created to fund projects supporting the development of amenities and community facilities in Tuai	Community Facilities	181	4	(82)	103
Wairoa Urban Fund	A Special Fund created to fund projects supporting the development of amenities and community facilities in Wairoa	Community Facilities	217	5		222
General Purpose Fund	A Special Fund created to fund projects supporting the development of amenities and community facilities in the rest of the district	Community Facilities	205	5		210
District Development	A Special Fund created to fund projects supporting economic development	Economic Development	207	5		212
Retirement & Restructuring	To fund the estimated future cost of retirement liabilities	Corporate Functions	120	3		123

Name of Special Reserve	Purpose of Reserve	Activity to which Reserve relates	Opening Balance \$000	Deposits \$000	Withdrawals \$000	Closing Balance \$000
Reserves held for repayment of maturing Debt						
Loan Repayment - External	Accumulation of funds via rates to repay principal of external borrowings when they fall due	All Activities	1,122	180		1,302
Loan Repayment - Internal	Accumulation of internal interest and repayments via rates to repay funds used from surpluses in existing reserves for specific projects in other activities	All Activities	769	17		787
			17,171	7,830	(8,358)	16,643

TE MAHERE PŪTEA HUA

CAPITAL PLAN

Project Name	Annual Plan 2019/20 \$000	Long Term Plan 2019/20 \$000	Difference to Long Term Plan 2019/20 \$000
Water Supply			
Wairoa Pipelines Renewals	206	206	
Valve Replacements	10	10	
Renewals Modelling	26	26	
Condition Reporting	21	21	
Māhanga reticulation	5	5	
Tuai reticulation	10	10	
Install WAN at Intake	8		8
Renewal Expenditure	26	26	
Laptop	3		3
Vehicle	45		45
Safety Improvement	10	10	
Pipemain Condition Sampling	10	10	
Chlorine Analyser	10	10	
Water Supply Total	390	334	56
Wastewater			
Desludge Oxidation Ponds		103	(103)
Telemetry Basesets	10	10	
Infiltration Study - Night Time Flow	51	51	
Catchment - (Lowe Environmental SG4026xx)	51	51	
CCTV Infiltration Investigation	120	120	
Consultancy for Wairoa Wastewater Consent	103	103	
Wairoa Consent Application, Consultation & Legal Costs	51	51	
Dedicated Generators in Each Pump Station	154	154	
Wairoa Reticulation - Renewals	257	257	
Wastewater Total	798	901	(103)
Stormwater			
Wairoa Pipelines Renewals	103	103	
Deterioration modelling	5	5	
Mahia Beach Pipelines Renewals	154	154	
Piping Open Drains - Wairoa	231	231	
Stormwater Total	493	493	
Waste Management			
Recycling Centre renewals (loan to be repaid by waste levy)	520		520
Recycling Centre renewals (loan to be repaid by waste levy)		20	(20)
Recycling Centre Mahia	50	51	(1)
Waste Management Total	570	72	498

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Project Name	Annual Plan 2019/20 \$000	Long Term Plan 2019/20 \$000	Difference to Long Term Plan 2019/20 \$000
Transport			
Purchase of Vehicles	40	31	9
Purchase Office Furniture	1	1	
Purchase Computer Equipment	5	3	2
Remark Carparks	5		5
Upgrade Crossings		4	(4)
New Streetlights		10	(10)
Footpath Renewals		102	(102)
Tuai Footpath Upgrade (DDF)	8	8	
Urewera Rainforest Route Upgrade Feasibility	10	21	(11)
Walkway James Carroll Expenses		4	(4)
Pavement Rehabilitation		470	(470)
Sealed Road Resurfacing	1,350	790	560
Drainage Renewals	387	337	50
Structures Components Replacements	510	510	
Traffic Services Renewals	76	76	
Low Cost/Low Risk Improvements	2,265	3,342	(1,077)
Emergency Reinstatement - Renewal	1,000	1,000	
Emergency Reinstatement - New	531	531	
Reinstatement of Dropouts	5,200		5,200
Road 38 Unsealed Road Metalling	113		113
Road 38 Drainage Renewals	34		34
Road 38-Traffic Services Renewal	3		3
Road 38 Minor Improvements	100		100
Road 38 Emergency Reinstatement - New	250		250
Runway Lighting	150		150
Building renewals	10	10	
Resurfacing Runway	411		411
Re-surfacing Aprons	199	199	
Airport Facilities Security Improvement	40		40
Security Installation (Gate & Fence)	77		77
Transport Total	12,775	7,449	5,326
Community Facilities			
Book Purchases	36	36	
Renew Alarm System	6		6
Replacement camera system	15		15
New Computer	3		3
Toilet Renewals	50	51	(1)
Mahia Boat Area Lighting	30		30
Playground Renewals	10	10	
Picnic Tables	15	10	5
Picnic Tables	16	16	
Mokotahi Picnic Area Enhancement	15		15
Pine Clearance	10		10

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Project Name	Annual Plan 2019/20 \$000	Long Term Plan 2019/20 \$000	Difference to Long Term Plan 2019/20 \$000
New Playground Equipment Tuai	30		30
Resiting Playground	15		15
Basketball Court Community Centre	100	61	39
Community Facilities Total	351	185	166
Planning & Regulatory			
Repalcement of vehicle- 4x4 ute	45		45
Mobile Data devices	2		2
Replacement of sound level meter	15	15	
Planning & Regulatory Total	62	15	47
Leadership & Governance			
Purchase Office Equipment	10	10	
Archives Building	419	419	
Councillors Tablets	11	8	3
Upgrade VMWare	2		2
Migrate Servers & Backup	18		18
Replacement of OP Server	6		6
Wi-Fi WAN	20		20
Library Computer	3		3
Replacement Laptops	25	24	1
Replacement Local SAN	45		45
Tape Drive Replacement	10		10
Replacement Virtual Linux Server	30		30
Business Skype & Dropbox	6		6
Cloud PABX System	30		30
Purchase Apple iPads	6		6
Replacement Eftpos Machine	5		5
Leadership & Governance Total	645	461	184
Corporate Functions			
Community Center Remedial Works	51	51	
Relocate Gym Upstairs	20		20
Renewals Pool	20		20
Renewal Projects	35		35
Ponding in gardens	10		10
Tuai Hall Rewiring Project	80		80
Renewal of Heat Pumps	8		8
Security Cameras Main Office	15		15
Renex Toilets	20	26	(6)
Council Entry Surfacing	70	36	34
Corporate Functions Total	329	112	217

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TE WHAKAAWEAWE PŪTEA

FUNDING IMPACT STATEMENT

	Annual Plan 2018/19 \$000	Long Term Plan 2019/20 \$000	Annual Plan 2019/20 \$000	Variance to Long Term Plan 2019/20 \$000
Total Sources of Operating Funding				
Source of Operating Funding				
General Rates uniform annual charges rates penalties	11,818	12,471	12,458	(13)
Subsidies and grants for operating purposes	4,865	5,231	5,980	749
Subsidies and grants for operating purposes	2,097	2,772	2,323	(449)
Interest and Dividends from Investments	825	670	807	137
Local authorities fuel tax fines infringement fees and other receipts	85	87	87	-
Total Source of Operating Funding	19,690	21,231	21,655	424
Application of Operating Funding				
Payments to staff and suppliers	18,421	18,950	22,725	3,775
Finance costs	707	771	705	66
Internal Charges and Overheads applied	791	803	742	61
Other operating funding applications	940	955	956	1
Total Application of Operating Funding	18,980	19,569	23,215	3,646
Surplus (Deficit) from Operating Funding	710	1,662	(1,560)	(3,222)
Total Sources of Capital Funding				
Source of Capital Funding				
Subsidies and grants for capital expenditure	4,702	5,081	10,853	5,772
Target Capital Rate	255	155	155	-
Increase in debt	1,536	1,037	1,648	611
Lump sum contributions	100	100	379	279
Total Source of Capital Funding	6,592	6,373	13,035	6,662
Application of Capital Funding				
Finance costs	-	-	-	-
Decrease in Debt	-	75	-	(75)
Capital expenditure - to improve the level of service	2,442	1,225	7,518	6,293
Capital expenditure - to replace existing assets	9,662	8,884	8,888	4
Increase (Decrease) in reserves	(4,801)	(2,148)	(4,931)	(2,783)
Total Application of Capital Funding	7,303	8,035	11,475	3,440
Surplus (Deficit) from Capital Funding	(710)	(1,662)	1,560	3,222
Funding Balance (General Rates)	-	-	-	-

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TE PUNAHA TĀKE

RATING SYSTEM

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TE PUNAHA TĀKE RATING SYSTEM

DIFFERENTIAL RATING FACTORS

The Local Government (Rating) Act 2002 authorises the concept of rates being charged at different rates in the dollar for different categories of rateable land. The categories must be defined using the factors in Schedule 2 of the Act.

Council uses the authorisation to set rates on a differential basis to recognise the different rateable value of land, the uses of land within the district, and the differing provision and consumption of Council services relative to other categories of ratepayers in the district.

Council operates different cost centres for the urban and rural differential categories, so the base differential factor for the urban and rural differential categories may be different.

The Council will use the differential categories set out below in the period 1 July 2019 to 30 June 2020 for the purposes of setting the general rate and the roading, recreation and services targeted rate

URBAN DIFFERENTIAL CATEGORIES

Differential Category	Differential Factor
i. Wairoa Township (LV <\$68,000) (all properties not included in (ii), (iii), (iv) or (v) below) Being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township", and with a land value less than \$68,000.	1
ii. Wairoa Township - Commercial & Industrial	3.85
iii. Wairoa Township - Commercial & Industrial (CV <\$200,000)	2.75
iv. Wairoa Township - Commercial & Industrial (CV ≥\$200,000)	2.75
v. Residential 3 (LV ≥\$68,000)	0.55

RURAL DIFFERENTIAL CATEGORIES

Differential Category	Differential Factor
vi. Wairoa Rural (LV <\$100,000) (all properties not included in (vi), (vii), (viii), (ix), (xi) (x), (xi) and (xiv))	1
vii. Rural Villages of Frasertown, Nuhaka & Raupunga	1.25
viii. Rural Non-Forestry (LV ≥\$100,000 and < \$1,000,000)	1
ix. Rural Non-Forestry (LV ≥\$1,000,000)	1
x. Residential/Residential 1 (Mahia)	0.85
xi. Rural Residential - Residential 1 (Tuai)	0.5
xii. Rural Roding Forestry (<100ha)	1
xiii. Rural Roding Forestry (≥100ha)	5
xiv. Rural Commercial (CV ≥\$200,000)	3.7

Note: Rates per unit in the following paragraphs are per \$000's of rateable value unless otherwise stated. Amounts shown are inclusive of GST at 15%.

GENERAL RATE

Council will assess a general rate based on the land value of all rateable land in the district, set differentially according to where land is situated, the use to which the land is put and the land value of the land. Rates (per thousand dollars (\$000's) of land value) for 2019/20 are:

Differential Category	Rate in the \$ of Land Value (incl. GST) \$	Revenue Generated (incl. GST) (\$)
i. Wairoa Township (all properties not included in (ii), (iii), (iv) or (v) below)	1.2772	61,457
ii. Wairoa Township - Commercial & Industrial	4.9170	34,208
iii. General Urban/Residential 3 (LV ≥\$68,000)	0.7024	8,059
iv. Wairoa Rural (all properties not included in 2(v), (vi) or (vii) below)	0.0878	100,848
v. Rural Villages of Frasertown, Nuhaka & Raupunga	0.1097	1,017
vi. General Rural Residential/Residential 1 (Mahia)	0.0746	16,204
vii. General Rural Residential 1 (b) (Tuai)	0.0439	234

The general rate will raise \$222,027 (including GST) in 2019/2020, compared to \$228,762 in 2018/2019.

General rates will be used to fund all activities that are not covered by the uniform annual general charge, targeted rates or other funding mechanisms outlined in the Revenue and Financing Policy.

UNIFORM ANNUAL GENERAL CHARGE

Council will assess a uniform annual general charge as a fixed amount per separately used or inhabited part of a rating unit within the district. The calculation for the uniform annual general charge is determined by the activities to be funded by this charge.

The uniform annual general charge for 2019/2020 is \$774.60 (incl. GST), raising \$3,969,832 (incl. GST) compared with \$3,622,273 (incl. GST) in 2018/2019. The uniform annual general charge will be used to fund community representation, Māori liaison, library costs, and 30% of economic development costs and the community complex.

TARGETED RATE – ROADING

Council will assess a targeted rate for roading on the land value of all rateable land in the district, set differentially according to where land is situated, the use to which the land is put and the land value of the land. The rates (per thousand dollars (\$000's) of land value) for 2019/2020 are:

Differential Category	Rate in the \$ of Land Value (incl. GST) \$	Revenue Generated (incl. GST) (\$)
i. Wairoa Township (all properties not included in (ii) or (iii) below/Roading Urban)	4.3961	211,541
ii. Wairoa Township - Commercial & Industrial	16.9250	117,748
iii. Residential 3 (LV ≥\$68,000)	2.4179	27,074
iv. Wairoa Rural (all properties not included in 2(v), (vi) or (vii) below/Roading Rural)	1.8924	94,607
v. Rural Villages of Frasertown, Nuhaka & Raupunga	2.3654	21,923
vi. Rural Non-Forestry (LV ≥\$100,000 and < \$1,000,000)	1.8924	313,173

Differential Category	Rate in the \$ of Land Value (incl. GST) \$	Revenue Generated (incl. GST) (\$)
vii. Rural Non-Forestry (LV ≥\$1,000,000)	1.8924	1,488,980
viii. Rural Residential/Residential 1 (Mahia)	1.6085	349,829
ix. Rural - Residential 1 (b) (Tuai)	0.9462	5,049
x. Rural Roding Forestry (<100ha)	1.8924	7,210
xi. Rural Roding Forestry (≥100ha)	9.4618	1,345,432

The roading targeted rate will raise \$3,982,566 (including GST) in 2019/2020 [2018/2019: \$3,538,368].

The roading rate will be used to fund the roading activity.

TARGETED RATE - RECREATION

Council will assess a targeted rate for parks and reserves on the capital value of all rateable land in the district, set differentially according to where land is situated, the use to which the land is put and the capital value of the land. The rates (per thousand dollars (\$000's) of capital value) for 2019/2020 are:

Differential Category	Rate in the \$ of Land Value (incl. GST) \$	Revenue Generated (incl. GST) (\$)
i. Wairoa Township (all properties not included in (ii) or (iii) below/Recreation Urban)	1.8121	421,657
ii. Wairoa Township - Commercial & Industrial (CV <\$200,000)	4.9832	49,454
iii. Wairoa Township - Commercial & Industrial (CV ≥\$200,000)	4.9832	165,019
iv. Wairoa Rural (all properties not included in 4(v), (vi) or (vii) and (viii) below/ Recreation Rural)	0.3072	439,818
v. Rural Villages of Frasertown, Nuhaka & Raupunga	0.3840	11,788
vi. Rural Residential/Residential 1 (Mahia)	0.2611	91,657
vii. Rural Residential/Residential 1 (b) (Tuai)	0.1536	2,154
viii. Commercial Rural (CV ≥\$200,000)	1.1366	90,714

The recreation targeted rate will raise \$1,272,262 (including GST) in 2019/2020 [2018/2019: \$1,126,222].

The recreation rate will be used to fund the parks and reserves activity.

TARGETED RATE - SERVICES

Council will assess a targeted rate in respect of other services, which include regulatory services, economic development and community support, on the capital value of all rateable land in the district, set differentially according to where land is situated, the use to which the land is put and the capital value of the land. The rates (per thousand dollars (\$000's) of capital value) for 2019/2020 are:

Differential Category	Rate in the \$ of Land Value (incl. GST) \$	Revenue Generated (incl. GST) (\$)
i. Wairoa Township (all properties not included in (ii) or (iii) below/Services Urban)	1.9193	446,597
ii. Wairoa Township - Commercial & Industrial (CV <\$200,000)	5.2780	52,379
iii. Wairoa Township - Commercial & Industrial (CV ≥\$200,000)	5.2780	174,779

Differential Category	Rate in the \$ of Land Value (incl. GST) \$	Revenue Generated (incl. GST) (\$)
iv. Wairoa Rural (all properties not included in 4(v), (vi) or (vii) and (viii) below/ Services Rural)	0.3422	489,975
v. Rural Villages of Frasertown, Nuhaka & Raupunga	0.4278	13,132
vi. Rural Residential/Residential 1 (Mahia)	0.2909	102,110
vii. Rural Residential/Residential 1 (b) (Tuai)	0.1711	2,399
viii. Commercial Rural (CV ≥\$200,000)	1.2662	101,060

The services targeted rate will raise \$1,382,431 (including GST) in 2019/2020 [2018/2019: \$1,785,618].

The services rate will be used to fund the regulatory services, community support activities, and 70% of economic development costs.

TARGETED RATE - WATER SUPPLY (FIXED CHARGE)

Council will assess a targeted rate to fund water supply, set differentially according to where land is situated and the provision, or availability to the land of a service provided by, or on behalf of, Council as a fixed amount per separately used or inhabited part of a rating unit. The rates for 2019/2020 are:

Differential Category	Basis for Liability	Charge (incl. GST) (\$)	Revenue Generated (incl. GST) (\$)
i. Wairoa Township/Wairoa Ward Supply Area - Connected (including Frasertown and Wairoa Environs) Water Charge Wairoa Frasertown Water Supply Peri Urban Water Supply		680.20	1,287,404 60,198 96,589
ii. Wairoa Township Supply Area - Not Connected but Available (including Frasertown and Wairoa Environs): Being a property to which water can be supplied but is not supplied (being a property within 100 metres of any part of the water reticulation system)		340.10	
iii. Māhanga Supply Area - Connected (Māhanga water supply)		499.60	30,727
iv. Māhanga Supply Area - Not Connected but Available Being a property to which water can be supplied but is not supplied (being a property within 100 metres of any part of the water reticulation system)		249.80	
v. Tuai Supply Area - Connected	Per separately used or inhabited part of a rating unit	558.70	30,727
vi. Tuai Supply Area - Not Connected but Available Being a property to which water can be supplied but is not supplied (being a property within 100 metres of any part of the water reticulation system)		279.40	
vii. Blue Bay Supply Area - Connected		0.00	0
viii. Blue Bay Supply Area - Not Connected but Available Being a property to which water can be supplied but is not supplied (being a property within 100 metres of any part of the water reticulation system)		0.00	0
ix. Blue Bay - Capital Repayment Scheme An amount assessed on each rating unit, that has not paid its full allocation of the cost of the capital works in establishing the Blue Bay water supply, for the repayment and servicing of the loan associated with the capital expenditure.		0.00	0

The water supply rates will be used to fund the water supply activities in the Wairoa Township, Frasertown and Wairoa Environs, Māhanga and Tuai.

**The Blue Bay water supply project was not completed in 2018/2019 and remains under review. The water supply (fixed amount) targeted rate will raise \$1,505,646 in 2019/2020 compared with \$1,590,413 in 2018/2019.*

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TARGETED RATE - WATER SUPPLY (WATER METER)

Council will assess a targeted rate to fund water supply, set as based on the volume of water consumed or supplied, for all rating units fitted with a meter and metered exclusively for ordinary supply or metered for extraordinary supply. The rates for 2019/2020 are:

Differential Category	Basis for Liability	Charge per m ³ (incl. GST) (\$)
i. Wairoa Township Reticulation Area	All rating units fitted with a meter and metered exclusively for ordinary supply or metered for extraordinary supply	0.61
ii. Wairoa Environs Area (not including rating units in (i), (iii) and (iv))		0.61
iii. Frasertown Reticulation Area		0.61
iv. Tuai Reticulation Area		0.61
v. Land Used for Meat Processing Within the Wairoa Township Reticulation Area		0.33
The water supply metered rates will be used to fund the water supply activities in the Wairoa Township, Frasertown and Wairoa Environs, Māhanga and Tuai.		

TARGETED RATE - SEWAGE DISPOSAL

Council will assess a targeted rate in respect of sewerage disposal, set differentially according to where land is situated and the provision, or availability to the land of a service provided by, or on behalf of, Council. The rates for 2019/2020 are:

Differential Category ¹	Basis for Liability	Charge (incl. GST) (\$)	Revenue Generated (incl. GST) (\$)
i. Wairoa Ward - Connected (not temporary accommodation businesses)	Per water closet or urinal connected (for up to the first five)	408.20	902,062
ii. Wairoa Ward - Connected (not temporary accommodation businesses)	Per water closet or urinal connected (for six to up to and including 15)	285.70	
iii. Wairoa Ward - Connected (not temporary accommodation businesses)	Per water closet or urinal connected (for 16 or more)	204.10	
iv. Wairoa Ward - Connected (temporary accommodation businesses)	Per water closet or urinal connected (for up to the first five)	408.20	
v. Wairoa Ward - Connected (temporary accommodation businesses)	Per water closet or urinal connected (for six or more)	285.70	
vi. Wairoa Ward - Not Connected but Available where a property is situated within 30 metres of a public sewerage drain to which it is capable of being connected, either directly or through a public drain.	Per rating unit	204.10	23,673
vii. Tuai Village - Connected	Per water closet or urinal connected	408.20	
viii. Tuai Village - Not Connected but Available where a property is situated within 30 metres of a public sewerage drain to which it is capable of being connected, either directly or through a public drain.	Per rating unit	204.10	156,687
ix. Mahia - Connected or required to be connected under the Trade Waste and Wastewater bylaw 2012.	Per number or nature of connections from the land within each rating unit to the reticulation system	408.20	
x. Mahia - Not Connected or required to be connected under the Trade Waste and Wastewater bylaw 2012 where a property is situated within 30 metres of a public sewerage system to which it is capable of being connected, either directly or through a public drain.	Per rating unit	204.10	

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Differential Category ¹	Basis for Liability	Charge (incl. GST) (\$)	Revenue Generated (incl. GST) (\$)
xi. Opoutama & Blue Bay - Connected or required to be connected under the Trade Waste and Wastewater bylaw 2012	Per number or nature of connections from the land within each rating unit to the reticulation system	408.20	28,410
xii. Opoutama & Blue Bay - Not Connected or required to be connected under the Trade Waste and Wastewater bylaw 2012 where a property is situated within 30 metres of a public sewerage system to which it is capable of being connected, either directly or through a public drain.		204.10	
xiii. Rural Wastewater all land that is not connected or able to connect to Council wastewater reticulation, but to which a Council operated wastewater treatment facility is available. This rate funds the treatment of wastewater from septic tanks.	Per separately used inhabited part of a rating unit described as 'Flat, Dwelling, Bach, Cottage, Cafeteria, Accommodation, Building, Cabin, Camping Ground, Tavern, Hall, Office, Hotel, Sleepout, Orchard or Shop' in Council's Rating Information Database.	33.90	66,495

The sewerage disposal targeted rate will raise \$1,177,327 (including GST) in 2019/2020, compared with \$1,048,383 in 2018/2019.

The sewerage disposal rate will be used to fund the wastewater activity.

¹ For the purposes of this rate, a rating unit used primarily as a residence for one household must not be treated as having more than one water closet or urinal.

TARGETED RATE - WASTEWATER SCHEMES

Council will assess a targeted rate pursuant to the provision or availability to the land of a service provided by, or on behalf of, the local authority by the Mahia and Opoutama wastewater schemes. The rates for 2019/2020 are:

Differential Category ¹	Basis for Liability	Charge (incl. GST) (\$)	Revenue Generated (incl. GST) (\$)
i. Mahia Wastewater Scheme Capital repayment and finance costs associated with the scheme over 10 years.	The extent of provision of the services provided by the Mahia Wastewater Scheme including the infrastructure, costs connection costs (if any), and finance costs, relating to that property.	Scale of Charges	6,146
ii. Mahia Wastewater Scheme Capital repayment and finance costs associated with the scheme over 20 years.			141,789
iii. Mahia Wastewater Scheme Capital repayment and finance costs associated with the scheme over 30 years.			5,307
iv. Opoutama Wastewater Scheme Capital repayment and finance costs associated with the scheme over 10 years.	4,035		
v. Opoutama Wastewater Scheme Capital repayment and finance costs associated with the scheme over 20 years.	The extent of provision of the services provided by the Opoutama Wastewater Scheme including the infrastructure costs, connection costs (if any), and finance costs, relating to that property.		17,739
vi. Opoutama Wastewater Scheme Capital repayment and finance costs associated with the scheme over 20 years.			3,092

¹ In accordance with the Capital Funding Plan.

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TARGETED RATE - WASTE MANAGEMENT

Council will assess a targeted rate in respect of waste management, set differentially according to where land is situated and the provision, or availability to the land of a service provided by, or on behalf of, Council. The rate is set as a fixed amount per separately used or inhabited part of a rating unit in the Wairoa Township Area and the Wairoa Rural Area. The rates for 2019/2020 are:

Differential Category	Basis for Liability	Charge (incl. GST) (\$)	Revenue Generated (incl. GST) (\$)
i. Wairoa Township Area being all rateable properties defined under the Rate Review Special Order Differential Rating Special Orders Resolution confirmed on 1st August 2001 under A General 2 "The Urban Area."	Per separately used or inhabited part of a rating unit	249.60	482,849
ii. Rural Areas being all rateable properties defined under the Rate Review Special Order Differential Rating Special Orders Resolution confirmed on 1st August 2001 under A General 2 "The Rural Area."		207.40	666,792

The waste management targeted rate will raise \$1,149,641 (incl. GST) in 2019/2020, compared with \$977,419 in 2018/19.

The waste management rate will be used to fund the waste management activity.

TARGETED RATE - DRAINAGE

Council will assess a targeted rate in respect of drainage set differentially according to where land is situated and the provision, or availability to the land of a service provided by, or on behalf of, Council. The rate is set as a fixed amount per separately used or inhabited part of a rating unit in the Wairoa Urban and the Mahia Township Areas. The rates for 2019/2020 are:

Differential Category	Basis for Liability	Charge (incl. GST) (\$)	Revenue Generated (incl. GST) (\$)
i. Wairoa Urban Area ¹ being all rateable parts of properties defined under the Rate Review Special Order Differential Rating Special Orders Resolution confirmed on 1st August 2001 under A General 2 "The Urban Area."	Per separately used or inhabited part of a rating unit	225.90	411,622
ii. Mahia Township Area ² being all rateable parts of properties situated within the Mahia Township area with valuation references between 870016600 to 870016800 (inclusive) and 870030400 to 870042617 (inclusive), 08700 42619, 08700 42622 to 08700 665 (inclusive), 08700 42672, 08700 42673, 08700 42675 to 08700 42696, 08700 42701 (inclusive) to 08700 42704 (inclusive) and 870050801 to 870050839 (inclusive).		153.40	72,639

The drainage targeted rate will raise \$464,261 (including GST) in 2019/2020, compared with \$459,997 in 2018/19.

The drainage rate will be used to fund the storm water activity.

INDICATIVE RATING SAMPLES

Council will assess a targeted rate in respect of drainage set differentially according to where land is situated and the provision, or availability to the land of a service provided by, or on behalf of, Council. The rate is set as a fixed amount per separately used or inhabited part of a rating unit in the Wairoa Urban and the Mahia Township Areas. The rates for 2019/2020 are:

Location	Land Value 2019/20	Capital Value 2019/20	Rates - Annual Plan 2018/19	Rates - Long Term Plan 2019/20	Rates - Annual Plan 2019/20
Residential					
Opoutama	\$38,000	\$137,000	\$1,387	\$1,474	\$1,530
Opoutama	\$35,000	\$80,000	\$990	\$1,024	\$1,085
Mahia	\$495,000	\$820,000	\$2,652	\$2,803	\$2,829
Nuhaka	\$28,000	\$119,000	\$1,066	\$1,112	\$1,182
Tuai	\$32,000	\$73,000	\$1,911	\$2,029	\$2,004
Frasertown	\$13,000	\$215,000	\$1,839	\$1,929	\$1,903
Putere	\$5,000	\$65,000	\$1,003	\$1,043	\$1,081
Wairoa	\$52,000	\$310,000	\$3,643	\$3,913	\$3,790
Wairoa	\$32,000	\$210,000	\$3,120	\$3,341	\$3,304
Lifestyle					
Wairoa	\$140,000	\$490,000	\$4,180	\$4,477	\$4,229
Pastoral Farming					
Mōrere	\$2,700,000	\$3,380,000	\$7,600	\$7,909	\$8,557
Ohuka	\$3,430,000	\$4,060,000	\$10,512	\$10,549	\$11,460
Kotemaori	\$2,590,000	\$3,080,000	\$7,210	\$7,494	\$8,145
Industrial					
Wairoa	\$17,000	\$185,000	\$5,232	\$5,645	\$4,608
Wairoa	\$60,000	\$550,000	\$10,721	\$11,720	\$10,109
Forestry					
Kotemaori	\$20,700,000	\$22,500,000	\$228,002	\$232,289	\$213,304
Utility					
	\$0	\$6,460,000	\$20,859	\$23,145	\$15,522

DEFINITION OF A SEPARATELY USED OR INHABITED PART OF A RATING UNIT

Any part of a rating unit used for a different purpose or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

Interpretation rules that form part of the definition of 'separately used or inhabited part':

- A. Each separate shop or business activity on a rating unit is a separate use, for which a separate UAGC is payable. (See Guidance Note 1.)
- B. Each dwelling, flat, or additional rentable unit (attached or not attached) on a residential property which is let (or capable of being let) for a substantial part of the year to persons other than immediate family members is a separately inhabited part of a property, and separate UAGCs are payable. (See Guidance Note 2.)
- C. Each residential rating unit which has, in addition to a family dwelling unit, one or more non-residential uses (i.e. home occupation units) will be charged an extra UAGC for each additional use. (See Guidance Note 3.)
- D. Each non-residential activity which has, in addition to its business or commercial function, co-sited residential units which are not a prerequisite part of the business or commercial function, will be liable for additional UAGCs for each residential unit. (See Guidance Note 4.)
- E. Individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land are separately inhabited parts, and will each be liable for a separate UAGC. (See Guidance Note 5.)
- F. Each title on a multiple-managed forestry holding (that is, where the forest is broken into several individual small titles) is a separately used part except when one or more titles are adjacent and under the same ownership, in which case the rules of contiguity apply.
- G. Each block of land for which a separate title has been issued is liable to pay a UAGC, even if that land is vacant. NOTE: Two or more adjacent blocks of vacant land are not eligible for remission under "contiguity" (S.20 of LG(R)A 02) because they are not "used for the same purpose" (i.e. they are not used at all).
- H. Each dwelling, flat, or additional rentable unit (attached or not attached) on a pastoral, horticultural or forestry property which is let (or capable of being let) for a substantial part of the year to persons other than immediate family members is a separately inhabited part of a property, and separate UAGCs are payable. (See Guidance Note 6.)
- I. A substantial part of the year is considered to be three months or more (this total period may be fragmented, and may occur at any part of the rating year).
- J. Each dwelling on a lifestyle block whether tenanted or not.

GUIDANCE NOTES

The following notes are not rules, but are intended to aid officers in the interpretation of the rules.

1. Commercial Properties

- A single building on one title with 24 separate 'shops' would pay 24 UAGCs.
- A motel with an attached dwelling would pay only one UAGC. This is because the attached dwelling is essential to the running of the motel. This is similar to a pastoral property with one dwelling (See rule D above)
- A motel with an attached restaurant which is available to the wider public has two separately used parts and would pay two UAGCs. Likewise, a motel with an attached conference facility would pay an additional UAGC.
- A business which makes part of its income through leasing part of its space to semi-passive uses such as billboards, or money machines, is not regarded as having a separately used or inhabited part and would not be charged a separate UAGC.

2. Residential Properties

- The rule will apply to properties identified as "flats" on the valuation record (administered by Council's Valuation Service Provider, Quotable Value Limited). Sleep-outs and granny flats will generally be identified as "sleep-out" on the valuation record and will not normally incur additional UAGCs.
- If a property is identified on the valuation record as having flats, but these in fact are used only for family members or for others for very short periods, the additional UAGCs may be remitted on Council receiving proof of their use, including a signed declaration from the property owner (see remission policy for dwellings used for family use). A property owner who actively advertises the flats for accommodation will not qualify for the remission.

3. Residential with Non-Residential Part

- A residence with a separately accessible "office" (which may be used for surveyor, architect, or medical services) will pay an additional UAGC for the office. This is because it is a separately used part which generates additional use of

roads, services, planning resources and democratic processes.

- A residence with a "Home Occupation" (commonly called a "hobby business") will not generally be charged a separate UAGC unless the intensity of operation is high. For example, a resident who occasionally manufactures boat trailers in his garage on the weekends would not incur an additional UAGC, but someone who works for most of the week panel beating or painting, particularly if the activity is accompanied by advertising, clearly has a separately used or inhabited part of the rating unit, and would incur an additional UAGC.
- A residential property, part of which is used continually for storage of large industrial machinery, has a separately used part, and would incur an additional UAGC.

4. Non-Residential Activity with Co-sited Dwelling

- A fish and chip shop, with a separately used flat above which can be accessed without passing through the shop, does have a separately used part, and would normally incur an additional UAGC charge.
- A dairy which has the operator's integral dwelling attached, would not incur an additional UAGC because the home is an integral part of the operation of the dairy similar to a pastoral property or motel.
- Certain Government agencies, churches, marae, and the like are automatically rate exempt (except for service charges such as water and wastewater). They may be charged rates and additional UAGCs for each separately used or inhabited part of the rating unit, however, if these organisations undertake accommodation or business activities which are not related to their core function.

5. Individually Tenanted Flats

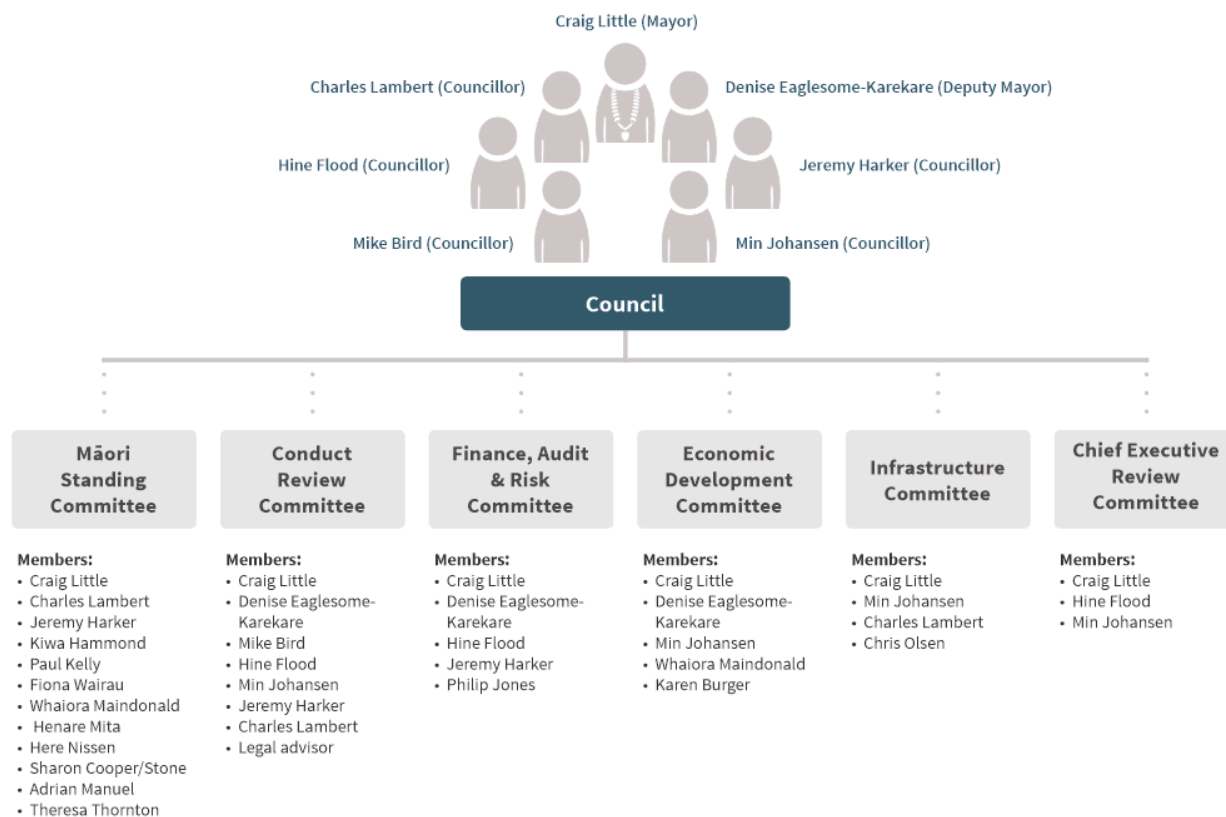
- Each flat, apartment, or retirement or disability home, and each property under a "licence to occupy", is a separately used or inhabited part of a rating unit. This is regardless of the number of people who may be living in the unit. Each will be required to pay an additional UAGC charge.

6. Pastoral Properties

- Each dwelling, tenanted or untenanted, is a separately used or inhabited part of a rating unit. Each additional dwelling will incur an additional UAGC charge.
- Shearer's quarters that are untenanted, and used as a shearers quarters, will not be treated as a separately used or inhabited part of a rating unit. Shearer's quarters which are tenanted will be a separately used or inhabited part of a rating unit and incur an additional UAGC charge.
- A pastoral property with one dwelling would pay only one UAGC. This is because the attached dwelling is essential to the running of the pastoral property.
- Untenanted farm dwellings and cottages in addition to the main 'farm house' will be charged additional UAGCs.

TE KOROMATUA ME NGA KAIAUNIHERA

COUNCIL STRUCTURE



TE HANGANGA WHAKAHAERE

MANAGEMENT STRUCTURE



ANNUAL PLAN 2019/20

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**Chief
Executive
Officer**

The Chief Executive Officer is responsible for the following:

- Health & Safety
- Building Compliance
- Compliance
- Environmental Health
- Māori Relationships
- Planning
- Regulatory



**Group Manager
Community Assets
& Services**

The Group Manager Community Assets & Services is responsible for the following:

- Roads
- Streets & Bridges
- Cemeteries
- Sports Grounds
- Reserves
- Airport Control
- Water Supply
- Sewerage Management
- Stormwater Drainage
- Waste Management
- Street Lighting
- Traffic Management
- Public Toilets
- Footpaths
- Property



**Group Manager
Information
& Customer
Experience**

The Group Manager Information & Customer Experience is responsible for the following:

- Administration
- After Hours Services
- Archives
- Customer Experience
- Governance
- Human Resources
- Information Services
- Library
- Legal Compliance
- Long Term Planning
- Official Information
- Policy
- Records
- Regulatory Support



**Group Manager
Finance &
Corporate
Support**

The Group Manager Finance & Corporate Support is responsible for the following:

- Accounting Services
- Financial Management
- Revenue Collection
- Rating
- Risk Management
- Financial Planning and Reporting
- Treasury Functions
- Tax Compliance



**Group Manager
Community &
Engagement**

The Group Manager Community & Engagement is responsible for the following:

- Economic Development
- Tourism
- Stakeholder Engagement
- Communications
- Website Services
- Election Services
- Community Development
- Events
- Youth Services

YOUR FEEDBACK IS WELCOME

During the month of June, we will be hosting information sessions around the district. This will give you the chance to ask questions and discuss aspects of the plan.

To find out when the community caravan will be at a location near you, please visit the Wairoa District Council website or call us.

GETTING IN TOUCH

Your feedback plays a big role in making our district a better place to live, work and play. We are keen to hear from you, and welcome your ideas and comments.

Here's how you can get in touch:



Online

www.wairoadc.govt.nz



Facebook

search for 'Wairoa District Council'



E-mail

info@wairoadc.govt.nz



Visit our office

97-103 Queen Street,
Wairoa 4108



Post

Wairoa District Council,
P.O. Box 54, Wairoa 4160



8.13 ORDER OF CANDIDATES' NAMES ON VOTING DOCUMENTS

Author: Kitea Tipuna, Pouwhakarae – Hapori / Whakatūtaki Group Manager
Community and Engagement

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: Nil

1. PURPOSE

- 1.1 This report seeks a decision on the order of candidates' names on voting documents for the 2019 elections.

RECOMMENDATION

The Electoral Officer RECOMMENDS that Council receive this report and decide on its preferred option for the order of candidates' names on voting documents for the 2019 elections.

EXECUTIVE SUMMARY

In accordance with Regulation 31(1) of the Local Electoral Regulations 2001, Council is able to decide whether candidate names are to be arranged on voting documents in alphabetical order of surname, pseudo-random order, or random order.

Council has traditionally used alphabetical order in the triennial elections, and if Council does not resolve otherwise, the candidates' names must be arranged in alphabetical order of surname.

Also important to note that an additional complexity will be added in this year's elections with the introduction of the Māori Ward.

2. OPTIONS**3. ALPHABETICAL ORDER BY SURNAME**

- 3.1 This is the order which has been used at all previous elections and is self-explanatory.

4. PSEUDO-RANDOM ORDER

- 4.1 Under this arrangement, the candidates' names for each issue (election) are placed in a hat (or similar receptacle), mixed together, and then drawn out of the receptacle, with candidates' names being placed for all voting documents for that issue (election) in the order they are drawn.
- 4.2 The regulations provide that if a council has determined that pseudo-random order is to be used, the Electoral Officer must state, in the public notice required to be given, the date, time and place in which the order of the candidates' names will be arranged. Any person is then entitled to attend while the draw is in progress.

5. RANDOM ORDER

- 5.1 Under this arrangement, the names of the candidates for each issue (election) are shown in a different order on each and every voting document, utilising software which enables the names of candidates to be printed in a different order on each paper.

6. OPTIONS SUMMARY

- 6.1 The options identified are:
- a. Alphabetical order by surname
 - b. Pseudo-random order
 - c. Random Order

7. CONCLUSION



- 7.1 Council to decide it's preferred option for the order of candidates' names on voting documents for the 2019 elections

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
Author Kitea Tipuna	Approved by Steven May