



**Date:** Tuesday, 11 June 2019  
**Time:** 11.00am  
**Location:** Council Chamber, Wairoa District Council,  
Coronation Square, Wairoa

# **AGENDA**

## **Late Reports**

### **Extraordinary Finance, Audit & Risk Committee Meeting**

**11 June 2019**

The agenda and associated papers are also available on our website: [www.wairoadc.govt.nz](http://www.wairoadc.govt.nz)

For further information please contact us 06 838 7309 or by email [info@wairoadc.govt.nz](mailto:info@wairoadc.govt.nz)

**Order Of Business**

**5    General Items.....3**

     5.2    Adoption of the Annual Plan 2019/020 ..... 3

## 5 GENERAL ITEMS

### 5.2 ADOPTION OF THE ANNUAL PLAN 2019/020

**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 consideration by the FAR committee and recommendation to Council for adoption.

#### RECOMMENDATION

The Group Manager Information and Customer Experience RECOMMENDS that the Committee receives the Annual Plan 2019/20, attached as Appendix 1 and recommends to Council that it be adopted.

#### 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, 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. Receives the Annual Plan 2019/20, attached as Appendix 1 and recommends to Council that it be adopted.
  - b. Receives the Annual Plan 2019/20, attached as Appendix 1 and recommends to Council that it be adopted with minor changes.
- 4.2 The preferred option is a) ***Receives the Annual Plan 2019/20, attached as Appendix 1 and recommends to Council that it be adopted***. 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](http://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

### CONTENTS

Joint Statement .....	3
Strategic Direction .....	4
Sample Properties .....	5
Rating Base Information .....	6
Where Your Rates Go .....	6
Operating Costs vs. Expenditure .....	7
Our Priority Areas .....	8
Key Changes .....	9
Significant Initiatives .....	10
Annual Plan Disclosure Statement .....	17
<b>FINANCIAL INFORMATION .....</b>	<b>19</b>
Prospective Statement of Comprehensive Revenue & Expense .....	20
Prospective Statement of Financial Performance .....	21
Prospective Statement of Financial Position .....	22
Prospective Statement of Financial Position (Summary) - Net Tangible Assets .....	24
Prospective Statement of Changes in Equity .....	25
Prospective Cash Flow Statement .....	26
Prospective Movement in Reserves Statement .....	27
Movement in Special Reserves .....	28
Capital Plan .....	31
Funding Impact Statement .....	34
Rating System .....	35
Council Structure .....	46
Management Structure .....	46



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

2

## 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](http://www.wairoadc.govt.nz)

*C Little*  
Mayor Craig Little

*S. May*  
CEO Steven May





## 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

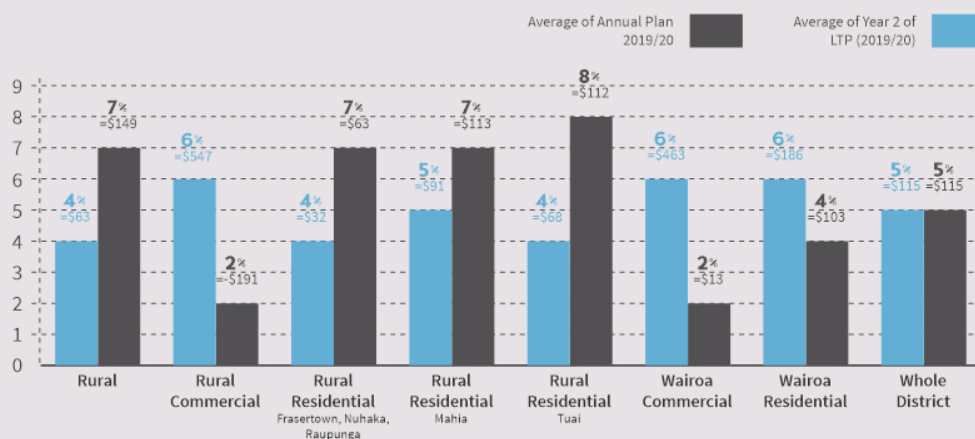
##### Environmental wellbeing

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 2019/2020 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 Policy<sup>1</sup> provisions. There were no changes to this Policy after public consultation last year, so the way Council calculates rates remains unchanged<sup>2</sup>. The graph below shows the average proposed rates increase for 2019/2020 by sector compared with the average proposed rates increase for Year 2 (2019/2020) of the LTP.



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

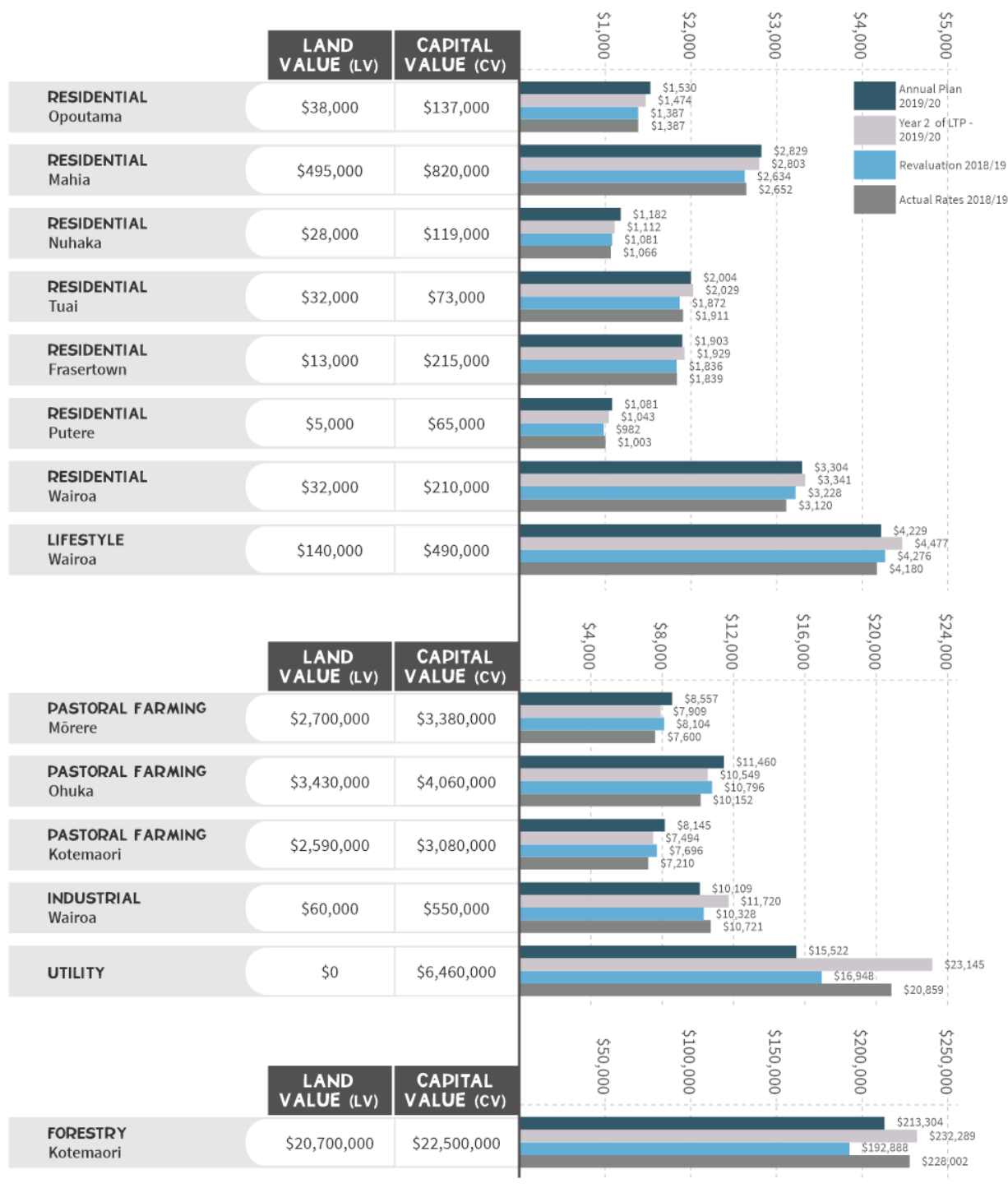
<sup>1</sup> To learn more about Council's Revenue & Financing Policy, please refer to p. 210 of the LTP 2018-28.

<sup>2</sup> 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

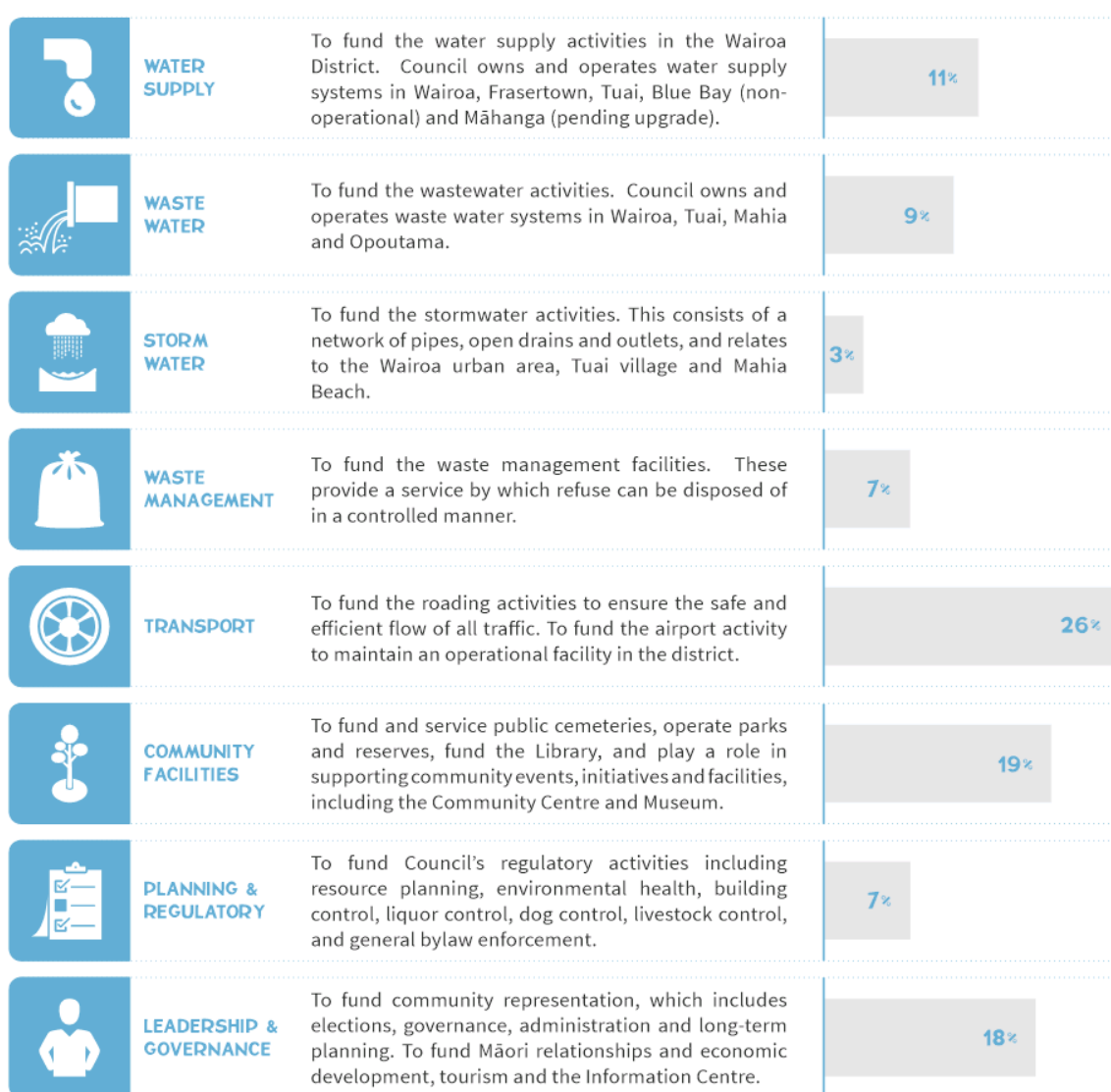
## TE PŪTAKE PĀRONGO MŌ TE TĀKE

## 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



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

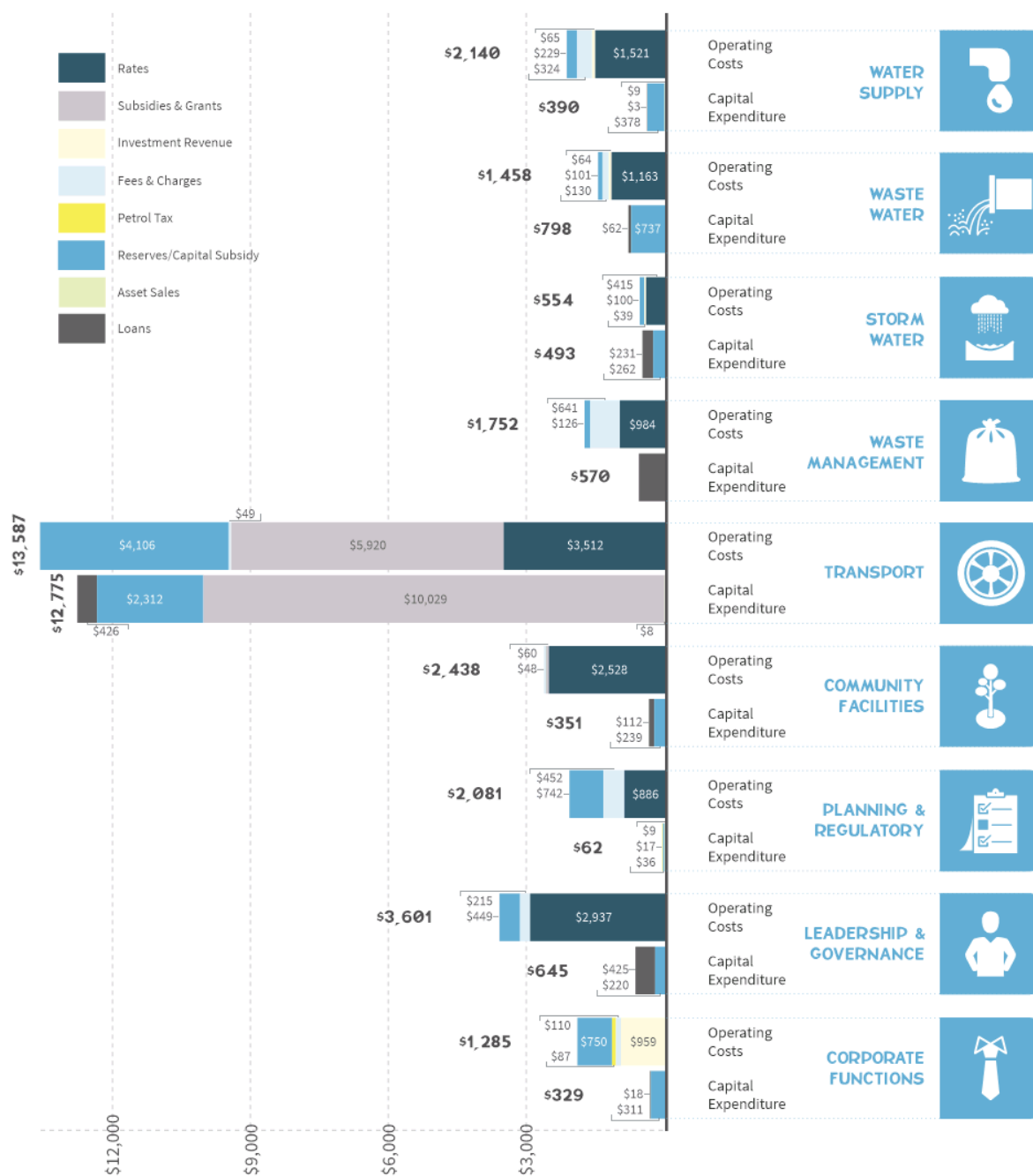
## TE UTU WHAKAHAERE MĀ TE WHAKAPAUNGA UTU

## 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

7

## 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




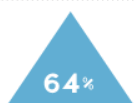


#### ENVIRONMENTAL WELLBEING

- 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
 	<b>Rates Revenue</b> 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"> <li>• reducing the amount rated for depreciation</li> <li>• reducing some discretionary operating budgets</li> <li>• increasing anticipated investment revenue</li> <li>• offsetting expected revenue from asset sales against rates</li> </ul> <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>
	<b>Operating Expenditure</b> 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>
	<b>Capital Expenditure</b> 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"> <li>• 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.</li> <li>• 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.</li> <li>• An additional \$0.7 million will be spent on runway resurfacing and safety improvements at the Wairoa airport.</li> <li>• This is deferred work that had originally been proposed in 2017.</li> <li>• An additional \$0.5 million will be spent on improvements and compliance upgrades at the Wairoa landfill and recycling centre.</li> <li>• This expenditure is required to make the facility legally compliant and also mitigates the increase in annual operating costs by approximately \$70,000.</li> </ul>
 	<b>Balance Sheet &amp; Liquidity</b> 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

9





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

##### <sup>1</sup> 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.

##### <sup>2</sup> 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.

##### <sup>3</sup> 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.

**<sup>4</sup> 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.

**<sup>5</sup> 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

---

ANNUAL PLAN 2019/20

19

## 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
<b>Revenue</b>				
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	-	-	-	-
<b>Total Revenue</b>	<b>25,028</b>	<b>26,267</b>	<b>33,343</b>	<b>7,076</b>
<b>Expenses</b>				
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
<b>Total Expenses</b>	<b>24,498</b>	<b>25,525</b>	<b>28,895</b>	<b>3,370</b>
<b>Net Surplus/(Deficit) from Operations</b>	<b>529</b>	<b>742</b>	<b>4,448</b>	<b>3,706</b>
<b>Plus Other Comprehensive Revenue</b>				
Revaluation of Property Plant and Equipment	-	15,288	15,073	(215)
<b>Total Comprehensive Revenue</b>	<b>529</b>	<b>16,030</b>	<b>19,521</b>	<b>3,491</b>

ANNUAL PLAN 2019/20

20

## 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
<b>Operating Revenue</b>			
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)
<b>Total Revenue</b>	<b>26,267</b>	<b>33,343</b>	<b>7,076</b>
<b>Operating Expenditure</b>			
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)
<b>Total Expenditure</b>	<b>25,525</b>	<b>28,895</b>	<b>3,370</b>

ANNUAL PLAN 2019/20

21

## 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
<b>Assets</b>				
<b>Current Assets</b>				
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)
<b>Total Current Assets</b>	<b>5,483</b>	<b>4,797</b>	<b>2,952</b>	<b>(1,845)</b>
<b>Non Current Assets</b>				
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)
<b>Total Non Current Assets</b>	<b>283,943</b>	<b>301,760</b>	<b>305,000</b>	<b>3,240</b>
<b>Total Assets</b>	<b>289,426</b>	<b>306,557</b>	<b>307,952</b>	<b>1,395</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
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)
<b>Total Current Liabilities</b>	<b>8,673</b>	<b>8,785</b>	<b>9,531</b>	<b>746</b>
<b>Non Current Liabilities</b>				
Employee Benefit Liabilities	112	115	115	-
Borrowings	6,536	7,498	8,183	685
Landfill Aftercare	730	753	753	-
<b>Total Non Current Liabilities</b>	<b>7,378</b>	<b>8,365</b>	<b>9,050</b>	<b>685</b>
<b>Total Liabilities</b>	<b>16,051</b>	<b>17,151</b>	<b>18,581</b>	<b>1,430</b>
<b>Equity</b>				
<b>Retained earnings</b>				
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
<b>Total Retained earnings</b>	<b>144,084</b>	<b>144,737</b>	<b>145,742</b>	<b>1,005</b>

ANNUAL PLAN 2019/20

22



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

**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
<b>Working Capital</b>				
Total Current Assets	5,483	4,797	2,952	(1,845)
Total Current Liabilities	(8,673)	(8,785)	(9,531)	(746)
<b>Net Working Capital</b>	<b>(3,190)</b>	<b>(3,988)</b>	<b>(6,579)</b>	<b>(2,591)</b>
<b>Plus/(Less) Non-Current Items</b>				
Total Non-Current Assets	283,943	301,760	305,000	3,240
Total Non-Current Liabilities	(7,378)	(8,365)	(9,050)	(685)
<b>Total Net Tangible Assets</b>	<b>273,376</b>	<b>289,406</b>	<b>289,370</b>	<b>(36)</b>
<b>Total Equity</b>	<b>273,376</b>	<b>289,406</b>	<b>289,371</b>	<b>(35)</b>

ANNUAL PLAN 2019/20

24

## 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
<b>Closing Equity</b>	<b>273,376</b>	<b>289,406</b>	<b>289,371</b>	<b>(35)</b>
<b>Components of Equity</b>				
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				
<b>Ratepayers Equity at 30 June</b>	<b>144,084</b>	<b>144,737</b>	<b>145,742</b>	<b>1,005</b>
<b>Special Funds</b>				
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)
<b>Special Funds at 30 June</b>	<b>17,379</b>	<b>17,467</b>	<b>16,643</b>	<b>(824)</b>
<b>Revaluation Reserve</b>				
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)
<b>Revaluation reserve infrastructural at 30 June</b>	<b>111,913</b>	<b>127,201</b>	<b>126,986</b>	<b>(215)</b>
<b>Total Closing Equity at 30 June</b>	<b>273,376</b>	<b>289,406</b>	<b>289,371</b>	<b>(35)</b>

ANNUAL PLAN 2019/20

25

## 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
<b>Cashflow from Operating Activities</b>				
<b>Cash will be provided from:</b>				
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
<b>Total Inflows from Operations</b>	<b>24,420</b>	<b>24,923</b>	<b>33,109</b>	<b>8,186</b>
<b>Cash will be applied to:</b>				
Payments to Suppliers and Employers	(14,197)	(18,249)	(21,222)	(2,973)
Interest paid	(529)	(603)	(536)	67
<b>Total Outflows from Operations</b>	<b>(14,726)</b>	<b>(18,852)</b>	<b>(21,758)</b>	<b>(2,906)</b>
<b>Net Cash Flow from Operations</b>	<b>9,694</b>	<b>6,071</b>	<b>11,351</b>	<b>5,280</b>
<b>Investing Activities</b>				
<b>Cash will be provided from:</b>				
Sale of Investments	-	1,250	1,500	250
<b>Total Inflows from Investing Activities</b>	<b>-</b>	<b>1,250</b>	<b>1,500</b>	<b>250</b>
<b>Cash will be applied to:</b>				
Asset purchases and construction	(12,073)	(9,434)	(16,405)	(6,971)
Investments Purchased	(1,975)	-	-	-
<b>Total Outflows from Investing</b>	<b>(14,048)</b>	<b>(9,434)</b>	<b>(16,405)</b>	<b>(6,971)</b>
<b>Net Cash Flows from Investing</b>	<b>(14,048)</b>	<b>(8,184)</b>	<b>(14,905)</b>	<b>(6,721)</b>
<b>Financing Activities</b>				
<b>Cash will be provided from:</b>				
Loans Raised in Year	1,536	1,037	1,648	611
<b>Cash will be applied to:</b>				
Loans Repaid in Year	-	(75)	-	75
<b>Net Cash Flow from Financing</b>	<b>1,536</b>	<b>962</b>	<b>1,648</b>	<b>686</b>
<b>Net Increase/(Decrease)</b>	<b>(2,818)</b>	<b>(1,151)</b>	<b>(1,907)</b>	<b>(756)</b>
Plus Opening Bank Balance	5,104	2,287	2,316	29
<b>Bank Balance at End of Year</b>	<b>2,286</b>	<b>1,136</b>	<b>410</b>	<b>(726)</b>

ANNUAL PLAN 2019/20

26

## TE MATAPAE PŪTEA PENAPENA (KAUNIHERA KATOA)

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
<b>Reserves held for Emergency Purposes</b>				
Opening Balance	594	607	607	0
Transfer to Reserves	13	14	14	(0)
Transfer from Reserves	-			
<b>Closing Balance</b>	<b>607</b>	<b>621</b>	<b>621</b>	<b>-</b>
<b>Reserves held for future Asset Purchases</b>				
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)
<b>Closing Balance</b>	<b>13,670</b>	<b>13,520</b>	<b>12,775</b>	<b>(745)</b>
<b>Reserves held for future Operational Costs</b>				
Opening Balance	1,185	1,210	1,211	1
Transfer to Reserves	25	28	29	1
Transfer from Reserves	-		(82)	(82)
<b>Closing Balance</b>	<b>1,210</b>	<b>1,238</b>	<b>1,158</b>	<b>(80)</b>
<b>Reserves held for repayment of maturing debt</b>				
Opening Balance	1,601	1,890	1,891	1
Transfer to Reserves	289	198	199	1
Transfer from Reserves	-			
<b>Closing Balance</b>	<b>1,890</b>	<b>2,088</b>	<b>2,089</b>	<b>1</b>
<b>Total Reserve Funds</b>	<b>17,377</b>	<b>17,467</b>	<b>16,643</b>	<b>(824)</b>

## 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
<b>Reserves held for Emergency Purposes</b>						
Disaster Recovery	To fund response to and recovery from emergency events and ensure business continuity	Emergency Management	607	14		621
<b>Reserves held for future Asset Purchases</b>						
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

ANNUAL PLAN 2019/20

28

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
<b>Reserves held for future Operational Costs</b>						
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
<b>Reserves held for repayment of maturing Debt</b>						
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
			<b>17,171</b>	<b>7,830</b>	<b>(8,358)</b>	<b>16,643</b>

## 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
<b>Water Supply</b>			
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	
<b>Water Supply Total</b>	<b>390</b>	<b>334</b>	<b>56</b>
<b>Wastewater</b>			
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	
<b>Wastewater Total</b>	<b>798</b>	<b>901</b>	<b>(103)</b>
<b>Stormwater</b>			
Wairoa Pipelines Renewals	103	103	
Deterioration modelling	5	5	
Mahia Beach Pipelines Renewals	154	154	
Piping Open Drains - Wairoa	231	231	
<b>Stormwater Total</b>	<b>493</b>	<b>493</b>	
<b>Waste Management</b>			
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)
<b>Waste Management Total</b>	<b>570</b>	<b>72</b>	<b>498</b>

ANNUAL PLAN 2019/20

31

Project Name	Annual Plan 2019/20 \$000	Long Term Plan 2019/20 \$000	Difference to Long Term Plan 2019/20 \$000
<b>Transport</b>			
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
<b>Transport Total</b>	<b>12,775</b>	<b>7,449</b>	<b>5,326</b>
<b>Community Facilities</b>			
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

ANNUAL PLAN 2019/20

32

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
<b>Community Facilities Total</b>	<b>351</b>	<b>185</b>	<b>166</b>
<b>Planning &amp; Regulatory</b>			
Repalcement of vehicle- 4x4 ute	45		45
Mobile Data devices	2		2
Replacement of sound level meter	15	15	
<b>Planning &amp; Regulatory Total</b>	<b>62</b>	<b>15</b>	<b>47</b>
<b>Leadership &amp; Governance</b>			
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
<b>Leadership &amp; Governance Total</b>	<b>645</b>	<b>461</b>	<b>184</b>
<b>Corporate Functions</b>			
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
<b>Corporate Functions Total</b>	<b>329</b>	<b>112</b>	<b>217</b>

ANNUAL PLAN 2019/20

33

## 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
<b>Total Sources of Operating Funding</b>				
<b>Source of Operating Funding</b>				
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	-
<b>Total Source of Operating Funding</b>	<b>19,690</b>	<b>21,231</b>	<b>21,655</b>	<b>424</b>
<b>Application of Operating Funding</b>				
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
<b>Total Application of Operating Funding</b>	<b>18,980</b>	<b>19,569</b>	<b>23,215</b>	<b>3,646</b>
<b>Surplus (Deficit) from Operating Funding</b>	<b>710</b>	<b>1,662</b>	<b>(1,560)</b>	<b>(3,222)</b>
<b>Total Sources of Capital Funding</b>				
<b>Source of Capital Funding</b>				
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
<b>Total Source of Capital Funding</b>	<b>6,592</b>	<b>6,373</b>	<b>13,035</b>	<b>6,662</b>
<b>Application of Capital Funding</b>				
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)
<b>Total Application of Capital Funding</b>	<b>7,303</b>	<b>8,035</b>	<b>11,475</b>	<b>3,440</b>
<b>Surplus (Deficit) from Capital Funding</b>	<b>(710)</b>	<b>(1,662)</b>	<b>1,560</b>	<b>3,222</b>
<b>Funding Balance (General Rates)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

ANNUAL PLAN 2019/20

34

# TE PUNAHA TĀKE

---

## RATING SYSTEM

---

ANNUAL PLAN 2019/20

35



## 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. <b>Wairoa Township</b> (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. <b>Wairoa Township - Commercial &amp; Industrial</b>	3.85
iii. <b>Wairoa Township - Commercial &amp; Industrial</b> (CV <\$200,000)	2.75
iv. <b>Wairoa Township - Commercial &amp; Industrial</b> (CV ≥\$200,000)	2.75
v. <b>Residential 3</b> (LV ≥\$68,000)	0.55

#### RURAL DIFFERENTIAL CATEGORIES

Differential Category	Differential Factor
vi. <b>Wairoa Rural</b> (LV <\$100,000) (all properties not included in (vi), (vii), (viii), (ix), (xi) (x), (xi) and (xiv))	1
vii. <b>Rural Villages of Frasertown, Nuhaka &amp; Raupunga</b>	1.25
viii. <b>Rural Non-Forestry</b> (LV ≥\$100,000 and < \$1,000,000)	1
ix. <b>Rural Non-Forestry</b> (LV ≥\$1,000,000)	1
x. <b>Residential/Residential 1</b> (Mahia)	0.85
xi. <b>Rural Residential - Residential 1</b> (Tuai)	0.5
xii. <b>Rural Roding Forestry</b> (<100ha)	1
xiii. <b>Rural Roding Forestry</b> (≥100ha)	5
xiv. <b>Rural Commercial</b> (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. <b>Wairoa Township</b> (all properties not included in (ii), (iii), (iv) or (v) below)	1.2772	61,457
ii. <b>Wairoa Township - Commercial &amp; Industrial</b>	4.9170	34,208
iii. <b>General Urban/Residential 3</b> (LV ≥ \$68,000)	0.7024	8,059
iv. <b>Wairoa Rural</b> (all properties not included in 2(v), (vi) or (vii) below)	0.0878	100,848
v. <b>Rural Villages of Frasertown, Nuhaka &amp; Raupunga</b>	0.1097	1,017
vi. <b>General Rural Residential/Residential 1</b> (Mahia)	0.0746	16,204
vii. <b>General Rural Residential 1</b> (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. <b>Wairoa Township</b> (all properties not included in (ii) or (iii) below/Roading Urban)	4.3961	211,541
ii. <b>Wairoa Township - Commercial &amp; Industrial</b>	16.9250	117,748
iii. <b>Residential 3</b> (LV ≥ \$68,000)	2.4179	27,074
iv. <b>Wairoa Rural</b> (all properties not included in 2(v), (vi) or (vii) below/Roading Rural)	1.8924	94,607
v. <b>Rural Villages of Frasertown, Nuhaka &amp; Raupunga</b>	2.3654	21,923
vi. <b>Rural Non-Forestry</b> (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. <b>Rural Non-Forestry</b> (LV ≥\$1,000,000)	1.8924	1,488,980
viii. <b>Rural Residential/Residential 1</b> (Mahia)	1.6085	349,829
ix. <b>Rural - Residential 1</b> (b) (Tuai)	0.9462	5,049
x. <b>Rural Roding Forestry</b> (<100ha)	1.8924	7,210
xi. <b>Rural Roding Forestry</b> (≥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. <b>Wairoa Township</b> (all properties not included in (ii) or (iii) below/Recreation Urban)	1.8121	421,657
ii. <b>Wairoa Township - Commercial &amp; Industrial</b> (CV <\$200,000)	4.9832	49,454
iii. <b>Wairoa Township - Commercial &amp; Industrial</b> (CV ≥\$200,000)	4.9832	165,019
iv. <b>Wairoa Rural</b> (all properties not included in 4(v), (vi) or (vii) and (viii) below/ Recreation Rural)	0.3072	439,818
v. <b>Rural Villages of Frasertown, Nuhaka &amp; Raupunga</b>	0.3840	11,788
vi. <b>Rural Residential/Residential 1</b> (Mahia)	0.2611	91,657
vii. <b>Rural Residential/Residential 1</b> (b) (Tuai)	0.1536	2,154
viii. <b>Commercial Rural</b> (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. <b>Wairoa Township</b> (all properties not included in (ii) or (iii) below/Services Urban)	1.9193	446,597
ii. <b>Wairoa Township - Commercial &amp; Industrial</b> (CV <\$200,000)	5.2780	52,379
iii. <b>Wairoa Township - Commercial &amp; Industrial</b> (CV ≥\$200,000)	5.2780	174,779

Differential Category	Rate in the \$ of Land Value (incl. GST) \$	Revenue Generated (incl. GST) (\$)
iv. <b>Wairoa Rural</b> (all properties not included in 4(v), (vi) or (vii) and (viii) below/ Services Rural)	0.3422	489,975
v. <b>Rural Villages of Frasertown, Nuhaka &amp; Raupunga</b>	0.4278	13,132
vi. <b>Rural Residential/Residential 1</b> (Mahia)	0.2909	102,110
vii. <b>Rural Residential/Residential 1</b> (b) (Tuai)	0.1711	2,399
viii. <b>Commercial Rural</b> (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. <b>Wairoa Township/Wairoa Ward Supply Area - Connected</b> (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. <b>Wairoa Township Supply Area - Not Connected but Available</b> (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. <b>Māhanga Supply Area - Connected</b> (Māhanga water supply)		499.60	30,727
iv. <b>Māhanga Supply Area - Not Connected but Available</b> 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. <b>Tuai Supply Area - Connected</b>	Per separately used or inhabited part of a rating unit	558.70	30,727
vi. <b>Tuai Supply Area - Not Connected but Available</b> 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. <b>Blue Bay Supply Area - Connected</b>		0.00	0
viii. <b>Blue Bay Supply Area - Not Connected but Available</b> 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. <b>Blue Bay - Capital Repayment Scheme</b> 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.*

### ANNUAL PLAN 2019/20

**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 <sup>3</sup> (incl. GST) (\$)
i. <b>Wairoa Township Reticulation Area</b>	All rating units fitted with a meter and metered exclusively for ordinary supply or metered for extraordinary supply	0.61
ii. <b>Wairoa Environs Area</b> (not including rating units in (i), (iii) and (iv))		0.61
iii. <b>Frasertown Reticulation Area</b>		0.61
iv. <b>Tuai Reticulation Area</b>		0.61
v. <b>Land Used for Meat Processing Within the Wairoa Township Reticulation Area</b>		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 <sup>1</sup>	Basis for Liability	Charge (incl. GST) (\$)	Revenue Generated (incl. GST) (\$)
i. <b>Wairoa Ward - Connected</b> (not temporary accommodation businesses)	Per water closet or urinal connected (for up to the first five)	408.20	902,062
ii. <b>Wairoa Ward - Connected</b> (not temporary accommodation businesses)	Per water closet or urinal connected (for six to up to and including 15)	285.70	
iii. <b>Wairoa Ward - Connected</b> (not temporary accommodation businesses)	Per water closet or urinal connected (for 16 or more)	204.10	
iv. <b>Wairoa Ward - Connected</b> (temporary accommodation businesses)	Per water closet or urinal connected (for up to the first five)	408.20	
v. <b>Wairoa Ward - Connected</b> (temporary accommodation businesses)	Per water closet or urinal connected (for six or more)	285.70	
vi. <b>Wairoa Ward - Not Connected but Available</b> 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. <b>Tuai Village - Connected</b>	Per water closet or urinal connected	408.20	
viii. <b>Tuai Village - Not Connected but Available</b> 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. <b>Mahia - Connected</b> 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. <b>Mahia - Not Connected</b> 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	

ANNUAL PLAN 2019/20

40

Differential Category <sup>1</sup>	Basis for Liability	Charge (incl. GST) (\$)	Revenue Generated (incl. GST) (\$)
xi. <b>Opoutama &amp; Blue Bay - Connected</b> 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. <b>Opoutama &amp; Blue Bay - Not Connected</b> 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. <b>Rural Wastewater</b> 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.

<sup>1</sup> 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 <sup>1</sup>	Basis for Liability	Charge (incl. GST) (\$)	Revenue Generated (incl. GST) (\$)
i. <b>Mahia Wastewater Scheme</b> 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. <b>Mahia Wastewater Scheme</b> Capital repayment and finance costs associated with the scheme over 20 years.			141,789
iii. <b>Mahia Wastewater Scheme</b> Capital repayment and finance costs associated with the scheme over 30 years.			5,307
iv. <b>Opoutama Wastewater Scheme</b> Capital repayment and finance costs associated with the scheme over 10 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.		4,035
v. <b>Opoutama Wastewater Scheme</b> Capital repayment and finance costs associated with the scheme over 20 years.			17,739
vi. <b>Opoutama Wastewater Scheme</b> Capital repayment and finance costs associated with the scheme over 20 years.			3,092

<sup>1</sup> In accordance with the Capital Funding Plan.

## ANNUAL PLAN 2019/20



**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. <b>Wairoa Township Area</b> 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. <b>Rural Areas</b> 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. <b>Wairoa Urban Area</b> <sup>1</sup> 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. <b>Mahia Township Area</b> <sup>2</sup> 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
<b>Residential</b>					
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
<b>Lifestyle</b>					
Wairoa	\$140,000	\$490,000	\$4,180	\$4,477	\$4,229
<b>Pastoral Farming</b>					
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
<b>Industrial</b>					
Wairoa	\$17,000	\$185,000	\$5,232	\$5,645	\$4,608
Wairoa	\$60,000	\$550,000	\$10,721	\$11,720	\$10,109
<b>Forestry</b>					
Kotemaori	\$20,700,000	\$22,500,000	\$228,002	\$232,289	\$213,304
<b>Utility</b>					
	\$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**

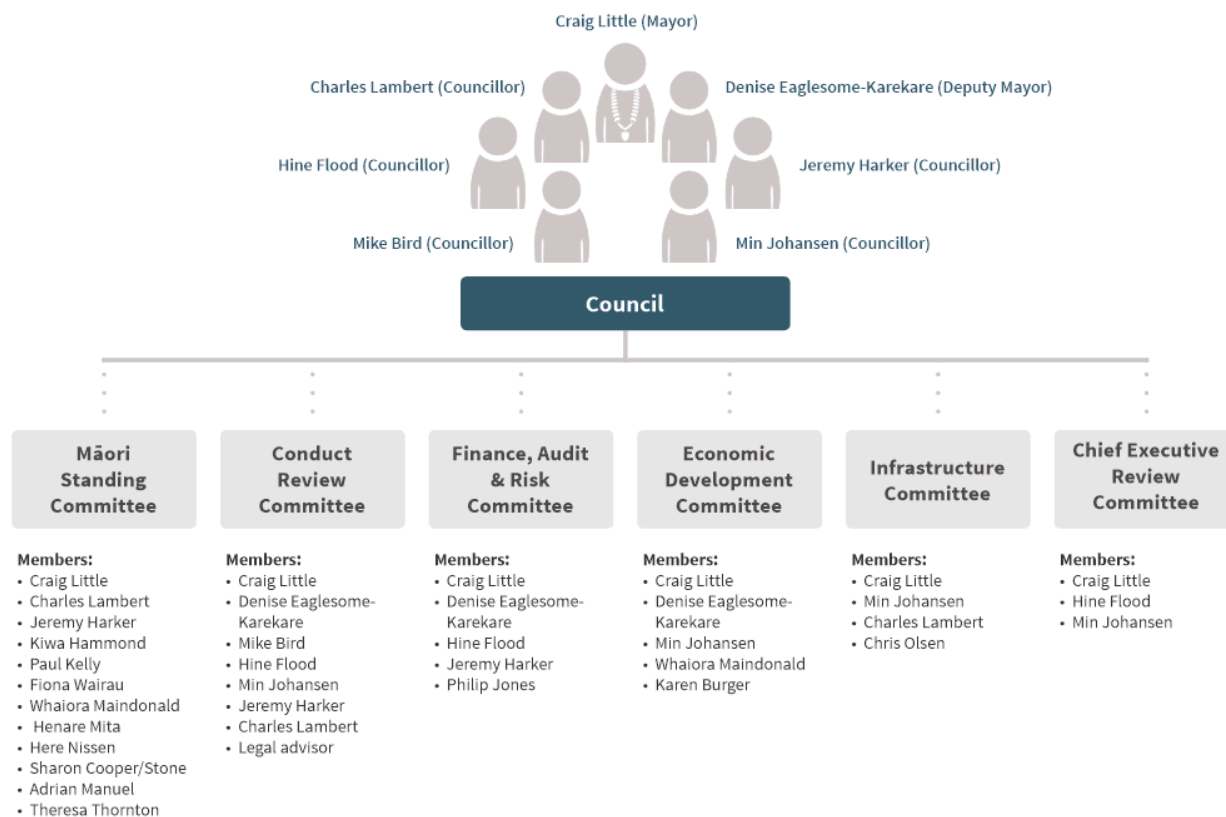
- Each flat, apartment, or retirement or disability home, and each property under a "licence to occupy", is a separately used or inhabited part of a rating unit. This is regardless of the number of people who may be living in the unit. Each will be required to pay an additional UAGC charge.

#### **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

46



**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](http://www.wairoadc.govt.nz)



### Facebook

search for 'Wairoa District Council'



### E-mail

[info@wairoadc.govt.nz](mailto:info@wairoadc.govt.nz)



### Visit our office

97-103 Queen Street,  
Wairoa 4108



### Post

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

