

# Ōtorohanga District Council

**Annual Plan 2023/2024**



# OUR VISION

## ŌTOROHANGA DISTRICT

### WHERE KIWI CAN FLY

#### A DYNAMIC, INCLUSIVE AND UNIQUE DISTRICT

We strive to be recognised as a place where kiwi can fly.

We value our **DYNAMIC** and innovative district, contributing to our thriving and growing economy.

We value our **INCLUSIVE** and welcoming district, embracing diversity and celebrating our history.

We value our **UNIQUE**, culturally rich communities and stunning environments.



## Ngā Kupu Whakataki

### Opening words from the Mayor and Chief Executive

Tēnā koutou katoa

We are pleased to bring you this 2023/24 Annual Plan, being Year 3 of our 2021-31 Long Term Plan (LTP).

Our LTP clearly sets our direction and priorities for 10 years, including the activities, projects and services we plan to undertake to support the wellbeing of our residents and communities. Our LTP is reviewed every 3 years, and the process we undertook to create our Plan was thorough and all encompassing. We have now commenced the development of our next Long Term Plan 2024-34.

The cornerstone of our LTP was making the move from “austerity to vibrancy.” You asked us to be bold, to demonstrate strong leadership, and to balance the need to maintain our infrastructure and service delivery with an eye to the future growth and changes taking place in our district. You will get to hear how we have tracked in Year 2 of the LTP further when we release our Annual Report later in 2023, but overall, we are very pleased with all we have achieved, and we’re really excited about Year 3.

Our key projects in Year 3 largely build on what we have achieved in Years 1 and 2. We will continue to invest in our three waters infrastructure, accelerating our capital works programme to put our district in the best possible shape when this activity moves to the new entity under the Government’s Three Waters Reform.

We will complete the investigation required to determine the need for a community wastewater scheme for Kāwhia, and further consultation will be undertaken with the community on that. Council maintains the view that a community wastewater scheme will be unaffordable without substantial Government funding.

Last year we adopted the Ōtorohanga Town Concept Plan, and we are now implementing that plan. We have also

commenced developing concept plans for Kāwhia/Aotea and our Rural community.

As a result of the Three Waters Reform we received \$2.66m from the government to identify some community projects. We partnered with iwi to undertake this process and this year will see the implementation of those projects.

We know that how we manage our waste stream is important to you and we will continue with a review of our Waste Minimisation Plan. Many of the waste projects we consulted on in the LTP were delayed until this important piece of work is completed. The timing of this review aligns with Government plans to transform recycling services in Aotearoa.

We signalled in our LTP that we wanted to lift our profile in the community through improving the way we engage and communicate. This year we will develop a Communications and Engagement Strategy and a framework for engaging with iwi, hapū, marae and hapori Māori. While we have already implemented several new initiatives, these documents will make it clear to our community, staff and elected members how and when we will engage and communicate.

The forecast average rates increase for 2023/24 is 6.05%, which is slightly higher than what was signalled for Year 3 of the LTP – 5.68%. In such a dynamic environment, with rising inflation, cost increases in materials, fuel and labour, we are very pleased that we’ve been able to keep the rates increases close to what was forecast. The actual increase for each property will vary according to the services available and property value. We’ve provided some examples to give an indication of the rating levels based on this Plan, and we have a rates calculator on our website so that people can see the effect of the rates increase on their property.

We continue to see some exciting growth in our district this past year, and we expect that to continue as we are seen as a desirable location for businesses to invest and families to settle. Stage one of the subdivision in Harper Ave will be completed this year, and the loan to NKC

Developments that was provided by Council to assist this project will be re-paid. We will do some more planning for growth as our Concept Plans come to fruition.

Our relationships with Iwi/Māori continue to strengthen and last year two Councillors were elected to the Rangiatea Ward. We have also boosted our internal cultural capacity with a Kaitakawaenga (Iwi Relations Advisor) role in Council. We are partnering with iwi on several projects and the new Joint Management Agreement with Te Nehenehenui Trust (the Ngāti Maniapoto Post Settlement Governance Entity) will be in place this year.

We are encouraged by the continued willingness from our community to participate in our engagement processes around our key projects. We can't do this alone. This is our future and it is important that we all help shape it.

Ngā mihi mahana.

Our warmest acknowledgements

Max Baxter

Mayor

Kahika

Tanya Winter

Chief Executive

Tumu Whakarae



## Our Mayor, Councillors and Community Board Members

### Mayor:

Max Baxter	Phone (Bus):	(07) 873 4000
	Mobile:	(027) 229 1430
	Fax:	(07) 873 4300
	Postal:	PO Box 11, Ōtorohanga
	Website:	<a href="http://www.otodc.govt.nz">www.otodc.govt.nz</a>

### Deputy Mayor:

Annette Williams – Kāwhia/Tihiroa Ward	(027) 224 1502
--	----------------

### Councillors:

Roy Johnson – Waipā Ward	(027) 271 9282
Rodney Dow – Kiokio/Korakonui Ward	(027) 471 3406
Cathy Prendergast – Wharepūhanga Ward	(027) 450 8724
Katrina Christison – Ōtorohanga Ward	(021) 153 0774
Steve Hughes – Ōtorohanga Ward	(021) 161 8487
Christopher (Kit) Jeffries – Kāwhia/Tihiroa Ward	(021) 226 4904
Jaimee Tamaki – Rangiātea Māori Ward	(027) 964 8000
Roy Willison – Rangiātea Māori Ward	(022) 412 8495

### Ōtorohanga Community Board:

Kat Brown-Merrin – Chair	(021) 139 3676
Peter Coventry – Deputy Chair	(027) 493 0117
Tori (Koroheke) Muller	(021) 022 57427
Jo Butcher	(027) 500 8000
Katrina Christison – Council Representative	(021) 153 0774
Steve Hughes – Council Representative	(021) 161 8487

### Kāwhia Community Board:

Geoff Good – Chair	(022) 678 6053
Hinga Whiu – Deputy Chair	(021) 181 1009
Dave Walsh	(021) 296 0392
Richard Harpur	(022) 401 7192
Christopher (Kit) Jeffries – Council Representative	(021) 226 4904

## Our Activities and Services

### Introduction

We provide the residents and ratepayers of our District with a wide range of services – some essential and some nice to have. Some services are provided because it is a legal requirement to do so, and the remaining services are provided because our communities expect us to.

#### **Our activities, facilities and services are:**

- Governance and Support Services - including democracy, Iwi liaison and support services;
- Land Transport - including roads, footpaths, street lighting and road safety education;
- Water Supply - including rural water schemes;
- Wastewater Treatment and Disposal;
- Stormwater and land drainage;
- Flood Protection;
- Waste Management - including rubbish collection, recycling and waste minimisation education;
- Community Facilities and Services - including cemeteries, civil defence, housing for the elderly, libraries, parks and reserves, swimming pools and maintenance of the Aotea sea wall;
- Regulatory Services - including animal control (dog control/stock control) building control, environmental health/liquor licensing (community protection, food safety) and planning development;
- District Development - including community support, community initiatives, economic development, policy development, grants and funding and district promotion.

### Section Overview

For each of the key services we provide, we explain what the service is and its main activities, how we will deliver it, and what it will cost.

Each service has its own section, and is split out into sub-sections to make this document easy to read. Here's what you can expect to see in each section.

*Overview* - A summary of what the service is, what sub-services are also provided, and why we deliver it. We've also identified the outcomes that we want to achieve by providing this service.

*What you can expect from us* - sets out what level of service our customers can expect to receive and our annual targets. Our performance against these targets will be monitored throughout the year and we'll report on them in our annual report. This is our way of reporting back to the community on how we are performing against our targets. The performance statements include measures we have to include by law as well as our own level of service statements.

## Prospective Combined Cost of Service Statement

Combined - Operating Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Operating Revenue</b>				
Activity Revenue	7,791	8,189	8,030	159
Targeted Rates	8,269	8,401	8,205	195
Development Contributions	-	-	10	- 10
General Rates	6,628	7,439	7,587	- 148
Other General Sources	8,719	9,009	10,933	- 1,925
<b>Total Operating Revenue</b>	<b>31,407</b>	<b>33,037</b>	<b>34,765</b>	<b>- 1,728</b>
<b>Operating Expenditure</b>				
Land Transport	10,075	10,183	11,433	- 1,250
Water Supply	4,332	4,549	4,418	131
Wastewater Treatment & Disposal	932	1,023	990	33
Stormwater Management	258	271	315	- 44
Flood Protection	138	144	161	- 17
Waste Management and Minimisation	592	637	677	- 40
District Development	1,720	2,293	2,865	- 572
Community Facilities & Services	3,510	3,657	4,326	- 669
Regulatory Services	2,766	2,810	3,124	- 313
Governance & Support Services	6,207	6,897	8,024	- 1,127
<b>Total Operating Expenditure</b>	<b>30,530</b>	<b>32,464</b>	<b>36,332</b>	<b>- 3,868</b>
includes:				
Salaries and Wages	5,706	6,172	6,452	- 280
Depreciation and Amortisation	5,891	6,198	6,852	- 655
Interest	175	196	190	6
<b>Operating Surplus (Deficit)</b>	<b>876</b>	<b>573</b>	<b>- 1,567</b>	<b>2,140</b>
Operating Surplus transferred to Reserves; or	876	573	-	573
Operating Deficit funded from Reserves	-	-	1,567	- 1,567

Combined - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Capital and Reserves Funding Requirements</b>				
Capital Renewals	6,526	6,913	7,889	- 977
Capital Growth	649	160	150	10
Capital Levels of Service	5,557	1,056	414	642
Loans Repaid	975	1,239	2,479	- 1,240
Operating Deficit	876	573	1,567	- 1,401
<i>Total Funding Required</i>	<b>14,583</b>	<b>9,941</b>	<b>12,499</b>	<b>- 2,965</b>
<b>Funded by:</b>				
Funding from Non-Cash Expenses	3,955	4,501	7,023	- 2,522
Capital Income	93	135	90	45
Loans Raised	7,591	2,633	1,754	879
Transfer from General and Special Reserves	2,944	2,672	3,632	- 960
Operating Surplus (via reserve)	-	-	-	-
<i>Total Funding Applied</i>	<b>14,583</b>	<b>9,941</b>	<b>12,499</b>	<b>- 2,558</b>

Table 1 - Prospective Combined Cost of Service Statement

## Governance and Support Services

What this group includes:

- Democracy
- Iwi Relations
- Communications and Engagement
- Support Services

The governance and support services group primarily contributes to the following community outcomes:

### Connected Engaged Empowered

Our governance and support services group includes our local democratic system which represents the residents of our District, our

relationships with with iwi, hapū, marae and hapori Māori, and the internal activities/functions that collectively support the services we provide.

### Changes from the 2021-2031 Long Term Plan

The main changes from the Long Term Plan are around

- Increased costs for the Council and Boards as a result of the increased staff and associated overhead costs
- Increased costs for Council due to the additional Māori Ward Councillors that were put in place for the 2022 election.
- Decrease in Capital Renewals due to the moving of the work on the Council building back into the 2022/23 financial year.

## Governance & Support Services Cost of Service Statement - Operating

Governance & Support Services - Operating Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Operating Revenue</b>				
Activity Revenue	49	104	51	54
Targeted Rates	-	-	-	-
Development Contributions	-	-	-	-
General Rates	1,379	1,581	1,057	525
Other General Sources	4,264	4,467	6,211	- 1,744
<b>Total Operating Revenue</b>	<b>5,692</b>	<b>6,153</b>	<b>7,318</b>	<b>- 1,166</b>
<b>Operating Expenditure</b>				
Ōtorohanga District Council	981	1,088	1,530	- 442
Ōtorohanga Community Board	158	171	207	- 36
Kāwhia Community Board	93	97	129	- 32
Support Services	4,976	5,541	6,159	- 617
<b>Total Operating Expenditure</b>	<b>6,207</b>	<b>6,897</b>	<b>8,024</b>	<b>- 1,127</b>
includes:				
Salaries and Wages	2,816	3,210	3,460	- 250
Depreciation and Amortisation	337	435	394	41
Interest	- 87	- 137	- 80	- 56
<b>Operating Surplus (Deficit)</b>	<b>- 516</b>	<b>- 745</b>	<b>- 706</b>	<b>- 39</b>
Operating Surplus transferred to Reserves; or	-	-	-	-
Operating Deficit funded from Reserves	516	745	706	39

## Governance & Support Services Cost of Service Statement – Capital and Reserves

Governance & Support Services - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Capital and Reserves Funding Requirements</b>				
Capital Renewals	868	928	391	537
Capital Growth	-	-	-	-
Capital Levels of Service	103	105	100	5
Loans Repaid	4	25	92	- 67
Operating Deficit	516	745	706	39
<b>Total Funding Required</b>	<b>1,491</b>	<b>1,802</b>	<b>1,289</b>	<b>513</b>
<b>Funded by:</b>				
Funding from Non-Cash Expenses	342	481	583	- 102
Capital Income	93	135	90	45
Loans Raised	514	528	-	528
Transfer from General and Special Reserves	541	659	616	43
Operating Surplus (via reserve)	-	-	-	-
<b>Total Funding Applied</b>	<b>1,491</b>	<b>1,802</b>	<b>1,289</b>	<b>513</b>

Table 2 - Governance & Support Services Cost of Service Statement

## Democracy

- Local governance system
- Representation
- Decision-making structures
- Oversight of Council-controlled organisations
- Communications and Engagement

### Overview

Local government in New Zealand receives its mandate from the Government through legislation. Local democratic representation is the best way for our local communities' voices to be heard. The majority of our democracy services are set in law; the Local Government Act 2002 and the Local Electoral Act 2001 determine the processes that ensure each community is fairly represented.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual reports.

## How we will measure our performance

### You can expect:

The Council to conduct all its business in an open and transparent manner.

Measuring performance:	our	Target 2023/24
Regular 'meet the Council' sessions are scheduled for Ōtorohanga and Kāwhia		≥ 11 public sessions scheduled in each of Kāwhia and Ōtorohanga
Residents satisfied with Council communication, as measured by an annual survey		≥ 60% rate council communication as acceptable or better

## Iwi Relations

- Building relationships with iwi, hapū, marae and hapori Māori across the Ōtorohanga district
- Providing opportunities for Māori to contribute to decision-making
- Supporting the development of co-governance and co-management agreements

### Overview

Our Iwi Relations function is provided to facilitate input from iwi, hapū marae and hapori Māori into Council decision-making processes. The creation of the Rangiātea Māori Ward will assist with this. We recognise Māori as partners under Te Tiriti o Waitangi. Furthermore, we acknowledge the deep cultural and spiritual relationships that Māori have with ancestral lands, waters and taonga.

### Supporting Māori to contribute to our decision-making processes

Ōtorohanga District Council acknowledge the diverse and dynamic Māori identities and manifestations of mana whenua across the district. From Post-Settlement Governance Entities, to marae committees, Ōtorohanga District Council are committed to honouring obligations under Te Tiriti o Waitangi with all partners. We will actively work to develop enduring and meaningful agreements to progress our relationships in good faith and alignment to Te Tiriti o Waitangi principles.

## What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress towards meeting these in our annual reports.

### You can expect

The Council to establish formal relationships with iwi, hapū, marae and hapori Māori that hold mana whenua statuses within the district and within close relation to the district.

### How we will measure our performance

Measuring performance:	our	Target 2023/24
We will work with Iwi Leaders, representing mana whenua in the District, to build/maintain strong, productive relationships		Iwi Leaders rate their relationship with Council as good or better

## Land Transport

What this activity includes:

- Local roads and footpaths
- Streetlights
- Bridges
- Road safety
- Litter Control
- Signage
- Culverts and underpasses
- Cycleways

The land transport activity contributes to the following community outcomes:

**Connected**      **Liveable**      **Prosperous**  
                                  **Resilient**

Land Transport is our biggest spend area, and a mandatory activity under the Local Government Act 2002. Our local road network connects to the national state highways network, and the management of our roads is rated highly by Waka Kotahi (NZ Transport Agency). We maintain a range of assets, including 804 kilometres of roads, of which 526 kilometres (65%) is sealed, and 24 kilometres of footpaths; 134 bridges; 81 stock underpasses, 5,686 culverts and 2,805 signs. This activity accounts for more than 80% of the total value of Council’s assets. Promoting road safety, kerb & channel management, road-marking, safety barriers/works and roadside vegetation and litter management are part of this activity.

The maintenance of the road network is undertaken by Inframax under contract on Council’s behalf. Waka Kotahi provides subsidies for a lot of our road and footpath works. The current subsidy rate is 61%, which applies until at least 2024

### Planned projects for 2023/24

Here’s an overview of the major land transport projects we’ve planned for the next year:

- **Road resealing (resurfacing)** \$1.72 million (capital - renewals)
- **Unsealed road metalling** \$522,000 (capital – renewals)
- **Road safety initiatives** \$1.48 million (capital – level of service)

### Changes from the 2021-2031 Long Term Plan

The main changes from the Long Term Plan are:

- Increased depreciation costs because of the revaluation of the roading assets.

## What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress towards meeting these in our Annual Report.

## How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
A safe local transport network provided for users and the community.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number*	0 fatalities/ serious injuries
Footpaths to be fit for purpose	The percentage of footpaths within the District that fall within the level of service standard of 3 or better (minor cracking only) for the condition of footpaths*	90%
The preservation of the pavement life of sealed roads.	The average quality of ride on a sealed local road network, measured by smooth travel exposure value of 150 or better*	97%
	The percentage of the sealed local road network that is resurfaced annually*	6%
Customer service requests to be dealt with promptly and appropriately.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 10 working days*, as recorded in the request for service system	90%

\* Mandatory performance measure – refer section 261B Local Government Act 2002.

### Land Transport Cost of Service Statement - Operating

Land Transport - Operating Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Operating Revenue</b>				
Activity Revenue	5,477	5,749	5,754	- 5
Targeted Rates	4,745	4,542	4,612	- 69
Development Contributions	-	-	-	-
General Rates	-	-	-	-
Other General Sources	1,353	1,374	1,544	- 170
<b>Total Operating Revenue</b>	<b>11,575</b>	<b>11,666</b>	<b>11,910</b>	<b>- 244</b>
<b>Operating Expenditure</b>				
Land Transport	8,722	8,809	9,889	- 1,080
Engineering Business Unit	1,353	1,374	1,544	- 170
<b>Total Operating Expenditure</b>	<b>10,075</b>	<b>10,183</b>	<b>11,433</b>	<b>- 1,250</b>
includes:				
Salaries and Wages	731	749	918	- 169
Depreciation and Amortisation	3,523	3,495	4,308	- 814
Interest	41	33	33	-
<b>Operating Surplus (Deficit)</b>	<b>1,500</b>	<b>1,483</b>	<b>477</b>	<b>1,006</b>
Operating Surplus transferred to Reserves; or	1,500	1,483	477	1,006
Operating Deficit funded from Reserves	-	-	-	-

### Land Transport Cost of Service Statement – Capital and Reserves

Land Transport - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Capital and Reserves Funding Requirements</b>				
Capital Renewals	4,284	4,597	4,596	1
Capital Growth	-	-	-	-
Capital Levels of Service	244	251	-	251
Loans Repaid	417	411	411	-
Operating Deficit	-	-	-	-
<b>Total Funding Required</b>	<b>4,945</b>	<b>5,259</b>	<b>5,007</b>	<b>252</b>
<b>Funded by:</b>				
Funding from Non-Cash Expenses	2,323	2,444	2,190	254
Loans Raised	-	-	-	-
Transfer from General and Special Reserves	1,122	1,332	2,339	- 1,007
Operating Surplus (via reserve)	1,500	1,483	477	1,006
<b>Total Funding Applied</b>	<b>4,945</b>	<b>5,259</b>	<b>5,007</b>	<b>252</b>

Table 3 - Land Transport Cost of Service Statement

## Water Supply

What this activity includes:

- An ‘on demand’ reticulated treated drinking water supply covering Kāwhia and Ōtorohanga townships.
- A ‘restricted’ reticulated treated water supply primarily for stock water purposes covering Arohena, Ranginui, Tihiroa and Waipā rural areas.

The water supply activity contributes to the following community outcomes:

**Liveable Responsible    Prosperous Sustainable    Resilient Sustainable**

Water Supply is our second biggest spend area, and a mandatory activity under the Local Government Act 2002. We provide treated water for the health and well-being of residents through the supply of safe drinking water, and to provide for the health and well-being of stock and support the rural economy.

The urban areas of Kāwhia and Ōtorohanga have their own water schemes – around 1500 connections in Ōtorohanga and 470 in Kāwhia – a total of 114.2 km of pipeline and 7 reservoirs (capacity 4,100m<sup>3</sup>). The Ōtorohanga water supply is drawn from the Waipā River and treated. The Kāwhia water supply is drawn from local springs and treated.

The four rural water schemes collectively supply 232 properties, comprise 165 km of pipeline, and 11 reservoirs with a total capacity of 2,993m<sup>3</sup>. As water is supplied on a controlled (‘trickle-feed’) basis, on-farm storage is required by the property owner. The Waipā Scheme is supplied via the Ōtorohanga town supply, with the other schemes drawing water from local rivers/streams. The schemes are managed by Council on behalf of the owners of properties connected to the schemes, and oversight of each scheme is provided by a local committee.

We have not consistently been able to fully comply with drinking water quality assurance rules for all supplies. Arohena Rural Water Scheme continues to be under a permanent boil water notice. Considerable investment is still required for our smaller rural schemes and

has been identified through the 3 water reform process.

An asset management plan is in place for this activity, and has been reviewed and updated as part of the process for preparing this LTP.

We need to make sure we have the capacity to accommodate growth in Ōtorohanga and Kāwhia, which wasn’t an issue when we last did our assessment of water and sanitary services in 2005. However, at the time, there was an assumption that demand for water would increase irrespective of population change.

The management and delivery of water supply services is of particular interest to Iwi given the potential for adverse impacts on natural waters.

The Government is reforming the three waters activities (water, wastewater and stormwater) currently undertaken by city and district councils. The Government have confirmed that new regional entities will be established to undertake these activities, and that change will take effect prior to July 2026. Further work is being undertaken on the future management and delivery of rural water supplies. We continue to be responsible for urban and rural water supply activities until 2026 and our 2024-2034 Long Term Plan process will take account of the changes and implications. In the meantime, we’ll be taking a sound asset management approach to the planning, management and delivery of these services.

### Planned projects for 2023/24

Here’s an overview of the major water supply projects we’ve planned for the next year:

- **Ōtorohanga Mains Renewals:** \$370,000 (capital – renewals)
- **Kāwhia Mains Renewals:** \$300,000 (capital – renewals)
- **Replace Reservoir and Telemetry – Ranginui Rural Water Scheme:** \$70,000 (capital – renewals)

## Changes from the 2021-2031 Long Term Plan

The main changes from the Long Term Plan include:

- Increased capital budget due to increased costs of mains renewals
- Increased loan repayments due to loan raising requirements in previous years.

## What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress towards meeting these in our Annual Report.

## How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Water that is safe to drink	The extent to which the Council's drinking water supply complies with: a) Part 4: Bacterial Compliance Criteria* b) Part 5: Protozoal Compliance Criteria*	Complies Complies
Losses from the water supply network are minimised.	The percentage of real water loss from the Council's networked reticulation system* - Ōtorohanga - Kāwhia	<26% <26%
A potable, reliable and sustainable drinking water supply.	The number of complaints, per 1000 connections, received about water clarity, water taste, water odour, water pressure or flow, continuity of supply, and the Council's response to any of these issues*, as recorded in the request for service system	≤ 5 complaints
	The average consumption of drinking water per day per resident within the Ōtorohanga District*	< 300 litres/person/day
Customer service requests are dealt with promptly and appropriately.	Where the Council attends a call-out in response to a fault or unplanned interruption to its reticulation system, the following median response times are measured*:  Urgent Call-outs: • Attendance • Resolution  Non-Urgent Call-outs: • Attendance • Resolution	< 1.5 hours < 18 hours  < 36 hours < 36 hours

\* Mandatory performance measure – refer section 261B Local Government Act 2002.

## Water Supply Cost of Service Statement - Operating

Water Supply - Operating Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Operating Revenue</b>				
Activity Revenue	93	25	5	20
Targeted Rates	2,271	2,578	2,315	263
Development Contributions	-	-	-	-
General Rates	140	144	149	6
Other General Sources	1,702	1,736	1,647	90
<b>Total Operating Revenue</b>	<b>4,207</b>	<b>4,483</b>	<b>4,117</b>	<b>366</b>
<b>Operating Expenditure</b>				
Arohena Rural Water Supply	424	462	335	128
Ranginui Rural Water Supply	80	84	85	1
Tihiroa Rural Water Supply	334	362	417	55
Waipa Rural Water Supply	331	359	363	4
Ōtorohanga Water Supply	1,128	1,180	1,197	18
Ōtorohanga Water Treatment Plant	582	600	588	12
Ōtorohanga Water Loan	29	44	43	1
Kāwhia Water Supply	347	365	376	10
Water Services	1,077	1,093	1,015	78
<b>Total Operating Expenditure</b>	<b>4,332</b>	<b>4,549</b>	<b>4,418</b>	<b>131</b>
includes:				
Salaries and Wages	619	634	464	170
Depreciation and Amortisation	842	959	887	72
Interest	104	137	95	42
Operating Surplus (Deficit)	- 125	- 66	- 301	235
Operating Surplus transferred to Reserves; or	-	-	-	-
Operating Deficit funded from Reserves	125	66	301	235

## Water Supply Cost of Service Statement – Capital and Reserves

Water Supply - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Capital and Reserves Funding Requirements</b>				
Capital Renewals	565	803	982	179
Capital Growth	52	53	50	3
Capital Levels of Service	3,120	11	10	1
Loans Repaid	201	323	1,496	1,173
Operating Deficit	125	66	301	235
<b>Total Funding Required</b>	<b>4,062</b>	<b>1,256</b>	<b>2,840</b>	<b>1,583</b>
<b>Funded by:</b>				
Funding from Non-Cash Expenses	480	592	1,754	1,162
Loans Raised	3,325	573	720	147
Transfer from General and Special Reserves	257	91	366	275
Operating Surplus (via reserve)	-	-	-	-
<b>Total Funding Applied</b>	<b>4,062</b>	<b>1,256</b>	<b>2,840</b>	<b>1,583</b>

Table 4 - Water Supply Cost of Service Statement

## Wastewater Treatment and Disposal

What this activity includes:

- A reticulated sewerage system and treatment plant serving Ōtorohanga township

The wastewater activity contributes to the following community outcomes:

**Liveable      Resilient      Responsible**  
**Sustainable**

Wastewater treatment and disposal is our third biggest spend area, and a mandatory activity under the Local Government Act 2002. We collect and treat wastewater from residential, business and other properties in the Ōtorohanga urban area for the health and well-being of residents and the environment.

There are about 1400 connected properties serviced by 32km of pipeline and 16 pump stations. Wastewater is piped to the treatment plant (aerated oxidation pond) at the northern end of the town, with the treated water being discharged into the Mangaorongo Stream via a 2-hectare wetland. We have resource consents from the Waikato Regional Council that mean the treated effluent from our wastewater system must not pollute our waterways.

Those commercial and industrial operations that generate much larger and/or concentrated quantities of wastewater are subject to trade waste permits, with specific conditions on their wastewater discharges. There are 53 trade waste permits currently issued. Provision is available at the treatment plant for taking and treating septic tank waste.

An asset management plan is in place for this activity (covering wastewater and stormwater), and has been reviewed and updated as part of the process for developing this LTP.

The management and delivery of wastewater services is of particular interest to Iwi given the potential for adverse impacts on natural waters. Changes to Government standards (national freshwater policy statements) mean we will need to continue to improve the treatment of wastewater in order to keep improving the quality of our natural waterways and environment. We also need to make sure we have the capacity to accommodate growth in Ōtorohanga, which wasn't an issue when we last did our assessment of water and sanitary services in 2005. At that time, capacity constraints were evident, and now need to be addressed.

The Government is reforming the three waters activities (water, wastewater and stormwater) currently undertaken by city and district councils. The Government have confirmed that new regional entities will be established to undertake these activities, and that change will take effect prior to July 2026. Further work is being undertaken on the future management and delivery of rural water supplies. We continue to be responsible for urban and rural water supply activities until 2026 and our 2024-2034 Long Term Plan process will take account of the changes and implications. In the meantime, we'll be taking a sound asset management approach to the planning, management and delivery of these services.

### Planned projects for 2023/24

Here's an overview of the major wastewater projects we've planned for the next year:

- **Ōtorohanga Mains Renewals:** \$150,000 (capital – renewals)
- **Otorohanga Development Sundry:** \$50,000 (Capital – renewals)
- **Otorohanga Waste water upgrades** to Harper Ave, Kakamutu Rd and Rangitahi St.

### Changes from the 2021-2031 Long Term Plan

The main changes from the Long Term Plan are:

- Reduction in level of service capital spending due to removal of Kāwhia Sewerage Design.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our

progress towards meeting these in our Annual Report.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Wastewater operations are optimised.	The number of dry weather sewerage overflows from the Ōtorohanga sewerage system, per 1000 connections*	0 overflows
Wastewater operations are managed in accordance with resource consents.	Compliance with the resource consents for discharge from the Ōtorohanga sewerage system measured by the number of: <ul style="list-style-type: none"> <li>Abatement Notices;</li> <li>Infringement Notices;</li> <li>Enforcement Orders;</li> </ul> Convictions – received by the Council*	0 non-compliance actions
Customer service requests are dealt with promptly and appropriately	Median response times for Council attending to sewerage overflows resulting from a blockage or other fault in the Ōtorohanga sewerage system, measured as: Attendance time: the time from notification until service personnel arrive on site  Resolution time: the time from notification until service personnel confirm resolution of the blockage or fault*	< 50 minutes  < 24 hours
Wastewater operations to be managed to minimise complaints.	The number of complaints received by the Council about: <ul style="list-style-type: none"> <li>Sewage odour;</li> <li>Sewerage system faults;</li> <li>Sewerage system blockages;</li> </ul> Response to issues with the sewerage system – expressed per 1000 connections, as recorded in the request for service system*	< 20 complaints

\* Mandatory performance measure – refer section 261B Local Government Act 2002.

## Wastewater Treatment and Disposal Cost of Service Statement - Operating

Wastewater Treatment & Disposal - Operating Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Operating Revenue</b>				
Activity Revenue	67	69	65	4
Targeted Rates	815	813	775	38
Development Contributions	-	-	-	-
General Rates	40	38	37	2
Other General Sources	-	-	-	-
<b>Total Operating Revenue</b>	<b>922</b>	<b>921</b>	<b>877</b>	<b>44</b>
<b>Operating Expenditure</b>				
Ōtorohanga Sewerage	850	894	898	- 4
Ōtorohanga Sewerage Loan	62	83	92	- 8
Kāwhia Sewerage	20	45	-	45
<b>Total Operating Expenditure</b>	<b>932</b>	<b>1,023</b>	<b>990</b>	<b>33</b>
includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	344	396	365	31
Interest	66	93	89	4
<b>Operating Surplus (Deficit)</b>	<b>- 9</b>	<b>- 102</b>	<b>- 113</b>	<b>11</b>
Operating Surplus transferred to Reserves; or	-	-	-	-
Operating Deficit funded from Reserves	9	102	113	- 11

## Wastewater Treatment and Disposal Cost of Service Statement – Capital and Reserves

Wastewater Treatment & Disposal - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Capital and Reserves Funding Requirements</b>				
Capital Renewals	257	265	1,599	- 1,334
Capital Growth	545	53	50	3
Capital Levels of Service	1,883	374	-	374
Loans Repaid	162	242	244	- 2
Operating Deficit	9	102	113	- 11
<b>Total Funding Required</b>	<b>2,857</b>	<b>1,037</b>	<b>2,006</b>	<b>- 970</b>
<b>Funded by:</b>				
Funding from Non-Cash Expenses	315	397	1,743	- 1,345
Loans Raised	2,532	639	249	391
Transfer from General and Special Reserves	10	-	15	- 15
Operating Surplus (via reserve)	-	-	-	-
<b>Total Funding Applied</b>	<b>2,857</b>	<b>1,037</b>	<b>2,006</b>	<b>- 970</b>

Table 5 – Wastewater Treatment and Disposals Cost of Service Statement

## Stormwater Management

What this activity includes:

- The collection and disposal of stormwater in Ōtorohanga and Kāwhia townships

The stormwater activity contributes to the following community outcomes:

**Liveable      Resilient      Responsible**  
**Sustainable**

We collect and dispose of stormwater in the Ōtorohanga and Kāwhia urban areas to prevent/minimise flooding from heavy or prolonged rainfall events. Hard surfaces, such as roofs, parking and paved areas, driveways, and roads, all contribute to generating stormwater runoff. Stormwater drainage is a mandatory activity under the Local Government Act 2002.

Our stormwater systems comprise 12.5km of pipes and 4kms of open drains. Stormwater is directed away from properties and roads to local streams and rivers, and the harbour in the case of Kāwhia. Directing stormwater from/under roads is managed under our land transport activity area.

The Urban Stormwater Discharge Resource Consent renewal process has started for Ōtorohanga and Kawhia Townships with the applications lodge with Waikato Regional Council at the end of 2022. Ōtorohanga and Kawhia will continue to operate under existing consent conditions until the consents are renewed.

Our networks are limited as to how much stormwater they can handle, so we are requiring new developments to provide for on-site stormwater management, such as storage and ground soakage.

An asset management plan is in place for this activity (covering stormwater and wastewater), and has been reviewed and updated as part of the process for developing this LTP.

The management and delivery of stormwater services is of particular interest to Iwi given the potential for adverse impacts on natural

waters. Changes to Government standards (national freshwater policy statements) mean we will need to continue to improve how we manage stormwater in order to keep improving the quality of our natural waterways and environment. We don't yet know what the details are or when they will come into effect.

We also need to make sure we have the capacity to accommodate growth in Ōtorohanga, which wasn't an issue when we last did our assessment of water and sanitary services in 2005.

The Government is reforming the three waters activities (water, wastewater and stormwater) currently undertaken by city and district councils. The Government have confirmed that new regional entities will be established to undertake these activities, and that change will take effect prior to July 2026. Further work is being undertaken on the future management and delivery of rural water supplies. We continue to be responsible for urban and rural water supply activities until 2026 and our 2024-2034 Long Term Plan process will take account of the changes and implications. In the meantime, we'll be taking a sound asset management approach to the planning, management and delivery of these services.

### Planned projects for 2023/24

Here's an overview of the major stormwater projects we've planned for the next year:

- **Ōtorohanga Renewals:** \$25,000 (capital – renewals)
- **Kāwhia Renewals:** \$25,000 (capital – renewals)
- **Ōtorohanga Development:** \$50,000 (capital – growth)

### Changes from the 2021-2031 Long Term Plan

There are no significant changes from the Long Term Plan.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress towards meeting these in our Annual Report.

## How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Stormwater operations are optimised	The number of flooding events in the District; and, For each flooding event, the number of habitable rooms affected – expressed per 1000 properties connected to the stormwater system*	0 flooding events
Stormwater operations are managed in accordance with resource consents	Compliance with the resource consents for discharge from the stormwater system, measured by the number of: <ul style="list-style-type: none"> <li>• Abatement Notices;</li> <li>• Infringement Notices;</li> <li>• Enforcement Orders; and</li> <li>• Convictions – received by the Council*</li> </ul>	0 non-compliance actions
Service response times are reasonable	<ul style="list-style-type: none"> <li>• The median response time to attend to a flooding event*, measured from the time of notification until service personnel arrive on site</li> </ul>	< 4 hours 30 minutes
Stormwater operations are managed to minimise complaints	<ul style="list-style-type: none"> <li>• The number of complaints received by the Council about the performance of the stormwater system, expressed per 1000 properties connected to the stormwater system*, as recorded in the request for service system</li> </ul>	≤ 2 complaints

\* Mandatory performance measure – refer section 261B Local Government Act 2002.

### Stormwater Management Cost of Service Statement - Operating

Stormwater Management - Operating Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance	
<b>Operating Revenue</b>					
Activity Revenue	-	-	-	-	-
Targeted Rates	-	-	-	-	-
Development Contributions	-	-	-	-	-
General Rates	258	271	315	-	44
Other General Sources	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>258</b>	<b>271</b>	<b>315</b>	<b>-</b>	<b>44</b>
<b>Operating Expenditure</b>					
Ōtorohanga Stormwater	208	217	246	-	29
Kāwhia Stormwater	50	54	68	-	14
<b>Total Operating Expenditure</b>	<b>258</b>	<b>271</b>	<b>315</b>	<b>-</b>	<b>44</b>
includes:					
Salaries and Wages	-	-	-	-	-
Depreciation and Amortisation	137	149	186	-	37
Interest	17	17	10	-	7
<b>Operating Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating Surplus transferred to Reserves; or	-	-	-	-	-
Operating Deficit funded from Reserves	-	-	-	-	-

### Stormwater Management Cost of Service Statement – Capital and Reserves

Stormwater Management - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance	
<b>Capital and Reserves Funding Requirements</b>					
Capital Renewals	135	33	50	-	17
Capital Growth	52	53	50	-	3
Capital Levels of Service	-	-	-	-	-
Loans Repaid	68	70	75	-	5
Operating Deficit	-	-	-	-	-
<b>Total Funding Required</b>	<b>254</b>	<b>156</b>	<b>175</b>	<b>-</b>	<b>19</b>
<b>Funded by:</b>					
Funding from Non-Cash Expenses	125	129	163	-	33
Loans Raised	129	27	13	-	14
Transfer from General and Special Reserves	-	-	-	-	-
Operating Surplus (via reserve)	-	-	-	-	-
<b>Total Funding Applied</b>	<b>254</b>	<b>156</b>	<b>175</b>	<b>-</b>	<b>19</b>

Table 6 - Stormwater Management Cost of Service Statement

## Flood Protection

What this activity includes:

- The maintenance and operation of the Ōtorohanga flood protection works, including the stop-bank network and pumping system

The flood protection activity contributes to the following community outcomes:

**Enduring Responsible      Liveable      Resilient Sustainable**

### Overview

We maintain and operate the Ōtorohanga flood protection system by agreement with the Waikato Regional Council, who have the overall legal responsibility for this function (as a mandatory activity under the Local Government Act 2002). This arrangement means we can coordinate this activity with our local stormwater drainage activities.

The Ōtorohanga flood protection works are expected to cope with a 1 in 100-year flood event.

The stop-bank areas have been developed as recreation space, and are well used by the community.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Flood protection and control works to be well managed, maintained and operated.	The major flood protection and control works are maintained, repaired and renewed to approved standards	Ōtorohanga flood protection system maintained

### Planned projects for 2023/24

Here’s an overview of the major flood protection projects we’ve planned for the next year:

- **Ōtorohanga Flood renewals:** \$30,000 (capital – renewals)

### Changes from the 2021-2031 Long Term Plan

There are no significant changes from the Long Term Plan.

### What you can expect from us

We’ve included some measures below to show what you can expect from us and the services we provide. We’ll report on our progress towards meeting these in our Annual Report.

### Flood Protection Cost of Service Statement - Operating

Flood Protection - Operating Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Operating Revenue</b>				
Activity Revenue	138	144	161	- 17
Targeted Rates	-	-	-	-
Development Contributions	-	-	-	-
General Rates	-	-	-	-
Other General Sources	-	-	-	-
<b>Total Operating Revenue</b>	<b>138</b>	<b>144</b>	<b>161</b>	<b>- 17</b>
<b>Operating Expenditure</b>				
Flood Protection	138	144	161	- 17
<b>Total Operating Expenditure</b>	<b>138</b>	<b>144</b>	<b>161</b>	<b>- 17</b>
includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	47	52	44	8
Interest	7	6	5	1
<b>Operating Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating Surplus transferred to Reserves; or	-	-	-	-
Operating Deficit funded from Reserves	-	-	-	-

### Flood Protection Cost of Service Statement – Capital and Reserves

Flood Protection - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Capital and Reserves Funding Requirements</b>				
Capital Renewals	31	32	30	2
Capital Growth	-	-	-	-
Capital Levels of Service	-	-	-	-
Loans Repaid	17	17	13	4
Operating Deficit	-	-	-	-
<b>Total Funding Required</b>	<b>48</b>	<b>49</b>	<b>43</b>	<b>6</b>
<b>Funded by:</b>				
Funding from Non-Cash Expenses	48	49	43	6
Loans Raised	-	-	-	-
Transfer from General and Special Reserves	-	-	-	-
Operating Surplus (via reserve)	-	-	-	-
<b>Total Funding Applied</b>	<b>48</b>	<b>49</b>	<b>43</b>	<b>6</b>

Table 7 - Flood Protection Cost of Service Statement

## Waste Management and Minimisation

What this activity includes:

- The provision of kerbside rubbish and recycling services in Kāwhia and Ōtorohanga
- The operation of transfer stations in Kāwhia and Ōtorohanga, and the provision of rural recycling depots
- Management of closed Council landfills
- Support of waste minimisation education

The waste management activity contributes to the following community outcomes:

**Innovative Responsible**   **Liveable**   **Resilient Sustainable**

### Overview

Our urban rubbish and recycling collection services, the operation of our transfer stations and the servicing of rural recycling depots are undertaken under contract by Envirowaste. Our closed landfills have resource consents issued by the Waikato Regional Council, and we monitor and manage those in accordance with the consent requirements.

Our activities in this area are directed by a waste management and minimisation plan, which Council adopted in 2018. We have a focus on reducing waste to landfill, and

support a number of education initiatives such as EnviroSchools and Pare Kore. Our waste minimisation activities are funded by a national landfill waste levy, administered by the Ministry for the Environment.

### Planned projects for 2023/24

There are no significant planned capital projects in the 2023/24 year.

This year we will commence a review of our Waste Minimisation Plan, as many of the waste projects we consulted on in the LTP were delayed until this important piece of work is completed. The timing of this review aligns with Government plans to transform recycling services in New Zealand.

### Changes from the 2021-2031 Long Term Plan

The main changes from the Long Term Plan are:

- Increase in refuse and recycling due to rolling over the existing contract to align the end with the new Waste Minimisation Plan
- The removal of the Litter Control activity.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress towards meeting these in our Annual Report.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
A reliable weekly household kerbside rubbish and recycling collection service in Kāwhia and Ōtorohanga	The level of satisfaction with the weekly kerbside collection services, as measured by the annual residents survey	≥ 90% user satisfaction
Waste minimisation to be actively promoted	Increase in recycling volumes over previous year, as measured through the contract report	10% increase

## Waste Management and Minimisation Cost of Service Statement - Operating

Waste Management and Minimisation - Operating Statement	2021/22 Long Term Plan (000's)	2022/23 Long Term Plan (000's)	2022/23 Annual Plan (000's)	variance
<b>Operating Revenue</b>				
Activity Revenue	53	43	43	-
Targeted Rates	303	286	291	- 5
Development Contributions	-	-	-	-
General Rates	218	244	228	16
Other General Sources	-	-	-	-
<b>Total Operating Revenue</b>	<b>573</b>	<b>573</b>	<b>562</b>	<b>11</b>
<b>Operating Expenditure</b>				
Refuse & Recycling	470	507	514	- 7
Litter Control	80	86	67	19
<b>Total Operating Expenditure</b>	<b>551</b>	<b>592</b>	<b>580</b>	<b>12</b>
includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	9	11	8	3
Interest	2	2	1	1
<b>Operating Surplus (Deficit)</b>	<b>22</b>	<b>- 19</b>	<b>- 18</b>	<b>1</b>
Operating Surplus transferred to Reserves; or	22	-	-	-
Operating Deficit funded from Reserves	-	19	18	1

## Waste Management and Minimisation Cost of Service Statement – Capital and Reserves

Waste Management and Minimisation - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Capital and Reserves Funding Requirements</b>				
Capital Renewals	1	17	16	1
Capital Growth	-	-	-	-
Capital Levels of Service	-	79	75	4
Loans Repaid	26	26	26	0
Operating Deficit	19	-	36	- 36
<b>Total Funding Required</b>	<b>46</b>	<b>122</b>	<b>153</b>	<b>- 31</b>
<b>Funded by:</b>				
Funding from Non-Cash Expenses	10	35	107	- 71
Loans Raised	-	11	10	1
Transfer from General and Special Reserves	36	27	36	- 9
Operating Surplus (via reserve)	-	49	-	49
<b>Total Funding Applied</b>	<b>46</b>	<b>122</b>	<b>153</b>	<b>- 31</b>

Table 8 - Waste Management and Minimisation Cost of Service Statement

## Community Facilities & Services

What this group includes:

- Cemeteries
- Civil Defence (Emergency Management)
- Housing for the Elderly
- Libraries
- Parks and Reserves
- Swimming Pools
- The maintenance of the Aotea sea wall

The Community Facilities & Services group primarily contributes to the following community outcomes:

**Connected Engaged Liveable Sustainable**     **Diverse Resilient Vibrant**     **Enduring Knowledgeable Responsible Welcoming**

We're involved in protecting and promoting public safety and wellbeing, and we do this through being prepared for emergency events and providing for a range of recreational needs. Our focus areas include supporting:

- local capacity and capability to deal with emergencies
- active and passive recreation
- the housing of some of our vulnerable residents
- the bereaved with quality interment facilities

Some of our community services are provided so that we can meet our legal responsibilities to ensure the protection of people and support of communities.

We maintain the Aotea sea wall on behalf of the Aotea community.

### Planned Projects for 2023/24

Here's an overview of the major community facilities projects we've planned for the next year:

- **Construction of Toilet Block in Windsor Park:** \$110,000 (capital – Level of service)

### Changes from the 2021-2031 Long Term Plan

The main changes from the Long Term Plan are:

- The Kawhia and Rural Town Concept Plans have been reclassified from Capital Level of Service to Operating Costs for Council Property.
- While there is no change in the budget from the Long Term Plan, the Ōtorohanga Town Concept Plan projects are different, and include:
  - Huiputea Reserve development
  - Feasibility study – Resource Recovery Centre
  - Arts, Culture & Heritage Strategy
  - Mana Whenua representation on Community Board and Council Committees
  - Pop-up shops (empty stores)
  - Feasibility study - Multipurpose Community Facility

## Community Facilities & Services Cost of Service Statement - Operating

Community Facilities & Services - Operating Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Operating Revenue</b>				
Activity Revenue	507	520	404	116
Targeted Rates	78	69	69	0
Development Contributions	-	-	10	10
General Rates	2,292	2,344	2,431	87
Other General Sources	692	705	566	139
<b>Total Operating Revenue</b>	<b>3,569</b>	<b>3,639</b>	<b>3,481</b>	<b>158</b>
<b>Operating Expenditure</b>				
Parks & Reserves	782	837	873	36
Public Conveniences	153	150	164	14
Aotea Seawall	49	40	40	0
Halls	86	86	88	2
Harbour Services	70	72	83	12
Library	413	427	504	78
Swimming Pools	402	406	432	25
Pensioner Housing	294	302	281	21
Cemeteries	124	128	126	2
Engineering Services	692	705	566	139
Civil Defence	162	166	171	6
Council Property	283	339	998	659
<b>Total Operating Expenditure</b>	<b>3,510</b>	<b>3,657</b>	<b>4,326</b>	<b>669</b>
includes:				
Salaries and Wages	530	544	490	53
Depreciation and Amortisation	649	697	656	41
Interest	26	44	37	7
<b>Operating Surplus (Deficit)</b>	<b>59</b>	<b>18</b>	<b>845</b>	<b>827</b>
Operating Surplus transferred to Reserves; or	59	-	-	-
Operating Deficit funded from Reserves	-	18	845	827

## Community Facilities & Services Cost of Services Statement – Capital and Reserves

Community Facilities & Services - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Capital and Reserves Funding Requirements</b>				
Capital Renewals	385	238	226	13
Capital Growth	-	-	-	-
Capital Levels of Service	1,131	973	222	751
Loans Repaid	82	125	121	4
Operating Deficit	-	18	845	827
<b>Total Funding Required</b>	<b>1,597</b>	<b>1,355</b>	<b>1,414</b>	<b>59</b>
<b>Funded by:</b>				
Funding from Non-Cash Expenses	312	372	433	61
Loans Raised	1,090	855	763	93
Transfer from General and Special Reserves	137	128	218	90
Operating Surplus (via reserve)	59	-	-	-
<b>Total Funding Applied</b>	<b>1,597</b>	<b>1,355</b>	<b>1,414</b>	<b>59</b>

Table 9 - Community Facilities & Services Cost of Service Statement

## Cemeteries

What this activity includes:

- the provision and maintenance of interment facilities
- providing cemetery records online

### Overview

We provide public cemeteries in Kāwhia and Ōtorohanga, with plots for burials and ash walls.

Otorohanga Cemetery is currently undergoing a recontouring project on the unused land to the west of cemetery which will extend the capacity of the cemetery by 50 years.

The Kāwhia cemetery is now fully developed, but has sufficient capacity for the next 20

years. Within the next 5-10 years we will need to investigate options for the location of a new cemetery.

We have made some changes to our cemetery fees, and these have been included in our fees and charges schedule. This includes establishing a common charging level for Kāwhia and Ōtorohanga cemeteries.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual reports.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Council to provide efficiently serviced and well maintained cemeteries.	Number of justified complaints regarding grounds maintenance at all Council cemeteries, as recorded in the service request system	< 5 Complaints

## Civil Defence (Emergency Management)

What this activity includes:

- local capacity and capability to deal with emergencies.

### Overview

This activity centres on preparing for, responding to and recovering from civil defence emergencies. Civil Defence Emergency Management (CDEM) is a function and responsibility of all regional, city and district councils. Our civil defence role covers community, organisational and business readiness, including public education and awareness, training and exercises, and local response planning.

We are part of the Waikato CDEM Group, which includes the Waikato Regional Council and all 10 district/city councils within the region, as well as emergency services, welfare agencies and utility providers. This group works closely with research institutions, utility operators, Māori partners and central government to reduce risks and improve community resilience.

We are also part of the Western Waikato Emergency Operations Area, comprising Waipā, Ōtorohanga and Waitomo Council areas, which provides Civil Defence services at the local level. This is a shared service arrangement, with Waipā District Council as the lead agency. This ensures that if an emergency happens in our district we know that our neighbouring councils are also well prepared to help us and vice-versa.

The Civil Defence activity focuses on preparedness for emergencies, both internally by having sufficiently trained staff and externally by educating the wider community on the need for being prepared. Our planning is shaped by both the national and regional plans but with a local emphasis on the communities within our district.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual reports.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
The Council and the community to be well prepared for a civil defence emergency.	Community Response Plans are in place for Kāwhia and Ōtorohanga and reviewed every 3 years	Community response plans in place
	The evaluation of annual exercises as a measure of effectiveness of training	Increasing trend

## Housing for the Elderly

What this activity includes:

- the provision and maintenance of residential rental units for older persons

### Overview

We have 28 residential units (22 in Ōtorohanga and six in Kāwhia), which are provided on a user pays basis. These are a mix of studio and one-bedroom. We set our

rentals at 90% of the market for similar properties, on the basis of covering our costs rather than making a profit.

There is strong demand for these properties, with waiting lists.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual reports.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
The Council units to be maintained to a comfortable and safe standard, and fully utilised.	Percentage of tenants satisfied with the comfort and safety of the unit, as measured by the annual tenant satisfaction survey	> 95% satisfaction
	Percentage occupancy rate, expressed as an annualised monthly average	> 95% combined average

## Libraries

What this activity includes:

- the provision of libraries, access to books and other educational and recreational material, computer and Wi-Fi access, and learning programmes

### Overview

We have libraries in Ōtorohanga and Kāwhia, with combined total of more than 105,000 customer interactions – visits, programme

participants, borrowing, computer use, Wi-Fi access and online activity.

These figures reflect the changing nature of libraries, which are much more than places to just borrow books. Libraries are places for connection and learning through multiple channels.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual reports.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Library facilities, services and activities to meet the needs of the community.	Percentage of Library users satisfied with Library services, as measured by the annual customer survey	≥ 90% user satisfaction
	The number of participants in Library programmes and activities, and service users is increasing, as measured in the Library reports to Council	10% increase in participants per year

## Parks and Reserves

What this activity includes:

- the provision of public areas for active and passive recreation, including playgrounds, for people of all ages and abilities
- the provision of public toilets

### Overview

We have 26 parks, reserves and playgrounds covering a total of 46 hectares. We have agreements with some sporting groups regarding the care and maintenance of playing fields. There are 5 playgrounds spread between Ōtorohanga and Kāwhia/Aotea, and 8 public toilet facilities located across the district. We adhere to specific standards for development and maintenance of park/reserves, including playgrounds and tracks.

Parks and reserves play a key role in health and wellbeing of our communities. While there has been a progressive decline in participation in clubs, high levels of general recreational activity are continuing, with increases in some areas (e.g. cycling and track walking). The development of parks and reserves, and the placement of public toilets has and will continue to be demand-driven.

The public toilets in Kāwhia operate on septic tank systems, and are under pressure during summer months with the influx of visitors during the holiday period.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual reports.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
The provision of a range of safe parks and reserve spaces and equipment that meet the needs of residents	Percentage of residents satisfied with the variety and quality of parks/reserves, as measured by the annual customer survey	≥ 90% satisfaction
The provision of clean, well maintained public toilets.	Number of justified complaints received about the state of public toilets, as recorded in the request for service system	< 12 complaints

## Swimming Pools

What this activity includes:

- the provision of an all-weather covered heated pool, and a seasonal (summer) outdoor pool.

### Overview

The Ōtorohanga pool facility includes a 20 metre indoor pool, which operates year-round, a 33.5 metre outdoor pool and separate toddler’s pool. The facility is managed by a contractor on Council’s behalf, although the

contract does not require a gym facility – that is provided at the discretion of the contractor. This contract is due to expire in 2023/24.

The provision of a community swimming pool is seen as an important recreational option, and a key public safety initiative through learn to swim.

### What you can expect from us

We’ve included some measures below to show what you can expect from us and the services we provide. We’ll report on our progress to meeting these in our annual reports.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
The provision of community swimming pool facilities that are safe for users and staff.	Swimming pools maintain PoolSafe Accreditation and compliance with pool water quality standard <sup>1</sup> , as measured by Pool Manager’s monthly reports	> 95% compliance

<sup>1</sup> NZ Standard 5862 (Swimming Pools)

## Aotea Sea Wall

What this activity includes:

- the maintenance of the Aotea sea wall on behalf of the Aotea community.

### Overview

The Aotea sea wall was constructed to protect the Aotea foreshore and community from coastal erosion, and the ongoing cost of maintenance is funded by the Aotea community. The wall was constructed in accordance with a resource consent issued by the Waikato Regional Council, and that consent expires in March 2023.

## Our plans for the Aotea sea wall

The consent renewal has been lodged with Waikato Regional Council and Council will continue to maintain the seawall under existing consent conditions while we work through the renewal process. Ōtorohanga District Council are also progressing discussion with mana whenua regarding sites of significance within Aotea.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual reports.

## How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Aotea sea wall to be well maintained.	The major flood protection and control works are maintained and repaired to approved standards	Aotea sea wall maintained

## Regulatory Services

What this group includes:

- Animal Control
- Building Control
- Environmental Health/Alcohol Licensing
- Planning Development

The Regulatory Services group primarily contributes to the following community outcomes:

**Enduring Knowledgeable Liveable  
Progressive**  
**Resilient Responsible Sustainable  
Thriving Vibrant**

We're involved in protecting and promoting public health and safety, and we do this through preparing and applying local regulations, and promoting compliance with national legislation. Our focus areas include supporting:

- community health and safety, including food and alcohol safety, and animal control and welfare
- safe building construction and development
- appropriate land-use management

Some of our regulatory services are provided so that we can meet our legal responsibilities to ensure the protection of people and the environment.

### Changes from the 2021-2031 Long Term Plan

There are no significant changes from the Long Term Plan.

### Regulatory Services Cost of Services Statement - Operating

Regulatory Services - Operating Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Operating Revenue</b>				
Activity Revenue	1,367	1,438	1,413	25
Targeted Rates	-	-	-	-
Development Contributions	-	-	-	-
General Rates	678	634	703	70
Other General Sources	707	726	965	240
<b>Total Operating Revenue</b>	<b>2,753</b>	<b>2,798</b>	<b>3,081</b>	<b>284</b>
<b>Operating Expenditure</b>				
Building Control	1,155	1,160	1,161	1
Planning	393	402	463	61
Animal Control	247	253	273	20
Environmental Health	263	269	261	8
Regulatory Services	707	726	965	240
<b>Total Operating Expenditure</b>	<b>2,766</b>	<b>2,810</b>	<b>3,124</b>	<b>313</b>
includes:				
Salaries and Wages	1,011	1,036	1,120	84
Depreciation and Amortisation	1	1	2	1
Interest	-	-	-	-
<b>Operating Surplus (Deficit)</b>	<b>- 12</b>	<b>- 13</b>	<b>- 42</b>	<b>29</b>
Operating Surplus transferred to Reserves; or	-	-	-	-
Operating Deficit funded from Reserves	12	13	42	29

### Regulatory Services Cost of Services Statement – Capital and Reserves

Regulatory Services - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Capital and Reserves Funding Requirements</b>				
Capital Renewals	-	-	-	-
Capital Growth	-	-	-	-
Capital Levels of Service	2	2	7	5
Loans Repaid	-	-	-	-
Operating Deficit	12	13	42	29
<b>Total Funding Required</b>	<b>15</b>	<b>15</b>	<b>49</b>	<b>34</b>
<b>Funded by:</b>				
Funding from Non-Cash Expenses	1	1	7	6
Loans Raised	-	-	-	-
Transfer from General and Special Reserves	14	14	42	28
Operating Surplus (via reserve)	-	-	-	-
<b>Total Funding Applied</b>	<b>15</b>	<b>15</b>	<b>49</b>	<b>34</b>

Table 10 - Regulatory Services Cost of Service Statement

## Animal Control

What this activity includes:

- Dog registration
- Owner education
- Animal control, including the control of wandering dogs and stock

### Overview

We play a role in protecting public safety by dealing with aggressive and wandering animals, as well as promoting animal welfare.

We have a funded arrangement with Waka Kotahi/NZ Transport Agency to respond to wandering stock incidents on state highways.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual reports.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Council to protect public safety by ensuring compliance with the Dog Control Act 1996 and bylaw, and the Impounding Act 1956.	Known dogs in the District are registered, as recorded in Council's dog registration database.	≥ 98% of known dogs registered
	Complaints about dog attacks and stock wandering on public roads are responded to within two hours, as measured by the contractor's monthly report.	100% compliance with response times

## Building Control

What this activity includes:

- Processing building consent applications
- Assessing, monitoring and enforcement of building activity
- Inspections of private swimming pools

### Overview

We implement building regulations to ensure local buildings are safe for use, and that

private swimming pools meet safety regulations. Our ability to process and issue building consent is subject to retaining our accreditation as a Building Consent Authority (BCA).

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress towards meeting these in our annual reports.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Building consent applications will be processed within the statutory timeframes of the Building Act 2004.	Building consent applications processed within 20 working days, as measured by the Building Consent Tracking Database.	100% compliance
Known privately owned swimming pools comply with the Building Act 2004	All private swimming pools on Council's register will be inspected at least every three years.	> 33% of pools inspected – as an annual average over 3 year period
Council maintains its Building Control Authority (BCA) status	Biennial BCA Accreditation retained	BCA Accreditation retained

## Environmental Health/Alcohol Licensing

What this activity includes:

- Food safety
- Alcohol licensing
- Bylaw and public nuisance monitoring/enforcement
- Noise control

### Overview

The activity covers the promotion and protection of public health through the licensing and monitoring of food premises, alcohol sellers, hairdressers and camping

grounds, and the control of nuisances by responding to complaints about noise and bylaw breaches. A contracted 24/7 service is provided for matters relating to public nuisance (noise).

There are around 40 registered food premises, and 20 premises selling alcohol. Typically, we receive around 60-70 noise complaints each year.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual report.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Public health and safety to be maintained through ensuring compliance with the Food Act 2014 and Sale and Supply of Alcohol Act 2012.	All food premises and venues involved in the sale or supply of alcohol are monitored at least annually for compliance with statutory requirements, as measured by inspection records.	100%
Excessive noise complaints are responded to by the Council	All complaints regarding excessive noise are investigated within two hours of the complaint being received, as measured by contractor's monthly report (from request for service system)	100%

## Planning Development

What this activity includes:

- District Plan administration
- Resource consents (land-use and subdivision)
- Compliance monitoring and enforcement
- Development advice
- Land Information Memoranda (LIMs)

### Overview

Our planning development activity focuses on administering the District Plan, including

processing applications and issuing resource consents, providing development advice and monitoring compliance with planning requirements and consent conditions. We also issue LIM's in relation to property transactions and development proposals.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual report.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
Resource consent applications to be processed in accordance with the provisions of the Resource Management Act 1991.	Resource consent application processed and decisions issued within statutory timeframes.	100% compliance

## District Development

What this group includes:

- Community development and support
- Economic development and district promotion
- Policy Development

The District Development group primarily contributes to the following community outcomes:

<b>Connected</b>	<b>Empowered</b>	<b>Innovative</b>
<b>Progressive</b>	<b>Prosperous</b>	<b>Resilient</b>
<b>Supportive</b>	<b>Sustainable</b>	<b>Thriving</b>
	<b>Vibrant</b>	

We're involved in growing and supporting community wellbeing, and building resilience. We also work to attract and grow businesses, and to promote our district as an attractive place to live or visit. Our focus areas include:

- Supporting local groups and organisations working in our communities
- Partnering with local and regional economic development and promotion agencies
- The development of policies – including those required by law and other voluntary local policies
- Flexibility to respond to growth and development opportunities including the acquisition of property

Our focus within this group of activities is centred on enabling, facilitation, and taking a proactive role as opportunities arise. This means helping the relevant local organisations continue their work to help our businesses and communities. The principle behind this approach is leverage – for a relatively small amount of funding, these groups can utilise their own resources, including seeking other funding, to deliver things that are more cost effective for ratepayers than if Council did all of the work itself.

### Planned Projects in the 2023/24 year

During the 2023/24 year ŌDC will be administering Better Off Funding money that has been provided as part of the Three Waters Reforms. This money has been allocated for a number of projects within the District, including:

- Kawhiā Seawall Feasibility study
- Ōtorohanga College Funding
- Trust Waiwaiā Funding
- Contestable Fund for Community Projects

The Mayors Taskforce for Jobs (MTFJ) employment programme has been extended for another 2 years. This program is externally funded by central government, and while the extension has been agreed, the level of funding has not yet been advised.

### Changes from the 2021-2031 Long Term Plan

The main changes from the Long Term Plan are:

- Additional \$50,000 for Ōtorohanga District Development Board in annual funding over what was provided in the Long Term Plan.
- Increased costs in District Development and Corporate Planning based on increased staff overhead costs and Long Term Plan costs.
- Increase in grant to Ōtorohanga Support House by \$17,000.

### District Development Cost of Service Statement - Operating

District Development - Operating Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Operating Revenue</b>				
Activity Revenue	50	51	45	6
Targeted Rates	75	64	95	31
Development Contributions	-	-	-	-
General Rates	1,596	2,164	2,725	562
Other General Sources	-	-	-	-
<b>Total Operating Revenue</b>	<b>1,720</b>	<b>2,278</b>	<b>2,865</b>	<b>587</b>
<b>Operating Expenditure</b>				
District Development	384	393	639	246
Council Support	210	215	267	52
Corporate Planning	808	1,044	1,659	615
District Plan	212	532	178	355
Security Patrol	106	109	123	14
<b>Total Operating Expenditure</b>	<b>1,720</b>	<b>2,293</b>	<b>2,865</b>	<b>572</b>
includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	-	-	-	-
Interest	-	-	-	-
<b>Operating Surplus (Deficit)</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>15</b>
Operating Surplus transferred to Reserves; or	-	-	-	-
Operating Deficit funded from Reserves	-	15	-	15

### District Development Cost of Service Statement – Capital and Reserves

District Development - Capital and Reserves Funding Statement	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)	variance
<b>Capital and Reserves Funding Requirements</b>				
Capital Renewals	-	-	-	-
Capital Growth	-	-	-	-
Capital Levels of Service	-	-	-	-
Loans Repaid	-	-	-	-
Operating Deficit	-	15	-	15
<b>Total Funding Required</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>15</b>
<b>Funded by:</b>				
Funding from Non-Cash Expenses	-	-	-	-
Loans Raised	-	-	-	-
Transfer from General and Special Reserves	-	15	-	15
Operating Surplus (via reserve)	-	-	-	-
<b>Total Funding Applied</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>15</b>

Table 11 - District Development Cost of Service Statement

## Community Development

distributing funding from Government agencies. The total annual funding support is around \$133,000.

What this activity includes:

- Community grants and support
- Community partnerships

### Overview

We have traditionally provided a range of support to local groups, including funding, leasing community space and facilities, and

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual report.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
The Council will maximise external grants/subsidies to support its key priorities, projects, activities and services	Council staff will scope external funding opportunities and lodge applications to secure funding, as determined by Council resolution.	The number and nature of applications lodged and level of funding secured.
The Council will work towards achieving improved community wellbeing through the provision of financial support to community organisations	Community groups/organisations funded by Council fulfil their funding obligations, as measured by their reporting to Council.	100% of Funding Obligations Fulfilled

## Economic Development

What this activity includes:

- The development and implementation of a District economic development and promotion strategy
- Funding local/regional partner agencies to deliver improved local economic wellbeing outcomes

### Overview

Our economic development activity focuses on partnership agreements with the Ōtorohanga District Development Board (ŌDDDB), Te Waka (the regional economic development agency), and Hamilton and Waikato Tourism to deliver on our priorities for improving local economic wellbeing. Funding agreements are in place, and collectively these organisations are paid \$379,000 annually.

Our district is growing and our population increasing. Current estimates indicate our

population is increasing by 250-300 annually, with the increases spread across most areas of the district. The expansion of Waikeria Prison and the new dairy factory are part of this growth. COVID-19 has not had the impact as projected, so we expect these growth trends to continue for at least the next 3-5 years.

An important base for enabling local economic development is having sufficient land available for new residential and business development. The District Plan provides for the zoning of land to allow this development.

Council will consider the acquisition of property that supports our economic development outcomes.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual report.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
<p>The Council will ensure the district is actively promoted as a place to live and visit, and will work towards achieving improved economic outcomes through the implementation of an economic development strategy.</p>	<p>The economic development agencies funded by Council (Ōtorohanga District Development Board, Hamilton &amp; Waikato Tourism and Te Waka) fulfil their funding obligations, as measured by their reporting to Council</p>	<p>Funding Obligations Fulfilled</p>

## Policy Development

- Local policies
- Community plans
- Local bylaws and other regulatory policy
- Resource management policy (our District Plan)

### Overview

Our policy development function involves establishing our strategic direction via policy, strategy, bylaw and planning. While many of

our policies are developed to address local issues or to achieve desired outcomes, we also have a statutory responsibility to develop and review some policies, strategies and plans (and to report on these) under legislation.

### What you can expect from us

We've included some measures below to show what you can expect from us and the services we provide. We'll report on our progress to meeting these in our annual report.

### How we will measure our performance

You can expect	Measuring our performance	Target 2023/24
The Council deliver its policy development in accordance with relevant legislative requirements, and engage our communities in the process.	All legislatively required policies, bylaws, plans and strategies are adopted/ reviewed in accordance with statutory requirements, as recorded in the resolution database.	100% compliance

## Our Finances

### Prospective Statement of Comprehensive Revenue and Expenses

	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)
<b>Income</b>			
Rates Income	12,963	13,691	13,798
Contributions	-	-	10
Water by Volume Rates	1,934	2,149	1,994
Subsidies & Grants	5,544	5,783	5,830
Other Income	2,247	2,406	2,200
Other Gains/(Losses)	-	-	-
<b>Total Income</b>	<b>22,688</b>	<b>24,029</b>	<b>23,832</b>
<b>Expenditure</b>			
Employee benefit expenses	5,706	6,172	6,452
Depreciation and amortisation	5,891	6,198	6,852
Other expenses	9,921	10,786	11,851
Finance costs	175	196	190
<b>Total Expenditure</b>	<b>21,694</b>	<b>23,351</b>	<b>25,346</b>
Profit before income tax expenses	993	678	- 1,513
Profit for the year	993	678	- 1,513
<b>Other Comprehensive Income</b>			
Gain/loss on property revaluation	2,751	2,806	56,167
Gain/loss on available for sale financial assets	-	-	-
<b>Total other comprehensive income</b>	<b>2,751</b>	<b>2,806</b>	<b>56,167</b>
<b>Total Comprehensive Income for the year</b>	<b>3,744</b>	<b>3,484</b>	<b>54,654</b>

Table 12 - Prospective Statement of Comprehensive Revenue and Expenses

## Reconciliation of Prospective Statement of Comprehensive Revenue and Expenses and Prospective Combined Cost of Service Statement

	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)
<b>Total Operating Revenue (Income Statement)</b>			
Total Income	22,688	24,029	23,832
<b>Total Operating Revenue (Cost of Service Statements)</b>			
Activity Revenue	7,791	8,189	8,030
Development Contributions	-	-	10
General Rates	6,628	7,439	7,587
Other General Sources	8,719	9,009	10,933
Targeted Rates	8,269	8,401	8,205
	31,407	33,037	34,765
variance	- 8,719	- 9,009	- 10,933
<i>Reconciling items:</i>			
Internal recoveries	8,719	9,009	10,933
	8,719	9,009	10,933
<b>Total Operating Expenditure (Income Statement)</b>			
Total Expenditure	21,694	23,351	25,346
<b>Expenditure</b>			
Land Transport	10,075	10,183	11,433
Water Supply	4,332	4,549	4,418
Wastewater	932	1,023	990
Stormwater	258	271	315
Flood Protection	138	144	161
Waste Management	592	637	677
District Development	1,720	2,293	2,865
Community Facilities & Services	3,510	3,657	4,326
Regulatory Services	2,766	2,810	3,124
Governance & Support Services	6,207	6,897	7,762
	30,530	32,464	36,069
variance	- 8,836	- 9,113	- 10,724
<i>Reconciling items:</i>			
Internal recoveries	8,719	9,009	10,933
Internal interest on balance	117	104	- 209
	8,836	9,113	10,724

Table 13 - Reconciliation of Prospective Statement of Comprehensive Revenue and Expenses and Prospective Combined Cost of Service Statement

## Prospective Statement of Changes in Equity

	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)
Balance 1 July	339,457	343,201	338,946
Gain/(loss) on movement of reserves			
Surplus/(deficit) for the year	3,744	3,484	54,654
Total recognised income/(expense) for the year ended 30 June	3,744	3,484	54,654
Balance 30 June	343,201	346,685	393,600
Comprised of:			
Retained Earnings	168,709	170,037	165,294
Council Controlled Reserves	2,071	1,352	184
Reserve Funds	3,439	3,507	2,973
Revaluation Reserves	168,982	171,789	225,150
	343,201	346,685	393,600

Table 14 - Prospective Statement of Changes in Equity

## Prospective Balance Sheet

	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	1,385	1,254	4,529
Inventory	31	32	30
Property Inventory	-	-	-
Trade and Other Receivables	2,337	2,498	2,231
Loan Receivable	-	-	-
<b>Total Current Assets</b>	<b>3,753</b>	<b>3,785</b>	<b>6,789</b>
<b>Non-current Assets</b>			
Intangible Assets	734	775	55
Investments	631	631	631
Property, Plant and Equipment	349,237	354,178	388,938
Loan Receivable	2,050	1,800	2,000
<b>Total Non-current assets</b>	<b>352,653</b>	<b>357,385</b>	<b>391,624</b>
<b>Total Assets</b>	<b>356,406</b>	<b>361,169</b>	<b>398,413</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Employee Benefit Liabilities	400	420	390
Income in Advance	902	1,002	720
Provisions	1	1	1
Trade and Other Payables	2,847	2,964	2,653
Borrowings	-	-	-
Development and Financial Contributions in Advance	545	585	541
<b>Total Current Liabilities</b>	<b>4,695</b>	<b>4,972</b>	<b>4,304</b>
<b>Non-current Liabilities</b>			
Borrowings	8,448	9,448	448
Employee Benefit Liabilities	46	48	45
Provisions	16	16	16
<b>Total Non-current Liabilities</b>	<b>8,510</b>	<b>9,512</b>	<b>508</b>
<b>Total Liabilities</b>	<b>13,205</b>	<b>14,484</b>	<b>4,813</b>
<b>Net Assets</b>	<b>343,201</b>	<b>346,685</b>	<b>393,600</b>
<b>Equity</b>			
Retained Earnings	168,709	170,037	165,294
Council Controlled Reserves	2,071	1,352	184
Reserve Funds	3,439	3,507	2,973
Revaluation Reserves	168,982	171,789	225,150
<b>Total equity attributable to ODC</b>	<b>343,201</b>	<b>346,685</b>	<b>393,600</b>

Table 15 - Prospective Balance Sheet

## Prospective Statement of Cash Flow

	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)
<b>Cash flows from operating activities</b>			
Receipts from rates revenue	14,823	15,831	17,593
Receipts from other revenue	7,748	8,066	9,730
Interest received	12	67	15
Dividends received	4	4	4
Payments to suppliers and employees	-15,517	-16,780	-17,275
Interest paid	-175	-196	-50
<b>Net cash provided by/(used in) Operating Activities</b>	<b>6,895</b>	<b>6,992</b>	<b>10,016</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of Property, Plant and Equipment	93	135	90
Purchase of investments	-1,000	250	50
Purchase of property, plant and equipment	-13,061	-8,363	-6,992
Purchase of intangible assets	-279	-145	-20
<b>Net cash provided by/(used in) Investing Activities</b>	<b>-14,247</b>	<b>-8,123</b>	<b>-6,872</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	6,000	1,000	0
Repayment of borrowings	0	0	0
<b>Net cash provided by/(used in) Financing Activities</b>	<b>6,000</b>	<b>1,000</b>	<b>0</b>
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>	<b>-1,352</b>	<b>-131</b>	<b>3,144</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year	2,737	1,385	1,385
<b>Cash and cash equivalents at the end of the year</b>	<b>1,384</b>	<b>1,254</b>	<b>4,529</b>

Table 16 - Prospective Statement of Cash Flow

## Statement of Reserve Funds

	Opening Balance (000's)	Transfer to Reserves (000's)	Transfer from Reserves (000's)	Closing Balance (000's)
<b>Revaluation Reserves</b>				
Asset Revaluation Reserve	168,982	56,167	0	225,149
Investment Revaluation Reserve	1	0	0	1
	168,983	56,167	0	225,150
<b>Reserve Funds</b>				
Otorohanga General Reserve Fund	912	14	0	925
Subdivision Reserve Fund	317	5	0	322
OCB Reserve Fund	149	2	0	151
OCB Property Development Reserve	1,334	20	0	1,354
Upper Waipa Management	27	0	0	27
Kawhia Reserve Fund	191	3	0	194
	2,930	44	0	2,973
<b>Council Controlled Reserves</b>				
Land Transport	66	14,871	-14,895	42
Water Supply	-1,485	4,946	-5,251	-1,790
Sewerage Treatment and Disposal	-682	1,507	-1,533	-707
Flood Protection and Control Works	109	206	-204	111
Waste Management	220	761	-794	187
Community Services & Facilities	-44	390	-383	-37
Regulatory Services	14	212	-254	-28
District Development	19	123	-123	20
Governance and Leadership	676	2,317	-2,122	871
General Funds	2,290	7,621	-8,396	1,516
	1,183	32,955	-33,955	184

Table 17 - Statement of Reserve Funds

## Statement of Accounting Policies

### Reporting Entity

Ōtorohanga District Council (ŌDC) is a territorial local authority governed by the Local Government Act 2002.

ŌDC is a Public Benefit Entity (PBE) whose primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than a financial return.

### Statement of Compliance

These prospective financial statements have been prepared in accordance with and complies with Section 111 of the Local Government Act 2002, the Financial Reporting Act 1993, Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the pronouncements of the New Zealand Institute of Chartered Accountants. These statements have been prepared in accordance with Tier 2 PBE accounting standards. These financial statements comply with PBE accounting standards.

### Statement of Prospective Financial Information

The financial information contained within this document is prospective financial information in terms of Public Benefit Entity Financial Reporting Standard 42. The purpose for which it has been prepared is to enable the public to participate in the decision-making process with regard to the services provided by ŌDC over the financial year 2023-24.

### Basis of Preparation

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

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest \$1,000 dollars. This rounding may cause minor rounding errors in the prospective financial statements. The functional and reporting currency of ŌDC is New Zealand dollars.

## A Cautionary Note

The actual results achieved for any given financial year are likely to vary from the information presented and may vary materially depending upon the circumstances that arise during the period. The prospective financial information is prepared in accordance with Section 93 of the Local Government Act 2002. The information may not be suitable for use in any other capacity.

### Standards Issued and not yet effective but early adopted

At adoption of this Annual Plan 2023-2024 there are no standards that were not yet effective but were early adopted.

### Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

#### *Revenue from non-exchange transactions*

#### Rates revenue

The following policies for rates revenue have been applied:

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

#### Waka Kotahi New Zealand Transport Agency roading subsidies

ŌDC receives government grants from Waka Kotahi (New Zealand Transport Agency), which subsidises part of ŌDC's costs in

maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement when conditions pertaining to eligible expenditure have been fulfilled.

### **Other grants received**

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

### **Development and Financial Contributions**

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

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

Where a physical asset is acquired for nil or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

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

### **Direct charges – subsidised**

#### **(i) Rendering of services - subsidised**

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

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

#### **(ii) Sale of goods – subsidised**

A sale of goods at a price that is not approximately equal to the value of the goods provided by the Council is considered a non-exchange transaction.

This includes sales of goods where the price does not allow the Council to fully recover the cost of producing the goods and where the shortfall is subsidised by income from other activities such as rates.

Revenue from the sale of such subsidised goods is recognised when the Council issues the invoice or bill for the goods. Revenue is

recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

#### *Revenue from exchange transactions*

#### **Direct charges – full cost recovery**

(i) Rendering of services – full cost recovery

Revenue from the rendering of services (such as resource consents, etc.) is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(ii) Sale of goods – full cost recovery

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

#### **Interest and dividends**

Interest income is recognised using the effective interest method.

Dividends are recognised as income when the rights to receive payment have been established.

#### **Borrowing costs**

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

#### **Grant expenditure**

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

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

Council's grants have no substantive conditions attached.

#### **Operating Leases**

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

#### **Cash and cash equivalents**

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

Bank overdrafts are shown within borrowing in current liabilities in the Balance Sheet.

#### **Receivables**

Receivables are recorded at their face value, less any provision for impairment.

#### **Other Financial Assets**

Finance assets are initially recognised at fair value plus transaction costs except for those financial assets classified as fair value through surplus and deficit in which case the transaction costs are recognised in the surplus or deficit. Financial liabilities are recognised initially at fair value net of transaction costs.

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

ŌDC classifies its financial assets into the following categories:

- Financial assets subsequently measured at amortised cost;
- Financial assets subsequently measured at fair value through other comprehensive revenue and expense; and
- Financial assets subsequently measured at fair value through surplus or deficit.

The classification depends on the Council's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its investment at initial recognition.

*Financial assets subsequently measured at amortised cost*

Financial assets subsequently measured at amortised cost are financial assets held within a management model whose objective is to hold the financial asset in order to collect contractual cash flows and the cash flows consist solely of payments of principal and interest.

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

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

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

Receivables under exchange and non-exchange transactions are classified as financial assets subsequently measured at amortised cost. A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

*Financial assets subsequently measured at fair value through other comprehensive revenue and expense*

Financial assets subsequently measured at fair value through other comprehensive revenue and expense are those that are designated into the category at initial inception.

Financial assets subsequently measured at fair value through other comprehensive revenue and expense comprise equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.

The Council's investments in Waikato Regional Airport Limited, Civic Financial Services, the Local Government Funding Agency and Balance Agrinutrients are included in this category.

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

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated as a separate component of equity in the available-for-sale revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate and foreign exchange gains and losses on monetary assets, which are recognised directly in surplus or deficit.

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

*Financial assets subsequently measured at fair value through surplus or deficit*

This category includes all financial assets not classified as subsequently measured at amortised cost or subsequently measured at fair value through other comprehensive revenue and expense.

**Impairment of financial assets**

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

### *Financial assets subsequently measured at amortised cost*

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

### *Financial assets subsequently measured at fair value through other comprehensive revenue and expense*

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

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

## **Financial Liabilities**

All financial liabilities are classified as financial liabilities as subsequently measured through amortised cost.

Council derecognises financial liabilities, when, and only when, the Council's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in revenue and expense.

## **Assets Held For Sale**

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

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

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

Assets are not depreciated or amortised while they are classified as held for sale.

## **Property, plant and equipment**

Property, plant and equipment consist of:

- **Operational assets** – These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.
- **Restricted assets** – Restricted assets are mainly parks and reserves and related buildings owned by ŌDC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- **Infrastructure assets** – Infrastructure assets are the fixed utility systems owned by ŌDC. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

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

## **Revaluation**

Land and buildings (operational and restricted) and infrastructural assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

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

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset

revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

**Additions**

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

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

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

**Disposals**

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

**Subsequent costs**

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

**Depreciation**

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

	Useful Life (Years)	Depreciation Rate
Buildings	40-100	1-2.5%
Improvements	20	5%
Vehicles	6.6	15%
Computers	3-4	25-33.33%
Office Equipment	4-10	10-25% DV
Furniture/ Fixtures	10	10% DV
Library Books	6.6	15% DV
Plant and Machinery	2.5-3	33.33 – 40%
<u>Water Treatment</u>		
Piping	50-80	1.25-2%
Equipment	20-50	2-5%
Other	20	5%
<u>Water Reticulation</u>		
Piping	15-80	1.25-6.66%
Equipment	5-30	3.33-20%
Other	25	4%
<u>Wastewater</u>		
Piping	50-80	1.25-2%
Equipment	10-60	1.66-10%
Other	20-80	1.25-5%
<u>Stormwater</u>		
Piping	20-80	1.25-5%
Equipment	10-60	1.66-10%
Other	25	4%
<u>Roading</u>		
<i>Pavement (Basecourse)</i>		
- Sealed	30-60	1.66-3.33%
- Unsealed	5-10	10-20%
	5-15	6.7-20%
Seal	10-80	1.25-10%
Culverts	12-94	1-8.5%
Bridges	45	2.2%
Kerb Channel/Catchpits	& 20-55	1.8-5%
Footpaths	5-46	2-20%
Streetlights	5-20	5-20%
	3-7	14.3 -33.3%

	Useful Life (Years)	Depreciation Rate
Signposting		
Delineators/ RPMs		

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

### Impairment of property, plant and equipment

Property, plant and equipment subsequently measured at cost that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

### Intangible assets

#### Software acquisition

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

#### Resource Consents

Resource consents required by Council to undertake their functions, such as water take and discharge consents, are capitalised on the basis of the costs incurred to acquire or renew the consents. Costs associated with monitoring and maintaining the consents are recognised as an expense when incurred.

#### Amortisation

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

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follow:

Computer software (finite life)	3 years
	33.3%
Resource Consents (finite life)	20 years
	5%

### Impairment of Intangible Assets

Intangible assets subsequently measured at cost that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment.

Intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

### Provisions

A provision is recognised for future expenditure of an uncertain amount or of timing when:

- There is a present obligation (either legal or constructive) as a result of a past event
- It is probable that an outflow of future economic benefits will be required to settle the obligation, and;
- A reliable estimate can be made of the amount of the obligation.

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

### Landfill post-closure costs

ŌDC, as operator of the Ōtorohanga and Kāwhia closed landfills, has a legal obligation under the resource consents to provide ongoing maintenance and monitoring services at the landfill. A provision for post-closure costs is recognised as a liability.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### **Financial guarantee contract liabilities**

A financial guarantee contract is a contract that requires ŌDC to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contract liabilities are measured initially at their fair value. If a financial guarantee was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is practicable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- The present value of the estimated amount to settle the guarantee obligation if it is probable there will be an outflow to settle the guarantee; and
- The amount initially recognised less, when appropriate, cumulative amortisation as revenue.

## **Employee benefits**

### **Short-term employee entitlements**

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

balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

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

A liability and an expense are recognised for bonuses where ŌDC has a contractual obligation or where there is a past practice that has created a constructive obligation.

### **Long-term employee entitlements**

Employee benefits that are due to settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the estimated future cash flows

### **Presentation of employee entitlements**

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### **Superannuation schemes**

Defined contribution plans

Obligations for contributions to Kiwisaver are recognised as defined contribution plans and are recognised as an expense in the surplus or deficit when incurred.

### **Development and financial contributions in advance**

Development and financial contributions are recognised as a current liability until such time as the project they are collected for is

undertaken, at which time they are recognised as non-exchange revenue.

### **Borrowings**

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

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

### **Equity**

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

The components of equity are:

- Accumulated comprehensive revenue and expenses
- Restricted reserves
- Asset revaluation reserves
- Available for sale revaluation reserves

### **Restricted reserves**

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

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

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

### **Asset revaluation reserve**

The asset revaluation reserve arises on the revaluation of land, buildings and infrastructural assets to fair value.

### **Available for sale revaluation reserve**

Available for sale revaluation reserve arises on the revaluation of investments held. Where a revalued investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is reclassified from equity to surplus or deficit.

### **Goods and Services Tax (GST)**

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

Commitment and contingencies are disclosed exclusive of GST.

### **Cost Allocation**

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

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

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

### **Payables under exchange transactions**

Payables under exchange transactions are recognised when ŌDC become obliged to make future payments resulting from the purchase of goods and services. Subsequent to initial recognition, payables under exchange transactions are recorded at amortised cost.

### **Funding Impact Statements**

The Funding Impact Statements ("FIS") have been prepared in accordance with the Local Government (Financial Reporting) Regulations 2011, which came into effect 11 July 2011. This is a reporting requirement unique to Local Government and the disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices ("GAAP").

The purpose of these statements is to report the net cost of services for significant groups of activities of the Council, and are represented by the revenue that can be allocated to these activities less the costs of providing the service. They contain all funding sources for these activities and all applications of this funding by these activities. The group of activity FIS (GOA FIS) include internal transactions between activities such as internal overheads and charges applied and or recovered and internal borrowing. A FIS is also prepared at the whole of Council level summarising the transactions contained within the GOA FIS, eliminating internal transactions, and adding in other transactions not reported in the group of activity statements.

These statements are based on cash transactions prepared on an accrual basis and as such do not include non-cash/accounting transactions that are included within the Prospective Comprehensive Income Statement as required under GAAP. These items include but are not limited to Council's depreciation, gain and/or losses on revaluation and vested assets.

They also depart from GAAP as funding sources are disclosed within the FIS as being either for operational or capital purposes. Income such as subsidies received for capital projects, development and financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as income in the Prospective Comprehensive Income Statement.

### **Critical accounting estimates and assumptions**

In preparing these prospective financial statements ŌDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumption that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### **Infrastructural assets**

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

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating and obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then ŌDC could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk ŌDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the ŌDC's asset management planning activities, which gives ŌDC further assurance over its useful life estimates.

#### **Useful lives of Property, Plant and equipment**

The useful lives of property, plant and equipment have been determined based on the asset management plans used during the creation of the Long Term Plan. For infrastructural assets this has been based on the information provided by the National Asset Management Steering Group (NAMS)

regarding the useful life of infrastructural assets. For all other property, plant and equipment, the depreciation schedules included in the Income Tax Act have been used as a basis for setting the useful lives.

### **Critical judgements in applying ŌDC's accounting policies**

Management has exercised the following critical judgements in applying the ŌDC's accounting policies for the period of the LTP:

#### **Classification of property**

ŌDC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the ODC's social housing policy. These properties are accounted for as property, plant and equipment.

#### **Classification of investments**

ŌDC owns a number of investments in other companies. The dividends received from these investments are incidental to holding the investments. These investments are held for strategic purposes, and are intended to be held for the long term. As such these investments have been classified as available for sale financial assets.

#### **Classification of non-financial assets as cash-generating assets or non-cash-generating assets**

For the purpose of assessing impairment indicators and impairment testing, ŌDC classifies non-financial assets as either cash-generating or non-cash-generating assets. classifies non-financial assets as cash-generating assets if the primary objective of the asset is to generate commercial return. All other assets are classified as non-cash-generating assets.

All property, plant and equipment and intangible assets held by ŌDC are classified as non-cash-generating assets. This includes assets that generate fee revenue or other cash flows for the Council, as the cash flows generated are generally not sufficient to represent commercial return on the assets.

### **Additional Financial Information**

#### **Commitments and contingencies in 2023-24 LTP**

The following contingent liabilities exist at the time of adoption of this LTP:

- Uncalled Capital for Local Authority Shared Services of \$1,000.
- A loan guarantee of \$70,000 for the Ōtorohanga Sports Club.

At present there is a potential guarantee related to the Local Government Funding Agency (LGFA), however this is not able to be quantified at this time.

#### **Cost of Service Statements and Funding Impact Statements**

Cost of service statements included estimated actual figures for the current 2022/23 financial year, while the funding impact statements use the budgeted figures from the 2022/23 Annual Plan.

#### **Annual Plan Information**

This Annual Plan has been authorised for issue on 20<sup>th</sup> of June 2023, and was authorised for issue by the Council.

The Council, who are authorised to do so and believe that the assumptions underlying these prospective financial statements are appropriate, has approved the Annual Plan for distribution.

The Council and management of the Ōtorohanga District Council accept responsibility for the preparation of their prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

## Funding Impact Statement

### Introduction

The Local Government (Rating) Act 2002 sets out the methods by which local authorities can rate and the detailed criteria around their uses.

The Local Government Act 2002 sets out processes and policies that local authorities must apply in the establishment of their rating systems, including the provisions of information to communities.

This funding impact statement sets out:

- The revenue and financing mechanisms used;
- An indicative level or amount of funding for each mechanism;
- Explanatory information supporting the use of general and targeted rates; and
- A summary of the total rates requirement.

The application of funding methods to Council's activities is summarised in a table at the end of this section.

This statement should be read in conjunction with Council's Revenue and Financing policy that sets out Council's policies in respect of each source of funding of operating and capital expenses.

### Rating Policy

#### Introduction

The rating Policy outlines how the rate funding required to fund activities will be set by the Council.

This includes Council's high level rating philosophy, and summarises the rationale for the rating decisions taken. In making these decisions, Council has considered:

- The distribution and timing of benefits;
- Rating efficiency and transparency;
- Community preferences; and
- The overall impact on the economic, cultural, social and environmental well-being of the district.

The policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive. The overview of the

resulting mix of general and targeted rates, user charges and other funding sources is set out in the Funding Impact Statement for activities or groups of activities. More details for each activity are set out under the significant activities pages.

### Property valuations and rates distribution

The Council sets the total amount of rates required to fund its expenditure based on the budgeted costs included in the 10-year plan. For the majority of its rates, Council uses property valuations as the basis to distribute the total rates requirement proportionately across all properties in the district.

Property revaluations are performed every three years and Council uses these valuations for the purposes of calculating the rates each property has to pay. Council contracts Quotable Value (QV) as its valuation service provider (VSP). The latest revaluation of the district was carried out on 1 October 2022 and these values have been used for rating purposes for the Annual Plan. The rating valuations are intended to provide relative values only and are based on the market value of a property at a particular point in time. It cannot be taken as market valuation.

### Effect of new valuations on rates

It is important to note that an increase/decrease in values does not automatically mean that there will be an increase/decrease in rates. It depends on whether the valuation of a property changes more than the average of the group of property values. Council does not collect extra rates as a result of valuation changes. Council calculates the total rate requirement for the year and then uses capital values as the basis to distribute this total. Therefore, a change in the capital value (value of land and improvements) of a property will only impact the rates bill of the property to the extent that the change is higher or lower than the average change.

Council rate assessments contain different charges that make up the annual levy:

- General Rates (calculated on capital value with no differentials);
- Uniform Annual General Charge (set charge); and
- Targeted Rates (uniform charge or value based charge).

## How Council Rates

### Explanation of Rates

There are two types of rates – general rates and targeted rates.

These may be charged in two ways:

- On a uniform basis – to all rateable land for which the rate is set; or
- Differentially – on a different basis for different categories of land.

They may be charged on a fixed amount, including as a fixed amount per rating unit, per separately used or inhabited part of a rating unit, or number of services used such as number of water closets, or using a factor – such as land or capital value.

### General Rate

The Council sets a general rate with no differentials, based on the capital value of each rating unit.

### Uniform Annual General Charge

Uniform annual general charge (UAGC) is a specific levy of an equal amount on every rating unit within the district and does not vary with the value of the rating unit.

It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate. Individuals benefit as each has an equal opportunity to access and use the assets and services, and to an extent, many within the community make similar use of assets and services.

Council considers a range from 25% to 26% of the rates requirement should be recovered by way of a Uniform Rate charged to every rating unit in the district, which reflects the equal opportunity to access and use the assets and services.

### Targeted Rates

Council sets targeted rates for different functions of council where the benefit of having access to particular function(s) or service(s) exist to particular groups of ratepayers.

### Land Transport Rate

This is funded by a District Wide rate in the dollar plus a uniform targeted rate. Roothing needs to be managed as a network and on a

district-wide basis, progressively throughout the funding year. This is consistent with the policy approach to funding taken by NZ Transport Agency (Council's primary Roothing funding source) to fund Roothing as a network.

District-Wide rating spreads the cost of rooothing amongst all ratepayers. An advantage of this is that it makes larger expenditure commitments more affordable than annually uneven cost recoveries targeted to specific ratepayer categories. It therefore provides regularity to funding to appropriately manage the district asset.

### Kāwhia Community Rate

A targeted rate levied across the Kāwhia/Aotea Community to fund services that directly benefit these communities.

### Hall Targeted Rates

Some Halls have specific areas defined by the hall committees and Council collects a targeted rate from ratepayers within these areas. Funds received are available to Hall Committees to go towards the operation, maintenance, renovation and/or extension of those facilities.

### Water Supplied By Volume Rates – Rural Water Schemes (Arohena, Tihiroa, Ranginui and Waipā)

Separate rating units in the Rural Water Supply areas with water meters are levied a targeted rate for water usage. This rate is set on a per cubic metre usage basis.

Separate rating units in the Rural Water Supply areas also attract a charge for each meter connected to the Rural Water Scheme.

### Refuse Targeted Rate

All properties situated in the Ōtorohanga and Kāwhia Community that have a building erected thereon are levied a uniform targeted rate for each separately occupied portion of that building.

### Ōtorohanga Security Targeted Rate

A targeted rate in the dollar and a uniform targeted rate for all properties within the "Security Patrol Area" to fund a Security Patrol Service in a defined area of the Ōtorohanga Community.

## Ōtorohanga Wastewater

All properties that are connected to the Ōtorohanga Sewerage Treatment & Reticulation Scheme are levied a rate per separately used or inhabited part of the rating unit. All properties with four or less water closets or urinals pay a flat fee. For all water closets or urinals over 4, a charge for each additional water closet or urinal applies.

### Water Supplied by Volume Rates - Ōtorohanga

Separate rating units in the Ōtorohanga Water Supply areas with water meters are levied a targeted rate for water usage. This rate is set on a per cubic metre usage basis.

All separate rating units, either rateable or non-rateable, receiving a supply from the Ōtorohanga Community Water Supply will have a charge for each water meter.

### Refuse Targeted Rate

All properties situated within the Kāwhia and Ōtorohanga Community that have a building erected thereon are levied a uniform targeted rate for each separately occupied portion of that building.

### Kāwhia Water Supply

All properties that are connected to the Kāwhia Water Supply Scheme are levied a uniform targeted rate for each separately occupied portion of any building.

### Kāwhia Targeted Water Loan Rate

Properties in the Kāwhia Community water supply area are levied a targeted loan rate to finance loan repayment costs in respect of loans raised for capital expenditure on the Kāwhia water scheme.

### Water Supplied by Volume Rates - Kāwhia

Extra-ordinary water connections in the Kāwhia Community water supply area with water meters are levied a targeted rate for water usage over the free allowance. This rate is set on a per cubic metre usage basis.

Extra-ordinary water connections outside the Kāwhia Community water supply area with water meters that are using water from the

Kāwhia scheme are levied a targeted rate for water usage, on a per cubic metre basis, with a minimum charge per annum.

All extra-ordinary water connections, either rateable or non-rateable, receiving a supply from the Kāwhia Community Water Supply will have a charge for each water meter.

An extra-ordinary connection is defined as any user whose has water usage outside what would be considered an ordinary usage for residential properties.

### Water Supplied by Volume Rates – Kāwhia (Peak Season Metered Water Charge)

Separate rating units, both rateable and non-rateable, in the Kāwhia Community water supply area that would have been liable for a Development Contribution in respect of the Kāwhia Water Treatment Plant Upgrade after 30 June 2009 (or which has provided water to such a rating unit from the Kāwhia Community Supply) shall be charged for a proportion of metered water used during the period from 20 December to the following 20 February at a higher rate per cubic metre. The proportion of metered water used to which the Peak Season Metered Water Charge (PSMWC) shall be applicable for a particular rateable or non-rateable unit shall be established based upon the following table:

Water Consuming Unit Category	Proportion of metered water volume to which PSMWC charges applicable for consuming unit
New residential unit	100%
Unit identified as supplying water to another unit liable for PSMWC charges	100%
Addition of Minor Household Unit to existing residential lot to which PSMWC not applicable	33%
Other developments	Case by case assessments based upon the proportion of development contribution applicable Household Equivalent Units (HEUs) <sup>2</sup> as a proportion of the total Household Equivalent Units of the property after development.

<sup>2</sup> Where HEUs are defined as in Council’s Policy on Development and Financial Contributions

Water Consuming Unit Category	Proportion of metered water volume to which PSMWC charges applicable for consuming unit
	Example: 2 HEU property developed to 5 HEU Proportion = $(5 - 2)/5 = 60\%$

services, such as water, wastewater and refuse collection.

## Differential Targeted Rates

### Differential Definitions

Properties within the Ōtorohanga Community may be charged targeted rates under one of two differentials. The differentials are applied based on the use to which the land is put.

The definitions of the two land use categories are:

- Ōtorohanga Commercial
- Ōtorohanga Residential

The following targeted rates are set using differentials.

### Ōtorohanga Community Rate

The area of the Ōtorohanga Community is defined on a map approved by Council. Valuation numbers begin with either 05540 or 05541.

### Ōtorohanga Targeted Sewerage Loan Rate

Areas of benefit are defined on maps and approved by Council.

### Ōtorohanga Targeted Water Loan Rate

Areas of benefit are defined on maps and approved by Council.

## Setting of Rates

Rates are set by Council by way of resolution for each financial year, referred to as the Rating Year. These rates will remain in effect for the rating year and will not be affected by a change in the rateable value or factors of a rating unit during the financial year in which the rates are set.

### Utility Charges for non-rateable properties

Non-rateable properties are liable for targeted rates and charges for the provision of utility

## Instalments

Rates and charges for the year ending on 30 June 2024 will be assessed in two instalments, which will become due and payable on the following dates:

25 August 2023

23 February 2024

Charges for Water Metered Rates for Ōtorohanga Community Supply for the year ending on 30 June 2024 will be assessed in four instalments, which will become due and payable on the following dates:

24 November 2023

23 February 2024

24 May 2024

30 August 2024

Charges for Water Metered Rates for the Kāwhia Community Water Supply and all Rural Water supplies for the year ending on 30 June 2024 will be assessed in two instalments, which will become due and payable on the following dates:

23 February 2024

30 August 2024

## Penalties

In accordance with Section 57 and 58 of the Local Government (Rating) Act 2002.

A penalty of 10% is added to each instalment or part thereof “current rates” which are unpaid after the due date for payment on the following dates:

25 August 2023

23 February 2024

For Water Metered Rates for the Ōtorohanga Community, a penalty of 10% is added to all amounts of rates remaining unpaid a day after the due date, as listed below:

24 November 2023

23 February 2024

24 May 2024

30 August 2024

For Water Metered Rates for the Kāwhia Community Water Supply and all Rural Water supplies, a penalty of 10% is added to all amounts of rates remaining

unpaid a day after the due date, as listed below:

23 February 2024

30 August 2024

A penalty of 10% is added to previous year’s rates “rates in arrears” that remain unpaid on 1 July 2023, and again on 1 January 2024.

## The Council level FIS

- Links the Councils Revenue and Financing Policy, the annual setting of rates, fees, development contribution and the annual borrowing requirement;
- Sets out the revenue and financing mechanisms that will be used in each year along with an indicative level or amount of funds to come from each mechanism; and
- Shows the planned application of funds in each year.

## All of Council Funding Impact Statement

	2022/23 Long Term Plan (000's)	2023/24 Long Term Plan (000's)	2023/24 Annual Plan (000's)
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charges, Rates Penalties	6,628	7,439	7,587
Targeted Rates	8,269	8,401	8,205
Subsidies & Grants for Operating Purposes	2,846	2,920	2,973
Fees & Charges	1,571	1,655	1,592
Interest and Dividends from Investments	16	71	19
Local Authorities Fuel Tax, Fines, Infringement Fees, & Other Receipts	659	680	590
<b>Total sources of Operating Funding</b>	<b>19,989</b>	<b>21,166</b>	<b>20,966</b>
<b>Application of Operating Funding</b>			
Payments to Staff & Suppliers	15,121	16,438	17,591
Finance Costs	175	196	190
Other Operating Funding Applications	889	911	1,018
<b>Total application of Operating Funding</b>	<b>16,186</b>	<b>17,545</b>	<b>18,800</b>
Surplus (deficit) in operating funding	3,803	3,621	2,166
<b>Sources of Capital Funding</b>			
Subsidies & Grants for Capital Expenditure	2,699	2,863	2,857
Development & Financial Contributions	-	-	10
Increase (Decrease) in Debt	6,615	1,394	626
Gross Proceeds from Sale of Assets	93	135	90
<b>Total sources of Capital Funding</b>	<b>9,407</b>	<b>4,391</b>	<b>3,582</b>
<b>Application of Capital Funding</b>			
Capital Growth	649	160	150
Capital Level of Service	6,482	1,795	414
Capital Renewals	6,526	6,913	7,889
Increase (Decrease) in Reserves	- 447	- 856	- 2,705
<b>Total application of Capital Funding</b>	<b>13,210</b>	<b>8,012</b>	<b>5,748</b>
Surplus (deficit) in operating funding	- 3,803	- 3,621	- 2,166
Funding Balance	-	-	-

Table 18 - All of Council Funding Impact Statement

### 2023/24 Rates Information

Total Revenue Required	Rates 2023/24 (GST Exclusive)	Categories on which Rate is set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Units of Measure	Rate or Charge
5,136,775	General Rate (partially funds activities as detailed below)	Every rating unit in the district	Rate in the \$ on capital value			6,433,816,000	\$0.0007984
1,712,258	Uniform Annual General Charge (partially funds activities as detailed below)	Every rating unit in the district	Fixed amount for each rating unit			4,227	\$405.08
4,611,623	Land Transport Rate (partially funds the Land transport programme in compliance with the Revenue and Financing Policy).	Every rating unit in the district	Rate in the \$ on capital value  Fixed amount for each rating unit			6,433,816,000  4,227	\$0.0005376  \$272.75
441,762	Ōtorohanga Community Targeted Rate (partially funds activities as detailed on page	Every rating unit in the defined Ōtorohanga Community area	Rate in the \$ on capital value  Fixed amount for each rating unit	Commercial Properties  Residential Properties	Ratio 2.5  Ratio 1.0	175,495,100  658,673,300  1,348	\$0.0007045  \$0.0002818  \$98.32
155,074	Kāwhia Community Targeted Rate (partially funds activities as detailed on page	Every rating unit in the defined Kāwhia Community area	Rate in the \$ on capital value  Fixed amount for each rating unit			382,872,350  605	\$0.0002835  \$76.90
180,332	Refuse Collection Targeted Rate Ōtorohanga	Every rating unit in the defined Ōtorohanga Community area	Fixed amount for each separately used or inhabited part of a rating unit			1,408	\$128.08
158,771	Refuse Collection Targeted Rate Kāwhia	Every rating unit in the defined Kāwhia Community area	Fixed amount for each separately used or inhabited part of a rating unit			525	\$302.42
265,470	Water Supply Targeted Rate Kāwhia	Every rating unit in the defined Kāwhia Water Supply area	Fixed amount for each separately used or inhabited part of a rating unit			412	\$644.34

Total Revenue Required	Rates 2023/24 (GST Exclusive)	Categories on which Rate is set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Units of Measure	Rate or Charge
28,796	Water Supply Targeted Loan Rate – Ōtorohanga	Every rating unit in the defined Ōtorohanga Water Supply area	Rate in the \$ on capital value	Commercial Properties Residential Properties	Ratio 2.0 Ratio 1.0	146,832,000	\$0.0000605
						658,673,300	\$0.0000302
20,834	Water Supply Targeted Loan Rate – Kāwhia	Every rating unit in the defined Kāwhia Water Supply area	Rate in the \$ on capital value			269,519,800	\$0.0000773
5,762	Water Supply Targeted Loan Rate – Arohena Rural Scheme	Every rating unit in the defined Arohena Rural Water Scheme area	Rate in the \$ on capital value	Arohena Rural Water Scheme		159,174,500	\$0.0000362
698,513	Sewerage Treatment Targeted Rate	Every rating unit in the defined Ōtorohanga Sewerage Treatment area	Fixed amount for each separately used or inhabited part of a rating unit	1 unit 2 to 4 5 or more	per urinal	1,381	\$504.68
						35	\$44.44
76,660	Sewerage Treatment Targeted Loan Rate	Every rating unit in the defined Ōtorohanga Sewerage Treatment area	Rate in the \$ on capital value	Commercial Properties Residential Properties	Ratio 2.5 Ratio 1.0	144,152,000	\$0.0001928
						633,513,300	\$0.0000771
29,619	Rural Halls Targeted Rate	Every rating unit within the defined Rural Hall areas	Rate in the \$ on capital value	Arohena Kio Kio Puketotara/Ngutunui Honikiwi		263,743,500	\$0.000010
						468,726,600	\$0.000006
			Fixed amount for each separately used or inhabited part of a rating unit	Arohena Kio Kio Tokanui Crossroads Puketotara/ Ngutunui Otewa		498,304,100	\$0.000009
						204,064,600	\$0.000013
						58	\$45.00
						204	\$20.00
						186	\$20.00
						281	\$12.00
						130	\$25.00
35,348	Aotea Erosion Targeted Rate	Every rating unit within the defined Aotea Community area	Fixed amount for each rating unit			171	\$206.71
7,697	Aotea Erosion Targeted Loan Rate	Every rating unit within the defined Aotea Community area	Fixed amount for each property that did not make a capital contribution			24	\$320.71
94,928	Security Patrol Rate	Every commercial property within the defined Ōtorohanga Commercial area	Rate in the \$ on capital value			85,325,000	\$0.0005563
						96	\$494.42
1,017,450	Water Supplied by Volume – Rural Water Supplies	Every property connected to the defined Rural Water Schemes.	Fixed amount for each cubic metre of water consumed	Arohena Tihiroa Ranginui		400,000	\$0.72
						195,000	\$1.51
						135,000	\$0.59

Total Revenue Required	Rates 2023/24 (GST Exclusive)	Categories on which Rate is set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Units of Measure	Rate or Charge
			Fixed amount per meter	Waipā Arohena Tihiroa Ranginui – First meter Additional meter Waipā		200,000 72 55 5 11 130	\$1.10 \$595.18 \$750.00 \$1,800.00 No charge \$325.00
965,000	Water Supplied by Volume – Ōtorohanga Water Supply	Every property connected to the defined Ōtorohanga Water Supply Scheme	Fixed amount for each cubic metre of water consumed  Fixed amount per meter	All connected properties  All connected properties		414,327  1,500	\$1.71  \$171.00
10,000	Water Supplied by Volume – Kāwhia Water Supply	Every extra-ordinary connection to the defined Kāwhia Water Supply Scheme	Fixed amount for each cubic metre of water consumed (220 cubic metre free allowance)  Fixed amount per meter	All connected properties  All connected properties  Minimum charge (where applicable)		5,644  15	\$1.50  \$102.22  \$644.34
2,000	Water Supplied by Volume – Kāwhia Water Supply (PSMWC)	Every property connected to the defined Kāwhia Water Supply Scheme meeting the conditions.	Fixed amount for each cubic meter of water consumed between 20 December and 20 February each year.			196	\$10.22
<b>15,652,672</b>	<b>TOTAL</b>						

Table 19 - 2023/24 Rates Information

### Examples of Indicative Contributions to Council Services – 2023/24 year

Property Value	382,500	510,000	637,500	562,500	750,000	937,500	442,500	590,000	737,500	1,320,000	1,760,000	2,200,000
	Ōtorohanga Residential			Ōtorohanga Commercial			Kāwhia			Rural		
Activity	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Democratic Process	261.54	306.50	351.45	483.19	602.03	720.86	316.35	379.67	442.99	301.72	374.36	447.00
Council Support	20.20	23.10	25.99	24.29	28.54	32.80	21.56	24.91	28.26	41.48	51.47	61.45
Corporate Planning	127.51	145.78	164.05	153.30	180.16	207.03	136.11	157.24	178.37	261.82	324.86	387.89
District Development	58.56	66.95	75.34	70.41	82.74	95.08	62.51	72.22	81.92	120.25	149.20	178.15
District Plan	8.62	9.86	11.09	10.36	12.18	14.00	9.20	10.63	12.06	17.70	21.96	26.23
Civil Defence	23.95	27.38	30.81	28.79	33.83	38.88	25.56	29.53	33.50	49.17	61.00	72.84
Environmental Health	31.48	35.98	40.49	37.84	44.47	51.10	33.60	38.81	44.03	64.63	80.19	95.75
Animal Control	9.04	10.33	11.63	10.86	12.77	14.67	9.65	11.14	12.64	18.55	23.02	27.49
Waste Management	25.65	29.32	32.99	30.83	36.24	41.64	27.38	31.63	35.88	52.66	65.34	78.02
Sport Waikato	6.37	7.28	8.19	7.65	8.99	10.33	6.79	7.85	8.90	13.07	16.22	19.36
Parks & Reserves	115.15	131.64	148.14	138.43	162.69	186.95	122.91	141.99	161.07	236.43	293.35	350.27
Refuse	131.97	131.97	131.97	131.97	131.97	131.97	286.99	286.99	286.99	-	-	-
Water Supply	30.74	35.15	39.55	36.96	43.43	49.91	673.73	678.83	683.92	63.12	78.32	93.51
Wastewater	585.44	586.23	587.01	586.55	587.71	588.86	5.86	6.76	7.67	11.26	13.98	16.69
Library	61.45	70.26	79.06	73.88	86.83	99.77	65.60	75.78	85.96	126.18	156.56	186.94
Public Conveniences	21.78	24.90	28.02	26.18	30.77	35.36	23.25	26.86	30.47	44.72	55.48	66.25
Kāwhia Medical Centre	1.52	1.74	1.95	1.83	2.15	2.47	24.84	30.77	36.69	3.12	3.87	4.62
Kāwhia Wharf	5.41	6.18	6.95	6.50	7.64	8.78	33.32	40.95	48.58	11.10	13.77	16.44
Aotea Erosion Maintenance	0.70	0.80	0.90	0.84	0.99	1.14	0.75	0.87	0.98	1.44	1.79	2.13
Council Property	23.95	28.23	32.51	47.84	60.08	72.32	66.93	82.23	97.54	22.63	28.07	33.52
Pool	61.24	70.01	78.79	73.63	86.53	99.43	65.37	75.52	85.67	125.75	156.02	186.29
Security Patrol	9.41	11.33	13.25	890.16	1,038.66	1,187.16	0.70	0.80	0.91	1.34	1.66	1.98
Halls	0.14	0.16	0.18	0.17	0.20	0.23	19.79	24.61	29.43	0.30	0.37	0.44
Support Services	68.14	77.90	87.67	81.92	96.28	110.63	72.74	84.03	95.32	139.92	173.60	207.29
Planning & Development	33.62	38.43	43.25	40.41	47.50	54.58	35.88	41.45	47.02	69.02	85.64	102.26
Building Control	34.61	39.57	44.53	41.61	48.91	56.20	36.95	42.68	48.42	71.07	88.19	105.30
Cemeteries	12.91	14.76	16.60	15.52	18.24	20.95	13.78	15.92	18.05	26.50	32.88	39.26
Stormwater	188.94	228.23	267.52	502.74	646.64	790.53	95.00	118.05	141.09	3.67	4.55	5.43
Land Transport	673.16	769.24	865.33	808.81	950.12	1,091.42	718.37	829.54	940.70	1,379.69	1,711.29	2,042.88
Wastewater Loan	12.72	16.96	21.20	46.75	62.34	77.92	-	-	-	-	-	-
Water Loan	10.96	14.61	18.27	32.23	42.98	53.72	92.25	122.99	153.74	-	-	-
	\$2,656.87	\$2,960.77	\$3,264.67	\$4,442.49	\$5,194.59	\$5,946.69	\$3,103.70	\$3,491.24	\$3,878.78	\$3,278.29	\$4,066.99	\$4,855.69

Table 20 - Examples of Indicative Contributions to Council Services - 2023/24 year

### Example Rate Increases

The following rate increases are indicative only, and are only for reference purposes. The actual increases in later years may be impacted by revaluations of the rating roll and any changes in the number of properties in an area. The following examples exclude specific rates such as Aotea Erosion rates and Rural Hall rates.

Property	2023/24	
	% change	\$ change
Ōtorohanga Residential		
382,500	0.73%	\$ 17.16
510,000	2.51%	\$ 64.53
637,500	4.04%	\$ 111.90
Ōtorohanga Commercial		
562,500	6.66%	\$ 251.78
750,000	7.76%	\$ 334.83
937,500	8.63%	\$ 417.88
Kāwhia		
442,500	7.20%	\$ 189.41
590,000	8.65%	\$ 247.33
737,500	9.88%	\$ 305.25
Rural		
1,320,000	0.47%	\$ 13.21
1,760,000	1.81%	\$ 61.84
2,200,000	2.73%	\$ 110.48

Table 21: Examples of Rates Increase

## Annual plan disclosure statement for the year commencing 1 July 2023

prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

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

### 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

Benchmark	Planned	Met
Rates affordability benchmark		
<ul style="list-style-type: none"> <li>Income</li> </ul>	7.9%	Yes
<ul style="list-style-type: none"> <li>Increases</li> </ul>	7.9%	Yes
Debt affordability benchmark	175% of total revenue	Yes
Balanced budget benchmark	100%	No (93%)
Essential services benchmark	100%	Yes
Debt servicing benchmark	10%	Yes

### Notes

#### Rates affordability benchmark

- (1) For this benchmark,-
  - (a) the council's planned rates income for the year is compared with a quantified limit on rates explained 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 a quantified limit 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.

#### Debt affordability benchmark

- (1) For this benchmark, the council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the council's long-term plan.
- (2) The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

#### 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 balances budget benchmark if its revenue equals or is greater than its operating expenses.

This measure has not been met due to two reasons.

1. There has been a significant increase in depreciation expenditure in roading due to a evaluation of the roading assets, which is not being funded from income.
2. There are some items of operating expenditure that are being funded from internal borrowings or depreciation cash reserves as they were previously identified in the Long Term Plan as capital items. These have been reclassified as operating items, but the funding has stayed the same.

### **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.

### **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 or 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 10% of its planned revenue.

## Council Organisational Structure

