

South Waikato District Council

Annual Plan₂₀₂₂₋₂₃

Mahere ā-tau



SECURING **TODAY.** SHAPING **TOMORROW.** STRONG **FUTURE.**

Contents

PART ONE: Introduction He Kupu Whakataki	3
Message from Mayor Jenny Shattock and	4
Background	6
Key challenges of this Annual Plan	7
PART TWO: Our strategic direction Tā mātou ahu rautaki.....	8
Our strategic direction	9
Our community outcomes.....	10
Concept Plans	11
PART THREE: An introduction to our services He whakatakinga ki tā mātou ratonga	12
Our services	13
Governance and corporate.....	14
Economic and community development.....	17
Community Facilities	20
Parks and reserves.....	23
Property	26
Regulatory services	29
Solid waste and recycling	32
Transport, roading & footpath.....	35
Water supply.....	38
Wastewater.....	41
Stormwater	44
PART FOUR: Financial information Ngā mōhiotio pūtea.....	47
The Rating Funding Impact Statement.....	48
The funding impact statement	48
General rate	48

Financial Prudence Benchmark Disclosure for the Year Ending June 2023.....	64
Where will Council receive funding from in 2022-23?	65
Forecast Financial Statements and Reserves.....	66
Statement of accounting policies Te tauàki ò ngà kaupapa here.....	67

Annual Plan 2022-23

Mahere ā-tau



PART 1

Introduction

He Kupu Whakataki

- Message from the Mayor and Chief Executive
- Background
- Key challenges of this Annual Plan

SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

Introduction | He Kupu Whakataki

This Annual Plan message is both a last and a first. The last for Jenny Shattock as Mayor and the first for Susan Law as Chief Executive.

From the Mayor - It has been a privilege being Mayor of the South Waikato for the past six years and prior to that as Deputy Mayor and a Tokoroa Ward Councillor. The South Waikato is at my very heart and as I step down from the helm, I am incredibly proud of the district and communities here.

From the CE – I am extremely passionate about local government. I am looking forward to connecting with the many communities here, navigating through all the reform processes facing the sector and positioning the South Waikato in the best place for the future

Message from | Mayor Jenny Shattock and Chief Executive Susan Law

The Annual Plan 2022-23 is Year 2 of the Long Term Plan adopted last year. There is no significant change, so we haven't consulted on the Plan this time.

The Annual Plan is our contract with the community for what we are going to deliver during the 2022-23 financial year.

Our district is preparing for growth, and we are ensuring sustainability is a high priority for the South Waikato District Council. This is evident in much of what we have planned, from funding to future proofing our facilities to supporting industrial, business and population growth.

We continue to advocate to Central Government and others for investment into our district and our focus on encouraging business expansion and start-ups will not let up.

We believe that building and maintaining better quality relationships with our people will help grow our communities and strong partnerships will strengthen the successful delivery of projects.

Council is committed to delivering good infrastructure and services, ensuring we remain in a sound financial position, and we are working hard to keep rates affordable. We want to sustain a healthy environment and resilient community that thrives amid changing times and events.

Resilience has never been more important. The impact of COVID-19 on our businesses and our community was huge. Together with community groups, Council has stepped into a COVID-19 recovery space and continues to look for avenues to support our people and businesses to recover from and thrive in these COVID-19 times.

Many of our projects will future proof our district and community during this period of growth. These include:

- Continued improvement and a focus on waste minimisation with investigations into better resource recovery.
- Wastewater improvements to ensure we protect our waterways for future generations.
- Stormwater upgrades to improve our resilience to flooding and plan for the future challenges of climate change.
- Facility upgrades including a bigger and better Putāruru skatepark, Tīrau Domain enhancements, new leisure facilities in Tokoroa, reserve enhancements and facility improvements.
- Growth planning across our district; coupled with significant infrastructure upgrades to ensure our systems can cope with a growing population and additional development to enhance the social and recreational wellbeing of our growing communities.

Amidst these key projects, we have the whole realm of business as usual that we deliver to you every day in many ways from roads, water, reserves, parks, planning, assets, infrastructure, libraries, pools and much more. We deliver it all.

The pressures on local government are high and delivery of our myriad of services may become more expensive, therefore prioritising the spend of ratepayer dollars will be critical in future years. Several reforms are underway that will change the face of local government as we know it. These included losing our three waters management to a larger entity, an overhaul

of the resource management act to improve environmental and economic outcomes, and ultimately revisiting the functions undertaken by local government and its relationship with national government.

Our organisation is set to change in coming years, more so than it has in the past two to three decades.

In October we will see a new Council elected following the local authority elections. The new Council will be working within a whole new and rapidly changing environment.

Our Council is taking on the challenge of this change and we will do everything we can to ensure that the change doesn't mean a loss of local voice or service for our communities. Council understands community concern around rate increases. We believe this plan continues to balance affordability with the need to address growth, legislative requirements and what our community has told us they want.

We believe this plan secures our place today so that we can shape tomorrow and together deliver a strong future for the South Waikato and all who live, work, and play here.



Susan Law
Chief Executive
South Waikato District Council



Jenny Shattock
Her Worship the Mayor
South Waikato District Council



*Serene South
Waikato view of the
Waikato river*

Background

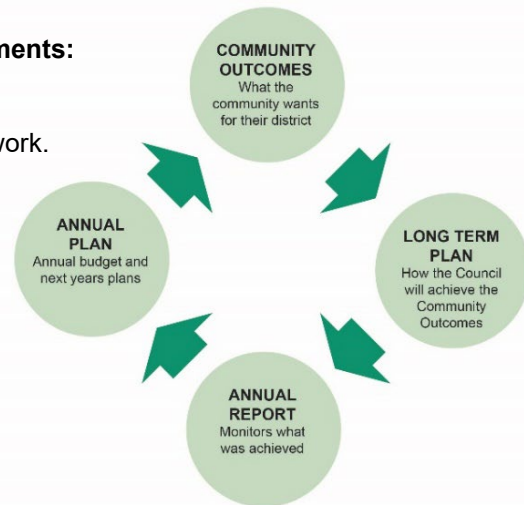
Every three years Council develops a Long Term Plan detailing budgets and work programmes for the following three years and with a longer term view out to ten years. The current Long Term Plan was adopted in 2021.

Outside of these years we produce an Annual Plan which identifies any changes or additions to the projects, activities and financial information included in the 2021-31 Long Term Plan. Year two of the Long Term Plan is the coming year starting 1 July 2022 to 30 June 2023.

In addition, we produce an Annual Report to review our performance against the Long Term and Annual Plans.

Together, these three documents:

1. Identify Council's priorities.
2. Outline our programme of work.
3. Measure our performance.



We're doing what we said we would by delivering on the promises made during the last Long Term Plan. Where appropriate, we have made some minor changes to our activities and budgets for this year that reflect our decision to minimise the post pandemic impacts of COVID-19 on our economic environment.

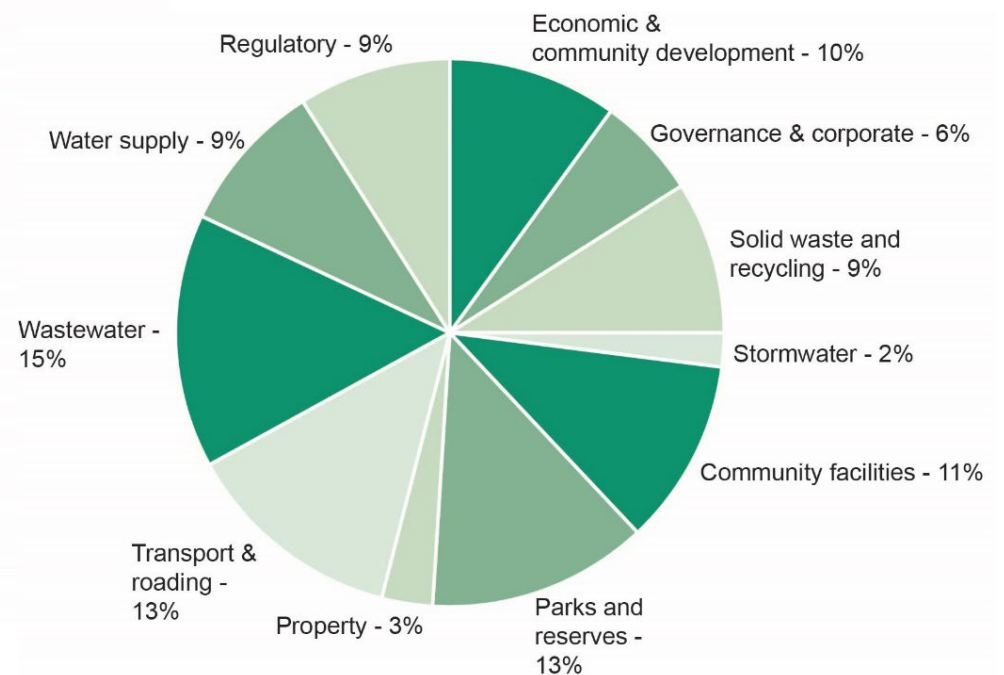
To view our 2021-31 Long Term Plan click here [Long Term Plan - South Waikato District Council](#)

Rates:

Very little has changed overall and the average rate revenue increase of 7.6% adopted and forecast through the 2021-31 Long Term Plan process has not changed for 2022-2023.

How will your rates be spent in 2022-2023?

The chart below outlines where your rates will be spent in 2022-23 over the Council activities.



Key challenges of this Annual Plan

The year ahead:

This year there were no big changes proposed for the 2022-23 Annual Plan compared to what was outlined in the 2021-31 Long Term plan adopted in June 2021. For this reason, Council was not required to undertake a formal consultation on this Annual Plan.

Council remains committed to what we said we would do in the 2021-31 Long Term Plan and anticipate a busy year ahead as we deliver our services effectively and efficiently in an environment of higher-than-expected inflationary costs. Increased construction, plant and equipment costs, labour shortages and supply chain constraints may lead to changes in our approach, delivery, and priorities for 2022-23.

Several government reforms are underway that will change the face of local government as we know it and these reforms are high on Council's radar. The Three Waters, Resource Management Act (RMA) and the Future for Local Government reforms are underway. Council will gauge the impacts of the reforms and keep them under close review as they may mean changes in approach and priority for future direction. We will position ourselves to gain the best advantage we can for our communities.

Residential, business, and industrial growth continues to increase in our district and while this is exciting, detailed growth planning will be essential to provide for the development of infrastructure, placemaking, wellbeing, environmental sustainability and connectivity. Council is now in the early stages of planning for growth modelling and it will continue to be a focus for the year ahead. Advocacy to central government for housing to meet the high demand for quality affordable homes in our District is ongoing.

Our climate and environment are changing rapidly, and it is impacting on how we undertake our activities for our communities and our businesses. A Climate Change Adaptation Strategy is in progress to mitigate risk for future generations

Amidst all this Council will continue to deliver our everyday business as usual activities



Annual Plan 2022-23

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PART 2

Our strategic direction

Tā mātou ahu rautaki

- Our strategic direction
- Our community outcomes
- Concept Plans

SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

Our strategic direction

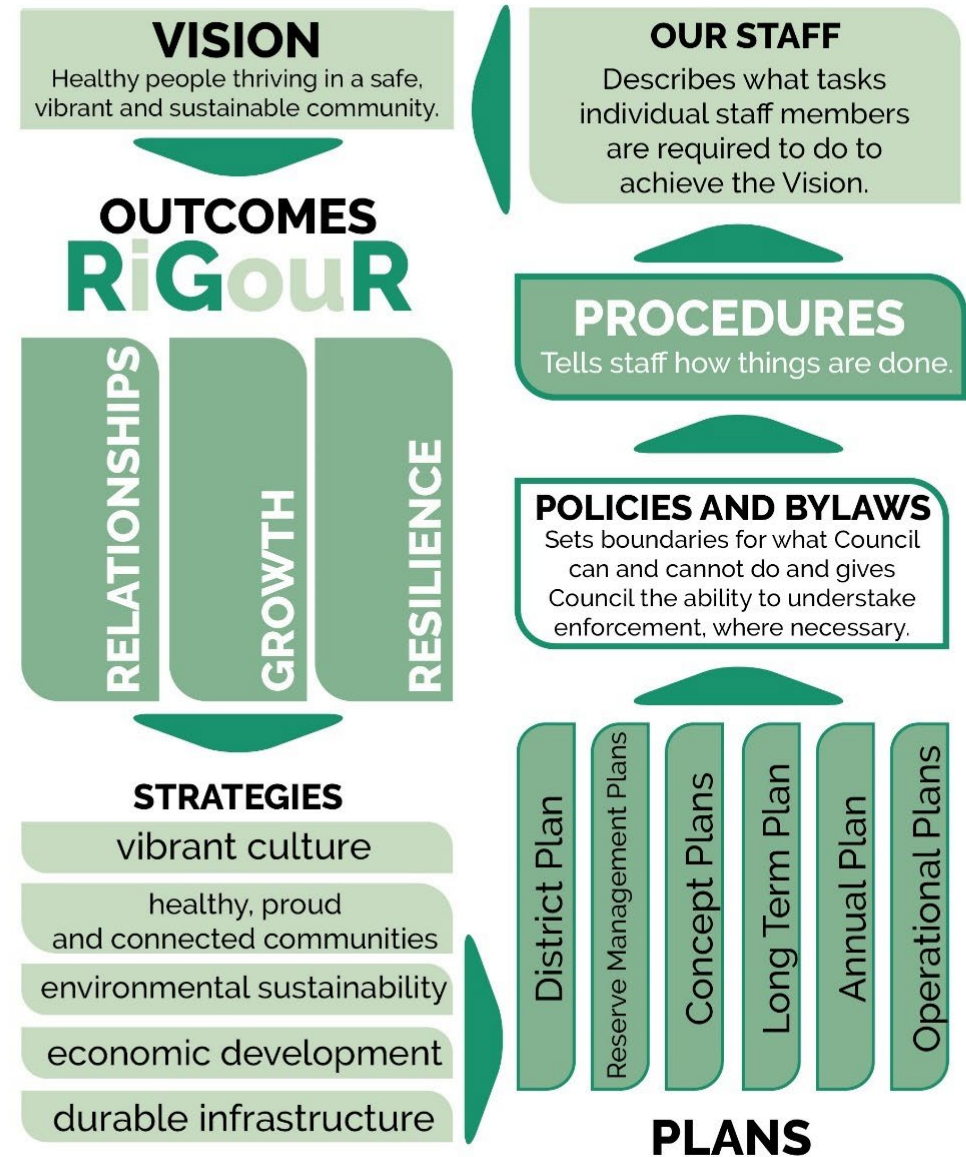
Our Council's strategic direction states our vision and the outcomes that we are striving for and the strategies that we will focus on for our future vision. Our vision statement was developed to encourage us to continually strive to achieve the vision and improve on the district's current state

The strategies below will be our continued focus to deliver the Council outcomes for our District. The strategies shape our community spaces and services to build a strong future for this generation and our future generations of community members.

- Vibrant culture
- Healthy, proud and connected community
- Environmental sustainability
- Economic development
- Durable infrastructure

Details of our strategic direction can be found in the 2021-31 Long Term Plan here.

[Long Term Plan - South Waikato District Council](#)



COMMUNITY OUTCOMES

Community outcomes are a high level set of goals that we aim to achieve. These outcomes seek to improve the social, economic, environmental and cultural wellbeing of our district for now and into the future. Data is an important part of this focus so we are focusing on the RiGouR of our data to reach our outcomes. These are the Community outcomes that Council have a key role in and they will be achieved in partnership with the whole community.

RELATIONSHIPS | NGĀ HONONGA

Strong relationships with iwi and Māori, Pacific Peoples, community and business groups that can achieve growth and a resilient community.

We will be talking to businesses and the community through improved engagement models, more joint community projects, provide on-going operations of facilities and services together.

Council also wants to assist helping community groups to be more self-sufficient and independent in their funding endeavours. Partnership models with business focuses on economic development, job creation and training. Relationships with iwi and Māori will be developed through strong governance models, building management/operational relationships, cultural understanding and undertaking joint projects.

Our Pacific Peoples provide a valuable contribution towards the economic, environmental, social and cultural strength of our District.

GROWTH | TE TUPUNGA OHANGA

Activities and strategies that facilitate sustainable economic growth and lift community pride. The term growth can mean different things to different people. Council has taken a wide interpretation of what it includes in its growth outcome, which are outlined below:

- **Population** – an increase in population improves the resilience and economic prosperity of the District by supporting more businesses to thrive through increased spending on goods and services.
- **Income** (district and individual) – an increase in the Gross Domestic Product (GDP) for the District is a broad indicator of growth but does not assess the individual community member's economic well-being. The average earnings of our population is a key indicator of community financial resilience as is the proportion of our population receiving financial support from government.
- **Employment and Education** – improving educational attainment, skills development and aspiration is critical to futureproofing our workforce. Key metrics include: increasing the percentage of our working age population in employment and more importantly reducing the percentage of young people (15-24) that are not in education, employment or training (NEET).
- **Housing** – facilitate the availability of safe, dry affordable housing solutions for our community based on defined need. From social and progressive housing to market rental; privately owned entry-level houses and apartments right through to executive homes. Specialist (especially senior living / retirement) needs also to be catered for. There must be enough land appropriately zoned and infrastructure, ready to facilitate different housing development in a timely manner.
- **Business, Industrial and Commercial land** – facilitate and support the development of enough capacity within the supply of appropriately zoned and serviced land to support the current and future growth requirements of existing and new enterprises.
- **Business Units** – increase the number of enterprises operating within the District through support for start-up businesses and entrepreneurs; working alongside existing businesses to grow and thrive increasing employment and the percentage of highly skilled and remunerated jobs and attracting new enterprises to establish operations within the District.

RESILIENCE | KIA EKE PANUKU

A resilient district with good infrastructure and services, a sound financial position, rates affordability and a healthy environment that has the ability to anticipate, resist, respond to and recover from significant change or events.

Council and the community need to anticipate, resist, respond to and recover from significant change or events.

This includes social, cultural, economic and environmental resilience as well as Council's infrastructure. Having a strong focus on resilience will help the community and Council to be prepared, to lessen the effects of change and to recover quickly.

Resilience covers a wide range of topics such as civil defence and storm events, how we manage our financial position, the affordability of rates and asset replacement, and environmental sustainability and our ability to recover from difficult situations

Concept Plans

The current concept plans for each town in our District represent the common themes, projects, and direction that communities would like to have implemented for their towns. Consultation has been undertaken with each town by Council staff to build these concept plans.

Further work on the concept plans will provide the basis of detailed growth planning that will be essential to provide for the future development of infrastructure, placemaking, wellbeing, environmental sustainability, and active connectivity.

Council is now in the early stages of planning for growth modelling, and it will continue to be a focus for the year ahead.

The towns:

- Tokoroa
- Putāruru
- Tīrau
- Arapuni

all identified common themes that they would like to address

- Safe communities
- Future utilisation of spaces and places
- Vibrant thriving CBDs
- Accessibility and connectivity through transport and internet/phone
- Residential, commercial and industrial growth

For further information on each of the towns Concept Plans, please visit (www.southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/plans/concept-plans)

Cougar Park mountain biking



Annual Plan 2022-23

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PART 3

An introduction to our services He whakatakinga ki tā mātou ratonga

- Our services
- Governance and corporate
- Economic and community development
- Community facilities
- Parks and reserves
- Property
- Regulatory services
- Solid waste and recycling
- Transport, roading and footpaths
- Water supply
- Wastewater
- Stormwater

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Our services

In the following pages we look at the eleven (11) Council activities that contribute to our community outcomes.

Our Annual Plan 2022-23 outlines what we do, our plans, what you can expect from us and what our services cost and how they are funded.

REGULATORY	Resource management 	Building control 	Animal control & compliance 	Health and alcohol 	Emergency management 	Business case management 	
	Transport, roading & footpaths 	Water supply 	Wastewater 	Stormwater 	Solid waste & recycling 	Parks and reserves 	Property 
COMMUNITY FACILITIES	Pools 	Libraries 	Sport & Events Centre 				
	Economic development 	Community grants 	Community events 	District promotion 	Advocacy 	Community cohesion 	
GOVERNANCE & CORPORATE	Infrastructure strategy 	Strategic planning 	Financial services 	Iwi liaison 	Risk, legal, health & safety 	Policy development 	Elections 



Governance and corporate

WHAT WE DO

We enable, promote and support local democracy by providing governance advice and democratic services to Elected Members, the public and staff. This is achieved through providing induction, training and administrative support for the Mayor and Councillors.

Continuous engagement with our communities will assist us to shape and design plans that will deliver services that will be care for the wellbeing of our communities now and for the future.

We review our policies and processes to ensure we are operating within legislation and providing the accepted level of service to our District and communities within the stated requirements.

The governance and corporate group of activities support all the other activities carried out by Council to ensure that they run smoothly by providing the necessary information systems and financial support.

WHY WE DO IT

We seek to collaborate authentically with our Treaty partners and to foster the opportunities for Māori to participate in decision-making.

We intend to continue to build our relationship with the Pacific communities in our District, while finding ways to celebrate the diversity of cultures that contributes to the fabric of who we are in the South Waikato District.

WHAT CHANGED FROM THE 2021-31 LTP?

Key projects within the Governance and Corporate activity continue to focus on rolling out digital technologies aimed at improving business processes and overall efficiency and continues to focus on the projects set out in the 2021-31 Long Term Plan work programme.

Improvements have been made in the background to our systems to provide safeguards for our data and allow us to improve customer experience over time.

WHAT ARE OUR PLANS FOR 2022-23?



Over the next year, Council has the following major projects planned for Governance and Corporate.

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
Information Systems	Business and Process improvement	231,000	Rates	LOS/Renewals
Information Systems	Cloud migration	476,126	Rates	LOS/Renewals
Information Systems	Innovation Fund [P6]	45,000	Rates	LOS
Property Administration	Furniture renewals	10,000	Rates	Renewals
Vehicles	Vehicle replacement	160,000	ARR	Renewals

Cougar Park mountain biking



FUNDING IMPACT STATEMENT



Funding Impact Statement - Governance & Corporate		LTP	LTP Annual Plan
For the year commencing 1 July 2022		2021-22	2022-23
For the year ended 30 June 2022		\$000s	\$000s
			2022-23
			\$000s
SOURCES OF OPERATING FUNDING			
Rates Revenue:			
General Rates, Uniform Annual General Charges, rates penalties	1,695	1,881	1,910
Targeted Rates	20	21	21
Other Revenue:			
Fees, charges & targeted rates for water supply	49	50	49
Interest & dividends from investments	30	30	30
Internal charges & overheads recovered	10,863	11,602	10,781
TOTAL OPERATING FUNDING (A)	12,657	13,584	12,791
APPLICATION OF OPERATING FUNDING			
Payments of staff & suppliers	9,286	9,690	9,939
Finance Costs	65	68	64
Internal charges & overheads applied	3,034	3,263	2,432
Other operating funding applications	45	46	45
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	12,430	13,067	12,480
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	227	517	311
SOURCES OF CAPITAL FUNDING			
Increase (decrease) in debt	28	(118)	(108)
TOTAL SOURCES OF CAPITAL FUNDING (C)	28	(118)	(108)
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	446	480	469
- to replace existing assets	376	514	453
Increase (decrease) in reserves	(567)	(595)	(719)
Increase (decrease) in investments	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	255	399	203
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(227)	(517)	(311)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Economic and community development

WHAT WE DO

We work with community groups to implement projects that benefit the community, such as the Warm Homes Clean Air and the Waste Minimisation programme. We also assist event organisers to meet compliance and regulatory requirements, so that our District can enjoy events while being kept safe and our environment is cared for.

Council administers community development grants as well as the creative community grants on behalf of Creative NZ. These grants are one off projects that provide vibrancy and support for our communities.

We work with local businesses to understand how Council, along with South Waikato Investment Fund Trust (SWIFT), can provide support for businesses to grow and thrive.

Council advocates for and with South Waikato communities to obtain resources and strategic partnerships that will help our District to grow stronger.

WHY WE DO IT

Community development is important because it helps build community sustainability by encouraging community pride and supporting community groups. An emphasis on increased participation and engagement is aligned with Council's planned outcome to increase the value of relationships with the community and with Māori.

Economic development activities are important to create employment opportunities and attract people to live in the District.

WHAT CHANGED FROM THE 2021-31 LTP?

Council's work within economic development is on track to deliver our objectives over the short to medium term. Significant improvements have been made to the visibility and engagement with the South Waikato Space to Grow brand. Staff continue to work with investors, developers and enterprises from within New Zealand and overseas to deliver a compelling value proposition on behalf of the South Waikato community. The community development activity continues to focus on the projects set out in the 2021-31 Long Term Plan work programme.

WHAT ARE OUR PLANS FOR 2022-23?



Over the next year, Council has the following major projects planned for Economic and Community Development.

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
Economic Development	Maraetai Road intermodal business park	2,400,000	Loan	Growth
Community Liaison	State Highway one (SH1) flags	15,000	Rates	Renewals
Economic Development	Council's involvement in residential property	300,000	Loan	LOS



FUNDING IMPACT STATEMENT



Funding Impact Statement - Economic and Community Development			
	LTP	LTP Annual Plan	
For the year commencing 1 July 2022	2021-22	2022-23	2022-23
For the year ended 30 June 2022	\$000s	\$000s	\$000s
SOURCES OF OPERATING FUNDING			
Rates Revenue:			
General Rates, Uniform Annual General Charges, rates penalties	2,869	3,106	3,234
Targeted Rates	313	300	186
Other Revenue:			
Fees, charges & targeted rates for water supply	6	6	6
TOTAL OPERATING FUNDING (A)	3,188	3,412	3,426
APPLICATION OF OPERATING FUNDING			
Payments of staff & suppliers	1,119	1,337	1,436
Finance Costs	46	116	94
Internal charges & overheads applied	437	487	495
Other operating funding applications	1,456	1,631	1,553
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	3,057	3,571	3,578
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	130	(159)	(152)
SOURCES OF CAPITAL FUNDING			
Increase (decrease) in debt	3,748	2,811	2,784
TOTAL SOURCES OF CAPITAL FUNDING (C)	3,748	2,811	2,784
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	3,291	2,455	2,400
- to improve the level of services	619	307	300
- to replace existing assets	-	15	15
Increase (decrease) in reserves	(32)	(125)	(83)
Increase (decrease) in investments	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	3,878	2,652	2,632
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(130)	159	152
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Community Facilities

WHAT WE DO

Council owns, operates, and maintains property throughout the District to enhance community wellbeing by providing facilities that contribute to the wellbeing of our communities.

Some of the assets that Council operates are:

- Pools (indoor and outdoor)
- Libraries
- Information centres
- Council offices and depots
- Pensioner housing
- The Plaza
- Public toilets
- Community halls

Council is tasked to provide these services for the community as with most of these facilities there are no alternative options for their provision within the community. In most cases no private sector alternatives exist locally and the emphasis is with Council to provide these venues, services, or facilities.

WHY WE DO IT

The objective of the Property activity is to enhance the amenity value of the District by providing community facilities and directly related buildings. This is achieved by the following:

- Providing facilities such as community halls, the Plaza theatre and libraries for the use and enjoyment of residents and visitors to the District.
- Provision of swimming pools and venues such as the South Waikato Sport and Events Centre for the use and enjoyment of residents and visitors alike, creating opportunities to bring events to our District.
- Providing facilities such as housing and other community-based facilities for the use of the District's residents.

WHAT CHANGED FROM THE 2021-31 LTP?

The Community Facilities activity continues to focus on the projects set out in the 2021-31 Long Term Plan work programme and there are no big changes from what was outlined

WHAT ARE OUR PLANS FOR 2022-23?



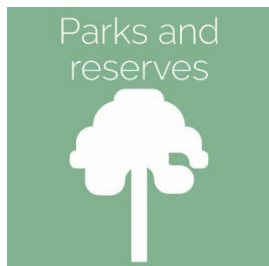
Over the next year, Council has the following major projects planned for Community Facilities.

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
Libraries - Tokoroa	Tokoroa library and community Hub - new building	229,799	Loan	LOS
Libraries - District	Community archive	20,000	Rates	LOS
Libraries - District	Library collection and information resources	125,000	Rates	Renewals
Events Centre	South Waikato Sport and Events Centre plant replacement	5,000	ARR	Renewals
Pools - Putāruru	Putāruru pool refurbishments	130,000	Loan	Renewals
Pools - Tīrau	Tīrau pools refurbishment	80,000	Loan	Renewals
Pools - Tokoroa	Tokoroa heated swimming pool upgrade	2,000,000	Loan	Renewals
Talking Poles	District cultural trail plan	26,375	Rates	LOS
Libraries - Putāruru	Shelving and furniture	6,000	Rates	Renewals

FUNDING IMPACT STATEMENT



Funding Impact Statement - Community Facilities	LTP	LTP Annual Plan	
For the year commencing 1 July 2022	2021-22	2022-23	2022-23
For the year ended 30 June 2022	\$000s	\$000s	\$000s
SOURCES OF OPERATING FUNDING			
Rates Revenue:			
General Rates, Uniform Annual General Charges, rates penalties	3,313	3,751	3,578
Other Revenue:			
Subsidies & grants for operating purposes	177	2	2
Fees, charges & targeted rates for water supply	378	388	378
Interest & dividends from investments	22	27	27
Internal charges & overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
TOTAL OPERATING FUNDING (A)	3,890	4,168	3,985
APPLICATION OF OPERATING FUNDING			
Payments of staff & suppliers	2,304	2,155	2,135
Finance Costs	46	138	119
Internal charges & overheads applied	934	1,030	1,022
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	3,284	3,323	3,276
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	606	845	709
SOURCES OF CAPITAL FUNDING			
Increase (decrease) in debt	3,301	2,125	2,112
TOTAL SOURCES OF CAPITAL FUNDING (C)	3,301	2,125	2,112
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	51	283	276
- to replace existing assets	3,701	2,399	2,346
Increase (decrease) in reserves	155	288	199
Increase (decrease) in investments	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	3,907	2,970	2,821
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(606)	(845)	(709)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Parks and reserves

WHAT WE DO

Council owns and/or manages approximately 285 hectares of parks, sportsgrounds, reserves, cemeteries, and gardens.

Our role sees us administer contracts, undertake auditing, program work, plan development and manage their use. Council provides a contact for users and administers the bookings for each of our parks and sportsgrounds. We are also involved in planning for and carrying out capital works as set out in the LTP and Annual Plans.



WHY WE DO IT

We provide parks and reserves to enable the provision of infrastructural and community-based services. Council undertakes the Parks and reserves group of activities to ensure that our residents and visitors have a wide range of options to meet their leisure and recreation needs.

These facilities play an important role in fostering community pride in our District as they provide for both formal sporting and recreational groups to come together, or for the community to get together in an informal manner

WHAT CHANGED FROM THE 2021-31 LTP?

The Parks and reserves activity continues to focus on the projects set out in the 2021-31 Long Term Plan work programme and Council has approved an increase of \$122,235 to the Annual Plan 2022-23 budget for increased levels of service for infrastructure and facilities.

Lake Whakamaru Reserve, the Tokoroa Cemetery extension, the Tīrau Domain and the Tokoroa skate park are some of the projects that will be funded by the increase.

WHAT ARE OUR PLANS FOR 2022-23?



Over the next year, Council has the following major projects planned for Parks and Reserves

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
Reserves - General	Reserves-walkways-renewal	22,000	ARR	Renewals
Reserves - General	Reserves-walkways-additional	28,000	Rates	LOS
Reserves - General	Reserves-play equipment -install swing in Edinburgh reserve	45,000	Loan	LOS
Reserves - General	Reserves - shelters Tirau Domain	45,000	Loan	LOS
Reserves - General	Reserves-additional roads -seal parking at Tokoroa War Memorial sportsground	32,800	Loan	LOS
Reserves - General	Reserves-additional roads - turn bay at Tokoroa War Memorial sportsground	75,300	Loan	LOS
Reserves - General	Reserves-general - install pest bait stations within scenic reserves	15,267	Rates	LOS
Reserves - General	Signage-furniture, bins and fences - renewals	10,500	ARR	Renewals
Reserves - General	Reserves- retaining walls -engineer assessment /report, Lake Moananui reserve	26,000	ARR	Renewals
Reserves - General	Reserves-play equipment-renewal	5,000	ARR	Renewals
Sportsgrounds - General	Replacement fencing - replace fencing in Strathmore Park	50,000	ARR	Renewals
Reserves - General	Signage-furniture, bins and fences - new	7,000	ARR	LOS
Reserves - General	Reserves-internal roads - renewals	25,000	Loan	Renewals
Toilets -Parks - Tokoroa	Reserves- new toilet at Lake Moananui Reserve playground area	123,000	Loan	LOS
Reserves - General	Reserves- new toilet Pioneer Park Arapuni	120,000	Loan	LOS
Cemeteries - Tokoroa	Cemeteries-additional Berms	6,000	Loan	Growth
Reserves - General	Reserves-willow/silt removal from spill pond, Lake Moananui reserve	50,000	Rates	LOS
Reserves - General	Reserves-BBQ installs - Tirau domain	28,000	Loan	LOS

FUNDING IMPACT STATEMENT



Funding Impact Statement - Parks and Reserves		LTP	LTP Annual Plan	
For the year commencing 1 July 2022		2021-22	2022-23	2022-23
For the year ended 30 June 2022		\$000s	\$000s	\$000s
SOURCES OF OPERATING FUNDING				
Rates Revenue:				
General Rates, Uniform Annual General Charges, rates penalties		3,984	4,301	4,449
Other Revenue:				
Fees, charges & targeted rates for water supply		189	194	189
Interest & dividends from investments		13	18	18
Internal charges & overheads recovered		-	0	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-
TOTAL OPERATING FUNDING (A)		4,186	4,513	4,656
APPLICATION OF OPERATING FUNDING				
Payments of staff & suppliers		2,606	2,696	2,855
Finance Costs		55	95	95
Internal charges & overheads applied		1,027	1,059	1,047
Other operating funding applications		-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)		3,688	3,850	3,997
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)		498	663	659
SOURCES OF CAPITAL FUNDING				
Subsidies & grants for capital expenditure				
Development & financial contributions		41	42	41
Increase (decrease) in debt		1,699	714	692
TOTAL SOURCES OF CAPITAL FUNDING (C)		1,740	756	733
APPLICATION OF CAPITAL FUNDING				
Capital expenditure:				
- to meet additional demand		836	6	6
- to improve the level of services		1,178	1,047	1,023
- to replace existing assets		276	142	139
Increase (decrease) in reserves		(52)	224	224
Increase (decrease) in investments		-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)		2,238	1,419	1,392
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)		(498)	(663)	(659)
FUNDING BALANCE ((A-B)+(C-D))		-	-	-



Property

WHAT WE DO

We maintain and manage all the buildings owned and operated by Council. This involves the day-to-day operations of most of these and the planning for and undertaking major asset renewal work and the upkeep of Council's asset management system for the properties. We maintain all Council office buildings and depots as well as vacant land owned by Council that are not reserves or parks. We work with the users of the Tokoroa Airfield in completing the maintenance at this location.



Tokoroa Pensioner housing units

WHY WE DO IT

In many cases Council manages these facilities as part of the need to provide services to the community for our administration buildings and libraries. Some properties are under Council management due to historical reasons such as pensioner housing. Community halls have come under Council management over the years as the landscape has changed and these have passed from community into Council ownership or management.

This activity links to economic, social and cultural community outcomes through quality infrastructure, the development of tourism opportunities, community pride, health, affordability and accessibility and reflecting the diversity of our communities

WHAT CHANGED FROM THE 2021-31 LTP?

The Property activity continues to focus on the projects set out in the 2021-31 Long Term Plan work programme and Council has approved a further \$538,000 for the development of the Pelikan Place development, funded by the Land Purchase Reserve.

WHAT ARE OUR PLANS FOR 2022-23?



Over the next year, Council has the following major projects planned for Property.

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
Halls - Tīrau	Tīrau Hall - replacement of Chairs	8,000	ARR	Renewals
Tokoroa Office	Tokoroa office- HVAC	15,000	ARR	Renewals
Property Development	CCTV renewals	21,000	Rates	Renewals
Plaza Theatre	The Plaza- seat replacement	60,000	Loan	Renewals
Pensioner Housing - District	Pensioner housing - healthy homes upgrades	200,000	Rates	LOS
Pensioner Housing - District	Pensioner housing - property upgrades	80,000	Rates	Renewals
Property Development	Property upgrade Works	60,000	ARR	Renewals
Property Development	Pelikan place - rural residential subdivision	538,000	Res	LOS
Tokoroa Depot	Renewal office building at the Tokoroa depot	30,000	Loan	Renewals

FUNDING IMPACT STATEMENT



Funding Impact Statement - Property	LTP	LTP	Annual Plan
For the year commencing 1 July	2021-22	2022-23	2022-23
For the year ended 30 June	\$000s	\$000s	\$000s
SOURCES OF OPERATING FUNDING			
Rates Revenue:			
General Rates, Uniform Annual General Charges, rates penalties	1,003	1,007	944
Targeted Rates	53	55	50
Other Revenue:			
Fees, charges & targeted rates for water supply	630	707	705
Interest & dividends from investments	24	35	35
Internal charges & overheads recovered	631	632	632
TOTAL OPERATING FUNDING (A)	2,341	2,436	2,366
APPLICATION OF OPERATING FUNDING			
Payments of staff & suppliers	1,283	1,303	1,286
Finance Costs	60	57	59
Internal charges & overheads applied	651	612	531
Other operating funding applications	1	1	1
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	1,995	1,973	1,877
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	346	463	489
SOURCES OF CAPITAL FUNDING			
Increase (decrease) in debt	(157)	(194)	(203)
TOTAL SOURCES OF CAPITAL FUNDING (C)	(157)	(194)	(203)
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	245	205	738
- to replace existing assets	286	280	274
Increase (decrease) in reserves	(342)	(216)	(726)
Increase (decrease) in investments	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	189	269	286
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(346)	(463)	(489)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Regulatory services

WHAT WE DO

The regulatory groups assist the community with the following activities:

- Planning consenting, guidance District Plan policy and compliance
- Building consenting, guidance and compliance
- Civil defence emergency management
- Animal control
- Sale and supply of alcohol licensing
- Auditing food premises
- Noise control
- Parking and bylaw enforcement
- Business case management

WHY WE DO IT.

The focus of the regulatory activity is to make sure that our residents and the environment are safe. By supporting our communities in planning and operating in a safe manner, we can build on a sustainable and strong future for our District.

WHAT CHANGED FROM THE 2021-31 LTP?

The Regulatory activity continues to focus on the projects set out in the 2021-31 Long Term Plan work programme with some minor changes due to timing.

The Healthy Rivers Regional Plan Change Appeal engagement and the Nga Wahi Tuturu cultural significant sites and landscape proposed District Plan Change were delayed due to further clarification of the principal matters. They are now scheduled to progress substantially in 22-23.

Ongoing are the District Plan review workstreams which were brought forward to enhance preparation for the Resource Management Act reforms particularly in relation to growth.

The potential earthquake prone building identification which was brought forward from 2022-23 and commenced in 2021-22.

WHAT ARE OUR PLANS FOR 2022-23?



Over the next year, Council has the following major projects planned for Regulatory.

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
Emergency Management	Replacement generator	36,500	ARR	Renewals
Planning and Resource Management	District plan review	29,000	Rates	Loan Funded

Emergency management helps prepare the South Waikato



FUNDING IMPACT STATEMENT



Funding Impact Statement - Regulatory		LTP	LTP Annual Plan	
For the year commencing 1 July 2022		2021-22	2022-23	2022-23
For the year ended 30 June 2022		\$000s	\$000s	\$000s
SOURCES OF OPERATING FUNDING				
Rates Revenue:				
General Rates, Uniform Annual General Charges, rates penalties		2,866	2,876	2,873
Other Revenue:				
Subsidies & grants for operating purposes		-	-	-
Fees, charges & targeted rates for water supply		1,428	1,482	1,800
Local authorities fuel tax, fines, infringement fees, and other receipts		69	71	69
TOTAL OPERATING FUNDING (A)		4,363	4,429	4,742
APPLICATION OF OPERATING FUNDING				
Payments of staff & suppliers		2,702	2,714	3,417
Finance Costs		3	4	6
Internal charges & overheads applied		1,498	1,648	1,620
Other operating funding applications		6	6	6
TOTAL APPLICATIONS OF OPERATING FUNDING (B)		4,209	4,372	5,049
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)		154	57	(307)
SOURCES OF CAPITAL FUNDING				
Increase (decrease) in debt		(56)	101	323
TOTAL SOURCES OF CAPITAL FUNDING (C)		(56)	101	323
APPLICATION OF CAPITAL FUNDING				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of services		80	133	-
- to replace existing assets		46	37	36
Increase (decrease) in reserves		(28)	(12)	(20)
Increase (decrease) in investments		-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)		98	158	16
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)		(154)	(57)	307
FUNDING BALANCE ((A-B)+(C-D))		-	-	-



Solid waste and recycling

WHAT WE DO

Council owns, operates (under contracts) and maintains the following assets and services:

- A weekly kerbside household rubbish collection and disposal service
- A fortnightly kerbside household recycling collection and processing service
- A greenwaste drop off and processing service
- Rubbish transfer stations in Tokoroa and Putāruru
- Three recycling drop off centres
- Maintenance and aftercare of three closed landfills
- Behaviour change, community engagement and policy development to achieve waste minimisation and reduction.

WHY WE DO IT

The purpose of the Waste Minimisation Act 2008 is to encourage waste minimisation and decrease waste disposal to landfill. A key part of this act is that Council prepares and regularly reviews a Waste Management and Minimisation Plan. The current WMMP was prepared in 2018 and is currently underway.

Council's strategy presents what we are going to do for the next ten years to make our District a better place to live and work.

WHAT CHANGED FROM THE 2021-31 LTP?

The Solid waste and recycling activity continues to focus on the projects set out in the 2021-31 Long Term Plan work programme and there are no big changes from what was outlined

WHAT ARE OUR PLANS FOR 2022-23?



Over the next year, Council has the following major projects planned for Solid waste and recycling.

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
Waste Disposal - PutTfr	Putāruru refuse transfer station capital maintenance	5,000	Rates	Renewals
Waste Disposal - PutTfr	Putāruru transfer station upgrade programme	43,000	Loan	LOS

2021 Wheelie bin roll out



FUNDING IMPACT STATEMENT



Funding Impact Statement - Solid waste & recycling For the year commencing 1 July 2022 For the year ended 30 June 2022	LTP 2021-22 \$000s	LTP Annual Plan 2022-23 \$000s	2022-23 \$000s
SOURCES OF OPERATING FUNDING			
Rates Revenue:			
General Rates, Uniform Annual General Charges, rates penalties	698	347	1,346
Targeted Rates	2,065	2,149	1,675
Other Revenue:			
Subsidies & grants for operating purposes	-	-	-
Fees, charges & targeted rates for water supply	2,399	2,640	1,553
Interest & dividends from investments	31	32	32
Internal charges & overheads recovered	-	0	-
Local authorities fuel tax, fines, infringement fees, and other receipts	181	277	270
TOTAL OPERATING FUNDING (A)	5,374	5,445	4,876
APPLICATION OF OPERATING FUNDING			
Payments of staff & suppliers	3,497	3,819	3,252
Finance Costs	67	94	94
Internal charges & overheads applied	806	831	833
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	4,370	4,744	4,179
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	1,004	701	697
SOURCES OF CAPITAL FUNDING			
Increase (decrease) in debt	(271)	(306)	(307)
TOTAL SOURCES OF CAPITAL FUNDING (C)	(271)	(306)	(307)
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	-	44	43
- to replace existing assets	5	5	5
Increase (decrease) in reserves	728	346	342
Increase (decrease) in investments	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	733	395	390
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(1,004)	(701)	(697)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Transport, roading & footpath

WHAT WE DO

The South Waikato District Council owns, operates, and maintains the Land Transport Network (excluding State Highways) because:

- The provision of roads is vital to all who live in the District. They provide the primary means of safe, reliable, and efficient access to resident's homes, schools, and businesses 24 hours a day, 365 days a year
- Through Council, local communities have representation regarding their transportation needs and the regional road corridors
- Council manages its largest asset soundly now and for future generations at the appropriate level of service
- The existing land transport network is a community asset which should be controlled by Council.

Some of the activities Council facilitates are:

- Resealing of roads and cycleways
- Road pavement rehabilitation
- Seal widening and extensions
- Road marking
- Maintenance of signs and streetlighting designated to Council
- Maintenance of footpaths
- Road maintenance which is carried out by contractors

WHY WE DO IT

Council provides a roading network and associated roading services to support these assets to ensure easy, safe and secure access to the District and around the District so that:

- business development can take place to increase our economic growth through a secure network
- our community and visitors can move safely around the District
- access to our facilities and services is easy
- operate existing business effectively and efficiently

WHAT CHANGED FROM THE 2021-31 LTP?

The Transport, Roding and Footpaths activity continues to focus on the projects set out in the 2021-31 Long Term Plan work programme with some minor changes to our budget lines for roading. When retendering the road maintenance contract, it was found that the unit rate had increased significantly. This means the budget in the annual plan was insufficient to cover the retendered contract value. Council had two options, to either reduce levels of service significantly to fit within the available budget or retain levels of service and increase the budget. Council resolved to increase the budget by utilising sundry reserves so as not to affect rates.

WHAT ARE OUR PLANS FOR 2022-23?



Over the next year, Council has the following major projects planned for Transport Roading and Footpaths.

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
Pavement Rehabilitation	Pavement rehabilitation	186,800	Rates	Renewals
Pavement Rehabilitation	Maple Drive	34,150	Rates	Renewals
Pavement Rehabilitation	Myrtle Grove	158,900	Rates	Renewals
Pavement Rehabilitation	Okoroire	110,750	Rates	Renewals
Pavement Rehabilitation	Okoroire	42,900	Rates	Renewals
Pavement Rehabilitation	Old Taupo North	146,400	Rates	Renewals
Pavement Rehabilitation	Old Taupo North	58,625	Rates	Renewals
Pavement Rehabilitation	Okoroire	39,600	Rates	Renewals
Pavement Rehabilitation	Wiltsdown	84,512	Rates	Renewals
Pavement Rehabilitation	Youngs	117,850	Rates	Renewals
Pavement Rehabilitation	Logan Street (North) East	- 360,550	Rates	Renewals
Footpaths	Construction of new footpaths	80,000	Rates	LOS
Drainage Renewals	Drainage renewals	158,470	Rates	Renewals
Traffic Services Renewals	Streetlighting capitals	185,000	Rates	Renewals
Traffic Services Renewals	Traffic Services signs renewals	68,178	Rates	Renewals
Minor Improvements	Widening associated with pavement rehab	200,000	Rates	LOS
Minor Improvements	Mossop Rd guardrail	40,000	Rates	LOS
Minor Improvements	Old Taupo Rd 13k curve improvements	150,000	Rates	LOS
Minor Improvements	Old Taupo Rd 14k alignment improvements	100,000	Rates	LOS
Minor Improvements	Domain Rd geometric and sight benching improvements	100,000	Rates	LOS
Non Subsidised Roading	Buttermilk site - industrial development new road	46,200	Rates	Renewals
Non Subsidised Roading DCs	Buttermilk site - industrial development new road	30,800	Loan	Growth
Non Subsidised Roading	Sealed car park renewals parks and reserves	100,000	Rates	LOS
Non Subsidised Roading	Dumfries 800m new road link	850,000	Res	Growth
Non Subsidised Roading	Seal widening	80,000	Rates	LOS
Non Subsidised Roading	New unsubsidised project - late NZTA change	153,580	Rates	LOS
Sealed Road Resurfacing	Sealed road resurfacing	509,268	Rates	Renewals
Sealed Road Resurfacing	Sealed road resurfacing	610,039	Rates	Renewals
Sealed maintenance	Road formation widening	356,781	Rates	LOS
CBD Upgrade	Tokoroa CBD upgrade	200,000	Loan	LOS

FUNDING IMPACT STATEMENT



Funding Impact Statement - Transport and roading	LTP	LTP	LTP
For the year commencing 1 July 2022	2021-22	2022-23	Annual Plan 2022-23
For the year ended 30 June 2022	\$000s	\$000s	\$000s
SOURCES OF OPERATING FUNDING			
Rates Revenue:			
General Rates, Uniform Annual General Charges, rates penalties	4,292	4,755	4,480
Other Revenue:			
Subsidies & grants for operating purposes	2,922	2,968	2,556
Fees, charges & targeted rates for water supply	77	79	77
Interest & dividends from investments	33	39	39
Internal charges & overheads recovered	54	62	73
Local authorities fuel tax, fines, infringement fees, and other receipts	155	159	155
TOTAL OPERATING FUNDING (A)	7,533	8,062	7,380
APPLICATION OF OPERATING FUNDING			
Payments of staff & suppliers	4,708	4,733	5,619
Finance Costs	53	67	38
Internal charges & overheads applied	938	976	1,000
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	5,699	5,776	6,657
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	1,834	2,286	723
SOURCES OF CAPITAL FUNDING			
Subsidies & grants for capital expenditure	1,654	1,755	2,052
Increase (decrease) in debt	(191)	(85)	(90)
TOTAL SOURCES OF CAPITAL FUNDING (C)	1,463	1,670	1,962
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	847	901	510
- to improve the level of services	1,110	1,442	1,560
- to replace existing assets	2,288	2,250	2,197
Increase (decrease) in reserves	(948)	(637)	(1,582)
Increase (decrease) in investments	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	3,297	3,956	2,685
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(1,834)	(2,286)	(723)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Water supply

WHAT WE DO

Council staff manage four urban and two rural water supplies in Tokoroa, Putāruru, Tīrau, Arapuni, Lichfield and Athol. This includes ten reservoirs, ten bore water pumps and 228km of reticulation.

Tokoroa's water is supplied by two bores. The water is treated with chlorine, lime (which correct the PH), fluoride and ultraviolet light before it is pumped up to Colson Hill reservoirs.

Putāruru's water is supplied from two sources. Glenshea Park which has two bores and treated with chlorine. The other supply is from the Waihou Spring (Blue Spring).

Tīrau's water is supplied from a spring on the banks of the Oraka River. The water is pumped to two reservoirs at the top of Fairview Street. The water is treated with chlorine and ultraviolet light.

Arapuni's water is supplied from two bores at the southern end of town. It is then pumped into a reservoir in Pioneer Street and treated with chlorine.

Lichfield water is 60 years old, comes from a single bore in Ngātira Road, supplies 18 properties and treated with chlorine.

Old Taupo Road near Campbell Road, Wawa Road and Station Road are all supplied from Kinleith Mill. Council purchase water from the mill and then on sells it.

WHY WE DO IT

A reliable supply of clean drinking water is essential for the health of our residents and supports community safety through provision of adequate water supply to meet a minimum level of firefighting capability. A stable supply of water is essential in supporting our existing businesses and encouraging new businesses to our District. Council ensures that residents who are serviced by Council's water supply have high quality water that meets all statutory and environmental standards.

WHAT CHANGED FROM THE 2021-31 LTP?

The Water Supply activity continues to focus on the projects set out in the 2021-31 Long Term Plan work programme and there are no big changes from what was outlined.

WHAT ARE OUR PLANS FOR 2022-23?



Over the next year, Council has the following major projects planned for Water Supply.

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
Water - District	Water-district wide health and safety improvements	30,000	Rates	LOS
Water - Tokoroa	Watermain renewal programme - Tokoroa	600,000	ARR	Renewals
Water - Arapuni	Watermain renewal programme - Arapuni	120,000	ARR	Renewals
Water - Putāruru	Watermain renewal programme - Putāruru	149,500	ARR	Renewals
Water - Tīrau	Watermain renewal programme - Tīrau	42,000	ARR	Renewals
Water - Tīrau	Tīrau water supply-plant and equipment replacement	40,000	ARR	Renewals
Water - Tokoroa	Tokoroa water supply-Billah Street headworks rising main replacement	110,000	ARR	Renewals
Water - Arapuni	Arapuni water supply-plant and equipment replacement	10,000	ARR	Renewals
Water - Putāruru	Water supply Putāruru-capital component of maintenance	15,000	Rates	LOS
Water - Putāruru	Water supply Putāruru-capital component of maintenance	15,000	Rates	LOS
Water - Tīrau	Water supply Tīrau- capital component of maintenance	12,000	Rates	LOS
Water - Tokoroa	Water supply Tokoroa-capital component of maintenance	15,000	Rates	LOS
Water - Putāruru	Putāruru water supply-reticulation minor new works	10,000	ARR	LOS
Water - Tokoroa	Tokoroa water supply-Manfield Street ridermain installation	55,000	Loan	LOS
Water - Tīrau	Tīrau water supply-reticulation minor new works	10,000	ARR	LOS
Water - Tīrau	Tīrau water supply-reticulation	110,000	Loan	LOS

FUNDING IMPACT STATEMENT



Funding Impact Statement - Water supply		LTP	LTP Annual Plan	
For the year commencing 1 July 2022		2021-22	2022-23	2022-23
For the year ended 30 June 2022		\$000s	\$000s	\$000s
SOURCES OF OPERATING FUNDING				
Rates Revenue:				
Targeted Rates		3,294	3,460	3,201
Other Revenue:				
Fees, charges & targeted rates for water supply		323	331	343
Interest & dividends from investments		133	118	118
Internal charges & overheads recovered		1,532	1,598	818
TOTAL OPERATING FUNDING (A)		5,282	5,507	4,480
APPLICATION OF OPERATING FUNDING				
Payments of staff & suppliers		2,039	2,088	1,795
Finance Costs		7	12	10
Internal charges & overheads applied		2,537	2,672	1,959
TOTAL APPLICATIONS OF OPERATING FUNDING (B)		4,583	4,772	3,764
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)		699	735	716
SOURCES OF CAPITAL FUNDING				
Subsidies & grants for capital expenditure		-	-	-
Development & financial contributions		96	98	96
Increase (decrease) in debt		6	57	58
TOTAL SOURCES OF CAPITAL FUNDING (C)		102	155	154
APPLICATION OF CAPITAL FUNDING				
Capital expenditure:				
- to meet additional demand		30	-	0
- to improve the level of services		242	263	272
- to replace existing assets		1,032	1,096	1,071
Increase (decrease) in reserves		(503)	(469)	(473)
Increase (decrease) in investments		-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)		801	890	870
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)		(699)	(735)	(716)
FUNDING BALANCE ((A-B)+(C-D))		-	-	-



Wastewater

WHAT WE DO

Council owns, operates, and maintains the wastewater collection networks and disposal schemes in Arapuni, Tīrau, Putāruru, and Tokoroa communities.

- We collect wastewater from homes and businesses via sewage pipes and send it to the treatment plants either by gravity or pumping.
- We treat wastewater to a high quality, then discharge it to water or land.
- The services provided to the community through the assets in this plan are as follows:
- Wastewater collection provided throughout the urban environment including collection of wastewaters from the towns of Tokoroa, Putāruru, Tīrau and Arapuni
- Gravity and pumped delivery of the wastewater to the individual wastewater treatment plants.
- Treatment at the Tokoroa, Putaruru, Tīrau and Arapuni Wastewater Plants prior to discharge of the treated effluent to the receiving environments.

WHY WE DO IT

The provision of wastewater collection networks and treatment plants is vital to the needs and aspirations of all who live in the District.

Wastewater provides the means of safe, reliable and efficient disposal of wastewater for resident's homes, schools, and businesses 24 hours a day, 365 days a year in a manner that is safe for both human health and the environment

WHAT CHANGED FROM THE 2021-31 LTP?

The Wastewater activity continues to focus on the projects set out in the 2021-31 Long Term Plan work programme with some minor changes to the timing of some projects. The refurbishment of the existing Digester at the Tokoroa Wastewater Treatment Plant was deferred to 2022-23 year as the new digester began commissioning in January 2022 due to equipment delays. And the upgrades to wastewater pipes in Arapuni Street Putāruru have been delayed and will now occur in 2022-23 after experiencing difficulties in obtaining the necessary approvals from Kiwi Rail to install new pipework under the Kinleith Branch Railway in Main Street.

WHAT ARE OUR PLANS FOR 2022-23?



Over the next year, Council has the following major projects planned for Wastewater.

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
WW - Tīrau	Tīrau-Depot street pumpstation - stage one	100,000	Loan	LOS
WW - District	Wastewater-District wide health and safety	30,000	Rates	LOS
WW - Tokoroa	Tīrau street-Putāruru wastewater main rehabilitation	165,000	ARR	Renewals
WW - Tokoroa	Tokoroa-wastewater treatment plant-UV lamp replacements	40,000	ARR	Renewals
WW - Putāruru	Putāruru-wastewater treatment plant-UV lamp replacements	8,000	ARR	Renewals
WW - Tokoroa	Tokoroa-wastewater treatment plant-plant and equipment replacement	135,000	ARR	Renewals
WW - Putāruru	Putāruru-wastewater plant and equipment replacement	50,000	ARR	Renewals
WW - Tīrau	Tīrau-wastewater plant and equipment replacement	55,000	ARR	Renewals
WW - Tokoroa	Tokoroa-wastewater plant-digester refurbishment	870,000	ARR	LOS
WW - District	Wastewater development contributions	15,000	Loan	Growth
WW - Tokoroa	Tokoroa-wastewater treatment plant-UV system duplication	250,000	Loan	LOS
WW - Tokoroa	Tokoroa-wastewater treatment plant-duplicate drum filter	210,000	Loan	LOS

FUNDING IMPACT STATEMENT



Funding Impact Statement - Wastewater		LTP	LTP Annual Plan	
For the year commencing 1 July 2022		2021-22	2022-23	2022-23
For the year ended 30 June 2022		\$000s	\$000s	\$000s
SOURCES OF OPERATING FUNDING				
Rates Revenue:				
Targeted Rates		4,385	5,088	5,223
Other Revenue:				
Subsidies & grants for operating purposes		-	-	-
Fees, charges & targeted rates for water supply		79	81	79
Interest & dividends from investments		234	211	211
Internal charges & overheads recovered		1,892	1,973	1,453
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-
TOTAL OPERATING FUNDING (A)		6,590	7,353	6,966
APPLICATION OF OPERATING FUNDING				
Payments of staff & suppliers		2,765	3,138	3,302
Finance Costs		130	242	238
Internal charges & overheads applied		2,880	3,044	2,567
TOTAL APPLICATIONS OF OPERATING FUNDING (B)		5,775	6,424	6,107
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)		815	929	859
SOURCES OF CAPITAL FUNDING				
Subsidies & grants for capital expenditure		-	-	-
Development & financial contributions		91	93	90
Increase (decrease) in debt		(253)	(163)	44
TOTAL SOURCES OF CAPITAL FUNDING (C)		(162)	(70)	134
APPLICATION OF CAPITAL FUNDING				
Capital expenditure:				
- to meet additional demand		15	15	15
- to improve the level of services		2,813	1,279	1,460
- to replace existing assets		398	464	453
Increase (decrease) in reserves		(2,573)	(899)	(935)
Increase (decrease) in investments		-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)		653	859	993
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)		(815)	(929)	(859)
FUNDING BALANCE ((A-B)+(C-D))		-	-	-



Stormwater

WHAT WE DO

Council owns, operates, and maintains 123km of stormwater collection networks and disposal schemes in Arapuni, Tīrau, Putāruru and Tokoroa communities.

The services that are provided to the community through the stormwater assets in this plan are as follows:

- A reticulated stormwater system of pipes and channels (primary network) sufficient to cope with frequent rainfall events.
- A secondary stormwater system comprising swales, road, kerb, and channel and both formal and informal overland flow paths sufficient to control stormwater from less frequent rainfall events
- Planning and building controls to restrict building in high flood risk areas, require minimum floor levels and require mitigation of stormwater runoff effects to prevent stormwater entry to habitable buildings.
- Planning and policy initiatives to minimise stormwater quality and quantity effects at source.
- Gross pollutant traps or similar treatment devices to reduce debris and contaminant levels in stormwater discharge.

We collect stormwater from homes and businesses via stormwater pipes and direct it by gravity to natural watercourses.

WHY WE DO IT

The provision of Stormwater collection networks is vital to the needs and aspirations of all who live in the District. They provide the means of safe, reliable, and efficient disposal of stormwater for resident's homes, schools, and businesses 24 hours a day, 365 days a year in a manner that is safe for both human health and property.

WHAT CHANGED FROM THE 2021-31 LTP?

The Stormwater activity continues to focus on the projects set out in the 2021-31 Long Term Plan work programme and there are no big changes from what was outlined.

WHAT ARE OUR PLANS FOR 2022-23?



Over the next year, Council has the following major projects planned for Stormwater.

Activity	Major Project	Annual Plan 2022-23 \$	Funding Source	Classification
Stormwater - District	Urban stormwater consent renewals	100,000	ARR	Renewals
Stormwater - Tokoroa	Stormwater Tokoroa - minor new works	11,000	ARR	LOS
Stormwater - Tīrau	Stormwater Tīrau - minor new works	5,500	ARR	LOS
Stormwater - Arapuni	Stormwater Arapuni - minor new works	5,500	ARR	LOS
Stormwater - Putāruru	Stormwater Putāruru- minor new works	11,000	ARR	LOS
Stormwater - Putāruru	Putāruru stormwater improvements - Arapuni road culvert	160,000	ARR	LOS



Stormwater pipes prevent flooding

FUNDING IMPACT STATEMENT



Funding Impact Statement - Stormwater		LTP	LTP	Annual Plan
For the year commencing 1 July 2022		2021-22	2022-23	2022-23
For the year ended 30 June 2022		\$000s	\$000s	\$000s
SOURCES OF OPERATING FUNDING				
Rates Revenue:				
Targeted Rates		560	673	664
Other Revenue:				
Subsidies & grants for operating purposes		-	-	-
Fees, charges & targeted rates for water supply		-	-	-
Interest & dividends from investments		203	200	200
Internal charges & overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-
TOTAL OPERATING FUNDING (A)		763	873	864
APPLICATION OF OPERATING FUNDING				
Payments of staff & suppliers		401	411	409
Finance Costs			-	-
Internal charges & overheads applied		242	255	255
TOTAL APPLICATIONS OF OPERATING FUNDING (B)		643	666	664
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)		120	207	200
SOURCES OF CAPITAL FUNDING				
Development & financial contributions		-	-	-
Increase (decrease) in debt		-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)		-	-	-
APPLICATION OF CAPITAL FUNDING				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of services		153	197	193
- to replace existing assets		60	103	100
Increase (decrease) in reserves		(93)	(93)	(93)
Increase (decrease) in investments		-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)		120	207	200
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)		(120)	(207)	(200)
FUNDING BALANCE ((A-B)+(C-D))		-	-	-

Annual Plan 2022-23

Mahere ā-tau



PART 4

Financial information

Ngā mōhiohio pūtea

- Rating Funding Impact Statement
- Funding Impact Statement
- General rate
- Financial prudence benchmark disclosure for the year ending June 2023
- Forecast financial statements and reserves
- Where will Council receive funding from in 2022-23

SECURING **TODAY.** SHAPING **TOMORROW.** STRONG **FUTURE.**

The Rating Funding Impact Statement

Please note that the Funding Impact Statement is presented for compliance with Local Government (Financial Reporting and Prudence) Regulations 2014. The information presented is not presented in compliance with New Zealand generally accepted accounting practice (GAAP) and does not include depreciation and other items of a non-cash nature.

The funding impact statement

This is a summary of where money will come from, for the year commencing 1 July 2022. The following rates have been set by the South Waikato District Council under the Local Government (Rating) Act 2002, on rating units in the District, for the financial year commencing 1 July 2022 and ending on 30 June 2023.

Note: All per unit rates are quoted inclusive of GST and rate revenue to be collected is GST exclusive. The rating system used for the general rate and some of the targeted rates is capital value, and property valuations produced by Opteon Technologies Ltd effective 1 July 2021 are used for the 2022-23 rating year.

It should be noted that a separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner/ a person other than

the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement.

This definition includes separately used parts, whether actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or Long Term basis by someone other than the owner.

Examples of separately used or inhabited parts include:

- a property containing two or more separately occupiable units, flats, or houses
- a residential, lifestyle or rural property containing separately occupiable areas with a separate business operating in that area or areas
- a commercial or otherwise non-residential property containing separate residential accommodation
- commercial premises or office blocks containing separate shops, office areas, workshops, warehouses, or other areas, each operated as a separate business in those premises.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

General rate

A general rate of \$0.002643 per dollar of the rateable capital value of every separate rating unit in the District. The rate is expected to produce \$19,144,266 (excluding GST). (Pursuant to Section 13 of the Local Government (Rating) Act 2002)

Uniform annual general charge

A uniform annual general charge of \$342.12 on every separate rating unit in the District. The rate is expected to produce \$2,850,594 (excluding GST).

(Pursuant to Section 15 of the Local Government (Rating) Act 2002.

Limitation on uniform rates

Section 21 of the Local Government (Rating) Act 2002 puts a legislative limit on the amount of rates that can be collected from certain uniformly charged rating mechanisms. In relation to the requirements of that section, the forecast for the 2022-23 year is 16%. The maximum limit is 30%.

Additional unit rate

An Additional unit rate is charged to any rating unit that has more than one separately used or inhabited part as follows:

- For each residential part of a rating unit: A targeted rate on a uniform basis of \$342.12 on each separately used or inhabited part of a rating unit beyond the first dwelling or non-residential part. The rate is expected to produce \$390,610 (excluding GST).
- For each non-residential part of a rating unit: A targeted rate on a uniform basis of \$342.12 on each separately used or inhabited part of a rating unit beyond the first dwelling or non-residential part. The rate is expected to produce \$68,424 (excluding GST).
- For clarification, a residential part means a self-contained house, unit, flat or similar, designed for or used primarily for residential purposes. A non-residential part means a shop, offices, workshop, warehouse, separate yard or similar, designed for or used primarily for non-residential purposes.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Water supply charge

Water supply - metered

For Rating units that are solely and exclusively supplied via a metered water supply:

- A targeted rate on a uniform basis of \$424.18 per metered supply.
- Plus, water used in excess of 320m3 per annum on an individual metered supply shall be charged at \$1.22 m3, or where water is used in excess of 200m3 per day this shall be charged at \$1.43 m3.

Water supply - partly metered or sharing a metered supply

For Rating units that have a mixture of metered and non-metered water supply, or that share a metered water supply with another rating unit:

- A targeted rate on a uniform basis of \$424.18 for each separately used or inhabited part of a rating unit connected to the Council water supply
- Plus, for the metered supply, water used in excess of 320m3 per annum per separately used or inhabited part of a rating unit per meter connected to the Council water supply shall be charged at \$1.22 m3, or where water is used in excess of 200m3 per day this shall be charged at \$1.43 m3.

Water supply - other

For rating units located within any area shown on the rating maps 2592, 2595, 2589, 2591, 2587 or 2594 that have a non-metered water supply:

- A targeted rate on a uniform basis of \$424.18 for each separately used or inhabited part of a rating unit connected to the Council water supply.
- A targeted rate on a uniform basis of \$212.09 for each separately used or inhabited part of a rating unit that is not connected to Council's water supply being 50% of the standard charge.

For rating units located outside any area shown on the rating maps described above that are serviceable but not connected to a Council water supply:

- A targeted rate on a uniform basis of \$219.02 for each rating unit being 50% of the standard charge.

Rates expected to produce \$3,200,722 GST exclusive from uniform targeted rates, and \$335,625 GST exclusive from charges for water used in excess of allowances.

(Pursuant to Section 16 and Section 19 of the Local Government (Rating) Act 2002)

Wastewater disposal charge

For all rating units located within any area shown on the rating maps 2593, 2588, 2590 or 2586:

Residential use:

- A targeted rate on a uniform basis of \$600.07 on each separately used or inhabited part of a rating unit with a residential use that has a water closet or urinal connected directly or through a private drain to a Council wastewater network.
- Not connected: A targeted rate on a uniform basis of \$300.03 on each separately used or inhabited part of a rating unit with a residential use that is not connected to a Council wastewater network. This is 50% of the standard charge

Schools:

- For land used as a school: A targeted rate on a uniform basis of \$402.05 on each water closet or urinal connected either directly or through a private drain to a Council wastewater network. School has the same meaning as contained in Clause 6 of Schedule 1 of the Local Government (Rating) Act 2002 with the exception that residential accommodation used by a school employee is not included. This is 67% of the standard charge

All other non-residential use:

A targeted rate on a uniform basis on each water closet or urinal connected either directly or through a private drain to a Council wastewater network, as shown below.

In respect of the first five pans and/or urinals within the rating unit, a targeted rate on a uniform basis of \$600.07 per pan. In respect of each pan and/or urinal within the rating unit in excess of five – a targeted rate on a uniform basis of \$480.06 per pan. This is 80% of the standard charge.

Not connected: A targeted rate on a uniform basis of \$300.03 on each separately used or inhabited part of a rating unit that is not connected to a Council wastewater network. This is 50% of the standard charge.

The rate is expected to produce \$5,223,347 GST exclusive.
(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Stormwater charge

For all rating units located within any area shown on the rating maps 321, 319, 320 or 318:

A targeted rate for stormwater disposal of \$0.0002220 per \$ of the Rateable Capital Value. The rate is expected to produce \$663,556 GST exclusive.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Waste collection charge

A targeted rate for waste collection to be charged on a uniform basis at \$175.43 for each separately used or inhabited part of a rating unit provided with a waste collection service. The rate is expected to produce \$1,257,503 (excluding GST).

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

District recycling charge

A targeted rate for district recycling to be charged on a uniform basis at \$44.71 on each separately used or inhabited part of a rating unit in the District.

Rating units with an Improvements Value of \$10,000 or less will have a targeted rate of \$0.00. Improvements value is calculated as the capital value of the rating unit minus the land value of the rating unit.

The rate is expected to produce \$417,464 (excluding GST).

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Putāruru Business Promotions charges

Council rates for the Putāruru business promotions charge in two ways, on capital value and on a uniform charge. Each method collects half the funds required for this activity.

Targeted Rate on Capital Value:

- A targeted rate of \$0.000293 per dollar of the capital value of land on every separate rating unit located within the area shown in the Putāruru business rate area rating map.
- The targeted rate on capital value is expected to produce \$32,415 (excluding GST) for the promotion of the Putāruru business area.
(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Targeted Rate on a Uniform Basis:

- A targeted rate charged on a uniform basis of \$228.69 on every separate rating unit located within the area shown on the Putāruru business rate area rating map.
- Rating units with an improvements value of \$10,000 or less will have a uniform targeted rate of \$0.00. Improvements value is calculated as the capital value of the rating unit minus the land value of the rating unit.
- The targeted rate on a uniform basis is expected to produce \$32,415 (excluding GST) for the promotion of the Putāruru business area.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Tirau Ward charge

A targeted rate charged on a uniform basis at \$41.06 on every separate rating unit within the Tirau ward as defined on SWDC plan 2021. The rate is expected to produce \$35,383 (excluding GST) for the activity of the Tirau Community Board and the provision of CCTV cameras.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Putāruru Ward charge

A targeted rate charged on a uniform basis at \$31.72 on every separate rating unit within the Putāruru ward as defined on SWDC plan 2021. The rate is expected to produce \$73,939 (excluding GST) for Putāruru promotion activities and the provision of CCTV cameras.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Tokoroa Ward charge

A targeted rate charged on a uniform basis at \$6.35 on every separate rating unit within the Tokoroa ward as defined on SWDC plan 2021. The rate is expected to produce \$32,699 (excluding GST) for Tokoroa promotion activities and the provision of CCTV cameras.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002).

Hall charges

A targeted rate on a uniform basis on every separate rating unit within the hall area as defined on the SWDC plan stated. The rates will be used for providing a hall in the respective area.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Hall Rating Area	Uniform Annual Charge GST Incl	Rate Expected to Produce GST Excl	SWDC Plan
Arapuni	\$ 100.57	\$ 14,430	2584
Lichfield	\$ 28.03	\$ 4,582	2584
Puketurua	\$ 83.66	\$ 8,366	2584
Piarere	\$ 14.19	\$ 950	2584
Tapapa-Okoroire	\$ 47.40	\$ 9,357	2584
Upper Atiamuri	\$ 234.12	\$ 6,515	2584
Waotu	\$ 53.23	\$ 5,786	2584

Hall rating

Note that the Plaza in Putāruru and the Tīrau Hall are funded through General Rates and the Uniform Annual General Charge.

Clean Heat

A targeted rate charged on a uniform basis as show in the table below, based on the extent of service provided. The rate is calculated as cents per dollar (a percentage) of the initial cost of providing the service to a property and is charged for 9 years. Different rates apply to a property depending on the rating year in which the clean heat rate starts / started. The rate is expected to produce \$200,000 (excluding GST).

First year rated	Final rating year	Rate: cents per dollar
2022-23	2030-31	12.44248
2021-22	2029-30	12.44248
2020-21	2028-29	12.58110
2019-20	2027-28	12.72321
2018-19	2026-27	12.86891
2017-18	2025-26	13.01825
2016-17	2024-25	13.17134
2015-16	2023-24	13.32829
2014-15	2022-23	13.48921

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

The Clean Heat targeted rate applies to services that have been provided under Councils 'Heat Swap', 'Buy Now Pay Later' and 'Split the Bill' schemes.

Due dates for payment of rates

Instalment No	Period	Invoice Date	Date for last day of payment (before penalties apply)
1	Jul – Sept 2022	1 August 2022	7 September 2022
2	Oct – Dec 2022	1 November 2022	7 December 2022
3	Jan – Mar 2023	1 February 2023	7 March 2023
4	Apr – June 2023	1 May 2023	7 June 2023

Additional charges (penalties)

An additional charge of 10% is to be added to all rates levied in respect of the 2022-23 financial year and which, although due, remain unpaid on the following dates:

Instalment No 1	7 September 2022
Instalment No 2	7 December 2022
Instalment No 3	7 March 2023
Instalment No 4	7 June 2023

A further additional charge of 8% is to be added to all rates levied in any financial year prior to the 2022-2023 financial year and which remain unpaid on 7 December 2022.

A further additional charge of 8% is to be added to all rates levied in any financial year prior to the 2022-2023 financial year and which remain unpaid on 7 June 2023.

(Pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002)

Due dates for payment of invoices for metered water rates

Invoices for rates relating to water consumed in excess of allowances as detailed in section 1.5 Water Supply will be issued separately on 31 August 2022, 30 November 2022, 28 February 2023, and 31 May 2023, with due dates for payment of 20 September 2022, 20 December 2022, 20 March 2023 and 20 June 2023 respectively.

Payment of rates

Rates shall be payable at any of the following locations:

Tokoroa Office, Torphin Crescent, Tokoroa.

Putāruru Office, Overdale Street, Putāruru.

Tīrau Information Centre (The Dog), Main Road, Tīrau

Payment may also be made electronically via the ratepayer's banks Bill Payments system (we are pre-registered with all major banks), or by direct credit to Council's bank: BNZ 02 0464 0103382 00 (ensuring property valuation number or water account number is referenced), or by credit card (Visa or Mastercard), POLi or Real Time Debit via Council's website (www.southwaikato.govt.nz).

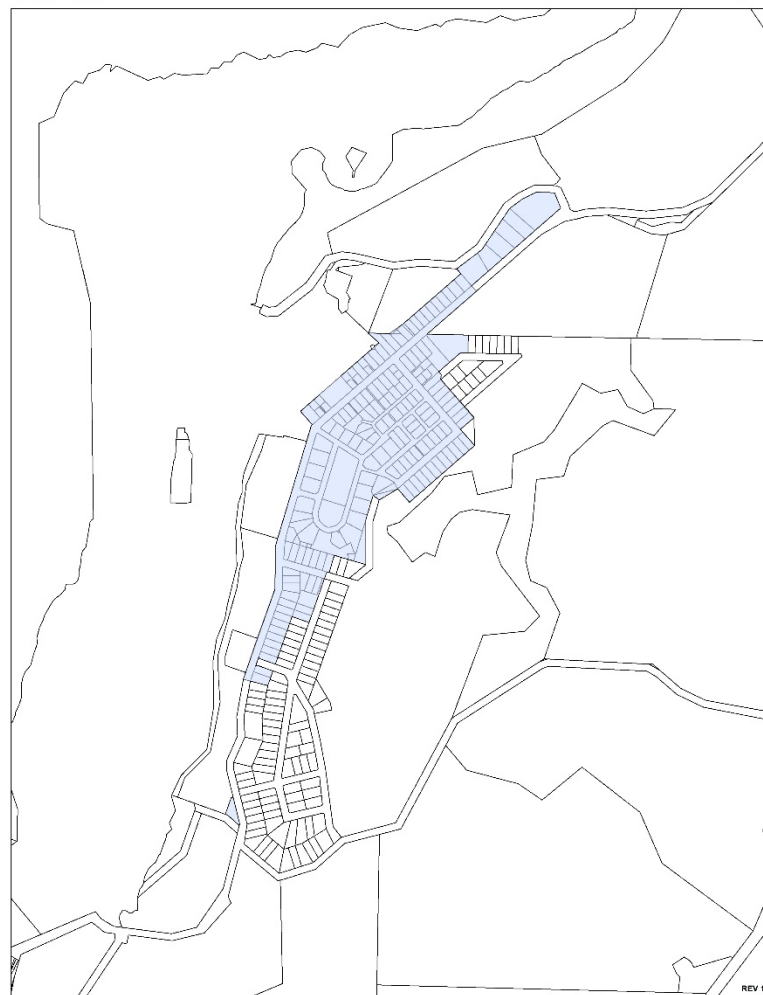


Enjoying South Waikato's walks

Rates examples: Detailed below are rate calculation examples for residential, farm and lifestyle properties. Please note that these are examples only using an average property value. The residential examples assume a property with a single dwelling with all services such as water supply, wastewater and refuse collection. The farm and lifestyle examples assume a property with none of these services with the lifestyle property example assuming one dwelling only.

Rates Examples (GST Inclusive)	Long Term Plan Y1 2021/22	Long Term Plan Y2 2022/23	Long Term Plan Y3 2023/24
Tokoroa Urban Residential			
Average Property Value	\$204,000	\$380,000	\$380,000
Total Annual Rates	\$2,321	\$2,682	\$2,878
Change per week		\$6.94	\$3.77
Putāruru Urban Residential			
Average Property Value	\$304,000	\$475,000	\$475,000
Total Annual Rates	\$2,639	\$2,979	\$3,168
Change per week		\$6.55	\$3.63
Tirau Urban Residential			
Average Property Value	\$381,000	\$555,000	\$555,000
Total Annual Rates	\$2,882	\$3,218	\$3,413
Change per week		\$6.46	\$3.76
Arapuni Urban Residential			
Average Property Value	\$314,000	\$485,000	\$485,000
Total Annual Rates	\$2,776	\$3,108	\$3,312
Change per week		\$6.40	\$3.91
Tokoroa Ward Dairy Farm - two dwellings			
Average Property Value	\$5,525,000	\$4,917,000	\$4,917,000
Total Annual Rates	\$16,471	\$13,775	\$14,262
Change per week		-\$51.84	\$9.36
Putāruru Ward Dairy Farm - two dwellings			
Average Property Value	\$4,179,000	\$3,620,000	\$3,620,000
Total Annual Rates	\$12,722	\$10,373	\$10,717
Change per week		-\$45.18	\$6.62
Tirau Ward Dairy Farm - two dwellings			
Average Property Value	\$4,094,000	\$3,889,000	\$3,889,000
Total Annual Rates	\$12,489	\$11,093	\$11,461
Change per week		-\$26.84	\$7.07
Tokoroa Lifestyle			
Average Property Value	\$526,000	\$730,000	\$730,000
Total Annual Rates	\$2,009	\$2,323	\$2,410
Change per week		\$6.02	\$1.69
Putāruru Lifestyle			
Average Property Value	\$564,000	\$750,000	\$750,000
Total Annual Rates	\$2,123	\$2,401	\$2,472
Change per week		\$5.35	\$1.38
Tirau Lifestyle			
Average Property Value	\$636,000	\$810,000	\$810,000
Total Annual Rates	\$2,327	\$2,569	\$2,644
Change per week		\$4.65	\$1.45

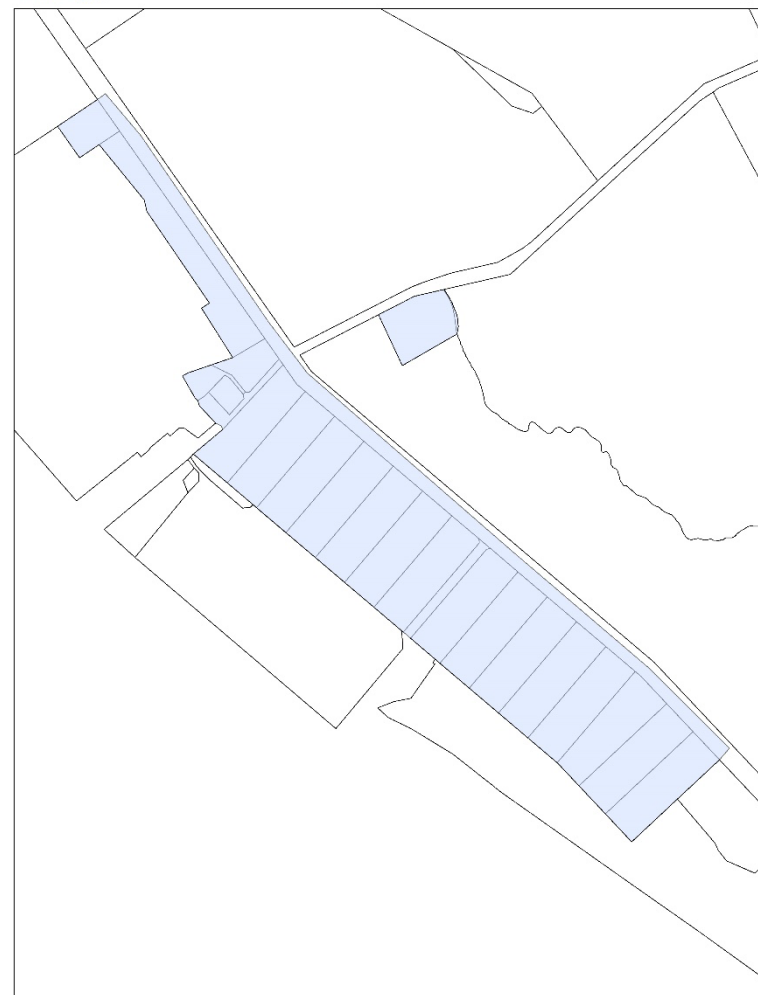
ARAPUNI WATER
RATING AREA 2592



Any dimensions given are inclusive and correct as of Survey Grade Accuracy.
Colors within this map are for illustrative purposes only.
The information is for general information only. It is not intended to be used for legal purposes.
The level of accuracy of the information may vary, contact the South Wairarapa District Council for details.
The South Wairarapa District Council is not responsible for consequences due to misinterpretation of this map.

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metres
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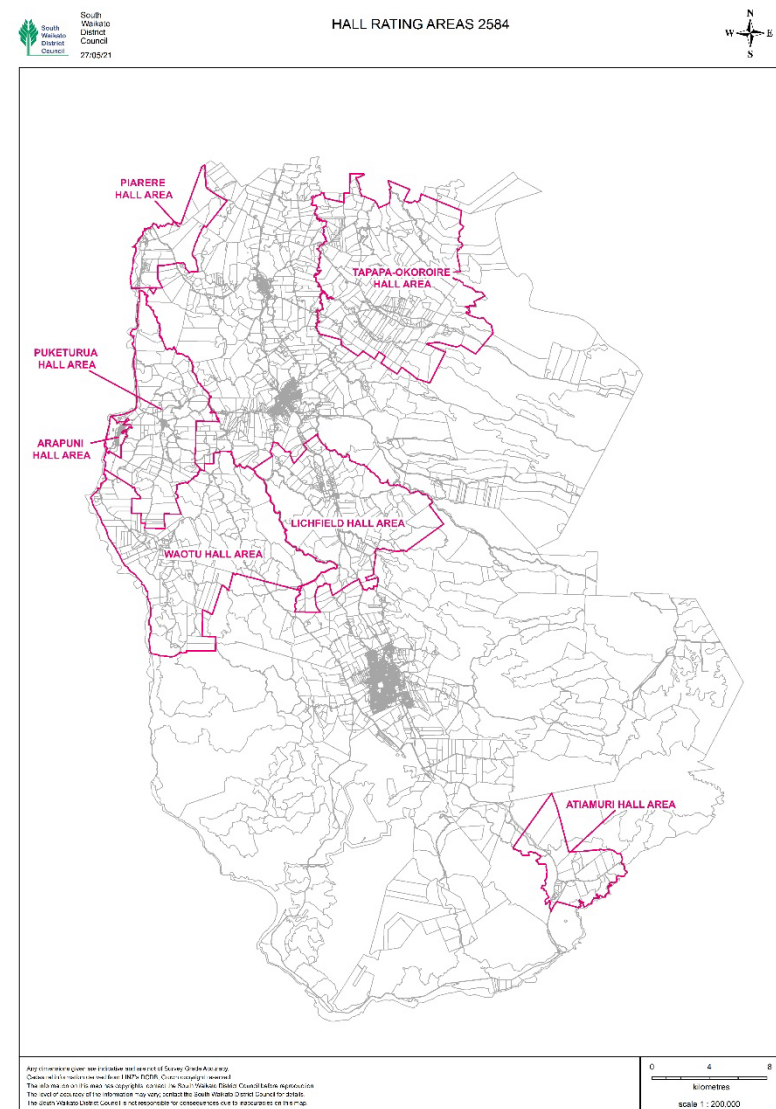
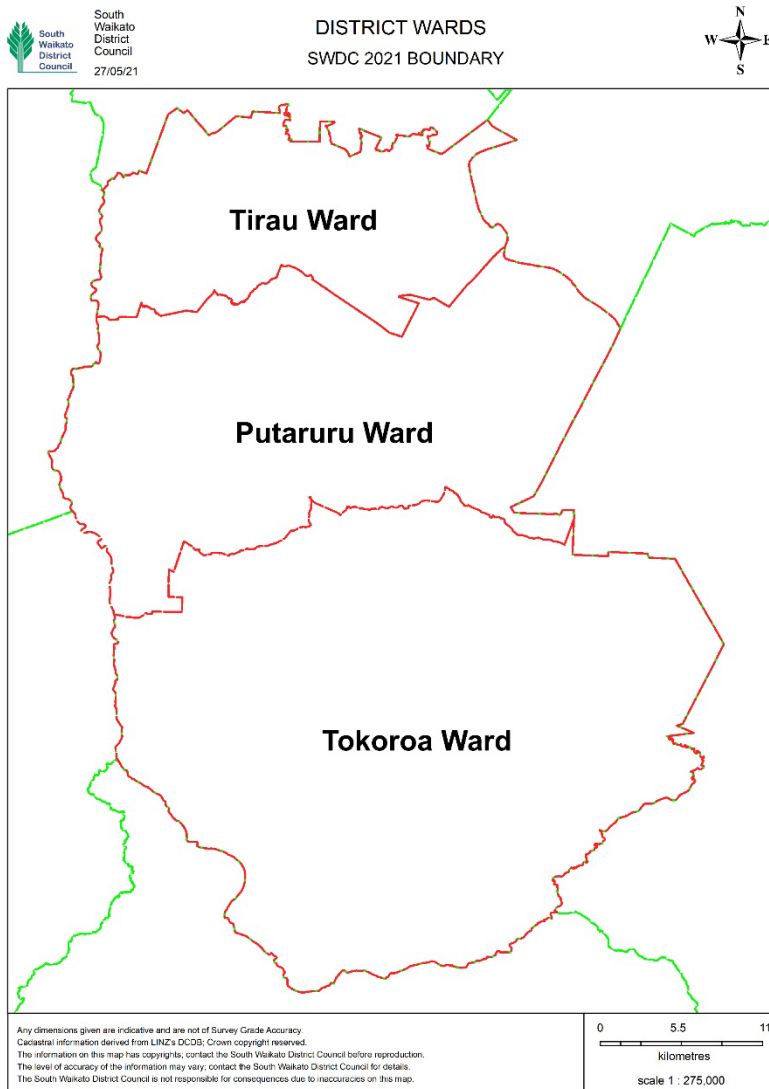
ATHOL WATER
RATING AREA 2594



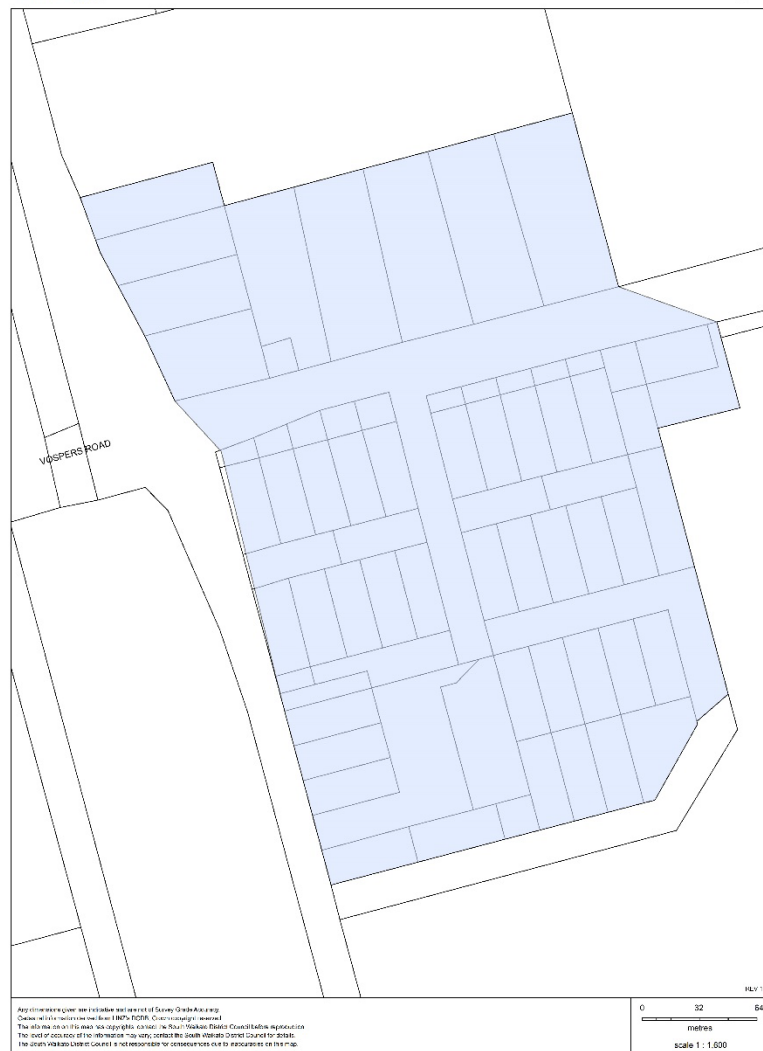
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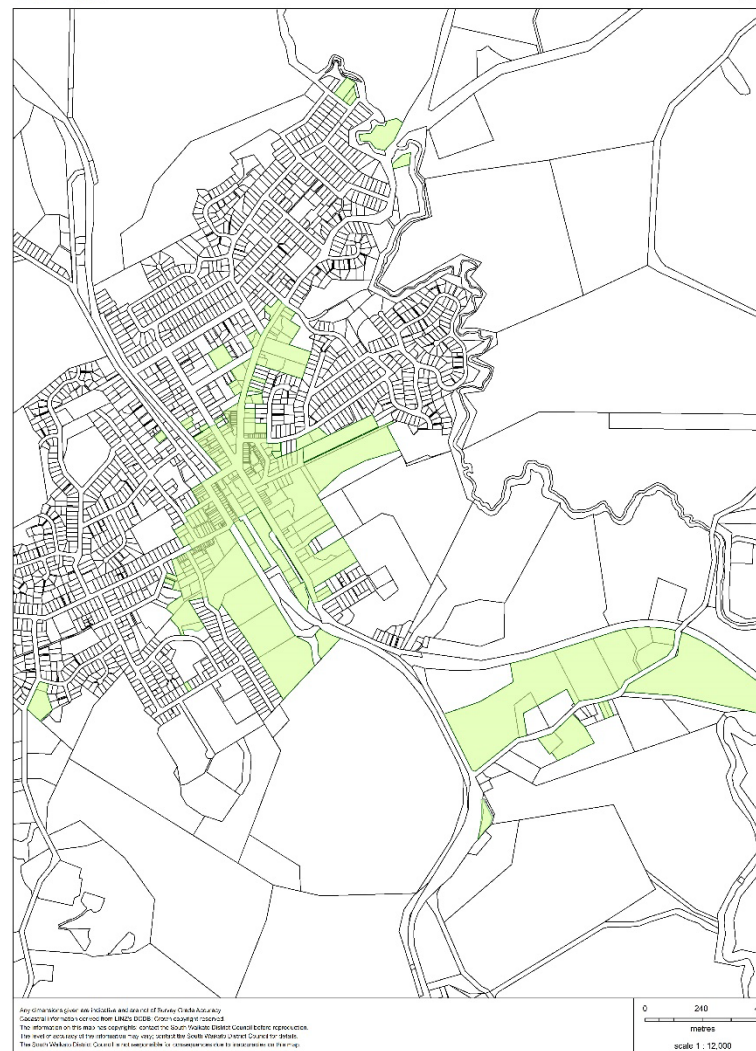




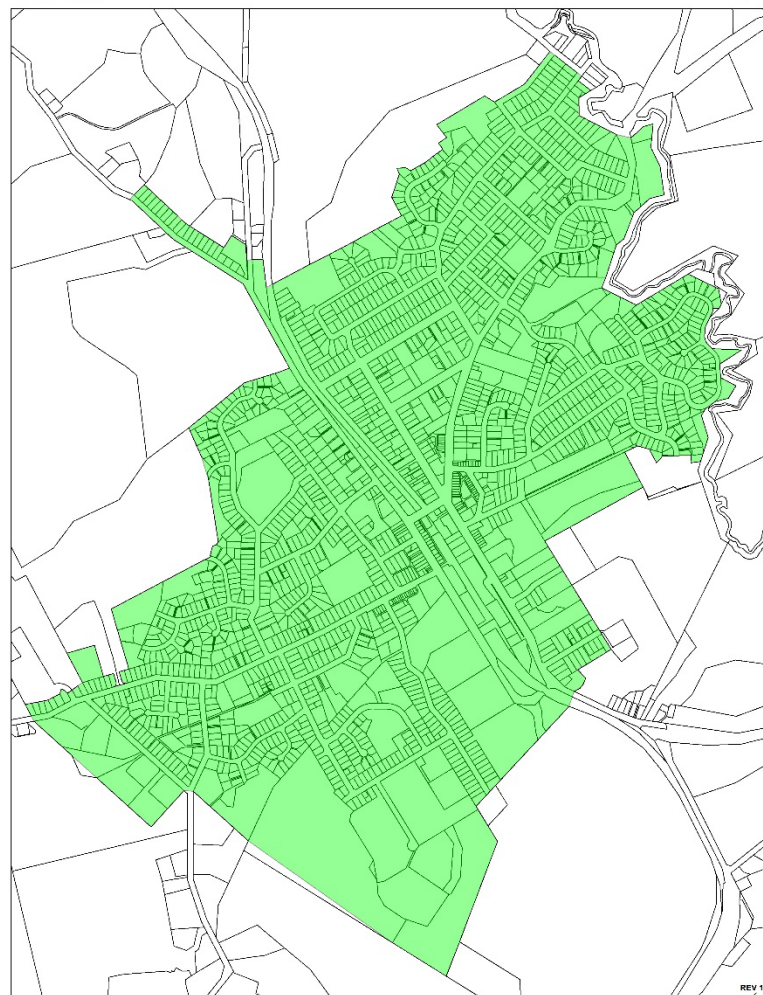
LICHFIELD WATER RATING AREA 2595



PUTARURU BUSINESS RATE AREA



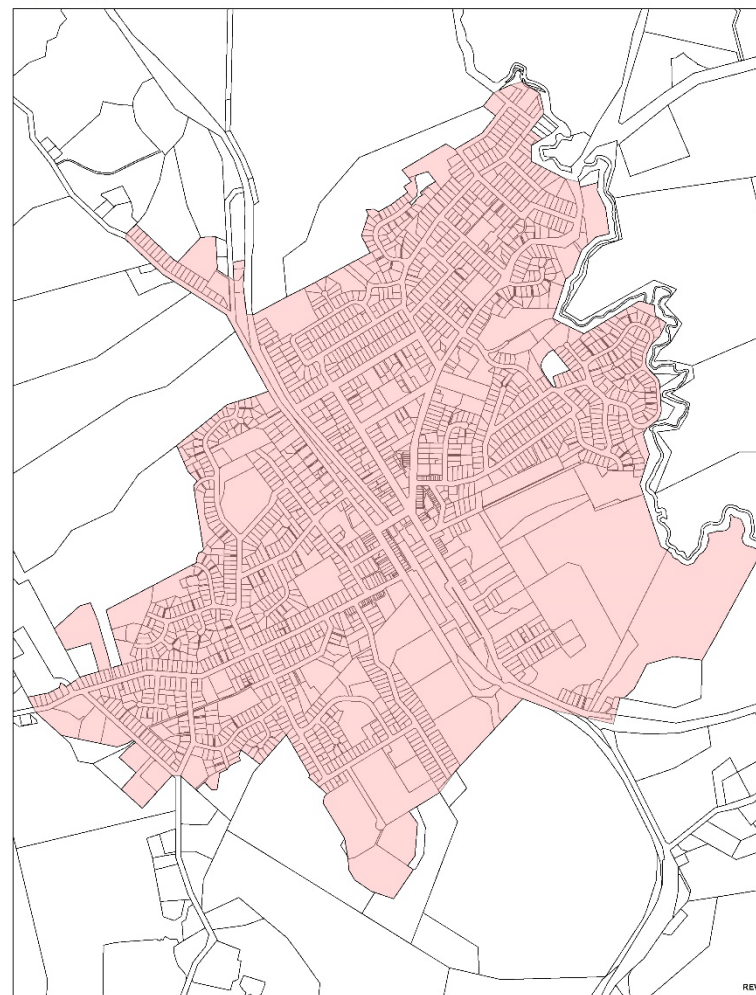
PUTARURU STORMWATER
RATING AREA 319



Any dimensions given are inclusive and correct to Survey Grade Accuracy.
Cross sections shown are based on the latest available data.
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0 200 400
metres
scale 1 : 10,000

PUTARURU WASTEWATER
RATING AREA 2588



Any dimensions given are inclusive and correct to Survey Grade Accuracy.
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The South Waikato District Council is not responsible for consequences due to reliance on this map.

0 220 440
metres
scale 1 : 11,000

PUTARURU WATER **Rating Area 2589**

Print Date: 6/13/2022
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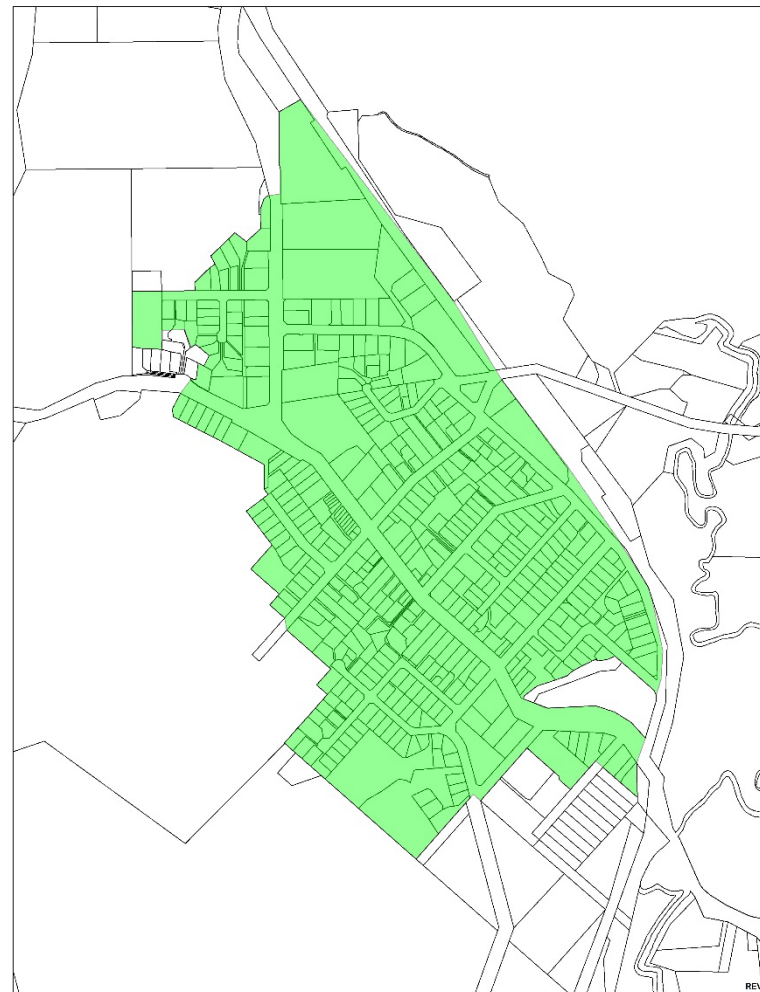
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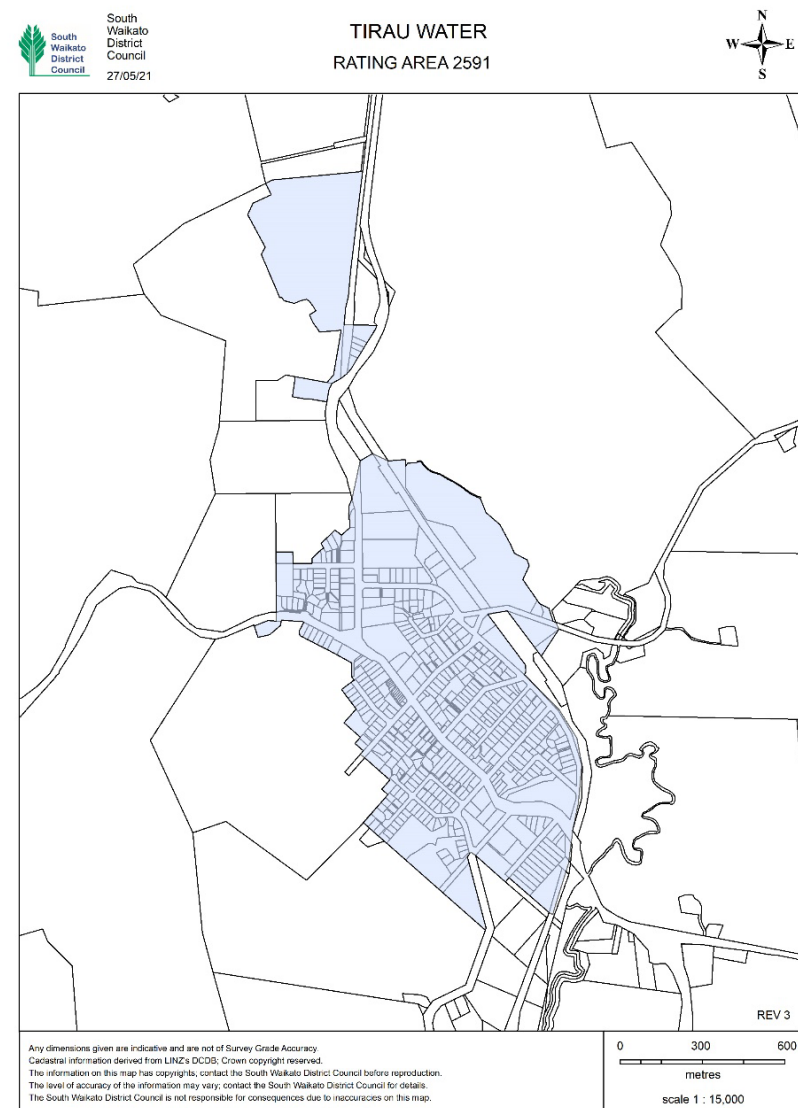
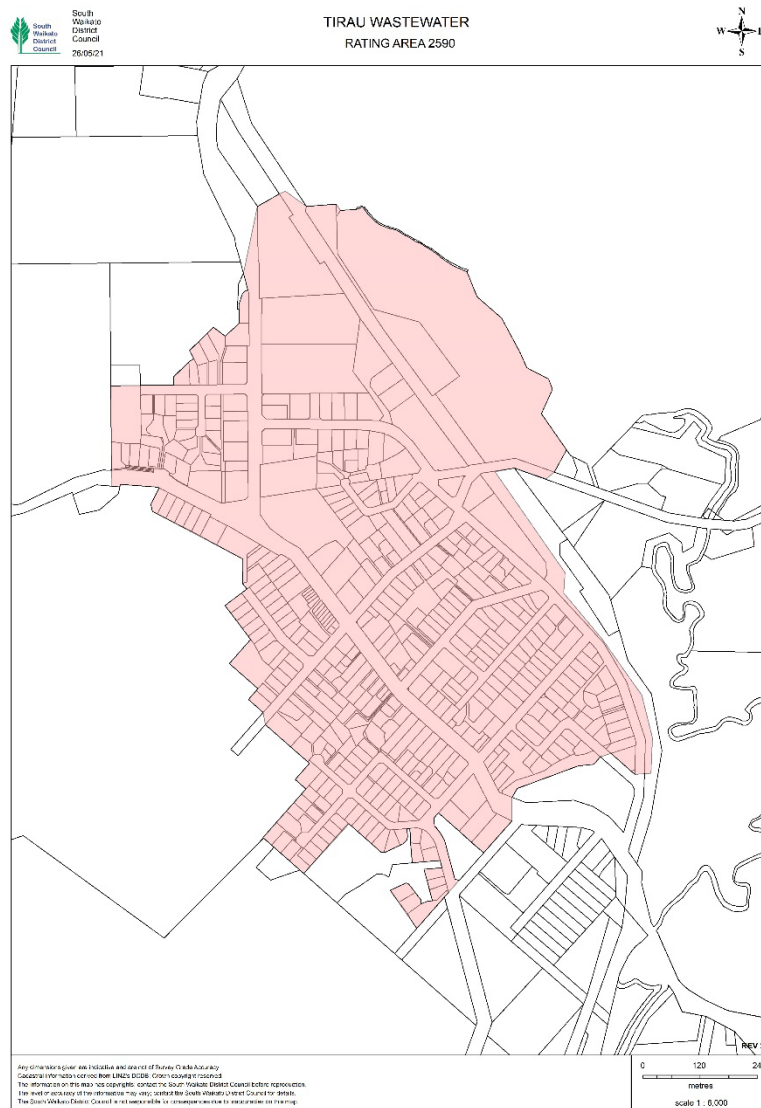


TIRAU STORMWATER **RATING AREA 320**

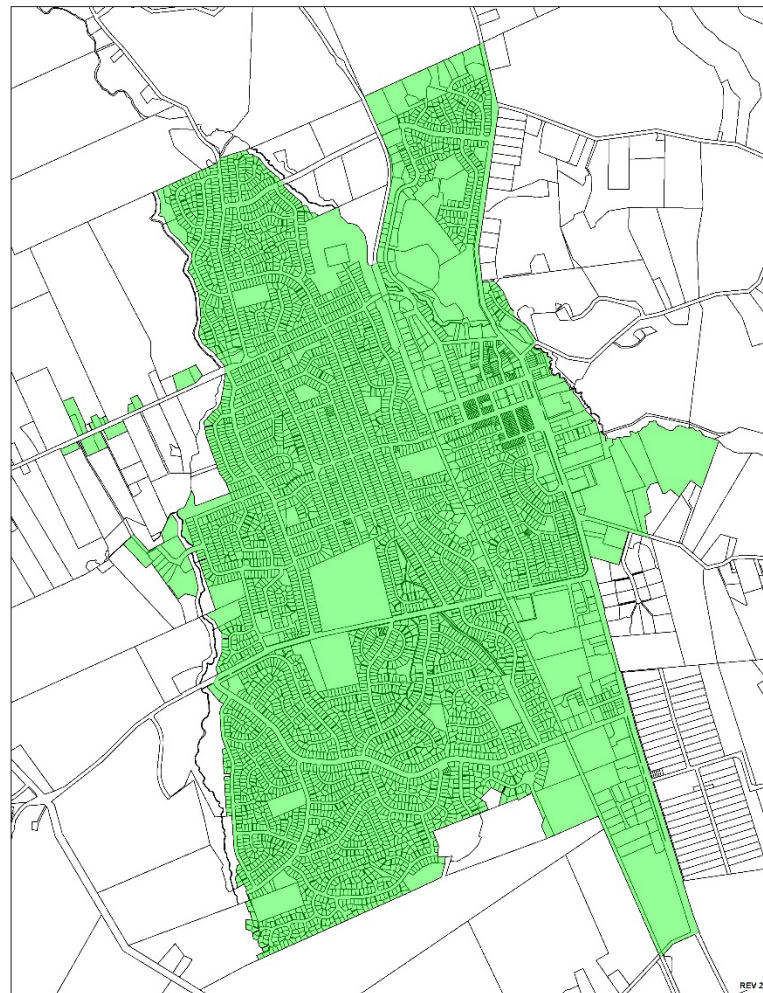


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TOKOROA STORMWATER RATING AREA 318

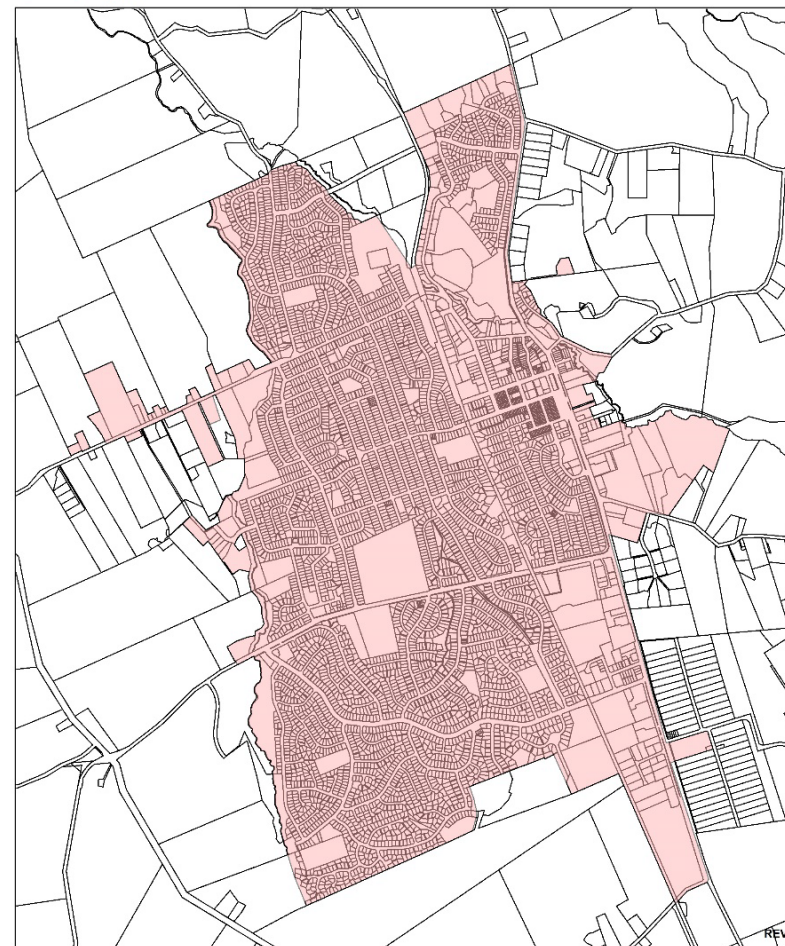


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REV 21

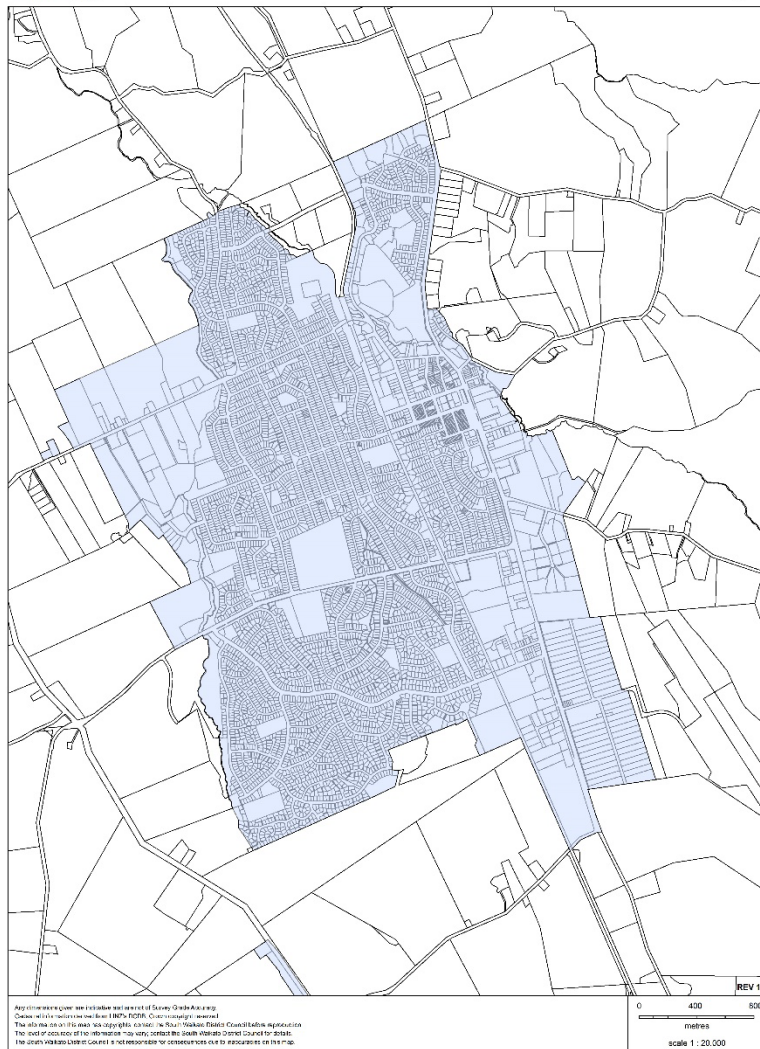
TOKOROA WASTEWATER RATING AREA 2586



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REV4



Financial Prudence Benchmark Disclosure for the Year Ending June 2023.

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 Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. Council is required to include this statement in its Long Term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

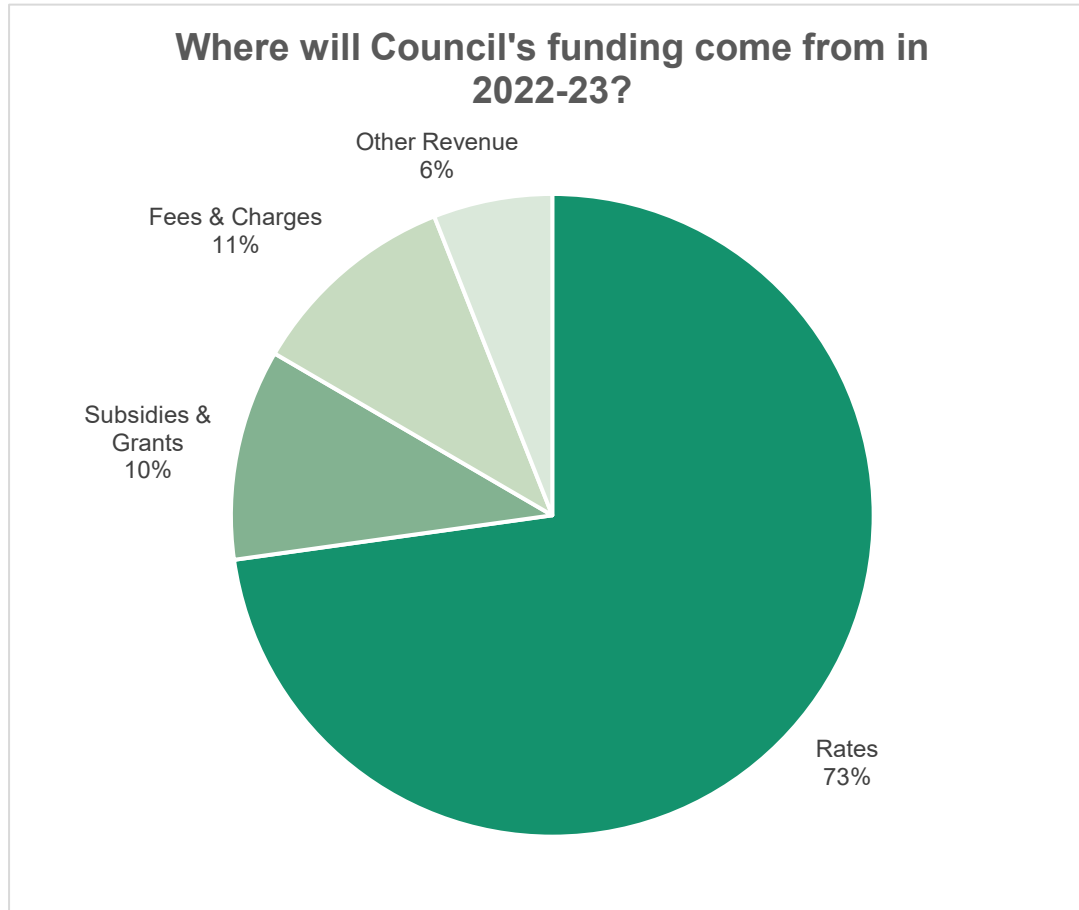
Benchmark	Planned	Met
Rates affordability benchmark		
- income	\$33,473m	Yes
- rates increased	7.60%	Yes
Debt affordability benchmark	\$44,787m	Yes
Balanced budget benchmark	94%	No
Essential services benchmark	112%	Yes
Debt servicing benchmark	7%	Yes

Rates affordability benchmark.

Council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases

Where will Council receive funding from in 2022-23?



Source	Examples
Subsidies and Grants	Council collects from government agencies like the New Zealand Transport Agency for roading projects and maintenance.
Fees and Charges	Council collects from things like pool entry, library charges, dog registrations, building consent fees etc.
Development Contributions	Council charges developers for growth related infrastructure required for new residential and business development.
Other Income	Council receives income from investments as well as a small amount of other income from a number of sources, such as rate penalties.
Rates	Council collects from you via your rates bill.

Forecast Financial Statements and Reserves

Statement of Comprehensive Revenue and Expense as at 30 June

Statement of Comprehensive Revenue and Expense As at 30 June	LTP 2021-22 \$000s	LTP 2022-23 \$000s	AP 2022-23 \$000s
Rates revenue	31,050	33,400	33,473
Development and financial contributions	227	233	227
Subsidies and grants	4,933	5,001	4,879
Fees and Charges	5,265	5,654	4,883
Finance revenue	376	370	370
Other revenue	2,099	2,201	2,155
Total Revenue	43,950	46,859	45,988
	31,051	31,051	
Personnel costs	11,756	11,988	12,476
Finance expenses	531	893	818
Depreciation and Amortisation	8,566	9,743	9,640
Other expenses	23,302	24,737	25,507
	44,155	47,361	48,441
Net Surplus/Deficit	(205)	(502)	(2,453)
Other comprehensive income			
Increase in Asset Revaluation Reserves	5,464	19,558	19,558
Total other comprehensive revenue and expenses	5,464	19,558	19,558
Total Comprehensive Revenue and Expense	5,259	19,056	17,105

Prospective Statement of Cashflows

Prospective Statement of Cash Flows For year ending 30 June	LTP 2021-22 \$000s	LTP 2022-23 \$000s	AP 2022-23 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates	31,050	33,400	33,473
Subsidies and grants	4,933	5,001	4,879
Development and financial contributions	227	233	227
Finance revenue	376	370	370
Fees, charges and other revenue	7,362	7,854	7,038
Finance expenses	(531)	(893)	(818)
Cash disbursed to suppliers and employees	(35,058)	(36,725)	(37,983)
NET CASH FLOWS FROM OPERATING ACTIVITIES	8,359	9,240	7,186
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from investments	693	681	681
Investments purchased/appropriations	0	1	0
Property, plant & equipment acquired	(20,424)	(16,363)	(16,355)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(19,731)	(15,681)	(15,674)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans raised	9,879	7,433	7,697
Loans repaid	(2,026)	(2,489)	(2,393)
NET CASH FLOWS FROM FINANCING ACTIVITIES	7,853	4,944	5,304
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(3,519)	(1,497)	(3,184)
Cash and cash equivalents at 1 July	5,852	2,333	5,986
CASH AND CASH EQUIVALENTS at end of year	2,333	836	2,803

Prospective Statement of Changes in Net Assets/Equity

Prospective Statement of Changes in Net Assets/Equity As at 30 June	LTP 2021-22 \$000s	LTP 2022-23 \$000s	AP 2022-23 \$000s
Equity at beginning of year	473,035	478,294	453,358
Net surplus/(deficit) for the year	5,259	19,056	17,105
Total equity at end of year	478,294	497,350	470,463
Accumulated surplus/(deficit) at beginning of year	173,350	166,791	162,560
Net Surplus/(deficits) for the year	(205)	(502)	(2,453)
Net other movements	(6,354)	2,158	3,865
Accumulated surplus/(deficits) at end of year	166,791	168,447	163,972
Council created reserves at beginning of year	1,088	(42)	1,077
Movements for year	(1,130)	(1,362)	1
Council created reserves at end of year	(42)	(1,404)	1,078
Restricted reserves at beginning of year	16,612	24,096	27,294
Movements for year	7,484	(796)	(3,866)
Restricted reserves at end of year	24,096	23,300	23,428
Revaluation reserves at beginning of year	281,985	287,449	262,427
Revaluation surplus/(deficit)	5,464	19,558	19,558
Revaluation reserves at end of year	287,449	307,007	281,985
Total equity at end of year	478,294	497,350	470,463

Prospective Statement of Financial Position as at 30 June

Prospective Statement of Financial Position As at 30 June For the year ending 30 June	LTP 2021-22 \$000s	LTP 2022-23 \$000s	Annual Plan 2022-23 \$000s
ASSETS			
Current Assets			
Cash + cash equivalents	2,333	836	2,803
Receivables	3,540	3,610	4,540
Inventory	171	171	171
Total current assets	6,044	4,617	7,514
Non current assets			
Property + plant + equipment	499,100	525,807	493,303
Other financial assets-non current	24,920	23,729	22,548
Intangible assets	328	328	328
Total non current assets	524,348	549,864	516,179
TOTAL ASSETS	530,392	554,481	523,693
LIABILITIES			
Current Liabilities:			
Payables and deferred revenue	6,965	7,025	5,965
Employee entitlements - current	859	876	609
Borrowings - current	2,248	2,509	1,904
Provisions	948	958	748
Total current liabilities	11,020	11,368	9,226
Non current liabilities			
Employee entitlements - non current	250	250	248
Provisions - non current	673	675	873
Borrowings - non current	40,155	44,838	42,883
Total non current liabilities	41,078	45,763	44,004
TOTAL LIABILITIES	52,098	57,131	53,230
NET ASSETS	478,294	497,350	470,463
EQUITY			
Accumulated funds	166,791	168,447	163,972
Council created reserves	(42)	(1,404)	1,078
Asset Replacement and Restricted reserves	24,096	23,300	23,428
Asset revaluation reserves	284,033	303,591	278,569
Investment revaluation reserves	3,416	3,416	3,416
TOTAL EQUITY	478,294	497,350	470,463

Funding Impact Statement – Whole of Council

Funding Impact Statement - Whole of Council For the year ended 30 June 2022	LTP 2021-22 \$000s	LTP 2022-23 \$000s	Annual Plan 2022-23 \$000s
SOURCES OF OPERATING FUNDING			
Rates Revenue:			
General Rates, Uniform Annual General Charges, rates penalties	20,720	22,024	22,813
Targeted Rates			
Stormwater	560	673	664
Wastewater	4,385	5,088	5,223
Water Supply (excl water by meter)	3,294	3,460	3,201
Refuse Collection	1,450	1,507	1,427
Public and Community Halls	53	55	50
Tirau Community Board	34	35	35
Business Promotion Tokoroa Ward	8	8	8
Business Promotion Putaruru Ward	84	76	74
Tokoroa CBD	143	135	25
Putaruru CBD	65	66	65
Recycling	615	642	248
Less elimination of internal Council rates	(701)	(719)	(701)
Other Revenue			
Subsidies & grants for operating purposes	3,099	2,970	2,558
Fees, charges & targeted rates for water supply	5,558	5,957	5,179
Interest & dividends from investments	723	711	711
Internal charges & overheads recovered			
Local authorities fuel tax, fines, infringement fees, and other receipts	404	507	494
TOTAL OPERATING FUNDING (A)	40,494	43,195	42,074
APPLICATION OF OPERATING FUNDING			
Payments of staff & suppliers	32,020	33,374	34,746
Finance Costs	531	893	818
Internal charges & overheads applied			
Other operating funding applications (Net of Rates on Council Property)	1,508	1,684	1,605
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	34,059	35,951	37,169
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	6,435	7,244	4,905
SOURCES OF CAPITAL FUNDING			
Subsidies & grants for capital expenditure	1,654	1,755	2,052
Development & financial contributions	227	233	227
Increase (decrease) in debt	7,853	4,943	5,305
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	9,734	6,931	7,584
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	5,019	3,377	2,931
- to improve the level of services	6,937	5,680	6,335
- to replace existing assets	8,468	7,305	7,089
Increase (decrease) in reserves	(4,255)	(2,187)	(3,866)
Increase (decrease) in investments	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	16,169	14,175	12,489
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(6,435)	(7,244)	(4,905)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

Statement of accounting policies | Te tauàkì ò ngà kaupapa here

Reporting entity

The South Waikato District Council (Council) is a territorial authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The primary objective of Council is to provide services and social benefits to the community rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity for the purposes of financial reporting.

Basis of preparation

Statement of compliance

The prospective financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared in accordance with NZ GAAP and they comply with Tier 1 Public Benefit Entity (PBE) Standards.

Measurement base

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

Functional and presentation currency

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

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

Changes in accounting policies

There have been no changes in accounting policies.

Significant accounting policies

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Council and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services in the normal course of business, net of discounts and sales related taxes. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from non-exchange transactions

Rates

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable. Rates charged to Council properties are excluded from rates income in the profit or loss.

Water rates

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Government grants

Government grants are recognised when:

- claimed, for work completed on previously approved programmes
- eligibility has been established by the grantor.

Council receives government grants from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. These subsidies are recognised upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Provision of services

Revenue from the provision of services (fees and charges) are recognised as income when the obligation to pay, by reference to the stage of completion of the transaction at balance date, arises.

Interest and dividends

Interest income is recognised as it accrues using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial instrument.

Dividends are recognised as revenue when the right to receive payment have been established.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested in the Council are recognised as income when control over the asset is obtained.

Financial contributions borrowing costs

Financial contributions are recognised as revenue when the Council provides, or is able to provide, the services for which the contribution was charged. Otherwise, the financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

All 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 the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Cost allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information. Direct costs are those costs directly attributable to a specific activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Cost drivers for allocation of indirect costs

The cost of internal services not directly charged to activities are allocated as support costs using appropriate cost drivers such as actual usage, staff numbers and floor area.

Current assets held for sale

Current assets are classified as held for sale if the carrying amount will be recovered through a sale rather than continuing use. This condition is met only when the sale is highly probable, and the asset is available for sale in its present condition. Council must be committed to the sale, and a completed sale is expected within one year from the date of classification. Current assets classified as held for sale are measured at the lower of the asset's carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in profit or loss.

Any increase in fair value, less costs to sell, are recognised in profit or loss up to the level of any impairment losses that have been previously recognised.

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

Property, plant, and equipment

Critical accounting estimates and assumptions

Operational assets

These are tangible assets and include land, buildings and improvements, motor vehicles, the South Waikato Indoor Pools and associated equipment, and the library collection.

Infrastructural assets

These are fixed utility systems that provide a continuing service to the community and are not generally regarded as tradeable. They include:

- all property, plant and equipment associated with water supply, wastewater, storm water and waste disposal, including the land that they are located upon
- all roads, service lanes, footpaths, streetlights, car parks and associated street furniture
- all public toilets and restrooms, public halls, and the land they are situated on.
-

Restricted assets

These assets cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community. They include:

- all property (excluding South Waikato Indoor Pools) associated with recreation, scenic, historic purposes, esplanade, and local purpose reserves, including the reserve land
- all cemeteries
- all land contained within road reserves.

Measurement at recognition

All items of property, plant and equipment that qualify for recognition as assets are initially measured at cost. An item of property, plant and equipment is recognised as an asset only if it is probable that any future economic benefits or service potential associated with them will flow to Council and the cost of the item can be measured reliably. 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.

Measurement after recognition

Property, plant, and equipment are shown at cost or revalued amount, less accumulated depreciation, and impairment losses. Those asset classes that are revalued are generally valued on a three-year rotational basis to ensure revalued assets are carried at a value that is not materially different from fair value. All revaluations are either performed by independent and qualified valuers or in-house and peer-reviewed by independent and qualified valuers. All other asset classes are carried at depreciated historical cost.

Library collection

Valuation is at cost less accumulated depreciation and any accumulated impairment losses.

Motor vehicles, plant and equipment, furniture, and fittings

Valuation is at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings

Land and buildings including land underneath roads were revalued effective 30 June 2021 by Telfer Young, Registered Valuers and Property Consultants, Rotorua, at current market value.

Land

Land has been valued based on its current zoning, making allowance for any recent changes and designations effective from the new Operative Plan which took over in 2015. Comparable sales have been analysed from a wide range of land sales and applied dependent on the location, use and zoning of the property. Adjustments have been made for contour, size, and other factors.

Where a property is designated, adjustment for the lifting of the designation has been made.

Where a property is zoned Reserve, these assets have been valued on an underlying zoning basis. From this has been deducted the base valued as Rural, and to the difference applied, a change of change which is added back to the base value to arrive at the Reserve value. This is the normally accepted method for the valuation of Reserve land.

Specialised Buildings

Where there is no reliable market data available for such specialised buildings, the valuations have been prepared on a Depreciated Replacement Cost Approach. The replacement cost of the assets is adjusted, where required, for optimisation due to over-design or surplus capacity. The replacement cost is derived from analysis of costing information held on the valuer's files, costing information derived from the marketplace, and costing information provided by Quantity Surveyors and other building experts. Construction costs vary dramatically dependent on the building.

Non-Specialised Buildings

Non-specialised buildings are those where there are known and active markets e.g., residential houses, office buildings, industrial workshops, warehouses, and residential flats. These have been valued at fair value using market-based sales evidence.

Parks and Reserves

Parks and reserves assets were revalued effective 30 June 2021 at depreciated replacement value. The revaluation was undertaken using an external consultant, Robert Berghuis, Senior Valuer from Beca Projects NZ Limited. The external consultant has an extensive knowledge base and background in parks and reserves asset management.

The external consultant reviewed the useful lives and replacement cost unit values on Council's fixed assets register. The replacement cost unit values were updated to current market values by using either:

- available current contract-supplier unit rates for equivalent asset types (giving the highest level of confidence) or
- the 2018 asset values/purchase cost adjusted for industry-specific inflation indices to represent estimated replacement costs for modern equivalent asset (MEA) components as at 30 June 2021 (giving a high level of confidence).

As part of the revaluation process, where assets that continue to be in commission are found to have a remaining life of nil (on Council's fixed assets register), an adjusted remaining useful life of 2.5% of the original base life has been made.

Land under roads

The valuation methodology used for land underneath roads is the assessment of the value based upon an indicated value of the land adjoining the roads. Rural and urban roads have been separated and the average land value for adjoining land for each separate division applies. In some cases, a discount has been applied to the land value.

Landfill

Landfill cell development, pipes and pumps are valued at cost less accumulated depreciation and any impairment costs.

Street furniture

Street furniture is valued at cost less accumulated depreciation and any impairment costs.

Roads, footpaths, streetlights, large culverts, and bridges

Roads, footpaths, streetlights, large culverts, and bridges were revalued effective 30 June 2020 by professionally qualified appointed RATA specialist Cameron Senior, and peer reviewed by WSP New Zealand Limited, Auckland at optimised depreciated replacement value. Each asset component was valued considering its remaining useful life.

The valuation was performed in accordance with the International Accountancy Standard (IAS 16) modified to New Zealand requirements (IPSAS 17), and with New Zealand Local Authority Asset Management Practice, New Zealand Infrastructure Asset Management Manual (NZIAMM) and Valuations/Depreciation Guidelines. The RAMM valuation module has been used to complete the valuation.

The SWDC transport assets as at 2020 have been valued on a replacement cost basis in accordance with accepted New Zealand accounting practices. Replacement cost is the cost of building the existing infrastructure using present day technology, but maintaining the originally designed level of service, assuming current technology ensures that no value results from the additional cost of outdated and expensive methods of construction. Maintaining the original level of service ensures that the existing asset with all its faults is valued, not the currently desirable alternative.

Replacement cost was calculated by multiplying asset quantities by unit cost rates factored to allow for other direct costs such as professional fees. Unit rates are obtained from a variety of sources, including the following:

- Recent maintenance contracts for SWDC
- Recent capital works undertaken for SWDC

Costs have been used which reflect the increased difficulties and constraints of undertaking construction, maintenance, and renewal work simultaneously with continued operation of the infrastructure networks. Operational constraints include access, delivery, safety, security, material handling and storage, traffic control and hours available for construction work.

The unit cost rates used for valuing the SWDC assets reflect an average cost rate for local construction.

Paper roads with a total length of 151.378km are recorded at land value.

Wastewater, stormwater, and water

Wastewater, stormwater disposal and water supply property, plant and equipment were revalued on 30 June 2019 by professionally qualified in-house staff, and peer reviewed by Beca Projects NZ Limited at optimised depreciated replacement value.

The underground reticulation pipework was also revalued on 30 June 2019 by professionally qualified in-house staff, and peer reviewed by Beca Projects NZ Limited, at optimised depreciated replacement value.

These assets have been valued by the Optimised Depreciated Replacement Cost approach reflecting factors such as technical obsolescence, over engineering and surplus capacity where these have been specifically identified by the asset manager. Assets that have reached the end of their base life (design life) have been inspected, a condition-based assessment carried out and a decision to replace an asset or defer replacement made based on the condition assessment. Allowance has been made for the costs of bringing the asset into working condition for its intended use and these costs include engineering fees and resource consent costs.

These assets were revalued in the Assetfinda database using replacement unit costs based on actual costs from recent contracts and where required applied an inflation adjustment.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined, then all capitalised costs are written off.

Accounting for revaluations

Council accounts for revaluations on property, plant, and equipment on a class of asset basis.

The results of revaluing are recognised in other comprehensive income and accumulated as a separate component of equity in the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed through profit or loss. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in profit or loss will be recognised first in profit or loss up to the amount previously expensed and then credited to other comprehensive income.

Depreciation

Property, plant, and equipment are depreciated on a straight-line basis at rates that reflect their estimated useful lives.

Depreciation is charged to write off the cost or valuation of assets, other than land and properties under construction and road formation cost, over their estimated useful lives. The depreciation rates are applied at a component level and are dependent on the remaining useful life of each component. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Operational and restricted assets

Heritage assets	Not depreciated
Land	Not depreciated
Buildings	40 - 100 years
Plant and equipment	5 - 30 years
Swimming pools	40 - 100 years
Motor vehicles	5 years
Computer equipment and furniture	3 - 10 years
Library equipment	5 - 10 years

Infrastructural assets

Roading Network

Top surface - rural	1 - 18 years
Top surface – urban	1 – 22 years
Pavement – rural	40 - 70 years
Pavement - urban	40 - 99 years
Culverts	25 - 80 years
Footpaths	10 - 80 years
Kerbs	80 years
Signs	6- 9 years
Streetlights and poles	25 - 70 years
Bridges	78 - 118 years
Land (including land under roads)	Not depreciated

Waste

Landfills, pipes, and pumps	7 - 100 years
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Wastewater Systems

Manholes	80 years
Treatment plant	5 - 80 years

Stormwater Systems

Reticulated pipework	50 - 90 years
Manholes and cesspits	90 years
Detention dams	60 years

Water Supply

Reticulated pipework	55 - 95 years
Valves and hydrants	80 years
Pump stations	Up to 100 years (dependent on componentry)
Storage tanks	25 - 80 years
Infrastructural buildings	40 - 100 years
Street furniture	3 - 10 years

Impairment

All assets, current and non-current, are tested annually for indicators of impairment or whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised in other comprehensive income. Where that results in a debit balance in other comprehensive income, the balance is recognised in profit or loss.

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

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for the class of asset was previously recognised in profit or loss, a reversal of the impairment loss is also recognised in profit or loss.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in profit or loss.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in profit or loss. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to general equity.

Subsequent cost

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 Council and the cost can be measured reliably.

Assets under construction

Capital works under construction are valued at cost. The total cost of the project is transferred to the relevant asset class on its completion and then depreciated.

Vested assets

Certain infrastructure assets have been vested in Council and are recognised in profit or loss at fair value. These assets have been valued based on the actual quantities of infrastructure components vested and the current 'in the ground' cost of providing identical services. On initial recognition the fair value of vested assets is recognised in profit or loss. Subsequent to these vested assets are revalued together with other property, plant and equipment, and surpluses or deficits arising on revaluation are treated in the same way as other property, plant, and equipment.

Rental property

Rental property is included in property, plant, and equipment in accordance with PBE IPSAS, as the rental property is held to provide a social service rather than for rental income, capital appreciation or both.

Intangible assets

Computer software

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

Carbon credits

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

Easements

No value is attached to easements due to the difficulty in establishing their original cost or fair value.

Amortisation of intangible assets

The carrying amount 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 follows:

Computer software	3 – 7 years
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Financial instruments

Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are initially measured at fair value plus transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at fair value. Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value

Financial assets in this category are either financial assets held for trading or financial assets designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future or,
- it is a part of an identified portfolio of financial instruments that the Council manages together and has a recent actual pattern of short-term profit-taking or,
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss includes any dividend or interest earned on the financial asset.

These consist of forward foreign exchange contracts that are assets. Council uses these derivative financial instruments to hedge exposure to foreign exchange fluctuations. However, as permitted by PBE IPSAS 29, Council does not employ hedge accounting techniques in its accounting for derivative financial instruments. After initial measurement these assets are measured at fair value. Any gain or loss arising from a change in the fair value is recognised in profit or loss. Council does not currently hold any of these investments.

Financial assets at fair value through profit or loss

These consist of forward foreign exchange contracts that are assets. Council uses these derivative financial instruments to hedge exposure to foreign exchange fluctuations. However, as permitted by PBE IPSAS 29, Council does not employ hedge accounting techniques in its accounting for derivative financial instruments. After initial measurement these assets are measured at fair value. Any gain or loss arising from a change in the fair value is recognised in profit or loss.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that Council's management has the positive intention and ability to hold to maturity. These investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective interest basis. Currently Council does not hold any assets in this category.

Loans and receivables Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Loans and receivables are classified as trade and other receivables in the balance sheet and include rates receivable, accrued income and New Zealand Transport Agency subsidies receivable.

Available for sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments, or financial assets at fair value through profit or loss. Certain shares held by Council are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 13. Gains and losses arising from changes in fair value are recognised directly in the investment revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the Investment revaluation reserve is included in profit or loss for the period.

Dividends on available-for-sale equity instruments are recognised separately in profit or loss in the statement of comprehensive income when Council's right to receive payment is established.

These include bonds and shares, the investment in Waikato Local Authority Shared Services Limited and Local Government Civic Assurance. If these assets are traded in an active market, they are measured at their fair value using quoted market prices at the balance sheet date. The quoted market price used is the current bid price. If the financial assets are not traded in an active market, their fair value is determined using valuation techniques. Council uses a variety of valuation methods and makes assumptions based on market conditions existing at each balance date. Of the remaining financial assets, if quoted market prices of similar financial assets in the market are not available, other techniques such as discounted expected cash flows are utilized to determine their fair value, or otherwise cost is used.

Impairment of financial assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the profit or loss.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as available for sale and financial lease receivables, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty or
- Default or delinquency in interest or principal payments.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

Financial liabilities including debt instruments issued by Council are classified according to the substance of the contractual arrangements entered into.

The accounting policies adopted for specific financial liabilities are as follows:

- **Bank borrowings**

Interest bearing bank loans are initially measured at fair value net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

- **Debt instruments**

Council issues bonds from time to time to raise funds. These are initially measured at fair value net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

- **Trade payables**

Trade payables are initially measured at fair value and are subsequently measured at amortised cost.

Derivative financial instruments

These are mainly forward foreign exchange contracts. These are initially measured at fair value on the contract date and are re-measured to fair value at subsequent reporting dates. Any gain or loss is recognised in profit or loss immediately.

Council activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. Council uses derivative financial instruments (primarily foreign currency forward contracts) to mitigate its risks associated with foreign currency fluctuations which relate to certain firm commitments and forecasted transactions. The significant interest rate risk arises from bank loans.

The use of financial derivatives is governed by Council's policies as approved by Council resolution, and which provide written principles on the use of financial derivatives consistent with Council's risk management strategy. Council does not use derivative financial instruments for speculative purposes.

Investments in Council controlled organisations

Council has an interest (2.7%) in a Council Controlled Organisation (CCO), Waikato Local Authority Shared Services Limited. Council has no significant influence on operational or financial policies.

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

Inventories

Inventories held for distribution or consumption in the provision of services are measured at the lower cost or current replacement cost. The cost to these inventories is assigned by using the weighted average cost formula. The write down from cost to current replacement cost is recognised in profit or loss.

Foreign currencies

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transaction.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the re-translation of non-monetary items in respect of which gains, and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to the Inland Revenue (IRD) is included as part of receivables or payables in the Balance Sheet. The net amount of GST paid or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flow. Commitments and contingencies are disclosed exclusive of GST.

Employee benefits

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

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

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

Long Term entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on actuarial basis using the service of professional actuaries. The actuarial calculations are based on an assumed salary increase of 2% (2020: 3.5%) per annum and a discount rate between 0.38% and 4.30% (2020: 0.22% - 4.30%) per annum. The discount rate is derived from the forward rates on NZ

Government Bonds over recent periods. It's also assumed that all employees will retire at the age of 65 and will resign in accordance with the withdrawal rate assumption taken from the Treasury Circular 1998/15. Any actuarial gain or loss resulting from re-measurement of these liabilities is recognised in profit or loss.

Employees appointed to the staff prior to 31 December 1989 who retire from Council with not less than ten years continuous service are eligible for retirement leave. Employees appointed to the staff prior to 1 April 1992 are eligible for long service leave unless excluded under individual employment contracts.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave and non-vested long service leave, and retirement gratuities 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 scheme

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in profit or loss.

Public equity.

Public equity is the community's interest in the Council, as measured by the value of total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specific uses Council makes of its accumulated surpluses. The components of equity are:

- general equity (retained earnings)
- restricted reserves
- Council-created reserves
- property revaluation reserves
- investment revaluation reserves.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned.

General equity (retained earnings)

General equity refers to reserves that do not fall into any of the four categories below.

Restricted reserves.

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specific purposes or if certain specified conditions are met. The reserves represent balances held from the collection of targeted rates and charges on activities that are funded from targeted rating or those same activities funding depreciation.

Council created reserves

Council-created reserves are a part of the accumulated balance and are established at the will of Council. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Property revaluation reserves

Revaluation reserves arise from certain asset classes being revalued.

Investment revaluation reserve

The investment revaluation reserve contains cumulative unrealised gains and losses in investments classified as 'available for sale' in accordance with PBE IPSAS 29.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases.

Council as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Council as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Provisions.

Council recognises a provision for future expenditure of uncertain amount when there is a present obligation (legal or constructive) as a result of a past event, it is probable that expenditures 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 the time at 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.

Landfill closure and post-closure provision

Council, as operator of the Tokoroa landfill, has a legal obligation under its resource consent, to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for closure and post-closure costs is recognised as a liability when the obligation for closure and post-closure expenses arises.

A calculation of these future costs has been discounted and 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 Council. Amounts provided for landfill closure and post-closure are capitalised in the landfill asset where they give rise to future economic benefit to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

Assumptions about the future have been made in the calculation of the landfill closure and post closure cost provisions. These are disclosed in the notes to the financial report.

Financial guarantee contracts

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

Financial guarantee contracts are disclosed as contingent liabilities. The amount of these contingent liabilities is equal to the loan balances guaranteed.

Critical judgements and estimations

The preparation of financial statements in conformance with PBE IPSAS requires judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenditures.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revisions affect both current and future periods.

Management has made the following judgments and estimations that have the most significant effect on the amounts recognised in the financial statements:

Property, plant, and equipment

As the Council is a Public Benefit Entity, property plant and equipment are valued at depreciated replacement cost that is based on an estimate of either fair value or current gross replacement costs of improvement less allowances for physical deterioration and optimisation for obsolescence and relevant surplus capacity. There are certain assets such as wastewater or stormwater related assets which may be affected by changes in the measurement of qualitative standards which could affect the results of future periods.

The depreciation method used reflects the service potential of assets and is reviewed each year to ensure that there is no under maintenance of assets which could affect the results of future periods.

Classification of investments

Council has designated all its bond investments as 'available for sale', rather than 'held to maturity', although they all have specific maturity dates. This was due to significant disposals within this class of financial asset before maturity in previous financial years. Therefore, unrealised gains and losses on these investments are recognised as a movement in other comprehensive income. The carrying amount of the available for sale financial assets is disclosed in the notes to the financial report.

Long service leave provisions

Key assumptions concerning the future have been made in the actuarial calculation of long service leave and retiring leave. These are disclosed in the notes the financial report