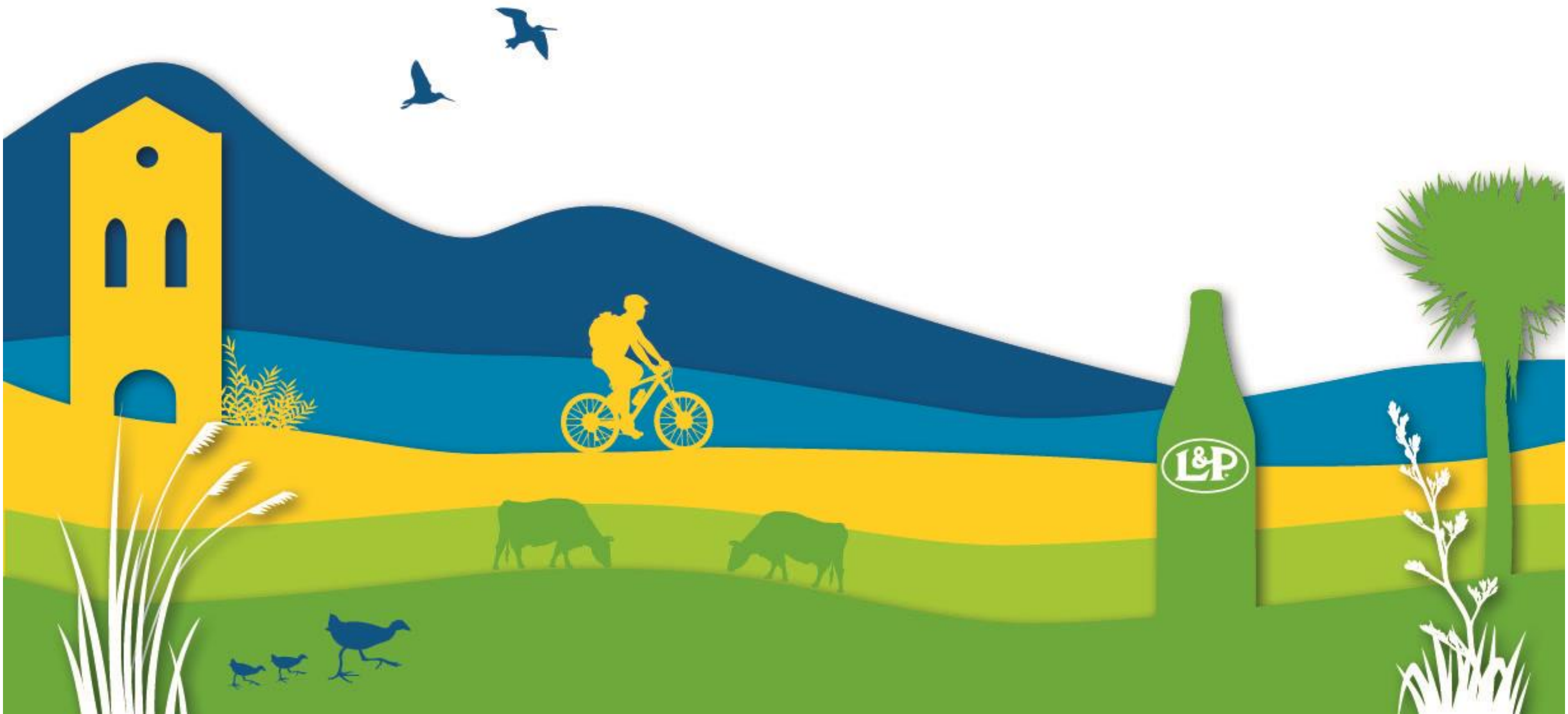
HAURAKI
DISTRICT COUNCIL

Our 2023/24 Annual Plan



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The year ahead

A message from the Mayor

As we looked ahead when we were working on the Annual Plan, we took time to reflect on the year that was. COVID-19 the pandemic that changed the way we work, Cyclone Gabrielle and the other weather events that have us looking deeper into what climate change means for our communities and our infrastructure.

As a District we came through those events without widespread damage, and our sympathies are with the communities around New Zealand that experienced devastating impacts of the weather this summer.

Locally and nationally we are seeing rising costs due to supply and demand issues and increasing inflation. Despite this, we continue to grow and be innovative in how we do business.

In the annual plan process we check the budgets to see what has changed from what we forecast in the last plan. Unfortunately this time our budgets have to take into consideration higher inflation and supply issues leading to increased costs.

We have tried to keep costs as low as we can without impacting our core services. We are proud that we are able to keep the rates rise under inflation without going backwards. We are forecasting an average per property increase for non-water rates of 6.8% in 2023/24 and for water, that average increase will be 8.9%.

Please take the time to read the summary of changes and please reach out to us if you have any questions. We are looking forward to the year ahead, and building better relationships with our community, iwi and business partners.

Toby Adams
Mayor – Hauraki District

Some background

2021-31 Hauraki Long Term Plan

Every three years we must prepare a detailed plan that sets out our direction for the next 10 years – a Long Term Plan. The 2021-31 Long Term Plan (LTP) sets out our priorities, what we intend to do, and how much it will cost. An annual plan is prepared for years two and three of the three year LTP cycle. The 2024-34 LTP preparations are currently underway; the next LTP will come into effect 1 July 2024.

When developing the 2021-31 LTP document, we sought feedback from our local communities during early 2021 on our proposed approach for the coming ten years. Our "Alice in Our Place" campaign included a wide range of opportunities for feedback on our plans. The campaign described the main issues that we were facing at the time, and asked for feedback on key issues such as:

- A review of visitor information services across the district
- A proposed Hauraki Rail Trail scenic route into Waihi
- The revitalisation of Waihi town centre
- The finalisation of upgrades to Mackay and Wharf Streets in Paeroa.

We also sought feedback on our:

- Rates remission and postponements policies
- 2021/22 fees and charges
- Revenue and financing policy
- Development contributions policy.

We received feedback from 263 submitters who raised 869 points. The Council considered all feedback received and in summary, some of the key decisions made were:

- We will provide $65,000 each for the provision of information services in Paeroa and Waihi, and $20,000 for the Plains for each of the next three years. A review of these services will be undertaken at the end of 2021/22.
- We will fund $12,000 per ward for each of the town promotional organisations, and employ one district events coordinator.
- We will fund an additional $500,000 to complete the upgrade of Mackay Street, Paeroa, and the development of Wharf Street, Paeroa.
- We have allowed a total of $1.2 million to refresh the Waihi town centre.
- We will invest $1.47 million to develop a Hauraki Rail Trail scenic route into Waihi township, creating a clearer and safer link into Seddon Street, that may in the future link up to the Waihi to Waihi Beach trail (if developed). Additionally, we will work with the Hauraki Rail Trail Charitable Trust to secure funding options for the resurfacing of the Hauraki Rail Trail, as the trail's current surface is reaching the end of its useful life.

Why prepare an annual plan

Things change from year to year so an annual plan is prepared in the interim years that an LTP isn't, to update the Council work programme and expected financial costs and income. This annual plan explains changes made to the work programmes that were outlined in the third year of the LTP – the 2023/24 year.

What you'll find in this document

- Progress against our financial strategy – how this plan stacks up
- How much it costs to provide each service group
- The specific changes to each activity including operating expenditure, capital programmes and income
- Our forecast financial statements including sample rates properties
- A full capital schedule of work to be carried out this year (2023/24).

Summary of changes for 2023/24

Our plans for 2023/24 include changes to project costs, timing, and scope as appropriate to reflect the current environment. The current environment is influenced by increases in supply costs and increasing inflation.

The changes highlighted in the 2023/24 Annual Plan are described in this document under the headings 'What's changed since the Long Term Plan?' within each Group of Activities. At a high level, the amendments include:

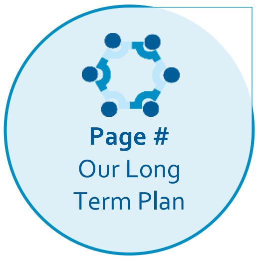
- Asset valuations and depreciation: compared to the depreciation figures we forecast in our long term plan (LTP) for 2023/24, depreciation has increased by $360,000 (3.1%). This is predominantly seen in the land transport activity which increased by $680,000. Depreciation for water assets decreased by $390,000 and for wastewater assets decreased by $100,000.
- Finance costs: increase in interest rates and borrowing due to an increased capital works plan results in a $350,000 increase in borrowing costs.
- Additional income from grants and subsidies of $2.2 million. $1.47 million of this is related to Waka Kotahi grants for land transport operating expenditure. The grants and subsidies also include subsidies from the Mayor's Taskforce for Jobs project and Better-Off Funding. The Better-Off Funding will be used towards building relationships and agreements with iwi, and to enhance the wellbeing of people and the community.
- The new waste management contract commences on 1 September 2023. Changes impact predominantly kerbside collections and transfer station operating costs, resulting in increases of $550,000 and $620,000 respectively. Capital of $1.4m will be required to implement these changes.
- Land transport is forecasting spending an additional $2.4 million towards carriageways and bridges activities as a result of the new contract. This will partly be funded by Waka Kotahi subsidies.
- Our overall operating expenditure is forecast to increase by $9 million (18.6%) in 2023/24 (compared to 2023/24 as forecast in the LTP).
- Compared to what we forecast in the LTP, our overall capital expenditure forecast for 2023/24 has increased from $18.4 million to $37.4 million.

We value your feedback on our services at any time. If you have any queries regarding this annual plan or any other Council-related problems you would like to see addressed, please get in touch with our customer service advisors at one of our service centres in Waihi, Paeroa or Ngatea who are available to take your queries from 8:00am-4:30pm on weekdays. Alternatively you can send your query or feedback to info@hauraki-dc.govt.nz.

Our fees and charges

The full fees and charges schedule will be updated and made available as a separate document on our website, or from any Council service centre as of 1 July 2023.

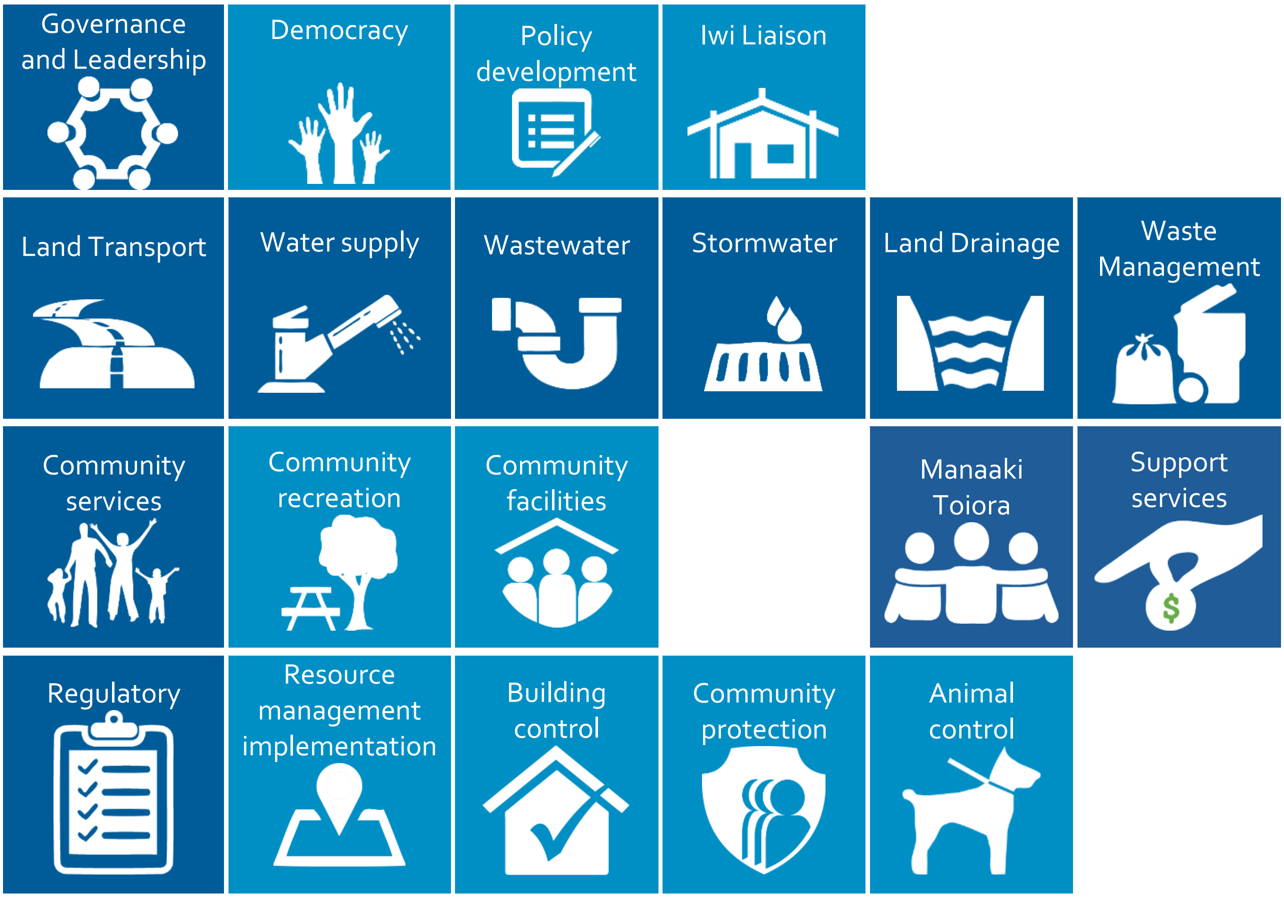
Our easy reference stamp



As mentioned above, a lot more information on our plans can be found in the LTP; this annual plan is a supporting document to the LTP for the 2023/24 year. This reference stamp placed throughout this annual plan will let you know where you can find out more in the LTP which is available at each Council service centre, or library, or you can download an electronic copy from www.hauraki-dc.govt.nz.

The services we provide

We provide the residents and ratepayers of the Hauraki District community with a wide range of services – some essential and some nice to have. Some services are provided as it is a requirement to do so by law. The services you can expect us to provide are:



For more detail on each activity that we provide, please refer to the 2021-31 Long Term Plan document available on Councils website www.hauraki-dc.govt.nz.

Progress against our financial strategy

Our financial strategy presented in our LTP consists of carefully reducing debt levels, minimising and smoothing rates increases and ensuring our business is well-managed.

We have three caps set out in our financial strategy, one which limits the amount of debt we hold, and two that limit the rates we set. If we go over our limits (or caps), we need to provide good reason as to why it happened.

There are also a number of other benchmarks that we use to measure our performance.

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Annual plan disclosure statement for the year ending 30 June 2024

What is the purpose of this statement?

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

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

Benchmark	Limit	Planned	Met
Rates affordability benchmark Council has two quantified limits for rates increases for both its water and non-water rates. The Council meets the rates affordability benchmark if it’s planned rates increases for the year equal or are less than each quantified limit on rates increases.			
1. Non-water rates increases	8.80%	7.90%	Yes
2. Water rates increases	11.80%	10.00%	Yes
Debt affordability benchmark For this benchmark, the Council's planned borrowing is compared with four quantified limits on borrowing.			
a) External debt per rating unit (assessment)	$8,000	$6,121	Yes
b) Interest to total revenue	10%	3.8%	Yes
c) Interest to rates revenue	15%	5.7%	Yes
d) Debt to total revenue	175%	127%	Yes
Balanced budget benchmark For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment. The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses. The Council has a policy of smoothing rates increases and also of smoothing the funding of “lumpy” expenditure over several years (e.g. election costs fall every three years, but are funded evenly). This can cause surpluses or deficits in individual years.			
Revenue to operating expenditure	≥100%	101%	Yes

Benchmark	Limit	Planned	Met
Essential services benchmark For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services. The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.			
Capital expenditure to depreciation	≥100%	308%	Yes
Debt Servicing benchmark For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if it's planned borrowing costs equal or are less than 10% of its planned revenue.			
Interest to revenue	10%	3.8%	Yes

Governance and Leadership | Kāwangatanga me te rangatiratanga

Our governance and leadership group includes our local democratic system which represents the residents of our district, our relationships with Māori, and the development of policies and plans – including those required by law and other voluntary local policies. This includes:

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- Local governance system
- Representation
- Decision making structures
- Oversight of council organisations
- Relationships with Tangata Whenua
- Fostering the capacity of Māori to contribute to Council decision making
- Building readiness for Treaty of Waitangi settlement implications
- Local policies, community plans, and bylaws, including our district plan.

Cost of operating governance and leadership

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Expenditure			
Democracy	2,451	2,411	2,487
Iwi Liaison	108	160	249
Policy Development	1,457	1,447	1,871
	4,017	**4,018**	**4,607**
REVENUE			
Fees, Charges and Other Income	0	0	307
External Subsidies	0	0	127
Targeted Rates	0	0	0
General Rates	3,593	3,719	3,869
	3,593	**3,719**	**4,303**
Operating Surplus/(Deficit)	**(424)**	**(300)**	**(304)**

Democracy | Te Manapori

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Local government in New Zealand receives its mandate from the government through legislation. We provide democracy services to provide representative and accountable governance, provide local leadership, assess issues that affect the district and local communities and responses, and make informed decisions on local services and funding on behalf of our communities.

What's changed since the Long Term Plan?

Key			
▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes		**Change from LTP to 2023/24 AP**	**Type**
Operating			
The increase of costs for the democracy activity is mainly due to civic functions, councillor remuneration and additional staff support.	▲	$77,000	Expenditure

Iwi liaison | Kaitakawaenga Iwi

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We provide iwi liaison services to fulfil the particular responsibilities the Council has to Hauraki Iwi and Māori in general, including acknowledging:

- The cultural and spiritual relationships that Iwi and Māori have with ancestral lands
- Taonga and issues that are relevant and important to Māori
- Engaging with the Kaitiaki (leadership) role that iwi have.

What's changed since the Long Term Plan?

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Changes		**Change from LTP to 2023/24 AP**	**Type**
Operating			
The increase in iwi liaison costs is due to the appointment of a new support person that will be paid from 'Better Off' funding that Council will receive.	▲ ▲	$89,000 $127,000	Expenditure Income

Policy development | Whanaketanga kaupapa here

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This activity includes:

- Development of policy relating to our strategic intentions, particularly under the Local Government Act 2002
- Development of local bylaws and other regulatory policy
- Development of policy and plans relating to resource management under the Resource Management Act 1991.

We provide policy development services to develop appropriate responses to community needs, to ensure a consistent approach to decision-making and action across the Council, and sometimes the sub-region or Waikato Region as a whole. We meet our many statutory requirements, and provide accountability back to residents and ratepayers through reporting mechanisms.

What's changed since the Long Term Plan?

Key			
▼	Decrease in income or expenditure	▶	Deferred from current or previous years
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=	No overall $ change		

Changes		**Change from LTP to 2023/24 AP**	**Type**
Operating			
The cost for strategic planning has increased due to increases in community planning, placemaking and adaptation planning. This will be funded by 'Better Off' funding that Council will receive.	▲ ▲	$350,000 $434,000	Expenditure Income
The overheads costs for the RMA policy activity have increased due to forecast District Plan changes.	▲	$71,000	Expenditure

Land Transport | Te kawa o ngā waka whenua

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The land transport activity includes the maintenance of our sealed and unsealed roads, bridges, streetlights, and road drainage. It also includes the clearing of roads after weather events such as slips or flooding, footpaths, road safety and some public transport coordination, street cleaning, vegetation control for improved visibility for users and mobility purposes, and noxious weed control on road sides.

Historically, we have received a subsidy for operating this activity and as a result we have assumed in our current budget that Council will continue to receive this subsidy, and at the same percentage as during 2022/23.

Cost of operating land transport

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Expenditure			
Amenity	155	156	169
Carriageways and Bridges	3,430	3,409	5,851
Footpath Maintenance	90	93	93
Lighting	309	318	318
Network Management	1,483	1,527	1,527
Other	973	881	990
Depreciation/Assets written off	4,345	3,906	4,590
Interest	404	387	491
	11,189	**10,677**	**14,029**
REVENUE			
Fees, Charges and Other Income	252	221	252
External Subsidies	6,430	5,640	7,106
Targeted Rates	5,792	6,249	6,606
General Rates	0	0	0
	12,473	**12,110**	**13,963**
Operating Surplus/(Deficit)	**1,284**	**1,433**	**(66)**

What's changed since the Long Term Plan?

Key

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=	No overall $ change		

Changes		Change from LTP to 2023/24 AP	Type
Operating			
The costs for carriageways and bridges have increased due to an increase in costs arising from the new Land Transport Contract.	▲	$2,442,000	Expenditure
There is an increase in other expenses due to increased costs for staff support.	▲	$109,000	Expenditure
There is an increase in depreciation from recognising asset cost increases in the latest Asset Revaluation.	▲	$684,000	Expenditure
There is an increase in interest expense due to increased interest rates and higher debt from capital in previous years.	▲	$104,000	Expenditure
The income for land transport has increased as a result of Waka Kotahi (NZTA) subsidies.	▲	$1,466,000	Income
Capital			
Funding for the River road K&C has been carried over into 2023/24.	▶	$53,100	Level of Service
Funding for Ngatitangata road seal extension has been carried over into 2023/24.	▶	$200,000	Level of Service
Funding for Paeroa urban streetscape has been carried over into 2023/24.	▶	$1,066,000	Level of Service
Funding for Waihi urban streetscape has been carried over into 2023/24.	▶	$1,091,000	Level of Service
Funding for the footpath renewal in Paeroa (western side of Arney street to be replaced from Kea crossing to King street) has been carried over into 2023/24.	▶	$182,000	Renewal

Water supply | Te Waipuna

The water supply activity provides domestic, commercial, industrial and agricultural water to our communities. We currently service our three main urban communities of Paeroa, Waihi and Ngatea, as well as six smaller communities, and the rural areas of Hauraki Plains, Kaimanawa and Ōhinemuri. Nearly 65% of the water treated by the Council is consumed by rural communities for agriculture purposes.

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Cost of operating water supply

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Expenditure			
Treatment	2,193	1,824	2,321
Reticulation	936	820	1,023
Intakes and Headworks	1,140	371	1,200
Fixed Costs	215	227	326
Overheads	1,476	1,268	1,652
Pumpstations	68	70	78
Major Maintenance	32	33	1,031
Other	518	485	475
Depreciation/Assets written off	2,148	2,688	2,300
Interest	871	1,201	1,476
	9,597	**8,987**	**11,881**
REVENUE			
Fees, Charges and Other Income	369	345	369
External Subsidies	0	0	0
Targeted Rates	8,133	8,946	8,946
General Rates	0	0	0
	8,502	**9,291**	**9,315**
Operating Surplus/(Deficit)	**(1,095)**	**304**	**(2,566)**

What's changed since the Long Term Plan?

Key			
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=	No overall $ change		

Changes		**Change from LTP to 2023/24 AP**	**Type**
Operating			
Treatment costs increased due to increases in chemical prices, increased monitoring under Drinking Water Standard as well as additional overtime costs for treatment operator staff.	▲	$496,000	Expenditure
The budget for reticulation increased mainly due to traffic management, Drinking Water Standard routine monitoring and provision for treatment and leak detection.	▲	$203,000	Expenditure
There is an increase to the intakes and headworks costs due to increased pump installation, monitoring and maintenance at Paeroa.	▲	$828,000	Expenditure
There is an increase in fixed costs due to forecast insurance premium increases.	▲	$99,000	Expenditure
The overheads for the water supply activity increased due to increased staff costs for Drinking Water Standard monitoring and overseeing the capital programme.	▲	$384,000	Expenditure
There is an increase in major maintenance costs mostly due to one-off desludging of Tanners Ponds & Waitakaruru Water Treatment Plant outfall ponds.	▲	$998,000	Expenditure
There is an increase in interest expense due to increased interest rates and higher debt from capital in previous years.	▲	$274,000	Expenditure
There is a decrease in depreciation of the assets from lower asset cost increases in the latest Asset Revaluation compared to what was forecast in the LTP.	▼	$388,000	Expenditure
Capital			
Funding has been allocated for cyanotoxin treatment for the Waitakaruru WTP.	▲	$400,000	Level of service
Funding has been allocated for the Waihi second membrane project.	▲	$3,362,500	Level of service
Funding for the Wharf street reticulation upgrade has been carried over into 2023/24.	▶	$112,000	Level of service
Funding for the Plains and Paeroa water connection has been carried over into 2023/24.	▶	$200,000	Level of service
Funding has been allocated to the Kerepehi raw water main project.	▲	1,400,000	Renewal

Funding for the self-cleaning colour sensors for Paeroa and Waihi has been carried over into 2023/24.	▶	150,000	Renewal

Wastewater | Te wai ururua

Our wastewater activity involves the collection, treatment and disposal of wastewater for seven urban townships in the district. At our treatment plants the wastewater is treated to clean it up before releasing it – mostly to waterways. We also make sure that trade wastes are appropriately collected and treated.

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We provide this service to protect public health, to mitigate the risks of pollution and disease associated with wastewater and to protect the receiving environments from the effects of wastewater products and by-products.

We operate seven wastewater schemes in the District, which services approximately 5,700 properties.

Cost of operating wastewater

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Expenditure			
Treatment	641	599	793
Reticulation	162	152	163
Intakes and Headworks	0	0	0
Fixed Costs	143	151	241
Overheads	709	726	790
Pumpstations	292	299	300
Major Maintenance	19	1,075	19
Other	477	180	178
Depreciation/Assets written off	1,265	1,499	1,403
Interest	304	306	537
	4,011	**4,988**	**4,424**
REVENUE			
Fees, Charges and Other Income	567	550	567
External Subsidies	0	0	0
Targeted Rates	3,584	3,766	3,624
General Rates	0	0	0
	4,152	**4,316**	**4,191**
Operating Surplus/(Deficit)	**140**	**(672)**	**(233)**

What's changed since the Long Term Plan?

Key

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▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes	Change from LTP to 2023/24 AP		Type
Operating			
Adjustment in budget to reflect actual staff time incurred in operating wastewater plants across the district.	▲	$194,000	Expenditure
There is an increase in fixed costs due to forecast increases in insurance premiums.	▲	$90,000	Expenditure
There is an increase in overheads due to increased staff costs for overseeing the capital programme.	▲	$64,000	Expenditure
There is an increase in interest expense due to increased interest rates and higher debt from capital in previous years.	▲	$231,000	Expenditure
There is a decrease in major maintenance costs due to the transfer of desludging water treatment ponds to the Water activity.	▼	$1,056,000	Expenditure
There is a decrease in depreciation of the assets from lower asset cost increases in the latest Asset Revaluation compared to what was forecast in the LTP.	▼	$96,000	Expenditure
Capital			
Funding for the Kerepehi WWTP upgrade has been deferred to future years.	▶	$991,305	Level of service
Additional funding allocated to the Paeroa WWTP upgrade most of which is carried forward to future years. Funding carried over from previous years.	▲ ▶	$14,246,375 $3,560,558	Level of service
Funding for the new rising main from Kerepehi to Ngatea has been deferred to future years.	▶	$892,175	Level of service
Waitakaruru WWTP extension and network study and construction.	▼	$275,363	Level of Service
Additional funding allocated for the Kerepehi sewer costs. $380,435 was deferred to future years for the Kerepehi sewer. $100,000 was carried over from previous years.	▲ ▶ ▶	$50,000 $380,435 $100,000	Level of service
Future sewer connection between Plains to Paeroa. $60,000 was brought forward from the future budget.	◀	$60,000	Level of service
Funding for wastewater consents (district wide) has been carried over into 2023/24.	▶	$600,000	Level of service

Funding for the Waitakaruru WWTP upgrade has been carried over into 2023/24.	▶	$194,000	Level of service

Stormwater | Wai āwhātanga

The stormwater activity involves collecting and disposing of excess rainfall runoff from urban areas using various drainage systems. These services are provided in Paeroa, Waihi, Ngatea, Turua, Kerepehi, Whiritoa, Mackaytown, Karangahake, Waikino and Kaiaua. Stormwater assets include open drains, piped network, manholes and pump stations which operate in combination to remove surface water runoff. All stormwater systems eventually discharge into the Waihou or Piako Rivers, with the exception of the Kaiaua and Whiritoa systems which discharge directly to sea.

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Cost of operating stormwater

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Expenditure			
Vegetation Control	31	24	31
Reticulation	54	55	56
Maintenance/Fencing/Culverts	10	10	10
Mechanical Cleaning	22	22	22
Floodgates	1	1	1
Pumps	11	11	11
Overheads	249	256	292
Other	295	178	246
Depreciation/Assets written off	481	520	518
Interest	(53)	(43)	(77)
	1,099	**1,034**	**1,110**
REVENUE			
Fees, Charges and Other Income	155	178	155
External Subsidies	0	0	0
Targeted Rates	962	991	998
General Rates	170	175	176
	1,286	**1,344**	**1,328**
Operating Surplus/(Deficit)	**187**	**310**	**218**

What's changed since the Long Term Plan?

Key			
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▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes	Change from LTP to 2023/24 AP		Type
Operating			
There is an increases in other expenses due to forecast increases in insurance premiums.	▲	$68,000	Expenditure
Capital			
Funding for the stormwater consent compliance for the Kerepehi industrial subdivision has been deferred to future years.	▶	$71,594	Level of service
Funding for the Wharf street three waters upgrade under the stormwater activity has been carried over into 2023/24.	▶	$98,000	Level of service

Land drainage | Te rerenga whenua me te aukatinga ō ngā waipuke

Land drainage involves collecting runoff from the rural catchment areas of the district and leading it to the primary flood protection assets which discharge it directly to river or sea outlets. Additional drainage assets include stopbanks, floodgates and pumps. Land drainage services are provided in four drainage districts – Western Plains, Eastern Plains, Paeroa Rural and Taramaire.

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Flood protection is provided by the Waikato Regional Council's river schemes except in the northwest part of the District (Waitakaruru to Pūkorokoro / Miranda) where it is provided by the Hauraki District Council. Flood protection assets include stopbanks, floodgates and pump stations that provide direct protection from river and tidal flooding.

Cost of operating land drainage

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Expenditure			
Vegetation Control	181	185	181
Maintenance/Fencing/Culverts	17	17	17
Mechanical Cleaning	272	278	271
Floodgates	34	34	35
Pumps	307	314	311
Overheads	243	258	324
Other	70	81	92
Depreciation/Assets written off	413	313	364
Interest	(84)	(31)	(118)
	1,453	**1,450**	**1,477**
REVENUE			
Fees, Charges and Other Income	0	0	0
External Subsidies	0	0	0
Targeted Rates	1,223	1,214	1,269
General Rates	216	214	224
	1,439	**1,428**	**1,493**
Operating Surplus/(Deficit)	**(14)**	**(22)**	**16**

What's changed since the Long Term Plan?

Key			
▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes	**Change from LTP to 2023/24 AP**		**Type**
Operating			
There is an increase in overheads due to having a dedicated drainage manager.	▲	$65,000	Expenditure
There is an increase in the depreciation of assets due to increases in stopbank costs compared to the LTP forecasts.	▲	$51,000	Expenditure
There is an increase in interest income due to increased interest rates.	▲	$87,000	Income
Capital			
Funding for the Mangawhero flume replacement has been carried over ($353,000) from previous years and $303,000 has been deferred to future years.	▶	$50,000	Renewal

Waste Management | Whakahaere ururua

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Our waste management services includes:

- Kerbside collection of refuse and recyclables and will also include food waste from 1 September 2023
- Waste minimisation promotion and education including promoting activities such as worm farming
- Landfill aftercare
- Litter bin, loose litter and illegal dumping collections
- Refuse transfer stations at Paeroa and Waihi.

Cost of operating waste management

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Expenditure			
Refuse Collection	1,265	1,624	2,175
Closed Tip Sites	72	84	127
Transfer Stations	1,459	940	1,560
Other	194	153	240
	2,990	**2,802**	**4,102**
REVENUE			
Fees, Charges and Other Income	1,765	1,198	2,325
External Subsidies	225	79	100
Targeted Rates	334	587	619
General Rates	871	911	857
	3,196	**2,775**	**3,900**
Operating Surplus/(Deficit)	**206**	**(27)**	**(203)**

What's changed since the Long Term Plan?

Key			
▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes		Change from LTP to 2023/24 AP	Type
Operating			
There is an increase in the refuse collection costs due to the new Waste Management contract that will come into effect on 1 September 2023.	▲	$551,000	Expenditure
In the LTP budgets for Year 3 the contractor cost and revenue for running the transfer stations were netted off. A new contract will be in place in 2023/24. As such, we will see different gross costs and revenue for transfer stations in the 2023/24 Annual Plan budgets rather than net costs.	▲ ▲	$620,000 $1,127,000	Expenditure Income
There is an increase in waste minimisation costs due to increased internal staff time required.	▲	$87,000	Expenditure
Capital			
Funding has been allocated to change the layout of the Paeroa transfer station site.	▲	$590,000	Level of service
Funding has been allocated for Food Scrap Bins and Refuse Bins for the community to use once the new Waste Management contract comes into effect on 1 September 2023.	▲	$763,200	Level of service
We have allocated additional funding to replace the concrete pad at the Paeroa transfer station.	▲	$200,000	Renewal

Community services | Ratonga Hapori

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Our community services group involves the provision of recreation services such as libraries, parks, reserves, and facilities like public conveniences, cemeteries, elder persons housing and the Waihi event centre.

We provide a number of services intended to enhance our communities' needs for recreation and enjoyment. We provide these services to meet our district's recreational, sporting and educational expectations. In addition to this, we provide facilities for public use, such as public conveniences, halls, cemeteries and elderly persons housing. We do this to help make our communities a vibrant place to live and visit.

Cost of operating community services

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Expenditure			
Recreation	5,861	5,960	6,418
Community Facilities	2,198	2,261	2,478
	8,059	**8,221**	**8,896**
REVENUE			
Fees, Charges and Other Income	935	949	883
External Subsidies	55	5	5
Targeted Rates	3,342	3,357	3,435
General Rates	4,013	4,117	4,306
	8,345	**8,429**	**8,629**
Operating Surplus/(Deficit)	**286**	**208**	**(267)**

Community recreation | Ngā hapori rēhia

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Our community recreation services include:

- Provision of public libraries in Ngatea, Paeroa and Waihi which lend a variety of resources, deliver education programmes and provide free internet access
- Support of community-operated libraries at Kaiaua, Turua and Whiritoa
- Operation of three community pools in Ngatea, Paeroa and Waihi
- Provision of sports fields in Paeroa, Ngatea, Waihi and Whiritoa
- Maintenance of a number of recreation reserves, including playgrounds, furniture, walkways and other amenities, travellers reserves, passive reserves and cycleways
- Two jetties/boat ramps on the Waihou River available for community use
- Provision of the Waihi events centre facility for indoor sporting and some non-recreational use
- Provision of sports coordination services to foster residents' participation in sports, recreation and leisure.

What's changed since the Long Term Plan?

Key

▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes		**Change from LTP to 2023/24 AP**	**Type**
Operating			
There is an increase in the libraries activity due to increases in personnel, depreciation, overheads and software costs.	▲	$128,000	Expenditure
There is an increase in recreation reserves costs mainly due to depreciation, asset management planning, overheads and cyclical Parry Palm pruning.	▲	$230,000	Expenditure
Capital			
Funding for Karangahake reserve development has been carried over into 2023/24.	▶	$80,900	Level of service
Training lights for Hugh Hayward Domain: The LTP value only reflected the Council contribution. The Annual Plan shows the total cost of this project before recognising outside funding.	▲	$149,700	Level of service
Additional budget has been allocated for the Waihi skate park.	▲	$250,000	Level of service
Additional funding has been allocated for Hauraki Rail Trail reconstruction of Pipiroa Bridge to Waitakaruru and to resurface Pipiroa to County Road.	▲	$819,000	Renewal

Community facilities | Ngā wharenui o te hāpori

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Our community facilities activity includes halls, elderly persons housing, public conveniences, and cemeteries. Our halls sub-activity consists of three memorial halls (Paeroa, Ngatea and Waihi) which are owned and operated by the Council, and 12 community halls which are owned and managed by hall committees or incorporated societies (those being Kaihere, Kerepehi, Karangahake, Netherton, Kaiaua, Mangatangi Community Centre, Mangatarata, Kopuarahi, Patetonga, Turua, Waikino and Waitakaruru halls). We collect rates on behalf of community hall committees to fund their operation (except for Kopuarahi and Mangatarata).

We also own and administer 57 elderly persons housing units within nine individual complexes. In Waihi there are 21 units, in Paeroa there are 24 units and in Ngatea there are 12 units. The units range in amenity from bedsit units to one-bedroom units. Condition grading has shown that our elderly persons housing are in a well-maintained condition with a full operational maintenance and renewal programme.

We own or manage 22 public conveniences. We provide three cemetery sites (Waihi, Paeroa, and Miranda) and one ashes memorial wall site (Ngatea). We provide these facilities to meet public health needs (public conveniences, cemeteries) and social/cultural needs (public halls, elderly person housing).

What's changed since the Long Term Plan?

Key			
▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes		**Change from LTP to 2023/24 AP**	**Type**
Operating			
The increase in cemeteries costs is mainly due to depreciation.	▲	$84,000	Expenditure
The increase in elderly persons housing costs is mainly due to depreciation, insurance, overheads, painting and maintenance.	▲	$50,000	Expenditure
There is an increase in interest expense due to increased interest rates and higher debt from capital in previous years.	▲	$80,000	Expenditure
There is a decrease in fees and charges and other income due to reductions in cemetery income and lower elderly persons housing rents.	▼	$49,000	Income

Manaaki Toiora

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Manaaki Toiora means 'to assist in wellbeing or to lift one's mana in the sense of wellbeing'. The Manaaki Toiora activity consists of:

- Economic project assistance
- Social project assistance
- Promotions (whakatairanga)
- Donations and grants
- Extended relationships (whakawhanaunga).

We provide these services to support and encourage local groups and initiatives that benefit the greater community and support increased economic growth.

Cost of operating Manaaki Toiora

	2022/23 Annual Plan $000	**2023/24 Long-term plan $000**	**2023/24 Annual plan $000**
Expenditure			
Economic project assistance	432	518	453
Social initiatives	428	237	749
Promotions	317	388	363
Grants and Donations	317	324	322
Extended relationships | Whakawhanaunga	60	69	61
	1,554	**1,536**	**1,949**
REVENUE			
Fees, Charges and Other Income	56	56	56
External Subsidies	132	0	445
Targeted Rates	158	157	158
General Rates	1,181	1,311	1,256
	1,527	**1,525**	**1,915**
Operating Surplus/(Deficit)	**(28)**	**(11)**	**(34)**

What's changed since the Long Term Plan?

Key			
▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes	Change from LTP to 2023/24 AP		Type
Operating			
There is a decrease in economic project assistance due to reduced overhead allocation to this activity.	▼	$65,000	Expenditure
There is an increase in social initiatives due to the inclusion of the Mayoral Taskforce for Jobs, which is offset by subsidy income below.	▲	$512,000	Expenditure
There is an increase in external subsidies due to the Mayoral Taskforce for Jobs.	▲	$445,000	Income

Regulatory Services | Ratonga whakahaere

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Our Long Term Plan

We're involved in a number of regulatory services from preparing regulations to promoting compliance. Our focus areas include supporting:

- Appropriate land use management
- Safe building development (including building consent)
- Community health and safety (including food and alcohol safety, civil defence, animal control)
- Animal welfare.

We aim to ensure our processes promote safely constructed buildings so people can have confidence that buildings within our district are safe to use. Our animal control and community protection services ensure a safe environment for the public and ensures we are prepared for natural hazards. Some of our regulatory services are provided so that we continue to meet our legal responsibilities to ensure the protection of the environment and the community.

Cost of operating regulatory services

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Expenditure			
RMA Implementation	1,597	1,190	1,700
Building Services	1,613	1,608	1,952
Community Protection	984	900	1,084
CCTV and Abandoned Mines	83	38	84
Animal Control	631	610	699
	4,909	**4,347**	**5,518**
REVENUE			
Fees, Charges and Other Income	2,062	1,849	2,401
External Subsidies	0	0	0
Targeted Rates	0	0	0
General Rates	2,738	2,465	3,008
	4,801	**4,315**	**5,409**
Operating Surplus/(Deficit)	**(108)**	**(32)**	**(109)**

Resource management implementation | Te whakatinanatanga ō ngā māhere taiao

We are involved in a number of regulatory services from applying regulations to promoting compliance. This includes regulating land use and development activities through implementation of resource management legislation and district plans (i.e. resource consents).

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What's changed since the Long Term Plan?

Key			
▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes	**Change from LTP to 2023/24 AP**		**Type**
Operating			
There is a total increase in RMA implementation due to increased consent numbers and complexity resulting in increased use of planning consultants, technical services and planning staff time.	▲	$510,000	Expenditure
There is an increase in income due to resource consent activity.	▲	$305,000	Income

Building control | Mana hanga

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We are involved in a number of regulatory services from applying regulations to promoting compliance. This includes regulating building work (building consents), building warrants of fitness monitoring, swimming pool fencing, project information memorandums, implementing earthquake prone, dangerous and insanitary building regulations.

What's changed since the Long Term Plan?

Key			
▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes		Change from LTP to 2023/24 AP	Type
Operating			
There is a total increase in building services due to increased consent numbers resulting in increased use of external contractors and staff time.	▲	$343,000	Expenditure
There is an increase in income due to building consent activity.	▲	$249,000	Income

Community protection | Tiaki hāpori

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We are involved in a number of regulatory services from applying regulations to promoting compliance. This includes (but is not limited to) liquor licensing, hazard zone monitoring, food licensing, noise control, public pools, gambling venue policy, psychoactive substances policy, smokefree and vapefree policy, CCTV policy, responsible freedom camping bylaw and compliance.

Emergency management is also part of our community protection activity. It involves planning to reduce risks that could result in an emergency situation, responding and recovering from emergency situations that do occur. The government is increasingly expecting natural hazards to be managed in such a way that emergency events and their impacts are reduced. We provide emergency management services to:

- Ensure our community are aware of natural risks and are prepared for these
- Keep essential services known as lifelines operating in and after an emergency
- Keep people safe during and after an emergency event
- Put arrangements in place to recover after an emergency event.

What's changed since the Long Term Plan?

Key			
▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes		**Change from LTP to 2023/24 AP**	**Type**
Operating			
There is a total increase in community protection is primarily due to increased staff time and emergency management costs.	▲	$184,000	Expenditure

Animal control | Mana kararehe

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Term Plan

We play a role in protecting public safety from nuisance animal behaviours as well as promoting animal control.

What’s changed since the Long Term Plan?

Key			
▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes		**Change from LTP to 2023/24 AP**	**Type**
Operating			
There is a total increase of animal control costs due to increased staff requirements.	▲	$89,000	Expenditure

Support services | Ngā ratonga tautoko

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Our Support Services Group includes the sub-activities of property, forestry, subdivision, fleet management, overheads and project operations (previously encompassing all Council Business Units).

Our property function includes managing a range of corporate buildings such as Council libraries, area offices, depots, dog pounds and property that supports a range of our activities. Wastewater, water supply and land drainage buildings are not included in the property function (these are covered in those activities), with the exception of the land.

As part of our Support Services Group, we own three main forestry blocks; and we purchase and develop land and provide infrastructure to ensure that our communities have the opportunity to purchase land for homes and other activities.

We operate a project operations team and through the fleet management activity, manages our fleet of vehicles and construction and maintenance plant and equipment.

We operate a number of support areas, otherwise known as overheads, which assist all of our activities to deliver on their objectives where it is not cost efficient or practicable for each activity to have its own dedicated team. Examples include Finance, Human Resources, and Information Technology amongst others. These overheads are fully re-charged out across the activities of Council (using a cascade / waterfall method) across the rest of the organisation.

Cost of operating support services

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Expenditure			
Business Units	47	225	(676)
Overheads	(2)	15	250
Other P&L	(365)	(161)	(562)
Property	791	602	786
Plant	(44)	(81)	(40)
Forestry	54	70	68
	481	**670**	**(173)**
REVENUE			
Fees, Charges and Other Income	4,551	5,051	4,531
External Subsidies	0	0	146
Targeted Rates	(361)	(406)	(351)
General Rates	(328)	(362)	(438)
	3,862	**4,283**	**3,887**
Operating Surplus/(Deficit)	**3,381**	**3,613**	**4,060**

What's changed since the Long Term Plan?

Key

▼	Decrease in income or expenditure	▶	Deferred from current or previous years
▲	Increase in income or expenditure	◀	Brought forward from future years
=	No overall $ change		

Changes		Change from LTP to 2023/24 AP	Type
Operating			
There is an increase in business units' surpluses due to greater productivity and staff numbers.	▼	$900,000	Expenditure
There is an increase in overheads (this represents the overhead expenses that are funded by outside fees and subsidies rather than being charged to activities).	▲	$236,000	Expenditure
There is a decrease in other P&L due to more internal lending margin from higher lending, and a reduction in bad debts.	▼	$401,000	Expenditure
There is an increase in property costs due to increased depreciation.	▲	$184,000	Expenditure
There is a decrease in forecast subdivision sales in 2023/24, offset by an increase in income relating to overheads, per above.	▼	$521,000	Income
There is a net increase in external subsidies relating to the overheads figure above.	▲	$145,000	Income
Capital			
Funding for the depot upgrade and rationalisation has been carried over into 2023/24.	▶	$890,000	Level of service
Additional funding has been allocated to the Ngatea North stage 4 project.	▲	$800,000	Level of service
Corporate overheads – change in the way staff time is charged to capital projects.	▼	$242,699	Level of service
Property overheads – change in the way staff time is charged to capital projects.	▼	$127,811	Level of service
Funding for the Ngatea southern estate subdivision has been carried over into 2023/24.	▶	$1,314,000	Level of service
$100,000 of funding for miscellaneous property renewal has been carried over from previous years.	▶	$100,819	Renewal
Funding for the Waihi museum earthquake strengthening has been carried over into 2023/24.	▶	$80,000	Renewal
Funding for the Plains community hub has been carried over into 2023/24.	▶	1,061,000	Renewal

Capital project list

Capital Project:	2023/24 as per the LTP ($)	Revised 2023/24 Annual Plan ($)
Community Facilities – Levels of Service		
Waihi Casket Berm	6,316	6,300
Paeroa Casket Berm	6,316	6,300
Miranda Ashes Berm	15,790	15,800
Total	**28,422**	**28,400**
Community Facilities – Renewals		
Pensioner housing renewals - Paeroa	22,106	22,100
Pensioner Housing Renewals - Plains	22,106	22,100
Pensioner Housing Renewals - Waihi	14,737	15,000
Total	**58,949**	**59,200**
Community Recreation – Levels of Service		
Karangahake Reserve development	0	80,900
District wide - rubber matting for playground resurface	47,370	47,400
Training Lights for Hugh Hayward Domain - Joint funding (100,000)	105,268	255,000
Waihi Skate park	0	250,000
Total	**152,638**	**633,300**
Community Recreation – Renewals		
District Libraries - Book Budget	151,989	152,000
Paeroa - Renewals Recreation	14,737	15,000
Plains - Renewals Recreation	5,263	5,300
District Pools - Miscellaneous Renewals	26,317	26,300
Waihi - Renewals Recreation	54,739	55,000
Paeroa Domain playground - replacement modular playground	8,948	9 ,000
Turua playground - replacement modular playground	47,370	47,400
Whiritoa Playground - replacement modular playground	15,790	15,800
Hauraki Rail Trail – Resurfacing	110,584	110,600
District pools - covers	15,790	15,800
District pools - water pump at each pool	21,054	21,000
Hauraki Rail Trail - Reconstruction Pipiroa Bridge to Waitakaruru	0	819,000
Lane ropes at the 3 pools	21,054	21,000
District Pools - Heat pump at each pool	73,687	74,000
Paeroa - Railway Reserve skate park	0	45,000
Total	**567,322**	**1,432,200**
Land Drainage – Renewals		
WPDD Mangawhero Flume Replacement	0	50,000
WPDD Central North Pump Station	70,048	70,000
WPDD Miranda pump station	41,819	42,000
Total	**111,867**	**162,000**
Land Transport – Levels of Service		
Access and Mobility	183,695	184,000
Minor improvements (levels of service)	564,051	564,000

Capital Project:	2023/24 as per the LTP ($)	Revised 2023/24 Annual Plan ($)
New Footpaths - Paeroa	97,250	97,250
New Footpaths - Waihi	97,250	97,250
New Kerb Channel Stormwater Control - Plains	32,417	32,400
River Rd K&C	0	53,100
New Kerb Channel Stormwater Control - Paeroa	59,431	59,400
New Road Extensions	162,084	162,100
Ngatitangata Rd Seal Extension RP 1221 - 1648	0	200,000
Paeroa Urban Streetscape	0	1,066,000
Waihi Urban Streetscape	0	1,091,000
Total	**1,196,178**	**3,606,500**
Land Transport – Renewals		
Drainage Renewals	151,278	151,300
Footpath Renewal - Paeroa	30,688	30,700
FP Renewal - Paeroa - Western side of Arney St to be replaced from Kea Crossing to King St.	0	182,000
Footpath Renewal - Plains	19,774	19,800
Footpath Renewal - Waihi	75,423	85,300
Minor Improvements (renewals)	170,728	171,000
Pavement Rehabilitation	1,058,947	1,059,000
Sealed Road Resurfacing	1,404,725	1,405,000
Structures Component Replacement	216,112	216,000
Traffic Services Renewal	91,847	92,000
Unsealed Roading Renewals	108,056	108,000
Car Parks	11,130	11,000
Total	**3,338,708**	**3,531,100**
Stormwater – Levels of Service		
Stormwater Paeroa Upgrades	71,594	72,000
Stormwater Consent compliance Kerepehi Industrial Subdivision	71,594	0
Stormwater Treatment upgrades - Paeroa	16,522	16,500
Stormwater Treatment upgrades - Waihi	16,522	16,500
Stormwater Treatment upgrades - Ngatea	16,522	16,500
Stormwater Treatment upgrades - Turua	2,754	2,800
Stormwater Treatment upgrades - Kaiaua	551	600
Stormwater Treatment upgrades - Whiritoa	1,101	1,100
Stormwater Treatment upgrades - Kerepehi	1,101	1,100
Stormwater - Wharf Street 3 Waters upgrade	0	98,000
Total	**198,261**	**225,100**
Stormwater – Renewals		
Stormwater Kaiaua Renewals	3,304	3,300
Stormwater Kerepehi Renewals	3,304	3,300
Stormwater Ngatea Renewals	6,609	6,600
Stormwater Paeroa Renewals	8,812	8,800
Stormwater Turua Renewals	3,304	3,300
Stormwater Waihi Renewals	8,812	8,800
Stormwater Criterion Bridge stormwater pump station upgrade	253,334	250,000
Total	**287,479**	**284,100**
Waste Management – Levels of Service		

Capital Project:	2023/24 as per the LTP ($)	Revised 2023/24 Annual Plan ($)
Change of Layout Paeroa Transfer Station site	0	590,000
Food and Refuse Bins	0	763,200
Total	**0**	**1,353,200**
Waste Management – Renewals		
Infrastructure Renewals Paeroa Transfer station	0	200,000
Total	**0**	**200,000**
Wastewater – Levels of Service		
Kerepehi upgrade WWTP	991,305	0
Paeroa Upgrading WWTP	2,753,625	8,000,000
Ngatea new pumpstation	54,520	55,000
Ngatea new rising main from Kerepehi to Ngatea	892,175	0
Step Screen Junction Road	55,073	55,000
Pump Stations SCADA	66,087	66,000
Waitakaruru WWTP extension and network study and construction	275,363	0
Paeroa northern sewer	605,798	627,000
Kerepehi sewer	330,435	50,000
Future sewer connection Plains to Paeroa	0	60,000
Wastewater Consents (District wide)	0	600,000
Wastewater - Wharf Street 3 Waters upgrade	0	25,000
Waitakaruru WWTP upgrade	0	194,000
Total	**6,024,381**	**$9,732,000**
Wastewater – Renewals		
District Wide Pipe Renewals Condition	165,218	165,000
District Wide Reactive Renewals Plants Pumpstations	38,551	40,000
District wide replacement pumpstation cabinets etc.	82,609	82,000
District Wide Sewer Pump Renewals	89,217	89,000
Waihi aerator component renewals	0	10,500
Waitakaruru Prostep Onsite Set Renewals	0	4,100
Waitakaruru STP Component Renewals	8,635	8,600
Total	**384,230**	**399,200**
Water Supply – Levels of Service		
Generators for treatment plants	247,826	248,000
Sanitary Survey for water supply extensions district wide	33,044	0
Cyanotoxin Treatment for the Waitakaruru WTP	0	400,000
Ventilation for membrane cell rooms, MCC's, etc.	0	30,000
Waihi Second Membrane	0	3,362,500
Water Supply - Wharf Street 3 Waters upgrade	0	112,000
Plains and Paeroa water connection	0	200,000
2nd intake for Paeroa (Resilience)	0	31,500
Waihi WTP plant screening	0	5,250
Raw water tank Kerepehi	0	1,102,000
Total	**280,870**	**$5,491,250**
Water Supply – Renewals		
District Cast Iron Pipe Renewal	165,218	165,000
District Treatment Asset Renewals	154,203	154,000
District Upgrading and Replacing of SCADA Equipment	2,754	2,800
District Water Meter Renewals	242,319	242,000

Capital Project:	2023/24 as per the LTP ($)	Revised 2023/24 Annual Plan ($)
District Wide Pipe Renewal Programme (Service Continuity)	1,101,450	1,101,000
Karangahake Mackaytown PRV refurbishments	5,507	5,500
Paeroa Membrane renewals	550,725	550,000
Waihi Membrane renewals	352,464	352,000
Waihi plant outflow meter	12,116	12,000
Waitakaruru dosepump renewals	22,029	22,000
Raw water tank Kerepehi	1,104,450	0
Concrete Pipe replacement	550,725	550,000
Repair the Gabb at the quarry intake	22,029	22,000
Kerepehi raw water main	0	1,400,000
Self-cleaning colour sensors for Paeroa and Waihi	0	150,000
Mangatarata intake pump renewal	0	15,750
Waitakaruru backwash VSD	0	12,600
Waitakaruru retic 1 VSD	0	12,600
Waitakaruru reticulation flowmeter	0	11,550
Total	**4,282,989**	**4,780,800**
Overheads		
Support Services – Renewals		
Plant Renewals	520,200	520,200
Technology renewals (including CCTV)	260,100	260,100
Total	**780,300**	**780,300**
Property		
Miscellaneous – Levels of Service		
Ngatea North Stage 4	0	800,000
Corporate overheads	242,699	0
Property overheads	127,811	0
Depot upgrade and rationalisation	0	890,000
Ngatea Southern Estate Subdivision	0	1,314,000
Total	**370,510**	**3,004,000**
Miscellaneous – Renewals		
Hauraki House - Replace air conditioning units	12,485	12,500
Hauraki House - Internal Lift upgrade	104,040	104,000
Miscellaneous Property Renewal	262,181	363,000
Waihi - Replace Windows Waihi Art Centre	0	20,200
Waihi Museum Replace Roof	0	46,000
Waihi Museum Earthquake Strengthening	0	80,000
Total	**378,706**	**625,700**
Offices - Renewals		
Plains Community Hub	0	1,061,000
Total	**0**	**1,061,000**
Grand Total	**18,441,810**	**$37,389,349**

Financial Statements

Funding impact statement for 1 July 2023 to 30 June 2024 (whole of council)

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Sources of Operating funding			
General rates, uniform annual general charges, rates penalties	12,454	12,550	13,257
Targeted rates	23,167	24,861	25,303
Subsidies and grants for operating purposes	3,660	3,355	5,558
Fees and charges	5,125	4,367	5,932
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	4,348	4,857	4,674
Total Operating Funding (A)	**48,753**	**49,990**	**54,724**
Application of Operating Funding			
Payments to staff and suppliers	36,825	35,135	43,506
Finance Costs	1,260	1,836	2,187
Internal charges and overheads applied	0	0	6
Other operating funding applications	0	0	0
Total Applications of Operating Funding (B)	**38,085**	**36,970**	**45,699**
Surplus/(Deficit) of operating Funding (A - B)	**10,669**	**13,019**	**9,025**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	3,182	2,396	2,370
Development and financial contributions	949	852	949
Increase (decrease) in debt	17,549	6,977	25,559
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of Capital Funding (C)	**21,680**	**10,225**	**28,879**
Application of Capital Funding			
Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	12,052	8,251	24,074
- to replace existing assets	16,481	10,191	13,316
Increase (decrease) in reserves	3,815	4,802	514
Increase (decrease) of investments	0	0	0
Total Applications of Capital Funding (D)	**32,349**	**23,244**	**37,904**
Surplus/(Deficit) of Capital Funding (C-D)	**(10,669)**	**(13,019)**	**(9,025)**
Funding Balance ((A - B) + (C - D))	**0**	**0**	**0**

Reconciliation of Comprehensive Income Statement to Funding Impact Statement

Operating Surplus/(Deficit)	**3,815**	**4,802**	**514**
Depreciation/Assets written off	11,275	11,761	12,120
Subsidies and grants for capital expenditure	(3,182)	(2,396)	(2,370)
Development and financial contributions	(949)	(852)	(949)
Less Doubtful Debts	0	0	0
Vested Asset Income	(290)	(296)	(290)
Gains and Losses	0	0	0
Surplus/(Deficit) of operating Funding (A - B)	**10,669**	**13,020**	**9,025**

Prospective statement of financial position

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Assets			
Current assets			
Cash and cash equivalents	2,203	586	1,962
Receivables	8,689	9,856	6,928
Assets held for sale			
Derivative financial instruments	0	0	209
Other financial assets	141	87	132
Inventories	306	306	306
Total current assets	11,339	10,835	9,536
Non-Current assets			
Other financial assets			
Community loans	96	5	95
Borrower notes	621	645	684
Investments in other entities	187	101	63
Investments in CCOs and similar entities	0	0	137
Total other financial assets	904	751	979
Investment properties	0	0	683
Intangible assets	584	568	1,232
Forestry assets	1,373	1,311	1,373
Property, plant & equipment	676,767	689,956	846,747
Total non-current assets	679,628	692,586	851,013
Total assets	**690,967**	**703,421**	**860,550**
Current liabilities			
Payables and deferred revenue	4,533	4,735	10,577
Derivative financial instruments	759	759	759
Employee entitlements	2,804	2,429	2,625
Provisions	340	340	340
Borrowings	10,000	3,000	17,000
Total Current Liabilities	18,436	11,263	31,301
Non-Current Liabilities			
Derivative financial instruments	1,727	2,808	28
Employee entitlements	479	486	247
Provisions	202	202	202
Borrowings and other financial liabilities	46,000	66,000	56,000
Total non-current liabilities	48,408	69,496	56,476
Total liabilities	**66,844**	**80,759**	**87,778**
Net assets (assets minus liabilities)	**624,123**	**622,662**	**772,772**

Represented by:

EQUITY			
Accumulated Funds	421,664	419,915	413,878
Other reserves	3,095	3,311	3,048
Asset revaluation reserve	199,364	199,436	355,846
TOTAL EQUITY	**624,123**	**622,662**	**772,772**

Prospective statement of changes in net assets/equity

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
TOTAL EQUITY			
As at 1 July	601,932	604,782	771,062
Comprehensive Revenue & Expense for the year	22,191	17,880	1,710
As at 30 June	624,123	622,662	772,772
TOTAL EQUITY CONSISTS OF:			
Accumulated Funds			
As at 1 July	417,991	415,250	413,507
Transfers from/(to):			
Asset Revaluation Reserve on disposal of PPE	0	0	0
Restricted Reserves	(143)	(143)	(143)
Surplus/(Deficit) for the year	3,815	4,807	514
As at 30 June	421,664	419,914	413,878
Other Reserves			
As at 1 July	2,928	3,168	2,869
Transfers to Retained Earnings	(56)	(56)	(56)
Transfers from Retained Earnings	199	199	199
As at 30 June	3,071	3,311	3,012
Forestry Revaluation Reserves			
As at 1 July	0	0	0
Revaluation gains/(losses)	0	0	0
As at 30 June	0	0	0
Asset Revaluation Reserves			
As at 1 July	180,989	186,364	354,650
Revaluation gains/(losses)	18,375	13,073	1,196
Transfer of revaluation reserve to retained earnings PPE	0	0	0
As at 30 June	199,364	199,436	355,846
Asset Revaluation Reserves consist of:			
Operational Assets			
Land	54,446	46,402	50,881
Buildings	18,186	17,787	18,116
Infrastructure Assets			
Wastewater System	18,410	19,470	73,437
Water System	7,864	12,417	48,864
Drainage Network	8,184	11,346	38,679
Land Transport Network	92,274	92,014	125,870
Total	199,364	199,436	355,846
Fair value through other comprehensive income and expense reserve			
As at 1 July	23	0	36
Change in fair value	0	0	0
As at 30 June	23	0	36
Total	624,123	622,662	772,772

Prospective statement of comprehensive revenue and expense

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Revenue			
Rates Revenue	35,621	37,411	38,560
Fees and Charges	4,264	8,990	5,755
Development/Financial Contributions	949	852	949
Subsidies and Grants	6,842	5,751	7,928
Interest Revenue	100	0	50
Other Revenue	5,399	530	5,091
Total Revenue	**53,175**	**53,534**	**58,334**
Expenses			
Personnel Costs	18,694	16,194	20,162
Depreciation and Amortisation	11,275	11,761	12,120
Finance Costs	1,260	1,836	2,187
Other Expenses	18,131	18,935	23,350
Total Expenses	**49,360**	**48,726**	**57,820**
Share of Joint Venture Surplus/(Deficit)	0	0	0
Share of Associates Surplus/(Deficit)	0	0	0
Surplus/(Deficit) before tax	**3,815**	**4,807**	**514**
Income Tax Expense	0	0	0
Surplus/(Deficit) after tax	**3,815**	**4,807**	**514**
Other comprehensive revenue and expense			
Gain/(Loss) on Revaluation	18,375	13,073	1,196
Movement in fair value of available for sale financial instruments	0	0	0
Total other comprehensive revenue and expense	**18,375**	**13,073**	**1,196**
Total comprehensive revenue and expense	**22,191**	**17,880**	**1,710**

Prospective cash flow statement

	2022/23 Annual Plan $000	2023/24 Long-term plan $000	2023/24 Annual plan $000
Cash Flows from operating activities			
Receipts from rates revenue	36,489	36,949	38,042
Receipts from other revenue	16,541	15,707	19,342
Interest received	100	0	50
Dividends received	0	0	0
Goods and services tax (net)	0	0	0
Payments to suppliers and employees	(41,248)	(34,548)	(40,569)
Interest paid	(1,260)	(1,836)	(2,187)
Net cash flow from operating activities	**10,622**	**16,272**	**14,678**
Cash Flows from investing activities			
Advance payments received	0	0	0
Receipts from sale of property, plant & equipment	0	0	0
Advance payments made	0	0	0
Purchase of property, plant & equipment	(28,278)	(18,442)	(37,239)
Purchase of intangible assets	(255)	0	(150)
Net cash flow from investing activities	**(28,533)**	**(18,442)**	**(37,389)**
Cash Flows from financing activities			
Receipts from finance leases			
Proceeds from borrowings	21,000	12,000	32,000
Repayment of finance lease liabilities	0	0	0
Repayment of borrowings	(7,000)	(10,000)	(13,000)
Net cash flow from financing activities	**14,000**	**2,000**	**19,000**
Net increase(decrease) in cash and cash equivalents	(3,911)	(170)	(3,711)
Cash and cash equivalents at the start of the year	6,115	756	5,673
Cash and cash equivalents at the end of the year	**2,203**	**586**	**1,962**

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Reserve funds statement

	Opening Balance $000	Deposited into Reserve $000	Withdrawn from Reserve $000	Closing Balance $000	Activity that the reserve relates to:
Other Reserves					
District Community Recreation	24	0	0	24	Community Services
Plains Community Recreation	120	0	0	120	Community Services
Paeroa Community Recreation	84	0	0	84	Community Services
Waihi Community Recreation	632	0	0	632	Community Services
Dist. Community Projects Assistance	933	199	(56)	1,076	All Activities
Economic development projects	77	0	0	77	Community Services
Quarry Renewal	1,000	0	0	1,000	Corporate
	2,869	199	(56)	3,012	
Asset Revaluation Reserves					
Land	50,881		0	50,881	All Activities
Buildings	18,116		0	18,116	All Activities
Wastewater System	73,437		0	73,437	Wastewater
Water System	48,864		0	48,864	Water
Drainage Network	38,679		0	38,679	Land Drainage
Land Transport Network	124,674	1,196	0	125,870	Land Transport
	354,650	1,196	0	355,846	

District Community Projects Assistance Fund

This reserve fund is to provide funding for community projects.

Paeroa, Plains, and Waihi Community Recreational Funds

These reserve funds are historic and were used to accumulate financial contributions prior to the HDC changing to a development contributions regime. The balances will be used to fund recreation and community facilities capital works.

Quarry Renewal Fund

This reserve fund is to provide funding for the cost of rehabilitating Tetley's Quarry post-closure.

Asset Revaluation Reserves

These reserve funds are to hold the net balances from gains/losses from asset revaluations.

Notes supporting our financial statements

Note 1: Statement of Accounting Policies for the Forecast Year ending 30 June 2024.

Reporting entity

The Hauraki District Council (HDC) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the HDC's operations includes the LGA and the Local Government (Rating) Act 2002.

HDC provides local infrastructure, local public services, and performs regulatory functions to our communities. HDC does not operate to make a financial return.

HDC has designated itself as a public benefit entity (PBE) for financial reporting purposes.

These prospective financial statements are for Hauraki District Council as a separate legal entity. Consolidated perspective financial statements comprising of the Council and its subsidiaries and associates have not been prepared.

The financial information contained within these documents is prospective financial information in terms of Financial Reporting Standard 42 Prospective Financial Statements (PBE). The purpose for which this has been prepared is to enable the public to participate in decision making processes as to the services to be provided by the Council over the next ten financial years, and to provide a broad accountability mechanism of the Council to the community. The financial information in the LTP may not be appropriate for purposes other than those described.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Budget figures

The budget figures are those approved by the Council. The budget figures have been prepared in accordance with PBE FRS 42, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with PBE FRS42 Prospective Financial Statements, NZ PBE (Tier1) IPSAS and other applicable Financial Reporting Standards, as appropriate for New Zealand public benefit entities.

It is a requirement of the LGA to present prospective financial statements that coming year covered by the Annual Plan. This provides an opportunity for ratepayers and residents to review the prospective financial results and position of HDC.

The information in these statements may not be appropriate for purposes other than those prescribed above. Prospective financial statements are revised annually to reflect updated assumptions and costs. These financial statements are for the period 1 July 2023 to 30 June 2024 and are presented in New Zealand dollars, and rounded to the nearest thousand ($000), unless otherwise stated.

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

The prospective financial statements were authorised for issue by the Hauraki District Council on 26 April 2023. HDC is responsible for the prospective financial statements presented, including underlying assumptions underlying prospective financial statements and other disclosures.

To meet all requirements of the local government legislation we provide three sets of financial information as set out in the table below.

Set of financial information	Key differences between these three sets of information
Usual Generally Accepted Accounting Principles (GAAP) regulated statements of financial position, comprehensive revenue and expenses, etc.	The GAAP regulated financial statements must adhere to GAAP requirements;
Non-GAAP compliant Funding Impact Statements (FIS's)	The FIS is intended to make the sources and applications of HDC funds more transparent to its stakeholders than might be the case if only the usual GAAP financial statements were provided. The FIS is prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014 and is required by the LGA; and
Annual Plan disclosure statement as required by the Local Government (Financial Reporting and Prudence) Regulations 2014.	The Long Term Plan disclosure statement is to disclose HDC's planned financial performance in relation to various benchmarks to help our communities assess whether HDC is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Measurement Base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, biological assets and financial instruments.

Judgements and estimations

The preparation of prospective financial statements using public benefit entity (PBE) standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

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

Judgements that have a significant effect on the financial statements and estimates, with a significant risk of material adjustment in the next year, are discussed in the relevant notes within this section. Significant judgements and estimations include asset revaluations, impairments, certain fair value calculations and provisions.

Subsidiaries

HDC has no subsidiaries.

Associates

HDC's associate investment is accounted for in the financial statements using the equity method. An associate is an entity over which HDC has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the financial statements is increased or decreased to recognise HDC's share of the surplus or deficit of the associate after the date of acquisition.

Distributions received from an associate reduce the carrying amount of the investment.

HDC discontinues recognising its share of further deficits if the share of deficits of an associate equals or exceeds its interest in the associate. After HDC's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that HDC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, HDC will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where HDC transacts with an associate, surpluses or deficits are eliminated to the extent of HDC's interest in the associate.

Joint ventures

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

For jointly controlled operations, the Council recognises in its financial statements the assets it controls, the liabilities and expense it incurs, and the share of revenue that it earns from the joint venture.

Revenue

Accounting policy

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below.

Rates revenue

The following policies for rates have been applied:

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

Development and financial contributions

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

Waka Kotahi roading subsidies

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

Other grants received

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

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of the Council's local pools. Revenue from entrance fees is recognised upon entry to the pool.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

Infringement fees

Infringement fees mostly relate to noise and dog infringements. Revenue is recognised when the infringement notice is paid.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

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

For long-lived assets that must be used for a specific use (for example, land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Revenue from exchange and non-exchange revenue

The Council receives their revenue from exchange or non-exchange transactions. Exchange transaction revenue arises when the Council provides goods and services to a third party and receives approximately equal value in return that is directly related to those goods and services. Non-exchange transaction revenue arises when the Council receives value from another party without having to provide goods or services of equal value directly. Non-exchange revenue comprises rates and transfer revenue.

Critical judgements in applying accounting policies

Accounting for donated or vested land and buildings with use or return conditions

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received. The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

Borrowing costs

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

Grant expenditure

The Council's grants awarded have no substantive conditions attached. 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.

Taxation

Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable, which are stated with GST included.

Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, 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 flows. Commitments and contingencies are disclosed exclusive of GST.

Fringe Benefit Tax (FBT)

Where a fringe benefit tax liability arises this has been charged to operating expenditure.

Leases

Finance leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

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

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

Operating leases

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

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables

Trade and other receivables are recorded at the amount due, less any provision for un-collectability.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Inventories

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

Financial assets

HDC classifies its financial assets into four categories. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. HDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are as follows.

1. Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. Derivatives are classified as current if they mature within 12 months of balance date, and are classified as non-current if they mature greater than 12 months after balance date.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

2. Loans and Receivables

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

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

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

3. Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that HDC has the positive intention and ability to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

They are included in current assets, except for those with maturities greater than 12 months after balance date, which are included in non-current assets.

HDC does not hold any assets in this category at present.

4. Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. HDC includes in this category:

- Investments that it intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

Loans and receivables

Impairment of a loan or a receivable is established when there is objective evidence that HDC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

At each balance sheet date HDC 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 surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

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

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

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

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Accounting for derivative financial instruments

HDC uses Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its Investment and Liability Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes. HDC's interest rate swap portfolio was valued as at 30 June 2022 by Council staff using software provided by Hedgebook, and the 2023/24 Annual Plan assumes no change to this valuation.

Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to their fair value at each balance date. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. Any gains or losses arising from changes in fair value are recognised in the surplus or deficit.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in the surplus or deficit. The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion classified as non-current.

Council did not hold any forward exchange contracts at balance date.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group). The only asset currently included in this category is property held for sale.

Property, plant and equipment

Property, plant, and equipment consist of:

Operational assets – These include land, buildings, landfill post-closure, library books, plant and equipment, and motor vehicles.

Restricted assets – Restricted assets are mainly parks and reserves owned by the Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

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

Revaluation

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

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

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

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

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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

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

Disposals

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

Depreciation

Land and assets under construction are not depreciated.

All other assets are depreciated on a straight line basis that will spread the cost of the asset, less any residual value, over the expected useful life of the asset. The useful lives of assets have been identified on a component–by–component basis. The useful lives and associated depreciation rates of major classes of assets has been estimated as follows:

Asset class	Asset Subclass	Estimated useful life	Depreciation rate range
Roading	Pavement Surface	6-60 years	1.75%-16.7%
	Pavement Structure	20-100 years	1%-5%
	Surface water channels	10-75 years	1.3%-10%
	Drainage	75 years	1.3%
	Footpaths	15-75 years	1.3%-6.7%
	Bridges	30-100 years	1%-3.3%
	Street Lighting	25 years	4%
	Retaining walls	85 years	1.2%
	Railings	20-50 years	2%-5%
	Signs	12.5-20 years	5%-8%
Buildings	Structure	30-150 Years	0.7%-3.3%
	External Fit Out	7-108 years	0.9%-14.3%
	Electrical/Mechanical	13-38 years	2.6%-7.7%
	Fixtures and Fittings	3-49 years	2%-3.3%
	Internal wall linings	4-75 years	2%-3.3%
	Lifts	10-41 years	2.4%-10%
	Air conditioners	11-12 years	8.3%-9.1%
	Site improvements	5-102 years	1%-20%
All other assets	Water reticulation	760-100 years	1%-1.7%
	Water treatment	30-100 years	1%-3.3%
	Wastewater reticulation	65-130 years	0.8%-1.5%
	Wastewater treatment	30-100 years	1%-3.3%
	Stormwater reticulation	25-130 years	0.8%-4%
	Drainage and flood protection	15-216 years	0.5%-6.7%
	Library books	8 years	12.5%
	Vehicles	3-21 years	4.8%-33.3%
	Equipment	2-80 years	1.3%-50%
	Technology	2-10 years	10%-50%
	Furniture and fittings	7-10 years	10%-14.3%

Assets purchased during the financial year are depreciated on a remaining month's basis.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment of property, plant, and equipment

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

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

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

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

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Critical accounting estimates and assumptions

Estimating the fair value of land, buildings, and infrastructure

Land (operational, restricted, and infrastructural)

All land was valued at 30 June 2021.

The most recent valuation of land was performed by Quotable Values NZ Ltd, who are qualified, independent valuers. All values were confirmed as being suitable for financial reporting.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Adjustments have been made to the 'unencumbered' land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (operational and restricted)

All buildings were valued at 1 July 2020 plus additions/development at cost, less disposals. Building valuations were completed by independent valuers, and confirmed as being suitable for financial reporting.

Specialised buildings were valued by SPM Assets Ltd at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line deprecation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) were valued by SPM Assets Ltd, using market data provided by Curnow Tizard Ltd at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The valuation of earthquake prone buildings does not include any adjustment.

Infrastructural assets

Roading assets were valued by an independent valuer, WSP Limited as at 1 July 2022.

Water, Wastewater, Stormwater and Drainage Assets were valued Waugh Valuers Ltd as at 1 July 2022.

Infrastructural assets are also carried at fair value, which is deemed to be depreciated replacement costs because the assets are of a specialised nature. The depreciated replacement costs are determined on the basis of valuations prepared ever three years. The revaluation process involves assessing the current optimised replacement cost of a brownfields basis, using highest and best use basis and remaining useful lives.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Critical judgements in applying accounting policies

Classification of property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

Intangible assets

Software acquisition and development

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

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

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

Asset class	Asset Subclass	Estimated useful life	Depreciation rate range
Technology	Software	3-10 years	10%-33.3%
Resource Consents	Resource Consents	10-20 years	5%-10%

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

For further details, refer to the policy for impairment of property, plant, and equipment above. The same approach applies to the impairment of intangible assets.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Investment property

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

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, HDC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Trade and deferred revenue

Trade and other payables are recorded at their face value.

Employee benefits

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

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

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

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability.

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

Critical accounting estimates and assumptions

Estimating retirement and long service leave obligations

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis.

Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows.

The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

A weighted average discount rate in 2022 of 4.3% (2021: 3.23%) and an inflation factor of 3.01% (2021: 3.08%) were used.

Long-term benefits

Long service leave and retirement leave entitlements that are payable beyond 12 months have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and
- The present value of the estimated future cash flows. A discount rate of 4.3% and an inflation factor of 3.01% were used. The discount rate is based on expected interest rates for terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. 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

HDC has not entered into a defined benefit scheme. Payments to defined contributions schemes are expensed in the surplus or deficit when incurred.

Provisions

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

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

Financial guarantee contracts

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

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability that HDC will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if HDC assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Borrowings

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

Borrowings are classified as current liabilities unless the HDC has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

Equity

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

The components of equity are:

- Accumulated funds.
- Other reserves.
- Asset revaluation reserves.

Other reserves

Other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Other reserves are those subject to specific conditions accepted as binding by HDC and which may not be revised by HDC without approval by HDC. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Asset revaluation reserves

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

Cost allocation

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

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

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

Critical accounting estimates and assumptions

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

Landfill aftercare provision

HDC has responsibility under resource consents to provide ongoing maintenance and monitoring of three closed landfills. The cash outflows for landfill post closure are expected to occur over 30 years. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 2.88%.

Infrastructural assets

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

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

Critical judgements in applying Council's accounting policies

Classification of property

The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of HDC's social housing policy. These properties are accounted for as property, plant and equipment.

Funding impact statement: rating implications | Te tauākī pūtea – te hiraunga ki ngā take kaunihera

This statement should be read in conjunction with the HDC's Revenue and Financing Policy, available in our LTP document. All figures in this statement include GST at the prevailing rate.

SEPARATELY USED OR INHABITED PART OF A RATING UNIT (SUIP)

A SUIP is every rating unit and, without limitation, every additional dwelling, commercial or community activity. This includes:

a) Any part or parts of a rating unit used or occupied by the ratepayer for more than one single use.
b) Any parts, whether or not actually occupied at any particular time, which are used for rental (or other form of occupation) on an occasional or long-term basis.
c) Vacant land and vacant premises offered or intended for use or habitation and usually used as such are defined as 'used'.

For the purposes of clarity, every rating unit has a minimum of one SUIP.

In particular, for residences

As part of this definition, the list below sets out our intent in the application of SUIPs to rating units used as for residential purposes:

- ✓ The second and each additional SUIP must have a separate bathroom, bedroom or living area, and separate sink.
- ✓ Any part of a rating unit as described in (a)-(c) above that is inhabited by virtue of a tenancy, lease, license or other agreement on an occasional or long-term basis.
- ✓ Single dwelling with flat attached.
- ✓ Two or more houses, flats or apartments on one rating unit.
- ✓ Individually surveyed lots of vacant land on one Certificate of Title offered for sale separately or in groups.
- ✓ Residential accommodation rented individually per room. For a residential property to be classified as having additional SUIPs, each part must have a separate bathroom, bedroom or living area and separate sink.

Further detail on residential villages is included below.

In particular, for home occupations

Some commercial activities carried out on residential properties qualify as additional SUIPs.

If the commercial activity carried out meets the criteria of a home occupation in accordance with the Hauraki District Plan, then these activities would not qualify as an additional SUIP and therefore will not be charged.

The current definition of a home occupation is as follows:

a) At least one person, including the principal operator of the home occupation, shall reside on the site.
b) A home occupation involving the care, tuition and/or accommodation of no more than five persons at any one time (in addition to the owner(s)/operator(s)) may be undertaken provided the activity and accommodation is principally undertaken within the dwelling.
c) Except for (b) above, all other home occupations shall be carried out wholly within the dwelling or an accessory building erected or modified for the purpose, provided that the gross floor area of the dwelling or accessory building used for the home occupation including any area used for retail sales shall not exceed 30% of the total gross floor area of buildings on the site.

d) Not more than one person from outside the household residing on the site shall be employed in the home occupation.
e) There shall be no exterior display, external storage of materials or other indication of the home occupation or variation from the residential character of the property. Hauraki District Plan 16 September 2019 Section 5.7: Residential Zone (Words in italics in rules and assessment criteria are defined in Section 4.0 Definitions) 5.7-19.
f) The home occupation shall be operated so as not to attract pedestrian or vehicular traffic between the hours of 10.00pm and 7.00am the following day.
g) The home occupation may not use equipment which creates electrical interference with television and radio sets on neighbouring properties.
h) Only goods directly produced or assembled by the home occupation may be sold or offered for sale from the site on which the home occupation is conducted– in accordance with the rules for produce stalls in 8.4.1.3. (Note: Assembled means putting together pre-fabricated parts to make a product).
i) Home occupations shall not include a business or trade that involves panel beating, spray painting, mechanical repairs to vehicles and machinery, engineering work, animal boarding or bee keeping.

In particular, for farms

A farming unit with one dwelling will be treated as one use/part, with each additional dwelling counting as an additional separately used part of the rating unit. Each additional dwelling will be assessed as a separate unit for the purposes of assessing any rate calculated on the basis of a SUIP.

A farming unit is defined as a rating unit primarily or predominantly used for the purposes of agriculture, viticulture, horticulture or silviculture.

In particular, for businesses

Separately used and inhabited parts refers to the ability to use part or parts of the rating unit for independent commercial/industrial operations. A separately used and inhabited part includes where the property has been set up to accommodate, or is accommodating, separate businesses.

As part of this definition, the list below sets out our intent in the application of SUIPs to rating units used for commercial activities:

- ✓ A commercial activity is any activity involving the exchange of goods or services for reward (whether for profit or not).
- ✓ Any part of a rating unit as described in a-c above that is inhabited through a tenancy, lease, license or other agreement on an occasional or long-term basis.
- ✓ Commercial building where there are clearly defined vacant parts, advertised for lease or tenancy.
- ✓ Business premise with separate permitted residential activity.
- ✓ Each use within a single rating unit involving a different activity conducted by a person, company, or organisation different to the ratepayer (i.e. a large store which has a café operating within it, where the café is a separate business entity).
- ✓ Commercial building leased, or subleased, to multiple tenants.
- ✓ A separate dwelling used for short-term accommodation.
- ✓ Commercial accommodation provided on a single rating unit for short-term stays (where average occupancy is limited as prescribed within the District Plan) will be one SUIP.

In particular, for Residential Villages

There are a number of ownership structures for residential villages including unit title, cross lease, rental, lease, and licence to occupy arrangements. For the sake of clarity, in regard to Councils SUIP definition, each individual villa or unit is considered an additional separately used or inhabited part of the rating unit in terms of assessing its rates.

In addition to the primary use, the list below defines our intent in the application of SUIPs to rating units used as community activities:

- ✓ A community activity is any activity operated by an organisation (including clubs and societies).
- ✓ Any activity meeting the definition of Schedule 1 of the Local Government Rating Act 2002.

The Council sets the following rates on the basis of Separately Used or Inhabited Parts of Rating Units:

- The uniform annual general charge.
- Ward targeted rates.
- Ward business targeted rates.
- Community hall targeted rates.
- Refuse collection targeted rates.

Lump Sum Contributions

HDC is not inviting lump sum contributions in respect of any targeted rates.

Uniform Annual General Charge (UAGC)

The UAGC is a fixed charge per separately used or inhabited part of a rating unit. It is used to fund the following activities: iwi liaison, libraries, swimming pools, solid waste, animal control, health, liquor licensing, building services, civil defence, sports fields, events centres, passive reserves, sports co-ordinators, cemetery reserves, town halls, community initiatives.

HDC sets a Uniform Annual General Charge on each separately used or inhabited part of a rating unit within the Hauraki District.

In the 2023/24 year this charge is estimated to be $648.07 (2022/23 $607.33).

The revenue sought is approximately $7,135,864 (2022/23 $6,763,838).

General rate – capital value - district

The General Rate is assessed on all rating units in the district based on capital value. It is used to fund activities where HDC believes the activity delivers a public benefit to the whole of the community and where a fixed charge per rating unit is not considered appropriate. In particular, for the purpose of funding the following activities: democracy, policy development, solid waste building services, resource management implementation, civil defence, land drainage, urban stormwater, economic development, information centres, Destination Coromandel, community initiatives, and other sundry activities.

HDC sets the capital value general rate differentially. The differential is based on land use, based on the categories below:

- **Residential/Rural** - means all rating units used primarily for residential, recreational, cultural purposes or primarily or predominately for the purposes of agriculture, viticulture, horticulture or silviculture.
- **Commercial/Industrial** - means all rating units used for commercial or industrial purposes, including utility networks.
- **Mineral Extraction** - means all mineral value rating units that are not used in precious metal mining.
- **Mining** – means the rating unit with the valuation number 05030/009.00 that is used in precious metal mining.

The 2023/24 estimated rates (in cents per dollar of capital value) per category are:

Differential General Rate	Estimated Rate in the Dollar	Revenue Sought 2023/24
Residential/Rural	0.07758	$7,191,844
Commercial/Industrial	0.20170	$1,202,507
Mineral Extraction Land Use	0.77576	$42,212
Mining Land Use	29.26693	$284,915

Targeted rates

HDC uses targeted rates (as defined in the Local Government (Rating Act) 2002) to collect funds over areas of benefit. Targeted rates are chosen where the services provided are specific to a particular community or area within our District and it is not considered fair to charge all ratepayers, or where it is more transparent to set a separate rate to fund a specific activity. Details of HDC's targeted rates, how the targeted rates are calculated and revenue to be generated by targeted rates is detailed below.

Roading rate

The Roading Rate is assessed on all rating units in the District based on capital value. It is used to fund the roading activity, travellers' reserves, and public toilets.

The 2023/24 estimated rates are:

Targeted Rate	Estimated Rate in the Dollar	Revenue Sought 2023/24
Capital Value Roading	0.08074	$7,719,421

Ward

HDC sets three targeted rates, one for each ward, based on an annual charge per separately used or inhabited part of a rating unit for the purpose of fully and partially funding activities within the ward. These activities include footpaths and street-cleaning, information and visitors' centres, town centres, sports fields and recreation reserves, events centres, township co-ordinators and other sundry activities. The charges will be set on a uniform basis per category with the categories based on the matter location.

The Paeroa Ward Targeted Rate is set on all separately used or inhabited part (SUIP) of rating units situated within the Paeroa Ward.

The Plains Ward Targeted Rate is set on all separately used or inhabited part (SUIP) of rating units situated within the Plains Ward.

The Waihi Ward Targeted Rate is set on all separately used or inhabited part (SUIP) of rating units situated within the Waihi Ward.

Annual charges

For each separately used or inhabited part of a rating unit within each of the wards annual charges are set, which for 2023/24 are estimated at:

Category	Annual Charge	Revenue Sought 2023/24
Paeroa Ward	$420.39	$1,339,814
Plains Ward	$289.57	$944,589
Waihi Ward	$321.40	$1,476,187

Ward - business

HDC sets targeted rates for each ward, based on a differential annual charge per separately used or inhabited part of a commercial and industrial rating unit for the purpose of partially funding activities within the ward. These activities include, information and visitor centres, town centre improvements, and economic development. The rate funding of these activities comes partly from this targeted rate, partly from the ward targeted rate and also from general rates.

The charges will be set on a differential basis on categories based on location and land use. These rates will only be assessed on separately used or inhabited commercial and industrial parts of commercial and industrial rating units. HDC sets its Community Facilities Business Rate on the basis of separately used and inhabited parts.

For the purposes of this rate separately used and inhabited parts refers to the ability to use part or parts of the rating unit for independent trading operations. A separately used and inhabited part will be classified where the property has been set-up to accommodate, or is accommodating, separate businesses.

Separately used or inhabited commercial and industrial parts of commercial and industrial rating units in the rural areas of the Paeroa and Waihi Wards will be assessed a rate equivalent to half the rate assessed on urban rating units. In the Plains Ward the rural rate assessed is equivalent to 56% of the rate assessed on urban rating units. This is due to Positively Promoting the Plains being funded equally by urban and rural rating units.

The categories for the **Paeroa Ward Business Targeted Rate** are:

- **Paeroa Ward Urban** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the valuation rolls 5001, 5002, 5003 and 5004.

- **Paeroa Ward Rural** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the Paeroa Ward but outside the valuation rolls 5001, 5002, 5003 and 5004.

The categories for the **Plains Ward Business Targeted Rate** are:

- **Plains Ward Urban** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the valuation roll 4771.
- **Plains Ward Rural** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the Plains Ward but outside the valuation roll 4771.

The categories for the **Waihi Ward Business Targeted Rate** are:

- **Waihi Ward Urban** – all separately used or inhabited parts of a rating unit used principally for commercial and industrial purposes situated within the valuation rolls 5020 and 5030.
- **Waihi Ward Rural** – all separately used or inhabited parts of a rating unit used principally for commercial and industrial purposes situated within the Waihi Ward but outside the valuation rolls 5020 and 5030.

Annual charges

On each separately used or inhabited part of a rating unit within each of the wards, HDC sets the following annual business rate charges.

The 2023/24 estimated rates are:

Category		Annual Charge	Revenue Sought 2023/24
Paeroa Ward	Urban	$153.77	$37,767
	Rural	$ 76.88	$1,135
Plains Ward	Urban	$185.94	$11,536
	Rural	$104.12	$10,025
Waihi Ward	Urban	$246.15	$55,252
	Rural	$123.07	$2,345

Capital Value Rates

HDC sets targeted rates for each ward, based on capital value on commercial and industrial rating units, for the purpose of partially funding activities within the ward. These activities include, information and visitor centres, town centre improvements, and economic development. The rate funding of these activities comes partly from this targeted rate, partly from the ward targeted rate and also from general rates.

The charges will be set on a differential basis on categories based on location and land use. These rates will only be assessed on separately used or inhabited commercial and industrial parts of commercial and industrial rating units. HDC sets its Community Facilities Business Rate on the basis of separately used and inhabited parts.

For the purposes of this rate separately used and inhabited parts refers to the ability to use part or parts of the rating unit for independent trading operations. A separately used and inhabited part will be classified where the property has been set-up to accommodate, or is accommodating, separate businesses.

Separately used or inhabited commercial and industrial parts of commercial and industrial rating units in the rural areas of the Paeroa and Waihi Wards will be assessed a rate equivalent to half the rate assessed on urban rating units. In the Plains Ward the rural rate assessed is equivalent to 56% of the rate assessed on urban rating units. This is due to Positively Promoting the Plains being funded equally by urban and rural rating units.

The categories for the **Paeroa Ward Business Targeted Rate** are:

- **Paeroa Ward Urban** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the valuation rolls 5001, 5002, 5003 and 5004.
- **Paeroa Ward Rural** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the Paeroa Ward but outside the valuation rolls 5001, 5002, 5003 and 5004.

The categories for the **Plains Ward Business Targeted Rate** are:

- **Plains Ward Urban** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the valuation roll 4771.
- **Plains Ward Rural** – all separately used or inhabited part of a rating unit used principally for commercial and industrial purposes situated within the Plains Ward but outside the valuation roll 4771.

The categories for the **Waihi Ward Business Targeted Rate** are:

- **Waihi Ward Urban** – all separately used or inhabited parts of a rating unit used principally for commercial and industrial purposes situated within the valuation rolls 5020 and 5030.
- **Waihi Ward Rural** – all separately used or inhabited parts of a rating unit used principally for commercial and industrial purposes situated within the Waihi Ward but outside the valuation rolls 5020 and 5030.

The 2023/24 estimated rates (in cents per dollar of capital value) are:

Category	CV Rate in the dollar	Revenue Sought 2023/24
Paeroa Ward Urban	0.02623	$37,582
Paeroa Ward Rural	0.01312	$1,320
Plains Ward Urban	0.02266	$10,652
Plains Ward Rural	0.01269	$10,909
Waihi Ward Urban	0.02197	$55,499
Waihi Ward Rural	0.01099	$2,098

Community halls

HDC sets targeted rates on all rating units in Community Hall Rating Areas for the purpose of funding community halls. A separate targeted rate will be set for each Community Hall Rating Area.

For maps of the Community Hall Rating Areas, refer to the HDC website: https://www.hauraki-dc.govt.nz/council/plans-strategies/annual-plan/rating-area-maps.

Land value rates

HDC sets targeted rates, based on land value, on each of the following categories based on location.

The categories are:

- **Kaihere Hall** – all rating units situated within the Kaihere Hall Rating Area.
- **Patetonga Hall** – all rating units situated within the Patetonga Hall Rating Area.

The 2023/24 estimated rates (in cents per dollar of land value) are:

Category	LV Rate In the dollar	Revenue Sought 2023/24
Kaihere Hall	0.00429	$4,824
Patetonga Hall	0.00137	$1,822

Annual charges

HDC sets the following targeted rates, based on an annual charge per separately used or inhabited part of a rating unit.

The targeted rates are:

- **Hikutaia Hall Targeted Rate** – all rating units situated within the Hikutaia Hall Rating Area within the Hauraki District.

- **Kaiaua Hall Targeted Rate** – all rating units situated within the Kaiaua Hall Rating Area.
- **Karangahake Hall Targeted Rate** – all rating units situated within the Karangahake Hall Rating Area.
- **Kerepehi Hall Targeted Rate** – all rating units situated within the Kerepehi Hall Rating Area.
- **Mangatangi Community Centre Targeted Rate** – all rating units situated within the Mangatangi Community Centre Rating Area within the Hauraki District.
- **Netherton Hall Targeted Rate** – all rating units situated within the Netherton Hall Rating Area.
- **Turua Hall Targeted Rate** – all rating units situated within the Turua Hall Rating Area.
- **Waikino Hall Targeted Rate** – all rating units situated within the Waikino Hall Rating Area.
- **Waitakaruru Hall Targeted Rate** – all rating units situated within the Waitakaruru Hall Rating Area.

In the 2023/24 year the estimated charges are:

Category	Annual Charge	Revenue Sought 2023/24
Hikutaia Hall	$23.00	$2,576
Kaiaua Hall	$10.00	$5,088
Karangahake Hall	$25.29	$3,793
Kerepehi Hall	$15.16	$4,428
Mangatangi Community Centre	$23.00	$1,058
Netherton Hall	$20.23	$3,499
Turua Hall	$22.10	$9,064
Waikino Hall	$23.58	$4,951
Waitakaruru Hall	$25.93	$6,094

Land drainage

HDC sets targeted rates for each of the Drainage Districts for the purpose of funding drainage activity within those drainage districts.

For maps of the Drainage Districts, refer to the HDC website: https://www.hauraki-dc.govt.nz/council/plans-strategies/annual-plan/rating-area-maps.

Drainage rates (D rates)

HDC sets land value rates on each rating unit within the following locations for the purpose of funding drainage activity.

The targeted rates are:

- **Eastern Plains Drainage District** – all rating units situated within the Eastern Plains Drainage District, excluding those residential, commercial and industrial, and community land use rating units within the townships of Kerepehi and Turua.
- **Western Plains Drainage District** – all rating units situated within the Western Plains Drainage District, excluding those residential, commercial and industrial, and community land use rating units within the town of Ngatea.
- **Komata North Drainage District** – all land situated within the Komata North Drainage District.
- **Opukeko Drainage District** – all land situated within the Opukeko Drainage District excluding those residential, commercial and industrial, and community land use rating units within the town of Paeroa.
- **Tirohia-Rotokohu Drainage District** – all land situated within the Tirohia-Rotokohu Drainage District excluding those residential, commercial and industrial, and community land use rating units within the town of Paeroa.
- **Taramaire Drainage District** – all land situated within the Taramaire Drainage District.

The 2023/24 estimated rates (in cents per dollar of land value) are:

Category	LV Rate in the dollar	Revenue Sought 2023/24
Eastern Plains D Rate	0.05525	$421,162
Western Plains D Rate	0.08052	$594,278
Komata North D Rate	0.12484	$99,656
Opukeko D Rate	0.12810	$48,854
Tirohia-Rotokohu D Rate	0.14847	$136,721
Taramaire D Rate	0.09521	$12,629

Flood protection rates (F Rates)

HDC sets land value rates on a differential basis on each rating unit within the following locations for the purpose of funding flood protection activity.

For maps of the Flood Protection Areas, refer to the HDC website: https://www.hauraki-dc.govt.nz/council/plans-strategies/annual-plan/rating-area-maps.

The targeted rates are:

- **Flood Protection Class 1 (F1)** – all rating units situated within the Western Plains Drainage District Flood Protection Area 1.
- **Flood Protection Class 2 (F2)** – all rating units situated within the Western Plains Drainage District Flood Protection Area 2.
- **Flood Protection Taramaire** – all rating units situated within the Taramaire Flood Protection area.
- **Flood Protection Kaiaua** – all rating units situated within the Kaiaua Flood Protection area.

The 2023/24 estimated rate (in cents per dollar of land value) is:

Category	LV Rate in the dollar	Revenue Sought 2023/24
Western Plains F1	0.10197	$78,374
Western Plains F2	0.02502	$7,703
Taramaire	0.11121	$10,279
Kaiaua	0.00551	$10,966

Pump rates (P rates)

HDC sets a land area rate on a uniform basis on all land within the following category based on provision of service, for the purpose of funding the replacement of drainage pumps.

Western Plains Class P – all land serviced by the Hopai West, Martinovich, Central, North and Rawerawe West pump stations.

For maps of the land serviced by pump stations, refer to the HDC website: https://www.hauraki-dc.govt.nz/council/plans-strategies/annual-plan/rating-area-maps.

The 2023/24 estimated rates (in dollars per hectare of land area) are:

Category	Rate per Hectare	Revenue Sought 2023/24
Western Plains Class P	$42.61	$50,116

Urban stormwater

HDC sets targeted rates on all non-rural land use rating units in the towns of Paeroa, Ngatea, Kerepehi, Turua, Waihi, Whiritoa and on some rating units within the Kaiaua Coastal Area for the purpose of funding the urban stormwater activity.

For maps of the urban stormwater rating areas, refer to the HDC website:
[https://www.hauraki-dc.govt.nz/council/plans-strategies/annual-plan/rating-area-maps.](https://www.hauraki-dc.govt.nz/council/plans-strategies/annual-plan/rating-area-maps)

Capital value rates

HDC sets capital value targeted rates on each rating unit within the following locations.

The targeted rates are:

- All rating units within the Paeroa Stormwater Rating Area.
- All rating units within the Ngatea Stormwater Rating Area.
- All rating units within the Kerepehi Stormwater Rating Area.
- All rating units within the Turua Stormwater Rating Area.
- All rating units within the Waihi Stormwater Rating Area.
- All rating units within the Whiritoa Stormwater Rating Area.
- All rating units within the Kaiaua Stormwater Rating Area.

The 2023/24 estimated rates (in cents per dollar of capital value) are:

Category	Capital value rate in the dollar	Revenue Sought 2023/24
Paeroa	0.02724	$330,614
Ngatea	0.05320	$231,001
Kerepehi	0.04471	$68,184
Turua	0.10419	$104,006
Waihi	0.01475	$269,127
Whiritoa	0.00985	$55,284
Kaiaua	0.05065	$91,841

Water supply

HDC sets targeted rates for water supply based on, the volume of water supplied and, the number of connections to the supply on all rating units connected to a water supply, for the purpose of funding the water supply activity. Water supply rates are billed separately twice yearly on varying dates in the various water supply areas.

For the purposes of water supply, properties are 'connected' to a water supply when the means to connect has been installed, i.e. a water lead has been installed from HDC water main to the boundary.

Annual charges

HDC sets an annual charge per connection to a water supply on each rating unit within the following category based on the provision of a service:

- Connected – all rating units with a connection to an HDC water supply.

The 2023/24 estimated annual charge is $154.17 (2022/23 $141.57) per metered connection.

Every connection will be charged the annual charges in conjunction with their usage charges for water consumed.

Water volume rates (metered supply)

HDC sets a targeted rate per unit of water supplied to each rating unit connected to an HDC water supply.

The 2023/24 estimated rates (in cents per cubic metre of water supplied) are:

	2023/24
Base Rate – Consumption up to 200 cubic metres	249.75c
Step One – Consumption between 200 and 400 cubic meters	209.65c
Step Two – All consumption over 400 cubic metres	189.59c

The revenue sought from water supply targeted rate annual charges and water volume rates is approximately $10,287,978 (2022/23 $9,352,707).

Wastewater

HDC sets targeted rates for wastewater based on an annual charge per rating unit for unconnected rating units, or per water closet / urinal (pan) for connected rating units. Rating units used primarily as a residence for one household will only be charged one pan charge. The targeted rates are for the purpose of funding the wastewater activity.

Annual charges

Unconnected

HDC sets an annual charge on each separately used or inhabited part of all rating units not connected to an HDC wastewater scheme but with part of a boundary within 30 metres of a wastewater main belonging to an HDC wastewater scheme.

The 2023/24 estimated annual charge per rating unit is:

	Uniform Charge	Revenue Sought 2023/24
Per rating unit	$305.04	$195,593

Connected

HDC sets an annual charge per wastewater pan on each separately used or inhabited part of all rating units connected to an HDC wastewater scheme.

The 2023/24 estimated annual charge per wastewater pan is:

	Uniform Charge	Revenue Sought 2023/24
Per pan	$610.12	$4,312,893

Rating units used primarily as a residence for one household will be treated as having one pan.

There may be further reductions in pan charges for educational establishments dependent upon regulations made under section 25 of the Local Government (Rating) Act 2002. HDC's remission policy on wastewater charging for educational establishments should be read in conjunction with this policy.

Refuse collection targeted rates

HDC sets targeted rates for refuse collection and kerbside recycling based on a uniform charge per separately used or inhabited part of a rating unit serviced by a HDC funded refuse collection.

The targeted rates are for the purpose of funding the kerbside recycling activity, and the administration of the refuse collection activity.

Annual charges

HDC sets an annual charge per separately used or inhabited part of a rating unit.

The 2023/24 estimated annual charges are:

Category	Uniform charge	Revenue Sought 2023/24
District Collected	$107.00	$711,763

Penalties for late payments and due date of payments

Payment methods

The above rates are payable at HDC Offices at William Street, Paeroa, Orchard Road, Ngatea and Rosemont Road, Waihi between 8.00am and 4.30pm Monday to Friday. Payments may also be made by way of Direct Debits and Automatic Payments. Direct Credits in the form of telephone and internet banking services are also accepted. Credit card payments on the HDC website are also accepted.

Rates (excluding water rates) due dates

Excluding water supply targeted rates, the above rates are by way of four instalments, the dates of such instalments being:

Instalment number	Invoice due date	Penalty added
One	30 August 2023	1 September 2023
Two	29 November 2023	1 December 2023
Three	28 February 2024	1 March 2024
Four	29 May 2024	31 May 2024

Rates (excluding water rates) penalties for late payment

The following penalties will be added to outstanding rates (excluding water supply rates):

- A penalty of 10% will be added to the amount of any instalment remaining unpaid by the relevant due date above. The penalty will be added on the date stated in the 'Penalty Added' column in the tables above.
- A further penalty of 10% will be added to all rates assessed in a previous year which remain unpaid on 1 March 2024. The penalty will be added on 1 March 2024.

Water supply targeted rates due dates

Water supply targeted rates are by way of two instalments per year for those rating units that have received less than 10,000kl over the last two billing periods. Those rating units who have used more than 10,000kl over the last two billing periods, will be billed bi-monthly.

Instalment dates are staggered throughout the year. Refer to HDC's website to find a map of the various reading areas https://www.hauraki-dc.govt.nz/council/plans-strategies/annual-plan/rating-area-maps. For a list of rating units (over 10,000kl as described above) by assessment number refer to HDC's website. These rating units will be billed bi-monthly. The dates of instalments are:

For rating units billed twice a year:

Instalment number	Reading area	Invoice due date	Penalty added
One	1 – Waihi town	30 August 2023	1 September 2023
One	2 – Turua and surrounds – Paeroa commercial – Waihi commercial – Waihi gold	27 September 2023	29 September 2023
One	3 – Waitakaruru and Ngatea North – Waihi rural	25 October 2023	27 October 2023
One	4 – Kerepehi and Ngatea South	29 November 2023	1 December 2023

Instalment number	Reading area	Invoice due date	Penalty added
	– Ohinemuri and Kaimanawa		
One	5 – Netherton – Ngatea town – Karangahake/Mackaytown – Waikino	27 December 2023	29 December 2023
One	6 - Paeroa town	31 January 2024	2 February 2024
Two	1 - Waihi town	28 February 2024	1 March 2024
Two	2 – Turua and surrounds – Paeroa commercial – Waihi commercial – Waihi gold	27 March 2024	29 March 2024
Two	3 – Waitakaruru and Ngatea North – Waihi rural	24 April 2024	26 April 2024
Two	4 – Kerepehi and Ngatea South – Ohinemuri and Kaimanawa	29 May 2024	31 May 2024
Two	5 – Netherton – Ngatea town – Karangahake/Mackaytown – Waikino	26 June 2024	28 June 2024
Two	6 – Paeroa town	31 July 2024	2 August 2024

For rating units billed bi-monthly:

Instalment number	Invoice due date	Penalty added
One	20 August 2023	
Two	20 October 2023	27 October 2023
Three	20 December 2023	
Four	20 February 2024	
Five	20 April 2024	28 April 2024
Six	20 June 2024	

Water supply targeted rates penalties for late payment

The following penalties will be applied to water supply rates:

For rating units billed twice a year:

- An additional charge of 5% will be added to all current and previous years' rates that remain outstanding on date showing in the "Due Date" column in the tables above for Instalment Number One. The penalty will be added on the date showing in the "Penalty Added' column in the tables above for Instalment Number One.
- An additional charge of 5% will be added to all current and previous years' rates that remain outstanding on date showing in the "Due Date" column in the tables above for Instalment Number Two. The penalty will be added on the date showing in the "Penalty Added' column in the tables above for Instalment Number Two.

For rating units billed bi-monthly:

- A penalty of 5% will be added to all current and previous years' rates outstanding on 25 October 2023. The penalty will be added on 27 October 2023.
- A penalty of 5% will be added to all current and previous years' rates outstanding on 26 April 2024. The penalty will be added on 28 April 2024.

Rating base information

The projected number of rating units within our district at 30 June 2023 is 11,826.

The projected total capital value of rating units within our district at 30 June 2023 is $9,768,598,000.

The projected total land value of rating units within our district at 30 June 2023 is $5,876,361,000.

Rating changes - Summary of rating changes by type

Forecast Changes by Rate (%)	Forecast 2023/24 Long Term Plan	Forecast 2023/24 Annual Plan
General Rates - UAGC	2.50%	7.15%
General Rates - CV	2.50%	7.15%
Targeted Rates - Land Transport	12.63%	10.50%
Targeted Rates - Paeroa Community Facilities	1.22%	20.79%
Targeted Rates - Paeroa Community Facilities Business	2.50%	2.50%
Targeted Rates - Plains Community Facilities	1.58%	9.01%
Targeted Rates - Plains Community Facilities Business	2.50%	2.50%
Targeted Rates - Waihi Community Facilities	1.08%	-0.22%
Targeted Rates - Waihi Community Facilities Business	2.50%	2.50%
Targeted Rates - Wastewater	2.50%	1.10%
Targeted Rates - Western Plains 'D'	2.50%	5.00%
Targeted Rates - Eastern Plains 'D'	5.00%	2.50%
Targeted Rates - Komata North 'D'	2.50%	2.50%
Targeted Rates - Opukeko 'D'	2.50%	2.50%
Targeted Rates - Tirohia-Rotokohu 'D'	2.50%	2.50%
Targeted Rates - Taramaire 'D'	2.50%	2.50%
Targeted Rates - Taramaire 'F'	2.49%	2.50%
Targeted Rates - Western Plains 'F1'	2.50%	5.00%
Targeted Rates - Western Plains 'F2'	2.50%	5.00%
Targeted Rates - Western Plains 'P'	2.50%	5.00%
Targeted Rates - Paeroa Stormwater	2.50%	6.50%
Targeted Rates - Ngatea Stormwater	2.50%	1.10%
Targeted Rates - Kerepehi Stormwater	2.50%	10.00%
Targeted Rates - Turua Stormwater	2.50%	1.10%
Targeted Rates - Waihi Stormwater	2.50%	1.10%
Targeted Rates - Whiritoa Stormwater	2.50%	12.50%
Targeted Rates - Kaiaua Stormwater	2.50%	2.50%
Targeted Rates - Waste Collection and Recycling	102.50%	85.00%
Targeted Rates - Rural Hall Rates	2.50%	2.50%
Rates excluding water	**5.58%**	**7.90%**
Cap for rates excluding water	7.00%	8.80%
Targeted Rates - Water	**10.00%**	**10.00%**
Water Charges Cap	10.00%	11.80%
Total Rates	**6.58%**	**8.4%**

Note: The above shows the increase in the total rates being set. The increase per property is lower because of growth in the total number of properties.

Examples of changes to rates

	Current rates 2022/23	Proposed rates 2023/24
Rural		
Low value - $565,000		
Plains	$2,104	$2,227
Paeroa	$2,524	$2,690
Waihi	$1,769	$1,864
Medium value - $1,610,000		
Plains	$4,322	$4,557
Paeroa	$5,318	$5,592
Waihi	$3,323	$3,518
High value - $4,850,000		
Plains	$11,371	$11,957
Paeroa	$14,300	$14,908
Waihi	$8,142	$8,648
Residential		
Low value - $330,000		
Plains	$2,208	$2,353
Paeroa	$2,203	$2,398
Waihi	$2,135	$2,258
Medium value - $545,000		
Plains	$2,642	$2,807
Paeroa	$2,578	$2,797
Waihi	$2,487	$2,630
High value - $875,000		
Plains	$3,307	$3,505
Paeroa	$3,154	$3,409
Waihi	$3,026	$3,201
Commercial/Industrial		
Low value - $180,000		
Plains	$2,970	$3,096
Paeroa	$2,976	$3,154
Waihi	$3,015	$3,117
Medium value - $485,000		
Plains	$4,015	$4,189
Paeroa	$3,950	$4,179
Waihi	$3,943	$4,091
High value - $1,355,000		
Plains	$6,997	$7,306
Paeroa	$6,729	$7,101
Waihi	$6,592	$6,867