

Council Public Agenda 30 June 2023

Council Chambers
101 Bank Street
Te Awamutu



Chairperson
Her Worship the Mayor SC O'Regan

Members
AW Brown, LE Brown, PTJ Coles, RDB Gordon, ML Gower, DM Morgan, MG Montgomerie, MJ Pettit, EM Stolwyk, CS St Pierre, BS Thomas

30 June 2023 10:30 AM

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COUNCIL AGENDA



OPENING COMMENTS FROM HER WORSHIP THE MAYOR

Her Worship the Mayor will provide opening comments.

COUNCIL REPORT



To: Her Worship the Mayor and Councillors
From: Governance
Subject: **MAKING AND ATTESTING OF DECLARATION BY THE MĀORI WARD
COUNCILLOR ELECT DM MORGAN**
Meeting Date: 30 June 2023

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

The Local Government Act 2002 (Schedule 7 Clause 14) states that a person cannot act as a member of a local authority until they have made an oral and written declaration in the form set out in the Act.

The Mayor will invite the Māori Ward Councillor Elect DM Morgan to make her declaration.

COUNCIL AGENDA



APOLOGIES

COUNCIL AGENDA



DISCLOSURE OF MEMBERS' INTERESTS

Members are reminded to declare and stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interest they may have.

COUNCIL AGENDA



LATE ITEMS

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item. It is important to note that late items can only be dealt with when special circumstances exist and not as a means of avoiding or frustrating the requirements in the Act relating to notice, agendas, agenda format and content.

COUNCIL AGENDA



CONFIRMATION OF ORDER OF MEETING

Recommendation

That Council confirms the order of the meeting.

COUNCIL AGENDA



To: Her Worship the Mayor and Councillors
From: Governance
Subject: **CONFIRMATION OF MINUTES**
Meeting Date: 30 June 2023

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

The local authority, its committees, subcommittees and any local and community boards must keep minutes of their proceedings. These minutes must be kept in hard or electronic copy, authorised by a Chairperson’s manual or electronic signature once confirmed by resolution at a subsequent meeting. Once authorised the minutes are the prima facie evidence of the proceedings they relate to.

The only topic that may be discussed at a subsequent meeting, with respect to the minutes, is their correctness.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the open minutes of the Waipā District Council meeting held on 30 May 2023, having been circulated, be taken as read and confirmed as a true and correct record of that meeting.

3 ATTACHMENT - ĀPITITANGA

Council Minutes – 30 May 2023 (pre-circulated)

COUNCIL MINUTES



Time: 9am
Date: Tuesday 30 May
Venue: Council Chambers, Waipā District Council
101 Bank Street, Te Awamutu

PRESENT

Chairperson

Her Worship the Mayor SC O'Regan

Members

AW Brown, LE Brown, PTJ Coles, RDB Gordon, ML Gower, MG Montgomerie, MJ Pettit, EM Stolwyk, CS St Pierre, BS Thomas, (Vacancy)

Opening Karakia – Garry Dyet

1 HER WORSHIP THE MAYOR OPENING COMMENTS

Mayor O'Regan congratulated Deputy CEO and Group Manager Business Support, Ken Morris and his wife Karen in receiving their Queens Service Medals (QSM) for services to the community at a ceremony held in Wellington.

2 APOLOGIES

There were no apologies

3 DISCLOSURE OF MEMBERS' INTERESTS

None

4 LATE ITEMS

None

COUNCIL MINUTES



5 CONFIRMATION OF ORDER OF MEETING

RESOLVED

1/23/25

That Council confirm the order of the meeting.

Councillor A Brown / Councillor L Brown

6 CONFIRMATION OF MINUTES

RESOLVED

1/23/26

That the open minutes of the Waipā District Council meeting held on 26 April 2023 having been circulated, be taken as read and confirmed as a true and correct record of that meeting.

Councillor Gordon / Councillor St Pierre

7 DOCUMENTS SIGNED UNDER COUNCIL SEAL

Council policy and delegated authority provides for use of the Council seal prior to notification to Council in specified cases.

RESOLVED

1/23/27

That the following schedule of documents to which the Common Seal of the Waipā District Council has been applied under delegated authority be received:

a) *Warrants as set out below:*

Position for Warrant	Name of Staff
<i>Enforcement Officer (Contractor)</i>	<i>Callum McHugh</i>
<i>Senior Building Compliance Officer - Inspections</i>	<i>Riki Comins</i>
<i>Project Engineer – Project Delivery</i>	<i>Jean de Villiers</i>
<i>Project Engineer – Project Delivery</i>	<i>Richard Dahlenburg</i>
<i>Transportation Safety Officer</i>	<i>Marion Fleming</i>
<i>Trade Waste Officer</i>	<i>Ellise Ostem</i>
<i>Trade Waste Officer</i>	<i>Anna Coman</i>

COUNCIL MINUTES



<i>Trade Waste Officer</i>	<i>Christian Shouler</i>
<i>Trade Waste Officer</i>	<i>Kahla McAdam</i>
<i>Trade Waste Officer</i>	<i>Tainui Forrester</i>
<i>Trade Waste Officer</i>	<i>Sophie Cole</i>
<i>Planner Consents</i>	<i>Shweta Mahajan</i>
<i>Project Engineer – Water Services</i>	<i>Michael Huxtable</i>
<i>Animal Control Officer</i>	<i>Peter Crocker</i>

Councillor Pettit / Mayor O'Regan

8 ADOPTION OF FEES AND CHARGES 2023-24

The purpose of this report was to adopt the Schedule of Fees and Charges 2023-24

RESOLVED

1/23/28

That Council

- a) **RECEIVES** the report of Graham Pollard, Strategic Projects Driver titled 'Adoption of Fees and Charges 2023-24' (document number 11005409);
- b) **ADOPTS** pursuant to sections 12, 83 and 150 of the Local Government Act 2002, the proposed fees and charges for 2023/24 as set out in the document Waipā District Council Schedule of Fees and Charges 2023-24 (attached as Appendix 1 of this report, document number 10909936), to be effective from 1 July 2023;
- c) Council **RESOLVES** that the fees and charges in relation to Dog Control, be advertised in local papers in June 2023, pursuant to the Dog Control Act 1996.

Mayor O'Regan / Councillor Thomas

9 ADOPTION OF STANDING ORDERS

The purpose of this report was to present an updated version of Standing Orders for adoption.

RESOLVED

1/23/29

That Council:

- a) *Receives the report of Jo Gread, Manager Governance titled 'Adoption of Standing Orders' (ECM Number 11010569);*

COUNCIL MINUTES



- b) *Adopts the set of Standing Orders attached in Appendix 1 of this report (ECM Number 11010568) to replace the Council's current Standing Orders, noting in doing so that:

 - a. *The casting vote is available for use by the chairperson.*
 - b. *Audio link or audio-visual link are available options if the appropriate quality conditions can be met.*
 - c. *The default position for the speaking and moving motions is Option C.**
- c) *With the exception of the Audit and Risk Committee, sets the quorum for its committees and subcommittees as:

 - a. *Half of the members to be physically present, where the number of members (including vacancies) is even; or*
 - b. *A majority of the members to be physically present, where the number of members (including vacancies) is odd;**
- d) *Sets the quorum for the Audit and Risk Committee as three members; and*
- e) *In accordance with Standing Order 13.3, delegates authority to the Mayor to grant a leave of absence to a Councillor or an Appointed Member of a Committee or Sub-Committee.*

Councillor Gower / Councillor Gordon

10 ELECTED MEMBER CODE OF CONDUCT

The purpose of this report was to seek the adoption of a revised code of conduct for this triennium.

An amendment was made to recommendation c) making the Waipā District Council Policy for investigating and ruling on alleged breaches of the Code of Conduct document gender neutral and aligning an out of sequence number order.

RESOLVED

1/23/30

That Council

- a) *Receives the report of Jo Gread Manager Governance titled Elected Member Code of Conduct (ECM Number 11012675); and*
- b) *Adopts the Waipā District Council Code of Conduct 2023 (Appendix 1 of the report, document number 11012818) and revokes the existing Code of Conduct (Appendix 2 of the report, document number 10485242) with immediate effect, in accordance with clause 15(1) of Schedule 7 of the Local Government Act 2002.*
- c) *Adopts the Waipā District Council Policy for investigating and ruling on alleged breaches of the Code of Conduct and the Processes for determining and*

COUNCIL MINUTES



investigating complaints (Appendix 3 of the report, document number 11012858), subject to amending the numbering for 'part 3' and its subsequent numbering to 'part 1' in the documents and making the document gender neutral.

Councillor Stolwyk/ Councillor A Brown

11 CIVIC FINANCIAL SERVICES LTD NOTICE OF AGM AND ANNUAL REPORT 2022

[Deputy CEO AND Group Manager Business Support, Ken Morris as an appointed Director of Civic Financial Services Ltd did not participate in any discussion regarding this item]

The purpose of this report was to seek authority to make a proxy vote on behalf of Council at the upcoming Civic Financial Services Limited Annual General Meeting.

RESOLVED

1/23/31

That Council

- a) *Receives the report of Jolanda Hechter Manager Finance titled Civic Financial Services Ltd Notice of AGM and Annual Report 2022 (ECM Number 11015234);*
- b) *Provides authority for the Chief Executive to complete and forward the Annual General Meeting Proxy Form to Civic Financial Services, with:*
 - a. *The proxy to be completed in favour of receiving the Annual Report for the year ended 31 December 2022; and*
 - b. *The proxy to be completed in favour of the appointment of the Auditor-General as the auditor to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to determine the remuneration for the auditor for the year.*

Mayor O'Regan / Councillor St Pierre

12 CONSULTATION ON POTENTIAL PART SALE OF 1262 CAMBRIDGE ROAD TO KAINGA ORA

The purpose of this report was to inform Council on the outcome of the recently completed public consultation on the potential part sale of the property at 1262 Cambridge Road to Kāinga Ora, to allow Council to deliberate on the matter, and to seek approval for the sale to proceed.

COUNCIL MINUTES



RESOLVED

1/23/32

That Council:

- a) Receives the report of Andrew Don, Property Projects Specialist, titled *Consultation on Potential Part Sale of 1262 Cambridge Road to Kāinga Ora (ECM number 11016095)*.
- b) Notes that Council entered into a sale and purchase agreement commencing 24 November 2022 ("**Sale and Purchase Agreement**") for the sale to Housing New Zealand Limited of land at 1262 Cambridge Road, Te Awamutu for an amount of Two Million, Six Hundred and Eighty Two Thousand, Five Hundred Dollars (\$2,682,500) plus GST ("**Sale**"), subject to Council approving the Sale following consultation with the local community;
- c) Notes the feedback on the Sale following consultation, as attached in Appendix 5.
- d) Pursuant to clause 21.5(b) of the Sale and Purchase Agreement, approves the Sale proceeding in accordance with that agreement; and
- e) Delegates authority to the Group Manager Business Support to execute any documents necessary to give effect to recommendation d).

Councillor L Brown / Councillor A Brown

13 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED

1/23/33

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
14. Public Excluded Minutes – 26 April 2023 15. Acquisition of Land C1	Good reason to withhold exists under section 7 Local Government Official	Section 48(1)(a)

COUNCIL MINUTES



<p>16. <i>Compulsory Acquisition of Land C1</i> 17. <i>Proposed Lease of Recreation Reserve</i> 18. <i>Reserves Act 1977 – Exercise of Ministerial Delegation (Lease of Recreation Reserve)</i></p>	<p><i>Information and Meetings Act 1987</i></p>	
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This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may be, which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, are as follows:

Item No.	Section	Interest
15,17,18	7(2)(i)	<i>To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</i>
14,16	7(2)(h)	<i>To enable the council to carry out, without prejudice or disadvantage, commercial activities.</i>

Councillor St Pierre / Councillor Thomas

The meeting went into Public Excluded session at 9.56am
There being no further business the meeting closed at 10.42am

CONFIRMED AS A TRUE AND CORRECT RECORD

CHAIRPERSON: _____

DATE: _____

COUNCIL AGENDA



To: Her Worship the Mayor and Councillors
From: Governance
Subject: **DOCUMENTS SIGNED UNDER COUNCIL SEAL**
Meeting Date: 30 June 2023

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

Council policy and delegated authority provides for use of the Council seal prior to notification to Council in specified cases.

2 RECOMMENDATION– TŪTOHU Ā-KAIMAHI

That the following schedule of documents to which the Common Seal of the Waipā District Council has been applied under delegated authority be received:

Position for Warrant	Name of Staff
<i>Project Engineer – Water Services</i>	<i>Egbert Scherman</i>
<i>Trade Waste Officer</i>	<i>Taydra Cole-Williamson</i>
<i>Building Compliance Officer – Processing</i>	<i>Steven Tranter</i>
<i>Enforcement Officer</i>	<i>Rhonda Maree Stewart</i>
<i>Senior Enforcement Officer</i>	<i>Melinda Bowyer</i>

COUNCIL REPORT



To: Her Worship the Mayor and Councillors
From: Strategic Projects Driver
Subject: **Adoption of 2023/24 Annual Plan and Setting of Rates**
Meeting Date: 30 June 2023

1 PURPOSE - TAKE

The purpose of this report is to seek approval to adopt the draft Annual Plan 2023/24 and the draft Development Contributions Policy 2023/24, and to set the Council rates for 2023/24.

The following appendices accompany this report:

- Appendix 1 – Draft Annual Plan 2023/24 (ECM# 10983205)
- Appendix 2 – Draft Development Contributions Policy 2023/24 (ECM# 11017296).

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

As was signalled to the Strategic Planning and Policy Committee (Committee) on 6 June 2023, the draft Annual Plan 2023/24 presents a total rates revenue of \$83.8 million, with an average rates increase of 6 per cent after growth. This is 2.3 per cent more than originally signalled in Year 3 of the 2021-31 Long Term Plan (LTP) but is within the rates increase limit set in the 2021-31 LTP (which equates to 6.3 per cent for this year).

While some adjustments to budgets for the 2023/24 year have been proposed, none of the proposed changes to the LTP triggered the need for consultation, per the provisions of the Local Government Act 2002.

As such, the Committee resolved that a recommendation be made to Council to adopt the draft Annual Plan 2023/24 and set Waipā District Council Rates for the 2023/24 financial year.

At the same meeting, the Committee also resolved to recommend to Council that minor updates be made to the draft 2023/24 Development Contributions Policy; noting the amendments only impact the Pukerimu and Hautapu funding catchments.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That Council

- a) *Receives the report of Melanie Andrews, Strategic Projects Driver titled 'Adoption of Annual Plan 2023/24 and Setting of Rates' (ECM# 1102821); and*
- b) *Adopts the draft Annual Plan 2023/24 (ECM# 10983205 attached as Appendix 1) as the Annual Plan 2023/24 in accordance with Section 95 and Schedule 10 of the Local Government Act 2002; and in adopting the Annual Plan, Council:*
 - i. *Approves the financial estimates for the 2023/24 financial year with a rate requirement of EIGHTY FIVE MILLION, FOUR HUNDRED AND EIGHTY-NINE THOUSAND, SIX HUNDRED AND TWENTY-NINE DOLLARS (\$85,489,629) GST exclusive; and*
 - ii. *Approves borrowing from external sources of SEVENTY MILLION AND EIGHT HUNDRED THOUSAND DOLLARS (\$70,800,000) in accordance with the Annual Plan 2023/24; and*
- c) *Adopts the draft Development Contributions Policy 2023/24 (ECM# 11017296 attached as Appendix 2) as the Waipā District Council Development Contributions Policy 2023/24; and*
- d) *Delegates to the Chief Executive the authority to make minor editorial changes and the correction of minor errors to the draft Annual Plan 2023/24 and the draft Development Contributions Policy 2023/24 as part of the publication process; and*
- e) *Sets the following rates for the financial year commencing on 1 July 2023 and ending on 30 June 2024 under the Local Government (Rating) Act 2002:*

[Rates requirement figures quoted in the section below are inclusive of GST at the prevailing rate.]

General rate

A general rate is set under section 13 of the Local Government (Rating) Act 2002 based on the CV of each rating unit in the district with no differential being set. The rate for 2023/24 is 0.0999 cents in the dollar on the capital value of each rating unit.

Amount to be raised: \$33,995,115 inclusive of GST.

Uniform annual general charge (UAGC)

A UAGC is set under section 15 of the Local Government (Rating) Act 2002 at \$700.00 inclusive of GST per separately used or inhabited part of a rating unit.

Amount to be raised: \$17,957,100 inclusive of GST.

Targeted rates

Targeted rates are set under sections 16 and 19 of the Local Government (Rating) Act 2002 for the activities listed below.

Targeted area rate

A targeted area rate is set on each rating unit in the district. The targeted area rate will be a fixed amount per rating unit. This rate will be set on a differential basis based on location of the rating unit, being the areas of Te Awamutu, Kakepuku, Cambridge, Maungatautari and Pirongia.

Rates for the 2023/24 year is shown in the following table:

Area	\$ Rate (GST inclusive)	\$ Raising
Cambridge	401.21	3,648,617
Kakepuku	221.73	295,790
Maungatautari	321.75	493,560
Pirongia	194.59	658,887
Te Awamutu	299.15	2,108,106

The targeted area rate will fund the public community/group benefit element of activities.

The activities funded from the targeted area rate include community boards, community grants, libraries, swimming pools, district museum, Cambridge Town Hall (Cambridge area only) community properties (Cambridge and Te Awamutu Areas), passenger transport, Cambridge Refuse Centre grant, and National Cycling Centre of Excellence.

Amount to be raised: \$7,204,961 inclusive of GST.

Cambridge community sports hall

A targeted rate is set to fund the loan charges for the grant made for the development of the sports hall located at the Cambridge High School. The rate is set on land in the Cambridge and Maungatautari areas only.

The targeted rate is a fixed amount of \$13.52 inclusive of GST per rating unit.

Amount to be raised: \$143,827 inclusive of GST.

Urban Town Halls

A targeted rate is set to fund the maintenance costs for the Pirongia Memorial Hall and the Kihikihi Town Hall and part of the maintenance costs of the Cambridge Town Hall. The rate is set on land in the Cambridge and Te Awamutu areas, and in the Pirongia township being roll number 4,605.

The targeted rate is a fixed amount of \$8.22 inclusive of GST per rating unit.

Amount to be raised: \$136,682 inclusive of GST.

Capital works

A targeted rate is set to fund capital costs in connection with improvements and extensions to footpaths, kerbing and channelling of roads and street lighting as follows. The rate is set on land in the Cambridge and Te Awamutu areas only.

The capital works rate is based on the capital value of the rating unit. The capital works rate is set on a differential basis based on location of the rating unit, with the categories being the areas of Te Awamutu and Cambridge. The rates in cents per dollar of capital value are shown in the following table:

Area	Rate in cents per dollar (GST inclusive)	\$ Raising
Cambridge	0.0007	89,342
Te Awamutu	0.0008	51,402

Amount to be raised: \$140,744 inclusive of GST.

Stormwater

A targeted rate is set to fund the operating costs and loan charges for stormwater. The stormwater rate is based on the capital value of each rating unit in the district. The stormwater rate is set on a differential basis based on location of the rating unit, the categories being urban and rural. Urban is defined as being the urban drainage areas of Cambridge, Te Awamutu, Kihikihi, Ōhaupō, Pirongia and Karāpiro, as shown on Drainage Maps on www.waipadc.govt.nz. Rural is defined as the remaining area of the district not defined as urban. The rates set for 2023/24 in cents per dollar of capital value are shown in the following table:

	Rate in cents per dollar (GST inclusive)	\$ Raising
Urban	0.0247	3,958,806
Rural	0.0040	694,254

Amount to be raised: \$4,653,059 inclusive of GST.

Sewerage rates

A targeted rate is set for sewerage disposal costs and loan charges for each rating unit in the areas of the Cambridge sewerage scheme and the Te Awamutu sewerage scheme.

The targeted rate is set on a differential basis based on the provision of service, the categories of service being connected and serviceable. Connected means any rating unit that is connected to the Cambridge or Te Awamutu sewerage scheme. Serviceable means

any rating unit situated within 30 metres of a public sewerage drain in one of the above Council sewerage scheme areas to which it is capable of being effectively connected but which is not so connected. For connected rating units, the rate is calculated based on the number of pans and urinals at the rating unit, with the charge being the same dollar rate based on the total number of pans. For example, if the rating unit has 17 pans, all pans will be calculated at \$555.59 per pan.

For serviceable rating units, the rate is an amount per rating unit.

The rates for the 2023/24 year are:

	\$ Rate per pan or urinal (GST inclusive)	\$ Raising
Connected (3 or less pans)	910.80	12,919,232
Connected (4 to 10 pans)	774.19	959,209
Connected (11-15 pans)	637.56	296,465
Connected (16-20 pans)	555.59	131,118
Connected (21-35 pans)	500.94	255,479
Connected (36-45 pans)	437.19	55,085
Connected (46 or more pans)	409.86	522,981
	\$ Rate per rating unit (GST inclusive)	\$ Raising
Serviceable	455.40	121,136

Amount to be raised: \$15,260,707 inclusive of GST.

Water rates

Serviceable connections

A targeted rate is set to fund water supply costs and loan charges to serviceable rating units.

The targeted rate is set for serviceable rating units and is a fixed amount per separately used or inhabited part of a rating unit. Serviceable means within 100 metres of a supply pipe and capable of being effectively connected but not so connected.

The rate for the 2023/24 year is:

	\$ Rate per Suip (GST inclusive)	\$ Raising
Serviceable	139.32	26,053

Rating units that are not serviceable are not liable for this rate.

Amount to be raised: \$26,053 inclusive of GST.

Metered Connections

Targeted rates are set for the supply of water and to fund loan charges to rating units with metered connections:

- a) An amount per separately used or inhabited part of a rating unit; and
- b) A charge based on the amount (in cubic metres) of water supplied.

In both cases the rate is set for all metered rating units other than rating units subject to a separate water supply contract. The amount of the consumption-based component of the rate depends on the service provided, namely potable or raw water supply.

The rates for the 2023/24 year are:

	\$ Rate per SUIP (Incl GST)	Consumption \$ Rate (GST incl)
Potable Water	150.65	1.8141 per m ³
Raw Water	150.65	0.4535 per m ³

Amount to be raised: \$15,716,112 inclusive of GST.

Arohena rural water supply area

A targeted rate is set to fund the Arohena rural water supply loan costs for Waipā ratepayers within the Arohena rural water supply area (administered by the Ōtorohanga District Council). The Arohena water rate is based on the capital value of each rating unit located within the Arohena rural water supply area.

The rate for 2023/24 in cents per dollar of capital value is 0.0069 inclusive of GST.

Amount to be raised: \$5,635 inclusive of GST.

Recycling rate

A targeted rate is set to fund the provision of a kerbside refuse recycling service to each household in the district.

The targeted rate is a fixed amount of \$125.00 inclusive of GST per separately used or inhabited part of a rating unit (SUIP). For the purpose of the recycling rate, SUIP only includes an SUIP used principally for residential purposes.

Amount to be raised: \$2,893,198 inclusive of GST.

Community hall rates

Council has a number of community halls which have a targeted rate set for each hall. The targeted rates are to fund part of the costs of the relevant community hall.

These rates are a fixed amount per separately used or inhabited part of a rating unit (SUIP) and will be charged to every rating unit within the relevant community hall areas on which there is at least one residential household. For the purpose of the community hall rates, SUIP only includes an SUIP used principally for residential purposes.

The plans showing the boundaries of the various community hall areas can be found at www.waipadc.govt.nz.

The following table shows the details for the various community hall targeted rates:

	\$ Rate per Suip (GST inclusive)	\$ Raising
Fencourt Hall	16.00	7,038
Hautapu Hall	20.40	11,731
Horahora Hall	26.95	4,150
Karapiro Hall	26.75	10,165
Koromatua Hall	46.00	13,938
Maungatautari Hall	37.25	6,854
Monavale	30.00	6,631
Ngahinapouri Hall	30.00	11,552
Ohaupo Hall	13.30	6,305
Parawera Hall	18.60	2,399
Paterangi Hall	28.55	5,967
Pukeatua Hall	21.30	4,175
Rangioawhia Hall	14.25	1,895
Rukuhia Hall	26.10	8,509
Te Miro Hall	27.90	5,468
Te Rore Hall	13.80	690
Whitehall Hall	30.00	3,301

Community Centre rates

Council has a number of community centres which have a targeted rate set for each community centre. The targeted rates are to fund part of the costs of the relevant community centre.

These rates are a fixed amount per separately used or inhabited part of a rating unit SUIP and will be charged to every rating unit within the relevant community centre area on which there is at least one residential household. For the purpose of the community centre rates, SUIP only includes an SUIP used principally for residential purposes.

The plans showing the boundaries of the various community centres areas can be found at www.waipadc.govt.nz.

The following table shows the details for the various community centres targeted rates:

	\$ Rate per Suip (GST inclusive)	\$ Raising
Kaipaki	39.70	12,664
Ohaupo	38.80	39,654
Pirongia	17.35	16,833

- f) *Adopts the following payment dates and penalties for rates for the financial year commencing on 1 July 2023 and ending on 30 June 2024 under the Local Government (Rating) Act 2002:*

Early payment of rates

Sections 55 and 56 of the Local Government (Rating) Act 2002 empower Council to accept early payment of rates. Council accepts payment in full of all rates assessed in each year on or before the due date for the first instalment of the year. No discount will be given to any payment of rates received on this basis.

Rates payable by instalments

Rates (other than rates for metered water supply) are payable by four equal instalments with the due dates and penalty dates as set out in the table below:

Instalment	Due Date	Penalty Added
Instalment 1	21 August 2023	28 August 2023
Instalment 2	21 November 2023	28 November 2023
Instalment 3	21 February 2024	28 February 2024
Instalment 4	21 May 2024	28 May 2024

Water Rates payable by instalment

Invoices for the supply of water via metered connections are payable in four instalments. The location where the water is supplied within the District will determine the month of meter reading, invoice date, due date and the penalty date. The due dates and penalty dates are per the following table.

Location	Invoiced during month of	Due date	Penalty added
Te Awamutu/ Pirongia	July	31 August 2023	7 September 2023
	October	30 November 2023	7 December 2023
	January	1 March 2024	8 March 2024
	April	31 May 2024	7 June 2024
Kihikihi	July	31 August 2023	7 September 2023
	October	30 November 2023	7 December 2023
	January	1 March 2024	8 March 2024
	April	31 May 2024	7 June 2024
Cambridge	August	2 October 2023	9 October 2023
	November	8 January 2024	15 January 2024
	February	2 April 2024	9 April 2024
	May	27 June 2024	5 July 2024
Pukerimu/Ōhaupō	September	31 October 2023	7 November 2023
	December	30 January 2024	7 February 2024
	March	30 April 2024	7 May 2024
	June	31 July 2024	7 August 2024

Penalties on rates not paid by the due date

Sections 57 and 58 of the Local Government (Rating) Act 2002 enables penalties to be imposed. A penalty of 10 per cent will be added to all instalments or part thereof remaining unpaid on the relevant date in the “Penalty Added” column of the table above under the heading “Rates payable by instalment”. This penalty does not apply to invoices for metered water supply.

An additional penalty of 10 per cent will be added to any rates assessed in any previous year that are still unpaid on 7th July 2023. The penalty will be added on 10th July 2023.

A further additional penalty of 10 per cent will be added to rates from the previous years that are still unpaid after 8th January 2024. The penalty will be added on 9th January 2024.

Penalties on metered water supply not paid by the due date

Sections 57 and 58 of the Local Government Rating Act 2002 enables penalties to be imposed. A penalty of 10 per cent will be added to all instalments or part thereof remaining unpaid on the relevant date in the “Penalty Added” column of the table above under the heading “Water Rates payable by instalment”.

4 BACKGROUND – KŌRERO WHAIMĀRAMA

Annual Plan and Rates

For each year in which an LTP is not prepared, Council is required to prepare and adopt an Annual Plan. The Annual Plan sets budgets for the coming year and describes any variances from what was forecast for that year, through the LTP.

The draft Annual Plan 2023/24 covers year three of the 2021-31 LTP where an average rates increase of 3.7 per cent was provided for. Since then, several factors have changed, including significant inflation and a dramatic rise in interest rates. Factors including supply chain issues, staff availability and retention, and the financial impacts of Cyclone Gabrielle have had further impacts on rates. Based on these changes, a proposed average rates increase of 6 per cent was approved by the Strategic Planning and Policy Committee on 6 March 2023 to bring a total rates revenue of \$83.8 million. The 6 per cent average rates increase is in line with policy limits specified in the LTP of the Local Government Cost Index (LGCI) plus 2 per cent, which for the 2023/24 year equates to 6.3 per cent.

Noting the Annual Plan 2023/24 must be adopted by 30 June 2023, at its meeting on 6 June 2023, the Committee resolved that a recommendation be made to Council to adopt the Annual Plan 2023/24 and set the Waipā District Council Rates for the 2023/24 financial year.

Since that meeting, two minor amendments have been made to the draft Annual Plan 2023/24 for accuracy. These are detailed below.

- Page 21 - Decrease of \$1.4 million for Town Concept Plans deferred to ~~align with delayed timing~~ review the project scope given the consideration of ~~development~~ the new location for Te Ara Wai.
- Page 31 – Increase of \$2.4 million for district wide watermain renewals due to the ~~requirement for larger than anticipated pipes~~ timing of the project.

Development Contributions Policy

It is proposed that Council’s Development Contributions Policy is updated for the Hautapu and Pukerimu catchments to reflect the reallocation of actual costs for specific projects already accounted for, and where the rural roading development contributions have been added. The changes can be made without consultation pursuant to sections 106(2B) and 106(2C) of the Local Government Act 2002. The Strategic Planning and Policy Committee agreed to recommend that Council adopts these changes at its meeting on 6 June 2023.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have considered the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8, and have assessed that the matters in this report have a low level of significance. There is no statutory requirement to consult on the draft Annual Plan, and draft Development Contributions Policy.

6 OPTIONS – NGĀ KŌWHIRINGA

Option	Advantages	Disadvantages
<p><u>Option 1:</u> Do not adopt the draft Annual Plan 2023/24, set rates and adopt the draft Development Contributions Policy.</p>	<ul style="list-style-type: none"> ▪ None. 	<ul style="list-style-type: none"> ▪ Council will be non-compliant with the Local Government Act 2002, as per Section 95(1) Council is required to adopt an annual plan for each financial year. ▪ Will impact ability to strike and collect rates funding for the 2023/24 year. ▪ Loss of revenue via Development Contributions within specific catchments (but will apply in new policy in the next LTP)

<p>Option 2: Adopt the draft Annual Plan 2023/24, set rates and adopt the draft Development Contributions Policy.</p>	<ul style="list-style-type: none"> ▪ Complies with the Local Government Act 2002, Section 95(1) ▪ Community is informed ▪ Enable Council to strike and collect rates funding for the 2023/24 year. ▪ Enable revenue via Development Contributions within specific catchments to be collected 	<ul style="list-style-type: none"> ▪ None.
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The recommended option is Option 2. The reason for this that Council is required to adopt an Annual Plan in order to be compliant with the Local Government Act 2002, Section 95(1).

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Council’s Vision and Strategic Priorities

This decision aligns with Council’s Vision to build connected communities and Community Outcomes.

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that the Option 2 complies with Council’s legal and policy requirements, as per the Local Government Act 2002 and the Local Government (Ratings) Act 2002.

Financial Considerations – Whaiwhakaaro ā-Pūtea

The total costs to complete the Annual Plan 2023/24 are minor. This amount is budgeted for in the current financial year.

Risks - Tūraru

There are no known significant risks associated with the decisions required for this matter.

8 NEXT ACTIONS

Action	Responsibility	By When
Council advises the community of formal adoption of the Annual Plan 2023/24 and affirms Waipā District Council rates for the 2023/24 year.		June
Council advises adoption of the Development Contributions Policy 2023/24		June

9 APPENDICES - ĀPITITANGA

No:	Appendix Title
1	Draft Annual Plan 2023/24 (ECM# 10983205)
2	Draft Development Contributions Policy 2023/24 (ECM# 11017296)



Melanie Andrews

STRATEGIC PROJECTS DRIVER



Reviewed by Melissa Russo

MANAGER STRATEGY



Reviewed and Approved by Kirsty Downey

GROUP MANAGER STRATEGY



Reviewed and Approved by Ken Morris

DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Draft Annual Plan 2023/24 (ECM number 10983205)

DRAFT ANNUAL PLAN 2023/24



Message from the Mayor

Tēnā koutou katoa,

Welcome to our Annual Plan which sets our priorities and budget for July 2023 – June 2024.

Your elected members and Council staff have worked hard to create a plan that continues to grow a strong and vibrant district with our vision *Waipā – Home of Champions: Building connected communities* at the forefront of all that we do.

Like all councils across the country, and many businesses and households, Waipā District Council is facing considerable financial challenges. As we set the budget for the coming year, we have needed to factor in cost increases right across our business. This is the result of significant increases in interest rates and inflation and the upwards spiral effect that this has on the costs of supply and staffing. These things are out of Council's control but something we have to respond to.

Our 2021-31 Long-Term Plan had provided for a 3.7 per cent rates increase for this year but we've had to increase this to an average rates increase of 6 per cent. This is not a decision that Council has taken lightly – but is one deemed critical in order for us to keep investing in our growing communities and not cutting back on key services. We remain within the 6.3 per cent rates increase limit that we committed to in the 2021-31 Long-Term Plan.

To build a district we can be proud of takes thoughtful planning, continuous development and carefully considered investment.

Despite the trying times, we have a bright and full year ahead of us. This year we're planning to continue investing in infrastructure growth particularly in Cambridge North, Hautapu, and Picquet Hill, a cost that is directly funded by the development community. We will spend more than \$23m on our community spaces – things like green spaces, libraries and playgrounds. We're spending more than \$10m on making sure our roads are safe to get around and looking to invest \$14m on cycleway projects that connect our people, towns and attractions. More than \$71m is going into meeting storm water, water supply and waste demands.

Some of our high investment projects include our shared pathways in Kihikihi (Te Ara Rimu) and Cambridge. We also have the Te Awamutu War Memorial Park and playground renewal, Leamington Domain master plan development and new playground design, as well as continuing to develop and design Te Ara Wai. These are exciting projects.

Equally exciting is the development of Ahu Ake, our community spatial plan. This is a leading edge and international award-winning approach to Council working with our community to plan our future together. This work will be key to the development of our 2024-34 Long-Term Plan and the long-term plans that will follow that.

We will continue to prioritise the needs of our community while at the same time being ready to respond to the changes around us. With central government reviews on the cards for local government and three waters services, a national election, a tense economic environment, and a continued commitment to climate change...there's definitely no shortage of challenge coming our way. But we are ready for it.

Together we will persevere in building vibrant, healthy and connected communities.

I look forward to navigating these challenges, as well as the opportunities, with you over the next year.



Susan O'Regan
Mayor of Waipā



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Annual Plan Overview

What is an Annual Plan?

Every three years we produce a Long Term Plan (LTP) to set the future direction of Council for the district. Outside of those years we produce an Annual Plan which identifies any changes or additions to the projects, activities and financial information included in the LTP. The current LTP was adopted in 2021 and covers the decade 2021-31.

In addition, we produce an Annual Report to review our performance against our LTP and Annual Plans. Together, these three documents:

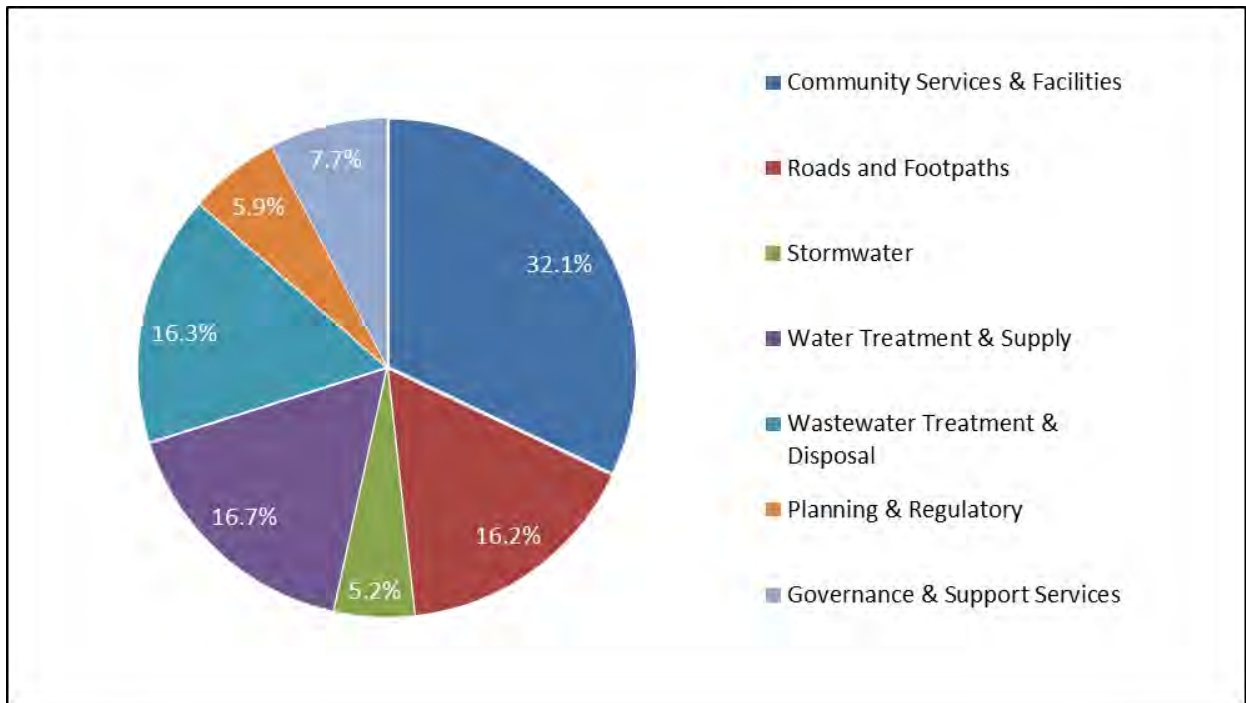
1. Identify Council's priorities
2. Outline Council's programme of work
3. Measure our performance

Rates

In the 2021-31 LTP the expected average annual rates increase for 2023/24 was 3.7% (after growth). However, this Annual Plan provides for an average annual rates increase of 6% which is largely driven by inflationary pressures and higher interest rates. The rates increase remains within the limit set in the 2021-31 LTP which equates to 6.3%.

How will your rates be spent in 2023/24?

The chart below outlines where your rates will be spent in 2023/24 by showing the proportion allocated to each of the Council’s activity groups.



It is important to note that there are other funding sources which are used to contribute to the overall running costs of Council and our district. These include development contributions, loans, user fees and charges, external fundraising, and central government funding contributions.

Summary of changes from the 2021-31 Long Term Plan: by group of activities

Our 2021-31 LTP contains our proposed activities, projects and programmes and associated budgets for 2023/24.

This Draft Annual Plan looks at the groups of activities detailed in the LTP and identifies where there are changes from what was originally proposed.

The groups of activities covered in this section are:

- Community services and facilities
- Governance
- Planning and regulatory
- Roads and footpaths
- Stormwater
- Support services
- Wastewater treatment and disposal
- Water treatment and supply

The following is outlined for each group of activities:

- A description of the group's services
- Key projects identified for the 2023/24 year
- Changes from the Long Term Plan 2021-31
- Statement of cost of the service
- Capital expenditure
- Funding Impact Statement

Governance

What we do

To ensure elected members can make the best informed decisions impacting our communities, they need a support network that includes strategic advisors, iwi advisors, engagement specialists and business support.

Key projects for 2023/24

- Strengthening partnerships with iwi.
- Development of Ahu Ake – District wide community spatial plan
- Development of the Long Term Plan 2024-34
- Meaningful engagement with the community around current and future projects and services.

Changes from the Long Term Plan 2021-31

There are no significant or material changes from the programme outlined in the Long Term Plan 2021-31. Minor variations from the Long Term Plan 2021-31 are detailed below.

Operating variances

Expenditure:

- Payments to staff and suppliers have increases in honorarium payable to Councillors of \$87,000. Remuneration for Elected Members is set independently by the Remuneration Authority. Communication and Engagement has an increase of \$223,000 relating to restructure of the Communication team in 2021/22.
- Interest expense has increased due to the higher interest rates.
- Increase in overhead expenditure to align with inflationary and other Council wide cost base increases.
- Other operating funding applications include Community Grants with a removal of the grant (\$682,000) for construction on the Cambridge Museum, which is no longer occurring, offset by an increased grant to the Te Awamutu Safer Community Charitable Trust, a grant to the Waipa Community Trust \$3,500 and increases in operational costs. The grant to the Waikato Biodiversity Forum has been redeployed for the 2023/24 financial year due to the grant being unclaimed in prior years.

Capital expenditure table

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
To Improve Level of Service	-	-	-	-
Total Capital Expenditure to Improve Level of Service	-	-	-	-
TOTAL CAPITAL EXPENDITURE	-	-	-	-

Funding Impact Statement

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	8,235	8,384	9,532	1,149
Targeted rates	1,076	1,085	1,151	66
Subsidies and grants for operating purposes	55	57	60	3
Fees and charges	56	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	9,422	9,526	10,743	1,217
Applications of operating funding				
Payments to staff and suppliers	4,705	4,486	4,963	477
Finance costs	39	28	83	55
Internal charges and overheads applied	3,653	3,587	4,292	705
Other operating funding applications	1,101	1,794	1,177	(617)
Total applications of operating funding (B)	9,498	9,895	10,515	620
Surplus (deficit) of operating funding (A - B)	(76)	(369)	228	597
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(76)	(369)	228	597
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	(76)	(369)	228	597
Surplus (deficit) of capital funding (C - D)	76	369	(228)	(597)
Funding balance ((A - B) + (C - D))	0	(0)	0	(0)

Grants to Community Organisations as per Community Grants Activity

	2022/23 Budget \$000	2023/24 LTP YR 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Pirongia Ward Grants	27,600	27,600	27,600	-
Cambridge Community Board Grants	49,600	49,600	49,600	-
Te Awamutu Community Board Grants	49,600	49,600	49,600	-
Cambridge Museum	169,372	855,834	173,776	(682,058)
Citizens Advice Bureau - Cambridge	14,300	14,300	14,300	-
Citizens Advice Bureau - Te Awamutu	26,500	26,500	26,500	-
Pirongia Historical Visitors Centre	8,000	8,000	8,000	-
Pirongia Community Association	5,500	5,500	5,500	-
District Promotions	150,000	150,000	150,000	-
Waikato Biodiversity Forum	-	3,000	-	(3,000)
Te Awamutu Safer Community Charitable Trust	20,000	20,000	40,000	20,000
Cambridge Safer Community Charitable Trust	20,000	20,000	20,000	-
District Wide Creative Communities Scheme Funds	43,092	44,100	47,400	3,300
Community Led Events	30,000	30,000	30,000	-
Category 1 Heritage Buildings	10,000	10,000	10,000	-
Cambridge Community House Trust	-	-	-	-
Temple Cottage Charitable Trust	1,000	1,050	1,000	(50)
Waipa Community Trust	3,500	-	3,500	3,500
Waikato Screen NZ	12,173	-	-	-
TOTAL	640,237	1,315,084	656,776	(658,308)

Planning and Regulatory

What we do

We provide planning and regulatory services to manage the natural and physical resources of the district and promote and protect the health and safety of our communities.

Planning and regulatory activities include:

- Animal control
- Building compliance
- Development engineering
- Environmental health
- Resource consents, enforcement, and land information memoranda

Key projects for 2023/24

- Development of Dog Pound
- Planning for Resource Management Act reform

Key changes from the Long Term Plan 2021-31

There are no significant or material changes from the programme outlined in the Long Term Plan 2021-31. Minor variations from the Long Term Plan 2021-31 are detailed below.

Operating variances

Revenue:

- Increase in revenue for Building Control and Resource Management due to impacts from growth.

Expenditure:

- Increase in costs for Building Control, Resource Management and Development Engineering activities mainly due to impact from growth, timing of development and inflation impacts. These costs have been partially offset by additional revenue budgeted in the 2023/24 financial year.
- Plan Changes for Papakāinga and the Housing Supply Act, although loan-funded, have increased costs by \$259,000.
- Interest expense has increased due to the higher interest rates and higher loans relating to plan change costs in the 2022/23 year.
- Increase in overhead expenditure to align with inflationary and other Council wide cost base increases.

Capital expenditure variances:

- Earlier delays in timing on the construction of the Dog Pound, moved now to the 2023/24 year.

Capital expenditure table

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Level of Service				
Dog Pound Development	616	-	500	500
TOTAL CAPITAL EXPENDITURE	616	-	500	500

Funding Impact Statement

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	4,170	4,061	5,079	1,018
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	1	1	-	(1)
Fees and charges	7,023	6,073	7,270	1,197
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	11,194	10,135	12,349	2,214
Applications of operating funding				
Payments to staff and suppliers	8,618	7,268	9,038	1,770
Finance costs	16	22	230	208
Internal charges and overheads applied	3,164	3,169	3,693	524
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	11,798	10,459	12,961	2,502
Surplus (deficit) of operating funding (A - B)	(604)	(324)	(612)	(288)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	616	-	500	500
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(1,220)	(324)	(1,112)	(788)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	(604)	(324)	(612)	(288)
Surplus (deficit) of capital funding (C - D)	604	324	612	288
Funding balance ((A - B) + (C - D))	(0)	0	(0)	(0)

Community Services and Facilities

What we do

We undertake activities to provide for the wellbeing of our communities and make them great places to live, work and play.

Community services and facilities include:

- Parks and reserves
 - Open spaces
 - Playgrounds
 - Public toilets
 - Cemeteries
- Libraries
- Property
 - Community land and buildings
 - Housing for the elderly
- Museum and heritage
- Swimming pools
- Waste management and minimisation

Key projects for 2023/24

- Te Awamutu / Ngā Roto / Pirongia Cycling Connection
- Ngā Roto Reserve Management Plan
- Cambridge Library feasibility study
- Te Awamutu War Memorial Park playground and renewal
- Walton Street public toilet renewal and upgrade
- Cambridge Town Hall upgrades
- Housing for the elderly

Key changes from the Long Term Plan 2021-31

There are no significant or material changes from the programme outlined in the Long Term Plan 2021-31. Minor variations from the Long Term Plan 2021-31 are detailed below.

Te Ara Wai

The project is in early stages so the design and build costs have been deferred to 2024/25.

Play Provision Outside Structure Plan

This is for a destination playground at Leamington but a masterplan for the Leamington Domain is yet to be completed, deferring the build of the playground.

Development of Colgan Street Property

The development had been deferred to 2023/24 due to a plan change requirement to change the land designation from Reserve back to Urban.

Operating variances

Revenue:

- Increase in fees and charges relates mainly to additional rental revenue of \$545,000 and an additional \$754,000 in Waste Disposal Levy.
- Increase of \$42,000 interest revenue allocated to reserves due to a higher interest rate.
- Subsidies and grants for capital expenditure includes \$1 million funding from Central Government under the Better Off Funding provision, offset by recoding of revenue from grant to sale of asset \$3.4 million. There is also a delay in the external funding for the Te Awamutu to Pirongia cycleway, matching the delay in expenditure. The overall decrease in subsidies and grants is \$1 million.
- Gross proceeds from sale of assets has increased significantly, including \$2 million from cemetery land, relating to the timing of land sale, which was originally anticipated to be in the 2021/22 financial year. Current projections show it will be sold in 2023/24.
- Timing adjustments for Asset Sales \$10.2 million due to delay of developments for Colgan Street and Te Rahu Road. The Asset Sales are coded against the Property activity rather than the activity requiring the funds, such as District Museums.

Expenditure:

- Payments to staff and suppliers have increased by \$1.9 million which includes inflationary impacts on salaries, insurance, rates, electricity, and maintenance; and an increase of \$296,000 for planting of forestry trees in the year following harvest which had been delayed by a year due to market conditions.
- The payments to staff and suppliers also include \$157,000 of recycling expenses due to additional costs associated with the monitoring of waste and additional contamination costs, and \$180,000 relating to the Cambridge Town Hall through the change in management structure undertaken in 2021/22.
- Interest expense has increased by \$2 million due to the higher loan balances and interest rates.
- Increase in overhead expenditure of \$295,000 to align with inflationary and other Council wide cost base increases.

Capital expenditure variances:

- Increase of \$2.4 million for the building of Housing for the Elderly in the 2023/24 financial year. The project experienced delays in 2021/22 caused by the COVID-19 disruptions and has been moved to the 2023/24 year.
- Increase of \$826,000 for the Colgan Street development due to a change in timing of the development.
- Te Ara Wai is still in early design phase, so the build costs of \$6.3 million have been deferred to 2024/25.
- Decrease of \$1.6 million for the Play Provision Outside, which is for the destination playground at Leamington. A masterplan for the Leamington Domain is yet to be completed, deferring the build of the playground to 2024/25.

Capital expenditure table

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
To Meet Additional Demand				
Reserves - C1, C2 & C3	9,944	263	263	-
Playground Reserve Land Cambridge North	-	-	426	426
Playground Reserve Land CB Nth LTP Yr3	1,928	-	-	-
CB Nth Land Acquisition and Development	-	622	620	(2)
Total Capital Expenditure to Meet Additional Demand	11,872	885	1,309	424
To Improve Level of Service				
Public Conveniences - New Toilet Blocks	212	55	170	115
Pensioner Housing Upgrades and New Build	2,155	-	2,376	2,376
Karapiro Domain Improvements	687	42	568	526
Cambridge Town Pool Development	-	-	543	543
T1 Land Acquisition and Development Structure Plan Areas	1,715	712	712	-
T8 Land Acquisition and Development Structure Plan Areas	481	-	-	-
Addison Street Development - Property	20	-	20	20
Amenity Reserves Development	97	137	157	20
Cambridge Town Hall Clock Tower Repair	205	-	206	206
Cambridge Town Hall Upgrades	1,748	2,108	2,108	-
Cambridge Water Tower - Upgrade	-	-	100	100
Castleton Park	86	-	543	543
Cambridge Library Feasibility Study	-	-	245	245
Cemetery Capacity Developments	486	350	736	386
Cemetery Structure	-	279	279	-
Colgan St Development - Property	826	-	826	826
Collective Hydro Lakes	51	126	66	(60)
Cycleway TA/Pirongia Section 2	-	-	700	700
Cycling - Te Awamutu/Ngaroto/Pirongia Connection	5,388	3,276	2,462	(814)
Design & Build Te Ara Wai	1,439	6,324	-	(6,324)
District Wide Skateparks	1,278	-	-	-
Erosion Control and Amenity Enhancement	295	482	862	380
Exhibition Planning, Design, Development and Install	-	3,113	3,113	-
Horahora Domain Land Purchase	-	-	400	400
Kihikihi Town Hall	-	-	20	20
Lake Rotopiko Heritage Development	31	28	28	-
Lake Te Koo Utu	499	595	250	(345)
LTP Potential Property Developments & Sales	216	-	-	-
Mangakaware - Restoration & Development	8	8	8	-
Te Awamutu War Memorial Park	-	865	250	(615)
Mt Pirongia - collaboration with DOC	-	53	53	-
Neighbourhood Reserves Development	10	15	15	-
Ngahinapouri Land Acquisition and Development	280	287	-	(287)
Ngaroto - Heritage Restoration	65	44	246	202
Peat Lake Programme	15	13	29	16
Pirongia Town Hall	20	-	-	-
Play Provision Outside Structure Plan	-	1,686	100	(1,586)
Premier Reserves Development	-	34	34	-
Pukemako A & B - Planning & Restoration	21	42	42	-
Resource Recovery Centre	-	327	496	169
Special Purpose Reserves Development	-	21	21	-
Sports Fields Improvements	617	-	-	-
Waipuke Reserve Development	167	117	254	137
Total Capital Expenditure to Improve Level of Service	19,118	21,139	19,038	(2,101)

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
To Replace Existing Assets				
Carpark Renewals	62	26	26	-
Library Books	364	374	374	(0)
District Pools Plant Renewals	603	217	299	82
Pensioner Housing Renewals	308	316	417	101
Cemeteries Renewals	49	19	19	-
Karapiro / Arapuni Lakes Programme	154	-	95	95
Karapiro Domain Carpark Renewals	-	-	65	65
Leamington Domain Facility Maintenance	-	-	39	39
Memorial Park Bridge Replacement			45	45
Parks Plant and Equipment Replacement	328	119	564	445
Parks Renewals	308	318	316	(2)
Parks Structure Renewals	103	-	-	-
Plant Replacement Mighty River Domain	15	34	34	-
Playground Equipment & Safety Surfaces Renewal	421	253	253	-
Public Conveniences Renewals	463	184	334	150
				-
Total Capital Expenditure to Replace Existing Assets	3,178	1,860	2,880	1,020
TOTAL CAPITAL EXPENDITURE	34,168	23,884	23,227	(657)

Funding Impact Statement

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	17,430	17,898	19,647	1,750
Targeted rates	6,629	6,189	7,722	1,534
Subsidies and grants for operating purposes	261	22	403	381
Fees and charges	4,439	4,517	5,889	1,372
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	26	-	42	42
Total sources of operating funding (A)	28,785	28,626	33,705	5,079
Applications of operating funding				
Payments to staff and suppliers	21,031	20,337	22,201	1,864
Finance costs	830	479	2,512	2,033
Internal charges and overheads applied	3,712	4,154	4,450	295
Other operating funding applications	656	298	336	38
Total applications of operating funding (B)	26,229	25,268	29,498	4,230
Surplus (deficit) of operating funding (A - B)	2,556	3,358	4,206	848
Sources of capital funding				
Subsidies and grants for capital expenditure	5,549	3,424	1,938	(1,486)
Development and financial contributions	2,152	2,254	2,708	454
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	9,411	2,013	17,600	15,587
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	17,112	7,691	22,246	14,555
Applications of capital funding				
Capital expenditure				
- to meet additional demand	11,872	885	1,309	424
- to improve the level of service	19,118	21,139	19,038	(2,101)
- to replace existing assets	3,178	1,860	2,880	1,020
Increase (decrease) in reserves	(14,500)	(12,835)	3,225	16,060
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	19,668	11,049	26,452	15,403
Surplus (deficit) of capital funding (C - D)	(2,556)	(3,358)	(4,206)	(848)
Funding balance ((A - B) + (C - D))	-	-	0	-

Roads and Footpaths

What we do

The roads and footpaths group is the primary service provider for the provision of the local transport network.

It oversees a range of the district's core infrastructure assets and services including:

- Roads and structures
- Footpaths and cycleways
- Signage and traffic facilities
- Street lighting
- Road corridor amenity

Key projects for 2023/24

- Cambridge North infrastructure growth projects
- Cambridge growth cells C1, C2 and C3 infrastructure and land purchase
- Hautapu infrastructure growth projects
- Picquet Hill infrastructure growth projects
- Urban walking and cycling projects
- Sealed road resurfacing
- Pavement rehabilitation
- Victoria Bridge Painting Substructure

Key changes from the Long Term Plan 2021-31

There are no significant or material changes from the programme outlined in the Long Term Plan 2021-31. Minor variations from the Long Term Plan 2021-31 are detailed below.

Cambridge growth development including C1, C2, C3

Due to the accelerated growth of new residential development in this area, budget has either been brought forward from future LTP years or deferred from the 2022/23 year to align with development timing. Additional budget has also been added to reflect additional costs not incorporated in the LTP. The budget for Roads and Footpaths is to install the necessary road service infrastructure.

Hautapu growth development

Hautapu Transportation land purchases were deferred from 2022/23. This growth development was not budgeted in the LTP 2021-31.

Picquet Hill Road Plan Change

Due to delays in development this has been deferred from 2022/23 year and was not included in the LTP budget.

Town Concept Plans and Streetscape Implementation

Due to developer timing, the 2023/24 LTP budget has been deferred to the 2024/25 financial year.

Operating variances:

Revenue:

- Subsidies and grants for operating purposes have increased by \$471,000 from timing of operating projects such as Urban Mobility and \$155,000 from Better Off Funding towards CCTV project work.
- Increase of \$91,000 interest revenue allocated to Roding operating reserves due to a higher interest rate.
- Subsidies and grants for capital expenditure have increases of \$872,000 from timing of projects such as the Victoria Bridge painting substructure work transferred from the 2022/23 year.

Expenditure:

- Increase in payments to staff and suppliers' costs for maintenance work aligning with inflationary impacts with an additional \$150,000 for CCTV Operating Costs funded from the Better Off Funding.
- Increase of \$715,000 in finance costs due to higher interest rates.
- Increase in internal charges and overheads of \$588,000 resulting from the reallocation of overheads and higher costs to align with inflationary increases.

Capital expenditure variances:

- Net increase of \$6.5 million for Cambridge Growth Cells to keep infrastructure investment in line with the timing of developers.
- Increase of \$7.4 million for Hautapu and C10 growth infrastructure to align with the timing of developers.
- Increase of \$2.7 million for the Picquet Hill Plan Change deferred from 2022/23 to this financial year.
- Increase of \$901,000 for Frontier Road Plan Change deferred from 2022/23 to align with the timing of developers.
- Increase of \$1.6 million for T9/T10 New Collector Road and Walkway deferred from 2022/23 to align with development.
- Decrease of \$1.4 million for Town Concept Plans deferred to review the project scope given the consideration of the new location for Te Ara Wai.
- Increase of \$2.5 million for Victoria Bridge painting substructure deferred from 2022/23.

Capital expenditure table

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
To Meet Additional Demand				
Cambridge Growth Cells (C1,C2 and C3) incls Land Purchase	21,813	-	5,130	5,130
Cambridge Growth Cells (C4,C11)	-	-	235	235
Cambridge Growth Cells (C5, C6) Lamb Street	300	-	1,183	1,183
Hautapu Structure Plan and Cycleway	15,427	4,260	11,690	7,430
St Leger and Kihikihi Road	250	320	330	10
Picquet Hill Plan Change Roading	2,830	-	2,735	2,735
Frontier Road Plan Change	1,609	-	901	901
Urban Upgrades - Development Related	1,000	-	-	-
Hamilton Rd/Cambridge Rd Urbanisation	2,583	2,567	2,647	80
Ngahinapouri SH39 Intersection & N1/N2 Development	316	-	-	-
T9/T10 New Collector Road and Walkway	1,240	958	2,559	1,601
Total Capital Expenditure to Meet Additional Demand	47,368	8,105	27,410	19,305
To Improve Level of Service				
New Footpaths	103	107	171	64
Town Concept Plans and Streetscape Implementation	1,528	1,902	526	(1,376)
Passenger Transport Infrastructure	163	-	-	-
Street Light Improvements	76	160	160	-
Cycle Projects District Wide	785	1,598	2,173	575
Major Improvements	217	-	-	-
Minor Improvements	1,418	1,060	1,135	75
				-
Total Capital Expenditure to Improve Level of Service	4,290	4,827	4,165	(662)
To Replace Existing Assets				
Footpath Renewals	336	399	399	-
Amenity Lighting Renewals	3	3	3	-
Car Park Renewals	57	59	91	32
Drainage Renewals	402	414	414	-
Pavement Rehabilitation	1,859	1,913	2,167	254
Structures Component Renewal	103	320	320	-
Traffic Services Renewals	41	43	43	-
Unsealed Road Metalling	62	64	25	(39)
Sealed Road Resurfacing	4,163	4,292	4,292	-
Bridge Renewals	2,737	-	2,520	2,520
Guardrail Renewals	57	59	59	-
Bus Shelter Renewals	-	11	11	-
				-
Total Capital Expenditure to Replace Existing Assets	9,820	7,577	10,344	2,767
TOTAL CAPITAL EXPENDITURE	61,478	20,509	41,919	21,410

Funding Impact Statement

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	13,112	13,125	13,456	331
Targeted rates	338	353	422	69
Subsidies and grants for operating purposes	3,250	3,204	3,830	626
Fees and charges	1,183	1,374	1,380	6
Internal charges and overheads recovered				-
Local authorities fuel tax, fines, infringement fees, and other receipts	29	-	91	91
Total sources of operating funding (A)	17,912	18,056	19,179	1,123
Applications of operating funding				
Payments to staff and suppliers	9,438	9,320	10,488	1,168
Finance costs	359	334	922	588
Internal charges and overheads applied	1,878	1,843	2,558	715
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	11,675	11,497	13,968	2,471
Surplus (deficit) of operating funding (A - B)	6,237	6,559	5,211	(1,348)
Sources of capital funding				
Subsidies and grants for capital expenditure	6,870	5,607	6,479	872
Development and financial contributions	6,503	7,895	12,168	4,273
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	13,373	13,502	18,647	5,145
Applications of capital funding				
Capital expenditure				
- to meet additional demand	47,368	8,105	27,410	19,305
- to improve the level of service	4,290	4,827	4,165	(662)
- to replace existing assets	9,820	7,577	10,344	2,767
Increase (decrease) in reserves	(41,868)	(448)	(18,061)	(17,613)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	19,611	20,061	23,858	3,797
Surplus (deficit) of capital funding (C - D)	(6,238)	(6,559)	(5,211)	1,348
Funding balance ((A - B) + (C - D))	(0)	0	(0)	(0)

Stormwater

What we do

We are the primary service provider for managing stormwater in urban areas. Council maintains all of Waipā's public rural drains.

Waipā maintains stormwater assets worth \$98 million consisting of 158 kilometres of pipes, 2,944 manholes and other related structures such as open drains, streams, swales, soak systems and retention structures. An appropriately managed system will limit the impacts of flooding and ensure that stormwater discharges to the environment are properly managed.

Key projects for 2023/24

- Cambridge North residential stormwater works
- Cambridge growth cells (C1, C2 and C3) stormwater works
- Hautapu industrial stormwater works
- Asset renewals

Key changes from the Long Term Plan 2021-31

There are no significant or material changes from the programme outlined in the Long Term Plan 2021-31. Minor variations from the Long Term Plan 2021-31 are detailed below.

Cambridge growth development including C1, C2, C3

The timing of the development is different than originally planned. The budget for stormwater is to install the necessary stormwater service infrastructure and is dependent on the developer's requirements. Additional budget has also been added to reflect additional costs not incorporated in the LTP.

Hautapu Industrial Stormwater

Deferred from the 2021/22 year, this project has been delayed so it will be in line with the developer's requirements.

Operating variances:

Revenue:

- Increase of \$12,000 interest revenue allocated to stormwater reserves due to higher interest rate.

Expenditure:

- Decrease of \$149,000 in operating expenditure due to timing of capital work in Cambridge Growth Cells and corresponding operating expenses.
- Decrease of \$576,000 in depreciation due to the timing of the completion of capital works.
- Increase of \$129,000 in internal charges and overhead expenditure from the reallocation of internal charges between Stormwater, Water and Wastewater.

Capital expenditure variances:

- Increase of \$1.1 million for Cambridge North stormwater works, due to the timing of development.
- Increase of \$2.7 million for Cambridge growth cells (C1, C2 and C3) to align with timing of development. This also includes additional budget to reflect the increased cost base of these projects.
- Increase of \$6.6 million for Hautapu Industrial Stormwater as this was delayed from 2021/22.

Capital expenditure table

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
To Meet Additional Demand				
Cambridge Deferred Residential Stormwater Works	1,470	-	1,134	1,134
Cambridge Growth Cells (C1, C2 and C3)	35,503	20,730	23,434	2,704
Hautapu Industrial Stormwater	-	-	6,562	6,562
Bond Road Stormwater Culvert	2,275	-	-	-
Kihikihi Stormwater Works	671	638	466	(172)
Total Capital Expenditure to Meet Additional Demand	39,919	21,368	31,596	10,228
To Improve Level of Service				
Consent, Remedial and Flood Mitigation Work	1,724	205	396	191
Total Capital Expenditure to Improve Level of Service	1,724	205	396	191
To Replace Existing Assets				
Renewals	1,116	1,145	2,010	865
Total Capital Expenditure to Replace Existing Assets	1,116	1,145	2,010	865
TOTAL CAPITAL EXPENDITURE	42,759	22,718	34,002	11,284

Funding Impact Statement

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	336	404	358	(46)
Targeted rates	4,138	4,623	4,046	(577)
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	4	4	4	(0)
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	-	12	12
Total sources of operating funding (A)	4,483	5,031	4,420	(611)
Applications of operating funding				
Payments to staff and suppliers	1,762	1,995	1,846	(149)
Finance costs	4	15	-	(15)
Internal charges and overheads applied	716	693	822	129
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,482	2,703	2,668	(35)
Surplus (deficit) of operating funding (A - B)	2,001	2,328	1,752	(576)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	8,844	10,768	8,676	(2,092)
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	8,844	10,768	8,676	(2,092)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	39,919	21,368	31,596	10,228
- to improve the level of service	1,724	205	396	191
- to replace existing assets	1,116	1,145	2,010	865
Increase (decrease) in reserves	(31,914)	(9,622)	(23,574)	(13,952)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	10,845	13,096	10,428	(2,668)
Surplus (deficit) of capital funding (C - D)	(2,000)	(2,328)	(1,752)	576
Funding balance ((A - B) + (C - D))	0	(0)	0	0

Wastewater Treatment and Disposal

What we do

We provide a safe, effective, and reliable system for managing wastewater in urban areas to maintain public health and protect land and waterways from contamination.

The wastewater treatment and disposal activity includes the reticulation network for the collection of sewage and trade waste and its treatment and disposal.

Key projects for 2023/24

- Cambridge growth cells (CBN, C1, C2 and C3) wastewater works
- Pipe upgrades district wide
- Cambridge Wastewater Treatment Plant
- Asset renewals

Key changes from the Long Term Plan 2021-31

There are no significant or material changes from the programme outlined in the Long Term Plan 2021-31. Minor variations from the Long Term Plan 2021-31 are detailed below.

Cambridge Growth Development including Cambridge North, C1, C2, C3

Infrastructure requirements have changed due to the timing of the development in these growth areas.

Cambridge Wastewater Treatment upgrade

There is a requirement for the new treatment plant to be operational by the end of 2026 which has led to money allocated later in the LTP being brought forward to the 2023/24 year.

Pipe and Pump Upgrades

Delay with the scoping and design work, so budget deferred was from 2021/22 to 2023/24.

Operating variances:

Revenue:

- Reduction of \$50,000 in the anticipated level of Trade waste fees and charges.
- Increase of \$38,000 interest revenue allocated to wastewater reserves due to higher interest rates.

Expenditure:

- Payments to staff and suppliers has increased by \$262,000 mainly due to higher electricity costs.
- Increase of \$925,000 in finance costs due to an increase in interest rates.
- Decrease in internal charges and overheads of \$21,000 from the reallocation of internal charges between Stormwater, Water and Wastewater.

Capital expenditure variances:

- Increase of \$1 million for Cambridge growth cells (C1, C2 and C3) wastewater works due to a change in developer timing.
- Increase of \$8 million for the Cambridge Wastewater Treatment Plant due to the timing of the new treatment plant consent. This has been brought forward from future years.
- Increase in the district wide pump station upgrades resulting from a deferral from the 2021/22 year for \$461,000.
- Increase in the district wide pipe upgrades resulting from a deferral from the 2021/22 year for \$2.1 million.

Capital expenditure table

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
To Meet Additional Demand				
Cambridge North Wastewater Provision	-	-	-	-
Cambridge Growth Cells (C1, C2 and C3)	3,457	-	1,000	1,000
Hautapu Industrial Wastewater	2,910	678	301	(377)
Cambridge Wastewater Treatment Plant Consent & Upgrades	4,415	1,380	9,380	8,000
Te Awamutu Wastewater Treatment Plant Upgrade	218	-	-	-
District Wide Wastewater Pump Station Upgrades	52	-	461	461
District Wide Wastewater Pipe Upgrades	3,500	2,836	4,956	2,120
				-
Total Capital Expenditure to Meet Additional Demand	14,552	4,894	16,098	11,204
To Improve Level of Service				
Te Awamutu Growth Provision (T8)	40	-	399	399
District Wide Wastewater Modelling	37	86	86	0
Total Capital Expenditure to Improve Level of Service	77	86	485	399
To Replace Existing Assets				
Plant and Pumps	1,729	2,010	2,360	350
Total Capital Expenditure to Replace Existing Assets	1,729	2,010	2,360	350
TOTAL CAPITAL EXPENDITURE	16,358	6,990	18,943	11,953

Funding Impact Statement

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	664	664	664	-
Targeted rates	11,477	12,571	13,270	699
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,347	1,382	1,332	(50)
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	17	-	38	38
Total sources of operating funding (A)	13,505	14,617	15,304	687
Applications of operating funding				
Payments to staff and suppliers	7,162	7,106	7,368	262
Finance costs	371	272	1,197	925
Internal charges and overheads applied	837	1,068	1,047	(21)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	8,370	8,446	9,612	1,166
Surplus (deficit) of operating funding (A - B)	5,135	6,171	5,692	(479)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	4,520	5,224	3,485	(1,739)
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	4,520	5,224	3,485	(1,739)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	14,552	4,894	16,098	11,204
- to improve the level of service	77	86	485	399
- to replace existing assets	1,729	2,010	2,360	350
Increase (decrease) in reserves	(6,703)	4,405	(9,766)	(14,171)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	9,655	11,395	9,177	(2,218)
Surplus (deficit) of capital funding (C - D)	(5,135)	(6,171)	(5,692)	479
Funding balance ((A - B) + (C - D))	(0)	0	0	0

Water Treatment and Supply

What we do

The water treatment and supply group of activities includes all the services involved in abstracting, treating, storing, and distributing water to users through the reticulation network.

Council provides reticulated water supplies to Cambridge, Te Awamutu, Kihikihi, Pirongia, Ōhaupō, Pukerimu and Karāpiro and operate seven water treatments plants. Council is responsible for maintaining water supply assets worth \$198 million including 573km of water pipes plus pump stations, reservoirs, and treatment plants.

Key projects for 2023/24

- Alpha Street Water Treatment Plant
- Te Awamutu CBD rising main
- Cambridge and Te Awamutu Fire and Water LOS upgrades
- Fairview Road water main
- District-wide water main and reservoir renewals

Key changes from the Long Term Plan 2021-31

There are no significant or material changes from the programme outlined in the Long Term Plan 2021-31. Minor variations from the Long Term Plan 2021-31 are detailed below.

Hautapu and Pukerimu water supply

Deferral of the Cambridge to Hautapu pipeline and Pukerimu water supply but the Alpha Street upgrade has been brought forward.

Level of Service upgrades

Timing and cost of Fire and Water LOS upgrades and renewals.

Operating variances

Revenue:

- Increase of \$78,000 interest revenue allocated to water reserves due to higher interest rates.
- Increase in the metered water charges, which is a targeted rate, to cover the higher finance costs allocated to the activity.

Expenditure:

- Increase of \$1.1 million in finance costs due to an increase in interest rates.
- Decrease in internal charges and overheads of \$122,000 from the reallocation of internal charges between Stormwater, Water and Wastewater.

Capital expenditure variances:

- Delays in development have led to the part delay in the Cambridge to Hautapu pipeline, cost of \$1.8 million has been shifted out to future years.
- An upgrade of Alpha Street water treatment plant, \$2.6 million has been brought forward from future years to ensure growth capacity is secured for the Cambridge community.
- Pukerimu water supply \$1.4 million has been delayed. The feasibility study is budgeted for 2023/24.
- Increase of \$2.4 million for district wide watermain renewals due to the timing of the project.
- Decrease of \$1 million for Reservoir Renewal as it was brought forward for use in the 2022/23 year.

Capital expenditure table

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
To Meet Additional Demand				
Dedicated Main Leamington to Hautapu	230	-	16	16
Cambridge North to Hautapu Pipeline	2,158	2,525	685	(1,840)
Hautapu East Water Development (C10)		-	-	-
Cambridge Growth Cells (C1, C2, C3, C4 and C7)	786	-	393	393
Karapiro Water Treatment Plant Upgrade	-	-	-	-
Alpha Street Water Treatment Plant Upgrade	-	298	2,900	2,602
Te Awamutu Internal CBD Rising Main	1,082	2,219	2,844	625
Te Awamutu Growth Cells	177	-	-	-
Pukerimu Water Supply	83	1,833	416	(1,417)
Total Capital Expenditure to Meet Additional Demand	4,516	6,875	7,254	379
To Improve Level of Service				
Parallel Road Water Treatment Plant Upgrade	1,200	-	240	240
Te Awamutu Fire/LOS Service Upgrades	359	-	47	47
Karapiro Rising Main	-	-	26	26
Te Awamutu Active Reticulation Control	-	-	-	-
District Wide Water Modelling	422	57	157	100
Cambridge Fire & Water LOS Upgrades	1,805	1,069	1,085	16
District Wide Zone Identification	248	177	-	(177)
Fairview Rd Water Main	500	1,027	1,581	554
Total Capital Expenditure to Improve Level of Service	4,534	2,330	3,136	806
To Replace Existing Assets				
District Wide Water Main Renewals	4,727	4,341	6,727	2,386
Reservoir Renewals	632	1,512	512	(1,000)
Plant and Pumps	887	644	644	-
Water Connections	349	358	506	148
Total Capital Expenditure to Replace Existing Assets	6,595	6,855	8,389	1,534
TOTAL CAPITAL EXPENDITURE	15,645	16,060	18,779	2,719

Funding Impact Statement

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	560	530	560	30
Targeted rates	12,555	13,010	13,694	684
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	570	585	602	17
Internal charges and overheads recovered				-
Local authorities fuel tax, fines, infringement fees, and other receipts	25	-	78	78
Total sources of operating funding (A)	13,710	14,125	14,934	809
Applications of operating funding				
Payments to staff and suppliers	7,244	7,159	7,181	22
Finance costs	407	373	1,469	1,096
Internal charges and overheads applied	814	1,157	1,035	(122)
Other operating funding applications	5	5	5	-
Total applications of operating funding (B)	8,470	8,694	9,690	996
Surplus (deficit) of operating funding (A - B)	5,240	5,431	5,244	(187)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	3,521	3,623	2,888	(735)
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	3,521	3,623	2,888	(735)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	4,516	6,875	7,254	379
- to improve the level of service	4,534	2,330	3,136	807
- to replace existing assets	6,595	6,855	8,389	1,534
Increase (decrease) in reserves	(6,884)	(7,006)	(10,647)	(3,641)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	8,761	9,054	8,132	(922)
Surplus (deficit) of capital funding (C - D)	(5,240)	(5,431)	(5,244)	187
Funding balance ((A - B) + (C - D))	(0)	0	0	0

Support Services

What we do

This group provides a range of specialist skills and services to support the organisation to efficiently deliver services.

Support Services includes:

- Customer support
- Financial management
- Human resources
- Information services
- Legal and corporate support
- Business improvement

Key projects for 2023/24

- Renewal and upgrade of plant, i.e. vehicles and tractors
- Digital Roadmap implementation

Key changes from the Long Term Plan 2021-31

There are no significant or material changes from the programme outlined in the Long Term Plan 2021-31. Minor variations from the Long Term Plan 2021-31 relate to Plant and Vehicle Replacements.

Operating variances

Revenue:

- \$269,000 revenue from Department of Internal Affairs for Affordable Waters Reform.
- Support activities are allocated via the internal charges and overheads to the other Group of Activities, the value is higher due to the increases in expenditure as noted below.

Expenditure:

- Payments to staff and suppliers include the following:
 - Increase of employee related expenses of \$2.2 million. This includes annual inflationary increases (aligned with market movement) for staffing resources. It also includes costs resulting from an Executive team structure review undertaken in 2021/22 and other position changes, offset by \$346,000 funding through capital projects.
 - Temporary Staff Office Accommodation \$140,000.
 - Higher Electricity and vehicle costs \$189,000.
 - Insurance expenses \$178,000.
 - Offset by deferred maintenance \$165,500 reallocated to capital projects.
- Increase in finance costs of \$443,000 from increase in loans and interest rates.

Capital expenditure variances:

- Increase of \$274,000 for upgrades to Bank Street building.

- Increase in Plant and Vehicle renewals \$1.5 million, transferring from the 2022/23 year to the 2023/24 year in part due to delays in the availability of supply of vehicles.

Capital expenditure table

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
To Improve Level of Service				
Buildings	1,365	761	1,035	274
Computer Software Upgrades	1,287	1,907	1,907	-
Total to Improve Level of Service	2,652	2,668	2,942	274
To Replace Existing Assets				
Buildings	96	-	94	94
Plant	1,888	406	1,906	1,500
Computer Hardware Renewals	77	79	79	-
Total to Replace Existing Assets	2,061	485	2,079	1,594
TOTAL CAPITAL EXPENDITURE	4,713	3,153	5,021	1,868

Funding Impact Statement

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	352	310	144	(166)
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	269	269
Fees and charges	65	66	57	(9)
Internal charges and overheads recovered	16,343	17,115	22,719	5,604
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	16,760	17,491	23,189	5,698
Applications of operating funding				
Payments to staff and suppliers	15,733	15,954	21,222	5,268
Finance costs	198	115	558	443
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	15,931	16,069	21,780	5,711
Surplus (deficit) of operating funding (A - B)	829	1,422	1,409	(13)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	937	232	232	0
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	937	232	232	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,652	2,668	2,941	273
- to replace existing assets	2,061	485	2,078	1,593
Increase (decrease) in reserves	(2,947)	(1,499)	(3,378)	(1,879)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,766	1,654	1,641	(13)
Surplus (deficit) of capital funding (C - D)	(829)	(1,422)	(1,409)	13
Funding balance ((A - B) + (C - D))	0	0	0	(0)

Financial planning

Statement of prospective financial information

The financial information contained within this plan is prospective financial information which complies with the Financial Reporting Standard 42 (FRS42). FRS42 sets the principles and specifies minimum disclosures for the preparation and presentation of general purpose prospective financial information. The purpose of this financial information is to enable the public to participate in the decision making process as to the services that Council will provide over the financial year 2023/24, and to provide a broad accountability mechanism for Council to the community. The financial information may not be appropriate for purposes other than those described.

In relation to the FRS42, the financial year 2023/24 is considered to be a 'forecast year' and based on future events, which are expected to occur. The actual results achieved for the period are likely to vary from the information presented and may vary depending upon the circumstances that arise during the period.

The forecast financial information has been prepared in accordance with Council's current policies which comply with the New Zealand International Financial Reporting Standards.

Council is responsible for the Prospective Financial Statements, including the appropriateness of the underlying assumptions and all other required disclosures.

Use of prior year surpluses

Due to the higher costs Council is facing for the 2023/24 year, Council is using \$1,537,000 of prior years' surplus to offset the impact of rate increases. The use of cash surplus of \$740,000 was indicated in the LTP.

Operating projects have been transferred from the 2022/23 year into the 2023/24 year due to timing delays. These projects are funded from cash surplus from the 2022/23 year to the value of \$443,000.

Prospective statement of comprehensive revenue and expense for the year ending 30 June 2024

	2022/23 Budget \$000	2023/24 LTP YR 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
OPERATING INCOME				
Rates	77,074	83,808	83,796	(12)
Fees & charges	24,089	14,003	16,521	2,518
Reserve contributions	2,152	2,254	2,708	454
Development contributions	23,388	27,510	27,216	(294)
Gain on revaluation of investment properties & forestry	450	450	450	-
Vested assets	12,126	12,464	12,464	-
Discovered assets	-	-	-	-
Dividends	20	20	20	-
Finance income	15	15	15	-
Subsidies and Grants	16,928	12,310	11,842	(468)
Other revenue	454	2,699	18,244	15,545
Gain on swap derivative	-	-	-	-
Total Operating Income	156,696	155,533	173,276	17,743
OPERATING EXPENDITURE				
Employee benefit expenses	32,147	30,206	34,834	4,628
Depreciation & amortisation	31,848	34,545	32,437	(2,108)
Other expenses	44,610	45,118	46,962	1,844
Finance costs	2,892	3,895	10,876	6,981
Total Operating Expenditure	111,497	113,764	125,109	11,345
OPERATING SURPLUS	45,199	41,769	48,167	6,398
Other Comprehensive Income recognised directly in Equity				
Property Plant and Equipment				
Revaluation gains/(losses) taken to equity	81,490	29,945	-	(29,945)
Cash flow hedges	1,292	-	-	-
Total Other Comprehensive Income for the year	82,782	29,945	-	(29,945)
Total Comprehensive Income for the year	127,981	71,714	48,167	(23,547)

Rates income should reflect only rates collectable from external parties. The Long Term Plan figure also included rates charged on Waipā District Council owned properties. The budget figures correctly reflect just the rates income from external parties.

Any operating surpluses generally come from non-cash items; we budget for a general funds cash break-even position.

Prospective statement of changes in equity for the year ending 30 June 2024

	2022/23 Budget \$000	2023/24 LTP YR 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Balance at 1 July	1,863,165	2,007,038	2,068,414	61,376
Total comprehensive income previously reported	127,981	71,714	48,167	(23,547)
	1,991,146	2,078,752	2,116,581	37,829
EQUITY				
Retained Earnings	605,987	687,418	725,191	37,773
Other reserves	1,385,159	1,391,334	1,391,390	56
Total Equity	1,991,146	2,078,752	2,116,581	37,829

Prospective statement of financial position as of 30 June 2024

	2022/23 Budget \$000	2023/24 LTP YR 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
ASSETS				
Current Assets				
Cash and cash equivalents	2,615	3,037	5,330	2,293
Trade and other receivables	790	1,958	6,776	4,818
Investment in CCO's	-	-	-	-
Non current assets held for sale	-	-	85	85
Total Current Assets	3,405	4,995	12,191	7,196
Non Current Assets				
Trade and other receivables	13	14	11	(3)
Property plant and equipment	2,217,267	2,356,955	2,346,230	(10,725)
Intangible Assets	2,913	5,881	3,957	(1,924)
Forestry Assets	3,075	2,677	3,428	751
Investments in CCO's	25,323	18,786	37,420	18,634
Investment Properties	19,823	17,256	35,846	18,590
Total Non Current Assets	2,268,414	2,401,569	2,426,892	25,323
Total Assets	2,271,819	2,406,564	2,439,083	32,519
LIABILITIES				
Current Liabilities				
Trade and other payables	12,470	16,617	12,096	(4,521)
Provisions	162	452	128	(324)
Employee benefit liabilities	2,032	1,744	2,751	1,007
Borrowings	37,000	42,000	28,600	(13,400)
Deferred Revenue	-	-	-	-
Derivative financial instruments	-	-	174	174
Total Current Liabilities	51,664	60,813	43,749	(17,064)
Non Current Liabilities				
Trade and other payables	250	-	-	-
Provisions	759	699	553	(146)
Borrowings	228,000	266,300	278,200	11,900
Total Non Current Liabilities	229,009	266,999	278,753	11,754
Total Liabilities	280,673	327,812	322,502	(5,310)
EQUITY				
Retained Earnings	605,987	687,418	725,191	37,773
Other reserves	1,385,159	1,391,334	1,391,390	56
Total Equity	1,991,146	2,078,752	2,116,581	37,829

Prospective statement of cash flow for the year ending 30 June 2024

	2022/23	2023/24	2023/24	2023/24
	Budget	LTP YR 3	Budget	Variance
	\$000	\$000	\$000	\$000
Cash Flows from Operating Activities				
Receipts from rates revenue	77,074	83,808	83,796	(12)
Interest received	15	15	15	-
Dividends received	20	20	20	-
Receipts from other revenue	59,902	56,531	58,130	1,599
Payments to suppliers and employees	(77,794)	(75,324)	(81,470)	(6,146)
Interest Paid	(2,892)	(3,895)	(10,876)	(6,981)
Goods and services tax (net)	-	-	-	-
Net Cash Flow from Operating Activities	56,325	61,155	49,615	(11,540)
Cash Flows from Investing Activities				
Proceeds from sale of property, plant and equipment	10,348	2,245	17,832	15,587
Proceeds from sale of investment property	-	-	-	-
Purchase of intangible assets	-	(1,906)	-	1,906
Purchase of property, plant and equipment	(172,988)	(89,173)	(140,226)	(51,053)
Purchase & Development of investment property	-	-	-	-
Investment in Associates	-	-	-	-
Net Cash Flow from Investing Activities	(162,640)	(88,834)	(122,394)	(33,560)
Cash Flows from Financing Activities				
Proceeds from borrowings	105,000	27,400	70,800	43,400
Repayment of borrowings				
Net Cash Flow from Financing Activities	105,000	27,400	70,800	43,400
Net (decrease)/increase in cash and cash equivalents	(1,315)	(279)	(1,979)	(1,700)
Cash and cash equivalents at the beginning of the year	3,930	3,316	7,309	3,993
Cash & cash equivalents at the end of the year	2,615	3,037	5,330	2,293

Statement of borrowing for the year ending 30 June 2024

	2022/23 Budget \$000	2023/24 LTP YR 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Movements in Borrowings				
Opening Balance	160,000	280,900	236,000	(44,900)
Net Loans Raised/(Repaid)	105,000	27,400	70,800	43,400
Closing Balance	265,000	308,300	306,800	(1,500)
Current Portion of External Debt	37,000	42,000	28,600	(13,400)
Term Portion of External Debt	228,000	266,300	278,200	11,900
	265,000	308,300	306,800	(1,500)

The above represents the expected level of external borrowings but this could fluctuate depending on future use of reserves.

Operating expenditure variations to Long Term Plan

	2023/24 LTP \$000	2023/24 Annual Plan \$000	2023/24 Variance \$000
Governance Increases from additional Honorium for Elected Members, restructure for Communication and Engagement and increase in overheads and interest expense.	9,843	10,610	767
Planning and Regulatory Costs related to the increased number of resource and building consents received due to growth, along with higher interest expenses. Increased costs for Plan Changes for Papakainga & the Housing Supply Act	4,416	5,702	1,286
Community Services and Facilities Timing Adjustments for Asset Sales, higher rental revenue and funding from the Better off Funding, offset by higher depreciation, interest expense and increase in overhead expenditure	20,143	10,730	(9,413)
Roads and Footpaths Higher revenue for Subsidised projects due to timing, plus funding from the Better Off Funding. Lower depreciation has contributed to the lower net costs	15,032	13,297	(1,735)
Stormwater Decrease in depreciation expenditure from timing of capitalisation of Stormwater assets, offset by higher interest expense.	5,593	4,970	(623)
Water Treatment and Supply Increase interest expenses offset by higher metered water revenue.	991	1,149	158
Wastewater Treatment and Disposal Higher interest expense from increasing interest rates	13,644	14,708	1,064
Support Services Executive Team structure review and higher inflation impacting on expenses such as Salaries, insurance, interest and depreciation.	18,793	21,038	2,245
	88,455	82,202	(6,253)

Capital expenditure programme

	2022/23 Budget \$000	2023/24 LTP YR 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Projects				
Governance	-	-	-	-
Planning and Regulatory	616	-	500	500
Community Services and Facilities	34,169	23,884	23,225	(659)
Roads and Footpaths	65,987	25,158	46,565	21,407
Stormwater	45,674	25,708	36,992	11,284
Water Treatment and Supply	18,470	18,959	21,679	2,720
Wastewater Treatment and Disposal	18,234	8,915	20,869	11,954
Support Services	4,712	3,153	5,020	1,867
TOTAL CAPITAL EXPENDITURE	187,862	105,777	154,850	49,073

Note: Refer to the group of activity section in this plan which outlines the individual projects in detail and the variations to the Long Term Plan.

Council reserve funds, movements and balances

	2021/22 Forecast \$000	2022/23 Transfer to Reserve \$000	2022/23 Transfer From Reserve \$000	2022/23 Closing Balance \$000
<i>Council created reserves consist of:</i>				
Property Reserves				
Asset Sales Cambridge	-	-	-	-
Asset Sales Te Awamutu	235	4,018	(757)	3,496
Asset Sales General	-	13,587	(960)	12,628
Endowment Land Cambridge	-	-	-	-
Endowment Land Pirongia	3	0	-	4
Endowment Land Te Awamutu	124	2	-	126
Endowment Land Waipa District	14	0	-	14
Forestry Reserve	-	-	-	-
Pensioner Housing Reserve	1,771	500	(2,271)	0
Reserve Contributions & Development Contributions				
District Wide Stormwater	405	32,267	(31,213)	1,459
District Wide Waste Water	3,406	10,792	(8,923)	5,276
District Wide Water Treatment and Supply	3,035	2,947	(2,370)	3,613
District Wide Rooding	1,675	27,230	(23,909)	4,995
District Wide Reserve Developments	994	2,052	(187)	2,858
District Wide Land Purchase	24	1,419	(1,419)	24
Karapiro Reserve Development	28	64	(63)	28
Te Awamutu Library/Museum	93	2	-	95
Special Funds				
Cemetery Paterangi	5	0	-	5
Project Funding Reserve	5,059	247	(785)	4,520
Reources Funding Reserve	1,167	15	(731)	451
General Insurance Reserve	364	7	-	371
Infrastructure Insurance Reserve	576	10	-	586
Te Awamutu 110kv Compensation Reserve	342	6	-	348
Pavement Levies	113	2	-	115
Road Asset Technical Accord (RATA)	15	0	-	15
Waste Minimisation	581	1,103	(651)	1,033
Separate Balances				
Rooding Reserve	5,037	70,687	(70,672)	5,052
Stormwater Reserve	1,190	40,888	(41,762)	315
Water Supply Reserve	4,315	37,266	(37,633)	3,948
Waste Water Reserve	3,905	36,963	(37,326)	3,542
Depreciation Reserve - Long Term Assets	3,305	1,849	(1,134)	4,020
Depreciation Reserve - Medium Term Assets	592	4,101	(3,973)	720
Asset Revaluation Reserves				
Asset revaluation reserves consist of:				
Operational assets				
Land	240,541	-	-	240,541
Buildings	36,222	-	-	36,222
Intangible	1,240	-	-	1,240
Investments	23,700	450	-	24,150
Infrastructural Assets				
Sewerage System	78,579	-	-	78,579
Water System	85,790	-	-	85,790
Drainage network	74,685	-	-	74,685
Rooding network	790,526	-	-	790,526
Total	1,369,655	288,474	(266,739)	1,391,390

Council reserves

The table below sets out the purpose of the reserves held by Council and the related activities for these reserves.

Reserve	Purpose	Activity
Property Reserves		
Asset Sales Cambridge	Proceeds from Cambridge asset sales held in reserve to fund future asset purchases	Properties
Asset Sales Te Awamutu	Proceeds from Te Awamutu asset sales held in reserve to fund future asset purchases	Properties
Asset Sales General	Proceeds from district wide asset sales held in reserve to fund future asset purchases	Properties
Endowment Land Cambridge	Proceeds from sale of Cambridge endowment land held in reserve for endowment purposes	Properties
Endowment Land Pirongia	Proceeds from sale of Pirongia endowment land held in reserve for endowment purposes	Properties
Endowment Land Te Awamutu	Proceeds from sale of Te Awamutu endowment land held in reserve for endowment purposes	Properties
Endowment Land Waipā District	Proceeds from sale of District Wide endowment land held in reserve for endowment purposes	Properties
Forestry Reserve	Proceeds from forestry harvesting to fund future forestry activities	Forestry
Residential Housing Reserve	Proceeds from residential housing rental revenue to fund the operating and capital expenditure	Properties
Pensioner Housing & Own Your Own Housing	Proceeds from pensioner housing and own your own housing revenue to fund the operating and capital expenditure within its own portfolio	Properties
Reserve Contributions & Development Contributions		
Cambridge North	Proceeds from development contributions to fund growth related expenditure	Roads & Footpaths / Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
District Wide Stormwater	Proceeds from development contributions to fund growth related expenditure	Stormwater
District Wide Wastewater	Proceeds from development contributions to fund growth related expenditure	Wastewater Treatment & Disposal

Reserve	Purpose	Activity
District Wide Water Treatment & Supply	Proceeds from development contributions to fund growth related expenditure	Water Treatment & Supply
District Wide Roding	Proceeds from development contributions to fund growth related expenditure	Roads & Footpaths
District Wide Reserve Developments	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves
District Wide Land Purchase	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves
Te Awamutu Library/Museum	Proceeds from development contributions to fund growth related expenditure for Te Awamutu Library/Museum	District Libraries / Museums
Special Funds		
Cemetery Paterangi	Proceeds held in reserve to fund future capital works	Cemeteries
Project Funding Reserve	Funding for specific projects to be completed in the following year	All activities
Resources Funding Reserve	Available to help fund increases in future salary market movements.	All activities
General Insurance Reserve	Provision to pay call-ups and to fund increase in deductibles of claims as well as to help to pay future premium increases	All activities
Infrastructure Insurance Reserve	Provision to pay additional contributions that may occur and to help cover the insurance deductible if a major event happens in the Waipā District	Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
Te Awamutu 100kv Compensation Reserve	Proceeds from the granting of easement rights for the Waipā Networks 110kv line, held in reserve for appropriate future utilisation with due regard to the source of these funds.	Properties
Pavement Levies	Levies collected from land use consents for future pavement rehabilitation	Roads & Footpaths
Road Asset Technical Accord (RATA)	Funds held in reserve for future works	Roads & Footpaths
Waste minimisation	Net funds from waste minimisation levy held for use on waste minimisation activities	Waste Minimisation
Separate Balances		
Roding Reserve	Funds held in reserve for capital works expenditure	Roads & Footpaths

Reserve	Purpose	Activity
Stormwater Reserve	Funds held in reserve for capital works expenditure	Stormwater
Water Supply Reserve	Funds held in reserve for capital works expenditure	Water Treatment & Supply
Wastewater Reserve	Funds held in reserve for operating and capital works expenditure	Wastewater Treatment & Disposal
Depreciation Reserve Long Term Assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Depreciation Reserve Medium Term Assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Asset Revaluation Reserves		
Operational		
Land	Noncash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
Buildings	Noncash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
Infrastructural Assets		
Sewerage System	Non cash reserve to record appreciation values arising from asset revaluations	Wastewater Treatment & Disposal
Water System	Non cash reserve to record appreciation values arising from asset revaluations	Water Treatment & Supply
Drainage Network	Non cash reserve to record appreciation values arising from asset revaluations	Stormwater
Roading Network	Non cash reserve to record appreciation values arising from asset revaluations	Roads & Footpaths

Financial Disclosure Statements

Annual Plan disclosure statement for 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 (via <https://www.legislation.govt.nz/>).

Benchmark		Planned	Met
Rates affordability benchmark:			
▪ Income	Rate levels will be limited to a maximum of 65% of total revenue.	48%	Yes
▪ Increases	Annual increases for existing ratepayers will be limited to no more than the forecast Local Government Cost Index for the year plus 2%	6.0%	Yes
Debt affordability benchmark	Quantified limit is set at 250% of total revenue forecasted	177%	Yes
Balanced budget benchmark	100%	104%	Yes
Essential services benchmark	100%	486%	Yes
Debt servicing benchmark	15%	8.3%	Yes

Notes:

1 Rates affordability benchmark

- (a) For this benchmark:
- (i) The Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the council's Long Term Plan; and
 - (ii) The Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's Long Term Plan.
- (b) The Council meets the rates affordability benchmark if:
- (i) Its planned rates income for the year equals or is less than each quantified limit on rates; and
 - (ii) Its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2 Debt affordability benchmark

- (a) For this benchmark, the Council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the Council's LTP.

- (b) The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3 Balanced budget benchmark

- (a) 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).
- (b) The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4 Essential services benchmark

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

5 Debt servicing benchmark

- (a) 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).
- (b) Because Statistics New Zealand projects that the Council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

Statement of accounting policies

Reporting entity

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

The group consists of the ultimate parent, Waipā District Council, and the Waipā Community Facilities Trust. Council is not presenting group forecast financial statements as the parent statements are considered to be more relevant to users. The main purpose of these statements is to provide users with information about the core services that Council intends to provide ratepayers, the expected cost of those services and the consequent requirement for rate funding.

The primary objective of Council and group is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

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.

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and the local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

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

Summary of significant accounting policies

Goods and services taxation (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis.

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 is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Council is tax exempt for income tax purposes.

Budget figures

The budget figures have been prepared in accordance with the New Zealand Generally Accepted Accounting Practices, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

Cost allocation

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

Direct costs are those costs directly attributable and charged to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities using appropriate cost drivers such as computer equipment used, staff numbers and floor area.

Revenue

Revenue may be derived from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Specific accounting policies for major categories of exchange revenue transactions are listed below.

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when Council's right to receive the payment is established.

Housing for the Elderly revenue

Rental revenue arising from tenancy agreements is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of revenue and expenditure due to its operating nature.

Other gains and losses

Other gains and losses include fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties and realised gains and losses on the sale of Property, Plant and Equipment (PPE) held at cost.

Sales of goods

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

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving

or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner.

Specific accounting policies for major categories of non-exchange revenue transactions are listed 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 actual basis. 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 in rates revenue when the Council has received an application that satisfies its rates remission policy.

Development contributions

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

New Zealand Transport Agency roading subsidies

Council receives funding assistance from the Waka Kotahi NZ Transport Agency, 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.

Direct charges

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

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

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 facilities, such as the pools. Revenue from entrance fees is recognised upon entry to such facilities.

Infringement fees and fines

Infringement fees and fines mostly relate to animal infringements and parking infringements and are recognised when the revenue is received. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

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

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

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

Council is required by the New Zealand Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by that Council for which those other Local Authorities rate.

Personnel costs

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Other expenses

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and grants are recognised as expenditure on payment.

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.

Finance costs

In accordance with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

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 initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return of a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Comprehensive Revenue and Expense as a grant.

A provision between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Comprehensive Revenue and Expense as a grant.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Other financial assets

Council classifies its investments in the following categories:

- Financial assets at fair value through surplus or deficit;
- Loans and receivables;
- Held-to-maturity investments; and
- Financial assets at fair value through other comprehensive revenue and expense.

The classification depends on the reason behind acquiring the investment. Council decides how to classify its investments when they are acquired.

Purchases and sales of investments are recorded on the value date. Financial assets are no longer recognised when the right to receive cash flows from the financial assets has expired or has been transferred. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, Council establishes fair value through valuation techniques. At each year end Council assesses whether there is evidence that a financial asset or group of financial assets is impaired. Any impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit. A financial asset falls in this category if acquired principally to sell in the short-term or if designated this way by Council. After initial recognition, they are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. These financial assets are classified as current assets if they are held for trading or expected to be realised within twelve months of the year end date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They arise when Council provides money, goods or services directly to a debtor with no intention of selling the receivable asset. After initial recognition, they are measured at amortised cost using the effective interest method. 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 twelve months after the year end date, which are classified as non-current assets.

Held-to-maturity investments

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

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 the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

The Council 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 de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Assets held for sale

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

These assets are not depreciated or amortised.

Property, plant and equipment

Property, plant and equipment consists of:

- Operational assets which include land, buildings, library books, plant, furniture and equipment, and motor vehicles.
- Infrastructural assets which are the fixed utility systems. 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.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Additions are generally recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value at the date of acquisition.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential with the item will flow to Council 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.

Depreciation

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

Table 1: Useful lives and associated depreciation rates of major classes of assets

	Components	Years
Water Treatment	Structures	25 – 80
	Plant	10 – 100
	Pipes	60
Water Reticulation	Pipes	30 – 100
	Fittings	10 – 100
Sewage Treatment	Structures	25 – 100
	Plant	10 – 100
	Pipes	60
Sewerage Reticulation	Pipes	50 – 100
	Fittings	25 – 100
	Manholes	80
Stormwater	Structures	15 – 80
	Pipes	50 – 100
	Manholes	50 – 80
Formation/carriageway and shoulder		Infinite
Pavement structure		12 – 150
Pavement surface (seal)		6 – 65
Catchpits and culverts		50 – 75
Bridges		50 – 115
Kerb and channel		50 – 75
Lighting		20 – 35
Footpaths		15 – 70
Signs		10 – 35
Railings		20 – 35

	Components	Years
Islands		35 – Infinite
Traffic Signals		15 – 50
Buildings – not componentised		0 – 100
Building – structure		35 – 100
Building – fit-out		20 – 40
Building – services		30 – 45
Plant/motor vehicles		15 – 25
Furniture, fittings and equipment		3 – 75
Computer equipment		3 – 10
Intangibles		0 – 10
Library Books		7

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

Revaluation

Those asset classes that are revalued are valued on a two-yearly cycle on the basis described below, with the exception of Operational Land and Buildings, which is valued every three years. All other asset classes are carried at depreciated historical cost.

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

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

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

Operational land and buildings

At fair value as determined from market-based evidence where there is a market, or depreciated replacement cost for specialised assets, by an independent valuer.

Infrastructural assets

At fair value determined on a Depreciated Replacement Cost (DRC) basis by an independent valuer.

Land under roads and road reserves

Land under roads is no longer revalued.

Accounting for revaluations

Revaluations of property, plant and equipment are on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase in revaluation that offsets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Impairment of property, plant and equipment and intangible assets

Assets that have a finite useful life are reviewed for indicators of and are tested annually for impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised 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 the revaluation reserve. 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, 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.

Impairment of revalued assets

In April 2017 the XRB issued *Impairment of Revalued Assets*, which now scopes in revalued property, plant and equipment into the impairment accounting standards. Previously, only property, plant and equipment assets measured at cost were scoped into the impairment accounting standards.

Council has early adopted this amendment in preparing its 30 June 2017 financial statements. Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. Council can therefore impair a revalued asset without having to revalue the entire class of an asset to which the asset belongs.

Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense. The useful lives and associated amortisation rates of computer software have been estimated at 3-10 years (33% - 10%).

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for indicators of impairment and tested annually for impairments each balance date.

Emissions trading scheme

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the New Zealand Units (NZU). Gains and losses on disposals are reported in the surplus or deficit. If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. NZUs are not amortised and have an indefinite life.

Forestry assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and

assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the Statement of Comprehensive Revenue and Expense. The costs to maintain the forestry assets are included in the Statement of Comprehensive Revenue and Expense.

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.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are measured at fair value as determined annually by an independent valuer. Gains and losses on revaluation, acquisition and disposal are recognised in the Statement of Comprehensive Revenue and Expense.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Council 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 expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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".

Employee benefit liabilities

Employee benefits expected to be settled within twelve months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it is anticipated it will be used by staff to cover those future absences.

Borrowings

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

Derivative financial instruments

Council uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with the treasury management policy Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Statement of Comprehensive Revenue and Expense. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Hedging policy).

The fair value of interest rate swaps is the estimated amount that the Council would receive or pay to terminate the swap at the Statement of Financial Position date, taking into account current interest rates and the current credit worthiness of the swap counterparts.

Hedging

Derivatives are first recognised at fair value on the date a contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Council designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction Council documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Council documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Comprehensive Revenue and Expense, together with any changes in the fair value of the assets or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Revenue and Expense.

Amounts accumulated in equity are recycled in the Statement of Comprehensive Revenue and Expense in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of the non-financial assets (for example inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost of carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transactions is ultimately recognised in the Statement of Comprehensive Revenue and Expense.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of Comprehensive Revenue and Expense.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the Statement of Comprehensive Revenue and Expense.

Equity

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

- Retained earnings
- Council created reserves
- Revaluation Reserves
- Cash flow hedge reserve

Council created reserves

Council created reserves are a component of equity representing a particular use to which various parts of equity have been assigned. Council may alter them without reference to any third party or the Courts. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Revaluation reserves

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

Cash flow hedge reserves

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flows hedges.

Critical accounting estimates and assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions 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:

- Estimating the landfill aftercare provision - Council has the responsibility under the resource consents to provide ongoing maintenance and monitoring of the landfills after the sites are closed. The landfill provision is estimated taking into account existing technology and is discounted using a weighted average cost of capital.

- Estimating the fair value of land, buildings, and infrastructural assets – there are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over land, buildings and infrastructural assets. These include:
 - The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
 - Estimating 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 and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the assets, then Council could be over or underestimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk Council’s infrastructural assets useful lives have been determined with reference to the New Zealand 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 Council’s asset management planning activities, which gives Council further assurance over its useful life estimates.
- Experienced independent valuers perform Council’s land, buildings and infrastructural asset revaluations.
- Land is valued as vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.
- Assumption of an open market “willing buyer willing seller” scenario. This is effectively the price an informed purchaser would have to pay to acquire a similar property.
- Where there is a designation held against the land, adjustments have been made to reflect that designation.
- All buildings have been valued on either a fair market basis or depreciated replacement cost approach.
- Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.
- The highest and best use of the property is considered when formulating which approach to undertake the building valuation. Where market-based evidence exists, structures have been valued on a market basis in relation to market-based net rates per square metre.

Funding Impact Statement

The funding impact statement, has been prepared in accordance with schedule 10 of the Local Government Act 2002, as well as sections 13 to 19 of the Local Government (Rating) Act 2002 and sets out:

- The revenue and financing mechanisms used;
- An indicative level or amount of funding for each mechanism;
- A summary of the total rates requirement; and
- The application of funding methods to Council activities.

This statement should be read in conjunction with our [Revenue & Financing Policy 2021](#) that sets out our policies in respect of each source of funding for operating and capital expenses.

In relation to the New Zealand Financial Reporting Standard No 42, the financial year 2023/24 is considered to be a 'forecast year' and based on future events, which are expected to occur. The actual results achieved for the period are likely to vary from the information presented and may vary depending upon the circumstances that arise during the period.

The forecast financial information has been prepared in accordance with Council's current policies which comply with the New Zealand International Financial Reporting Standards.

We are responsible for the Prospective Financial Statements, including the appropriateness of the underlying assumptions and all other required disclosures.

Note: Section 23 of the Local Government (Rating) Act 2002 (LGRA) requires rates to be set in accordance with the Funding Impact Statement and the relevant provisions of the Long Term Plan 2021-2031 (LTP) for that financial year. The LTP contains the Revenue and Financing Policy which specifies certain proportions of costs for various activities to be funded by general rate, targeted rates, and fees and charges.

Consolidated funding impact statement

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	40,862	45,977	43,490	(2,487)
Targeted rates	36,212	37,831	40,306	2,475
Subsidies and grants for operating purposes	3,567	3,278	3,425	146
Fees and charges	14,687	14,001	16,521	2,520
Interest and dividends from investments	35	35	35	-
Local authorities fuel tax, fines, infringement fees, and other receipts	412	412	412	-
Total sources of operating funding (A)	95,775	101,534	104,189	2,655
Applications of operating funding				
Payments to staff and suppliers	72,662	70,999	78,124	7,125
Finance costs	2,892	3,895	10,876	6,981
Other operating funding applications	1,762	2,097	1,515	(583)
Total applications of operating funding (B)	77,316	76,991	90,515	13,523
Surplus (deficit) of operating funding (A - B)	18,459	24,543	13,675	(10,868)
Sources of capital funding				
Subsidies and grants for capital expenditure	12,419	9,031	8,417	(614)
Development and financial contributions	25,540	29,764	29,924	160
Increase (decrease) in debt	105,000	27,400	70,800	43,400
Gross proceeds from sale of assets	10,348	2,245	17,832	15,587
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	153,307	68,440	126,973	58,533
Applications of capital funding				
Capital expenditure				
- to meet additional demand	118,267	42,127	83,667	41,540
- to improve the level of service	32,971	31,255	30,661	(595)
- to replace existing assets	24,499	19,932	28,062	8,130
Increase (decrease) in reserves	(3,971)	(331)	(1,741)	(1,410)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	171,766	92,983	140,648	47,665
Surplus (deficit) of capital funding (C - D)	(18,459)	(24,543)	(13,675)	10,868
Funding balance ((A - B) + (C - D))	-	-	-	-

Reconciliation between the funding impact statement and statement of comprehensive revenue and expense

The funding impact statement is prepared in compliance with the requirements of clause 20, of schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is not required to comply with generally accepted accounting standards (GAAP). The funding impact statement is intended to show in a transparent manner, how all sources of funding received by us are applied. It does not include “non-cash” that is classified as income on the statement of comprehensive revenue and expense (as required by GAAP) such as assets that are vested to us through the subdivision process, or unrealised gains on assets. The statement of comprehensive revenue and expense also requires “non-cash” expenses such as depreciation, amortisation and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between these two statements.

	2022/23 Budget \$000	2023/24 LTP Yr 3 \$000	2023/24 Budget \$000	2023/24 Variance \$000
Total prospective revenue and expense wholly attributable to District Council	127,981	71,714	48,167	(23,547)
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	18,459	24,543	13,675	(10,869)
Difference	109,522	47,171	34,492	(12,678)
The difference is due to:				
Capital income	48,391	41,049	56,174	15,125
Vested assets	12,126	12,464	12,464	-
Revaluation of assets	83,232	30,395	450	(29,945)
Gain (loss) on sale/disposal of assets	(2,379)	(2,192)	(2,159)	33
Depreciation and amortisation	(31,848)	(34,545)	(32,437)	2,108
Total explained difference	109,522	47,171	34,492	(12,679)

Rates Information

The projected number of rating units within the district at 30 June 2023 is 23,763.

The projected total capital value of rating units within the district at 30 June 2023 is \$34,029,181,395.

The projected total land value of rating units within the district at 30 June 2023 is \$19,838,689,000.

Rates requirement figures quoted in the section below are inclusive of GST at the prevailing rate.

District-wide funding

The funding of district wide activities will be from a combination of general rates and uniform annual general charge (UAGC). This combination of general rates and UAGC is referred to as 'district wide funding'. Activities funded from district wide funding include governance, animal control, building, environmental health, resource management, development engineering, parks and reserves, Mighty River Domain, libraries, Cambridge pool, Te Awamutu Events Centre, museums, heritage, cemeteries, public toilets, property, rural halls, town halls, community buildings, civil defence, litter bins, recycling, roading, stormwater, water supply and sewerage.

Definition of a separately used or inhabited part of a rating unit (SUIP)

A separately used or inhabited part of a rating unit means:

- a) Any part of a rating unit that is separately used, or occupied, or capable of being separately used or occupied by the ratepayer; and
- b) Any part of a rating unit that is separately used or occupied or is capable of being separately used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, license, or other agreement.

This is on the basis that where a rating unit is configured for the purpose of separate habitation or use, even if it is not currently occupied, this constitutes a separate use of the rating unit by the owner. Examples include:

- Each separate shop or business activity on a rating unit;
- Each occupied or intended to be occupied dwelling, flat or additional rentable unit.

For the purpose of Recycling rates, Community Hall rates and Community Centre rates, "SUIPs" means only those SUIPs, as defined above, used principally for residential purposes.

General rate

A general rate is set under section 13 of the Local Government (Rating) Act 2002 based on the capital value of each rating unit in the district with no differential being set. The rate for 2023/24 is 0.0999 cents in the dollar on the capital value of each rating unit.

The general rate will fund 65.4 percent of the district wide funding.

Amount to be raised: \$33,995,115 inclusive of GST.

Uniform annual general charge (UAGC)

A uniform annual general charge is set under section 15 of the Local Government (Rating) Act 2002 at \$700.00 inclusive of GST per separately used or inhabited part of a rating unit.

The uniform annual general charge will fund a portion of the district wide funding.

Amount to be raised: \$17,957,100 inclusive of GST.

Targeted rates

Targeted rates are set under sections 16 and 19 of the Local Government (Rating) Act 2002 for the activities listed below. Council will not invite lump sum contributions in respect of any of these targeted rates.

Targeted area rate

A targeted area rate is set on each rating unit in the district. The targeted area rate will be a fixed amount per rating unit. This rate will be set on a differential basis based on location of the rating unit, being the areas of Te Awamutu, Kakepuku, Cambridge, Maungatautari and Pirongia.

Rate for the 2023/24 year is shown in the following table:

Area	\$ Rate (GST inclusive)	\$ Raising
Cambridge	401.21	3,648,617
Kakepuku	221.73	295,790
Maungatautari	321.75	493,560
Pirongia	194.59	658,887
Te Awamutu	299.15	2,108,106

The targeted area rate will fund the public community/group benefit element of activities.

The activities funded from the targeted area rate include community boards, community grants, libraries, Swimming Pools, District Museum, Cambridge Town Hall (Cambridge area only) community properties (Cambridge and Te Awamutu Areas), passenger transport, Cambridge Refuse Centre grant, and National Cycling Centre of Excellence.

Amount to be raised: \$7,204,961 inclusive of GST.

Cambridge community sports hall

A targeted rate is set to fund the loan charges for the grant made for the development of the sports hall located at the Cambridge High School. The rate is set on land in the Cambridge and Maungatautari areas only.

The targeted rate is a fixed amount of \$13.52 inclusive of GST per rating unit.

Amount to be raised: \$143,827 inclusive of GST.

Urban Town Halls

A targeted rate is set to fund the maintenance costs for the Pirongia Memorial Hall and the Kihikihi Town Hall and part of the maintenance costs of the Cambridge Town Hall. The rate is set on land in the Cambridge and Te Awamutu areas, and in the Pirongia township being roll number 4,605.

The targeted rate is a fixed amount of \$8.22 inclusive of GST per rating unit.

Amount to be raised: \$136,682 inclusive of GST.

Capital works

A targeted rate is set to fund capital costs in connection with improvements and extensions to footpaths, kerbing and channelling of roads and street lighting as follows. The rate is set on land in the Cambridge and Te Awamutu areas only.

The capital works rate is based on the capital value of the rating unit. The capital works rate is set on a differential basis based on location of the rating unit, with the categories being the areas of Te Awamutu and Cambridge. The rates in cents per dollar of capital value are shown in the following table:

Area	Rate in cents per dollar (GST inclusive)	\$ Raising
Cambridge	0.0007	89,342
Te Awamutu	0.0008	51,402

Amount to be raised: \$140,744 inclusive of GST.

Stormwater

A targeted rate is set to fund the operating costs and loan charges for stormwater. The stormwater rate is based on the capital value of each rating unit in the district. The stormwater rate is set on a differential basis based on location of the rating unit, the categories being urban and rural. Urban is defined as being the urban drainage areas of Cambridge, Te Awamutu, Kihikihi, Ohaupo, Pirongia and Karāpiro, as shown on Drainage Maps on www.waipadc.govt.nz. Rural is defined as the remaining area of the district not defined as urban. The rates for 2023/24 in cents per dollar of capital value are shown in the following table:

	Rate in cents per dollar (GST inclusive)	\$ Raising
Urban	0.0247	3,958,806
Rural	0.0040	694,254

Amount to be raised: \$4,653,059 inclusive of GST.

Sewerage rates

A targeted rate is set for sewerage disposal costs and loan charges for each rating unit in the areas of the Cambridge sewerage scheme and the Te Awamutu sewerage scheme.

The targeted rate is set on a differential basis based on the provision of service, the categories of service being connected and serviceable. Connected means any rating unit that is connected to the Cambridge or Te Awamutu sewerage scheme. Serviceable means any rating unit situated within 30

metres of a public sewerage drain in one of the above Council sewerage scheme areas to which it is capable of being effectively connected but which is not so connected. For connected rating units, the rate is calculated based on the number of pans and urinals at the rating unit, with the charge being the same dollar rate based on the total number of pans. For example, if the rating unit has 17 pans, all pans will be calculated at \$555.59 per pan.

For serviceable rating units, the rate is an amount per rating unit.

The rates for the 2023/24 year are:

	\$ Rate per pan or urinal (GST inclusive)	\$ Raising
Connected (3 or less pans)	910.80	12,919,232
Connected (4 to 10 pans)	774.19	959,209
Connected (11-15 pans)	637.56	296,465
Connected (16-20 pans)	555.59	131,118
Connected (21-35 pans)	500.94	255,479
Connected (36-45 pans)	437.19	55,085
Connected (46 or more pans)	409.86	522,981
	\$ Rate per rating unit (GST inclusive)	\$ Raising
Serviceable	455.40	121,136

A rating unit used primarily as a residence for one household will be treated as having no more than one pan or urinal. Rating units that are neither connected to the scheme nor serviceable are not liable for this rate.

Amount to be raised: \$15,260,707 inclusive of GST.

Water rates

Serviceable connections

A targeted rate is set to fund water supply costs and loan charges to serviceable rating units.

The targeted rate is set for serviceable rating units and is a fixed amount per separately used or inhabited part of a rating unit. Serviceable means within 100 metres of a supply pipe and capable of being effectively connected but not so connected. The rate for the 2023/24 year is:

	\$ Rate per Suip (GST inclusive)	\$ Raising
Serviceable	139.32	26,053

Rating units that are not serviceable are not liable for this rate.

Amount to be raised: \$26,053 inclusive of GST.

Metered Connections

Targeted rates are set for the supply of water and to fund loan charges to rating units with metered connections:

- a) An amount per separately used or inhabited part of a rating unit; and
- b) A charge based on the amount (in cubic metres) of water supplied.

In both cases the rate is set for all metered rating units other than rating units subject to a separate water supply contract. The amount of the consumption-based component of the rate depends on the service provided, namely potable or raw water supply. The rates for the 2023/24 year are:

	\$ Rate per SUIP (Incl GST)	Consumption \$ Rate (GST incl)
Potable Water	150.65	1.8141 per m ³
Raw Water	150.65	0.4535 per m ³

Amount to be raised: \$15,716,112 inclusive of GST.

Arohena rural water supply area

A targeted rate is set to fund the Arohena rural water supply loan costs for Waipā ratepayers within the Arohena rural water supply area (administered by the Ōtorohanga District Council).

The Arohena water rate is based on the capital value of each rating unit located within the Arohena rural water supply area. The rate for 2023/24 in cents per dollar of capital value is 0.0069 inclusive of GST.

Amount to be raised: \$5,635 inclusive of GST.

Recycling rate

A targeted rate is set to fund the provision of a kerbside refuse recycling service to each household in the district.

The targeted rate is a fixed amount of \$125.00 inclusive of GST per separately used or inhabited part of a rating unit (SUIP).

Amount to be raised: \$2,893,198 inclusive of GST.

Community hall rates

Council has a number of community halls which have a targeted rate set for each hall. The targeted rates are to fund part of the costs of the relevant community hall.

These rates are a fixed amount per separately used or inhabited part of a rating unit (SUIP), and will be charged to every rating unit within the relevant community hall areas on which there is at least one residential household.

The plans showing the boundaries of the various community hall areas can be found at www.waipadc.govt.nz.

The following table shows the details for the various community hall targeted rates:

	\$ Rate per Suip (GST inclusive)	\$ Raising
Fencourt Hall	16.00	7,038
Hautapu Hall	20.40	11,731
Horahora Hall	26.95	4,150
Karapiro Hall	26.75	10,165
Koromatua Hall	46.00	13,938
Maungatautari Hall	37.25	6,854
Monavale	30.00	6,631
Ngahinapouri Hall	30.00	11,552
Ohaupo Hall	13.30	6,305
Parawera Hall	18.60	2,399
Paterangi Hall	28.55	5,967
Pukeatua Hall	21.30	4,175
Rangioawhia Hall	14.25	1,895
Rukuhia Hall	26.10	8,509
Te Miro Hall	27.90	5,468
Te Rore Hall	13.80	690
Whitehall Hall	30.00	3,301

Community Centres Rates

Council has a number of community centres which have a targeted rate set for each community centre. The targeted rates are to fund part of the costs of the relevant community centre.

These rates are a fixed amount per separately used or inhabited part of a rating unit SUIP and will be charged to every rating unit within the relevant community centre area on which there is at least one residential household.

The plans showing the boundaries of the various community centres areas can be found at www.waipadc.govt.nz.

The following table shows the details for the various community centres targeted rates:

	\$ Rate per Suip (GST inclusive)	\$ Raising
Kaipaki	39.70	12,664
Ohaupo	38.80	39,654
Pirongia	17.35	16,833

Early payment of rates

Sections 55 and 56 of the Local Government (Rating) Act 2002 empower us to accept early payment of rates. Council accepts payment in full of all rates assessed in each year on or before the due date for the first instalment of the year. No discount will be given to any payment of rates received on this basis.

Rates payable by instalments

Rates (other than rates for metered water supply) are payable by four equal instalments with the due dates and penalty dates as set out in the table below:

Instalment	Due Date	Penalty Added
Instalment 1	21 August 2023	28 August 2023
Instalment 2	21 November 2023	28 November 2023
Instalment 3	21 February 2024	28 February 2024
Instalment 4	21 May 2024	28 May 2024

Water Rates payable by instalment

Invoices for the supply of water via metered connections are payable in four instalments. The location where the water is supplied within the District will determine the month of meter reading, invoice date, due date and the penalty date. The due dates and penalty dates are per the following table.

Location	Invoiced during month of	Due date	Penalty added
Te Awamutu/Pirongia	July	31 August 2023	7 September 2023
	October	30 November 2023	7 December 2023
	January	1 March 2024	8 March 2024
	April	31 May 2024	7 June 2024
Kihikihi	July	31 August 2023	7 September 2023
	October	30 November 2023	7 December 2023
	January	1 March 2024	8 March 2024
	April	31 May 2024	7 June 2024
Cambridge	August	2 October 2023	9 October 2023
	November	8 January 2024	15 January 2024
	February	2 April 2024	9 April 2024
	May	27 June 2024	5 July 2024
Pukerimu/Ohaupo	September	31 October 2023	7 November 2023
	December	30 January 2024	7 February 2024
	March	30 April 2024	7 May 2024
	June	31 July 2024	7 August 2024

Penalties on rates not paid by the due date

Sections 57 and 58 of the Local Government (Rating) Act 2002 enables penalties to be imposed. A penalty of 10 percent will be added to all instalments or part thereof remaining unpaid on the relevant date in the "Penalty Added" column of the table above under the heading "Rates payable by instalment". This penalty does not apply to invoices for metered water supply.

An additional penalty of 10 percent will be added to any rates assessed in any previous year that are still unpaid on 7th July 2023. The penalty will be added on 10th July 2023.

A further additional penalty of 10 percent will be added to rates from the previous years that are still unpaid after 8th January 2024. The penalty will be added on 9th January 2024.

Penalties on metered water supply not paid by the due date

Sections 57 and 58 of the Local Government Rating Act 2002 enables penalties to be imposed. A penalty of 10 percent will be added to all instalments or part thereof remaining unpaid on the relevant date in the "Penalty Added" column of the table above under the heading "Water Rates payable by instalment".

Rates breakdown – Indicator Properties

A rates calculator is provided on Council's website which enables the proposed rates changes to be seen on individual properties.

The indicator properties are shown GST INCLUSIVE and include an estimate for metered water where applicable.

Cambridge Ward (Residential) Rating Valuation,	2022/23 \$645,000 \$	2023/24 \$	2022/23 \$1,000,000 \$	2023/24 \$	2022/23 \$2,330,000 \$	2023/24 \$
Fixed Targeted Rates	1,271	1,451	1,271	1,451	1,271	1,451
Estimate for Metered Water	290	310	230	247	533	570
UAGC	751	700	751	700	751	700
Capital Value Rates	741	816	1,180	1,261	2,747	2,928
Total Rates	3,053	3,277	3,431	3,659	5,301	5,649
\$ incr per week		4.32		4.37		6.67
Percentage Increase		7.4%		6.6%		6.5%
Property Valuation increase		46.6%		42.9%		42.9%

Rural Residential Cambridge Rating Valuation,	2022/23 \$860,000 \$	2023/24 \$	2022/23 \$1,380,000 \$	2023/24 \$	2022/23 \$2,840,000 \$	2023/24 \$
Fixed Targeted Rates	336	415	336	415	481	560
UAGC	751	700	751	700	751	700
Capital Value Rates	742	908	1,177	1,452	2,381	2,979
Total Rates	1,829	2,023	2,264	2,567	3,612	4,239
\$ incr per week		3.72		5.82		12.05
Percentage Increase		10.6%		13.4%		17.4%
Property Valuation increase		55.9%		57.7%		60.5%

Commercial / Industrial Cambridge Rating Valuation,	2022/23 \$550,000 \$	2023/24 \$	2022/23 \$1,350,000 \$	2023/24 \$	2022/23 \$3,450,000 \$	2023/24 \$
Fixed Targeted Rates	1,147	1,326	1,147	1,326	5,160	5,834
Estimate for Metered Water	467	501	363	388	473	506
UAGC	751	700	751	700	751	700
Capital Value Rates	590	697	1,651	1,700	3,926	4,331
Total Rates	2,955	3,224	3,912	4,114	10,310	11,371
\$ incr per week		5.18		3.88		20.40
Percentage Increase		9.1%		5.2%		10.3%
Property Valuation increase		57.1%		37.8%		48.1%

Te Awamutu Ward (Residential) Rating Valuation,	2022/23 \$690,000 \$	2023/24 \$	2022/23 \$800,000 \$	2023/24 \$	2022/23 \$1,330,000 \$	2023/24 \$
Fixed Targeted Rates	1,208	1,335	1,208	1,335	1,208	1,335
Estimate for Metered Water	504	539	257	276	351	376
UAGC	751	700	751	700	751	700
Capital Value Rates	760	873	945	1,011	1,688	1,676
Total Rates	3,222	3,447	3,161	3,322	3,997	4,087
\$ incr per week		4.33		3.09		1.71
Percentage Increase		7.0%		5.1%		2.2%
Property Valuation increase		53.3%		42.9%		33.0%

Rural Residential Te Awamutu Rating Valuation,	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	\$837,000		\$1,330,000		\$2,290,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	273	299	405	424	397	424
UAGC	751	700	751	700	751	700
Capital Value Rates	768	885	1,198	1,401	2,325	2,678
Total Rates	1,792	1,884	2,354	2,525	3,473	3,802
\$ incr per week		1.76		3.28		6.33
Percentage Increase		5.1%		7.2%		9.5%
Property Valuation increase		46.8%		48.6%		47.8%

Commercial / Industrial Te Awamutu Rating Valuation,	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	\$405,000		\$1,400,000		\$3,960,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	1,084	1,210	1,894	2,121	4,408	4,944
Estimate for Metered Water	443	474	325	348	602	644
UAGC	751	700	751	700	2,253	2,100
Capital Value Rates	439	516	1,553	1,764	4,355	4,974
Total Rates	2,716	2,900	4,524	4,933	11,618	12,662
\$ incr per week		3.53		7.87		20.08
Percentage Increase		6.8%		9.0%		9.0%
Property Valuation increase		55.8%		52.2%		53.5%

Pirongia Ward - Rural Rating Valuation,	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	\$1,080,000		\$3,450,000		\$7,360,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	322	346	420	445	700	726
UAGC	751	700	1,502	1,400	2,253	2,100
Capital Value Rates	897	1,122	3,856	3,585	7,231	7,647
Total Rates	1,970	2,168	5,778	5,430	10,183	10,473
\$ incr per week		3.81		-6.71		5.57
Percentage Increase		10.1%		-6.0%		2.8%
Property Valuation increase		61.2%		19.8%		36.3%

Pirongia Village Rating Valuation,	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	\$750,000		\$980,000		\$1,220,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	319	337	319	337	319	337
Estimate for Metered Water	349	374	317	339	337	361
UAGC	751	700	751	700	751	700
Capital Value Rates	873	943	1,159	1,229	1,394	1,528
Total Rates	2,292	2,354	2,545	2,605	2,800	2,926
\$ incr per week		1.18		1.16		2.42
Percentage Increase		2.7%		2.4%		4.5%
Property Valuation increase		44.2%		42.0%		47.0%

Ohaupo Village	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Rating Valuation,	\$700,000		\$950,000		\$1,410,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	348	372	348	372	348	372
Estimate for Metered Water	485	519	689	737	368	394
UAGC	751	700	751	700	751	700
Capital Value Rates	683	872	844	1,184	1,461	1,757
Total Rates	2,267	2,463	2,631	2,993	2,927	3,223
\$ incr per week		3.78		6.94		5.68
Percentage Increase		8.7%		13.7%		10.1%
Property Valuation increase		37.3%		50.8%		62.1%

Ngahinapouri Village	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Rating Valuation,	\$740,000		\$1,030,000		\$2,310,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	326	350	326	350	172	195
UAGC	751	700	751	700	751	700
Capital Value Rates	683	769	977	1,070	2,102	2,400
Total Rates	1,759	1,819	2,054	2,120	3,025	3,295
\$ incr per week		1.14		1.27		5.19
Percentage Increase		3.4%		3.2%		8.9%
Property Valuation increase		45.1%		41.1%		47.1%

Kakepuku Ward	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Rating Valuation,	\$1,690,000		\$5,500,000		\$8,860,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	319	347	319	347	443	472
UAGC	751	700	751	700	1,502	1,400
Capital Value Rates	1,875	1,756	6,200	5,766	8,837	9,206
Total Rates	2,945	2,803	7,270	6,813	10,783	11,078
\$ incr per week		-2.74		-8.79		5.66
Percentage Increase		-4.8%		-6.3%		2.7%
Property Valuation increase		20.7%		19.9%		34.2%

Maungatautari Ward	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Rating Valuation,	\$1,303,000		\$3,520,000		\$7,430,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	512	585	425	498	544	617
UAGC	1,502	1,400	751	700	1,502	1,400
Capital Value Rates	1,374	1,354	3,481	3,657	7,123	7,720
Total Rates	3,388	3,339	4,658	4,855	9,170	9,737
\$ incr per week		-0.94		3.79		10.91
Percentage Increase		-1.4%		4.2%		6.2%
Property Valuation increase		27.0%		35.4%		39.7%

APPENDIX 2

Draft Development Contributions Policy 2023/24 (ECM number 11017296)

DRAFT DEVELOPMENT CONTRIBUTIONS POLICY

JUNE 2023

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PART 1 - POLICY OVERVIEW

1. Section 102(2)(d) of the Local Government Act 2002 (LGA) requires Waipa District Council (Council) to have a development contribution policy. Section 198 of the LGA gives Council the power to require a contribution for developments. Development contributions provide Council with the means to fund infrastructure required due to growth.
2. This policy has been prepared in accordance with the LGA and summarises and explains the capital expenditure identified in the Long Term Plan Council expects to incur to meet the increased demand for infrastructure resulting from growth in the District.
3. This policy also sets out the development contributions payable by developers, how and when they are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution required.
4. The purpose of this policy is to:
 - (a) Provide predictability and certainty to stakeholders in how infrastructure for growth is to be funded, and provide transparency of what is to be funded and what has already been delivered in anticipation of growth.
 - (b) Support and facilitate the wider outcomes of Council including those reflected in Council's District Plan.
 - (c) Provide for those involved in development to make fair payments to Council to reflect the expected demand their developments will have on Council infrastructure and the expected benefits residents and businesses occupying these developments will derive from Council infrastructure.
 - (d) Present this policy simply and clearly to enable a greater understanding and awareness of what Council intends to fund and how this applies to a particular development.
 - (e) Set contribution charges at levels that help achieve the scale, type, quality and location of development that the District Plan aspires to.
5. Contributions will be required for capital expenditure on a relatively small number of Council activities that are seen as strongly connected to new development.
6. Contribution amounts are set out clearly and unambiguously in this policy, assisting those undertaking development to assess the financial viability of their projects early in their process.
7. There is the opportunity for contributions to be payable later in the development cycle for some developments to take account of the funding realities facing developers. Council has retained the statutory enforcement powers set out in the legislation to offset the risks of non-payment.
8. Capital expenditure projects will be transparent and details accessible for those wishing to understand the infrastructure Council is planning to provide for growth.

PART 2 - POLICY BACKGROUND

1. Council's first development contribution policy (DCP) was adopted in June 2006, when Council decided to principally fund the growth related costs of development via development contributions (DCs) under the LGA, rather than relying solely on financial contributions (FCs) under the Resource Management Act 1991 (RMA).
2. The DCP was subsequently revised during each Long Term Plan cycle in 2009, 2012, 2015, 2018 and in 2021. The Development Contribution fees are reviewed on an annual basis, being reviewed in 2023.
3. There is a need for Council to deliver infrastructure to accommodate growth and a need for this to be funded appropriately. Council has therefore determined that growth should generally pay for the cost of growth. This is considered to achieve financial equity between existing ratepayers and those undertaking development.
4. In terms of this policy in addition to Council, the key stakeholders are developers and ratepayers.
5. Additional commentary on these stakeholders is included in the paper: 'Methodology for the development contribution policy 2020 (incorporating a review and analysis of options)'¹ ('the methodology and options paper').
6. Further information supporting the DCP is contained within the DCs model, and the methodology and options paper, which are both available from Council on request.

¹ Refer to Appendix 1: Documents referenced in this Policy

PART 3 - DEFINITIONS

The following definitions are used throughout this policy:

Table 1: Definitions

Term	Definition
Activity	A grouping of Council functions required for development contributions.
Allotment	Has the same meaning as defined in section 218 of the Resource Management Act 1991.
Asset manager	Means an officer of Council involved in the management of Council infrastructure.
Authorised officer	Means an officer authorised in accordance with Council's Delegations Register to carry out functions under this policy.
Brownfield development	A non-residential development occurring in an existing town or village and not in an identified growth cell
Catchment or funding area	A geographical area used to accumulate the cost of activities and define a part of Waipā District for development contribution purposes. This includes any future development which extends the area served by a catchment.
Commercial accommodation	Any accommodation units other than dwelling units, such as hotels, motels, holiday flats, which are offered at a tariff, on a per-unit basis and student accommodation where this is located on the grounds of an educational institution.
Commercial	A non-residential development providing for activities that are conducted in an office setting and that generally focus on business, government, professional, or financial services; and includes the personal service elements of these activities that are offered to consumers or clients.
Community facilities	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Community infrastructure	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Council	Waipā District Council.
Developer	Means a developer who undertakes development, and means a person for the purposes of sections 199A to 199E of the Local Government Act 2002.
Development	Has the same meaning as defined in section 197 of the Local Government Act 2002.
'Development agreement' or 'DA'	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Development contributions commissioner	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Development contribution objection	Has the same meaning as defined in section 197 of the Local Government Act 2002.
District Plan	Means the Waipā District Plan – Decisions Version, or any subsequent operative version of the Plan.
District-wide catchment	Means the entire District.

DEFINITIONS

Term	Definition
Dwelling [or dwelling unit]	<p>A building or part of a building capable of being used as an independent residence and includes dwelling apartments, semi-detached or detached houses, units, town houses, granny flats (or similar), and caravans (where used as a place of residence or occupied for a period of time exceeding six months in a calendar year).</p> <p>For the avoidance of doubt the following shall also apply:</p> <ul style="list-style-type: none"> ▪ Any dwelling which has two separate kitchen facilities of any nature, shall be deemed to be two household units regardless of the configuration of the dwelling. ▪ A 'sleepout' is considered to be any building or part of a building which is 35m² or less (excluding garaging), anything in addition to this will be considered to be a household unit/minor household unit. <p>But does not include any unit of commercial accommodation.</p>
Funded growth cell	Means a catchment or part thereof that Council has resolved to fund or part fund through its Long Term Plan.
GFA	<p>Gross floor area (including mezzanine floors).</p> <p>However, for the purpose of calculating impervious surface areas for non-residential developments, GFA means the footprint of all impermeable surfaces of the site, so excluding 2nd floors and mezzanine floors.</p>
Greenfield development	A non-residential development occurring in an identified growth cell and not in an existing town or village.
Household equivalent unit [or HEU]	A unit of demand representing one average household.
Impervious surface area [or ISA]	The area of any site which is not capable of absorbing rainwater.
LGA	Local Government Act 2002
LTP	Long Term Plan (for 2021-2031)
Minor dwelling unit	A household unit not exceeding 70m ² in Gross Floor Area (GFA), provided that attached garaging and open deck areas are not included in the 70m ² GFA calculation.
Network infrastructure	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Non-residential development	Means any development that is a commercial, industrial or retail development.
Residential development	Means any subdivision, building, land use or work, but excludes non-residential development.
Retirement unit	<p>Any dwelling unit in a retirement village subject to the Retirement Villages Act 2003.</p> <p>For the avoidance of doubt, this does not include aged care rooms in a hospital (or similar) building/s.</p>
Retirement village	Has the meaning in section 6 of the Retirement Villages Act 2003.
RMA	Resource Management Act 1991
Service connection	Has the same meaning as defined in section 197 of the Local Government Act 2002.

PART 4 - POLICY DETAILS

1. This is a policy of Council adopted under section 102(1) and required by section 102(2)(d) of the LGA. This section of the policy describes the considerations of Council in making this policy and covers all matters required to be included in a policy on development contributions by section 106 of the LGA.

Use of development contributions or financial contributions

2. Council considered the options available to it for funding the capital expenditure it is planning to incur as a result of, or in anticipation, of growth in Waipā. Council considered the purposes of and reasons for development and financial contributions and other funding sources and determined that:
 - (a) Development and financial contributions are the primary sources available to it for funding growth related infrastructure under current legislation.
 - (b) Development contributions should be used as the main funding tool for growth related infrastructure provided by Council.
3. This does not preclude Council from using and investigating other funding sources as appropriate.
4. This policy is distinct from, and in addition to, section 18 of the District Plan that provides Council with discretion to require financial contributions under the RMA.
5. Where a development results in Council incurring capital expenditure that is not covered by this policy, Council may impose a financial contribution as a condition/s of resource consent in accordance with the requirements of the District Plan, and Council's powers under the RMA.

Significant assumptions

6. Section 201(1)(b) of the LGA requires this policy to set out the significant assumptions underlying the calculation of the schedule to the development contributions policy, including an estimate of the potential effects if there is a significant level of uncertainty as to the scope and nature of the effects.
7. The table below sets out a summary of the significant assumptions underlying this policy. Further detail on specific assumptions relating to growth are included in clauses [8](#) to [21](#) below.

Table 2: Significant assumptions

Significant assumption	Estimate of potential effects	Level of uncertainty
The rate, level, location and type of residential growth will occur as is forecast by the National Institute of Demographic and Economic Analysis (NIDEA) report '2016 update (2020 update of population and family	If development is lower than that forecast by the growth reports, the amount of revenue generated through this policy will be reduced.	Significant

Development Contributions Policy

POLICY DETAILS

Significant assumption	Estimate of potential effects	Level of uncertainty
<p>and household projections for Waipā District 2013-2063) of area unit population, household and Labour Force Projections for the Waikato Region for the period 2013-2061.</p> <p>The growth forecasts are based on a medium population and household growth scenario.</p> <p>The rate, level, location and type of non-residential growth will occur as is forecast in the <i>Waipā District Business Land Study (May 2017)</i> prepared by Property Economics (and informed by council staff with their local and latest information).</p> <p>Growth can be influenced by a wide range of factors including: changes in demographics, changes in social and economic conditions, the performance of the economy and the effect of local, national and international forces.</p>	<p>Council may need to review the growth forecasts to reflect a longer take up period than anticipated. This will affect the ability of Council to fund growth related infrastructure, which itself may need to be deferred.</p> <p>As a result Council needs to be flexible with the timing of works and be able to quickly react to changes in the market or to non-active as well as active developers.</p> <p>This uncertainty is further heightened by COVID- 19 and its impacts.</p>	
<p>The proportion of capital expenditure projects for growth is based on the best available information and aligned with both the forecast growth, the District Plan and active developers.</p>	<p>There is the potential for capital expenditure projects to alter over time. This can be as a result of changes in demand by developers – either faster or slower, or a significant industrial/ commercial demand for infrastructure.</p> <p>Where significant changes occur to capital expenditure projects through an annual plan, it may be appropriate for Council to determine whether to revise the schedule of charges within this policy.</p> <p>Provision of growth infrastructure in a period of low or uncertain growth can create a cost risk on the existing rating base as growth is not arriving to share the increased cost.</p>	Significant
<p>No significant changes to service standards planned by council other than those planned within asset management plans, although the government's recently announced water reforms will certainly change the landscape. The details on how growth funding will work is unclear at this time.</p>	<p>Changes to service standards will affect both the level of on-site works required by those undertaking development and the scale and type of infrastructure provided by Council.</p> <p>If significant changes occur Council will need to reassess the effect on capital expenditure projects and determine the materiality of change to the schedule of charges within this policy.</p>	High
<p>The cost of growth incorporated in the contributions charge is calculated net of all third party income. This policy assumes that the level of third party funding will not change over the life of the Long Term Plan, and the eligibility criteria will remain the same.</p>	<p>If the level of third party funding is reduced, Council will have understated the cost to be recovered through this policy. If the level of third party funding is increased, Council will have overstated the cost to be recovered through this policy.</p> <p>In either case Council will be at liberty to assess the materiality of the difference and determine whether to revise the schedule of charges within this policy and provide for a lower or higher expectation of third party income.</p>	Low
<p>Developments will in general exhibit common demand characteristics that enable Council to</p>	<p>All residential development will be attributed with the average demand as set out in this policy.</p>	Medium

POLICY DETAILS

Significant assumption	Estimate of potential effects	Level of uncertainty
consider them as part of a simple overall classification of development types.	<p>Developments individually may create a lower or higher demand on infrastructure than the average demand for their development type.</p> <p>Development overall and in time, will create the demand levels required to recover the cost of infrastructure for growth.</p>	
<p>Developers are only required to pay development contributions on additional development that is the subject of a consent application.</p> <p>Any existing lawfully established allotments or land uses on the development site are assumed to have either:</p> <ul style="list-style-type: none"> ▪ paid development or financial contributions under relevant legislation at the time; and/or ▪ have been exempt from paying contributions. 	<p>The assumption that lawfully established allotments are deemed to have paid for development contributions requires all new developments to pay for one unit of demand (HEU) at the point of consent being issued.</p> <p>In addition, this would result in Council recovering less development contributions than originally anticipated.</p>	Low
<p>The rate, level, location and type of residential growth will occur as is forecast by the National Institute of Demographic and Economic Analysis (NIDEA) report '2016 update (2020 update of population and family and household projections for Waipā District 2013-2063) of area unit population, household and Labour Force Projections for the Waikato Region for the period 2013-2061.</p> <p>The growth forecasts are based on a medium population and household growth scenario.</p> <p>The rate, level, location and type of non-residential growth will occur as is forecast in the <i>Waipā District Business Land Study (May 2017)</i> prepared by Property Economics (and informed by council staff with their local and latest information).</p> <p>Growth can be influenced by a wide range of factors including: changes in demographics, changes in social and economic conditions, the performance of the economy and the effect of local, national and international forces.</p>	<p>If development is lower than that forecast by the growth reports, the amount of revenue generated through this policy will be reduced.</p> <p>Council may need to review the growth forecasts to reflect a longer take up period than anticipated. This will affect the ability of Council to fund growth related infrastructure, which itself may need to be deferred.</p> <p>As a result Council needs to be flexible with the timing of works and be able to quickly react to changes in the market or to non-active as well as active developers.</p> <p>This uncertainty is further heightened by COVID- 19 and its impacts.</p>	Significant
The proportion of capital expenditure projects for growth is based on the best available information and aligned with both the forecast growth, the District Plan and active developers.	<p>There is the potential for capital expenditure projects to alter over time. This can be as a result of changes in demand by developers – either faster or slower, or a significant industrial/commercial demand for infrastructure.</p> <p>Where significant changes occur to capital expenditure projects through an annual plan, it may be appropriate for Council to determine whether to revise the schedule of charges within this policy.</p> <p>Provision of growth infrastructure in a period of low or uncertain growth can create a cost risk on the</p>	Significant

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POLICY DETAILS

Significant assumption	Estimate of potential effects	Level of uncertainty
	existing rating base as growth is not arriving to share the increased cost.	
No significant changes to service standards planned by council other than those planned within asset management plans, although the government's recently announced water reforms will certainly change the landscape. The details on how growth funding will work is unclear at this time.	Changes to service standards will affect both the level of on-site works required by those undertaking development and the scale and type of infrastructure provided by Council. If significant changes occur Council will need to reassess the effect on capital expenditure projects and determine the materiality of change to the schedule of charges within this policy.	High
The cost of growth incorporated in the contributions charge is calculated net of all third party income. This policy assumes that the level of third party funding will not change over the life of the Long Term Plan, and the eligibility criteria will remain the same.	If the level of third party funding is reduced, Council will have understated the cost to be recovered through this policy. If the level of third party funding is increased, Council will have overstated the cost to be recovered through this policy. In either case Council will be at liberty to assess the materiality of the difference and determine whether to revise the schedule of charges within this policy and provide for a lower or higher expectation of third party income.	Low
Developments will in general exhibit common demand characteristics that enable Council to consider them as part of a simple overall classification of development types.	All residential development will be attributed with the average demand as set out in this policy. Developments individually may create a lower or higher demand on infrastructure than the average demand for their development type. Development overall and in time, will create the demand levels required to recover the cost of infrastructure for growth.	Medium
Developers are only required to pay development contributions on additional development that is the subject of a consent application. Any existing lawfully established allotments or land uses on the development site are assumed to have either: <ul style="list-style-type: none"> ▪ paid development or financial contributions under relevant legislation at the time; and/or ▪ have been exempt from paying contributions. 	The assumption that lawfully established allotments are deemed to have paid for development contributions requires all new developments to pay for one unit of demand (HEU) at the point of consent being issued. In addition, this would result in Council recovering less development contributions than originally anticipated.	Low

Residential growth assumptions

8. All planned growth projects in this policy are in the Long Term Plan.
9. A report on population and dwelling projections was produced by the National Institute of Demographic and Economic Analysis (NIDEA) as background to this policy. The population projections included high, medium and low variants. For the purposes of this policy, the medium variant for both population and household projections was considered appropriate, subject to some modification to account for the current economic climate. The modification to the growth projections does not alter the total growth expected, just its timing over the next ten years. Council considers this a prudent and realistic basis for decision-making related to growth.
10. The household occupancy has been calculated as 2.58 persons per household.
11. For the purposes of assessing growth, Council has used the traffic demand modelling set out in the report by Gray Matter 'Growth Component of Transportation Projects', dated August 2014, with updates from Waipā staff generated when preparing Business Cases for the Long Term Plan.
12. Refer to the methodology and options paper for further information on the residential growth assumptions.

Non-residential growth assumptions

13. The non-residential growth assumptions are based on the *Waipā District Business Land Study* (May 2017) prepared by Property Economics with input from Council.
14. There are greenfield non-residential land areas planned for Hautapu west and east, plus Bond Road. These areas are in addition to the land already zoned but in the case of Hautapu, will now be fully serviced. Waikato Regional Airport Ltd (WRAL) is in process of planning to develop more industrial land around the airport as it has sold most of its existing stock. This new growth cell is planned to have a private wastewater system but public water supply. The water supply is via a Development Agreement with WRAL and so water supply and wastewater DCs are not charged. An increase in non-residential HEUs has been assumed in asset management planning and development contribution fee setting on the basis of an additional equivalent of 1,256 HEUs over the ten-year period 2021-2031.
15. Refer to the methodology and options paper for further information on the non-residential growth assumptions.

Growth HEUs by activities (asset class)

16. Growth HEUs by asset class have been calculated on a District-wide basis and for specific catchments, and are based on projections prepared by the National Institute of Demographic and Economic Analysis (NIDEA) at the University of Waikato². The forecast for the District population is for around 64,200 by 2031 at the medium projection.

² Refer to Appendix 1: Documents referenced in this policy.

POLICY DETAILS

17. The population projections were converted to households in the same manner as previously undertaken by NIDEA. For further information on growth HEUs by catchment and asset class, refer to the DC model.
18. Water, wastewater and stormwater catchment data have been based on Council asset managers demand estimates, using the population projections and predictions of development that will connect to water, wastewater and stormwater networks.
19. Growth HEUs in several catchments are based on planning estimates of specific growth potential in these catchments that may not follow general population growth projections. These specific estimates are used to inform asset specification such as Cambridge North, Cambridge West, Picquet Hill and T1 growth cell in Te Awamutu.
20. Further information on assumptions for growth projects are contained with the methodology and options paper.

Historic capital expenditure

21. Historic capital expenditure has been recognised where there is a direct link to a capacity upgrade that has or will enable services to be provided for growth, and therefore costs should be recovered from developers.
22. Historic capital expenditure includes expenditure that has been made prior to the next Long Term Plan, and where projects will require further expenditure for completion during the 2021-2031 timeframe (i.e. partially completed projects).
23. Council does not include the cost of capital in its methodology for the cost of the completed projects.
24. Further information on historical capital expenditure is available in the methodology and options paper. Information on the historical capital expenditure projects is contained within the DC model, or within the relevant project business cases (available on request).

Interest and GST

25. All costs from projects in the Long Term Plan used in this policy are based on current estimates of infrastructure construction prices in 2020 dollar terms and then inflated using the inflation rates as per the Long Term Plan. Fees set in the 2023 DCP will change over the period of the Long Term Plan to reflect inflation, based on BERL inflation rates.
26. No compensation for Council taking the risk of building infrastructure in advance of demand, is included in growth cost calculations, and interest is added to the Development Contribution loans.
27. All capital expenditure noted in this policy is exclusive of GST. However the development contribution fee summary in [Table 3](#) is inclusive of GST.

Transitional provisions

28. The development contribution amounts applying to a development will depend on the date on which the consent or service connection application was lodged and the date on which it was granted.
29. Applications lodged prior to 30 June 2023 but not granted (or issued in terms of the Building Act 2004) by 30 June 2023 will be assessed under the development contribution policy that requires the lowest overall development contribution charge (i.e. either the 2022 DCP or the 2023 DCP).
30. Applications lodged and granted (with existing assessed development contribution notices) prior to 30 June 2023 will also be assessed under the development contribution policy that requires the lowest overall development contribution charge (i.e. either the 2022 DCP or the 2023 DCP).
31. For the avoidance of doubt, if a development contribution notice has been issued, the HEUs per activity will remain as per the original assessment. Upon payment of the required development contribution, the activity catchment rates will be applied to the already assessed HEUs. This does not apply to activities that have increased their demand, which will be subject to a new assessment.
32. Applications lodged on or after 1 July 2023 will be assessed under this policy, or any later version of this policy (as specified in that later policy).

Adoption and amendment of this policy

33. This policy was adopted on 30 June 2023, taking effect on 1 July 2023 and will remain in effect until 30 June 2024. This policy may be reviewed and amended earlier in accordance with the requirements of the LGA, including reviewing only the annual adjustments to the development contributions rates.

Development contribution fee summary

34. The following table sets out the development contribution fee summary per catchment, per HEU for 2023/24.

Table 3: Development contribution fee summary per HEU by catchment (all costs include GST) updated for 1 July 2023

Funding Areas	Roading	Stormwater	Water	Wastewater	Community Infrastructure	Reserves	Total
Bond Rd	\$68	\$10,176	\$18,621	\$5,876	\$0	\$0	\$34,741
C1	\$24,898	\$27,406	\$5,524	\$8,219	\$130	\$7,005	\$73,182
C2	\$22,169	\$27,406	\$3,923	\$6,228	\$132	\$7,005	\$66,863
C3	\$22,169	\$27,406	\$3,923	\$6,228	\$130	\$7,005	\$66,861
C4	\$5,170	\$0	\$1,891	\$4,177	\$130	\$692	\$12,060
C6	\$5,170	\$0	\$1,891	\$0	\$130	\$692	\$7,883
Cambridge / Karāpiro	\$5,170	\$0	\$1,891	\$4,177	\$130	\$692	\$12,060
Cambridge North	\$5,789	\$24,065	\$4,144	\$10,099	\$130	\$4,365	\$48,592
Hautapu	\$9,168	\$30,017	\$5,898	\$8,640	\$0	\$3,420	\$57,143
Kihikihi	\$11,673	\$7,764	\$0	\$5,883	\$130	\$0	\$25,450
Ngāhinapōuri	\$21,429	\$0	\$0	\$0	\$130	\$0	\$21,559
Picquet Hill	\$19,949	\$42	\$7,854	\$11,533	\$130	\$456	\$39,964
Pirongia	\$68	\$0	\$6,765	\$0	\$130	\$0	\$6,963
Pukerimu	\$68	\$0	\$3,491	\$0	\$130	\$0	\$3,689
Rural	\$68	\$0	\$0	\$0	\$130	\$0	\$198
T1	\$2,307	\$0	\$8,271	\$6,137	\$130	\$5,080	\$21,925
T2	\$2,307	\$0	\$8,271	\$6,137	\$130	\$5,080	\$21,925
T3	\$71	\$3,184	\$11,586	\$5,883	\$130	\$456	\$21,310

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Funding Areas	Roading	Stormwater	Water	Wastewater	Community Infrastructure	Reserves	Total
T6	\$71	\$0	\$6,765	\$0	\$130	\$456	\$7,422
T7	\$68	\$0	\$6,765	\$5,883	\$130	\$456	\$13,302
T8	\$71	\$0	\$6,765	\$5,883	\$130	\$456	\$13,305
Te Awamutu	\$71	\$0	\$6,765	\$5,883	\$130	\$456	\$13,305

Note SW for C1, C2 and C3 are treated as one catchment.

Calculation of schedule to development contribution policy

35. Section 201(1) of the LGA requires this policy to include, in summary form, an explanation of, and justification for, the way each development contribution in the schedule to this policy³ ([Table 3](#) above) is calculated. This is explained in the following paragraphs.
36. In accordance with section 106(3) of the LGA, the full methodology, including the DC model, the methodology and options paper, and the project plans for each activity are available for public inspection on request.
37. Calculation of the development contribution amounts (if any) payable for any project or programme line in the model have been calculated in accordance with the methodology set out in schedule 13 of the LGA, by using the following process:

Table 4: Summary of LGA process steps

Step	Explanation	LGA Reference
1	<p>Define catchments.</p> <p>For network based services, a catchment is the area served by the network.</p> <p>Funded growth cells located within a catchment are deemed sub-catchments of the respective catchment.</p> <p>For community infrastructure and reserves the catchment is the Waipa District, although there some specific catchments with their own community infrastructure and reserves as well.</p>	LGA Schedule 13(1)(a) Section 197AB(g)
2	<p>Identify ten year capital expenditure resulting from growth.</p> <p>Capital expenditure already incurred in anticipation of growth, net of any previous third party contributions.</p> <p>The proportion of total planned costs of capital expenditure for network and community infrastructure and parks and reserves from the Long Term Plan resulting from growth.</p> <p>Growth costs (capacity increase to cater for new entrants) can be funded in full or in part by using development contributions. This is one of three components of the total ten year capital costs budgeted in the Long Term Plan, the other two components being level of service improvements and renewals. These other two costs are met from funding sources other than development contributions.</p> <p>Justification for the level of growth capital expenditure is supported by financial management funding considerations and show significant assumptions and impacts of uncertainty.</p>	LGA Schedule 13(1)(b)
3	<p>Identify the percentage of growth related ten year capital expenditure to be funded by development contributions.</p> <p>100% of the growth related capital expenditure will be funded by development contributions because:</p> <ul style="list-style-type: none"> ▪ It directly relates to the planned capital expenditure set out in the Long Term Plan and detailed in Council’s asset management plans; and ▪ The capital expenditure identified for growth can be reasonably identified. <p>Council has decided that capital and associated interest will be developer funded so growth generally pays for growth.</p>	LGA 106(2)(b)

³ As per section 202 of the LGA.

POLICY DETAILS

Step	Explanation	LGA Reference
4	<p>Identify the appropriate units of demand.</p> <p>The selected unit of demand is the HEU calculated as follows:</p> <p>For residential development, fees per HEU will be applied uniformly for each lot regardless of size for reasons of administrative simplicity; and for any additional dwelling on any lot (subject to specific considerations for minor household units and retirement units, refer to assessment section below).</p> <p>For non-residential development, development contributions are assessed once defined 'trigger levels' are met for brownfield developments. The actual demand assessed is then converted into HEUs based on the expected demand placed on network infrastructure. The assessment is based on vehicle movements per day for roading and transport, m³ use for water and wastewater, and impervious surface areas (ISA) for stormwater (which is assessed on additional ISA per m²).</p> <p>In all cases, a special assessment is required.</p>	LGA Schedule 13(1)(b)
5	<p>Identify the designed capacity (in units of demand) provided for growth.</p> <p>The designed capacity may vary between different types of infrastructure. In some cases it may be considered economically prudent to provide growth capacity considerably beyond current ten year expectations of growth.</p> <p>Costs are applied to usable growth capacity to be provided. Projected growth in HEUs over the ten year period of the Long Term Plan will be relevant to Council's budgeting of revenue but not to the calculation of the development contribution per HEU.</p>	LGA Schedule 13(1)(b) and (2)
6	<p>Allocate the costs to each unit of demand for growth.</p> <p>The development contribution charge per HEU is calculated by dividing the total capital expenditure resulting from growth (step two) by the usable units of demand for growth (step five).</p>	LGA Schedule 13(1)(b)
7	<p>Prepare schedule of fees.</p> <p>A detailed schedule has been prepared as part of this policy that enables the development contributions to be calculated by infrastructure type and catchment.</p> <p>This policy will be supported by the significant assumptions made to determine the development contributions payable and their impacts, contribution and conditions and criteria for remission, postponement or refund, the valuation basis for assessment of maximum reserves and catchment maps.</p>	LGA 201(2) LGA 201(1)(a) LGA 201(1)(b), (c) and (d)

PART 5 - DEVELOPMENT CONTRIBUTION ASSESSMENTS

Test for development contributions/when development contributions are required

1. Under section 198 of the LGA, Council may require a development contribution to be made when:
 - (a) A resource consent is granted under the RMA for a development.
 - (b) A building consent is granted under the Building Act 2004 for building work.
 - (c) An authorisation for a service connection is granted.

2. However, development contributions can only be required where a development as defined by section 197 of the LGA is to occur. Section 197 (1) of the LGA defines development as follows:
 - "(a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but*
 - (b) does not include the pipes or lines of a network utility operator."*

3. On receiving an application for resource consent (subdivision or land use consent), building consent or service connection, Council will first:
 - (a) Test that the application represents a development under section 197;
 - (b) Determine whether alone or in combination with other developments the application under consideration will have the effect of requiring new or additional assets or assets of increased capacity and, as a consequence, Council will incur capital expenditure to provide appropriately for this; and
 - (c) Ensure that any development contribution that may be required is provided for in this policy.

4. If Council is satisfied that the application meets the legal requirements above, it will assess contributions following the process set out in this development contribution assessment section.

5. Where a resource consent or building consent is required, but does not generate additional demand for reserves or infrastructure (such as a minor boundary adjustment), no development contribution will be required.

6. For the avoidance of doubt, this policy also enables Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by Council in anticipation of development.

Catchments/funding areas

7. Development contributions will be required from development across the whole of the Waipā District using geographic demand catchments. Development occurring within each catchment/area will be required to pay contributions applicable in that catchment.

ASSESSMENTS

8. Any development which connects into a catchment from outside that catchment will be required to pay the applicable catchment rate for the activity connected to.
9. The catchments are identified in the schedule to the development contributions policy (i.e. the development contribution fee summary per HEU in [Table 3](#)), and on the maps in Appendix 2: Development contribution catchment maps.
10. For the avoidance of doubt, any area in the Waipā District which is not specifically shown to be within a catchment on the catchment maps shall be deemed to be in the rural catchment unless it is provided with services similar to an adjacent catchment in which case it will be deemed to be the same as for the adjacent catchment.
11. Refer to the methodology and options paper for further information on how the catchments have been determined.

How do I assess what development contributions I have to pay?

12. The following table explains how to undertake an assessment of what development contributions you may have to pay for a development.

Table 5: Undertaking an assessment of development contributions

Step	What to do	Where do I find it?
1	Identify catchment. Go to the development contribution catchment maps and identify where the property subject to the development is located. The catchment your property is located within, is the catchment fees that will be applied to your development.	Appendix 2 of this policy. The development contribution catchment maps are also located on Council's online maps programme 'maps online' module 'Environment'. Go to www.waipadc.govt.nz
2	Calculation of units of demand household equivalent units (HEUs) your development will generate. Go to the sections of this policy identified below, and in the adjoining column and identify the number of HEUs your development will generate. For subdivisions, the unit of demand = 1 HEU per additional lot created. For proposals to erect additional dwelling/s on your property, the unit of demand is dependent on the size of your proposed dwelling, please refer to Part 5 clauses 15 , and 20-23 for further information. For non-residential developments refer to Table 7 for the threshold levels which trigger an assessment.	Part 5 Clauses 11 - 27 Also note the definition of "household unit" (dwelling), and "minor household unit".
3	Calculation of credits. In some circumstances a credit will apply to the site you are developing on. Calculate the number of credits (if any) that apply to your development, and deduct the credits from the number of HEUs identified under step 2.	Part 6 Clauses 14 - 22

ASSESSMENTS

Step	What to do	Where do I find it?	
4	Identification of development contribution payable per HEU	Go to the schedule of development contribution fees and identify the catchment your development relates to. The total amount payable per HEU is shown per activity, per catchment.	Refer to Table 3 .
5	Calculate total development contribution payable.	Multiply the numbers of HEUs (less any credits in step 3) by the development contribution fee per HEU identified in step 4. This is the total development contribution payable for the development.	

Assessment of development contributions

General information applicable to all developments

13. Development contributions will be required and will be subject to an assessment on all applications for building consent, land use (resource) consent, subdivision (resource) consent and service connection.
14. Development contributions will be calculated on a development's first application for consent or service connection authorisation, and re-calculated on any subsequent application in relation to the same development.
15. Development contributions will not be payable for normal residential extensions or alterations to existing dwellings, unless these create an additional household unit (including the addition of a kitchen), or alter a feature that was used to claim an earlier reduction in development contribution fees payable.
16. A reassessment may be made on each and every event described in clauses [10](#) and [12](#) of this policy; or in accordance with section 106(2C) of the LGA, which enables Council to amend the development contributions.
17. The development contribution fee summary per HEU by catchment is contained in [Table 3](#) of this policy.
18. The definitions are contained in [Table 1](#) of this policy.
19. The unit of demand used for each activity is the Household Equivalent Unit (HEU). An HEU represents one household unit, as demonstrated for each activity by the following table:

Table 6: Units of demand per activity per HEU

Activity	Units	Demand/HEU	Comments
Roading & transport	Vehicle movements/day	10 <i>(1 vehicle visiting =2 vehicle movements)</i>	Assumes all light vehicles.
Water supply	Litres/dwelling/day	622 litres	241 litres/person/day @2.58 persons/dwelling.

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Activity	Units	Demand/HEU	Comments
Wastewater	Litres/dwelling/day	435 litres	70% of 241 litres per day supplied multiplied by 2.58 persons/dwelling.
Stormwater	ISA (m ²)	390	60% impervious area (assumes 390m ² of impervious area from an average 650m ² residential allotment).
Parks and reserves	Dwelling	1	Assuming 2.58 people
Community infrastructure	Dwelling	1	Assuming 2.58 people

Residential developments

20. Residential developments will be assessed on the number of additional HEUs created by development, on the basis of anticipated demand. For the avoidance of doubt, residential development includes residential subdivisions.
21. A minor dwelling unit shall be assessed at 0.5 of an HEU per additional household unit created by the development.
22. Where a minor dwelling unit is erected first on a site, and a subsequent dwelling is erected on the same site, the new dwelling will be required to pay an additional 0.5 HEU.
23. Retirement units in a retirement village registered under the Rating Valuation Act 2003 will be assessed at 0.5 of an HEU per retirement unit.

Non-residential developments

24. Non-residential developments will be assessed on the basis of additional HEUs created, and will not pay a development contribution for community infrastructure or parks and reserves, except for where these facilities are specifically provided in the defined catchments of C8/C9 (Hautapu).
25. Non-residential subdivisions will pay 1 HEU per additional lot, excluding community infrastructure and parks and reserves, subject to clause [24](#) above.
26. A development contribution for a non-residential development (excluding non-residential subdivisions, which are subject to clause [25](#) above and clause [27](#) below) will only be assessed and required when any one or more of the thresholds in the following table are met. If the threshold is met for any one activity, then development contributions will be calculated for all activities.
27. The threshold in [Table 7](#) below will only apply if the non-residential development is a brownfield site, and not a greenfield development.

Table 7: Non-residential thresholds

Activity	Threshold
Roading & transport	<p>The development will generate ≥ 100 vehicle movements per day attributable to growth (VMPD), except traffic that has already been assessed for residential development within the catchment.</p> <p><i>Notes:</i></p> <p>(a) 1 vehicle visiting = 2 vehicle movements.</p> <p>(b) 10 heavy vehicles = 100 VMPD.</p> <p>(c) 'Heavy vehicle' means a motor vehicle that has a gross vehicle mass (GVM) exceeding 3500 kilograms.</p> <p>(d) Any subsequent expansion or redevelopment that increases the VMPD will be re-assessed.</p>
Water supply	<p>The development (or expansion/redevelopment) requires a water connection from the water main into the development greater than 20mm diameter. The assessment will be calculated by analysing the water use of similar developments as well as any information supplied by the developer.</p> <p><i>Note: Where a water connection greater than 20mm diameter is required solely for firefighting purposes this will not trigger an assessment.</i></p>
Wastewater	<p>The development (or expansion/redevelopment) requires a water connection from the water main into the development greater than 20mm diameter. The assessment will be calculated by analysis of the water supply use.</p>
Stormwater	<p>The development (or expansion/redevelopment) increases the impervious surface area (ISA) on a site and there is an increase in stormwater flow off the site in a 2% Annual Exceedance Probability (AEP) event. The assessment will be calculated using a factor of 0.35 HEUs per 100m² impervious surface area only.</p>

PART 6 - ADMINISTRATION OF POLICY

Special assessments

1. Where Council considers the level of demand for any development (residential or non-residential) is:
 - unknown; and/or
 - of relatively large scale; and/or
 - clearly has a significantly greater or lower impact than is envisaged in the averaging implicit in this policy,

Council will undertake a 'special assessment' of the units of demand.

2. Council may require the developer to provide additional information in relation to the development to inform the special assessment process.
3. Subject to the requirements of clause [2](#) above, developers may elect, at their own cost, to submit a special assessment for consideration by Council.
4. For development in a funded growth cell, Council may undertake a special assessment of the units of demand. The special assessment is to ensure that development in funded growth cells proceed in line with the demand assumptions on which the design capacity of the infrastructure is based, or if not, Council is reimbursed for capital expenditure incurred on the basis of those demand assumptions. The demand assumptions are based on a yield of 12 lots per hectare of gross land area . Developers in growth cells may also elect, at their own cost, to submit a special assessment for consideration by Council

Exempt and partially exempt developments - Council developments

5. Council is exempt from paying any development contributions on any development that itself is a capital expenditure for which development contributions are required (e.g. if Council is developing a park, it will not pay a community infrastructure contribution, but it will be required to pay water, wastewater, and other contributions). This avoids the possibility of collecting contributions for one activity to pay for contributions for another activity.

Exempt developments - Crown developments

6. The Crown is exempt from the provisions of this policy by virtue of section 8 of the LGA.
7. If a developer considers that it is the Crown for the purposes of avoiding liability to pay a development contribution, Council may require the developer to provide written evidence outlining the basis on which the developer considers that it is the Crown.

Cross boundary issues

8. In some cases, developments may fall within more than one catchment or cross district council boundaries. The total units of demand will be assessed separately for each catchment. The development contribution will then be calculated using the appropriate development contribution per unit of demand for each development contribution area. The total development contribution is the sum of the development contribution for each area.
9. Where the development crosses district council boundaries, Council will only assess the development for that part of the development that is within the Waipā District.

Timing of assessments

10. Council has the power to require a development contribution to be made under Section 198 of the LGA when:
 - A resource consent is granted under the Resource Management Act 1991;
 - A building consent is uplifted under the Building Act 2004;
 - An authorisation for a service connection is granted.

Payment and enforcement powers

11. Except as otherwise provided in any signed development agreement, the development contribution must be paid as follows:
 - Subdivision consent: Prior to the issue of Section 224(c) certificate;
 - Landuse consent: Prior to the commencement of the consent;
 - Building consent: Prior to the uplifting of the Building Consent;
 - Service connection: Prior to connection.
12. If payment of development contribution is not received, Council will exercise its powers outlined in Section 208 of the LGA. Those provisions state that until a development contribution required in relation to a development has been paid or made under section 198 of the LGA, Council may:
 - (a) In the case of a subdivision consent, withhold the section 224(c) certificate;
 - (b) In the case of any other resource consent, prevent the commencement of the resource consent;
 - (c) In the case of a building consent, withhold the Code of Compliance Certificate;
 - (d) In the case of a service connection, withhold the service connection; and
 - (e) In each case, register the outstanding development contribution as a charge on the subject land under the Statutory Charges Registration Act 1928
 - (f) Kāinga Ora- Homes and Communities may, as appropriate and by agreement with Council, exercise the powers under this clause to set and collect DC's on developments they are involved in.

Credits

13. Credits towards the development contribution assessment include both 'historical credits' and 'actual credits' for each relevant activity. Credits are expressed in units of demand and may be used to reduce the number of units of demand created by a development.
14. Credits can only be used for developments on the same site and for the same activity. Provided that roading and transport, water and wastewater credits for non-residential developments may be transferred between sites within the same catchment only where the trigger thresholds in [Table 7](#) are exceeded.
15. Actual credits are used where development contributions or financial contributions for a particular property have previously been paid at any time in relation to the same site, and for the same activity. Historical credits are used where the current development of the site does not result in an increase in the units of demand having regard to the prior use of the site.
16. Credits cannot be used to reduce the number of units of demand to less than zero.
17. Existing greenfield vacant allotments are considered to have an historical credit of one HEU per allotment, unless the development was created less than 5 years before the application.
18. For the avoidance of doubt, historical credits will only be applied in relation to a parcel of land contained in one certificate of title, regardless of the number of allotments included in a certificate of title.
19. For brownfield residential developments, historical credits will generally only apply where a household unit was removed less than five years before the new consent application, or service connection was lodged.
20. For non-residential developments, historical credits will apply as follows:
 - (a) Non-residential historical credits shall be granted for stormwater on the basis of the gross floor area of the existing development, and for other activities on the actual demand of the specific use (e.g. m³ per day for water use); and
 - (b) For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding; and
 - (c) In the event a non-residential development is proposed on a vacant brownfield site Council will, for assessment purposes, consider the land uses that have taken place on the site prior to the proposed development; and
 - (d) Where a non-residential development is relocating to a new site within the same development contribution catchment, the development may transfer its credits to the new site. In these circumstances, a 1 HEU credit will be applied to the existing site that the non-residential development has vacated.
 - (e) Credits will not be granted for any infrastructure and/or services provided in excess of that required as a condition of any consents issued by Council.

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21. For the avoidance of doubt, all assessments will be done on a 'before and after' development basis for each relevant activity at the time of consent application, or service connection, and will be undertaken on an incremental effects basis.
22. In order to be subject to a credit, the prior use of the site must have been lawfully established. It is the responsibility of the developer to provide sufficient proof to Council to establish this if required, such as a certificate of existing use pursuant to the RMA.

PART 7 - RECONSIDERATION OF DEVELOPMENT CONTRIBUTION, REFUND, AND POSTPONEMENT

Right for reconsideration pursuant to sections 199A of the Local Government Act 2002

1. At the request of a developer required to make a development contribution, Council must reconsider the development contributions required.
2. The developer must make the request for reconsideration in writing within 10 working days after the date on which the developer lodging the request receives notice from Council of the level of development contribution that Council is proposing to require.

How to apply for a reconsideration

3. The request can be lodged with Council in the following ways:
 - (a) by email to; DCenquiry@waipadc.govt.nz

Note: The email heading should state: 'request for reconsideration of development contribution'. Please also include the consent application reference number, or the development contribution notice number.

- (b) by writing to Council at the following address:

Manager District Plan and Growth
 Private Bag 2402
 Te Awamutu 3840
 (or deliver to 101 Bank Street, Te Awamutu or 23 Wilson Street, Cambridge)

Note: Please include the consent application reference number, or the development contribution notice number.

4. A developer may not apply for a reconsideration of a requirement if the developer has already lodged an objection under Section 199C and Schedule 13A of the Local Government Act 2002 (refer to clauses [10](#) - [13](#) for further information on this process).
5. A right of objection may be lodged rather than a request for reconsideration. Refer to clauses [10](#) - [13](#) for further information.

Reconsideration process

6. The following diagram sets out the reconsideration process:

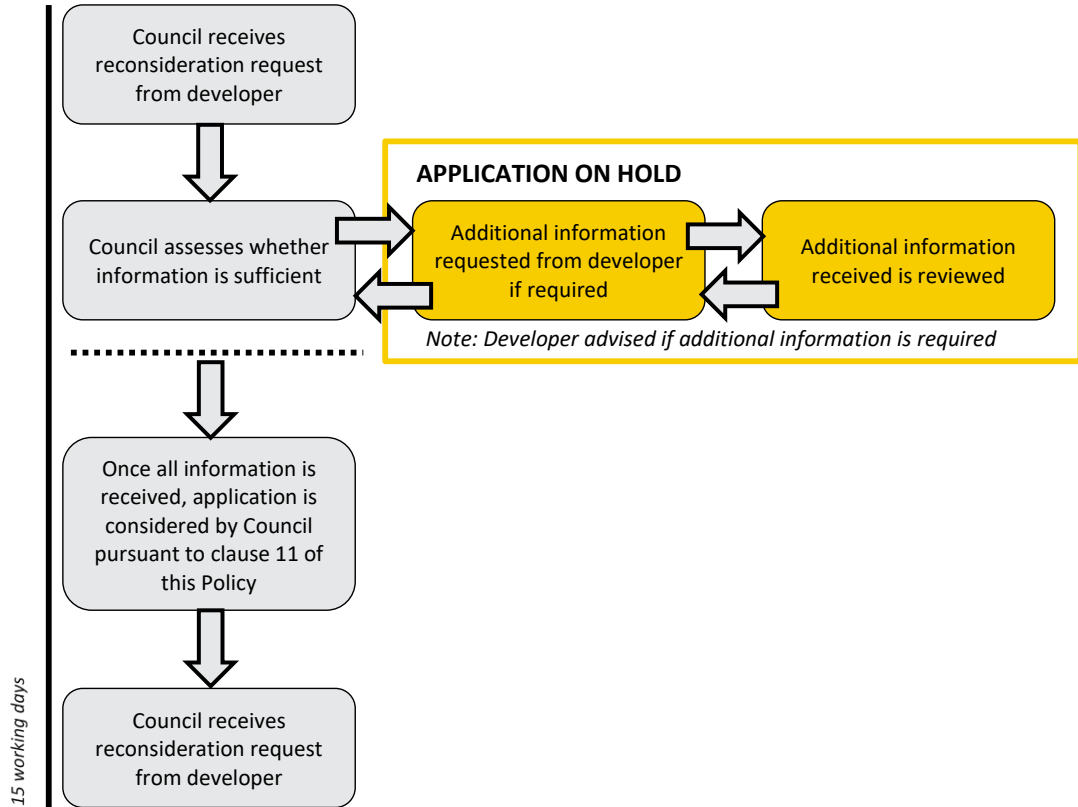


Figure 1: Reconsideration process

7. Within 15 working days after the date on which Council receives all required relevant information related to a request, Council must give written notice of the outcome of the reconsideration to the developer who made the request.
8. The developer who receives written notice from Council of the outcome of the reconsideration may lodge a development contribution objection within 15 working days of receiving the notice of the outcome.

Note: The 15 working day period begins on the day after the date on which the developer received the notice of the outcome.

Matters Council will consider in a reconsideration

9. When considering a reconsideration request Council will take the following matters into account:
 - (a) Whether, based on the information received by the developer, the development contribution was incorrectly calculated or assessed under this policy, or Council incorrectly applied this policy; and
 - (b) The purpose of development contributions, and the development contribution principles, as set out in sections 197AA and 197AB of the Local Government Act 2002 respectively; and
 - (c) Council's financial modelling; and

RECONSIDERATION

- (d) Council's Revenue and Financing Policy; and
- (e) The extent to which the value and nature of the works proposed by the developer reduces the need for works proposed by Council in its capital works programme; and
- (f) The level of existing development on the site; and
- (g) Whether Council determines that the development contributions are manifestly excessive in relation to:-
 - the scale of the development;
 - the value of the development;
 - the viability of the development;
 - the impact of the development on infrastructure;
 - whether the development supports Council's wider objectives; and
 - any other matter Council considers to be relevant.

Objection to assessed amount of development contribution in accordance with Sections 199C and 199D of the Local Government Act 2002

10. A developer may, on any grounds set out in section 199D of the Local Government Act 2002 (LGA), object to the assessed amount of the development contribution that Council has required advised in either:
 - (a) A notice given to the developer for that purpose by Council; or
 - (b) If notice has not been given, such other formal advice of the requirement that the territorial authority has given to the developer.
11. The objection must be made in writing by the developer serving notice of the objection on Council within 15 working days after the date on which the developer received notice from Council of the level of development contribution that Council has required; or in accordance with clause 8.
12. The objection must set out the grounds and reasons for the objection, the relief sought, and state whether the objector wishes to be heard on the objection.
13. The objection process is set out in Schedule 13A of the LGA. Further information is also available on Council's website at <https://www.waipadc.govt.nz/our-services/planning-and-resource-consents/development-contributions>

Refunds

14. Sections 209 and 210 of the LGA apply to refunds of development contributions paid to Council, where:

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- (a) Resource consents lapse or are surrendered; or
- (b) Building consents lapse; or
- (c) The development or building does not proceed; or
- (d) Council does not spend the money on the purpose for which the development contribution was required; or
- (e) Previous overpayment has been made; or
- (f) The development contribution will be refunded to the registered proprietors of the subject allotment as at the date of the refund assessment (less a fair and reasonable administration fee).

Postponements

15. Council will consider any request to postpone a development contribution in accordance with the section below on development agreements.

PART 8 - DEVELOPMENT AGREEMENTS

General

1. Where it is in the best interests of all parties (and all parties agree), Council may enter into a development agreement (DA) with the developer, at the developer's expense, unless the agreement is for Council's benefit.
2. The quantum of development contributions assessed pursuant to a Development Agreement will be in accordance with the level of demand.
3. Council, at its sole discretion, may accept a developer's offer to provide network infrastructure or community infrastructure. In this event, the transaction would entail the contemporaneous purchase of assets and payment of development contributions, as provided by a DA.
4. Where there is any conflict between a DA and this (or any replacement) DC Policy the DA will prevail. For the avoidance of doubt, a DA may permit a complete contracting out of the DC Policy for a specific development where both Council and the Developer agree.
5. Development contributions shall be required in money unless, at the sole discretion of an authorised officer, a piece of land is offered by the developer that would adequately suit the purposes for which the contribution is sought, and this is agreed in a DA.
6. Council may require land off a developer to construct infrastructure such as a collector road, stormwater pond or recreation and/or utility reserves.
7. As shown in [Figure 2](#): below, the acquisition of land is reasonably straight forward, with the issues generally related to differing views on valuation. Council's desire is that the process is clear, auditable and fair.

Betterment and injurious affection

8. The valuation of land required is undertaken by a Council contracted registered independent valuer, with minimal instructions, using the Public Works Act (PWA).
9. The estimated cost of the land is recognised in the Development Contributions (DC) model and calculations. No potential betterment or injurious affection is included in the current DC modelling. These estimates, along with construction estimates are replaced each year by actuals in the DC model.
10. Betterment and Injurious Affection can be described as follows:
 - (a) Betterment is the consideration of the positive benefits the public works that result, will have on the residual land. For example, if Council acquires land for a road and then builds the road, the developer will be able to develop off that road

DEVELOPMENT AGREEMENTS

and not have to construct it themselves. Betterment can also apply for other public works.

- (b) Injurious Affection can apply if the residual land is negatively impacted by the works Council intends to undertake, such as the requirement of land for the construction of a stormwater swale. This type of infrastructure results in the developer having to cross over it to access their residual land, and as a result incur additional costs.

11. To provide certainty to both developers and Council:

- (a) A Development Agreement will become a means to provide a payment offset equal to the betterment value. This is normally with the developer by its name, but can be the landowner if that is more appropriate.
- (b) This would then be recovered by DCs; or
- (c) In the case of new growth cells that do not have a structure plan adopted by Council at the commencement of this policy, on 1 July 2023, Council will only pay developers for the additional costs of upgrading from a local road standard, to a collector road standard.

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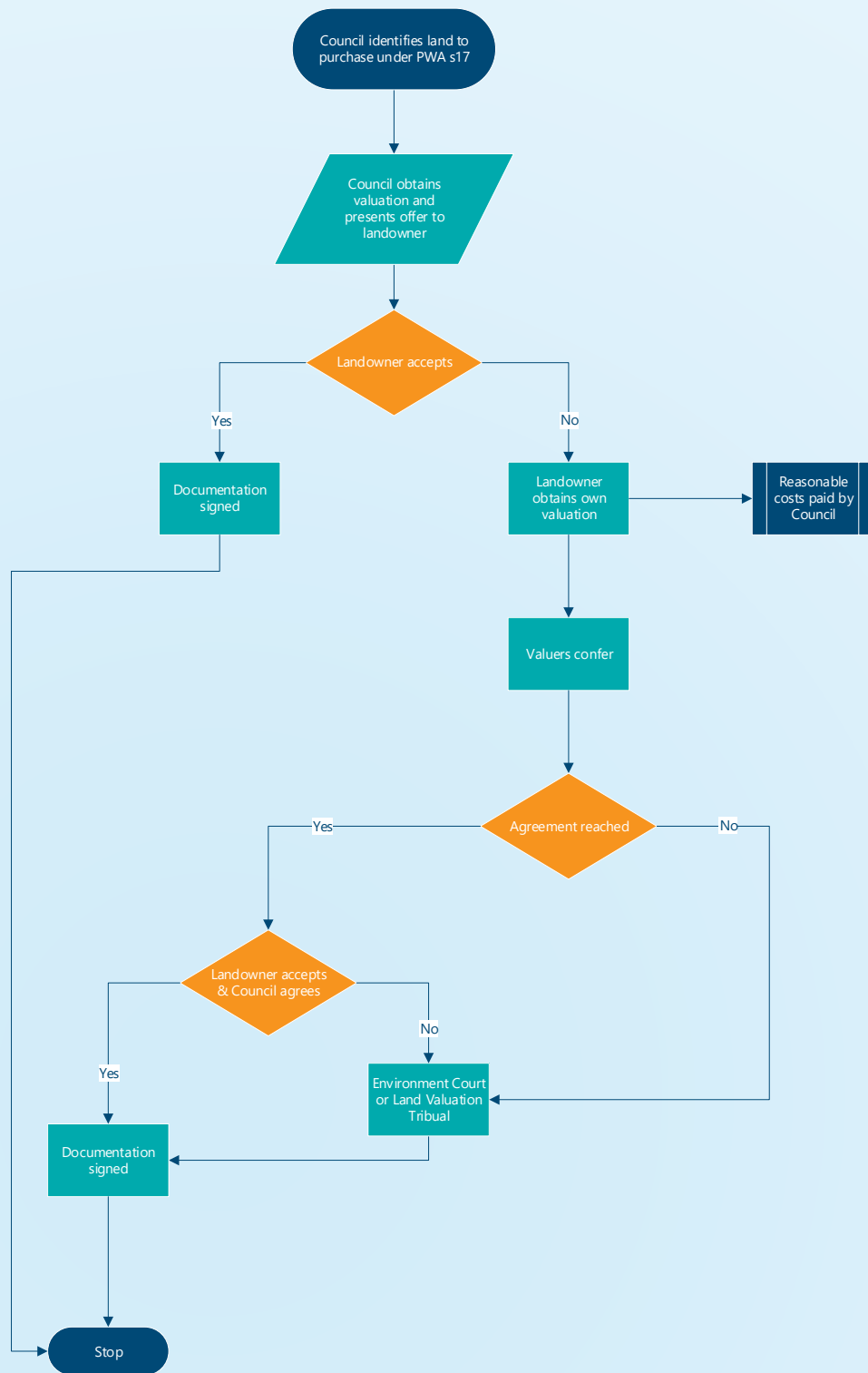


Figure 2: Land acquisition process

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Deferral of development contributions

12. Without limiting Council's discretion to enter into a DA and to agree such terms as it sees fit, a DA may allow the deferral of development contributions in accordance with the general principles below:

For subdivisions ≥ 10 lots, or developments with ≥ 10 dwellings per title:

- Development contributions for subdivisions may be deferred until individual sections are sold;
- Any such deferral will be subject to a maximum timeframe of 24 months.

For non-residential developments:

- Water and wastewater development contributions may generally only be deferred for 12 months from the occupation of a development. At or after the 12 month anniversary, Council will review the m³ water use per day, and apply a development contribution assessment based on the average m³ use per day for the preceding 12-month period.

Assessment

13. For developments specifically in the Cambridge North and Cambridge West catchments, Council will consider an assessment based on a per hectare rate for comprehensive residential development, compact housing (or similar density residential developments).

Goods and services tax

14. All assessments are inclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985.
15. The time of supply shall be the earlier of:
- (a) Council issuing an invoice to the developer; or
 - (b) The payment of the development contribution in accordance with this policy.
16. GST will be added to an invoice at the time of supply as required by the Goods and Services Tax Act 1985.

PART 9 - SCHEDULE TO THE DEVELOPMENT CONTRIBUTION POLICY

The following table sets out how this policy complies with sections 201 and 202 of the LGA.

Table 8: Compliance with sections 201 and 202 of the LGA

Section 201 – contents of development contributions policy	Section reference in development contribution policy
<p>(1) If a territorial authority has determined to seek funding for community facilities under this subpart, the policy required by section 102(1) must include, in summary form, in addition to the matters set out in section 106,—</p> <p>(a) an explanation of, and justification for, the way each development contribution in the schedule required by subsection (2) is calculated; and</p> <p>(b) the significant assumptions underlying the calculation of the schedule of development contributions, including an estimate of the potential effects, if there is a significant level of uncertainty as to the scope and nature of the effects; and</p> <p>(c) the conditions and criteria (if any) that will apply in relation to the remission, postponement, or refund of development contributions, or the return of land; and</p> <p>(d) the basis on which the value of additional allotments or land is assessed for the purposes of section 203(1).</p>	<p>Refer to Part 4: Policy Details: clauses 6 - 7, table 2, and clauses 8 – 24.</p> <p>Refer to Part 4 Policy Details clause 34 table 3, clause 37 table 4 and Part 5 Development Contributions Assessments clause 12 table 5.</p> <p>Part 7: Reconsiderations of DC, Refund and Postponement: clauses 14 - 15</p>
Section 202 – contents of schedule to development contribution policy	Section reference in development contribution policy
<p>1) a) The development contributions payable in each District, calculated, in each case in accordance with the methodology, in respect of-</p> <p>i) parks and reserves; and</p> <p>ii) network infrastructure; and</p> <p>iii) community infrastructure</p>	<p>Refer to table 3, table 9, Appendix 2: Development Contribution Catchment Maps</p>

SCHEDULE TO THE POLICY

Section 202 – contents of schedule to development contribution policy	Section reference in development contribution policy
b) The event that will give rise to a requirement for a development contribution under section 198, whether upon granting: i) a resource consent under the Resource Management Act 1991; or ii) a building consent under the Building Act 1991; or iii) an authorisation for a service connection.	Refer to Part 5: Development Contribution Assessments clauses 1 to 27 .
2) If different development contributions are payable in different parts of the District, subsection 1 applies in relation to the parts of the District.	Refer to table 3 , table 9 , Appendix 2 : Development Contribution Catchment Maps
3) The specifications required under subsection (1) or subsection (2) must be given separately in relation to each activity or group of activities for which separate development contributions are required.	Also refer to Appendix 3 : Schedule of Assets for which Development Contributions will be used.

Summary of total cost of capital

The following table summarises the total cost of capital as required by section 106 and schedule 13 of the LGA.

Table 9: Summary of total cost of capital

LGA reference	106(2)(a)	106(2)(a)	106(2)(b)(ii)	106(2)(b)(i) (ii) & (iii)	106(2)(d)		
					DCs	FCs	Other
Purpose for which contributions may be required	Capital expenditure expected to be incurred to meet growth demand	Capital expenditure already incurred to meet growth demand	Explanation of capital expenditure	Proportion of capital expenditure for growth that will be funded by DCs or FCs	Total amount of funding during the 10-Year Plan period to be sought from:		
Roading and Transport	\$100,561,508	\$14,083,955	Used to provide capacity within the transport network.	Refer to Appendix 3: Schedule of Assets for which Development	\$114,645,463	-	Refer to Appendix 3 : Schedule of Assets for which

SCHEDULE TO THE POLICY

LGA reference	106(2)(a)	106(2)(a)	106(2)(b)(ii)	106(2)(b)(i) (ii) & (iii)	106(2)(d)		
					DCs	FCs	Other
Purpose for which contributions may be required	Capital expenditure expected to be incurred to meet growth demand	Capital expenditure already incurred to meet growth demand	Explanation of capital expenditure	Proportion of capital expenditure for growth that will be funded by DCs or FCs	Total amount of funding during the 10-Year Plan period to be sought from:		
Water supply	\$20,658,312	\$27,855,855	Used to provide capacity within the water supply networks.	Contributions will be used	\$48,514,167	-	Development Contributions will be used
Wastewater	\$64,647,633	\$26,947,280	Used to provide capacity within the wastewater networks.		\$91,594,913	-	
Stormwater	\$120,708,295	\$25,758,121	Used to provide capacity within the stormwater network at the planned levels of service.		\$146,466,416	-	
Community infrastructure	\$410,000	\$2,567,101	Used to provide new or expanded library, community centres or halls ⁴ .		\$2,977,101	-	
Parks and reserves	\$22,847,959	\$2,890,861	Used to provide capacity within parks and reserves.		\$25,738,820	-	

⁴ Note: This activity includes historical projects which comply with section 8 of Schedule 1AA (transitional provisions) of the LGA.

SCHEDULE TO THE POLICY

Specific information on calculation methodologies for the activities

1. The development contributions calculation methodology for all activities is contained in the DC model, which is available from Council on request. Information is also contained in the methodology and options paper⁵.

Compliance with Section 203 – Maximum reserves development contributions not to be exceeded

2. Section 203(1)(a) of the LGA requires Council to demonstrate for reserve contributions, that it has not exceeded the greater of:
 - (b) 7.5 per cent of the value of additional allotments created by a subdivision; and
 - (c) The value equivalent of 20 square metres of land for each additional household unit or accommodation unit created by the development.
3. Using a subdivision development in Cambridge North as an example, it is assumed that an allotment would have an average sale price of \$370,000 - \$390,000 (incl. GST). The reserve contribution (Reserves and Ci) per HEU in Cambridge North is \$6,405 (GST inclusive). The following table demonstrates that section 203(1)(a) of the LGA is complied with.

Table 10: Compliance with Section 203 of the LGA

Sale price	7.5% of value:	Comment
\$370,000	\$27,750	The reserve contribution per HEU is 1.7% of \$370,000. So much less than 7.5%
\$390,000	\$29,250	The reserve contribution per HEU is 1.6% of \$390,000. So much less than 7.5%

⁵ The methodology and options paper is available on Council's website. The DC model is available on request as a formula free version.

PART 10 - APPENDICES

[Appendix 1: Documents referenced in this policy](#)

[Appendix 2: Development contribution catchment maps](#)

[Appendix 3: Schedule of assets for which development contributions will be used](#)

Appendix 1: Documents referenced in this Policy

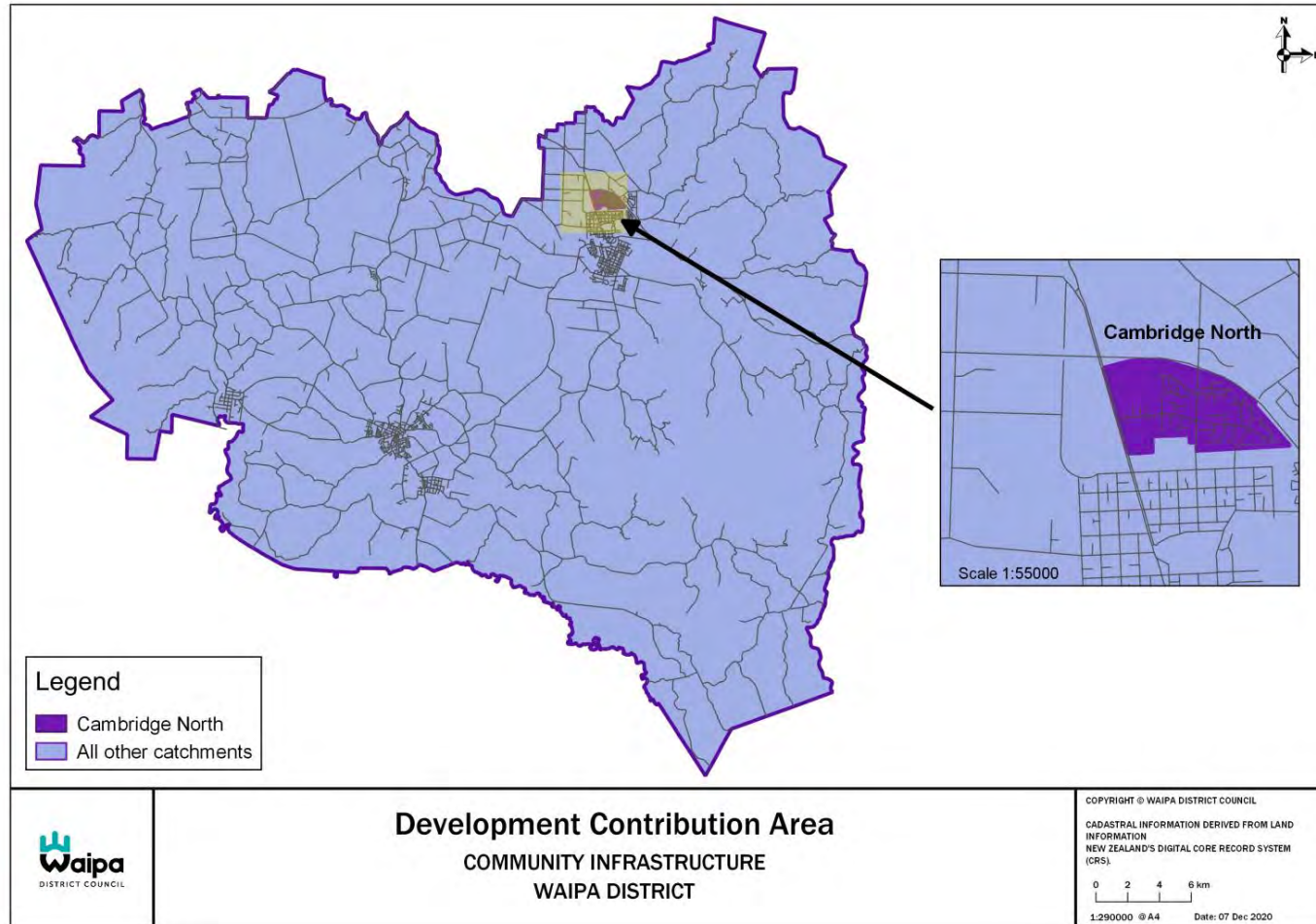
The following documents are referenced in this policy.

Document reference	Availability
Methodology for the Development Contribution Policy 2021 (incorporating a review and analysis of options) –February 2021.	Available on Council’s website and at Council’s offices and libraries. Refer to: https://www.waipadc.govt.nz/repository/libraries/id:26zgz4o7s1cxbyk7hfo7/hierarchy/our-services/planning-and-resource-consents/developmentcontributions/documents/Development%20Contributions%20Policy%20methodology%20and%20options
Development Contribution Model.	Available from Council on request but as a formula free version
2016 update of area unit population, household and Labour Force Projections for the Waikato Region for the period 2013-2061.	Available from Council on request.
Small-area population, household, and labour force projections for the Waikato Region to 2051.	Available from Council on request.
National Institute of Demographic and Economic Analysis, University of Waikato Commissioned Research Report Prepared for Waikato Regional Council, Final Report September 2014.	Available on this website and available from Council on request.
‘Waipā District Business Land Study’ – Property Economics, May 2017.	Available from Council on request.
Report by Gray Matter ‘Growth Component of Transportation Projects’, August 2014.	Available from Council on request.

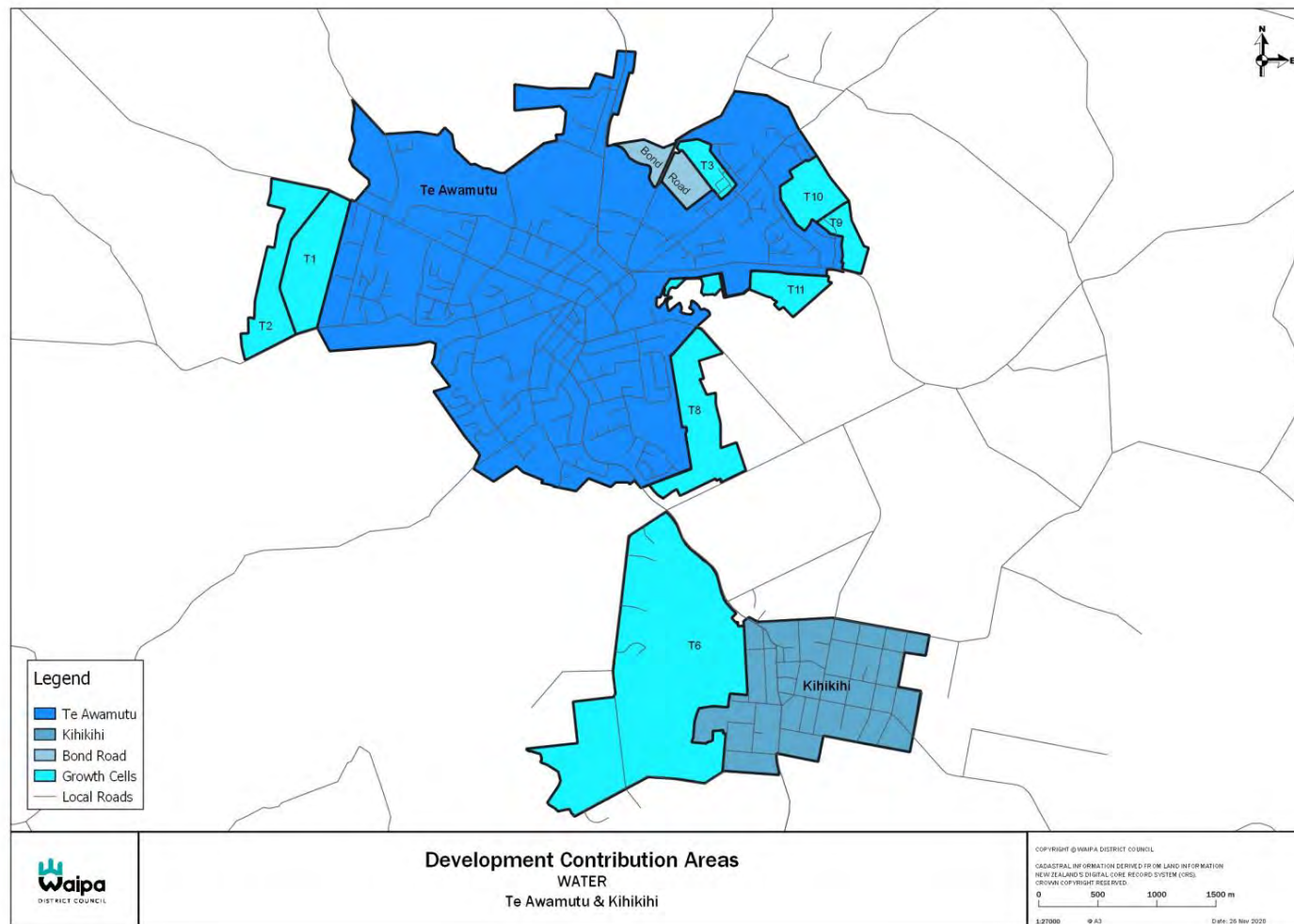
Appendix 2: Development Contribution Catchment Maps

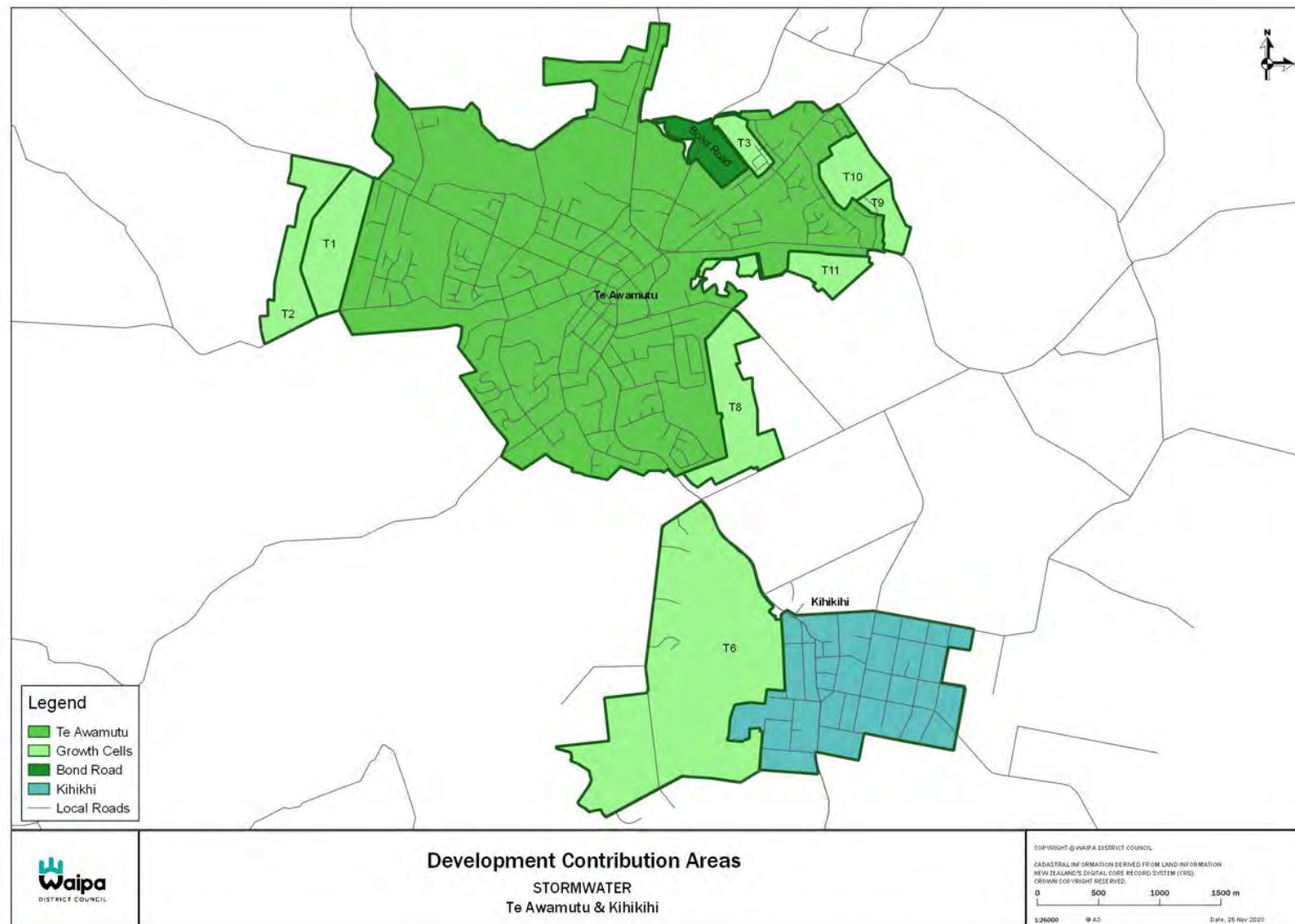
WAIPA DISTRICT	43
TE AWAMUTU	45
KIHIKIHI AND ST LEGER (T6)	49
CAMBRIDGE AND KARĀPIRO.....	50
ŌHAUPŌ AND PUKERIMU	56
NGĀHINAPŌURI.....	57

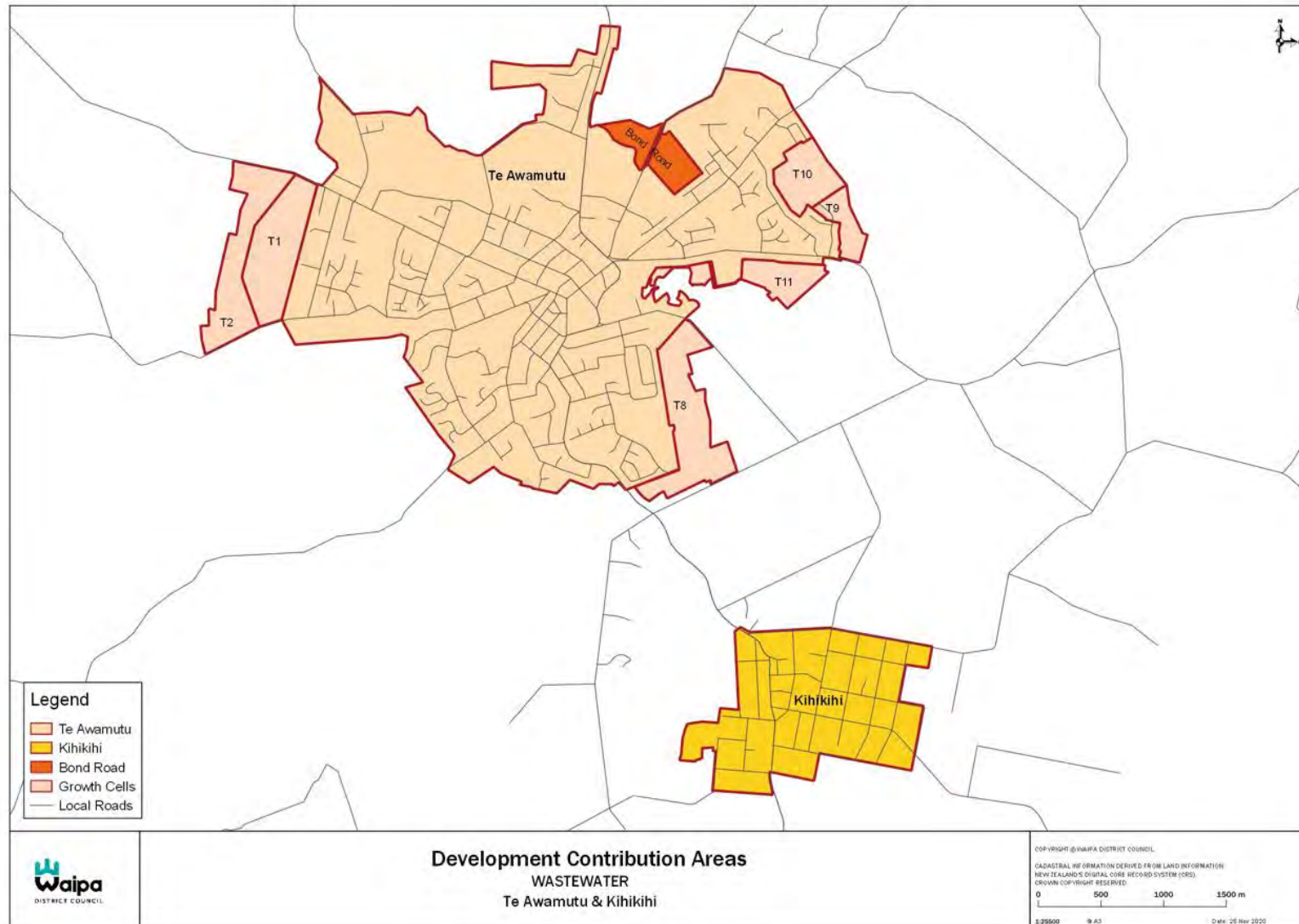
Waipa District

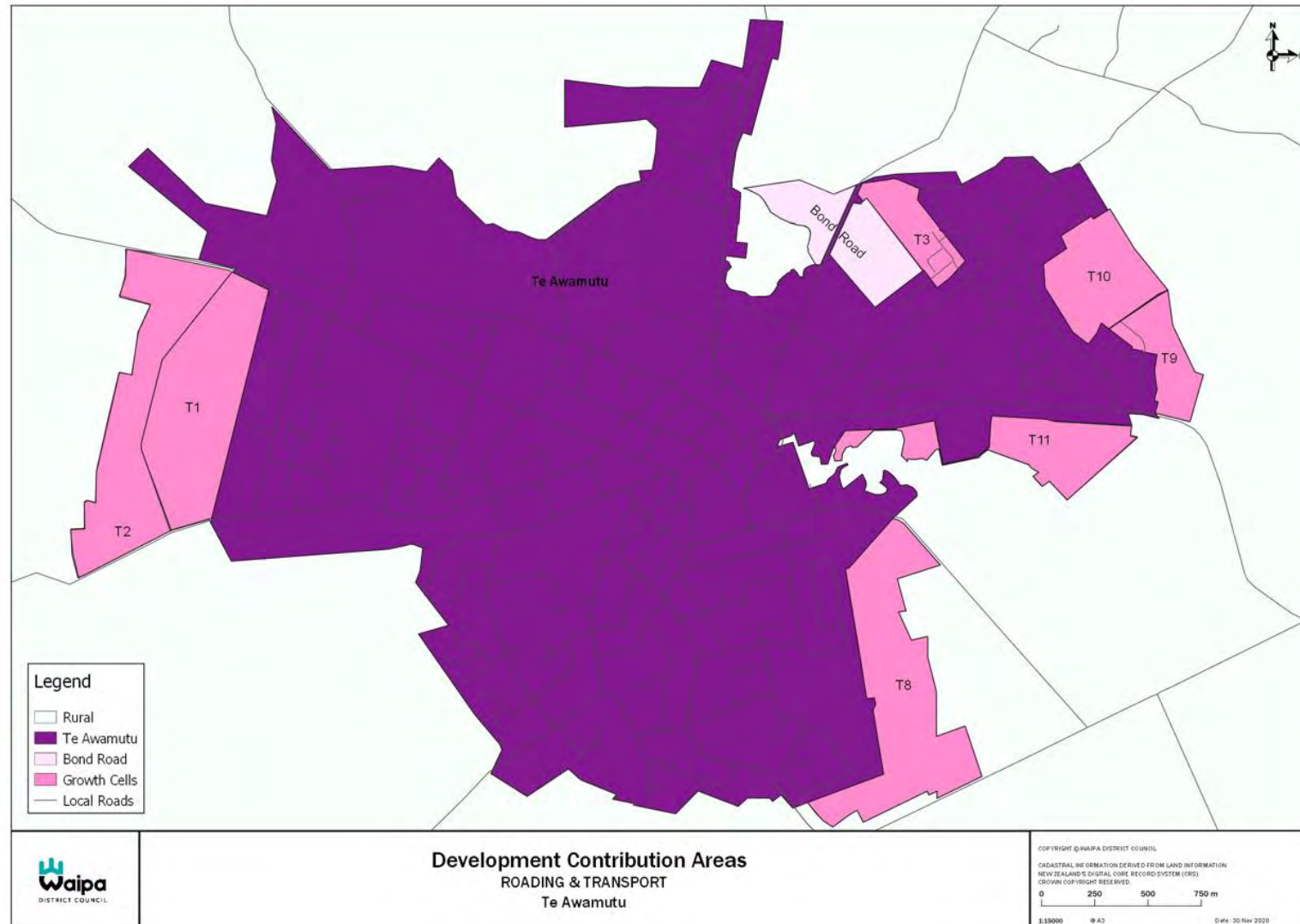


Te Awamutu

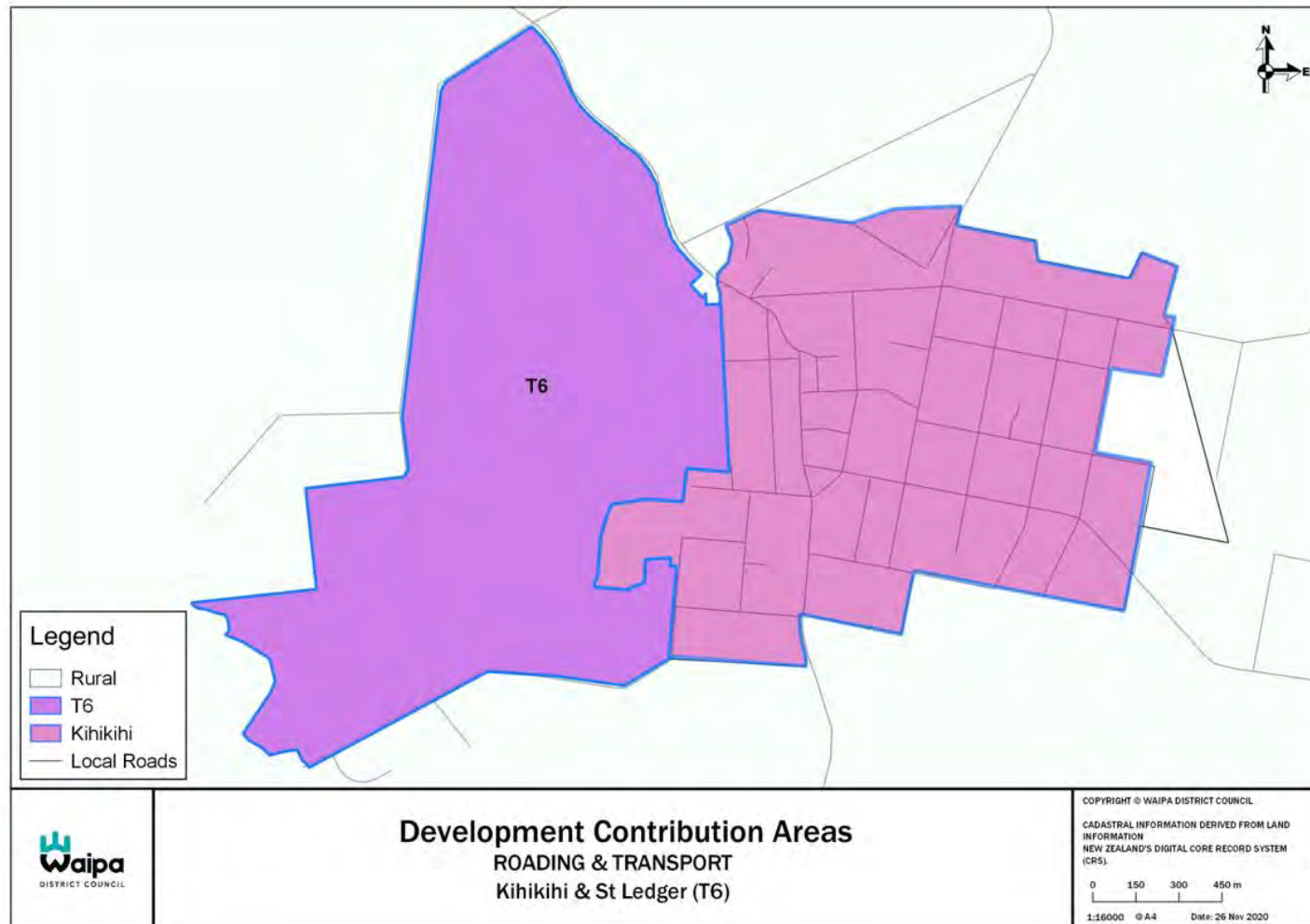




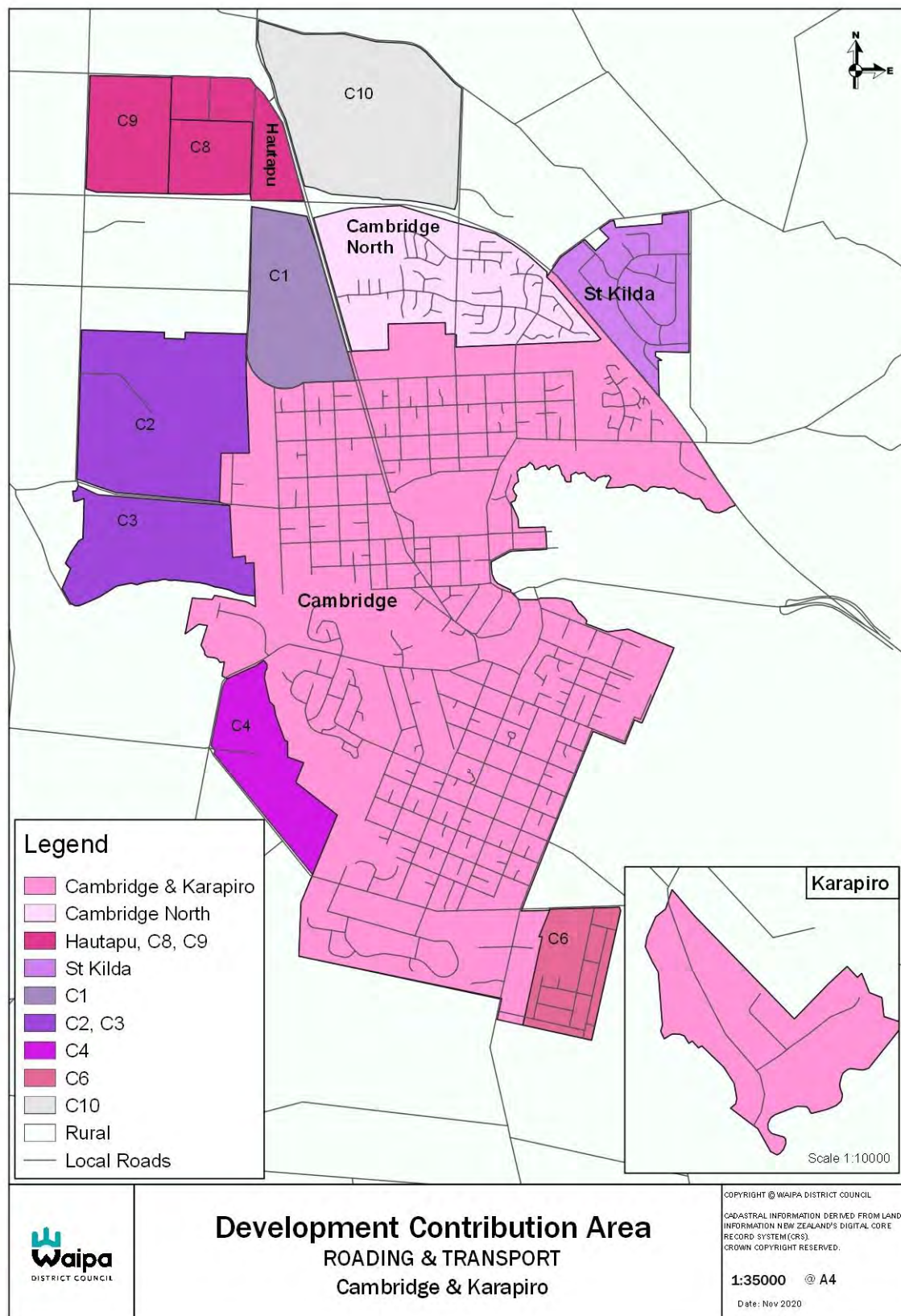


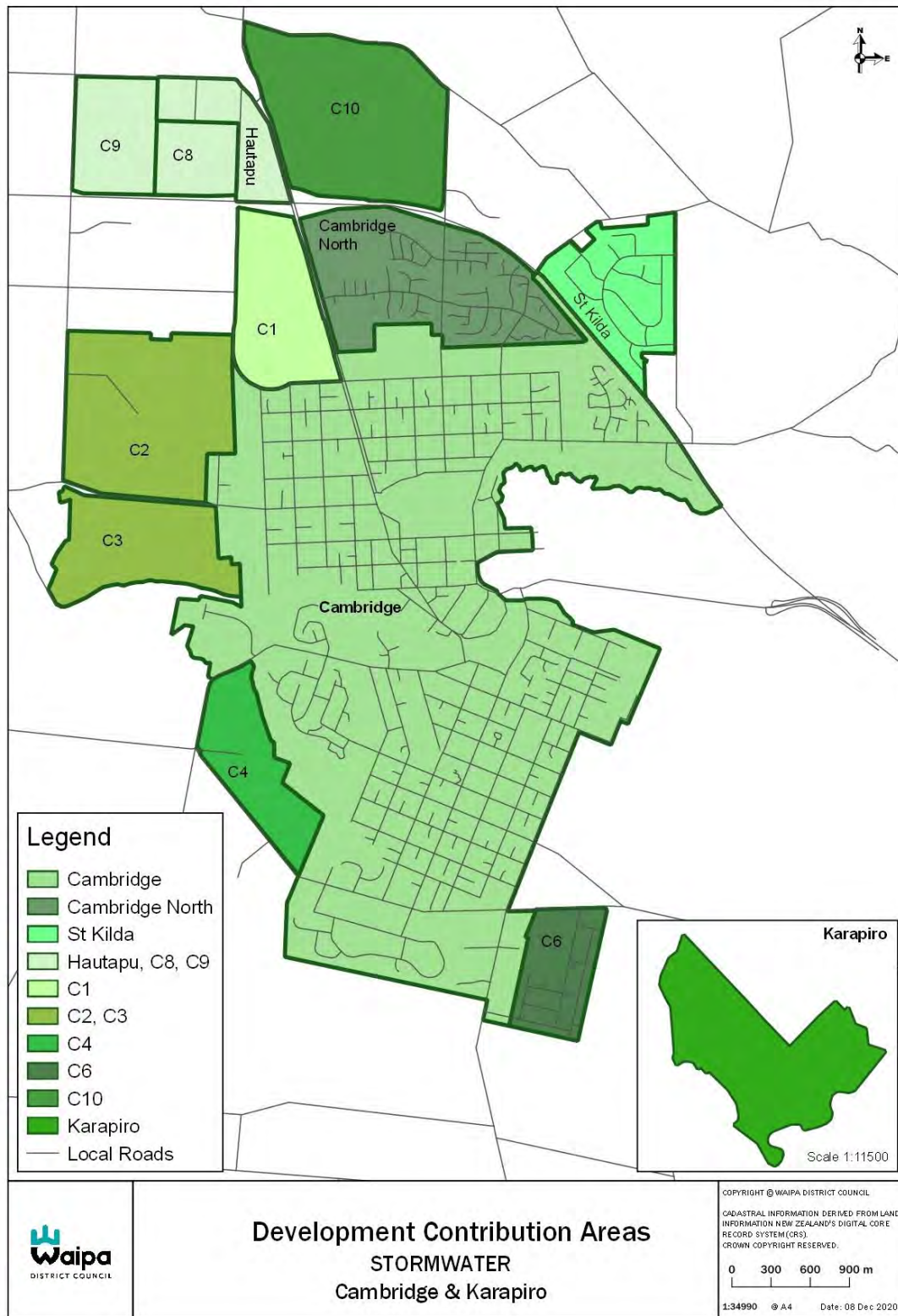


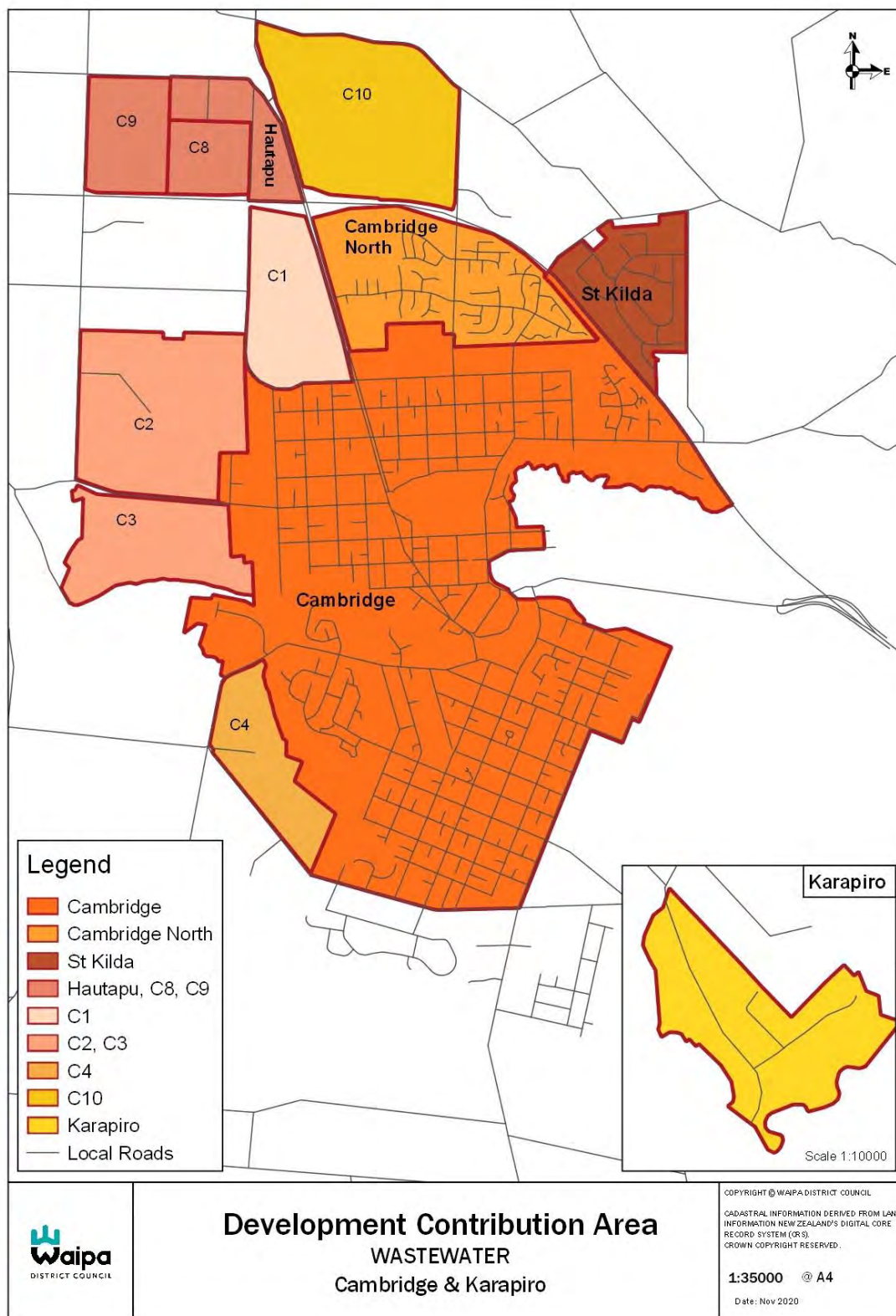
Kihikihi and St Leger (T6)



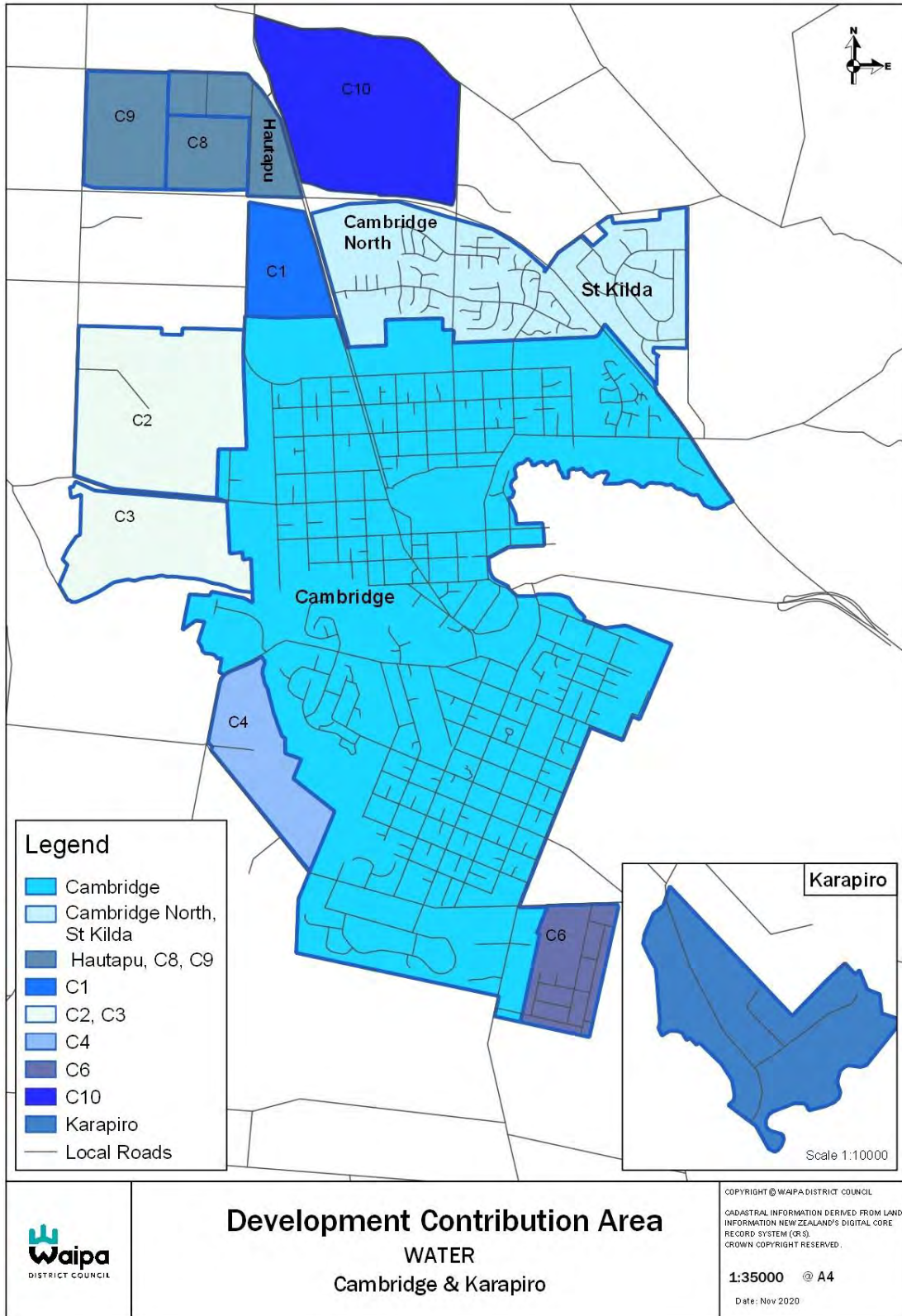
Cambridge and Karāpiro





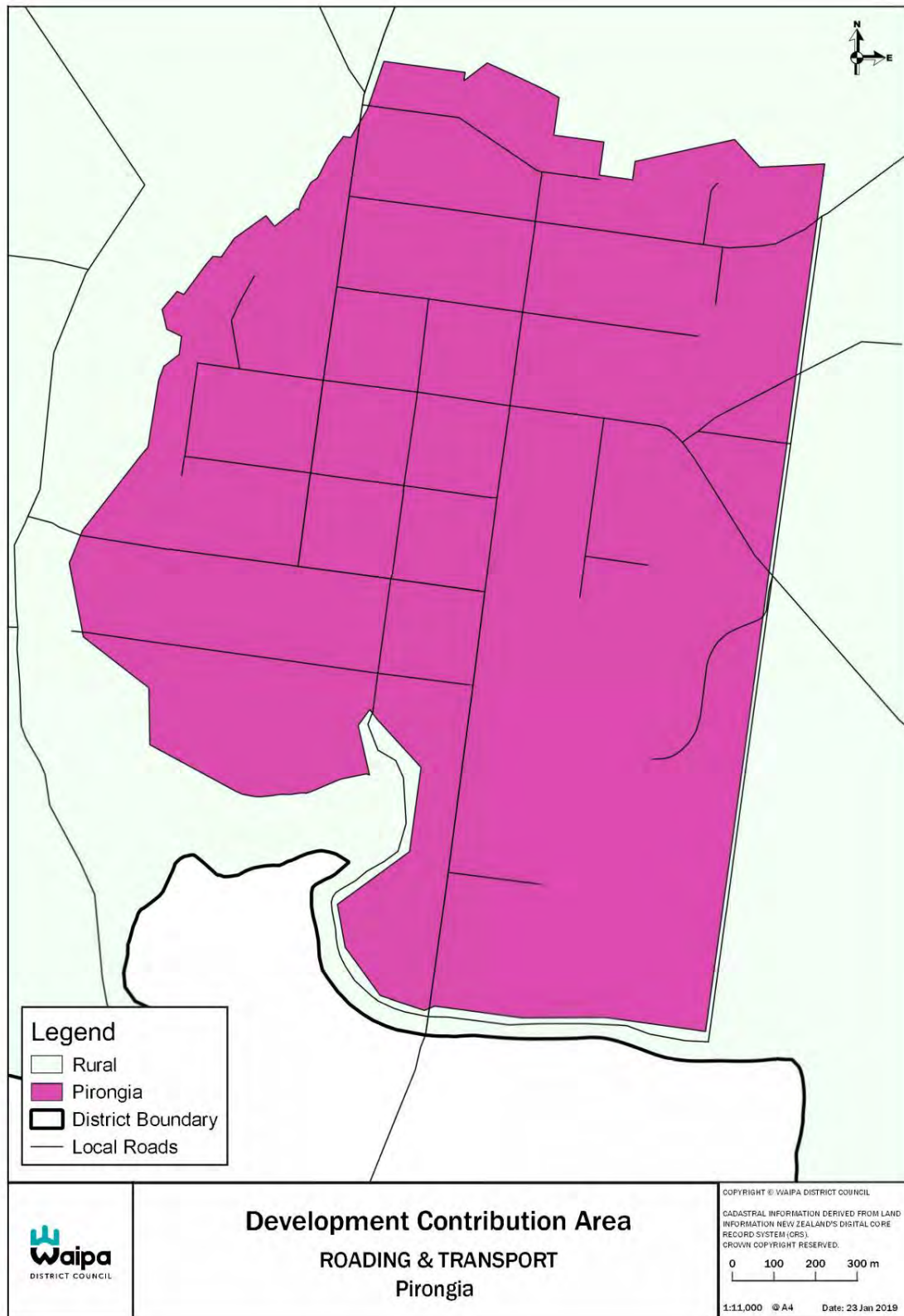


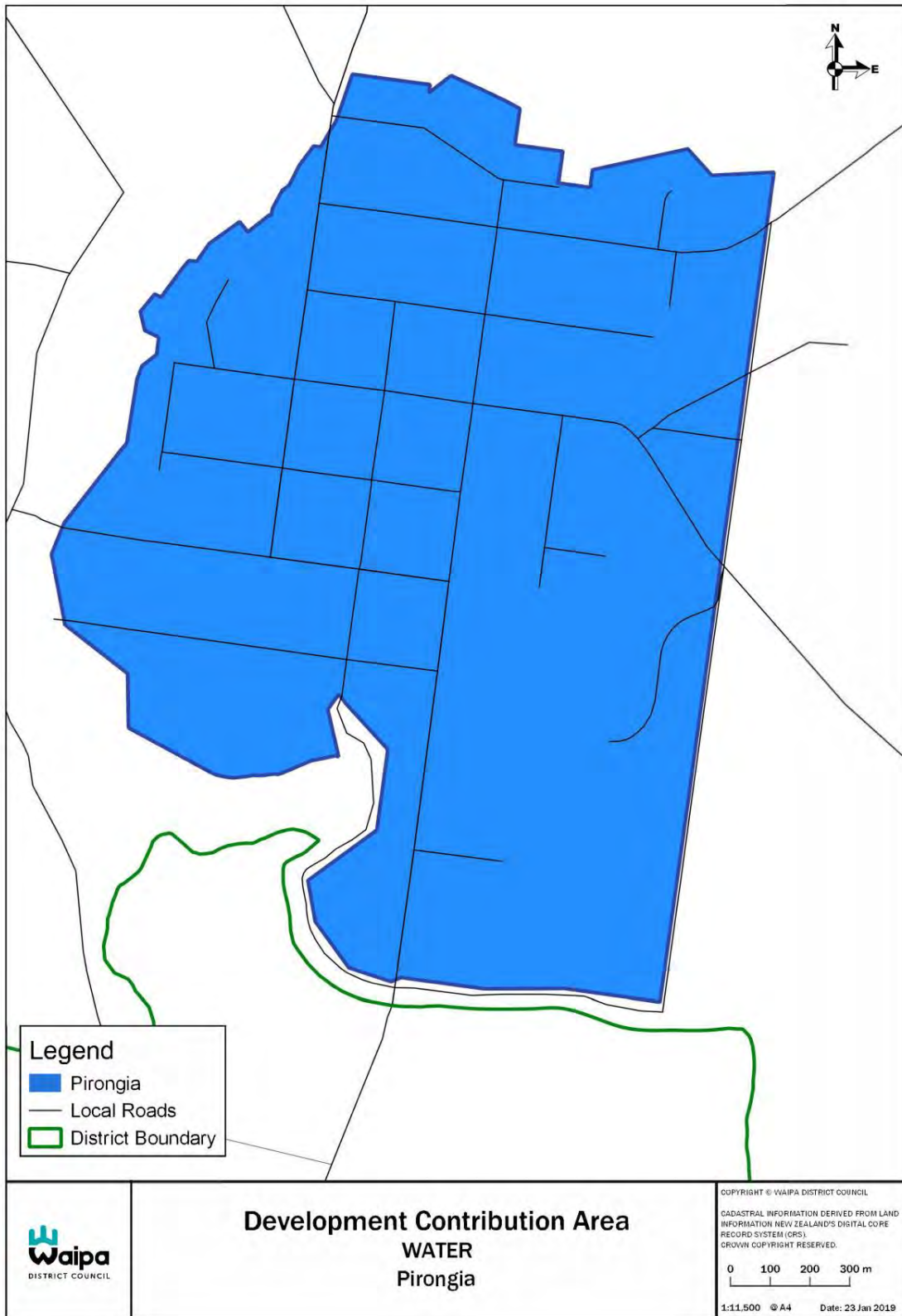
Development Contribution Area
WASTEWATER
Cambridge & Karapiro



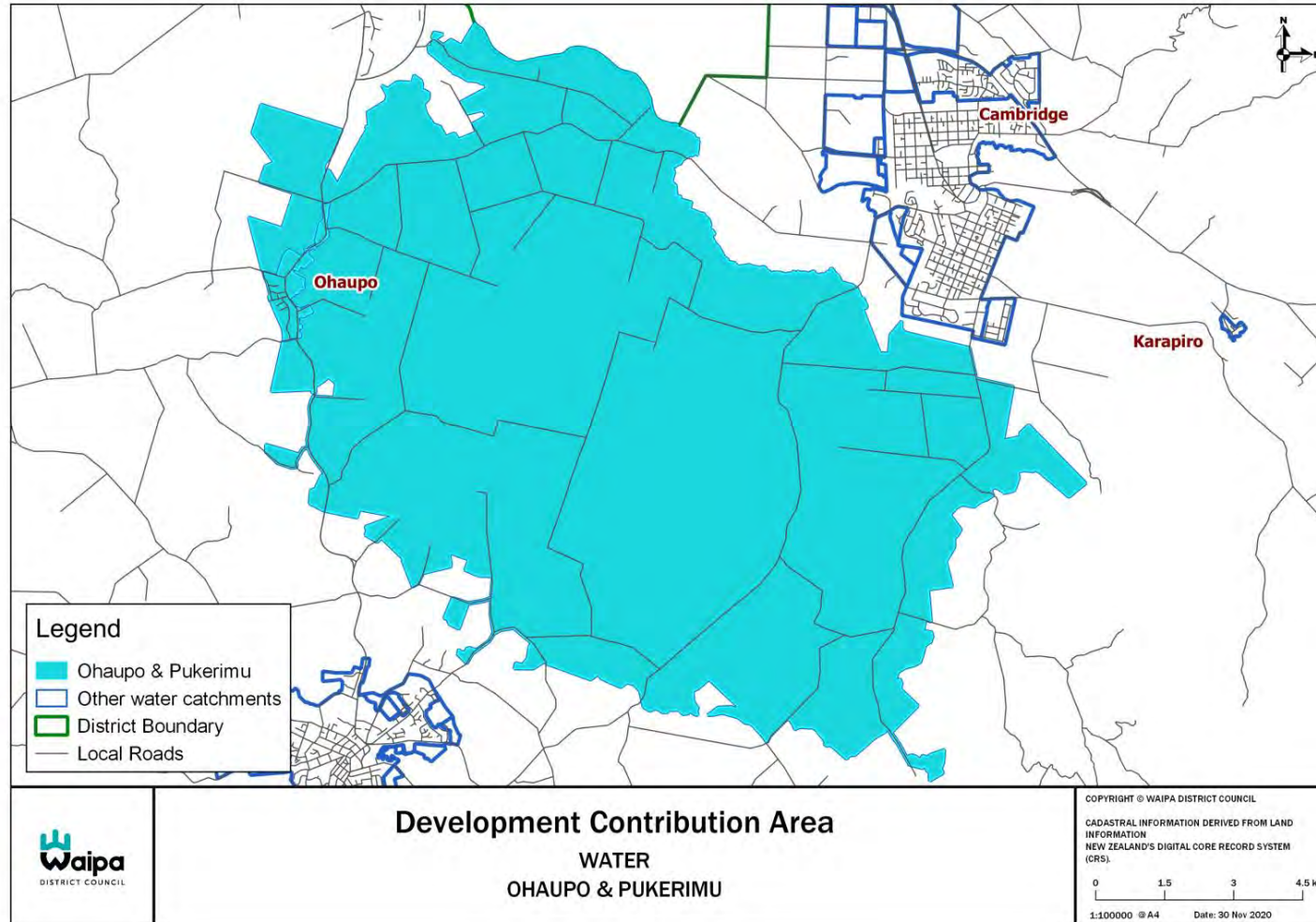
Development Contribution Area
WATER
 Cambridge & Karapiro

Pirongia

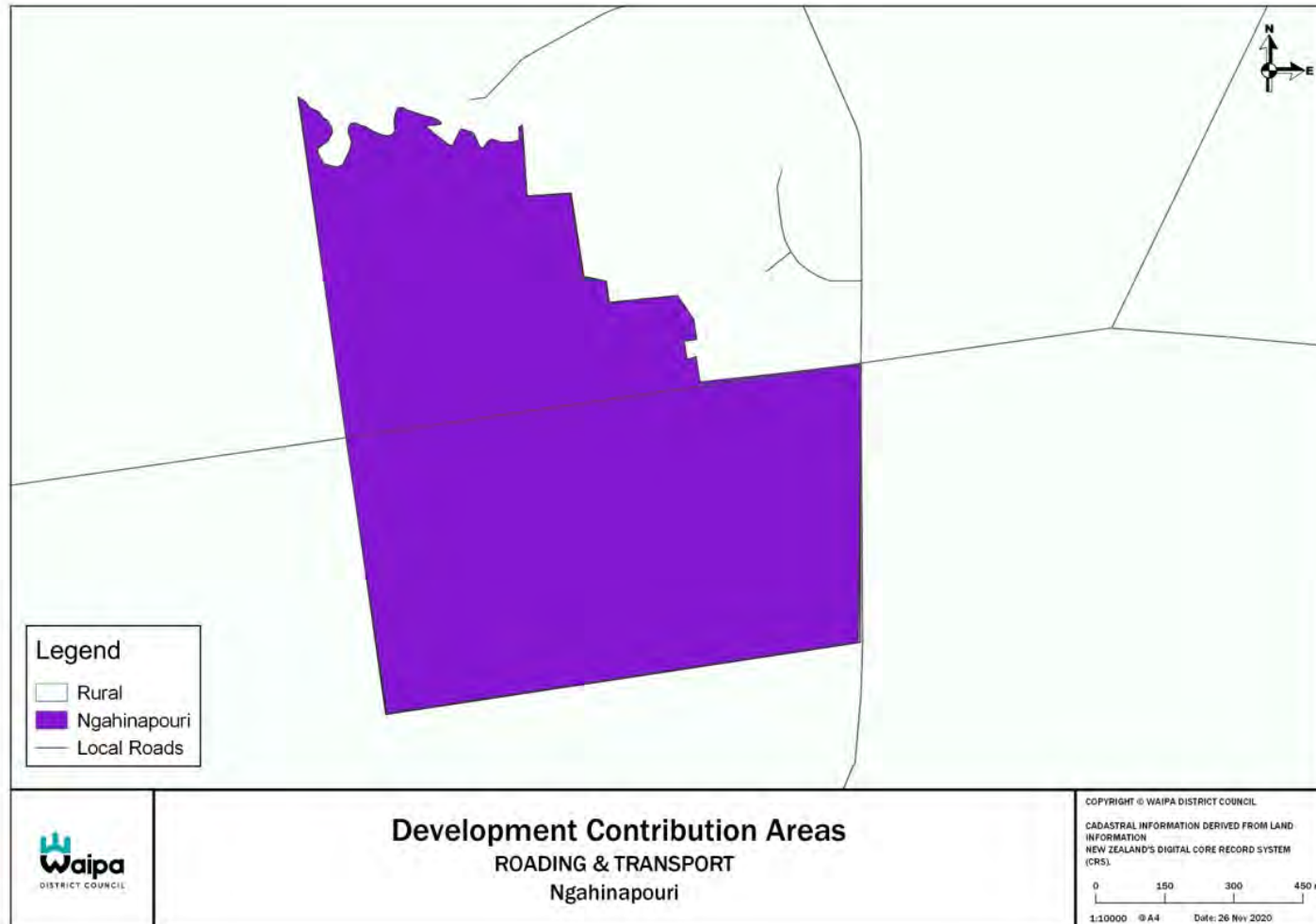




Ōhaupō and Pukerimu



Ngāhinapōuri



Appendix 3: Schedule of Assets for which Development Contributions will be used

The following tables provide a schedule of assets for which development contributions will be used, as required by Section 201A of the Local Government Act 2002, as per the Long Term Plan 2021-2031.

*Note: Projects with a “**” have a capacity life greater than ten years.*

DISTRICT WIDE	60
TE AWAMUTU	60
PICQUET HILL	61
KIHIKIHI.....	61
BOND ROAD / T3	61
T1 (GROWTH CELL)	61
T6 (GROWTH CELL)	61
T7 (GROWTH CELL)	62
CAMBRIDGE/KARĀPIRO	62
CAMBRIDGE NORTH	63
HAUTAPU.....	64
C1 (GROWTH CELL)	64
C2 (GROWTH CELL)	64
C3 (GROWTH CELL)	65
C6 (GROWTH CELL)	65
NGAHINAPOURI	65
PUKERIMU	65
PIRONGIA.....	65

District Wide

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
	repayment of CB Loans for carparks		130,109		35%	65%
	repayment of TAW loans for carparks		34,947		25%	75%
3197	T9/T10 Roading			477,240	100%	0%
4065	Lake Ngaroto Bridge		1,255,089		8%	92%
Water						
			-			
Wastewater						
2544	District Wide Wastewater Pump Station Upgrades			51,800	60%	40%
Stormwater						
			-			
Community Infrastructure						
1917	TA Library		4,289,838	-	10%	90%
	Karapiro Domain		4,680,000	-	20%	80%
	Cambridge Pool		11,559,147		10%	90%
2115	Library Fitout		251,393		10%	90%
Parks and Reserves						
1224	Buffer Reserve Land Purchase		128,537	-	100%	0%

Te Awamutu

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
1078	Footpaths improvements KK / TA	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T6, T7, T8	135,703	-	13%	87%
Water						
1114	TA Water source & TP upgrd Option 2	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	302,181	-	100%	0%
1114	TA Water source & TP upgrd Option 2		407,778		27%	73%
1456	TA Water Supply - new water source	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	46,513	-	85%	15%
2022	Parallel Rd Water Treatment Plant Upgrade	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	21,207,028		23%	77%
2023	Parallel Rd to Taylors Hill Pipeline	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	13,870,700		23%	77%
2025	TA Active Reticulation Control	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	575,880		23%	77%
2048T	Standby Generators for Treatment Plants (TAW)	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	96,670		27%	73%
2546	Te Awamutu Internal CBD Rising Main	T1, T2, T3, T6, T7, T8, Picquet Hill, Pirongia		3,358,485	100%	0%
1841	Te Tahi - UV's etc part of DW Compliance		769,507		20%	80%
Wastewater						
1441	Vaile / Sloane St TA WW Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	395,215	-	30%	70%
1447	Factory Rd TAW Pipe Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	1,022,858	-	30%	70%
1806	Te Awamutu 3 Wastewater Treatment Plant Consent & Upgrad	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	15,070,999		37%	63%
1806	Te Awamutu Wastewater Treatment Plant Consent & Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	4,790,679		52%	48%
1806	TAW Wastewater Treatment Plant Consent & Upgrade		431,119		30%	70%
2294	Waikeria Prison Expansion - Waipa DC Upgrades	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	4,448,500		50%	50%
2336	Christie Ave Sewer Pump Station	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	497,235		100%	0%
2540	TA WWTP Consent & Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8		20,519,250	37%	63%
	TA Sewer Trunk Main Daphne St to WWTP		280,559		20%	80%
Stormwater						
9150	Additional Capacity (pr 9150 & 1731)		187,316		40%	60%
Parks and Reserves						
2538	T8 Land Acquisition and Development: Structure Plan Areas	Picquet Hill, T1, T2, T3, T7, T8		1,185,320	100%	0%

Picquet Hill

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
3041	Picquet Hill Plan Change Rooding			3,500,000	90%	10%
3197	T9/T10 Rooding			8,387,794	93%	7%
Water						
2034	T9 Te Rahu - Picquet Hill Water Reticulation		337,470		100%	0%
Wastewater						
1622	Picquet Hill Plan Change 3 Wastewater		35,416	-	100%	0%
2576	DW WW Pipe Upgrades CB Rd to Christie Ave, Mangapiko			8,701,343	75%	25%
1622	Picquet Hill Plan Change Wastewater		35,416		100%	-
Stormwater						
1912	Picquet Hill Plan Change Stormwater		19,855	-	100%	0%

Kihikihi

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
3171	Kihikihi Brown Field Rooding Works			1,700,100	100%	0%
Water						
1140	KK Reservoir		345,000	-	60%	40%
Wastewater						
				-		
Stormwater						
2409	Kihikihi Brown Field SW Works		122,250		100%	0%
2409	Kihikihi Brown Field SW Works			1,543,642	50%	50%

Bond Road / T3

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
				-		
Water						
2035	Bond Rd/T3-T10 Water Reticulation		795,621		100%	0%
Wastewater						
				-		
Stormwater						
2153	Bond Rd SW Culvert Upgrade		30,432		67%	33%
2405	Bond Rd SW Culvert Upgrade		5,000		67%	33%
2153 / 2405 Bond Rd SW planned for yr 11				2,125,000	19%	81%

T1 (Growth Cell)⁶

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
3143	Frontier Road Plan Change Rooding	T2		1,223,050	100%	0%
Water						
2464	T1 / T2 Water Servicing		16,900	350,000	100%	0%
Wastewater						
2159	T1 Development WW Provision	T2	249,223		100%	0%
Parks and Reserves						
2539	T1 Land Acquisition and Development: Structure Plan Areas	T2		2,391,763	100%	0%

T6 (Growth Cell)

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
3079	T6 St Leger Rd Network Upgrades Rooding Concept Plan		95,746	-	100%	0%

⁶ In a previous Hill version of the document water costs for the T1 (Growth Cell) table were displayed in the Te Awamutu table. The T1 (Growth Cell) table has been updated to display the costs. This change has no impact on the development contributions charges and is done for clarity only.

T7 (Growth Cell)

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
				-		
Water						
				-		
Wastewater						
1809	Additional capacity upgrades TAW South		1,082,575	-	50%	50%

Cambridge/Karāpiro

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
1079	Footpaths improvements CAM	C4, C5, C6	79,979	-	20%	80%
3072	Swayne Rd Urban Upgrade & Traffic Calming	C4, C5, C6	459,209	-	60%	40%
3082	Laurenson Park Development - Growth Project	C4, C5, C6	18,500	-	100%	0%
3099	Appleby Road Extension - includes Walkway / Cycleway	C4, C5, C6	209,303	-	52%	48%
4053	CB CBD upgrade	C2, C3, C4, C5, C6	4,800,177	-	18%	82%
4250	WDC Contribution Victoria St Interchange	C1, C2, C3, C4, C5, C6, CBN	1,600,000	-	21%	79%
	Maungatautari Rd	C4, C5, C6	31,715		100%	0%
3183	Hanlin Road intersection	C4, C5, C6	4,600,000		100%	0%
4270	Hamilton Intersection (Avantidrome)		1,062,888		10%	90%
4268	Thornton - Albert - Robinson Intersections		19,175		5%	95%
4276	Maungatautari Rd RP6590 - 8070		31,715		100%	-
Water						
1260	Karapiro WTP HL Pump Suction & Del Manifold	C1, C2, C3, C4, C5, C6, CBN, Hautapu	123,097	-	25%	75%
1395	Karapiro Rising Main	CBN, C4, C5, C6	1,081,999	-	90%	10%
2021	Karapiro Water Treatment Plant Upgrade	C1, C2, C3, C4, C5, C6, CBN, Hautapu	6,821,840	-	100%	0%
2029	Cambridge Water Reticulation Active Control	CBN, C4, C5, C6	462,820		88%	12%
2045	Cambridge upgrade Pipe Bridge Water Portion	CBN, C4, C5, C6	200,000	-	50%	50%
9152	Water main from Karapiro to Leamington	CBN, C4, C5, C6	1,679,012	-	50%	50%
1615 /						
9163	Karapiro WTP Upgrade - pr 1615, 9163	C1, C2, C3, C4, C5, C6, CBN, Hautapu	21,379	-	100%	0%
2471	Karapiro Rising Main	CBN, C4, C5, C6	25,569		90%	10%
1395	Karapiro High Lift Rising Main		2,921		50%	50%
2048	Standby Generators for Treatment Plants (CB)		96,670		27%	73%
Wastewater						
1436	Cambridge New WW Treatment Plant - Stage 1	C1, C2, C3, C4, C5, CBN, Hautapu	11,440,851		26%	74%
2541	CB WWTP Consent and Upgrades	C1, C2, C3, C4, C5, CBN, Hautapu		100,191,453	33%	67%
2301	C1 wastewater		45,570	900,000	100%	0%
1436	CB WW treatment Plant Pr 1436		824,285		30%	70%
1436	CB WW treatment Plant Pr 1436		374,422		21%	79%
1439	CB Upgrade Pipe Bridge		283,850		60%	40%
2031	Cambridge Wastewater Pipe Upgrades		470,696		16%	84%
2082	Cambridge Wastewater Pipe Upgrades stage 2		406,453		70%	30%
Stormwater						
9150	Additional Capacity (pr 9150 & 1731)		165,564		40%	60%
Parks and Reserves						
1224	Reserve Land Purchase - St Kilda	C4, C5, C6	505,000	-	100%	0%

Cambridge North

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
3071	Victoria/Norfolk Intersection Construction	CB/KP, C4, C5, C6	2,465,534	-	80%	20%
3072	Swayne Rd Tulip Drive Roundabout	CB/KP, C4, C5, C6	496,861	-	100%	0%
3072	Swayne Rd Urban Upgrade & Traffic Calming		932,333	-	60%	40%
3130	Swayne Rd / Rose Leigh Drive Intersection		827,292	-	100%	0%
4096	CBN Deferred Res		602,370	-	51%	49%
3072	Swayne Rd Urban Upgrade & Traffic Calming		25,527		70%	30%
Water						
2011	CB North Deferred Residential Water - Water Pipe		116,570	-	50%	50%
2019	Cambridge North Water Provision		274,544	225,000	100%	0%
2026	Dedicated Cambridge North Water Main		552,091	-	80%	20%
2151	Dedicated Main Leamington to CB North	Hautapu	2,652,565		80%	20%
Wastewater						
1129	CB 3 Wastewater DRZ Rising Main		1,707,071	-	100%	0%
2018	Cambridge North 3 Wastewater Provision		1,300,631		100%	0%
	CB North - JLK, transland & saffron		701,597	-	100%	0%
2552	Cambridge North Wastewater Provision			815,820	100%	0%
1129	CB Wastewater DRZ Rising Main		1,707,071		100%	0%
	CB North - replace historic 2009 with JLK actuals, transland actuals & saffron		701,597		100%	0%
Stormwater						
2086	Land Victoria Rd Swale		189,430	-	74%	26%
2087	Norfolk Rd Trunk Reticulation		1,095,316	-	69%	31%
2090	Construct 50% Western Basin		1,493,597		69%	31%
2091	Construct balance of Western Storage Basin		1,362,012		69%	31%
2092	Land Western Swale		310,261		100%	0%
2097	North Eastern Trunk Reticulation		256,295	-	100%	0%
2100	Construct North Eastern Storage (Appleby Pond)		2,674,374		68%	32%
2100	Construct North Eastern Storage (Appleby Pond)		82,193		74%	26%
2104	Land Victoria Rd Swale (part 2)		636,527	250,000	100%	0%
2105	Construct Victoria Rd Swale		815,754		90%	10%
2116	Land Purchase Northwest SW Pond from NZTA		709,255	-	100%	0%
2128	North Western Trunk Reticulation		325,960	-	100%	0%
9149	CB Deferred Residential Works SW (incl 1461)		1,150,884	-	100%	0%
2116	Land Purchase Northwest SW Pond from NZTA		1,863,202	-	70%	30%
2433	Western Catchment Remedial Works		-	400,000	100%	0%
2434	Construct Victoria Rd Swale		36,056	650,000	74%	27%
2435	Construct 50% Western Basin		427,730		69%	31%
2438	Construct Western Swale		659,440		100%	0%
2439	Trunk Reticulation Connector Road		1,153,552	3,339,176	100%	0%
2441	Construct Western Outlet to the Stream		3,350,190	46,875	80%	20%
2445	Construct NE Swale		988,034	591,823	100%	0%
2448	Construct Victoria Rd Swale		78,446	120,000	90%	10%
2452	North Western Trunk Reticulation		169,947		100%	0%
2096	Construct Western Outlet to the Stream		128,222		80%	20%
2101	Land - NE Swale		393,672		100%	0%
2102	Construct NE Swale		942,171		100%	0%
	Cambridge North Deferred Res Zone		1,204,956		100%	0%
2089	Construct NE Swale		397,778		74%	26%
Community Infrastructure						
2120	Playground Reserve Land Cambridge North		21,064	410,000	100%	0%
Parks and Reserves						
1224	Reserve Land Purchase - St Kilda		169,000	-	100%	0%
1224	Buffer Reserve Land Purchase - CBN		36,663	-	100%	0%
2528	CB Nth Land Acquisition and Development			3,360,350	33%	67%
2118/2377	Playground Reserve Land Cambridge North		41,000	379,000	68%	32%
2584	CB North Reserve Land			1,049,160	33%	67%
2104	Land Victoria Rd Swale		109,132		74%	26%
2104	Land Victoria Rd Swale (part 2)		109,132		100%	0%

Hautapu

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
3076	Hautapu Structure Plan Rooding		1,167,600		85%	15%
3076	Hautapu - Rooding		600,000		100%	0%
3170	Hautapu - Cycleway connection Victoria to Hannon		305,940		100%	0%
3192	C8 C9 C10 Hautapu Rd 1st Roundabout at Victoria Rd/			4,149,000	70%	30%
3193	C8 C9 C10 Hautapu Rd - 1st section of Collector Rd			2,789,100	100%	0%
3194	C8 C9 C10 Hautapu & Hannon Rd Urbanisation			4,609,200	60%	40%
3195	C8 C9 C10 Hautapu Rd - 2nd roundabout at Victoria Rd			1,688,400	95%	5%
3199	Hautapu Transportation Land			10,919,416	100%	0%
Water						
2027	Cambridge North to Hautapu Pipeline and C8	Cambridge North	3,457,262		100%	0%
2027	Cambridge North to Hautapu Pipeline and C8			5,272,838	100%	0%
2410	Hautapu East Water Development (C10)		500,000	620,000	100%	0%
Wastewater						
2158	Hautapu Industrial WW Provision		943,200		100%	0%
2332	Hautapu East C10 WW		2,000,000		100%	0%
2551	WW Hautapu Industrial WT Provision C8 & C9			5,236,541	100%	0%
Stormwater						
2454	Hautapu Industrial SW Provision		49,451	145,000	100%	0%
2549	C8 Stormwater Land Purchase			24,511,355	100%	0%
2550	C8 Stormwater Reticulation Provision			14,394,263	100%	0%
2554	Existing Hautapu Industrial Area SW			6,762,000	100%	0%
	Hautapu East C10 SW development		2,355		100%	0%
2156	Hautapu Industrial SW Provision		164,854		100%	0%
Parks and Reserves						
2529	C8 Hautapu Industrial Land Acquisition and Development			2,102,506	100%	0%
2583	C8 Hautapu Industrial reserve land			2,916,000	100%	0%

C1 (growth cell)⁷

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
3117	Cambridge Deferred Residential Collector Road -Norfolk West	C2, C3, C4, C5, C6, CB/KP, CBN	131,380	1,350,000	100%	0%
3151	CB growth construction c1	C2, C3, C4, C5, C6, CB/KP, CBN	182,103	1,300,000	100%	0%
3167	Cambridge Growth Cell Rooding Land Purchases C1	C2, C3, C4, C5, C6, CB/KP, CBN	22,000	2,000,000	100%	0%
3185	C1 Norfolk Rooding & Victoria Rd Urbanisation			4,949,500	85%	15%
Water						
2303	C1 water		31,793	1,471,446	100%	0%
Wastewater						
2301	C1 3 Wastewater		45,570	900,000	100%	0%
2577	Taylor St PS Capacity (pipes) and Sewer on Vogel St	Hautapu & CBN		4,222,938	75%	25%
2573	Taylor St WW PS Capacity Increase	Hautapu & CBN		2,170,070	100%	0%
Stormwater						
2253	Cambridge Growth Cell SW Development Provision C1	C2, C3	291,035	6,441,539	100%	0%
2269 / 2456	Stormwater Land Purchases - C1	C2, C3	2,707,466	1,931,384	100%	0%
Parks and Reserves						
2268	land to reserves			9,569,912	100%	0%

C2 (growth cell)⁸

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
3169	C2 & C3 Structure Plan Rooding	C3	934,867	32,864,900	100%	0%
3165	Cambridge Road Urbanisation	C3	950,335	1,300,000	100%	0%
3190	C2/C3 Collector Roads and Green Belt Connection - Land	C1, C3		17,240,980	100%	0%
3189	Hamilton Road/Cambridge Road Urbanisation	C1, C3		5,449,150	43%	57%
Water						
2302	Cambridge Water Reticulation Growth- C2 & C3	C3	1,055,000	2,122,680	100%	0%
2046	Cambridge Water Reticulation Growth (C1, C2, C3, C4 & C7)	C1, C3, C4,	543		100%	0%
Wastewater						
2230	Cambridge Growth Cell WW System Development/Provision	C3	2,647,500	5,145,610	100%	0%
Stormwater						
2266	Cambridge Growth Cell SW Development Provision C2 & C3	C1, C3	2,107,638	39,791,689	100%	0%
2270	Stormwater Land Purchases - C2 & C3	C1, C3	54,209		100%	0%

⁷ SW within C1 C2 and C3 cells is treated as one catchment

⁸ SW within C1 C2 and C3 cells is treated as one catchment

C3 (growth cell)⁹

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
Water						
2020	Alpha St Water Treatment Plant Upgrade	C1, C2, Hautapu		6,300,480	100%	0%
Wastewater						
1439	Cambridge Upgrade Pipe Bridge	C1, C2, Hautapu	8,271,584		10%	90%
Stormwater						
2457	Stormwater Land Purchases - C2 & C3	C1, C2	126,580	20,351,245	100%	0%
Parks and Reserves						
2268	Reserves - C1, C2, C3		620,000	2,969,600	100%	0%

C6 (growth cell)

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
3186	C5, C6 Lamb Street Intersection - Roundabout			1,333,000	40%	60%
3191	C5/C6 Lamb St Intersection	CB, C4, C5		383,100	90%	10%
Water						
Wastewater						
Stormwater						

Ngahinapouri

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
3188	Ngahinapouri SH39 Intersection & N1/N2 Development			1,835,868	95%	5%
Water						
Wastewater						
Stormwater						

Pukerimu

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
Water						
2572	Pukerimu Water Supply - Pipework Parallel Rd to Titanium			9,373,835	10%	90%
Wastewater						
Stormwater						

Pirongia

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
Transportation						
	<i>Refer to the district wide transportation catchment projects which are included in this catchment</i>					
Water						
	<i>Refer to the Te Awamutu and district wide water catchment projects which are included in this catchment</i>					
Wastewater						
Stormwater						

⁹ SW within C1 C2 and C3 cells is treated as one catchment

s.201A (1) Assets for which development contributions will be used – growth related expenditure for past community infrastructure projects with residual capacity

Project #	Project Description	Capital expenditure for planned and historic projects	Expenditure from DCs	Expenditure from other sources	Capital expenditure still to be recovered From DCs	Recovery expected to be completed by end of financial year
	Karāpiro Domain Development	\$8,890,000	\$936,000	\$7,954,000	\$115,497	2029/30
	Te Awamutu Library	\$4,541,231	\$454,123	\$4,087,108	\$13,672	2030/31
	Cambridge Pool	\$11,559,147	\$1,155,915	\$10,403,232	\$1,005,915	2031/32

Note: These projects are also included in the 'schedule of assets for which development contributions will be used' (above) for completeness.



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COUNCIL REPORT



To: Her Worship the Mayor and Councillors
From: Manager Governance
Subject: **Voting System for the Local Body Elections**
Meeting Date: 30 June 2023

1 PURPOSE - TAKE

The purpose of this report is to seek a decision on the choice of the electoral system for the next two triennial elections, namely, either First Past the Post (FPP) or Single Transferable Vote (STV).

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

The Local Electoral Act 2001 (LEA) allows local authorities to choose either First Past the Post (FPP) or Single Transferable Vote (STV) for local elections. A change of electoral system can be achieved either by a Council resolution or by the favourable outcome of a poll, which can itself be as the result of a Council resolution or demanded by 5% of electors.

A local authority's resolution to change the electoral system must occur no later than 12 September, two years before election year. The LEA requires Council to publicly notify the right to demand a poll on the electoral system to be used for the next two triennial elections, by 19 September 2023.

Staff are recommending that Council continue with the FPP electoral system.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That Council:

- a) *Receives the report of Jo Gread, Manager Governance, titled Voting System for the Local Body Elections [ECM Number 11040147]; and*
- b) *Resolves that for the next two triennial general elections of the Waipā District Council and its community boards, and any associated election, that the First Past the Post electoral system continue to be used.*

4 BACKGROUND – KŌRERO WHAIMĀRAMA

What is FPP?

For FPP, electors vote by indicating their preferred candidate(s), and the candidate(s) that receives the most votes is declared the winner regardless of the proportion of votes that candidate(s) obtained.

For single member wards, the elector casts one vote, in multi-member wards the voters casts a vote for each vacancy to be filled.

FPP is a simple system for voters to use but is not designed to produce proportional results as the election result does not necessarily reflect the preferences of the broad community of voters.

What is STV?

For the STV system, the elector has one vote regardless of the number of vacancies. Electors rank as many candidates as they choose in order of preference. The number of votes required for a candidate to be elected (called the quota) depends on the number of positions to be filled and the number of valid votes cast. The necessary number of candidates to fill all vacancies is achieved first by the counting of first preferences then by a transfer of a proportion of votes received by any candidate where the number of votes for that candidate is in excess of the quota, and the transfer of these votes in accordance with voters' second preferences. This process repeats until the required number of candidates is elected.

STV is a "proportional" electoral system; this means that to get elected a candidate must win a proportion of the overall votes cast (or "meet the quota"). As a proportional system, STV is designed to produce proportional results that reflect the preferences of the broad community of voters. However, advice is that STV can be seen to provide the greatest benefit in wards or constituencies electing between three and nine candidates. If there are fewer than three candidates, the benefits of the transferable vote in terms of proportionality are not likely to be evident.

Because all votes must be processed before counting can begin, STV results might take longer to announce. Official results are announced and published showing elected candidates in the order they reached the quota and unsuccessful candidates in the order they were excluded.

Out of 78 Councils in New Zealand, 15 Councils had STV voting systems selected for the 2022 elections, noting that one of those Councils, Tauranga City Council, did not have elections due to commissioner appointments.

Advantages and Disadvantages FPP & STV

According to the Taituarā Code of Good Practice for the Management of Local Authority elections and Polls 20023, no system is perfect, and different people will have different views on what is ‘fair’.

The advantages of FPP relate to the simplicity of the process including the way votes are cast, counted and announced.

The disadvantages of FPP relate to:

- disproportional election results, including the generally ‘less representative’ nature of FPP councils.
- the obstacles to minority candidate election.
- the number of wasted votes.

Overall, the advantages of STV, on the other hand, relate to its characteristics as a proportional voting system: a potential reduction in the number of “wasted votes” and majority outcomes in single-member elections.

The disadvantages of STV relate to:

- the public are less familiar with the system and possibly find it harder to understand and voter education may be required.
- matters of process such as the way votes are cast and counted (for example perceived complexity may discourage some voters).
- the way election results are sometimes communicated.

Deciding which electoral system is best for local communities may come down to deciding which is more important: process, or outcome. Unfortunately, neither electoral system can claim to achieve well in both.

A detailed table of advantages and disadvantages produced by Taituarā is included below.

FPP	STV
<p>FPP: casting votes</p> <p>FPP is a straightforward system of voting. FPP is familiar to most people.</p> <p>“Tactical” voting is possible; votes can be used with a view to preventing a candidate from winning in certain circumstances</p>	<p>STV: casting votes</p> <p>STV is a less straightforward system of voting. There is a need for more information for people to understand the STV ranking system of candidates.</p> <p>It is virtually impossible to cast a “tactical” vote under STV. As a result, voters are encouraged to express their true preferences.</p>

FPP	STV
<p>FPP: counting votes</p> <p>FPP is a straightforward system for counting votes. Votes can be counted in different locations and then aggregated. Election results are usually announced soon after voting ends.</p>	<p>STV: counting votes</p> <p>STV vote counting requires a computer program (the STV calculator). Votes must be aggregated first and then counted in one location. Election results will usually take a little longer to produce.</p>
<p>FPP: election results</p> <p>Official results show exactly how many people voted for which candidates.</p> <p>Results are easy to understand.</p> <p>A “block” of like-minded voters can determine the election of multiple candidates in multimember wards/constituencies, without having a majority of the votes, thereby ‘overrepresenting’ themselves.</p> <p>The overall election results might not be proportional to voters’ wishes, and might not reflect the electoral wishes of the majority of voters, only the largest group of voters who may not be the majority.</p> <p>In single-member elections, the winner does not need to have the majority of votes, just the largest group of votes.</p> <p>There might be more “wasted” votes (votes that do not contribute to the election of a candidate).</p>	<p>STV: election results</p> <p>Official results will identify which candidates have been elected and which have not and in which order. They do not show how many votes candidates got overall, as all successful candidates will have the same proportion of the vote (the quota). This information, at stages of the count, can still be requested.</p> <p>Results can be easy to understand if presented appropriately.</p> <p>STV moderates “block” voting as each voter casts only one single vote, even in multimember wards/constituencies.</p> <p>The overall election results are likely to reflect the wishes of the majority of voters in proportion to their support for a variety of candidates.</p> <p>In single-member wards/constituencies, the winner will have the majority of votes (preferences).</p> <p>Every vote is as effective as possible (depending on the number of preferences indicated) meaning there are likely to be fewer “wasted” votes (votes that do not contribute to the election of a candidate).</p>

Polls

Council can either decide to hold a poll on the electoral system to be used, or 5% of voters can demand a poll. Voters will be advised of their right to demand a poll in the public notice Council is required to place by 19 September 2023. If a valid poll demand is received prior to 21 February 2023, the results of the poll will be effective for the next two triennial elections and the poll must be held not later than 89 days after the date on which the notice is received. If a valid poll demand is received after 21 February 2023, the poll is effective for the next but one triennial election and at least the following triennial election, and the poll must be held after 21 May 2024.

If Council decided to conduct a poll on whether to change the electoral system the poll must be held no later than 21 May in the year immediately before the year in which the next triennial election is to be held and the electoral system adopted must remain in place for the next two triennial general elections.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have considered the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8, and have assessed that the matter in this report has a low level of significance. The community will be advised by public notice of their right to request Council to hold a poll on this matter.

6 OPTIONS – NGĀ KŌWHIRINGA

Option	Advantages	Disadvantages
Option 1: Retain the status quo (FPP) and give public notice of right to demand a poll	<ul style="list-style-type: none"> Listed in Section 4 of the report. 	<ul style="list-style-type: none"> Listed in Section 4 of the report.
Option 2: Change to STV and give public notice of right to demand a poll	<ul style="list-style-type: none"> Listed in Section 4 of the report. 	<ul style="list-style-type: none"> Listed in Section 4 of the report.
Option 3: Resolve to hold a poll	<ul style="list-style-type: none"> Leaves decision with voters, but may not get a range of voters responding. 	<ul style="list-style-type: none"> Significant cost to Council Delays to decision on voting system May not attract responses across a range of voters

The recommended option is Option One. The reason for this is that FPP is a straight forward system of voting which voters are used to. With STV being seen to provide the greatest benefit in wards or constituencies electing between three and nine candidates and three out of Council's five wards having two or less candidates, the benefits of STV would have more limited impact in Waipā.

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Council's Vision and Strategic Priorities

The voting system for the Local Body Elections is used to elect the elected members who make important governance decisions related to the delivery of Council's vision and strategic priorities.

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that Option One complies with Council's legal and policy requirements.

Financial Considerations – Whaiwhakaaro ā-Pūtea

At this stage, there is only the cost of the public notice which is covered by governance budgets. If Council decides to or is requested to hold a poll, the estimated costs could be approximately \$150k, which is not a cost currently budgeted for.

Risks - Tūraru

There are no known significant risks associated with the decisions required for this matter.

8 NEXT ACTIONS

Action	Responsibility	By When
Public Notice	Governance	19 September 2023



Jo Gread
MANAGER GOVERNANCE



Approved by Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

COUNCIL REPORT



To: Her Worship the Mayor and Councillors
From: Business Resilience and Risk Advisor
Subject: **Report on June 2023 Audit and Risk Committee**
Meeting Date: 30 June 2023

1 PURPOSE - TAKE

The purpose of this report is to provide a summary of the key matters discussed and the outcomes of the Audit and Risk Committee meeting of 12 June 2023.

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

Council's Audit and Risk Committee met on 12 June 2023.

This report provides a summary of the key matters discussed and the outcomes of the meeting. It also provides a specific recommendation in regard to Council approving the Climate Change Governance Improvement Programme Plan.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That Council

- a) *Receives the report of Genny Wilson, Business Resilience and Risk Advisor, titled 'Report on June 2023 Audit and Risk Committee' (ECM number 11032954);*
- b) *Approves the 'Climate Change Governance Improvement Plan' as recommended by the Audit and Risk Committee (ECM number 11013238).*

4 BACKGROUND – KŌRERO WHAIMĀRAMA

Council's Audit and Risk Committee meets quarterly with the most recent meeting on 12 June 2023.

Prior to the meeting the workshop for the annual refresh of Top Risks and Risk Appetite for the next financial year was facilitated by KPMG. All Elected Members and Leadership Team were invited to this workshop. This year the focus was on where we

will and will not take risk within our Top Risks; the trade-offs; and our appetite for risk. The outputs of this workshop will be presented back to ARC in an open item at the October meeting for further discussion and agreement before recommendation to Council for ultimate approval.

The appendices include the key reports presented to the meeting and the unconfirmed minutes are attached as Appendix 1.

In more summarised form however, the following salient points from the meeting are noted:

- A Risk Management update was provided which included the quarterly risk management report for February to April 2023 – this has been provided as Appendix 2 of this report. The Top Risk mitigant actions have been taken from the business plans for this year and are reported on an exception basis for those off track or not started. This quarterly report also included further Key Risk Indicator (KRI) reporting which will continue to evolve.
- The Audit Plan for the 2022/23 audit by our external auditors was presented and the timetable has been agreed. This plan is included as Appendix 3 of this report. The letter of engagement, including fees, is outstanding and responsibility for recommending approval has been delegated to the Chair and Deputy Chair of ARC. A significant increase in fees has been signalled by the Auditor-General and Audit New Zealand.
- The Climate Change Governance Improvement Programme Plan was considered and recommended for approval by Council. It is included as Appendix 4.
- Approval was given for further work to strengthen Council's internal assurance framework by introducing a two-tier internal audit model. Further detail will be advanced and reported back to the October meeting.
- Progress continues on the remediation work for the Holidays Act 2003. Work is underway with Council's payroll providers and KPMG however the original timeframe of 4 to 6 months has to be extended. This is a complex matter that needs to be completed to a high quality. Staff have been updated on progress.

- The following risk updates for key strategic projects were presented:
 - Ahu Ake - the Waipā Community Spatial Plan;
 - The Annual Plan 2023/24;
 - The Long Term Plan 2024/34; and
 - The Water Reforms Transition.
- Outstanding management report matters; updates on the Compliance Management Improvement Programme and Asset Management Planning Improvement Programme; and a 30 April 2023 capital programme update were considered.
- In the public excluded part of the meeting there was consideration of capital works risks, and an update on litigation matters. The Group Manager Strategy and the Chief Executive engaged with the Committee on a number of key risks relating to Group and wider organisation.
- Also in the public excluded part of the meeting there was a deep dive into the Top Risks: 'Failure to give effect to Te Tiriti O Waitangi and build successful Mana Whenua and Iwi partnerships' and 'Failure of relationships with key stakeholders' presented by the Group Manager Strategy. This included reviewing the external context; risk appetite for these Top Risks and associated portfolio in the Risk Appetite Statement and an update on the mitigant actions.

Questions and comments are invited on any of the matters outlined above.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have considered the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8, and have assessed that the matters in this report have a low level of significance. Approval of the climate change governance improvement programme plan is low impact with individual initiatives/actions under the programme needing separate assessment as appropriate.

The climate change governance improvement programme plan has a communications and engagement stream that will manage any identified significance and engagement requirements for the individual initiatives/actions/decisions.

6 OPTIONS – NGĀ KŌWHIRINGA

Option	Advantages	Disadvantages
<p>Option 1: Reject Climate Change Governance Improvement Plan</p>	<ul style="list-style-type: none"> ▪ None identified 	<ul style="list-style-type: none"> ▪ Effort in climate change initiatives across Council will continue to be siloed, without clear governance. ▪ Opportunities for leveraging effort will be reduced as will effectiveness and efficiency of initiatives ▪ Does not position Council to respond to community expectations around climate change, including best practice ▪ Does not position Council to respond to changes from Central Government, including legislative changes and potentially accountability reporting ▪ Cost of internal audit wasted if no response to improve/learn from findings
<p>Option 2: Approve Climate Change Governance Improvement Plan</p>	<ul style="list-style-type: none"> ▪ Clear and effective governance and management of climate change risk ▪ Audit findings utilised to develop maturity within Council and provide leverage to community ▪ Positions Council to respond to Central Government changes in climate change, including legislation and accountability reporting ▪ Opportunities for leveraging effort will be enhanced as will effectiveness and efficiency of initiatives 	<ul style="list-style-type: none"> ▪ Cost of implementing plan but is budgeted for ▪ Community expectations may be increased and delivery timeframes may be pressured

Option	Advantages	Disadvantages
	<ul style="list-style-type: none"> ▪ Positions Council to respond to community expectations around climate change, including best practice 	

The recommended option is Option 2. The reason for this is that this climate change governance improvement programme plan responds to and implements the recommendations in the KPMG internal audit carried out in March 2023.

The plan is based on the principle of continuous improvement and is cognisant of the links of climate change governance across related organisation wide functions. It also builds on the initiatives completed to date in the climate change space. The synergies with Ahu Ake - Waipā Community Spatial Plan, will also be utilised.

As part of the improvement plan, ownership of the Climate Change Governance Improvement Programme has been confirmed as the Group Manager Strategy and the plan agreed by the Executive Team, and recommended by the Audit and Risk Committee for approval by Council.

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Council’s Vision and Strategic Priorities

Effective risk management and governance is in support of Council achieving its vision, community outcomes and strategic priorities. This includes climate change risk management.

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that Option 2 complies with Council’s legal and policy requirements.

Financial Considerations – Whaiwhakaaro ā-Pūtea

The total costs to complete this work are included in operational costs as funded through the 2021-31 LTP.

Risks - Tūraru

This report is directly related to the management of climate change risk through governance and the implementation of the improvement programme plan. There are no known significant risks associated with the decisions required for this matter.

Iwi and Mana Whenua Considerations - Whaiwhakaaro ki ngā Iwi me ngā Mana Whenua

This report seeks approval of the climate change governance improvement programme plan. A communications and engagement plan will be developed as part of the implementation that will include engagement of Iwi and Mana Whenua. Additionally the synergies with Ahu Ake - Waipā Community Spatial Plan, will also be utilised.

Council's scenario analysis can also be leveraged by local communities and business, including Iwi and Mana Whenua in their risk assessments, mitigation and adaptation efforts.

Climate Change – Hurihanga Āhuarangi

This report is directly related to the management of climate change risk through governance and the implementation of the improvement programme plan.

8 NEXT ACTIONS

Action	Responsibility	By When
Approval of Climate Change Governance Improvement Programme Plan at Council	Business Resilience and Risk Advisor	30 June 2023
Implementation of Climate Change Governance Improvement Programme Plan	Group Manager Strategy	Ongoing over next 4 years

9 APPENDICES - ĀPITITANGA

No:	Appendix Title
1	Unconfirmed Minutes of Audit and Risk Committee Meeting 12 June 2023 (ECM number 11034252)
2	Quarterly Risk Report for February to April 2023 (ECM number 11016497)
3	Audit Plan for 2022/23 Audit (ECM number 11028033)
4	Climate Change Governance Improvement Programme Plan (ECM number 11013238)



Genny Wilson
BUSINESS RESILIENCE AND RISK ADVISOR



Approved by Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Unconfirmed Minutes of the Audit and Risk Committee Meeting 12 June 2023
(ECM number 11034248)

COMMITTEE MINUTES



Committee: Audit and Risk Committee
Time: 11am
Date: 12 June 2023
Venue: Council Chambers, Waipā District Council
101 Bank Street, Te Awamutu

PRESENT

Chairperson

Bruce Robertson

Members

Her Worship the Mayor SC O'Regan (joined the meeting at 2.27pm); Councillors AW Brown, LE Brown, RDB Gordon, MG Montgomerie.

1 APOLOGIES

RESOLVED

14/23/21

That the apologies for lateness from Her Worship the Mayor O'Regan who was on council business be received.

Chairperson Robertson / Councillor A Brown

2 DISCLOSURE OF MEMBERS' INTERESTS

Chair Robertson noted in regard to the emerging risk presented by the discovery of Golden Clam at Lake Karapiro, that he is a member of the Risk and Assurance Committee of the Ministry of Primary Industries.

3 LATE ITEMS

There were no late items.

COMMITTEE MINUTES



4 CONFIRMATION OF ORDER OF MEETING

RESOLVED

14/23/22

That the order of the meeting be confirmed.

Chairperson Robertson / Councillor L Brown

5 CONFIRMATION OF MINUTES

RESOLVED

14/23/23

That the open minutes of the Audit and Risk Committee meeting held on 13 March 2023 having been circulated, be taken as read and confirmed as a true and correct record of that meeting.

Chairperson Robertson / Councillor Montgomerie

6 RISK MANAGEMENT UPDATE

Business Resilience and Risk Advisor, Genny Wilson provided the Committee with highlights of the Risk Management Update and Quarterly Risk report.

RESOLVED

14/23/24

That the Audit and Risk Committee receive the report of Genny Wilson, Business Resilience and Risk Advisor, titled 'Risk Management Update' (document number 11007524), including the 'Quarterly Risk Report' (document number 11016497).

Chairperson Robertson / Councillor A Brown

7 AUDIT PLAN FOR 2022/23 AUDIT

Manager Finance, Jolanda Hechter provided the Committee with an overview of the content of the Audit Plan for the 2022/23 financial year end audit and the timetable for adoption of the Annual Report and sought the Committee's approval of the Audit Plan.

Audit Director René van Zyl Rene spoke to the Audit Plan document.

COMMITTEE MINUTES



Chairperson Robertson advised the Committee that final sign off of the Audit Engagement Letter and any audit fee documentation would likely be completed by Mayor O'Regan.

RESOLVED

14/23/25

That the Audit and Risk Committee

- a) *Receives the report of Jolanda Hechter, Manager Finance titled 'Audit Plan for 2022/23 Audit', (document number 11022196);*
- b) *Approve the draft Audit Plan attached as Appendix 1 to this report.*
- c) *Delegate authority to the Chair and Deputy Chair of this Committee to, acting jointly, approve and sign the Audit Engagement Letter and any audit fee documentation.*

Councillor L Brown / Councillor Montgomerie

8 OUTSTANDING MANAGEMENT REPORT MATTERS

Manager Finance, Jolanda Hechter took the report as read.

Audit Director René van Zyl Rene and Audit Manager, Kay Oloro were available to answer questions from the Committee of which there were none.

RESOLVED

14/23/26

That the Audit and Risk Committee receive the report of Jolanda Hechter, Manager Finance, titled 'Outstanding Management Report Matters' (document number 11022285).

Councillor A Brown / Councillor L Brown

9 ANNUAL REPORT – REVIEW OF ACCOUNTING POLICIES, KEY ACCOUNTING ESTIMATES AND UPDATE ON ASSET REVALUATION RESULTS

Financial Accountant, Nada Milne provide an overview of the report and answered questions from the Committee.

COMMITTEE MINUTES



RESOLVED

14/23/27

That the Audit and Risk Committee receive the report of Nada Milne, Financial Accountant, titled 'Annual Report – Review of Accounting Policies, Key Accounting Estimates and Update on Asset Revaluation Results' (document number 11022347).

Chairperson Robertson / Councillor Montgomerie

10 TWO TIERED ASSURANCE MODEL PROPOSAL

Manager Organisational Excellence, Georgina Knapp provided the Committee with a summary of the report.

RESOLVED

14/23/28

That the Audit and Risk Committee

- a) *Receives the report of Georgina Knapp, Manager Organisational Excellence titled 'Two Tiered Assurance Model Proposal' (document number 11009072).*
- b) *The Audit and Risk Committee approve the proposal to further pursue the two tiered approach to internal audit at Waipā District Council.*
- c) *The Audit and Risk Committee approve staff to review the current internal audit programme for the 2023/24 financial year and present back to ARC at the September meeting any proposed changes for approval.*
- d) *The Audit and Risk Committee approve the funding of the recommended operationally focussed in-house internal audit resource from the existing Internal Audit consultancy budget and existing operating budgets.*

Chairperson Robertson / Councillor Montgomerie

11 RISK REPORTING ON THE 2023/24 ANNUAL PLAN; 2024/34 LONG TERM PLAN AND THE AHU AKE – WAIPĀ COMMUNITY SPATIAL PLAN PROJECTS

Manger Strategy, Melissa Russo and Principal Strategic Planner, Vanessa Honore provided the Committee with a summary of risks as detailed in the report.

COMMITTEE MINUTES



RESOLVED

14/23/29

That the Audit and Risk Committee receives the report of Melissa Russo, Manager Strategy, titled 'Risk Reporting on the 2023/24 Annual Plan, 2024-34 Long Term Plan and the Ahu Ake Waipā Community Spatial Plan projects' (document number 11007561).

Councillor Montgomerie / Councillor A Brown

12 WATER TRANSITION RISK MANAGEMENT UPDATE

[Item 12 was taken after items 13 and 15]

[the meeting adjourned at 12.45pm and re-convened at 1.15pm]

Group Manager Service Delivery, Dawn Inglis gave an update of the current risks identified in the 3 Waters Reform Transition programme.

RESOLVED

14/23/32

That the Audit and Risk Committee receives the report of Sherryn Paterson, Manager Delivery Performance, titled Water Transition Risk Management Update (document number 11016667).

Councillor Gordon / Councillor Montgomerie

13 CLIMATE CHANGE GOVERNANCE IMPROVEMENT PROGRAMME APPROVAL

[This item was taken before item 12]

Group Manager Strategy, Kirsty Downey spoke to the report.

Ms Downey sought approval from the Committee for an amendment to the recommendation being that the Audit and Risk Committee recommended to Council approval of the Climate Change Governance Improvement Programme Plan. This followed feedback from the Strategic Planning and Policy Committee meeting on 6th June during the Groups of Activities report on the Long Term Plan discussion that Council as a whole should approve the programme.

RESOLVED

14/23/30

That the Audit and Risk Committee receive the report of Genny Wilson, Business Resilience and Risk Advisor, titled 'Climate Change Governance Improvement Programme Plan Approval' (document number 11007956), and recommend the Climate

COMMITTEE MINUTES



Change Governance Improvement Programme Plan (document number 11013238 to Council for its approval.

Councillor L Brown / Councillor Montgomerie

14 ASSET MANAGEMENT PLANNING AUDIT – IMPROVEMENT PROGRAMME

[item 14 taken after items 13,15 and 12]

Group Manger Service Delivery, Dawn Inglis, provided an update on progress achieved since the last report to the Audit and Risk Committee in June 2022.

RESOLVED

14/23/33

That the Audit and Risk Committee receives the report of Dawn Inglis, Group Manager Service Delivery, titled Asset Management Planning Audit - Improvement Programme (document number 11015070).

Councillor L Brown / Councillor Montgomerie

15 COMPLIANCE MANAGEMENT IMPROVEMENT PROGRAMME UPDATE

[Item 15 was taken before items 12 and 14]

Business Resilience and Risk Advisor , Genny Wilson spoke to the report.

RESOLVED

14/23/31

That the Audit and Risk Committee receives the report of Genny Wilson, Business Resilience and Risk Advisor, titled 'Compliance Management Improvement Programme Update' (document number 11007877).

Councillor Gordon / Councillor Montgomerie

16 CAPITAL PROGRAMME UPDATE TO 30 APRIL 2023

Manager Project Delivery, Peter Thomson provided the Committee with an update of the Capital Programme to 30 April 2023.

COMMITTEE MINUTES



RESOLVED

14/23/34

That the Audit and Risk Committee receives the report of Peter Thomson, Manager Project Delivery, titled Capital Programme Update to 30 April 2023 (document number 11015592).

Councillor A Brown / Chairperson Robertson

17 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED

14/23/35

(Section 48, Local Government Official Information and Meetings Act 1987)

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
18. Confirmation of Public Excluded Minutes – 13 March 2023 19. Capital Programme Risks to 30 April 2023 20. Deep Dive into Top Risks 6 and 7 21. Litigation Update 22. Group Risk Discussion – Group Manager Strategy 23. Organisational Risk Discussion with the Chief Executive	<i>Good reason to withhold exists under section 7 Local Government Official Information and Meetings Act 1987</i>	<i>Section 48(1)(a)</i>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected



by Section 6 or Section 7 of that Act, or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may be, which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, are as follows:

Item No.	Section	Interest
18,22,23	Section 7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.
18,22,23	Section 7(2)(b)(i)	To protect information which if public would; disclose a trade secret.
18,22,23	Section 7(2)(b)(ii)	To protect the information which if public would; unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.
18,20	Section 7(2)(c)(i)	To protect information which is subject to an obligation of confidence where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, where it is in the public interest that such information should continue to be supplied.
18,20	Section 7(2)(c)(ii)	To protect information which is subject to an obligation of confidence where the making available of the information would be likely otherwise to damage the public interest.
18,21	Section 7(2)(g)	To maintain legal professional privilege
18,19	Section 7(2)(h)	To enable the council to carry out, without prejudice or disadvantage, commercial activities.



Chairperson Robertson / Councillor L Brown

The meeting went into Public Excluded at 1.47pm

There being no further business the meeting closed at 3.18pm

CONFIRMED AS A TRUE AND CORRECT RECORD

CHAIRPERSON:

.....

.....

DATE:

.....

APPENDIX 2

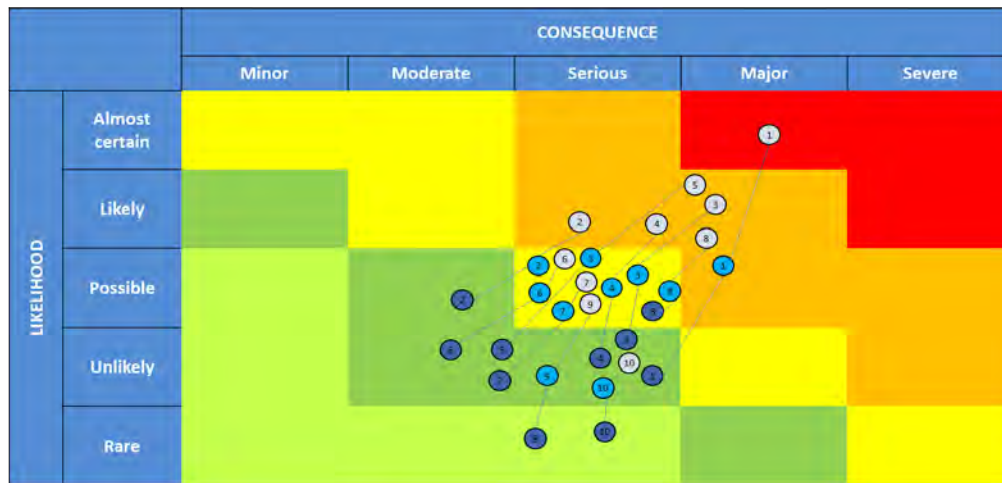
Quarterly Risk Report for February to April 2023 (ECM number 11028033)

QUARTERLY RISK MANAGEMENT REPORT FOR FEBRUARY TO APRIL 2023

KEY INSIGHTS

- The annual Top Risks and Risk Appetite Refresh workshop is due to be held prior to this item. The Top Risks and Risk Appetite Statement for 2023/24 will be presented to the next ARC meeting.
- The relatively high levels of residual risk indicate the current volatility within the environment.
- Fitch Ratings has affirmed the Long-Term Local-Currency Issuer Default Rating (IDR) on Waipā District Council at 'AA-' with the Outlook assessed as Stable. The latest Reserve Bank of NZ statement also provided positive indication that they are at the top end of their 'tightening' cycle. The trend for Top Risk 8: Risk to financial sustainability has been returned to neutral this quarter based on this analysis.
- The KRI reporting has been enhanced based on feedback at the last meeting. A further two Top Risks have been added to the KRI section of this report. The KRI results this quarter do not indicate a change in rating is required
- The internal audit programme is on track.

TOP RISKS HEAT MAP – 10 TOP RISKS



Key: ① Current Residual Risk ● Risk Appetite ● Interim Target Risk

- A total of 10 Top Risks identified and assessed for this financial year.

KEYS

E Emitter risk **R** Receiver risk

- Staff capacity and capability
- Delivery of Capital works
- Risk to Financial Sustainability
- Staff capacity and capability
- Delivery of Capital works
- Stakeholder Relationships
- Community Engagement

Higher velocity Risk Pathways

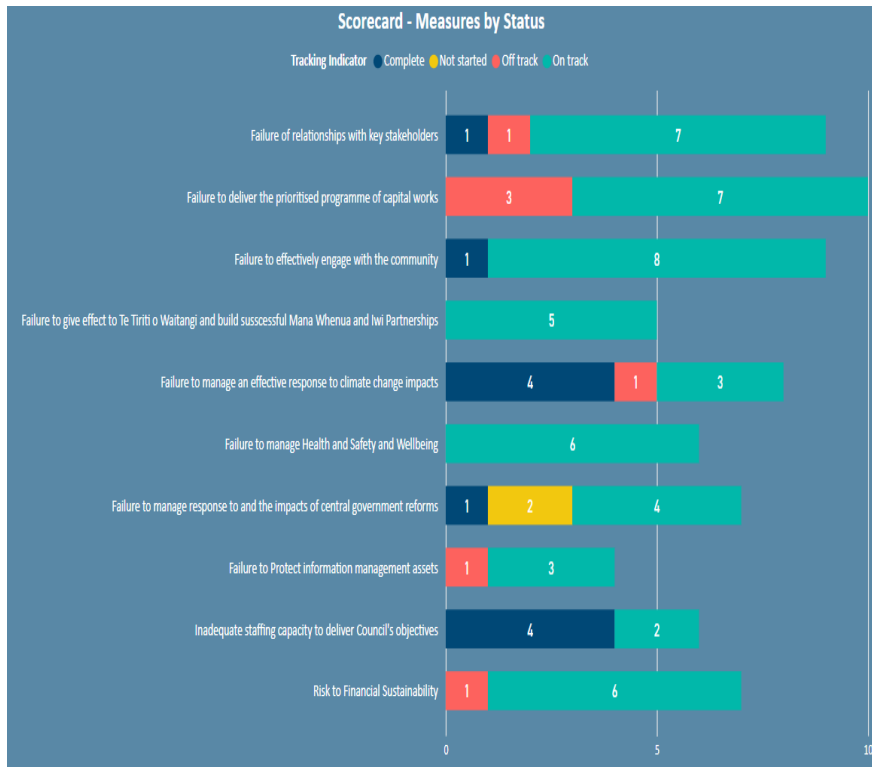
- Information management –
- Community Engagement

SUMMARY OF TOP RISKS

#	Risk Area and Statement	Residual (current) level	Trend
1	Inadequate staffing capacity and capability to deliver Council's objectives: If Council is not adequately resourced, both in terms of capacity and capability, then this under resourcing may contribute to failure and/or significantly increased costs to deliver service levels and key projects.	Very High	➔
2	Failure to deliver the programme of capital works: If Council fails to plan for and deliver the proposed programme of capital works as prioritised then this will impact the overall delivery of infrastructure to support growth, level of service improvements and asset replacement.	Very High	➔
3	Risk to Financial Sustainability: If Council does not have sufficient liquidity and/or funding or debt levels are at a limit; has not planned effectively for growth, including timing of infrastructure; has not completed planned asset sales; or if an unseen event such as a disaster required funding then delivery of service levels and key projects may be significantly impacted.	Very High	➔
4	Failure to effectively engage with the community: If Council does not effectively engage with the community, then the impacts of Council decisions will not be understood, and with the current level of change fatigue Council's reputation and community engagement may be negatively impacted.	Very High	➔
5	Failure to manage an effective response to climate change impacts: If Council does not actively understand climate change impacts and manage an effective response to these impacts then this may have significant financial and reputational effects as well as adverse economic and social impacts on the community.	Very High	➔
6	Failure to give effect to Te Tiriti and build successful Iwi/Mana Whenua partnerships: If Council fails to give effect to Te Tiriti and build and sustain partnerships with Iwi/Mana Whenua, including support of developing capability and capacity internally and within Mana Whenua, then Council will fail to meet its governance obligations and the ability to operate and deliver key projects will be significantly impacted.	High	➔
7	Failure of relationships with key stakeholders: If Council has a breakdown in relationships with key stakeholders, then Council's ability to operate and deliver services and projects effectively and within reasonable timeframes will be significantly impacted with negative flow on impacts to the community.	High	➔
8	Failure to manage response to and the impacts of central government reforms: If Council does not prepare for, understand impacts, and manage the response and transition to the reforms being led by central government then this may have significant financial and reputational effects on the organisation, as well as adverse economic and social impacts on the community	Very High	➔
9	Failure to manage Health and Safety and Wellbeing: If Council does not have a strong health and safety and wellbeing culture and commitment to keeping staff, contractors and members of the public safe and well for Council controlled activities then there will be unacceptable injuries, poor mental wellbeing and potentially fatalities with legal consequences.	High	➔
10	Failure to protect information management assets: If information management assets are compromised through actions of staff or other parties including cyber-security attacks, privacy breaches, data loss or corruption, or non-compliance of legislated obligations then Council's delivery of services and reputation will be negatively impacted.	Moderate	➔

QUARTERLY RISK MANAGEMENT REPORT FEBRUARY TO APRIL 2023

TOP RISK MITIGATION ACTION MONITORING EXCEPTIONS



Top Risk	Measure/Action	Status Action	Tracking Indicator	Exec Owner	Status Comment
Failure to manage response to and the impacts of central government reforms	Commence the review of Waipā 2050 Growth Strategy following the development of Ahu Ake (Waipā Community Spatial Plan) and the Future Development Strategy	Not started	Not started	CE	This work will be informed by Ahu Ake and the FDS.
Failure to manage response to and the impacts of central government reforms	Role established for managing Future of Local Government reforms	Not started	Not started	CE	It has been determined that this role is no longer required.
Failure of relationships with key stakeholders	Complete the review and commence the implementation of the Economic Wellbeing Strategy	In progress	Off track	GM Strategy	The project has experienced delays. With the recent retirement of the Business Development Manager, we are considering where Council's focus should be from an economic development perspective. Once we have filled this vacancy, it will be a high priority to progress this strategy.
Failure to deliver the prioritised programme of capital works	Cambridge Strategic Transport Network Review Business case	In progress	Off track	GM Service Delivery	Waka Kotahi endorsed scope and have provided some funding toward business case. Strategic case complete. Long list of options completed. Developed options for traffic model testing. Project completion will be delayed to September or October as the regional transport model is still undergoing testing and we need this to be validated before running options for new bridge locations etc.
Failure to deliver the prioritised programme of capital works	Cycling – Te Awamutu/ Nga Roto/ Pirongia connection	In progress	Off track	GM Service Delivery	Significant challenges identified in early 2023 and new project scope agreed with Service Delivery Committee in April 2023
Failure to deliver the prioritised programme of capital works	Western Arterial Designation (northern section) uplifting underway	In progress	Off track	GM Service Delivery	Consent process begun. Draft notice prepared. Service Delivery committee approved progressing designation change at February 2023, meeting. Staff resourcing likely to limit ability to complete designation removal/ change by 30 June 2023 but should be completed in 2023 calendar year.
Failure to manage an effective response to climate change impacts	Lead the development of the Environment Strategy (including implementation plan) for adoption by 30 June 2023	In progress	Off track	GM Strategy	Council has recently received the recommendations of an Audit completed by KPMG on our role in responding to climate change. We are in the process of developing an Improvement Plan to map out how best to respond to these recommendations. One of the considerations is our strategy in this space and whether we progress with an Environment Strategy or turn the focus to climate change or a hybrid approach. Due to this, we are undertaking more investigative works and will not be progressing the Environment Strategy externally until we have greater clarity on the most appropriate way forward.
Failure to Protect information management assets	Everything in Its Place Initiative (EIP) – moving from setting the groundwork up to more of a compliance and reporting focus	Ongoing	Off track	GM Business Support	Scope and progress assessment currently underway with new IM Lead.
Risk to Financial Sustainability	Property sales are achieved in line with the Property Strategy which sets the course for realising asset sales revenue and ensuring the highest best use and optimised returns from council owned properties	Ongoing	Off track	GM Business Support	Manager Property Projects role became vacant 21 October 2022, which has slowed this activity down. We have recruited a permanent replacement who commences on 6 March 2023 which should assist in gaining momentum in near future.

INTERNAL AUDIT UPDATE

- The Internal Audit improvement programmes are largely on track.
- The Climate Change Governance Improvement Programme Plan developed to implement the audit recommendations is presented to this ARC meeting as a separate agenda item.
- The Fees and Charges: Building and Resource Consents and Development Contributions Review improvement programme plan developed to implement the recommendations is presented to this ARC meeting.
- Updates on the Asset Management Planning and Legislative Compliance Improvement Programmes are provided as separate agenda items.
- Improvement programs completed and no longer being reported:
 - Payroll (including follow up)
 - Health and Safety
 - Capex procurement (PSP)

Audit	Type of Audit	Year audit completed	Expected programme completion	RAG status
Business Continuity Management Gap Analysis	Maturity	May-2017	Jun-2024	Follow up audit completed May 2022. New action plan
Procure to Pay	Internal control	May-2017	Jun-2024	On track for action plan from follow up audit
Contract Management	Internal control	Mar-2018	Jun-2024	On track for action plan from follow up audit
Risk Management Maturity	Maturity	Jun-2018	Jun-2023	On track
Legislative Compliance Framework	Maturity	Mar-2019	Jun-2023	On track
Asset Management Planning Framework	Internal control	May-2020	Jun-2023	Progressing
Fraud Risk Management Gap Analysis	Internal control	Mar-2021	Jun-2024	On track
Project and Programme Management	Maturity	Oct-2021	Jun-2024	On track
Fees and Charges: BC, RC and DC	Internal control	Oct-2022	Jun-2025	On track

QUARTERLY RISK MANAGEMENT REPORT FOR FEBRUARY TO APRIL 2023

EMERGING RISKS

An emerging risk was identified last quarter due to the impact of Cyclone Gabrielle on infrastructure and is being monitored. It is still unclear of the impact of the recovery on supply chains, funding and resourcing as the financial and infrastructure impacts are still being quantified by insurance and government agencies.

If the remediation of the impacts of Cyclone Gabrielle on infrastructure are given priority then there may be flow on impacts to the capital works programme due to a shortage of resources, including personnel, supplies and funding from central government.

A new emerging risk has been raised after Ministry for Primary Industries advised that freshwater gold clam has been found in the Waikato River at Bob's Landing, near Lake Karapiro.

If the freshwater gold clam invades the Waikato River then the negative impact may result in undermining Iwi and Mana Whenua relationships, damage infrastructure (particularly water and wastewater treatment), and affect events and tourism in the District.

ADDITIONAL RISK REPORTING (as per Risk and Compliance Management Policy)

PROJECT DELIVERY RISKS (Capital Works)

Project Delivery Risks (Capital Works) will be discussed under Project Delivery Report agenda item (may be Public Excluded).

OPERATIONAL RISKS

The implementation project for the Promapp Risk module is underway. The proposed configuration of the system is to be agreed with RCOG and management by the end of June.

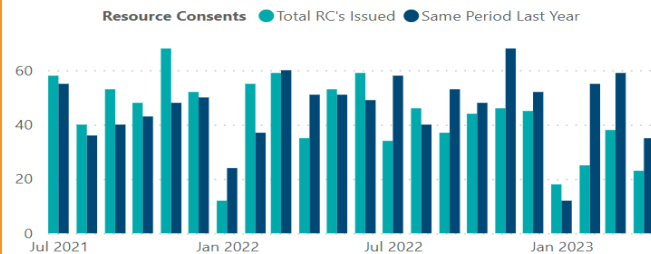
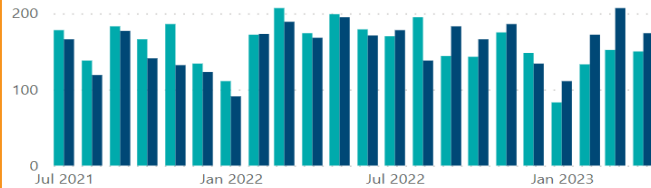
KEY RISK INDICATORS

Top Risk 2: Failure to deliver the prioritized programme of capital works and Top Risk 3: Risk to Financial Sustainability

Key Risk Indicator Report

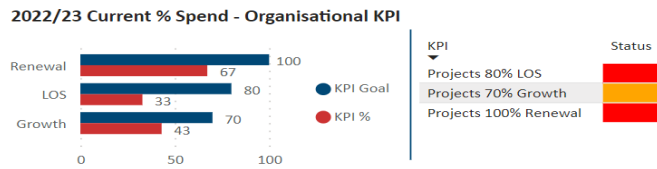
Status = Not started - On track - Off track - At risk - Complete

Consent numbers financial YTD vs same period last year



Building Consent categories included: New Dwelling & Detached Habitable Building

Delivery of the capex programme against the Annual Plan budget:



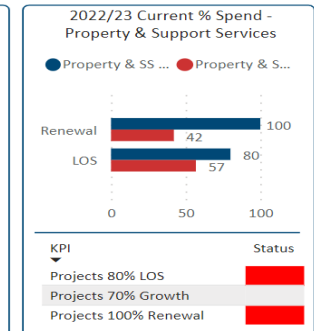
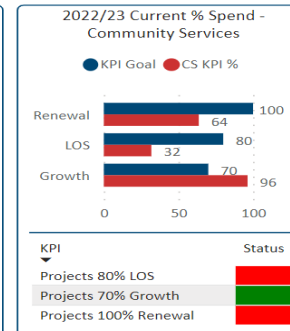
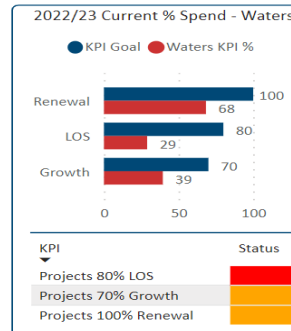
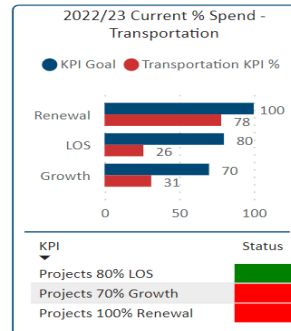
Budget vs actual variance for operations:



Budget vs actual variance for capex:

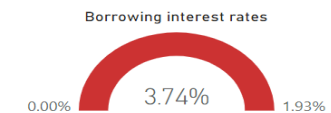
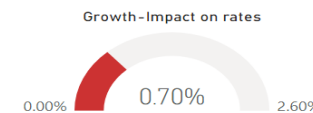
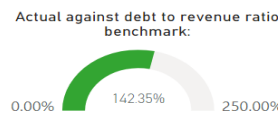


Delivery of the capex programme against the Annual Plan budget by Activity Area:



Status: On Track >= 100% of target || At Risk 80-99% of target || Off Track <79% of target

Monitoring of assumptions used in preparing Annual Plan as year progresses:



QUARTERLY RISK MANAGEMENT REPORT FOR FEBRUARY TO APRIL 2023

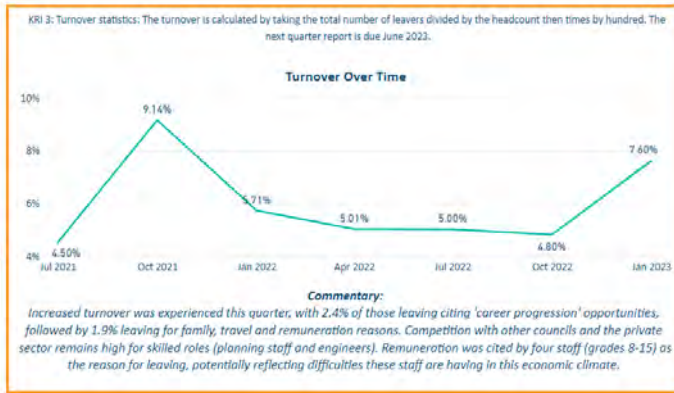
KEY RISK INDICATORS

Top Risk 1: Inadequate staffing capacity and capability to deliver Council’s objectives



Average Vacancies Quarter (Jan - Mar) 23	Number of Internal Appointments Quarter (Jan - Mar) 15	Average Time to Hire (Working Days) Quarter (Jan - Mar) 31
25 Last 12 months	45.0% % of Total Hires	31 Quarter (Jan - Mar)

Commentary:
The average time to recruit across the six councils utilising the shared recruitment platform was 96 days. Significant differences in recruiting time between councils, indicating challenges with specific roles and/or location. By comparison, Waipā DC doing very well.

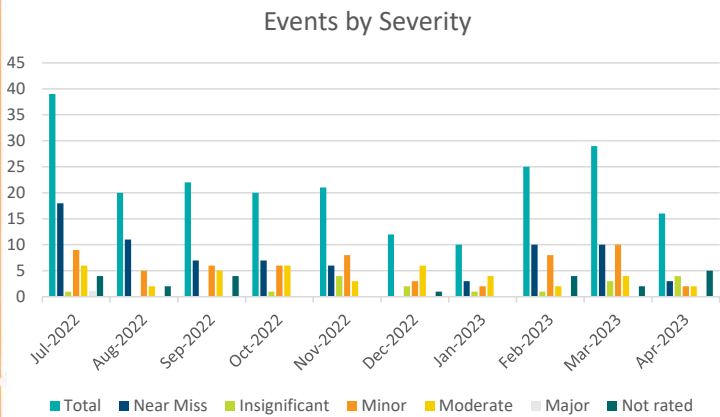


LABOUR MARKET

Wages: 2.7%	New Zealand: 2.2%	Employment (place of residence): 2.2%
-9.2%	-9.4%	Jobseeker Support recipients: -9.4%
2.4%	3.4%	Unemployment rate: 3.4%

Commentary:
Increased turnover was experienced this quarter, with 2.4% of those leaving citing 'career progression' opportunities, followed by 1.9% leaving for family, travel and remuneration reasons. Competition with other councils and the private sector remains high for skilled roles (planning staff and engineers). Remuneration was cited by four staff (grades 8-15) as the reason for leaving, potentially reflecting difficulties these staff are having in this economic climate.

Top Risk 9: Failure to manage Health and Safety and Wellbeing



KRI 1: Reported events by severity YTD in TRAX – lag indicator

KRI 2: A Lead indicator for wellbeing will be included once the wellbeing framework is developed and agreed, including measures

OTHER PROGRAMME AND PROJECT RISKS

Project	Description	Risk Reduction Measure & Treatment Type	Residual Risk Rating
Digital programme	If there is a reprioritisation of priorities and in particular significant increase in BAU activity which takes pre-planned project resources away from projects then projects will be delayed.	Project planning including resource requirements completed for all projects. Conservative worst case scenario applied. Backfilling considered where significant resource is required.	Very High Risk
HRP Project	If the project experiences extended timeframes then it will increase the cost of the project.	External consultants being rescheduled. Projections for internal resource costs to scope the effects of the extended timeline. Tight governance around data migration. Raising concerns with T1 consistently throughout project around the challenges to date.	Very High Risk
LTP Project	If there is a lack of resourcing and reliance on key staff and the preparation of the LTP represents a higher workload for those roles (strategy, business case writers, budget owners, finance and communications staff) than an Annual Plan year then in these teams it could result in capacity and knowledge gaps, in particular if those staff are absent or leave the organisation.	Clear timeline and roles and responsibilities in place. Key staff will be made aware of critical times in the project and have contingencies in place for leave. GMs and managers are responsible for engaging external support to assist with preparation of the LTP and more may be engaged at certain points in the project.	Very High Risk
LTP Project	If Council overestimates the level of work Council can do - If Council overestimates the level of work they can deliver and submit budgets and project requirements over and above what can be delivered then this could result in reputational and financial consequences.	Updated 22/5/23 - The LTP PCG moved this risk to very high risk as current mitigations require further analysis. The revised rating is also in line with Council's Top Risk 2. Currently delivery across past years is being examined. Guidance has been issued to activity managers as part of business case development. Staff also plan undertake a deep dive in June on this risk to ensure mitigation measures put in place through the development of the 2024-34 LTP are adequate.	Very High Risk

CYBERSECURITY RISK UPDATE

- Artificial intelligence chatbot platforms such as OpenAI's ChatGPT, have become increasingly popular. To protect the council, official email addresses should not be used to log in, and fictitious names (such as Acme Ltd and John Doe) should be used in place of council and other real names. SSS is currently examining chatbot platforms with a view to release guidance to our clients in the very near future.
- IS continue to implement recommended improvements from the fortnightly reports, including tidying up licences and devices. The level of vulnerabilities is maintained at a manageable level and is well managed by Information Services staff.
- Meraki networking equipment maintain good 'health', i.e. they remain operating as expected.
- ALGIM SAM controls have been updated for cloud services. IS are currently completing a self assessment against these controls.

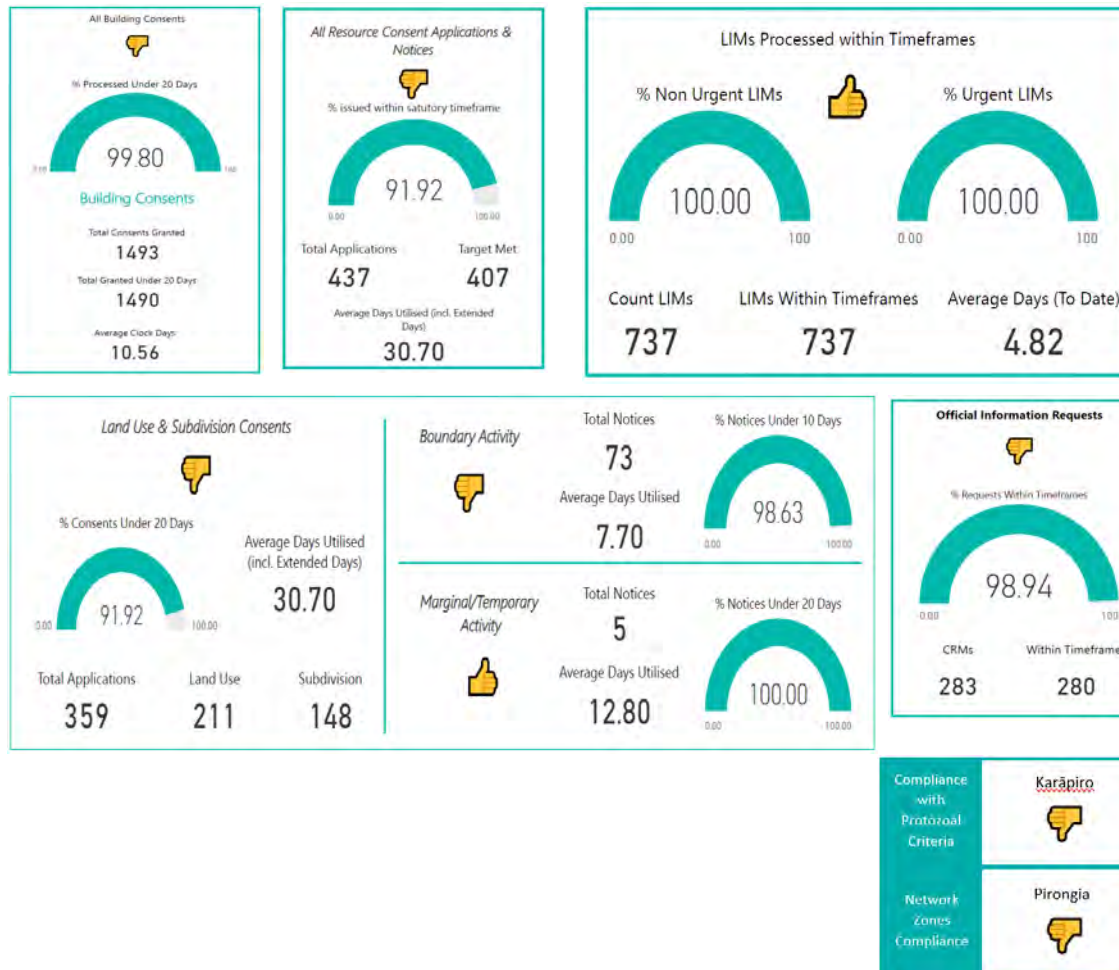
LITIGATION RISK UPDATE

There are currently two legal proceedings initiated in the Courts against Council relating to allegations of negligence. The claims seek damages of over \$2.5 million and \$1 million respectively. Further information is provided in the Litigation update elsewhere in the agenda.

QUARTERLY RISK MANAGEMENT REPORT FOR FEBRUARY TO APRIL 2023

COMPLIANCE REPORTING

STATUTORY TIMEFRAME COMPLIANCE (YTD to 30 April 2023)



Commentary for those compliance performance measures not meeting target YTD:

Building Consents

100% of consents issued throughout October 2022 to April 2023 were issued within the statutory timeframes. Those which exceeded the 20 day timeframe in prior months were a result of temporary software issues which have since been resolved and human error. Training has been carried out to prevent reoccurrence of the errors made by staff.

Resource Consents

There have been a total of 30 consent applications which have not been processed within the statutory timeframes, this is a result of staff vacancies and capacity constraints, as well as complexities and specific issues with the applications. One consent which is showing as off track has actually been processed within the statutory timeframe, the system does not allow for the days in which the hearing was open for this application, which are not counted as working days.

Drinking Water Compliance – Network Zone

Compliance was not met for Karāpiro WTP. A programming issue identified in May 2022 which has since been resolved.

A sampling error resulted in a non-compliant status for Pirongia Reticulation Zone for the month of April.

Official Information Requests

Of 283 LGOIMA's total, 3 have not met target. One LGOIMA response was sent out in October with one day's delay - the request was declined under sections 7(2)(g) and 17(a) of the Local Government Official Information and Meetings Act 1987 Waipa District Council - legal privilege. One LGOIMA response was completed in time, however there was a delay by staff in delivery of the response which resulted in the request being 2 days over the 20 day timeframe. The final request over timeframes is relating to an investigation from the Ombudsman and should not have been logged as a LGOIMA.

OMBUDSMAN COMPLAINTS

We had two Ombudsman's investigations. One was notified on 17/02/23 and related to Council's decision to withhold information in response to a LGOIMA request. The other was notified on 28/02/23 and related to Council's decision not to reduce a ratepayer's rates.

The Ombudsman's office has subsequently completed its investigations into both complaints, and notified Council that they were not upheld.

PRIVACY

No privacy breaches have been recorded this quarter.

APPENDIX 3

Audit Plan for 2022/23 Audit (ECM 11028033)

Audit plan

Waipā District Council

For the year ending 30 June 2023

Audit plan

I am pleased to present our audit plan for the audit of Waipā District Council (the Council) for the year ending 30 June 2023. The purpose of this audit plan is to discuss:

Audit risks and issues	2
Group audit	10
Our audit process	12
Reporting protocols	20
Audit logistics	21
Expectations.....	23

The contents of this plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public’s trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely

René van Zyl
 Appointed Auditor
 2 June 2023 - draft

Audit risks and issues

Focus areas



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response								
Revaluation of property, plant and equipment									
<p>The Council revalues its operational and infrastructure assets held at fair value whenever there is expected to be a material movement in the fair value of these assets. The last revaluations performed is stated in the table below.</p> <p>Because of the recent inflationary environment most councils have been revaluing more frequently.</p> <p>The accuracy of the valuation depends on the valuation method applied, the completeness and accuracy of the source data and the appropriateness of underlying assumptions. Because of the large value of the assets held by the group, a small movement in the key assumptions can have a significant impact on the valuation and consequential depreciation expense recognised in the financial statements.</p> <p>The assets undergoing revaluation as at 30 June 2023 include the following classes of infrastructure assets:</p> <ul style="list-style-type: none"> • Roothing infrastructural assets. • Three waters infrastructural assets (wastewater, water supply and stormwater). 	<p>We will:</p> <ul style="list-style-type: none"> • review the valuation report to assess the competence and experience of the person completing the valuation and whether the requirements of PBE IPAS 17 Property, Plant and Equipment (including the appropriateness of the valuation basis) have been met; • audit the method of valuing the assets and assess if the valuation method used is in line with the financial reporting framework; • review the reasonableness of the data and key assumptions used; and • assess the presentation and disclosure of information related to the valuation in the financial statements. 								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #008080; color: white;">Asset Class</th> <th style="background-color: #008080; color: white;">Last valuation</th> </tr> </thead> <tbody> <tr> <td>Operational Land and Buildings</td> <td>June 2022</td> </tr> <tr> <td>Three waters infrastructural assets (wastewater, water supply and stormwater)</td> <td>June 2021</td> </tr> <tr> <td>Roothing infrastructural assets</td> <td>June 2021</td> </tr> </tbody> </table>		Asset Class	Last valuation	Operational Land and Buildings	June 2022	Three waters infrastructural assets (wastewater, water supply and stormwater)	June 2021	Roothing infrastructural assets	June 2021
Asset Class	Last valuation								
Operational Land and Buildings	June 2022								
Three waters infrastructural assets (wastewater, water supply and stormwater)	June 2021								
Roothing infrastructural assets	June 2021								

Audit risk/issue	Our audit response
Fair value assessment of property, plant and equipment (non-revaluation year)	
<p>For those assets that the Council is not planning to revalue, the Council should perform a fair value movement assessment (assessment) to determine whether there is a significant difference between the fair value and the carrying value. Where the estimated difference is significant a revaluation may be necessary.</p> <p>An assessment should:</p> <ul style="list-style-type: none"> • factor in local cost information; • utilise relevant and reliable price movement indicators; and • involve consulting with valuers, if necessary. <p>Alternatively, Council could engage valuers to assist in preparing a fair value assessment.</p> <p>In accordance with PBE IPSAS 21, <i>Impairment of Non-Cash-Generating Assets</i> and PBE IPSAS 26 <i>Impairment of Cash-Generating Assets</i>, at each reporting date management must assess whether there is any indication that an asset may be impaired. If management identifies any indication of an impairment, then they must estimate the recoverable service amount of the asset.</p> <p>Assets are required to be assessed for indicators of impairment on an annual basis.</p> <p>Irrespective of whether there are any indications of impairment, intangible assets not yet available for use (that is, work in progress) and intangible assets with indefinite useful lives must be <i>tested</i> for impairment at least annually.</p> <p>Work-in-progress (WIP) values on projects that span an extended period of time should be assessed regularly for impairment over the life of the project. The Council needs to ensure that as phases of a project are completed, and assets become operational, capitalisation of the WIP balance occurs in a timely manner. This will ensure that depreciation expense on these assets is recognised and accounted for appropriately.</p>	<p>We will:</p> <ul style="list-style-type: none"> • review the fair value movement assessment; • review the impairment assessment; • review the WIP assessment; • evaluate the reasonableness of the significant assumptions; • evaluate how management has addressed estimation uncertainty; and • reperform calculations made by management. <p>If the movement of the assets individually or in combination with other asset classes is significant the Council may need to complete a revaluation. In certain circumstances it <i>may</i> be acceptable to make an adjustment based on the desktop revaluation.</p>

Audit risk/issue	Our audit response
Major capital projects	
<p>The Council continues to have a significant ongoing capital programme which is in some instances challenging to deliver against in the current market.</p> <p>Accounting for capital projects, whether completed during the year or in progress at balance date, requires assumptions and judgements to be made that can have a significant impact on the financial statements. Management and the Council are responsible for managing the financial statement risks associated with capital projects.</p> <p>This includes ensuring:</p> <ul style="list-style-type: none"> • project costs are reviewed to ensure these are appropriately classified as capital or operational in nature; • work in progress (WIP) balances for projects already completed or available for use are transferred to the appropriate class of asset in a timely manner and depreciated accordingly from the date of capitalisation; • WIP balances on projects that span an extended period of time are assessed regularly for impairment over the period of the project. Costs no longer meeting criteria for recognition as an asset should be expensed in a timely manner; • asset components are identified at an appropriate level, and appropriate useful lives are assigned to these components on completion; • the value and remaining useful life (RUL) of existing assets remains appropriate given replacement projects underway; and • capital commitments related to contracts entered into before balance date are disclosed in the notes to the financial statements. 	<p>We will review the accounting for costs incurred on capital projects, including:</p> <ul style="list-style-type: none"> • assumptions and judgements used by management in classifying costs as either capital or operational; • appropriate capitalisation point for completed assets, including transfers from work in progress; • the reasonableness of depreciation rates and useful lives applied to asset components; • the disclosures included within the financial statements, including those relating to capital commitments; • treatment and disclosure related to additional cost claims for projects, including where these remain in dispute or under negotiation.

Audit risk/issue	Our audit response
<p>The financial and disclosure implications of contract variations or additional claims from contractors are appropriately accounted for, where construction costs are significantly higher than originally agreed including where payment of these remains under negotiation with the contractors.</p>	
<p>Water services reform</p>	
<p>The Water services reform programme (the Reform) is expected to result in significant structural changes to the management, funding and ownership of water supply, wastewater, and stormwater assets in the local government sector.</p> <p>The Government has recently announced a number of changes to the reform. On 13 April 2023, the Government outlined changes to the number of water services entities and a staggering of their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.</p> <p>The Bill to enable the transfer of three waters related assets and liabilities to the water services entities is currently with the select committee and will need to be passed to enable water assets to transfer to the related water entity.</p> <p>The timing of the legislation through Parliament will impact the 30 June 2023 annual report. If the legislation has not passed before 30 June an updated disclosure may still be appropriate. If the legislation is passed before 30 June, there will likely be some additional accounting and disclosure requirements.</p> <p>The Council should ensure that sufficient disclosure about impact of the reform (to the extent that the impact is known) is included in the annual report.</p>	<p>We will review the Council’s disclosures to ensure they accurately reflect the significance and uncertainty of the Reforms on Council.</p> <p>Because the impact could be significant, but is uncertain, we are likely to include information in our audit report to draw a reader’s attention to Council’s disclosure about the Reform.</p>

Audit risk/issue	Our audit response
Drinking water quality performance measures	
<p>Providing safe drinking water is a core function of the council and reporting how Council has performed in respect of this function in the annual report is important performance information.</p> <p>The regulatory regime in place over the safety of drinking water has transitioned in the current year from the Drinking Water Quality Standards (DWS) to the new Drinking Water Quality Assurance Rules (DWQARs) which came into effect on 14 November 2022.</p> <p>Performance measures about compliance with the DWS are currently mandated by the Department of Internal Affairs who have issued mandatory performance measures that are required to be reported against in Council's annual report.</p> <p>There are currently no similar performance measures with respect to the new DWQARs. Despite this it is important that the Council includes appropriate performance information about their compliance with the new DWQARs. This performance information will be subject to audit and therefore it is important that Council is able to support the performance results that they report.</p>	<p>We will work with Council to agree what performance information and measures would be appropriate and audit the results reported against the agreed measures.</p>
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

New accounting standards

First-time adoption of PBE IPSAS 41 Financial Instruments

PBE IPSAS 41: *Financial Instruments* is effective for periods beginning on, or after 1 January 2022. Earlier application was permitted however the Council did not early adopt the standard. The standard introduces new and amended classification, measurement, impairment and hedging requirements and disclosure for financial assets and financial liabilities. This standard replaces both PBE IPSAS 29 and PBE IFRS 9. PBE IPSAS 41 is based on PBE IFRS 9 and has been amended to include additional PBE guidance relevant to the New Zealand context.

As the Council is transitioning from PBE IPSAS 29, the transition may result in a number of significant changes.

The main changes introduced by PBE IPSAS 41 are that the standard:

- Introduces a new classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held. This could result in some instruments moving from amortised cost accounting to fair value accounting, or vice versa.
- Applies a forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing.
- Introduces a hedge accounting model that broadens the hedging arrangements in scope of the guidance and removal of the 80-125% effectiveness "bright line" test. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. Entities that adopt PBE IPSAS 41 have a choice of either adopting the new hedging model of PBE IPSAS 41 or continuing to apply the hedging model of PBE IPSAS 29.
- There are also new disclosure requirements as the standards setters believe additional information on risks such as credit risk are increasingly important to users of the financial statements.

The Council will need to prepare an analysis of the classification of its financial instruments in terms of the standards and determine the necessary accounting and disclosure adjustments required.

The Council will need to update its accounting policies and disclosures in the financial statements to reflect the adoption of the new standard. The 21J [Local authorities model financial statements](#) reflect the early adoption of this standard and provide illustrative disclosures.

Adoption of PBE FRS 48 Service Performance Reporting

PBE FRS 48 Service Performance Reporting replaced that part of PBE IPSAS 1 Presentation of Financial Statements that deals with service performance reporting requirements and is effective for annual reporting periods beginning on or after 1 January 2022, that is, for the Council, it is for the year ending 30 June 2023.

The objective of the standard is “to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general-purpose financial report”. PBE FRS-48 requires an appropriate and meaningful mix of performance measures and/or descriptions, including, where appropriate, measures of both the goods and services provided and of what has been achieved in the Council’s areas of responsibility.

In addition, PBE FRS 48 imposes additional disclosure obligations on entities. For example, paragraph 44 requires an entity to “disclose those judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information reported in accordance with this Standard that are relevant to an understanding of the entity’s service performance information”. Further if the district Council changes what it reports as service performance information compared to the previous year, then PBE FRS 48 requires the district Council to explain the nature of the changes and their effect.

We will review Council’s compliance with the new standard. We are providing a PBE FRS 48 *Service Performance Reporting* checklist to the Council to perform a self-review.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant – misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. In this regard, we will discuss the following questions with you:

- What role does Council play in relation to fraud? How do you monitor management’s exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?

- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to Council? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Group audit



The group comprises:

- Waipā District Council;
- Waipā Community Facilities Trust; and
- Cambridge Town Hall Trust.

Our auditor's report covers the group as a whole. Our audit approach is developed to ensure we have sufficient information to give an opinion on the group. In designing our group audit approach, we considered the structure of the group and identified the entities which are included in the group financial statements. Each entity is referred to as a component. We have assessed the risks of material misstatement and have identified our approach for each component. The table below shows the work planned for the significant component.

Significant component	Work to be performed
Waipā District Council	<p>Waipā District Council will be audited by the Appointed Auditor using the Audit New Zealand audit team.</p> <p>The audit work on this component will be a full financial statement and performance report audit relating to classes of transactions and account balances.</p>

For non-significant components, we will perform analytical procedures at the group level to identify unexpected movements.

We will report any significant internal control deficiencies to the Council and management of the group. This will include any deficiencies identified by the group engagement team or brought to our attention by the component auditor. We will communicate deficiencies related to:

- group-wide internal controls; or
- internal controls at each component.

We will also communicate any fraud identified by the group engagement team or brought to our attention by the component auditor.

Considerations regarding Cambridge Town Hall Trust

During the 2020/21 financial year, the District Council formed a new entity, the Cambridge Town Hall Community Trust (the Trust). The Trust was created after a special consultative procedure under section 83 of the Local Government Act 2002 was run late last year, proposing the creation of a charitable trust as the preferred option for making better use of the Cambridge Town Hall, a well-loved, but outdated community facility in need of significant redevelopment/maintenance investment and re-activation.

We confirmed that the Trust Deed for Cambridge Town Hall Community Trust was established in April 2021. As part of the 2021/22 audit, we obtained a copy of management's assessment of the treatment of the new entity for the audit of the 2021/22 financial reporting period regarding:

- whether the entity is a Council-controlled Organisation or Council-controlled Trading Organisation; and
- if the entity should be consolidated into the financial statements of the District Council for 2021/22.

We draw your attention to the recent OAG publication regarding accountability requirements to consider when establishing a new "public entity". This can be found at <https://oag.parliament.nz/2021/new-public-entity>.

At the time of issuing the 2021/22 audit opinion we were awaiting feedback from our technical department regarding control of Cambridge Town Hall Community Trust by Waipā District Council.

For the 2022/23 audit, we will follow up on whether the Cambridge Town Hall Community Trust should be consolidated into the financial statements of Waipā District Council.

Our audit process



Initial planning activities include verifying compliance with independence requirements and building the audit team.



We use our extensive sector and business knowledge to make sure we have a broad and deep understanding of Waipa District Council, your business, and the environment you operate in.



We use our knowledge of the business, the sector and the environment to identify and assess the risks that could lead to a material misstatement in the financial statements and performance information.



We update our understanding of internal controls relevant to the audit. This includes reviewing the control environment, risk assessment process, and relevant aspects of information systems controls. Most of this work is done during the initial audit visits. We evaluate internal controls relevant to the audit for the whole financial year, so we consider internal controls relevant to the audit at all visits.



We use the results of the internal control evaluation to determine how much we can rely on the information produced from your systems during our final audit.



During the final audit we audit the balances, disclosures, and other information included in the District Council's financial statements and performance information.



We will issue our audit report on the financial statements and performance information. We will also report to the Council covering any relevant matters that come to our attention.

New auditing standard

ISA (NZ) 315 (Revised 2019), Identifying and Assessing the Risks of Material Misstatement, is effective for the audit of your financial statements for the first time this year. The standard sets out how auditors identify and assess the risks of material misstatement in financial statements. The standard requires the auditor to understand the entity, its environment, and its internal controls and use that knowledge to identify and assess risks. There are changes to how this is done compared to the previous standard.

There will be additional work required on your audit compared to previous years. In your case, the impact will be in the following areas:

- A greater emphasis on identifying and understanding the IT applications and the other aspects of your IT environment that are subject to risks arising from the use of IT.
- Evaluating the design and implementation of the general IT controls that address the risks arising from the use of IT.
- Considering the new inherent risk factors and updating our risk assessment documentation where relevant to address these risk factors.
- Revisions to the matters we consider in evaluating your system of internal control.
- Strengthened documentation requirements relating to the exercise of professional scepticism. There is a greater emphasis on demonstrating a questioning mind and a critical assessment of audit evidence gathered when performing our risk assessment procedures.

Prioritising higher risk work to ensure an efficient year end processes

To ensure the year-end annual report and audit thereof are efficient, Council should prioritise their work to ensure higher risk areas and those that involve significant management judgment are planned to be ready for auditing as soon as possible. Timelines for this information should be agreed with us early. Delays in providing this information to us could impact our ability to resolve technical issues late in the audit process.

Examples of areas that typically involve management and auditor judgment include, and should be resolved early include:

- valuation of investment properties;
- fair value assessments and revaluations of property, plant and equipment held at fair value;
- impairment assessments for property, plant and equipment;
- provision estimates; and
- financial assets or liabilities held at fair value.

Bringing forward audit procedures

Substantive audit procedures are traditionally performed after the year-end. Where possible, we will aim to bring audit procedures earlier in the year. This will be focused on year-to-date transactions for revenue, expenditure, property, plant and equipment additions etc. Completion of these tests earlier in the year should allow for more timely identification and resolution of errors.

This testing will be completed during the interim audit. If we can complete this work earlier in the year, we expect this to reduce the final audit onsite work hours, as these hours will have been performed earlier in the year. This requires us to have the right information available during this visit to enable us to complete this work.

We will work with management to facilitate getting the information required at the right time. We will communicate with management if information is not available as agreed, including any impact on the year-end audit.

Materiality

In performing our audit, we apply materiality. In the public sector, materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. In the public sector qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in our assessment of materiality in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The Council and management need to consider materiality in preparing the financial statements and service performance information and make their own assessment of materiality from a preparer's perspective. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities. Management and the Council should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

For planning purposes, we have set **overall group materiality** for the financial statements at \$199,550,000 based on budgeted total property, plant and equipment. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall group materiality to the fair value of property, plant and equipment.

Overall group materiality	\$199,550,000
Specific group materiality	\$3,050,000
Group clearly trivial threshold	\$152,500
Overall parent materiality	\$197,600,000
Specific parent materiality	\$3,000,000
Parent clearly trivial threshold	\$150,000

For this audit we have set a lower, **specific group materiality** of \$3,050,000 for all items not related to the fair value of property, plant and equipment.

We have set **overall parent materiality** for the financial statements at \$197,600,000 based on budgeted total property, plant and equipment. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall parent materiality to the fair value of property, plant and equipment. We have set a lower, **specific materiality** of \$3,000,000 for all items not related to the fair value of property, plant and equipment.

We also set a lower, **specific materiality** for some items due to their sensitivity. For example, we apply a lower specific materiality to related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the Council other than those that are **clearly trivial**. We consider misstatements of less than \$152,500 to be clearly trivial for the **group** financial statements and misstatements of less than \$150,000 to be clearly trivial for the **parent** financial statements unless there are qualitative considerations that heighten its significance. We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement, we will seek written representations from management and the Council on the reasons why the corrections will not be made.

Misstatements
 Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader’s overall understanding of your financial statements and service performance information. The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against overall materiality and qualitative considerations.

Overall financial statement materiality does not apply to any matters of effectiveness and efficiency, waste, or a lack of probity or financial prudence.

Materiality for service performance information

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the District Council's performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers' overall understanding, decision making, or assessment of Waipa District Council's performance. We consider a variety of factors including the level of public interest and potential public risk. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

Material measure	Materiality
<p>Safety of drinking water</p> <p>The extent to which the local authority's drinking water supply complies with:</p> <ul style="list-style-type: none"> • part 4 of the drinking-water standards (bacteria compliance criteria); and • part 5 of the drinking-water standards (protozoal compliance criteria). 	<p>The Council needs to report the actual result.</p> <p>The result reported is either right or wrong. It is not appropriate to set a materiality level.</p>
<p>Wastewater - Discharge compliance/ management of environmental impacts</p> <p>Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <ul style="list-style-type: none"> • abatement notices; • infringement notices; • enforcement orders; and • convictions, <p>received by the territorial authority in relation to those resource consents.</p>	<p>5%</p>
<p>Building and resource consents</p> <p>Percentage of building consent applications processed in accordance with statutory timeframes.</p> <p>Percentage of non-notified resource consents processed within statutory timeframes.</p>	<p>8%</p>

Material measure	Materiality
<p>Road condition</p> <p>The average quality of ride on a sealed local road network, measured by smooth travel exposure.</p>	8%
<p>Water loss</p> <p>The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).</p>	5%
<p>Drinking water - customer satisfaction</p> <p>The total number of complaints received by the local authority about any of the following:</p> <ul style="list-style-type: none"> • drinking water clarity; • drinking water taste; • drinking water odour; • drinking water pressure or flow; • continuity of supply; and • the local authority's response to any of these issues, <p>expressed per 1000 connections to the local authority's networked reticulation system.</p>	5%
<p>Dry weather sewerage overflows</p> <p>The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.</p>	8%
<p>Stormwater - resource consents</p> <p>Compliance with the TA's resource consents for discharge from its stormwater system, measured by the number of:</p> <ul style="list-style-type: none"> • abatement notices; • infringement notices; • enforcement orders; and • convictions, <p>received by the TA in relation to those resource consents.</p>	8%
<p>Stormwater - customer satisfaction</p> <p>The number of complaints received by the TA about the performance of its stormwater system, expressed per 1000 properties connected to the TA's stormwater system.</p>	8%

Material measure	Materiality
<p>Road safety</p> <p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.</p>	5%

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term “opinion” reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

How we consider compliance with laws and regulations

As part of the Auditor-General’s mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

Wider public sector considerations

A public sector audit also examines whether:

- Waipā District Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by Waipā District Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by Waipā District Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by Waipā District Council or by one or more of its members, office holders, or employees.

Reporting protocols

Communication with management and the Council



We will meet with management and the Council throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Reports to Council



We will provide a draft of all reports to management (and Council) for discussion/clearance purposes. Once management comments are received the report will be finalised and provided to Council.

We will also follow up on your progress in responding to our previous recommendations.

Audit logistics

Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

René van Zyl	Appointed Auditor
Kayode Oloro	Audit Manager
Qaqamba Melapi	Assistant Manager
Parakum Pathirana	Information Systems Audit and Assurance Manager

Timetable



Our proposed timetable is:

Interim audit begins	8 May 2023
Draft financial statements available for audit (including notes to the financial statements) with actual year-end figures	18 August 2023
Final audit begins	4 September 2023
Final financial statements available, incorporating all the amendments agreed to between us	16 October 2023
Verbal audit clearance given	24 October 2023
Annual report available, including any Chair and Chief Executive's overview or reports	24 October 2023
Audit opinion issued	31 October 2023
Draft report to Council issued	9 November 2023

There is the possibility that, due to Covid-19, there may be disruptions that will require changes to the timetable proposed above. Where this arises, we will discuss a revised timetable with you.

AuditDashboard

In 2021 and 2022, we used AuditDashboard, our online portal, to transfer files between your employees and Audit New Zealand. Overall, the use of AuditDashboard made it easy to fulfil requests. Real time status updates provided greater visibility to everyone and helped to keep everyone organised and on the same page.

We will again use AuditDashboard for transferring files as part of the audit.

Working remotely

Covid-19 restrictions, such as lockdowns, and resultant changes to our own and our client's work locations, including increasing numbers working from home since the start of the pandemic have meant we changed how we worked with our clients over the last two years.

Lockdowns meant that our clients and our auditors did not always have access to their premises and information and had to work remotely. For clients able to work remotely, with access to systems and electronic documentation, as well as being prepared for the audit, audits continued to progress and progress well.

Performing our audit work during higher alert level restrictions confirmed that aspects of our audit work can be done efficiently off-site. We plan to continue to perform aspects of your audit remotely as there are some benefits to you and us of having our team off-site for parts of the audit. For you these benefits include:

- Staging and sending the information we request for audit over an agreed period of time as opposed to having all the information requested ready for our arrival at one agreed date.
- Less time spent on travel, so we will have more time focus on auditing what matters and raising issues earlier.
- Reduction in disbursements as we will incur less travel and overnight costs.
- Less auditor time on site which allows you to get on with your work and enables planned focused conversations when these take place.

To enable audit work to be completed off-site and fully obtain the benefits detailed above, you will need to ensure that you can provide supporting documents electronically.

During the previous audit, we were able to perform some of our audit work remotely. Based on our experience we found that Waipā District Council has good systems and processes in place to facilitate any future off-site work by us.

We recognise different organisations are positioned differently to enable off-site audit work. We will be discussing and agreeing off-site working expectations in conjunction with our information requests with you as part of your 2023 audit. This will include our continued use of AuditDashboard to manage our information requests.

Expectations



For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit.

Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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APPENDIX 4

Climate Change Governance Improvement Programme Plan (ECM number 11013238)

Waipā District Council

Climate Change Governance Improvement

Programme Plan

May 2023



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Issue	Reason for Issue	Author	Reviewer	Date
1	First draft in response to Internal Audit recommendations	Business Resilience and Risk Advisor	Group Manager Strategy	16 May 2023
2	Revised draft for release to Executive Team for discussion	Business Resilience and Risk Advisor	Group Manager Strategy Manager Organisational Excellence	19 May 2023
3	Final draft to Audit and Risk Committee	Business Resilience and Risk Advisor	Group Manager Business Support	25 May 2023
4	Update to external accountability reporting following feedback from ARC, before presenting to Council for approval	Business Resilience and Risk Advisor	Group Manager Strategy	13 June 2023

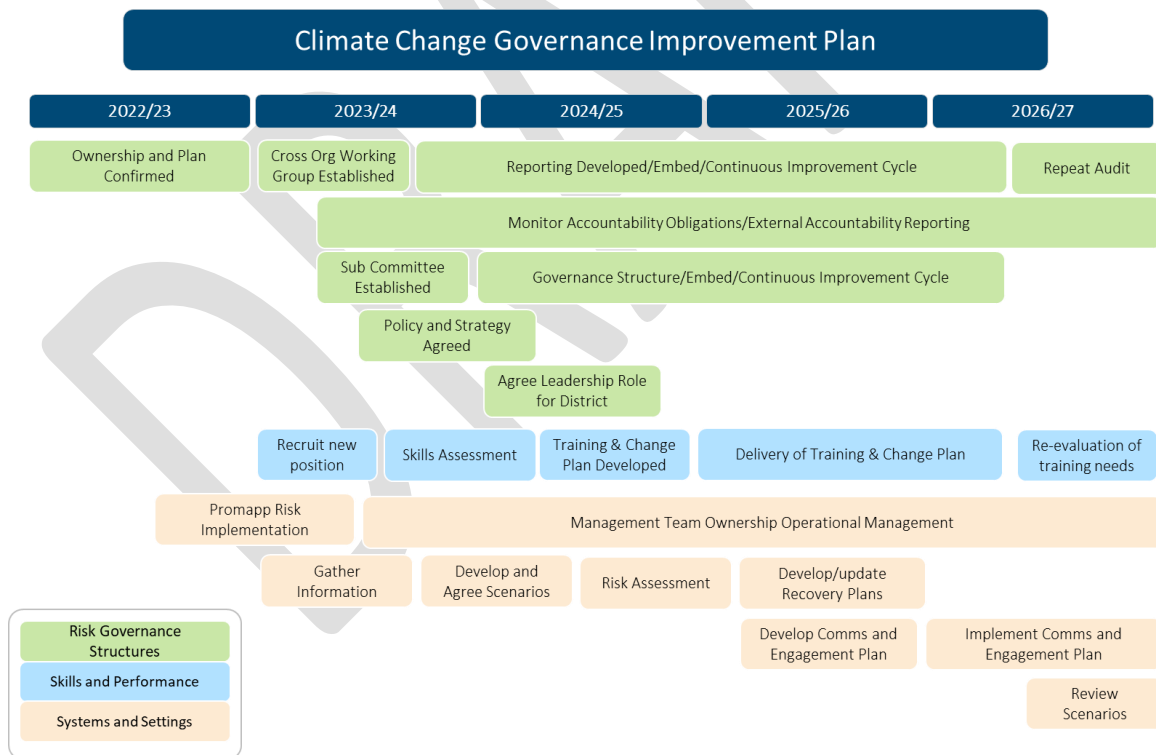
PART 1 - EXECUTIVE SUMMARY

Waipā District Council (WDC) has developed an improvement programme to implement the recommendations from the KPMG Internal Audit on Climate Change Governance completed in March 2023.

The plan is based on the principle of continuous improvement and is cognisant of the links of climate change governance across related organisation wide functions. It also builds on the initiatives completed to date in the climate change space. The synergies with Ahu Ake - Waipā Community Spatial Plan, will also be utilized.

As part of the improvement plan, ownership of the Climate Change Governance Improvement Programme has been confirmed as the Group Manager Strategy and the plan agreed by the Executive Team.

A summary of the initiatives, within each financial year is set out below:



PART 2 - BACKGROUND

A review of Council’s Climate Change Governance was carried out in March 2023 by Internal Auditors, KPMG. The result was a rating of “Developing” indicating that there are a number of areas that can be improved to enhance the maturity of Climate Change Governance and achieve control objectives (figure 1) ([full report here](#)) . Council is committed to continue to improve its climate change governance and will implement an improvement programme plan over the next three years.

Audit rating
The audit ratings are defined as follows:

Rating	Definition
GOOD	The controls are fit for purpose and are being performed in a manner which effectively mitigates the identified risks.
EFFECTIVE	Despite the fact that some control weaknesses were identified, existing controls within the audited process are considered to be generally adequate, appropriate, and effective. They ensure that the audited business processes will achieve their control objectives.
DEVELOPING	Control weaknesses were identified which, if not appropriately addressed, could in the future result in the audited business processes not achieving their control objectives.
NOT EFFECTIVE	Existing controls are considered to be inadequate and ineffective to ensure that the audited business processes will achieve their control objectives. Significant improvements are required to improve the adequacy and effectiveness of the control environment.

Figure 1 – KPMG audit ratings and definitions

Based upon the findings the plan will focus on the improvement of the following areas:

- **Risk Governance Structures:** Overall policy, ownership, and structure of climate change risk management at a governance level
- **Skills and Performance:** Capability to undertake correct assessment of climate change risk situations and act accordingly through developing skills, competencies and performance of governance and staff
- **Systems and Settings:** Focus on tools and supports to identify, assess and measure known and emerging climate change risks.

This document outlines WDC’s plan to address the assessment findings as well as implement the recommendations to improve climate change governance maturity.

PART 3 – IMPROVEMENT PLAN

This improvement plan has been tailored for WDC:

A. Key factors:

- The plan focuses on increasing maturity of climate change risk management governance.
- The focus of the first twelve months is agreeing and implementing the appropriate risk governance structures; obtaining a baseline of current skills and gaps to be addressed; and providing a centralised report and understanding of all initiatives underway.
- The initiatives are interrelated and may respond to a number of improvement opportunities. Therefore some of the actions proposed will straddle more than one component but they have not been replicated in the plan.
- Climate Change Governance functions are interdependent with many other functions at Council such as procurement, financial planning, risk management, governance, activity management, spatial planning, and corporate planning therefore this plan will be cognisant of these functions and leverage best practice and expertise in these areas.
- This includes leveraging the existing risk management framework, processes and reporting rather than developing a separate approach.
- Where certain practices are already in place in parts of the organisation, for example Carbon emission monitoring and development of the Environment Strategy, the initiatives identified will seek to leverage from and expand best practice from these areas. This also includes leveraging the information received from the community as part of the development of the 2024/34 LTP and Ahu Ake - Waipā Community Spatial Plan.
- The initiatives will ensure that the outcomes and deliverables are aligned with Ahu Ake - Waipā Community Spatial Plan and the 2024/34 LTP.
- Training plans will be developed based on change management principles to ensure governance and staff engagement and adoption of the improvements are well supported.
- The plan will also leverage the Council's values, particularly "We are better together", "We do the right thing" and "We strive to improve", in implementation.
- The plan assumes that an additional resource will be required to drive the implementation of this improvement programme which will be addressed through reshaping of a vacancy within the Strategy Group.
- The plan assumes that external accountability reporting may be mandated in the future. Council will monitor the external accountability requirements and implement external accountability reporting as best practice as the maturity of the programme progresses.

B. Work completed to date:

- Owner of the Climate Change Top Risk and Climate Change Improvement Programme confirmed as the Group Manager Strategy.
- Climate Change Governance Improvement Programme Plan (this plan) agreed by Executive Team for presentation to Audit and Risk Committee (tbc at Exec meeting 25 May)

TABLE 1: Detail of initiatives

Component	Description	Expected Outcomes	Tasks to Implement
Risk Governance Structures	Risk Governance Structures includes the 'Governance-level' Elected members - (the Elected Council members) and 'Executive Management-Level' – Governance have the right structures, skills, processes, and policies in place to govern Waipā DC's climate related risks, opportunities, and performance in an effective manner.	<ul style="list-style-type: none"> • Climate Change Policy will inform decision making, including strategic; financial and risk management through a climate change risk lens. • Waipā will have a formal Sustainability/Climate Change Committee to direct, drive and implement climate change related actions from agreed strategies and planned workstreams at a governance level. This is expected to be a Sub-Committee of the Strategic Planning and Policy Committee. • A cross functional group will maintain oversight of delivery of planned climate change outcomes ensuring a holistic view of projects and initiatives and effective management of resources. • Elected Members and Officers will have agreed expectations and a common understanding of Council's leadership role in the management of climate change in the District. • Regular and effective reporting of climate-related risks, opportunities and performance to Elected Members and 	<p>FY 2022/23</p> <ul style="list-style-type: none"> • Determine ownership of the Climate Change Top Risk and Improvement Programme Plan at Executive level. • Develop and agree the Climate Change Governance Improvement Programme with Executive and present to Audit and Risk Committee and Council. • Include standard agenda item for climate change on Executive Team meeting agenda monthly. <p>FY 2023/24</p> <ul style="list-style-type: none"> • Establish cross functional group and agree terms of reference for this group • Develop baseline of all climate change initiatives underway or planned and prioritise through cross functional group • Cross functional group to provide input into workshop with Elected Members and provide analysis and recommendation for Sustainability/Climate Change Sub-Committee. • Develop and agree structure and terms of reference for Sustainability/Climate Change Sub -Committee • Develop and agree initial workplan for Sustainability/Climate Change Sub-Committee ensuring alignment with 2024/34 LTP. • Develop and agree Climate Change Policy and Strategy. • Workshop vision and expectations for Council's leadership role for management of climate change risks and opportunities in the District. Note this will

Component	Description	Expected Outcomes	Tasks to Implement
		<p>insights for effective decision making.</p> <ul style="list-style-type: none"> External accountability reporting implemented to best practice. 	<p>build on the information gathered during the development and implementation of Ahu Ake.</p> <ul style="list-style-type: none"> Monitor external accountability requirements and best practice. Develop external reporting capability and provide governance with reports that meet standards/best practice. <p>FY 2024/25</p> <ul style="list-style-type: none"> Develop and implement regular reporting from the cross functional group to the Executive Team and Sustainability/Climate Change Sub -Committee and Council. This reporting will include climate related risks, opportunities, and performance. The reporting will utilise existing information and evolve with time. It is also expected that the reporting will provide governance with progress updates for the various initiatives across Council. Provide climate change risk and opportunity insights to governance, including updating standard report templates for Council, Committees and Executive Team. Update and agree further workplan for Sustainability/Climate Change Sub-Committee Confirm Council’s leadership role for the management of climate change risks and opportunities for the district. Continually evolve external accountability reporting. <p>FY 2025/26</p> <ul style="list-style-type: none"> Further enhancements and evolution of reporting to Executive Team, Sustainability/Climate Change Sub-Committee and Council.

Component	Description	Expected Outcomes	Tasks to Implement
			<ul style="list-style-type: none"> • Review of the effectiveness of the climate change risk governance structure to identify further improvements. • Ongoing external accountability reporting. <p>FY 2026/27</p> <ul style="list-style-type: none"> • Follow up internal audit to measure progress to increased maturity and identify further improvements.
Skills and Performance	<p>Council has a framework in place to support the development of capability to ensure that correct assessments of complex climate change risk situations and act accordingly. This includes skills and competencies for Elected Members and Executive Team executing governance responsibilities as well as all staff. It includes staff awareness, culture, training and development and keeping updated with best practice and latest knowledge in climate change risk management. Training will be required in climate change, sustainability and carbon literacy.</p>	<ul style="list-style-type: none"> • A climate change skills assessment for all Elected Members and Executive Team members is completed and a training programme implemented to address gaps and ongoing up-skilling as knowledge in this domain develops and is verified. Training will include climate change, sustainability and carbon literacy. • All staff are aware of climate change risks and their role in managing and mitigating these risks, including where to escalate. • Council's induction of new staff and governance roles includes climate change risk management skills and knowledge. • Processes are in place for including new knowledge to 	<p>FY 2023/24</p> <ul style="list-style-type: none"> • Recruit new Climate Change Advisor position • Requirements for climate change skills assessment developed and agreed. • Procurement of climate change skills assessment for all Elected Members and Executive Team. • Training and change management plan developed. <p>FY 2024/5</p> <ul style="list-style-type: none"> • Delivery of training and change management plan: <ul style="list-style-type: none"> ○ Elected Members ○ Executive Team ○ All staff ○ Induction. • Framework and process for identifying and verifying new knowledge agreed. <p>FY 2025/26</p> <ul style="list-style-type: none"> • Embed training and skills development. • Induction of new Elected Members and individual skill development plan for climate change risk. • Incorporation of new knowledge as appropriate. • Re-evaluation of training needs/requirements.

Component	Description	Expected Outcomes	Tasks to Implement
		<p>ensure that the training programmes are based on best practice and verified knowledge.</p>	
Systems and Settings	<p>Council has an agreed risk management framework and process for identifying, assessing and quantifying known and emerging risks. This will be leveraged to complete a specific climate change risk assessment and apply the outcome of the assessment across the operations of the business.</p>	<ul style="list-style-type: none"> • Climate change risk management part of operational risk management. • Management Team take more leadership of operational management of climate change risks, including energy usage and carbon emissions • Climate change risk assessment using scenario analysis provides a common understanding for decision makers. • Climate change risk assessment included into the operations and operational risk management across the business, including Activity Management Plans • Council’s scenario analysis leveraged by local communities and business in their risk assessments, mitigation and adaptation efforts. 	<p>FY 2023/24</p> <ul style="list-style-type: none"> • Implement Promapp Risk Module for managing, monitoring and reporting operational risks across Council. This will include specific climate change risk management requirements. • Management Team take more leadership of operational management of climate change risks, including energy usage and carbon emissions. • Gather climate change risk assessment information completed to date – within WDC and wider organisations e.g. CDEM, WRC, MfE. • Identify other relevant information that will inform scenario analysis, including Ahu Ake. • Develop potential scenarios for risk assessment. <p>FY 2024/25</p> <ul style="list-style-type: none"> • Agree scenarios for climate change risk assessment. • Complete climate change risk assessment using scenario analysis. • Develop and agree recovery plans. This includes updating Council’s business resilience plans and also developing recovery plans for broader outcomes. <p>FY 2025/26</p> <ul style="list-style-type: none"> • Develop a communications and engagement plan for engaging local communities and businesses and sharing the scenario analysis and how this information may be used as part of their mitigation and adaptation efforts. Note this plan will need to

Component	Description	Expected Outcomes	Tasks to Implement
			<p>align with the agreed leadership role Council wants to take in climate change risk management in the district. It will also need to align with Ahu Ake.</p> <ul style="list-style-type: none"> • Implement communications and engagement plan, including sharing the scenario analysis with local communities and businesses and providing support. <p>FY 2026/27</p> <ul style="list-style-type: none"> • Review and update scenarios for analysis and refresh climate change risk assessment.

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PART 4 – MEASURES OF SUCCESS

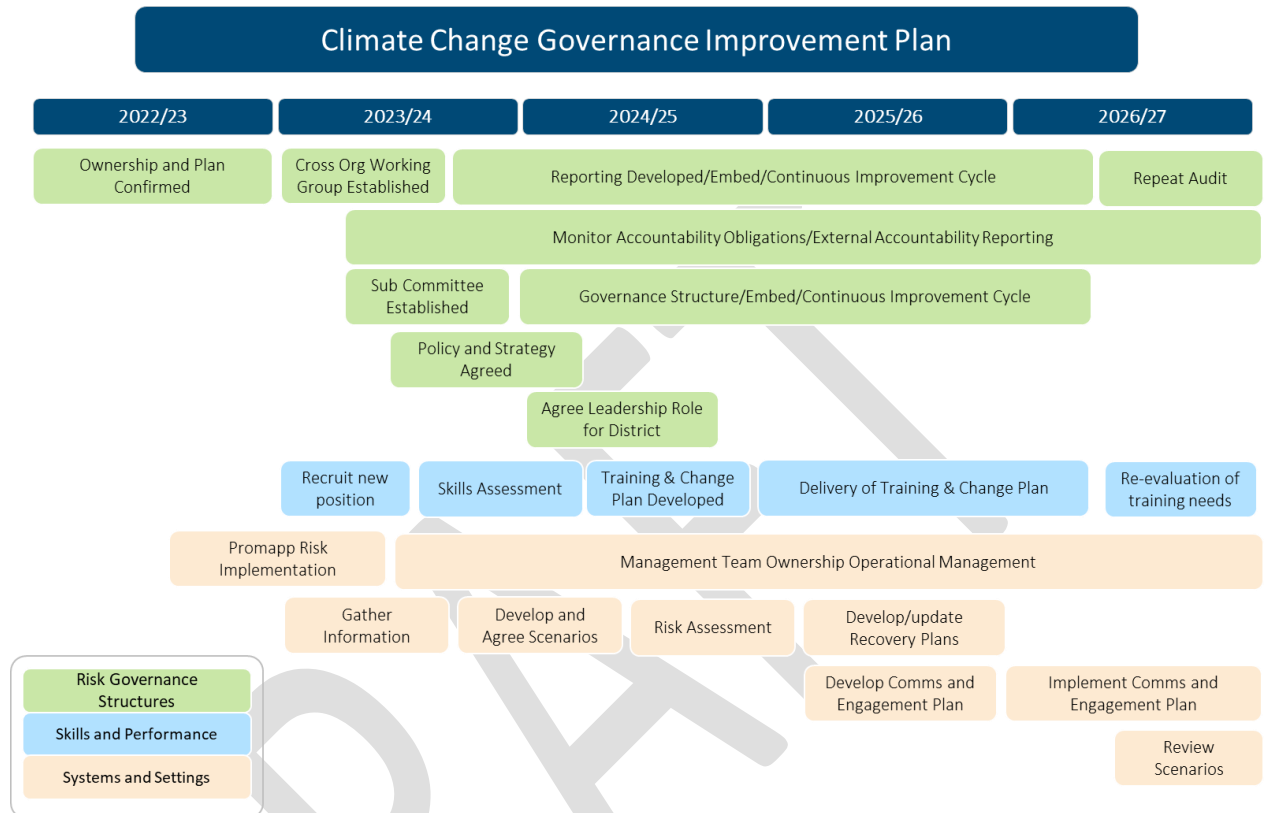
The measures of success for this plan are:

- The improvement program is implemented according to time and identified outputs.
- The outputs of the improvement program are recognized and considered effectively implemented in the follow-up internal audit by Council’s internal auditors to be completed in approximately 3 to 4 years’ time.
- Increase in capability, including knowledge and skills, across Elected Members and Executive Team. The baseline skills assessment will be reviewed after the training plan has been implemented to show progress.
- Increase in awareness of climate change risk management across the wider organisation. A baseline survey is planned prior to commencement of the substantive improvement actions that will be repeated to show progress.
- Maturity at a department level is evaluated and raised where relevant.

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PART 5 – SUMMARY SCHEMATIC IMPROVEMENT PLAN

A summary schematic of the project management improvement plan is shown as Figure 2 below.





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23 Wilson Street, Cambridge Ph 07 823 3800 

[/WaipaDistrictCouncil](#)  [/Waipa_NZ](#)  [/Waipa_DC](#)

COUNCIL AGENDA



To: Her Worship the Mayor and Councillors
From: Governance
Subject: RESOLUTION TO EXCLUDE THE PUBLIC
Meeting Date: 30 June 2023

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

A local Authority may, by resolution, exclude the public from the whole or any part of the proceedings of any meeting under section 48(1) of the Local Government Official Information and Meetings Act 1987.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<p><i>13. Public Excluded Minutes – 30 May 2023.</i></p> <p><i>14. 290429 Play Spaces Renewal and Development – Extension of Contract.</i></p> <p><i>15. 27-19-01 Stormwater Operations and Maintenance Contract – Contract Renewal.</i></p> <p><i>16. Te Awamutu Land Acquisition.</i></p> <p><i>17. Disposal of Stopped Road, Pirongia.</i></p>	<p><i>Good reason to withhold exists under section 7 Local Government Official Information and Meetings Act 1987</i></p>	<p><i>Section 48(1)(a)</i></p>

<p>18. <i>Partial Land Purchase for Roothing Purposes.</i></p> <p>19. <i>Housing for the Elderly Development</i></p>		
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This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may be, which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, are as follows:

Item No.	Section	Interest
13,14,15,16,17,18	7(2)(i)	<i>To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</i>
13,19	7(2)(h)	<i>To enable the council to carry out, without prejudice or disadvantage, commercial activities.</i>