

# ANNUAL PLAN 2022/23

## Our Place Clutha District





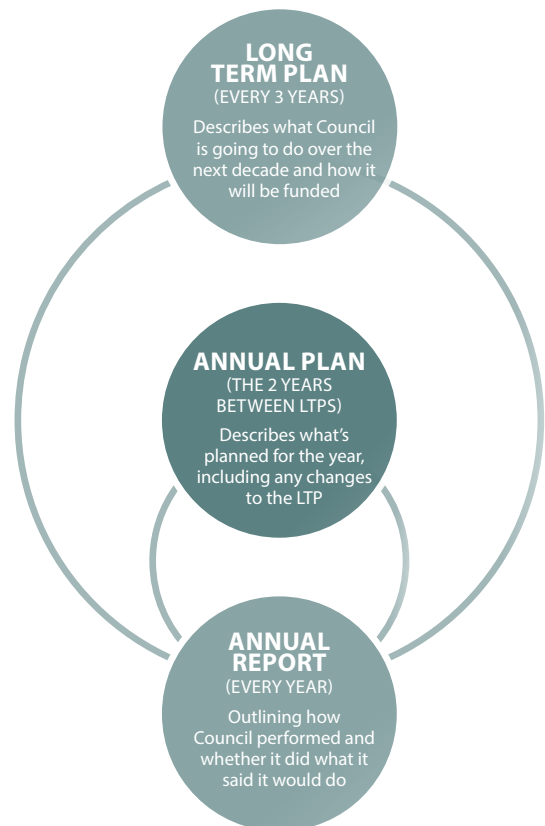
# COUNCIL'S PLANNING DOCUMENTS

COUNCIL USES A NUMBER OF PLANNING PROCESSES TO REALISE ITS VISION FOR THE DISTRICT AND TO HELP PROVIDE ACCOUNTABILITY TO THE COMMUNITY.

All local authorities are required to prepare an Annual Plan under Section 95 of the Local Government Act 2002. The purpose of an annual plan is to:

- Contain proposed annual budget and funding impact statement for 2022/23;
- Identify variations to the financial and funding impact statements compared to the 2021/31 year of the Long Term Plan;
- Provide integrated decision making and coordination of resources of the local authority; and
- Contribute to Council's accountability to the community.

Please refer to the Long Term Plan 2021/31 for additional information.



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# INTRODUCTION

ANNUAL PLAN 2022/23





# MESSAGE FROM THE MAYOR



If ever there was going to be an annual plan that would test our resolve and financial capability, then 2022/23 was destined to be the year.

Project delivery, inflationary pressure, and the multiple requests that our communities have presented, has posed challenges.

That said Council is extremely proud to have once again listened to and supported, our district's growing needs while still maintaining our self imposed rates cap of 4%. Thank you to those of you that assisted us by engaging constructively and sharing with us your vision for our collective future.

The headline feature of this year's annual plan will be the ongoing commitment to the needs of our district with almost \$7M apportioned to projects, alongside the prudent fiscal management of containing rate increases.

As always the true story is in the details, and without a doubt Council could not have achieved this without two critical enablers.

The first key component was the ability to draw on the funds we 'squirrelled away' last year from what was a remarkable return on our investments in 2021. We acknowledge this year's returns were not as favourable, which made the investment reserve of \$570k surplus even more critical.

The second component was the first tranche of the Three Waters reform 'Better Off' support package of \$3.27 million.

The combination of these two funds and a 3.95% average rate rise were the pillars around which we funded this year's annual plan.

The District's 'Living and Working Strategy' has once again formed the essence of virtually all the requests Council received. This reflects the growing pride and belief we all have in the vibrancy and future prosperity of Clutha and the understanding of the need to collectively refine our direction to maximise Clutha's potential.

In recent years there has been substantial population growth in Clutha, which is essential to fill the glut of vacant positions that we have in our job market.

Our population is almost back to the numbers last seen in the

80s, but we are not there yet, and it is heartening to see your unflinching determination to support and encourage all our communities to be the best they can.

However lifting the standard of our facilities, and the rejuvenating of our communities does come at a cost. But there would be a greater cost had we allowed the inertia and decline to continue. If our 12 relatively small communities are to gain the critical mass to sustain themselves long term, then we all need to understand our Council's strategy and the importance of our community initiatives.

Once again a large proportion of requests through this annual plan process stemmed from these critical discussions with our communities, and you will see much of our focus now shifting to the Milton district which is poised for transformation with multiple projects underway. Like every other town, when Milton is more vibrant the whole district benefits. When Milton gets a subdivision we all gain strength, and this in turn increases the ability to pay for all Council services.

Once again thank you to all that assisted us with identifying our districts unique strengths, and reminding us of the balance that needs to be maintained in these inflationary times.

But most importantly thank you for taking the time to care about our District's future, we appreciate your contributions.

A handwritten signature in black ink, appearing to read 'Bryan Cadogan', with a long horizontal flourish extending to the right.

Onwards and Upwards.

Bryan Cadogan  
Mayor

# YOUR COUNCIL



Bryan Cadogan  
**MAYOR**



Stewart Cowie  
**DEPUTY MAYOR**  
CLUTHA  
VALLEY WARD



Ken Payne  
**CORPORATE**  
**SERVICES CHAIR**  
BALCLUTHA WARD



Bruce Vollweiler  
**REGULATORY AND**  
**POLICY CHAIR**  
BRUCE WARD



Bruce Graham  
**SERVICE DELIVERY CHAIR**  
KAITANGATA-MATUA WARD



Carol Sutherland  
**BALCLUTHA WARD**



Wayne Felts  
**BALCLUTHA WARD**



Alison Ludemann  
**BALCLUTHA WARD**



Dane  
Catherwood  
**CATLINS WARD**



Jo-anne Thompson  
**CLINTON WARD**



Gaynor Finch  
**BRUCE WARD**



Selwyn Wilkinson  
**BRUCE WARD**



Mel Foster  
**LAWRENCE/**  
**TUAPEKA WARD**



Lloyd McCall  
**WEST OTAGO WARD**



John Herbert  
**WEST OTAGO WARD**



# LIVING & WORKING IN CLUTHA UPDATE

Our 'Living & Working in Clutha' Strategy is one of our key guiding documents. In this Long Term Plan we gave it a refresh to explain how we're intending to promote the well-being of the Clutha District's communities. It focuses on these priorities we believe have a crucial part to play:

## Facilitating More Quality Housing

Clutha District's housing market is under pressure, with the availability of quality housing for both ownership and rental an issue. Demand for social housing is also growing. We're proposing to play an active leadership role to enable housing solutions. This includes continuing to build on partnerships with communities and Central Government. We will look to continue to facilitate residential development to add more quality housing in the district, whether that be residential subdivisions, or single houses and in-fill development in our towns.

## Filling Our Jobs

We're focused on sustaining and growing businesses by helping fill jobs in the district. For Clutha District this means continuing to provide direct recruitment support for our businesses. Having a vibrant and diverse workforce with the skills to meet the changing needs of the district will be crucial to our success both now and into the future. We see also a key role of Council is to provide supporting infrastructure which enables businesses to flourish.

## Improving Health, Safety & Well-Being

Our communities are known for being caring and supportive, with a practical no nonsense approach to addressing issues. We have a relatively small and aging population and our volunteers are increasingly stretched. Drugs and alcohol can cause issues and we lack public transport options. We believe connectivity and access to health services should be a focus.

## Supporting Culture & Heritage

We're looking to more actively showcase our culture and heritage to better share and celebrate who we are. Some examples include using innovative ways to make our community stories, objects and records more accessible; and incorporating our local history and culture into community facilities such as halls and public spaces.

## Reducing Our Environmental Footprint

We want to help promote a district that plans for a sustainable future, through effective planning of infrastructure, efficient delivery of services, along with protection, maintenance and enhancement of our natural and built environments. Focus areas include waste reduction, water conservation and quality, and protecting and enhancing habitats of local significance. Other initiatives include supporting infrastructure for electric vehicles and reducing greenhouse gas emissions.

## Addressing Climate Change

Climate change will present challenges and opportunities throughout the district. We've been working on gathering better information about what we can expect in the coming century. This is providing more detail including 'trigger points'. We can use this information when making decisions, to set us up in the best position possible for the longer term.

## Investing in Infrastructure

We intend to continue looking after what we've got and increase levels of service to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water. Importantly, Council will also look at facilitating growth where there is potential for this. For more details refer to the Infrastructure Strategy 2021/51.

## LIVING & WORKING IN CLUTHA FRAMEWORK

### KEY TO THE WHEEL

- Vision
- Community Outcomes
- Key Priority Area
- Key Strategies & Plans





**We  
consulted  
on...**

# KEY DECISIONS

## CLUTHA COMMUNITY HUB

Council approved additional funding of \$2.5 million using surplus investment funds to support the Clutha Community Hub build.

The decision to put forward the additional \$2.5M was further supported by Council with the recent confirmation from Ministry of Business, Innovation and Employment's Kānoa - Regional Economic Development & Investment Unit to authorise a further investment of up to \$2.5M. The Otago Community Trust had also recently announced funding of

\$2.2M to this project.

Council acknowledged the support of the funding partners to help get the Clutha Hub project back on track which had been impacted by increased build costs of \$3.1M because of the challenges caused by the COVID-19 pandemic, bringing increasing pressure on the construction industry due to supply chain and personnel shortages which have caused cost increases.

## "BETTER OFF" FUNDING

Several of Council's big projects will be able to be advanced by utilising central government three waters reform 'better off' funding that was recently announced. The "better off" funding is an investment by the Crown into the future, for local government and community well-being. It is intended to support councils to transition to their new role post-reform.

It recognises the relative needs of local communities, the unique challenges facing local authorities in meeting those needs, and the relative differences across the country in the ability to pay for those needs.

\$3.27M is available in the first tranche of funding allocated to the Clutha District and will be available for use from July 1, 2022.

### **Milton Community Pool and Library Facility Project**

Council agreed at the meeting to put forward a "better off" funding proposal of \$1.9M for the Milton Community Pool and Library Facility project.

The Milton Community Pool and Library Facility project has evolved considerably in the past two years since the Annual Plan consultation held in 2019. Council and the Bruce Community Facilities Trust acknowledge the importance of this being a community-led project to save costs to ratepayers and ensure that the local community was behind what was a significant project in their community.

The Trust has been gathering all of the required information for the general scope and cost in the past two years and the Trust has asked Council to consider supporting a more extensive facility than initially proposed in 2019/20. The Trust

have also indicated that they believe that they will be able to raise approximately \$2M.

A significant change in Council's contribution requires additional consultation. At the meeting Council approved to undertake public consultation in June/July 2022, in conjunction with the Trust on two different options for the facility these are:

- Contribute to a community library and pool facility with 6 lanes (\$13M to 14M). Council indicated this was their preferred option.
- Contribute to a community library and pool facility with 8 lanes (\$18M to \$20M).

### **Balclutha Streetscape Stage 2**

Council also agreed at the meeting to put forward \$1.3M of the "better off" allocation towards a funding proposal for the Balclutha Streetscape Stage 2.

Balclutha Streetscape Stage 1 was completed in 2015, with Stage 2 to take place at a time when consideration could be given for the Clutha Community Hub area on Clyde Street.

Council is now at this point to undertake work to landscape and provide carparking in the vicinity of the Clutha Community Hub.

However there is a significant shortfall from the initial allocation of \$602K 2021-31 LTP and \$400K in 2022/23 because the scope has now increased to include a larger area with additional landscaping and carparking. It is estimated to cost at least \$1.7M and therefore utilising the "better off" fund to help with the \$1.3M shortfall.



# THANKS TO THOSE WHO GAVE US FEEDBACK TO HELP MAKE DECISIONS

THANK YOU TO THE 87 WRITTEN SUBMISSIONS AND FURTHER 15 WHO SPOKE TO COUNCIL. AFTER CONSIDERING FEEDBACK COUNCIL MADE THE FOLLOWING DECISIONS:

## COMMUNITY SUPPORT

### NAISH PARK DUCK POND

Council approved an additional \$9,063 from investment funds to install a bore that will remove the need for rated potable water use and enable the duck pond to be flushed regularly to help reduce algae growth and improve water quality. The duck pond water quality issue was highlighted by the community in the Balclutha Reserve Management Plan.

### BALCLUTHA CENTENNIAL PARK CARPARK

Council approved \$24,000 to fund stage one of a carpark construction at the South Otago Athletics Club using its investment fund surplus. This investment acknowledges the need to make improvements to the existing car park area now that the junior bike park is established, resulting in an increase in traffic. The development of the children's playground would likely further increase traffic flow into the area.

### GABRIEL'S GULLY ENTRANCE

Council agreed to carry forward existing funding of \$50,000 from the 2020/21 to 2022/23 budgets to progress the Gabriel's Gully entrance aspect of this project, including Council reserve, carpark and toilet improvements. The Lawrence Tuapeka Community Board's submission to Council highlighted they would like to see the funds retained for design plans/redevelopment of the entrance and it was important to them that these funds are not reallocated to another project.

## COMMUNITY FUNDING REQUESTS

Council received a number of requests from groups and individuals. The following were granted:

- Lawrence Playground Committee: Whitehaven Street Playground \$70,000.
- Owaka Community Centre: Renovations to the community centre \$30,000.
- South Otago Mountain Bike Club: Vehicle entrance and roadway to mountain bike park \$27,000.
- Taieri Mouth Amenities Society: Resurfacing Taieri Mouth tennis courts \$18,848.
- Cross Recreation Centre: 2022/23 operating grant \$55,158.
- Sport Clutha: 2022/23 operating grant \$47,859.
- Lawrence Tuapeka Community Board: Peace Garden rejuvenation \$20,000.
- Lawrence Tuapeka Community Board: Steep Street tree arborist assessment \$20,000.
- Catlins Coast Inc: Funding to development Tear Off Map and Care Code \$4,500.
- Kaka Point Surf Lifesaving: 2022/23 operating grant \$30,000.
- Big River Kahui Ako: To support the use of ChatBus to help improve the well-being of Clutha's youth \$8,000.
- Gore Woman's Refuge: Funding increase to help fund a qualified social worker to provide support



services in Balclutha and the wider Clutha District \$31,932.

- New Zealand Chinese Language Week: Funding, staff and a Mayoral support video \$2,000.
- South Otago Historical Society: Curator salary in 2022/23 \$24,920.

# FINANCIAL SUMMARY

There are some differences between what was forecast for 2022/23 in the 2021 Long Term Plan, and the updated forecasts we are looking at now for the 2022/23 Annual Plan. The main variances are outlined in this section.

## PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE\*

(All in \$000s)	LONG TERM PLAN 2022/23	ANNUAL PLAN 2022/23	OVERVIEW OF CHANGES
Rates	29,599	29,609	
Grants, Subsidies & Donations	10,534	12,632	1
Fees and User Charges	1,707	1,738	
Permits & Other Licences	963	977	
Other Fees	1,446	1,846	2
Rental Revenue	1,060	1,219	3
Interest Revenue	1,037	980	4
Other Revenue	141	404	5
Other Gains	1,558	1,581	
<b>TOTAL REVENUE</b>	<b>48,045</b>	<b>50,986</b>	
Grants, Contributions and Sponsorship	2,857	3,325	6
Operating Expenditure	14,699	15,999	7
Roading repairs and maintenance	6,337	7,710	8
Employee Benefits	8,048	9,217	9
Depreciation and Amortisation	14,785	14,578	10
Finance Costs	1,057	1,362	11
<b>TOTAL EXPENDITURE</b>	<b>47,783</b>	<b>52,191</b>	
Other Comprehensive Revenue & Expense	0	0	
<b>TOTAL COMPREHENSIVE REVENUE &amp; EXPENSE FOR THE YEAR</b>	<b>262</b>	<b>(1,205)</b>	

## OVERVIEW OF CHANGES

### 1 GRANTS, SUBSIDIES AND DONATIONS

An increase because \$1,370k of government "Better Off Funding" from applications to be made has been recognised and there is an increase of \$715k in the Waka Kotahi subsidy.

### 2 OTHER FEES

Solid Waste fee increases account for \$360k.

### 3 RENTAL REVENUE

Higher rentals are being received from lease renewals.

### 4 INTEREST REVENUE

Starting value of our Nikko investment portfolio is lower than the LTP due to covid-affected lower market returns.

### 5 OTHER INCOME

\$210k Tourism Investment Fund Dump Station contribution and \$53k transfer of funds from the Plantation Heights Development for increased maintenance.

### 6 GRANTS, CONTRIBUTIONS AND SPONSORSHIP

Approval of increases to Destination Marketing \$195k and Clutha Gold Trail \$228k.

### 7 OTHER OPERATING EXPENDITURE

Increases in expenditure for ETS \$429k, Water Operational Costs \$468k, Greenspace contract \$100k, Parks \$125k, IT \$78, and Building Operational Costs \$98k.

### 8 ROADING REPAIRS AND MAINTENANCE

Timing of a multi-year programme.

### 9 EMPLOYEE BENEFITS

Increase in Full Time Equivalents.

### 10 DEPRECIATION AND AMORTISATION

Reduction in depreciation.

### 11 FINANCE COSTS

External borrowing rate increased from 2% to 3.12% per market conditions.

\* For further details refer to the Financial Statements section of this document.



## PROSPECTIVE STATEMENT OF FINANCIAL POSITION\*

(All in \$000s)	LONG TERM PLAN 2022/23	ANNUAL PLAN 2022/23	OVERVIEW OF CHANGES
Current assets	37,612	35,729	1
Non-current assets	1,237,693	1,219,986	2
<b>TOTAL ASSETS</b>	<b>1,275,305</b>	<b>1,255,715</b>	
Current liabilities	10,975	12,797	3
Non-current liabilities	57,325	76,243	4
<b>TOTAL LIABILITIES</b>	<b>68,300</b>	<b>89,040</b>	
EQUITY	1,207,005	1,166,675	
<b>NET CURRENT ASSETS</b>	<b>26,637</b>	<b>22,932</b>	

\* For further details refer to the Prospective Financial Statements section of this document.

## OVERVIEW OF CHANGES

### 1 CURRENT ASSETS

Nikko investment portfolio has been affected by lower returns caused by COVID-19 on the global share market \$1,028k, and Development property sales have occurred reducing the asset balance by \$600k.

### 2 NON-CURRENT ASSETS

We have assumed that the capital build programme will have achieved less than forecast in the LTP which means the opening balances are less.

### 3 CURRENT LIABILITIES

Reforecasting of the starting position to bring the timing of creditors in line with the Annual Report.

### 4 NON-CURRENT LIABILITIES

The LGFA loan timing has been affected by timings in the capital build programme.

# RATES, DEBT & INVESTMENTS UPDATE

There are some differences between what was forecast in the 2022/23 year in the Long Term Plan 2021/31, and the updated forecasts we are looking at now for the proposed Annual Plan 2022/23. The main variances are included in this section.

## UPDATED DRAFT FORECASTS FOR RATES, DEBT & INVESTMENTS 2020/21

\$000	LTP 2021/31 Year 2 (2022/23)	Annual Plan 2022/23	Difference
<b>RATES</b>			
Total (excluding penalties) (\$000)	29,400	29,400	-
Forecast rates change (%)	3.93%	3.96%	0.03%
Rates limit at 4%	29,400	29,400	
<b>DEBT</b>			
External debt	60,480	79,395	18,915
External interest costs as a % of rates	2.2%	2.7%	0.5%
Debt limit	84,100	89,200	5,100
<b>INTERNAL INVESTMENTS</b>			
Closing balance	65,200	83,100	17,900
Interest earned	798	1,461	(663)
<b>EXTERNAL INVESTMENTS</b>			
Closing balance	30,044	29,016	(1,028)
Interest earned	1,037	980	(57)
Amount to off-set rates	1,500	800	(700)

## UPDATED INTERNAL DEBT, INTERNAL INVESTMENT & EXTERNAL DEBT FORECASTS

These variances are linked with progress of the 2022/23 capital programme, levels of expenditure and their flow-on impact.

## UPDATED EXTERNAL INVESTMENT FORECAST

The 2022/23 returns are lower than the LTP 2021 forecasts due to the impacts of COVID-19, giving a lower forecast opening balance at 1 July 2022, and a lower closing balance at 30 June 2023.



# RATES INFORMATION



FIND OUT MORE IN THE LONG TERM PLAN 2021/31  
SECTION 6 - RATES PAGES 186-244



# FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
	2021/22	2022/23	2022/23
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, UAGC's, rates penalties	5,184	4,899	5,184
Targeted rates	23,295	24,700	24,425
Subsidies and grants for operating purposes	4,535	4,881	6,059
Fees and charges	6,119	7,101	7,766
Interest and dividends from investments	0	0	0
Fuel tax, infringement fees and other receipts	200	206	210
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>39,333</b>	<b>41,786</b>	<b>43,644</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	38,182	32,160	36,221
Finance costs	689	1,057	1,362
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>38,869</b>	<b>33,216</b>	<b>37,537</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>464</b>	<b>8,570</b>	<b>6,061</b>

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
	2021/22	2022/23	2022/23
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	6,363	5,448	6,363
Development and financial contributions	0	0	0
Increase (decrease) in debt	21,500	15,300	26,000
(Debt repayments)	0	0	0
Gross proceeds from sale of development property	900	700	2,200
Other dedicated capital funding	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>28,763</b>	<b>21,448</b>	<b>34,563</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	840	2,715	2,974
Capital expenditure to improve the level of service	10,390	14,057	18,826
Capital expenditure to replace existing assets	19,676	14,920	19,397
(Increase) decrease in reserves	433	(175)	227
(Increase) decrease of investments	(2,112)	(1,500)	(800)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>29,227</b>	<b>30,018</b>	<b>40,624</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(464)</b>	<b>(8,570)</b>	<b>(6,061)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>

# DETAILED DESCRIPTION OF RATE FUNDING MECHANISMS

COUNCIL SETS THE FOLLOWING RATES FOR THE YEAR COMMENCING 1 JULY 2022 AND ENDING 30 JUNE 2023 IN ACCORDANCE WITH THE LOCAL GOVERNMENT ACT 2002 AND THE LOCAL GOVERNMENT (RATING) ACT 2002.

ALL MONETARY VALUES DISCLOSED ARE INCLUSIVE OF GST.

## DEFINITIONS

**UAGC** - A 'Uniform Annual General Charge' is a rate set at a fixed amount across the district and which every rateable SUIP pays.

**SUIP** - A 'separately used or inhabited part' of a rating unit includes any portion separately inhabited or used by the owner, or any portion separately inhabited or used by person/s other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long-term basis to someone other than the owner.

Where the owner of a rating unit resides on the rating unit and operates a business (or other non-residential undertaking) from a separate part of the rating unit (which would otherwise meet the above definition), the following exceptions apply to the above definition:

- For the purposes of targeted rates for local roading, new footpaths, community boards, community facilities, community projects, West Otago Health Trust services and Stormwater, the definition of separately used or inhabited part excludes those separately used parts that are used for non-residential purposes.

- For the purposes of the Water and wastewater targeted rates, the definition of a separately used or inhabited part is limited to any separately used or inhabited part of a rating unit which has a separate bathroom and kitchen (being self-contained cooking facilities) or has an additional water or wastewater connection.

### EXAMPLES OF SEPARATELY USED OR INHABITED PARTS INCLUDE:

- Each separate shop or business activity on a rating unit is considered a separately used or inhabited part.
- Each dwelling, flat, or additional rentable unit (attached or not attached) on a residential property which is let for three months or more (in total) of the year to persons other than immediate family members is a separately inhabited part of a rating unit.
- Each separate residential or non-residential uses undertaken on a separate part of a rating unit and which is in addition to a rating unit's principal use will be considered an additional separately used or inhabited part.
- Individually tenanted flats, including retirement units, apartments, and town houses (attached or not attached) or multiple dwellings on Māori freehold land are separately inhabited parts.
- Each dwelling, flat, or additional rentable unit on a property is a separately inhabited part of a rating unit.

F. For rural properties, each residential dwelling is considered a separately used or inhabited part and each additional non-residential separately used part is considered an additional separately used or inhabited part.

**'On demand' water supply** - A supply which is available on demand directly from the point of supply subject to the agreed level of service.

**'Restricted' water supply** - A type of water supply connection where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

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

**Water Connected** - Any rating unit that is supplied by the water supply system.

**Water Serviceable** - Any rating unit that is not supplied but is capable of being supplied by the water supply system.

**Sewerage Connected** - Any rating unit that is connected to the public sewerage.

**Sewerage Serviceable** - Any rating unit that is not connected to a public sewer but is capable of being supplied by the water supply system.



# UNIFORM ANNUAL GENERAL CHARGE (UAGC)

ACTIVITY	AMOUNT (\$) PER UAGC	TOTAL AMOUNT TO BE COLLECTED (\$)
Council	123.80	1,337,100
Economic development	77.80	840,200
Community support	49.30	532,100
Culture and heritage	23.40	252,700
District wide main street	7.30	78,600
Parks, reserves, sportsgrounds and playgrounds	51.40	555,200
Halls & community centres	35.40	382,700
Swimming pools	70.90	765,700
Community libraries	194.60	2,101,800
Information centres	27.50	297,000
Cross Recreation Centre	10.30	111,000
Animal control	8.50	91,300
Emergency services	17.10	185,000
Cemeteries	17.90	193,100
Public conveniences	35.10	379,400
Environmental health	13.30	143,100
Rural fire	0.60	6,800
Waste minimisation	8.00	86,300
<b>SUB TOTAL</b>	<b>772.20</b>	<b>8,339,100</b>
<b>INCOME</b>		
Property	2.60	28,300
General - Petrol Tax and Investment Income	155.40	1,678,700
Other income	24.60	265,200
<b>SUB TOTAL</b>	<b>182.60</b>	<b>1,972,200</b>
<b>TOTAL</b>	<b>589.60</b>	<b>6,366,900</b>

Council sets a 'UAGC' of \$589.60 on each rateable separately used or inhabited part of a rating unit (SUIP) in the district. The activities that the UAGC is used to fund, as well as the income sources that offset the UAGC, are outlined in the table on this page.

The amount to be collected is \$6,366,900.

## COMMUNITY BOARDS

Council sets 'Community Board' rates to fund the cost of its two community boards and local projects within the community board areas (as per attached maps). The rates are set as a fixed amount per rateable separately used or inhabited part of a rating unit (SUIP) within each community board area as per the table above.

### COMMUNITY BOARD TARGETED RATE

	AMOUNT (\$ PER SUIP)	TOTAL AMOUNT TO BE COLLECTED (\$)
West Otago Community Board	72.20	90,400
Lawrence/Tuapeka Community Board	129.30	111,000
<b>TOTAL</b>		<b>201,400</b>

## WEST OTAGO HEALTH TRUST

Council sets a targeted rate per rateable separately used or inhabited part of a rating unit (SUIP) for those within the West Otago Health Trust service catchment area, which mirrors the West Otago Community Board boundaries. The rate is set to fund repayment of loans taken out for Council's grant to West Otago Health for the construction of their facility in Tapanui. The rate is set as a fixed amount of \$76.10 per SUIP. The total amount to be collected is \$96,300.

## DISTRICT ROADING

Council sets a 'District Roothing' rate on every rateable rating unit in the district. The rate is 0.038830 cents per \$1 of capital value and funds approximately 37% of Council's share of the cost of providing operating and managing the local roading network, including roads, bridges, streetscapes and footpaths.

The amount to be collected is \$3,359,200.

## SEWERAGE UPGRADE SUPPORT

Council sets a 'District Sewerage Upgrade Support' rate on every rateable rating unit in the district. This will be used to fund 10% of capital costs of treatment upgrades, investigations into establishing new sewerage schemes and reticulation extensions and improving sewage disposal from existing systems. The rate is 0.001693 cents per \$1 of capital value. The amount to be collected is \$146,500.

## DISTRICT-WIDE FACILITIES

Council sets a 'District-wide Facilities' rate on every rateable rating unit in the district. This will fund approximately 50% of the costs of public toilets.

The rate is 0.004733 cents per \$1 of capital value.

The amount to be collected is \$379,400.

## PLANNING/REGULATORY

Council sets a 'Planning/Regulatory' rate on every rateable rating unit in the district. This will part-fund resource management, building control, compliance and liquor licensing. The rate is 0.014118 cents per \$1 of capital value.

The amount to be collected is \$1,221,300.

## LOCAL ROADING

Council sets 'Local Roading' Rates on every rateable rating unit in the district. This rate funds approximately 63% of Council's share of roading costs, including construction and maintenance of roads and footpaths within a locality/rating area.

The rates include a fixed amount and land value based component. The fixed charge component will be charged per SUIP and will be differentiated based on the location of the rating unit, with the urban fixed charge being higher due to additional sealing in urban areas. The land value component will be differentiated based on location as per the table on this page.

The amount to be collected is \$5,720,000.

### LOCAL ROADING TARGETED RATE

	AMOUNT PER SUIP (\$)	CENTS PER \$ OF LAND VALUE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	60.50	0.12538	422,700
Clinton	60.50	0.63804	40,600
Heriot	60.50	0.14269	7,100
Kaitangata	60.50	0.33854	115,800
Kaka Point	60.50	0.05943	47,200
Lawrence	60.50	0.15158	72,800
Milton	60.50	0.07633	164,800
Owaka	60.50	0.29103	42,600
Papatowai	60.50	0.06327	13,600
Pounaweia	60.50	0.07043	14,100
Stirling	60.50	0.14442	30,900
Taieri Mouth	60.50	0.04682	42,400
Tapanui	60.50	0.20103	63,300
Waihola	60.50	0.02858	31,300
Rural	57.50	0.08848	4,610,800
<b>TOTAL</b>			<b>5,720,000</b>

## NEW FOOTPATHS

Council sets 'New Footpath Rates' to fund repayment of loans taken out to provide new footpaths. The total to be collected is \$240,100.

The rates are set as a fixed amount per separately used or inhabited part of a rating unit (SUIP) in each local roading rating area as per the table on this page and differentiated based on the location of the rating unit.

### NEW FOOTPATHS TARGETED RATE

	AMOUNT PER SUIP (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	50.30	112,000
Clinton	16.10	3,000
Kaitangata	19.00	8,400
Kaka Point	29.90	8,600
Lawrence	14.00	5,300
Milton	75.40	84,200
Owaka	45.10	9,100
Stirling	25.60	3,900
Tapanui	11.70	5,600
<b>TOTAL</b>		<b>240,100</b>



## URBAN WATER SUPPLY

This rate funds the provision of reticulated potable water supplies to urban areas.

Council sets a targeted rate for customers who receive potable water from an 'on demand' supply and a targeted rate for customers who receive potable water from a 'restricted' supply.

The rate is set as a fixed charge per SUIP. These rates will be differentiated based on whether the SUIP is connected to the service, or is available but the SUIP is not actually connected i.e. serviceable SUIP (50% of the fixed charge per connected SUIP).

The final determination of these rates will also include operating and capital costs for the water supply activity.

On demand water rates will be charged for each serviced or serviceable SUIP to an unrestricted water supply.

Restricted water rates will be charged to a serviced or serviceable SUIP where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

The restricted rate will be set at 85% of the on demand rate.

The total amount to be collected is \$3,424,800.

The rate for each scheme is shown in the table on this page.

## URBAN WATER SUPPLY TARGETED RATE

	AMOUNT PER CONNECTED SUIP (\$)	AMOUNT PER SERVICEABLE SUIP (\$)	SCHEME TYPE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	602.70	301.35	On-demand	1,366,700
Benhar	602.70	0.00	On-demand	31,300
Clinton	512.30	256.15	Restricted	92,700
Kaitangata	602.70	301.35	On-demand	266,400
Kaka Point	512.30	256.15	Restricted	133,700
Lawrence	602.70	301.35	On-demand	230,200
Milton	602.70	301.35	On-demand	641,600
Owaka	512.30	256.15	Restricted	125,800
Stirling	602.70	301.35	On-demand	95,500
Tapanui	602.70	301.35	On-demand	309,500
Waiholā	512.30	256.15	Restricted	131,400
<b>TOTAL</b>				<b>3,424,800</b>

## RURAL WATER SCHEMES

Council sets 'Rural Water Scheme' rates to fund the operation, maintenance and capital expenditure for individual rural water schemes areas that are primarily for stock but also for domestic consumption (as per attached maps). The total amount to be collected is \$5,163,300. The rate is set as a fixed amount for each unit (one m3 of water per day) of water supplied and differentiated based on the scheme, as per the table on this page.

### RURAL WATER SCHEME TARGETED RATE

	AMOUNT PER UNIT SUPPLIED (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
Balmoral 1	444.70	337,100
Balmoral 2	334.00	526,000
Clydevale/Pomahaka	293.90	697,900
Glenkenich	395.50	422,700
Moa Flat	221.90	522,200
North Bruce	319.80	616,600
Richardson	284.20	714,500
South Bruce	169.00	259,400
Tuapeka	410.70	663,200
Waipahi	277.20	231,700
Wangaloa	409.60	172,000
<b>TOTAL</b>		<b>5,163,300</b>

## SEWERAGE

This rate funds the provision of sewage reticulation and treatment facilities.

Council sets a targeted uniform sewerage rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected to one of the following schemes, or for which a connection is available.

These rates will be differentiated based on whether the SUIP is connected to the service, or is available but the SUIP is not actually connected i.e. serviceable SUIP (50% of the fixed charge per connected SUIP).

The total amount to be collected is \$3,067,900.

The rate for each scheme is shown in the table on this page.

### SEWERAGE TARGETED RATE

	AMOUNT PER CONNECTED SUIP (\$)	AMOUNT PER SERVICEABLE SUIP (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha (including Benhar)	536.80	268.40	1,219,800
Clinton	536.80	268.40	98,000
Heriot	536.80	0.00	40,800
Kaitangata	536.80	268.40	215,000
Kaka Point	536.80	268.40	143,800
Lawrence	536.80	268.40	185,200
Milton (including Tokoiti)	536.80	268.40	582,900
Owaka (including Pounaweia)	536.80	268.40	125,900
Stirling	536.80	268.40	78,900
Tapanui	536.80	268.40	248,500
Waihola	536.80	268.40	129,100
<b>TOTAL</b>			<b>3,067,900</b>

## SEWERAGE LOAN RATES

Council sets 'Sewerage Loan' rates to repay loans taken out to fund the capital cost of certain sewerage schemes. The rates are set on all rating units in the scheme areas set out in the table on this page, that did not elect to make a lump sum contribution and are set as an amount per separately used or inhabited part of a rating unit (SUIP) and differentiated based on the scheme and location of the rating unit.

The total amount to be collected is \$41,928. The rate for each scheme is shown in the table on this page.

## STORMWATER

This rate is for the provision of stormwater reticulation and minor stormwater works.

Council sets targeted stormwater rates for each separately used or inhabited part of a rating unit (SUIP) that is either provided with a full stormwater service, or for which a limited service is available (50% of full service charge).

The total amount to be collected is \$1,031,400. The rate for each scheme is shown in the table on this page.

## SOLID WASTE MANAGEMENT

Council sets a 'Waste Management' rate to fund waste collection and disposal services. This rate is set as a fixed amount per standard service provided to a rating unit (a standard service is one pair of bins per SUIP) charge of \$206.10 per pair of wheelie bins provided to each SUIP.

The amount to be collected is \$1,297,700.

## SEWERAGE CAPITAL TARGETED LOAN RATE

	AREA A AMOUNT PER CONNECTED SUIP (\$)	AREA B AMOUNT PER SERVICEABLE SUIP (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
Benhar	894.00	814.10	32,900
Tokoiti	745.10	588.80	15,300
<b>TOTAL</b>			<b>41,928</b>

## STORMWATER TARGETED RATE

	AMOUNT PER SERVICED SUIP (\$)	AMOUNT PER LIMITED SERVICE (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	177.90	88.95	386,600
Clinton	177.90	88.95	32,300
Kaitangata	177.90	88.95	73,900
Kaka Point	177.90	88.95	46,700
Lawrence	177.90	88.95	60,600
Milton	177.90	88.95	174,500
Owaka	177.90	88.95	36,300
Tapanui	177.90	88.95	80,300
Heriot	177.90	88.95	12,500
Pounawea	177.90	88.95	16,900
Stirling	177.90	88.95	25,700
Taieri Mouth	177.90	88.95	41,500
Waihola	177.90	88.95	43,600
<b>TOTAL</b>			<b>1,031,400</b>



## COMMUNITY FACILITIES

Council sets a 'Community Facilities' targeted rate on all rateable rating units in the district. This rate is used to fund approximately 50% of swimming pools, halls, community centres, parks, reserves, sportsgrounds, playgrounds, Cross Recreation Centre, and approximately 80% the local share of main street improvements.

The amount to be collected is \$1,942,500.

The rates are set as a fixed charge per SUIP and differentiated based on location (as per attached maps). The charges are per the table on this page.

### COMMUNITY FACILITIES TARGETED RATE

	AMOUNT PER SUIP (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
Bruce	142.90	381,800
Catlins	53.20	49,700
Clinton	66.60	39,000
Lawrence Tuapeka	149.50	134,800
Lower Clutha	285.40	1,281,300
West Otago	46.40	55,900
<b>TOTAL</b>		<b>1,942,500</b>

## COMMUNITY PROJECTS

Council sets a 'Community Projects' targeted rate on all rateable rating units in the Bruce community rating area. This rate is used to fund the costs of Project Bruce.

The rate is set as a fixed charge per SUIP in the Bruce community rating area (as per attached Map: Community Rating Areas).

The rates are set as a fixed charge per SUIP of \$26.00.

The amount to be collected is \$69,000.

## WEST OTAGO HEALTH TRUST

Council sets a targeted rate per rateable separately used or inhabited part of a rating unit (SUIP) for those within the West Otago Health Trust service catchment area, which mirrors the West Otago Community Board boundaries. The rate is set to fund repayment of loans taken out for Council's grant to West Otago Health for the construction of their facility in Tapanui. The rate is set as a fixed amount of \$76.10 per SUIP.

The total amount to be collected is \$96,300.

## COMMUNITY BOARDS

Council sets 'Community Board' rates to fund the cost of its two community boards and local projects within the community board areas (as per attached maps). The rates are set as a fixed charge per rateable separately used or inhabited part of a rating unit (SUIP) within each community board area as per the table above.

### COMMUNITY BOARD TARGETED RATE

	AMOUNT (\$ PER SUIP)	TOTAL AMOUNT TO BE COLLECTED (\$)
West Otago Community Board	72.20	90,400
Lawrence/Tuapeka Community Board	129.30	111,000
<b>TOTAL</b>		<b>201,400</b>

## VOLUNTARY TARGETED RATES

Council sets targeted rates for rating units in the Clutha District who are part of a Voluntary Targeted Rating Scheme. These scheme provide a way for ratepayers in the Clutha District to pay for the cost of additional services provided specifically to them.

These voluntary targeted rates are subject to an agreement between the ratepayer and Council, and the application of a specified interest rate, over a specified timeframe (currently between 3 & 5 years). The rate is set as a targeted rate for each rating unit in the Clutha District Voluntary Targeted Rate Scheme. Use of this rate is currently suspended pending legal review.

# INDEX OF MAPS

## THE FOLLOWING MAPS OF RATING AREAS ARE ATTACHED:

1. Lawrence/Tuapeka Community Board Rating Area
2. West Otago Community Board Rating Area  
(West Otago Health Trust)
3. Local Roding Rating Area – Balclutha
4. Local Roding Rating Area – Clinton
5. Local Roding Rating Area – Heriot
6. Local Roding Rating Area – Kaitangata
7. Local Roding Rating Area – Kaka Point
8. Local Roding Rating Area – Lawrence
9. Local Roding Rating Area – Milton
10. Local Roding Rating Area – Owaka
11. Local Roding Rating Area – Papatowai
12. Local Roding Rating Area – Pounaweia
13. Local Roding Rating Area – Stirling
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16. Local Roding Rating Area – Waiholā
17. Local Roding Rating Area – Rural
18. New Footpaths Rating Area – Balclutha
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20. New Footpaths Rating Area – Kaitangata
21. New Footpaths Rating Area – Kaka Point
22. New Footpaths Rating Area – Lawrence
23. New Footpaths Rating Area – Milton
24. New Footpaths Rating Area – Owaka
25. New Footpaths Rating Area – Stirling
26. New Footpaths Rating Area – Tapanui
27. New Footpaths Rating Area – Waiholā
28. Sewerage Loan Rate Area – Benhar Area A
29. Sewerage Loan Rate Area – Benhar Area B
30. Sewerage Loan Rate Area – Tokoiti Area A
31. Sewerage Loan Rate Area – Tokoiti Area B
32. Community Rating Area – Bruce  
(Community Facilities & Community Projects (Project Bruce))
33. Community Rating Area – Catlins
34. Community Rating Area – Clinton
35. Community Rating Area – Lawrence Tuapeka
36. Community Rating Area – Lower Clutha
37. Community Rating Area – West Otago
38. Rural Water Schemes Rating Areas



MAP 1: LAWRENCE TUAPEKA COMMUNITY BOARD RATING AREA



MAP 2: WEST OTAGO COMMUNITY BOARD/WEST OTAGO HEALTH TRUST RATING AREA



MAP 3: BALCLUTHA LOCAL ROADING RATING AREA



MAP 4: CLINTON LOCAL ROADING RATING AREA





MAP 5: HERIOT LOCAL ROADING RATING AREA



Produced by Clutha District Council's GIS Section

The information shown on this map is indicative only. The Clutha District Council accepts no responsibility for incomplete or inaccurate information.



MAP 6: KAITANGATA LOCAL ROADING RATING AREA



Produced by Clutha District Council's GIS Section

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MAP 7: KAKA POINT LOCAL ROADING RATING AREA



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MAP 8: LAWRENCE LOCAL ROADING RATING AREA



Produced by Clutha District Council's GIS Section

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MAP 9: MILTON LOCAL ROADING RATING AREA



Produced by Clutha District Council's GIS Section

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MAP 10: OWAKA LOCAL ROADING RATING AREA



Produced by Clutha District Council's GIS Section

The information shown on this map is indicative only. The Clutha District Council accepts no responsibility for incomplete or inaccurate information.



MAP 11: PAPTOWAI LOCAL ROADING RATING AREA





MAP12: POUNAWEA LOCAL ROADING RATING AREA





MAP 13: STIRLING LOCAL ROADING RATING AREA



Produced by Clutha District Council's GIS Section

The information shown on this map is indicative only. The Clutha District Council accepts no responsibility for incomplete or inaccurate information.



MAP14: TAIERI MOUTH LOCAL ROADING RATING AREA



Produced by Clutha District Council's GIS Section

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Produced by Clutha District Council's GIS Section.

The information shown on this map is indicative only. The Clutha District Council accepts no responsibility for incomplete or inaccurate information.

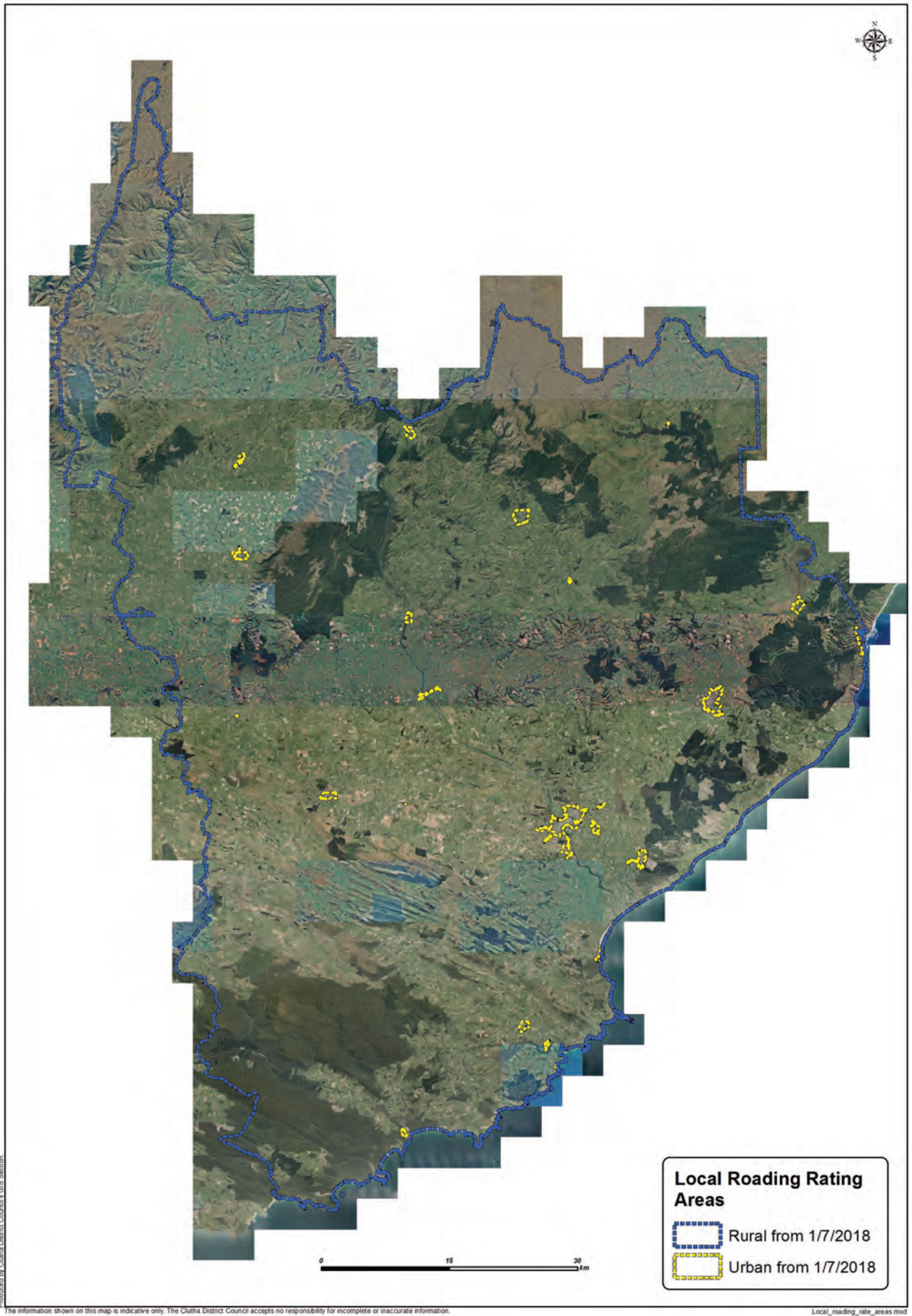




Produced by Clutha District Council's GIS Section.

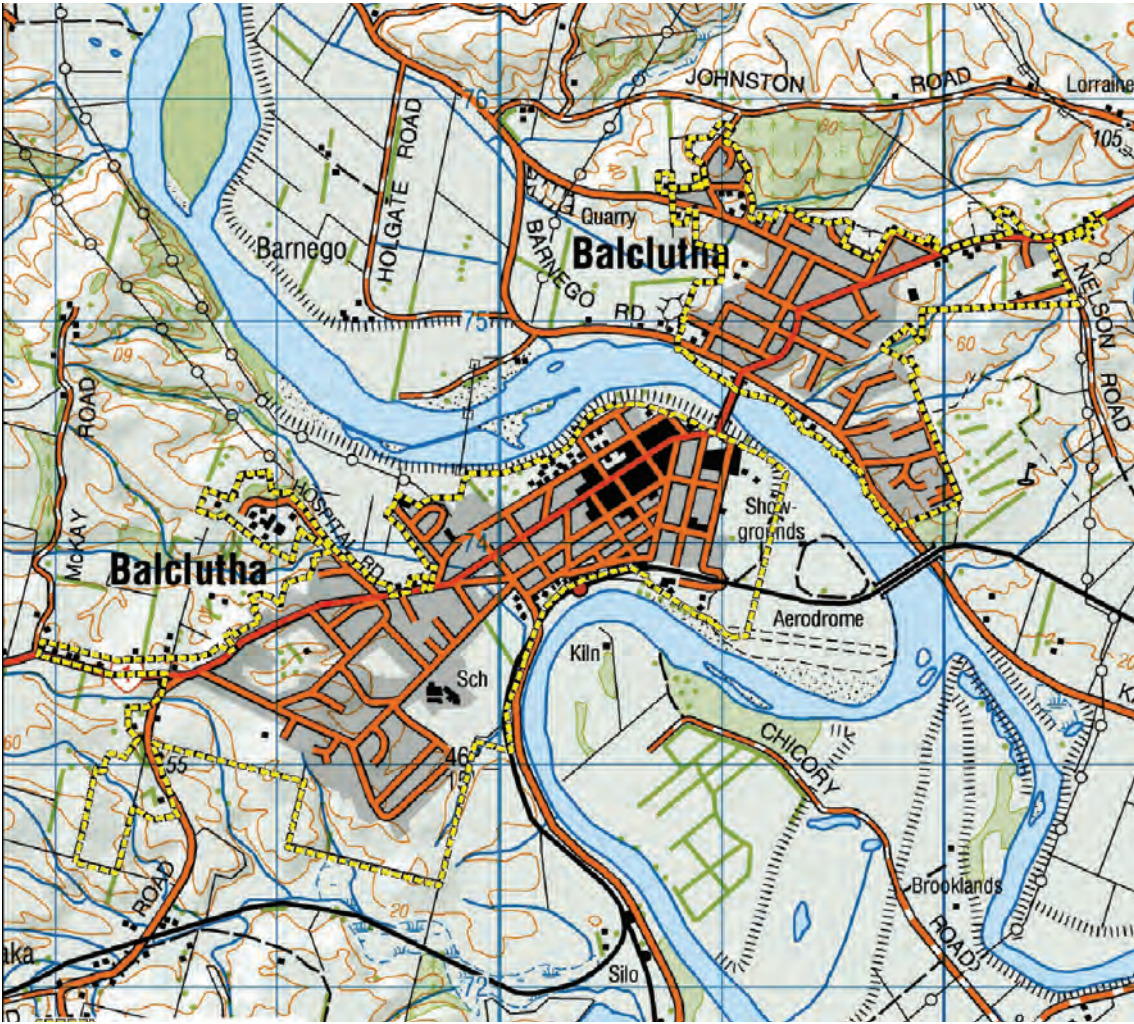
The information shown on this map is indicative only. The Clutha District Council accepts no responsibility for incomplete or inaccurate information.



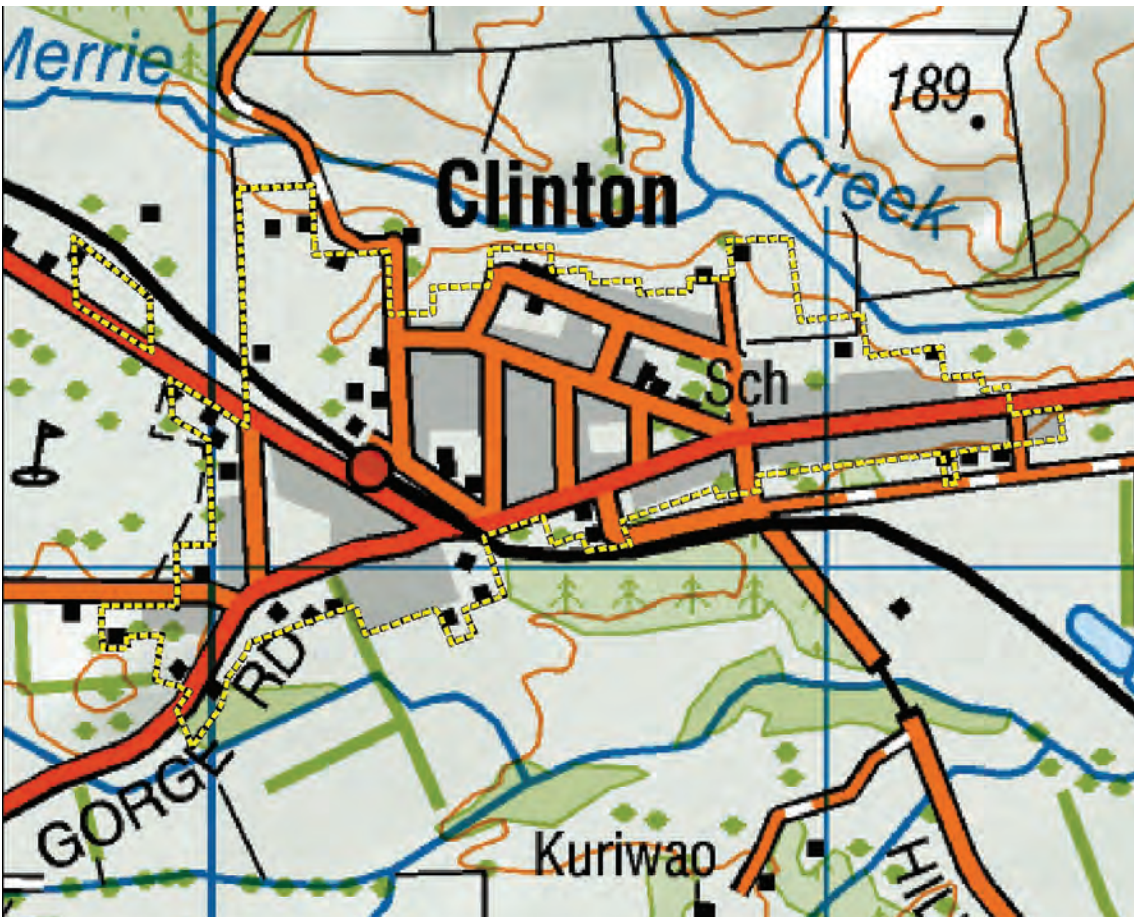




MAP 18: BALCLUTHA FOOTPATH RATING AREA

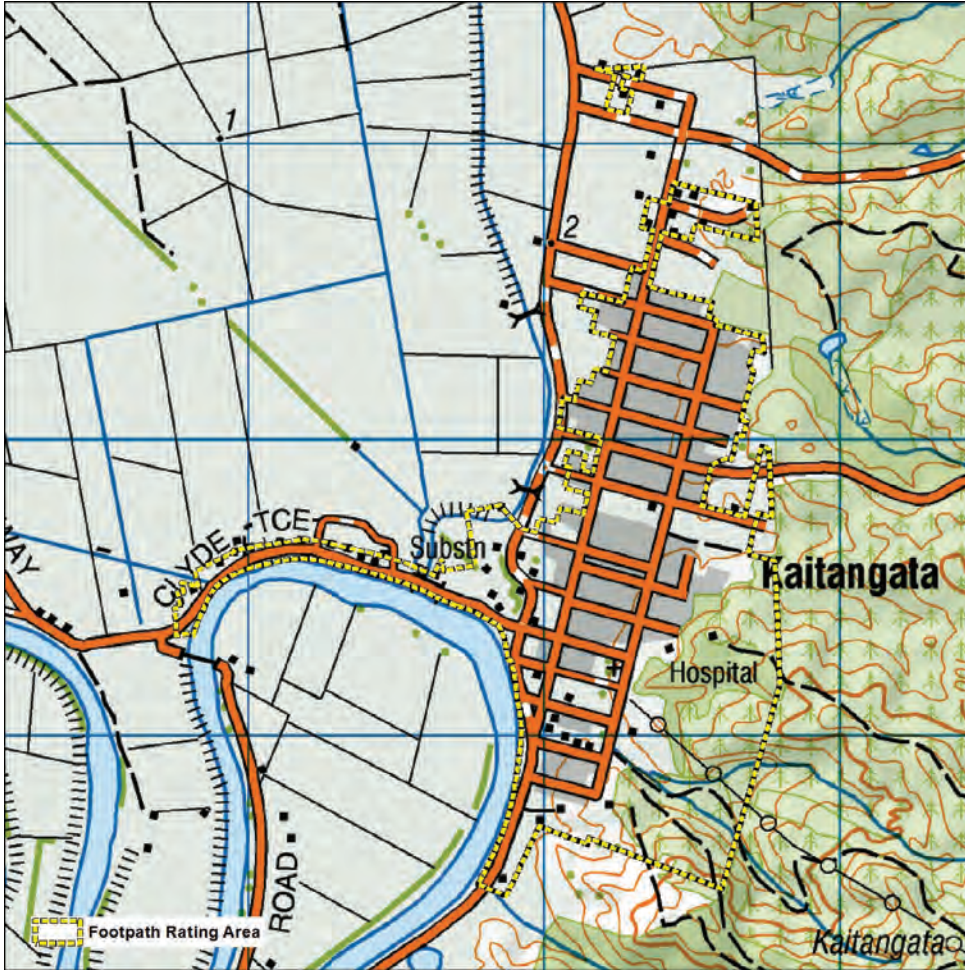


MAP 19: CLINTON FOOTPATH RATING AREA





MAP 20: KAITANGATA FOOTPATH RATING AREA



MAP 21: KAKA POINT FOOTPATH RATING AREA

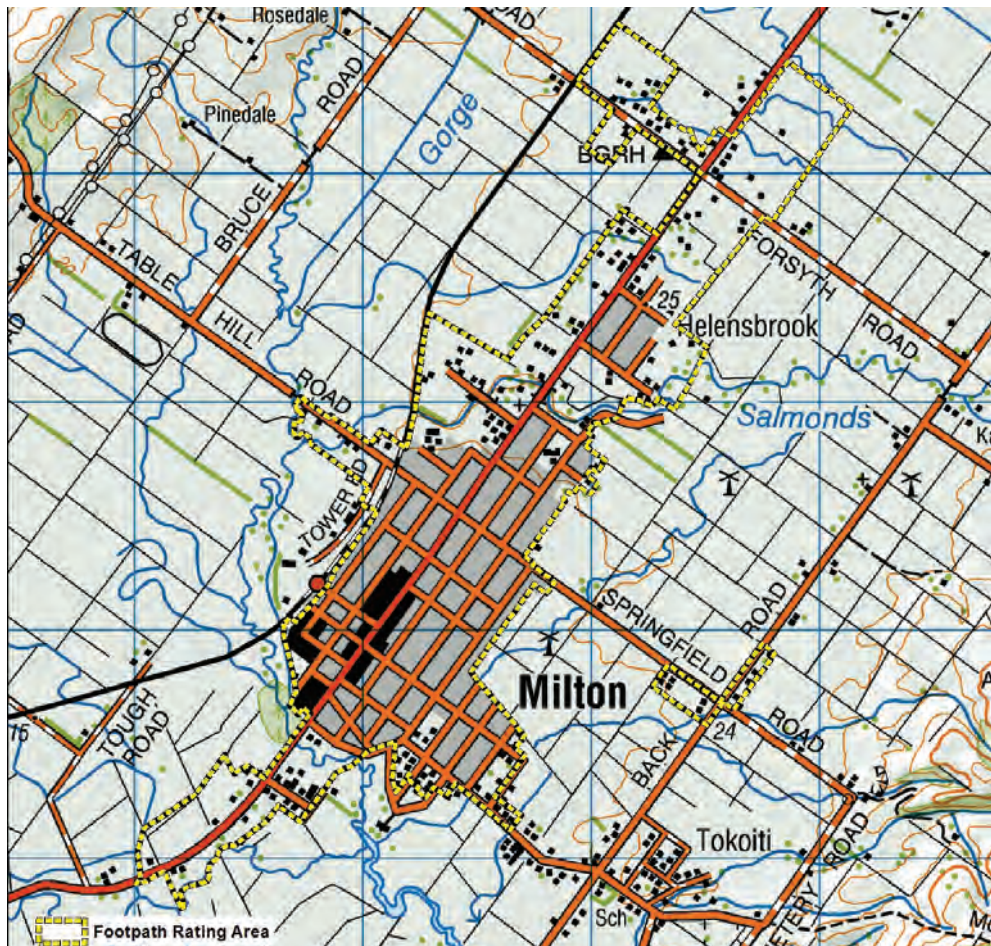




MAP 22: LAWRENCE FOOTPATH RATING AREA

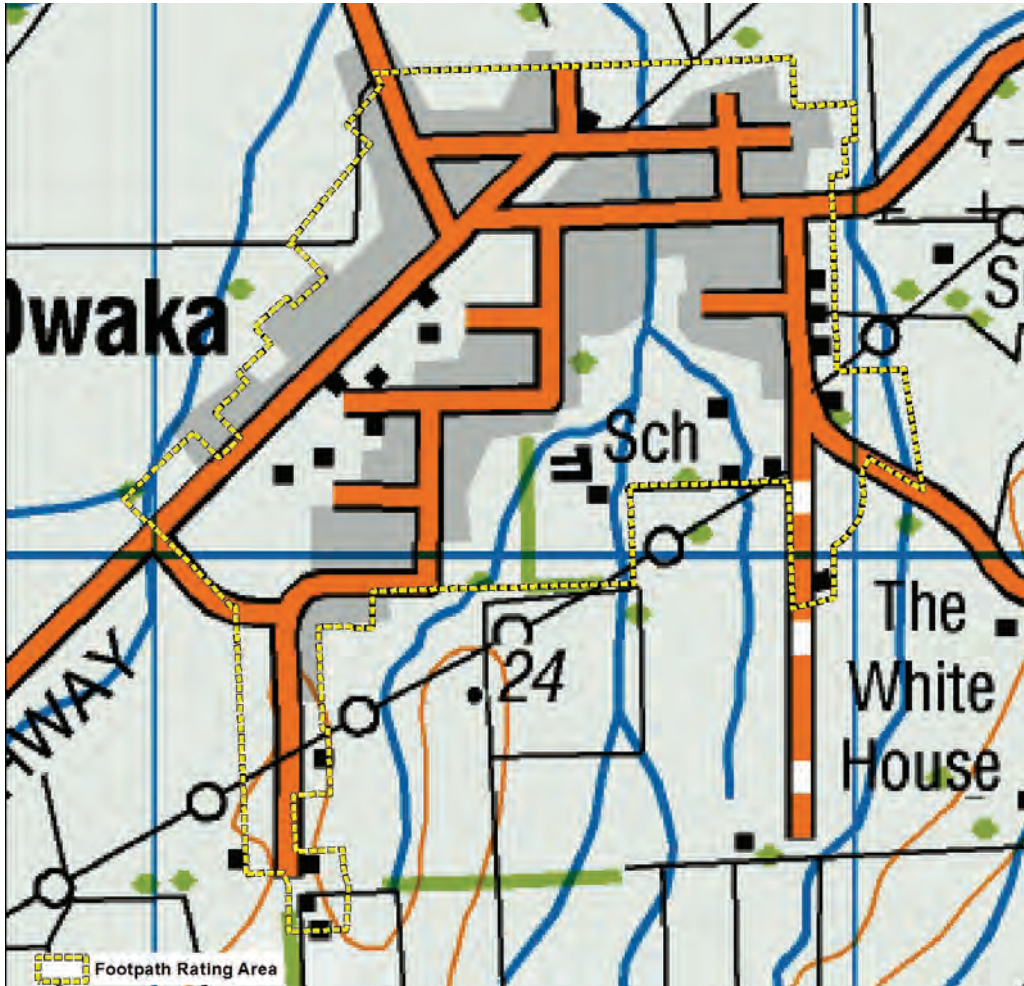


MAP 23: MILTON FOOTPATH RATING AREA





MAP 24: OWAKA FOOTPATH RATING AREA

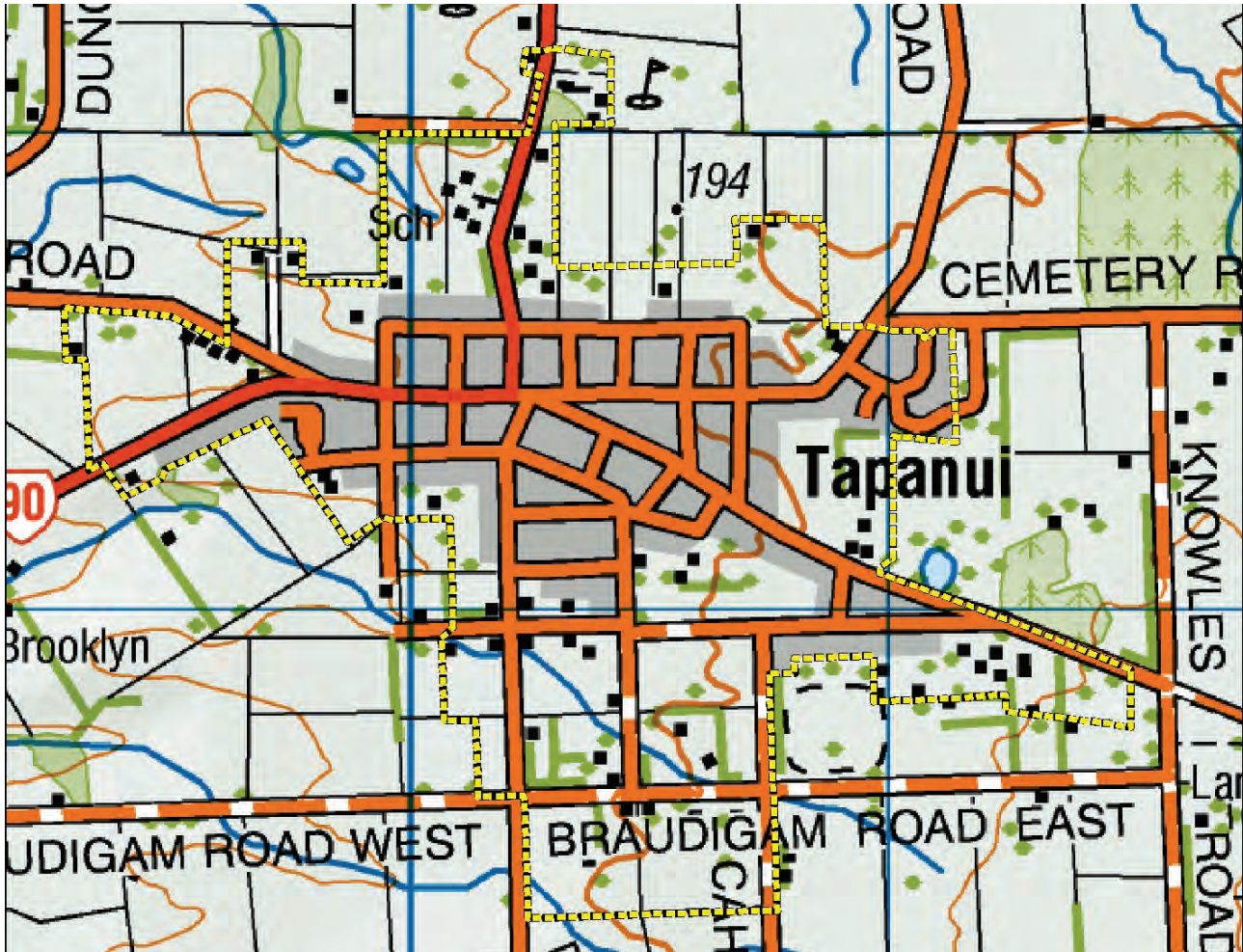


MAP 25: STIRLING FOOTPATH RATING AREA





MAP 26: TAPANUI FOOTPATH RATING AREA



MAP 27: WAIHOLA FOOTPATH RATING AREA

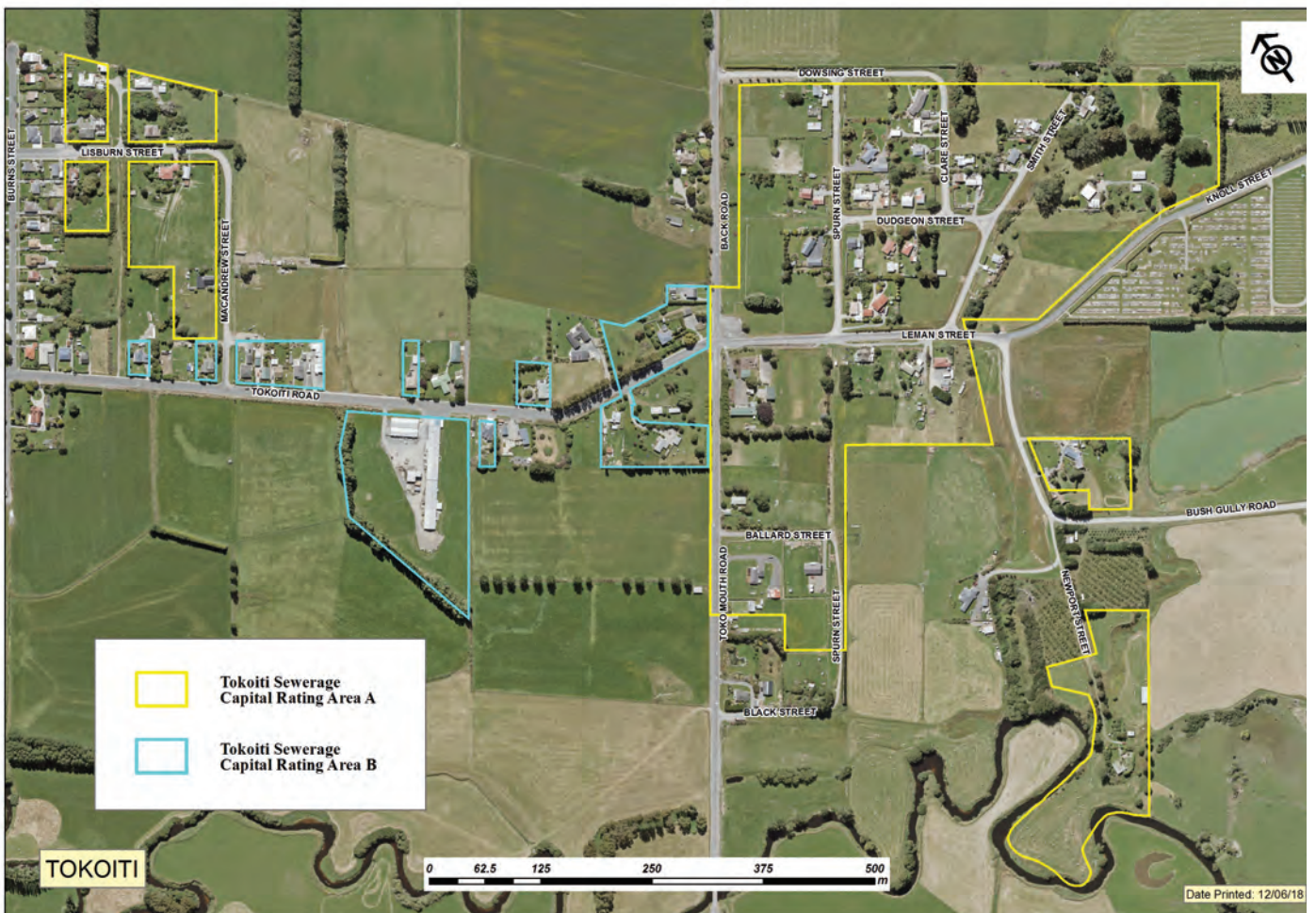




MAP 28 AND 29: BENHAR SEWERAGE CAPITAL RATING AREAS A & B



MAP 30 AND 31 : TOKOITI SEWERAGE CAPITAL RATING AREAS A & B









# CLUTHA DISTRICT COUNCIL

(Community Facilities Rate Areas)



Rating Areas	
<span style="color: green;">■</span>	Clinton
<span style="color: brown;">■</span>	Lower Clutha
<span style="color: blue;">■</span>	Lawrence Tuapeka
<span style="color: red;">■</span>	Bruce
<span style="color: purple;">■</span>	Catlins
<span style="color: pink;">■</span>	West Otago



Map of Clutha District Council

community\_services\_rate\_areas\_2017.pdf

MAP 38: RURAL WATER SCHEME RATING AREAS





# RATES EXAMPLES

## RESIDENTIAL - BALCLUTHA

Land Value 96,000 Capital Value 350,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	342	349	367
WATER, SEWERAGE & STORMWATER	1,392	1,527	1317
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	158	177	206
OTHER	58	58	72
<b>TOTAL</b>	<b>2,751</b>	<b>2,928</b>	<b>2,838</b>

## INFORMATION ABOUT THESE RATES EXAMPLES

Council splits the district into different areas for some rates depending on the range and cost of services in each of these areas.

These examples provide an indication of how rates are expected to change based on actual properties within the rating areas.

Note that all lines are presented GST inclusive.

Others include planning and regulatory services, sewerage upgrade support and communit board rates (where applicable).

## RESIDENTIAL - CLINTON

Land Value 15,000 Capital Value 115,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	203	207	217
WATER, SEWERAGE & STORMWATER	1,294	1,418	1227
COMMUNITY FACILITIES	71	93	67
SOLID WASTE	158	177	206
OTHER	19	19	24
<b>TOTAL</b>	<b>2,303</b>	<b>2,441</b>	<b>2,330</b>

## RESIDENTIAL - KAITANGATA

Land Value 56,000 Capital Value 180,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	315	321	339
WATER, SEWERAGE & STORMWATER	1,392	1,527	1317
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	158	177	206
OTHER	30	30	37
<b>TOTAL</b>	<b>2,696</b>	<b>2,872</b>	<b>2,775</b>

# RATES EXAMPLES

## RESIDENTIAL - KAKA POINT

Land Value 205,000 Capital Value 425,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	350	357	377
WATER, SEWERAGE & STORMWATER	1,294	1,418	1227
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	158	177	206
OTHER	70	71	87
<b>TOTAL</b>	<b>2,673</b>	<b>2,840</b>	<b>2,773</b>

## RESIDENTIAL - OWAKA

Land Value 39,000 Capital Value 175,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	633
ROADING	268	273	275
WATER, SEWERAGE & STORMWATER	1,294	1,418	1,227
COMMUNITY FACILITIES	52	68	52
SOLID WASTE	158	177	208
OTHER	29	29	35
<b>TOTAL</b>	<b>2,359</b>	<b>2,493</b>	<b>2,429</b>

## RESIDENTIAL - LAWRENCE

Land Value 81,000 Capital Value 230,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	267	272	287
WATER, SEWERAGE & STORMWATER	1,392	1,527	1317
COMMUNITY FACILITIES	123	159	149
SOLID WASTE	158	177	206
OTHER	160	160	176
<b>TOTAL</b>	<b>2,658</b>	<b>2,823</b>	<b>2,726</b>

## RESIDENTIAL - MILTON

Land Value 120,000 Capital Value 340,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	336	342	360
WATER, SEWERAGE & STORMWATER	1,392	1,527	1317
COMMUNITY FACILITIES	162	170	143
SOLID WASTE	158	177	206
OTHER	56	57	96
<b>TOTAL</b>	<b>2,662</b>	<b>2,800</b>	<b>2,711</b>



# RATES EXAMPLES

## RESIDENTIAL - STIRLING

Land Value 93,000 Capital Value 365,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	337	343	362
WATER, SEWERAGE & STORMWATER	1,392	1,527	1317
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	158	177	206
OTHER	60	61	75
<b>TOTAL</b>	<b>2,748</b>	<b>2,925</b>	<b>2,836</b>

## RESIDENTIAL - TAPANUI

Land Value 26,000 Capital Value 245,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	206	209	220
WATER, SEWERAGE & STORMWATER	1,392	1,527	1317
COMMUNITY FACILITIES	47	67	46
SOLID WASTE	158	177	206
OTHER	183	185	199
<b>TOTAL</b>	<b>2,543</b>	<b>2,693</b>	<b>2,578</b>

## RESIDENTIAL - TAIRI MOUTH

Land Value 250,000 Capital Value 620,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	387	394	418
WATER, SEWERAGE & STORMWATER	178	199	178
COMMUNITY FACILITIES	162	170	143
SOLID WASTE	0	0	0
OTHER	128	129	153
<b>TOTAL</b>	<b>1,413</b>	<b>1,420</b>	<b>1,482</b>

## RESIDENTIAL - WAIHOLA

Land Value 150,000 Capital Value 370,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	230	234	247
WATER, SEWERAGE & STORMWATER	1,294	1,418	1227
COMMUNITY FACILITIES	162	170	143
SOLID WASTE	158	177	206
OTHER	87	88	102
<b>TOTAL</b>	<b>2,489</b>	<b>2,614</b>	<b>2,514</b>

# RATES EXAMPLES

## LIFESTYLE

Land Value 330,000 Capital Value 660,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	512	520	548
WATER, SEWERAGE & STORMWATER	0	0	0
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	158	177	206
OTHER	96	97	119
<b>TOTAL</b>	<b>1,567</b>	<b>1,611</b>	<b>1,748</b>

## COMMERCIAL

Land Value 485,000 Capital Value 690,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	853	872	937
WATER, SEWERAGE & STORMWATER	1,392	1,527	1,317
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	0	0	0
OTHER	114	115	142
<b>TOTAL</b>	<b>3,159</b>	<b>3,330</b>	<b>3,271</b>

## INDUSTRIAL - RURAL

Land Value 241,000 Capital Value 2,626,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	1,276	1,298	1369
WATER, SEWERAGE & STORMWATER	1,392	1,527	1317
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	0	0	0
OTHER	434	437	540
<b>TOTAL</b>	<b>3,902</b>	<b>4,079</b>	<b>4,101</b>

## INDUSTRIAL - URBAN

Land Value 405,000 Capital Value 1,380,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	1,060	1,082	1154
WATER, SEWERAGE & STORMWATER	1,955	2,133	1854
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	158	177	206
OTHER	228	230	283
<b>TOTAL</b>	<b>4,202</b>	<b>4,439</b>	<b>4,373</b>



# RATES EXAMPLES

## RURAL - DAIRY 1

Land Value 2,850,000 Capital Value 3,410,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	1,116	1,055	1179
ROADING	3,674	3,739	3961
WATER, SEWERAGE & STORMWATER	0	0	0
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	0	0	0
OTHER	564	568	701
<b>TOTAL</b>	<b>5,596</b>	<b>5,651</b>	<b>6,126</b>

## RURAL - SHEEP & BEEF 1

Land Value 2,820,000 Capital Value 3,340,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	558	527	590
ROADING	3,556	6,320	3,850
WATER, SEWERAGE & STORMWATER	0	0	0
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	0	0	0
OTHER	547	551	686
<b>TOTAL</b>	<b>4,904</b>	<b>4,988</b>	<b>5,411</b>

## RURAL - DAIRY 2

Land Value 5,800,000 Capital Value 7,590,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	1,116	1,055	1179
ROADING	7,593	7,729	8194
WATER, SEWERAGE & STORMWATER	0	0	0
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	0	0	0
OTHER	1,255	1,264	1559
<b>TOTAL</b>	<b>10,206</b>	<b>10,338</b>	<b>11,218</b>

## RURAL - SHEEP & BEEF 2

Land Value 6,034,000 Capital Value 7,039,000	2021/22 (ACTUAL)	2022/23 (LTP)	2022/23 (AP)
GENERAL (UAGC)	2,232	2,109	2358
ROADING	7,700	7,837	8302
WATER, SEWERAGE & STORMWATER	0	0	0
COMMUNITY FACILITIES	243	290	285
SOLID WASTE	0	0	0
OTHER	1,164	1,172	1446
<b>TOTAL</b>	<b>11,338</b>	<b>11,408</b>	<b>12,392</b>

# FINANCIAL INFORMATION 2022/23

FIND OUT MORE IN THE LONG TERM PLAN 2021/31  
SECTION 7 - FINANCIAL PAGES 245-278





# SCHEDULE OF CAPITAL PROJECTS

(\$)000	LTP 2022/23	AP 2022/23
<b>ROADING IMPROVEMENTS</b>		
Balclutha streetscape (Stage 2)	602	1,902
Milton main street/streetscape project	1,850	1,850
Urban seal extensions	-	570
Rural seal extensions	-	360
<b>ROADING RENEWALS</b>		
Unsealed road metalling	2,052	2,016
Sealed road resurfacing	2,727	2,688
Drainage renewals	485	483
Pavement rehabilitation	432	592
Structure component replacement	682	580
Traffic service renewals	297	292
Low cost low risk roading improvements	869	869
Footpath upgrades (renewals)	452	283
Bridge renewals	1,345	1,188
<b>URBAN WATER GROWTH</b>		
Milton to Waihola pipeline	2,379	2,379
<b>URBAN WATER IMPROVEMENTS</b>		
Treatment plant upgrades	400	400
District wide urban water loss reduction programme – zone metering	39	39
Small town water metering for meeting consent requirement	60	60
Milton water treatment plant improvements	-	226
Tapanui backwash upgrade	-	142
Milton-Tokoiti water network extension	-	615
Water network extension - development support	-	50
<b>URBAN WATER RENEWALS</b>		
Pipeline renewals	1,265	1,628
Treatment plant renewals	75	75
Cast iron renewals	460	460
Districtwide urban condition assessment of pipelines and modelling	20	20
Reservoir renewals	300	800*
<b>RURAL WATER IMPROVEMENTS</b>		
Reservoir upgrades - steel tanks	1,930	2,650*
Clydevale bore security improvements	150	150

## Key - Explanation of variances to the 2022/23 LTP:

	Change in amount - adjustment to budget
	New project
	Carried forward from 2019/20 to 2020/21
	Deferred from 2021/22 to 2022/23
	Brought forward from 2022/23 to 2021/22
	Project cancelled/deleted - no longer required
	Change in timing during 2021/24 LTP period

\* Change in amount and brought forward from a future year's budget

\* Change in amount and brought forward from a future year's budget

# SCHEDULE OF CAPITAL PROJECTS

(\$)000	LTP 2022/23	AP 2022/23
<b>RURAL WATER IMPROVEMENTS</b>		
Puerua treatment plant upgrade	-	150
Greenfield Rural Water Scheme	1,000	1,000
Water loss reduction programme - Zone metering - North Bruce	-	99
Puerua/Whitelea Rd treatment plant - replace/upgrade for capacity	-	30
<b>RURAL WATER RENEWALS</b>		
Treatment plant intake renewals	932	932
Treatment plant renewals	14	14
Booster pump station renewals	55	55
Pipeline renewals	283	553
PRV renewals	78	78
Reservoir renewals	-	600*
<b>SEWERAGE GROWTH</b>		
Sewer network extension	200	260
<b>SEWERAGE IMPROVEMENTS</b>		
Treatment plant upgrades	2,653	2,766
Treatment plant compliance upgrades/improvements	600	600
Sewer network upgrades	-	335*
<b>SEWERAGE RENEWALS</b>		
Network renewals	720	910
Treatment plant renewals	75	75
Condition assessment & modelling	40	40
Wastewater system modelling	-	150
Oxidation pond desludging		850
<b>STORMWATER IMPROVEMENTS</b>		
Stormwater upgrades & extension	295	733*
Milton main street stormwater	-	1,850
Tapanui Paterson's Creek lower catchment improvements	600	1,631
Lawrence Hospital Creek improvements	200	200
<b>STORMWATER RENEWALS</b>		
Network renewals	210	210
<b>SOLID WASTE IMPROVEMENTS</b>		
Resource Recovery Park	680	680
<b>SOLID WASTE RENEWALS</b>		
Operational consent extensions	50	50
New landfill	634	484
Mt Cooee closure of existing cell	240	450

## Key - Explanation of variances to the 2022/23 LTP:

	Change in amount - adjustment to budget
	New project
	Carried forward from 2019/20 to 2020/21
	Deferred from 2021/22 to 2022/23
	Brought forward from 2022/23 to 2021/22
	Project cancelled/deleted - no longer required
	Change in timing during 2021/24 LTP period

\* Change in amount and brought forward from a future year's budget

\* Also a change in amount

\* Also a change in amount



# SCHEDULE OF CAPITAL PROJECTS

(\$)000	LTP 2022/23	AP 2022/23
<b>COMMUNITY SERVICES IMPROVEMENTS</b>		
Library & service centre upgrades	78	78
Parks and reserves - proposed upgrades	116	452*
Public toilet upgrades	70	1,063*
Community centre improvements	10	40
Community housing improvements	840	840
Gabriel's Gully entrance projects	-	50
<b>COMMUNITY SERVICES RENEWALS</b>		
Swimming pool renewals	11	61
Library renewals	147	147
Community centre renewals	50	50
Community housing renewals	302	491
Parks and reserves renewals	18	28
Sportsgrounds renewals	13	13
<b>INTERNAL SERVICES</b>		
Information Services	388	440
Administration Office	26	26
Vehicle Renewals	240	240

\* Also a change in amount

## Key - Explanation of variances to the 2022/23 LTP:

	Change in amount - adjustment to budget
	New project
	Carried forward from 2019/20 to 2020/21
	Deferred from 2021/22 to 2022/23
	Brought forward from 2022/23 to 2021/22
	Project cancelled/deleted - no longer required
	Change in timing during 2021/24 LTP period

# PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
REVENUE	2021/22	2022/23	2022/23
Rates	28,479	29,599	29,609
Grants, Subsidies and Donations	11,098	10,534	12,632
Fees and User Charges	1,099	1,707	1,738
Permits and Licences	936	963	977
Other Fees	1,325	1,446	1,846
Rental Revenue	1,031	1,060	1,219
Interest Revenue	1,073	1,037	980
Other Revenue	73	141	404
Other Gains	1,435	1,558	1,581
<b>TOTAL REVENUE</b>	<b>46,549</b>	<b>48,045</b>	<b>50,986</b>

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
EXPENDITURE	2021/22	2022/23	2022/23
Grants, Contributions and Sponsorship	8,872	2,857	3,325
Other Operating Expenditure	14,179	14,699	15,999
Roading Repairs and Maintenance	6,817	6,337	7,710
Employee Benefits	8,098	8,048	9,217
Depreciation and Amortisation	14,210	14,785	14,578
Finance Costs - External Loan	689	1,057	1,362
<b>TOTAL EXPENDITURE</b>	<b>52,865</b>	<b>47,783</b>	<b>52,191</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(6,316)</b>	<b>262</b>	<b>(1,205)</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>			
Property, plant and equipment Revaluations	0	85,315	0
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR</b>	<b>(6,316)</b>	<b>85,577</b>	<b>(1,205)</b>



# PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
ACCUMULATED FUND	2021/22	2022/23	2022/23
<b>OPENING BALANCE</b>	235,295	234,168	221,568
Add Total Comprehensive Revenue and Expense for the Year	(6,319)	85,577	(1,205)
Transfers to Asset Revaluation Reserve	0	(85,315)	0
Transfer to Reserves	5,192	1,309	4,244
<b>CLOSING BALANCE</b>	234,168	235,739	224,607
<b>RESERVES</b>			
<b>OPENING BALANCE</b>	54,216	49,013	51,198
Transfers from Accumulated Funds	(5,203)	(1,322)	(4,255)
<b>CLOSING BALANCE</b>	49,013	47,691	46,943
<b>ASSET REVALUATION RESERVE</b>			
<b>OPENING BALANCE</b>	837,869	837,869	894,745
Add Transfer from Accumulated Funds	0	85,315	0
<b>CLOSING BALANCE</b>	837,869	923,184	894,745
<b>OTHER</b>			
<b>AVAILABLE FOR SALE REVALUATION RESERVE - EQUITY SECURITIES</b>	(80)	(80)	(80)
Trust Funds - Restricted	457	471	460
<b>CLOSING BALANCE</b>	377	391	380
<b>EQUITY AT THE END OF THE YEAR</b>	1,121,427	1,207,005	1,166,675

# PROSPECTIVE STATEMENT OF FINANCIAL POSITION

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
	2021/22	2022/23	2022/23
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	829	654	453
Receivables and prepayments	5,451	5,564	5,510
Other financial assets	30,507	30,044	29,016
Development property	2,050	1,350	750
<b>TOTAL CURRENT ASSETS</b>	<b>38,837</b>	<b>37,612</b>	<b>35,729</b>
<b>NON CURRENT ASSETS</b>			
Property, plant & equipment	1,134,021	1,236,241	1,219,496
Intangible assets	1,200	1,200	50
Other financial assets	252	252	440
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,135,473</b>	<b>1,237,693</b>	<b>1,219,986</b>
<b>TOTAL ASSETS</b>	<b>1,174,310</b>	<b>1,275,305</b>	<b>1,255,715</b>

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
	2021/22	2022/23	2022/23
<b>CURRENT LIABILITIES</b>			
Payables and Accruals	6,102	6,219	8,041
Employee entitlements	756	756	756
Borrowings	4,000	4,000	4,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,857</b>	<b>10,975</b>	<b>12,797</b>
<b>NON CURRENT LIABILITIES</b>			
Other Liabilities	55	55	58
Borrowings	41,180	56,480	75,395
Provisions	790	790	790
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>42,025</b>	<b>57,325</b>	<b>76,243</b>
<b>TOTAL LIABILITIES</b>	<b>52,883</b>	<b>68,300</b>	<b>89,040</b>
<b>EQUITY</b>			
Accumulated funds	234,168	235,739	224,607
Reserves	887,259	971,266	942,068
<b>TOTAL EQUITY</b>	<b>1,121,427</b>	<b>1,207,005</b>	<b>1,166,675</b>
<b>NET CURRENT ASSET POSITION</b>	<b>27,980</b>	<b>26,637</b>	<b>26,932</b>



# PROSPECTIVE STATEMENT OF CASHFLOWS

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
	2021/22	2022/23	2022/23
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers, rates, grants and other services	45,696	47,234	50,007
Payments to suppliers and employees	(38,180)	(32,157)	(36,222)
Interest Expense	(689)	(1,057)	(1,362)
<b>NET CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>6,827</b>	<b>14,020</b>	<b>12,423</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Purchase of PP&E	(30,907)	(31,695)	(41,197)
(Acquisition) / sale of other financial assets	2,112	1,500	800
(Acquisition) / sale of development property	900	700	2,200
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(27,895)</b>	<b>(29,495)</b>	<b>(38,197)</b>

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
	2021/22	2022/23	2022/23
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	21,500	15,300	26,000
Repayment of borrowings	0	0	0
<b>TOTAL CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>21,500</b>	<b>15,300</b>	<b>26,000</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>432</b>	<b>(175)</b>	<b>226</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>828</b>	<b>653</b>	<b>452</b>

# PROSPECTIVE RECONCILIATION OF NON-EXCHANGE & EXCHANGE REVENUE

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
	2021/22	2022/23	2022/23
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>			
General rates	3,121	2,602	3,534
Targeted rates	25,138	26,771	25,844
Rates penalties	220	226	231
<b>TOTAL NON - EXCHANGE REVENUE</b>	<b>28,479</b>	<b>29,599</b>	<b>29,609</b>
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
Fees and user charges	11,099	10,534	12,632
Grants, subsidies and donations	1,031	1,060	1,738
Permits and licences	2,759	3,004	977
Other fees	1,099	1,707	1,846
Rental revenue	936	963	1,219
Interest revenue	1,073	1,037	980
Other revenue	73	141	1,986
<b>TOTAL EXCHANGE REVENUE</b>	<b>18,070</b>	<b>18,446</b>	<b>21,378</b>
<b>TOTAL REVENUE</b>	<b>46,549</b>	<b>48,045</b>	<b>50,986</b>



# PROSPECTIVE RECONCILIATION OF CASHFLOW TO COMPREHENSIVE REVENUE & EXPENSE

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
	2021/22	2022/23	2022/23
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	(6,316)	85,577	(1,205)
<b>Add non-cash items</b>			
Revaluation of property, plant and equipment	0	(85,315)	0
Working Capital Inflation	6	10	(30)
Depreciation and Amortisation	14,210	14,785	14,578
Fair Value Gains Nikko Investment	(1,073)	(1,037)	(980)
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>6,827</b>	<b>14,020</b>	<b>12,423</b>

# DEPRECIATION & AMORTISATION

(ALL IN \$000S)	LONG TERM PLAN		ANNUAL PLAN
	2021/22	2022/23	2022/23
Buildings	461	495	482
Furniture and Equipment	421	462	182
Plant and Motor Vehicles	598	795	1,024
Library Books	117	134	115
Roads	8,814	8,848	8,853
Stormwater	377	399	424
Sewerage	1,276	1,346	1,298
Water	2,146	2,307	2,201
<b>PROSPECTIVE DEPRECIATION AND AMORTISATION</b>	<b>14,210</b>	<b>14,785</b>	<b>14,578</b>



# STATEMENT OF ACCOUNTING POLICIES

This section contains Council's significant accounting policies that relate to the financial statements as a whole.

## REPORTING ENTITY

The Clutha District Council ("Council" or "CDC") is a local authority domiciled in New Zealand and governed by the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002.

Council's principal address is 1 Rosebank Terrace, Balclutha New Zealand.

The primary objective of the Council is to provide services and facilities to the Clutha community for social benefit rather than make a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) and applies New Zealand Tier 1 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards (IPSAS) with amendments for the New Zealand environment.

## BASIS OF PREPARATION

The financial statements have been prepared:

- in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the LGA 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 and comply with Tier 1 PBE Accounting Standards;
- on a historical cost basis, except for certain financial instruments which have been measured at fair value (note C2) and certain classes of property, plant, and equipment (note B1) which have been subsequently measured at fair value;
- on the going concern basis and the accounting policies have been applied consistently throughout the period; and
- in New Zealand dollars (NZD) rounded to the nearest thousand dollars, unless otherwise stated.

## SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires judgements, estimates and assumptions. Application is based on future expectations as well as historical experience and other factors, as appropriate to the particular circumstances. Judgements and estimates which are considered material to understanding the performance of council are found in the following notes:

B1 Property, plant, and equipment  
D5 Provisions.

## IMPLEMENTATION OF NEW AND AMENDED STANDARDS

Council has adopted all new standards and noted there has been no material impact.

## STANDARDS ISSUED BUT NOT YET EFFECTIVE

### PBE IPSAS 41 FINANCIAL INSTRUMENTS

PBE IPSAS 41 Financial Instruments was issued in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. PBE IPSAS 41 also supersedes parts of PBE IPSAS 29 Financial Instruments. It is effective for reporting periods beginning on or after 1 January 2022. Council will apply this standard in preparing its 30 June 2023 financial statements.

The main changes under PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The adoption of this standard is not expected to have a material impact on the financial statements.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All items in the financial statements are stated exclusive of Goods and Sales Tax (GST), except for receivables and payables, which include GST.

## COVID 19 DISCLOSURE

On 11 March 2020, the World Health Organisation declared a global pandemic as a result of the outbreak of and spread of COVID-19. Following this, the New Zealand Government's response resulted in periods of lockdown and/or restrictions which caused disruption to businesses, public services, and economic activity. During the current financial period the Council's operations were not affected by lockdowns.

Council considered the impact of COVID-19 as part of its

impairment testing of assets in its statement of financial position at 30 June 2023 in the following areas:

- Managed investments with Nikko AM.
- Roading and 3 waters infrastructure assets fair value assessment.
- Rates receivables allowance for doubtful debts not considered necessary due to powers under the Local Government (Rating) Act 2002 to recover any outstanding debts.
- Other receivables collectability.

While the pandemic continues to impact council operational activities Council will keep an eye out for the impact of financial hardship on our ratepayers as well as the impacts of labour and material shortages on our construction projects.

## A1 REVENUE

### ACCOUNTING POLICY

Council receives its revenue from exchange and non-exchange transactions.

Exchange transactions revenue arises when Council directly provides goods or services to a third party and receive approximately equal value in return.

Non-exchange transaction revenue arises when Council receives value from another party without having to directly provide goods or services of equal value. Non-exchange revenue comprises rates and transfer revenue.

Transfer revenue includes grants and subsidies and fees and user charges derived from activities that are partially funded by rates.

The council's significant items of revenue are recognised and measured as follows:

Type	Recognition and measurement
	Rates are set annually by resolution of the council and relate to a particular financial year in accordance with the Local Government (Rating) Act 2002.
Rates	Rates comprise general and targeted rates and are stated net of rates remissions.  Rates revenue is recognised at the date of issuance of ratings notice and is measured at the present value of cash received or receivable.

Type	Recognition and measurement
Grants and subsidies	Grants and subsidies are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants and subsidies are not met. If there is such an obligation, the grants and subsidies are initially recorded in the statement of financial position when received at fair value as grants and subsidies received in advance. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount recognised as revenue.
Financial contributions	Financial contributions are charged for new property developments to contribute to council's costs of building supporting infrastructure such as stormwater, roads, and footpaths. Revenue is recognised at the later of the point when the council is entitled to issue an invoice to developers for the contribution in accordance with milestones set out in council's financial contributions policy, and the point at which the council can provide the service for which the contribution has been charged. The timing of the recognition is dependent on the type of consent granted and the nature of the development.
Vested assets	Vested asset revenue represents infrastructure received from property developers who construct the infrastructure as a condition of development. Vested asset revenue is recognised when control of the asset is transferred to the council and is measured at the fair value of the asset received.
Infringement fees and fines	When the infringement notice is issued.
Finance revenue	Finance revenue comprises interest revenue and realised gains from the early close-out of derivatives. Revenue is recognised using the effective interest method.
Dividend revenue	Dividend revenue is recognised when the council's right to receive the dividend has been established.
Water and wastewater user charges	Water and wastewater revenue comprises the amounts received and receivable at balance date for water supplied to customers or sewerage processed for customers in the ordinary course of business. Water and wastewater revenue includes estimated unbilled amounts for unread meters at balance date. As meter reading is cyclical, management applies judgement when estimating the daily water consumption of customers between readings. Unbilled amounts from the last bill reading date to the end of the month are recognised as revenue.
Sale of goods	When the substantial risks and rewards of ownership have been passed to the buyer.
Sale of services	On a percentage of completion basis over the period of the service supplied.



Type	Recognition and measurement
Consents	Building consents provide approval for specific building works on a specific site, and resource consents provide approval for projects that impact the environment or others. Consent revenue is recognised when consents are provided at fair value of the amount receivable.
Licence and permit fees	On receipt of application as these are non-refundable.
Entrance fees	Entrance fees are fees charged to users of Council's local facilities, such as the pools. Revenue from entrance fees is recognised upon entry to such facilities.
Landfill fees	Fees for disposing of waste at Council's landfill are recognised as waste is disposed by users.
Development property	On earliest of settlement of transaction or unconditional sale and purchase agreement.

For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost (DRC).

Property, plant, and equipment that is measured at fair value, is not required to be separately tested for impairment.

## GROUP OF ACTIVITIES

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

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

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

There have been no changes to the cost allocation methodology during the year.

## A2 OPERATING EXPENDITURE

### ACCOUNTING POLICIES

#### GRANTS AND SUBSIDIES

Discretionary grants and subsidies are recognised as expenses when the council has advised their decision to pay and when the attached conditions, if any, are satisfied. Non-discretionary grants are recognised as expenses on receipt of an application that meets the specified criteria.

#### IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The initial measurement on property, plant and equipment and intangible assets are disclosed in Notes B1 and B2.

Intangible assets subsequently measured at cost that have indefinite useful life are tested annually for impairment. Property, plant and equipment and intangible assets subsequently measured at cost that have finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any indication exists, Council estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is recognised in surplus or deficit in the statement of comprehensive revenue and expenditure for the amount by which the asset's carrying amount exceeds its recoverable amount.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows.

## A3 EMPLOYEE BENEFITS

### ACCOUNTING POLICY

Employee entitlements for salaries and wages, annual leave, long service leave and other similar benefits are recognised as an expenditure and liabilities when they accrue to employees.

## A4 DEPRECIATION AND AMORTISATION

### ACCOUNTING POLICY

Depreciation is provided on all property, plant and equipment except for land, land under forests, road formation and land under roads. Depreciation is calculated to write down the cost or revalued amount of the assets on a straight line basis over their useful economic lives (Note B1).

Amortisation is provided on intangible assets, except rights to acquire, and is calculated to write down the cost of the assets on a straight line basis over their useful economic lives (Note B2).

## A5 FINANCE COSTS

### ACCOUNTING POLICY

Finance costs include interest expense, amounts paid or payable on interest rate swaps, amortised borrowing costs, net realised losses on the early close-out of derivatives, the unwinding of discounts on provisions and financial assets and costs directly incurred in managing funding. Interest on debt is recognised using the effective interest rate method.

## A6 NET OTHER GAINS AND LOSSES

### ACCOUNTING POLICY

Net other gains and losses on the sale of property plant and equipment, property intended for sale and financial assets are recognised when an unconditional contract is in place and it is probable that Council will receive the consideration due.

## A7 INCOME TAX

### ACCOUNTING POLICY

Income from Council activities is exempt from income tax under the Income Tax Act 2007.

## B1 PROPERTY, PLANT AND EQUIPMENT

### ACCOUNTING POLICY

The property, plant and equipment consist of the Council are classified into three categories:

- Operational Assets  
Include property, plant and equipment used to provide core council services, either as a community service, for administration, or as a business activity. Other operational assets include landfills, motor vehicles, office equipment, library books and furniture and fittings.
- Infrastructural Assets  
Infrastructural assets include land under roads and systems and networks integral to the council's infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded.
  - Roads, bridges and lighting.
  - Land under roads.
  - Stormwater.
  - Wastewater.
  - Water.
- Restricted Assets  
Include property and improvements where the use or transfer of title outside of the council is legally restricted.

### INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Property, plant, and equipment is initially recognised at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. The cost of third party constructed assets generally comprises the sum of costs invoiced by the third party. The cost of self-constructed assets comprises purchase costs, time allocations and excludes, where

material, any abnormal costs, and internal surpluses.

Subsequent costs then extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant, and equipment are revalued. Work in progress is recognised at cost less impairment, if any, and is not depreciated.

### USEFUL LIVES

The useful lives used to calculate the depreciation of property, plant, and equipment are as follows:

Asset class	Estimated useful lives	Depreciation Rate
<b>OPERATIONAL ASSETS</b>		
Land	Not applicable	Not depreciated
Buildings	40-50	2% - 2.5%
Furniture and equipment	3-10	10% - 33.3%
Plant and motor vehicles	3-10	10% - 33.3%
Land under forest	n/a	Not depreciated
Library books	7	14.3%
<b>Infrastructural Assets</b>		
Roads - formation	Not applicable	Not depreciated
Roads - pavement (sealed)	2-100	1%-50%
Roads - pavement (unsealed)	35-100	1%-2.86%
Roads - other roading assets	20-150	0.6%-5%
Roads - other	10-50	2%-10%
Roads - bridges	50-150	0.6%-2%
Land under roads	Not applicable	Not depreciated
Stormwater	20-100	1-5%
Wastewater	20-100	1-5%
Water	20-100	1-5%
<b>Restricted assets</b>		
Reserves	Not applicable	Not applicable
Endowments	Not applicable	Not applicable
Other	Not applicable	Not applicable

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

### DISPOSALS

Gains and losses on the disposal of property, plant, and equipment are recognised in surplus or deficit. Any amounts included in the asset revaluation reserve in respect of the disposed assets are transferred to accumulated funds on disposal.



## IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of the expected future cashflows.

For non-cash generating assets, value in use is determined using an approach based on depreciated replacement cost.

## REVALUATION

Infrastructural assets (except land under roads) are revalued with sufficient regularity, and at least every three years to ensure that their carrying amounts do not differ materially from fair value.

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 those asset classes are revalued. Revaluations are accounted for on a class of asset basis.

Net revaluation gains are recognised in other comprehensive revenue and expenditure and are accumulated in the asset revaluation reserve in equity for that class of asset. Revaluation losses that result in a debit balance in an asset class's revaluation reserve are recognised in surplus and deficit. Any subsequent gain on revaluation is recognised first in surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenditure.

## SIGNIFICANT JUDGEMENTS AND ESTIMATES

The method used by the council in revaluing its infrastructural assets as part of property, plant, and equipment, outlined below, is depreciated replacement cost (DRC). Operational land and buildings including land are not revalued.

DRC is calculated based on the replacement cost of infrastructure assets depreciated over their useful lives. This method takes into account the age and condition of the assets, estimated optimisation rates, and estimated remaining useful lives of those assets. The revaluation process involves physical inspection of selected assets at various sites to note aspects such as condition, use, replacement timing, and optimisation.

It is assumed that all asset classes have no residual value at the end of their useful lives.

## ESTIMATING THE FAIR VALUE OF INFRASTRUCTURE

The most recent valuation of infrastructural assets effective 30 June 2020 was performed as follows:

- Stormwater, sewerage, and water infrastructural assets were valued at 30 June 2020 by staff and reviewed by Rationale Limited.
- The roading infrastructural assets (excluding land under roads) were revalued at 30 June 2020 by Stantec.
- There are several estimates and assumptions exercised when valuing infrastructural assets which include:
  - Estimating the unit rates. The unit rate review sourced data from recent CDC physical works contract payments, and unit rates from surrounding districts (Southland, Central Otago, and Dunedin City). These rates were analysed to:
    - Benchmark CDC's 30 June 2017 unit rates against surrounding areas and recent project work.
    - Compare the unit rate 'curves' for line assets (cost profile by pipe diameter).
    - Update unit rates for the 30 June 2020 valuation.
  - Estimates of the remaining useful life over which the asset will be depreciated.
  - Each asset is depreciated over its total useful life. An asset's total useful life defaults to its standard life except where its economic or physical life has been assessed. The economic or physical life of particular reticulation assets has not been assessed; therefore, the standard life has been applied in all instances.
  - Asset Optimisation  
Water supply, wastewater and stormwater line replacement costs have been optimised for material type. Further optimisation of reticulation assets has not occurred. Excess asset capacity, obsolescence and surplus assets are not considered a significant issue.

The movement in fair value infrastructure assets since 30 June 2020 was assessed at balance date using indices deemed suitable by management supported by a material movements letter from Rationale and Stantec. The assessment indicated an immaterial increase in infrastructure asset values and therefore a revaluation of these asset classes was not required at balance date.

## CHANGES AHEAD FOR THREE WATERS

Water is the lifeblood for our way of life, for our people, environment, and economy. Wastewater and stormwater also play crucial parts. Combined these key services are referred to as Three-Waters.

Just under two-thirds (12,000) of Clutha District's residents drink water from one of the 22 schemes currently is taken care of by CDC. Half of these schemes service our towns in Balclutha, Clinton, Milton, Benhar, Kaitangata, Lawrence, Stirling, Tapanui, Clinton, Owaka and Waihola. The rest are rural schemes that cover just about every other part of the district. They supply drinking water to people in these areas, and water to their businesses. Importantly, they are the backbone of our agricultural sector.

The combined extent of what we have here is also a point of difference and we have one of the longest networks of pipelines in NZ.

A 2016 campylobacter outbreak in Havelock North made over 5,000 people ill and was linked to three deaths. The inquiry into the outbreak concluded New Zealand's drinking water regulatory system was failing to provide necessary assurances that drinking water across the country is safe and reliable. In 2019 Cabinet agreed to create a new water services regulator called Taumata Arowai. One of its roles is to enforce drinking water standards nationally. Its premise is that councils have the funding and support to get the balance right.

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated "all in" approach, Council continues to recognise its three waters assets at 30 June 2021 in accordance the accounting policies set out on pages 74 to 76. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

For more information on the Government reforms visit [WWW.DIA.GOV.NZ/THREE-WATERS-REFORMS-PROGRAMME](http://WWW.DIA.GOV.NZ/THREE-WATERS-REFORMS-PROGRAMME).

## CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

### CLASSIFICATION OF PROPERTY

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

## B2 INTANGIBLE ASSETS

### ACCOUNTING POLICY

#### INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead, and other direct costs that are incurred within the development phase of the asset. Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measured. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

### USEFUL LIVES

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

Computer software	3 to 5 years	20% to 33.3%
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### DISPOSALS

Gains and losses from the disposal of intangible assets are recognised in surplus or deficit.

### IMPAIRMENT

Intangible assets are assessed annually for indicators of impairment. An impairment loss is recognised in surplus or deficit for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

## C1 BORROWINGS

### ACCOUNTING POLICY

Borrowings are initially recognised at face value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

## C2 FINANCIAL INSTRUMENTS

### ACCOUNTING POLICY

#### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the statement of financial position when Council becomes a party to contractual provisions of the instrument. Council is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, other financial assets, trade and other receivables, trade and other payables and borrowings. The relevant accounting policies are stated under separate headings.

#### FINANCIAL ASSETS

Financial assets are classified into the following specified categories:

- Financial assets 'at fair value through surplus or deficit',
- 'Available-for-sale' financial assets, and
- 'Loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest revenue over the relevant period. The effective interest



rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

## FINANCIAL ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT

Financial assets are classified as financial assets at fair value through surplus or deficit where the financial asset:

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

Financial assets at fair value through surplus or deficit are stated at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Revenue and Expenditure. The net gain or loss is recognised in the Statement of Comprehensive Revenue and Expenditure and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

Council has classified its managed funds, held with Nikko Asset Management (ANZ Investments), as financial assets at fair value through surplus or deficit. This fund includes bonds and tradable securities.

## AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are those that are designated as fair value through other statement of comprehensive revenue or expenditure or are not classified in any of the other categories. This category encompasses investments that Council intends to hold long-term, but which may be realised before maturity and equity securities held for strategic purposes.

Equity securities have been classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve; with the exception interest calculated using the effective interest method and impairment losses which are recognised directly in the Statement of Comprehensive Revenue and Expenditure. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Statement of Comprehensive Revenue and Expenditure for the period.

Dividends on available-for-sale equity securities are recognised in the Statement of Comprehensive Revenue and Expenditure when Council's right to receive payments is established.

## LOANS AND RECEIVABLES

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for doubtful debts is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is expensed in the Statement of Comprehensive Revenue and Expenditure.

Loans, including loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/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 Expenditure as a grant.

Money Market Deposits are included within this classification.

## IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of

Comprehensive Revenue and Expenditure to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

## FINANCIAL LIABILITIES

- **Trade and Other Payables**  
Trade payables and other accounts payable are recognised when Council becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.
- **Borrowings**  
Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Statement of Comprehensive Revenue and Expenditure over the period of the borrowing using the effective interest method.

## DERIVATIVE FINANCIAL INSTRUMENTS

The Council uses derivative financial instruments, such as interest rate swaps to mitigate risks associated with interest rate fluctuations. The council does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit, except for the effective portion of derivatives designated in cash flow hedges.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date.

## CASH FLOW HEDGES

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised directly in other comprehensive revenue and expenditure. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. On derecognition, amounts accumulated in cash flow hedge reserve are transferred to surplus or deficit.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain, or loss existing in the cash flow hedge reserve at that time remains in equity and is recognised when the forecast transaction occurs.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss in cash flow hedge reserve is recognised immediately in the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognised in other comprehensive revenue and expenditure are transferred to the initial cost of the carrying amount of the non-financial asset or liability.

# C3 OTHER FINANCIAL ASSETS

## ACCOUNTING POLICY

The council's other financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

Other financial assets of the council include wholesale Nikko funds, borrower notes and unlisted shares.

The accounting policies on classification of these financial assets for the purpose of measurement are outlined in Note C4.

## BORROWER NOTES

Borrower notes are subordinated convertible debt instruments that the council subscribes for in an amount equal to 2.5% of the total borrowing from LGFA. LGFA will redeem borrower notes or convert to equity under specific circumstances when the council's related borrowings are repaid or no longer owed to LGFA.

The fair value of borrower notes is calculated using the discounted cashflow method. The significant input used in the fair value measurement of borrower notes is the forward interest rate yield curve.

## UNLISTED SHARES

The council has investments of \$33k (2020: \$32k) in Civic Financial Services Limited. The fair values are determined by reference to the council's share of net asset backing in these companies as there is no market information on the value of the organisations' shares.

# C4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

## ACCOUNTING POLICY

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities



are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

- Due to the immaterial size and nature of the Council's investment in the LGFA, the Council has estimated the fair value of this investment based on the LGFA's net asset backing at 30 June.

The carrying amount of financial assets and financial liabilities are recorded at amortised cost in the financial statements which approximates their fair values.

Fair value measurements recognised in the Statement of Comprehensive Revenue and Expenditure.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, reconciled into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note C2 and C3 for the valuation techniques used to value derivative financial instruments and other financial assets, respectively.

## ACCOUNTING POLICY

For the purpose of measurement, the council's financial assets and liabilities are classified into categories. The classification depends on the purpose for which the financial assets and liabilities are held. Management determines the classification of financial assets and liabilities and recognises these at fair value at initial recognition. Subsequent measurement and the treatment of gains and losses are presented below:

Categories	Subsequent measurement	Treatment of gains and losses
Fair value through surplus or deficit	Fair value	Surplus or deficit
Loans and receivables	Amortised cost less provision for impairment	Surplus or deficit
Available for sale financial assets	Fair value	Other comprehensive revenue and expenditure

Categories	Subsequent measurement	Treatment of gains and losses
Financial liabilities at amortised cost	Amortised cost	Surplus or deficit
Held to maturity financial assets	Amortised cost less provision for impairment	Surplus or deficit

Council does have financial assets for purposes of trading. Council has listed investments in managed funds and unit trusts that are designated on initial recognition at fair value through surplus or deficit. This is because the performances of these groups of assets are managed, and performance evaluated, on a fair value basis, in accordance with Council's investment management policy. Derivatives are, by their nature, categorised as held for trading unless they are designated into a hedge relationship for which hedge accounting is applied.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenditures arising as a result of financial instrument earnings or fair value adjustments are recognised as a net result for like items.

Derivatives are, by their nature, categorised as fair value through surplus or deficit unless they are designated into a hedge relationship for which hedge accounting is applied.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised on a net-basis for like items.

## D1 CASH AND CASH EQUIVALENTS

### ACCOUNTING POLICY

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments, net of bank overdraft classified under current liabilities. The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their fair value.

## D2 RECEIVABLES AND PREPAYMENTS

### ACCOUNTING POLICY

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

### ACCOUNTING POLICY

#### ASSESSMENT FOR UNCOLLECTABILITY

Council does not normally provide for any uncollectability on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after due date for payment. If payment has not been made within three months of the Court's judgment, then Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Council provides for impairment on rates receivables only for abandoned land and properties at rating sales with little chance of recovery.

All receivables more than 30 days in age are considered to be past due.

The allowance for doubtful debts has been calculated based on a review of specific overdue receivables and a collective assessment. The collective assessment is based on an analysis of past collection history and debt write offs.

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

Council holds no other collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

Other than NZTA, Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers. Council believes no further credit provision is required in excess of the allowance for doubtful debts.

## D3 PAYABLES AND ACCRUALS

### ACCOUNTING POLICY

Current payables and accruals represent amounts payable within 12 months of balance date and are recognised at cost. Current payables and accruals are non-interest bearing and normally settled on 30-day terms; therefore, the carrying value approximates fair value.

Non-current payables and accruals represent amounts payable more than 12 months from balance date and are measured at the present value of the estimated future cash outflows.

## D4 EMPLOYEE ENTITLEMENTS

### ACCOUNTING POLICY

Employee entitlements to be settled within 12 months of balance date are reported at the amount expected to be paid within current liabilities. The liability for long-term employee entitlements is measured at the present value of estimated future cash outflows and is reported within non-current liabilities.

## D5 PROVISIONS

### ACCOUNTING POLICY

Provisions are recognised in the statement of financial position where the council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated reliably.

Provisions are measured at the present value of the expected future cash outflows required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance cost in surplus or deficit.

### JUDGEMENTS AND ESTIMATES

The management of the Mt Cooe landfill will influence the timing of recognition of some future liabilities. However, it is likely that the main restriction on the future use of the current site will be the statutory and regulatory limitations rather than the capacity of the site. It is anticipated that the site will cease operating when the current consent expires in October 2023. At the current rates of usage there will be significant volumetric capacity remaining in 2023.

The cash outflows for closed landfills are not expected to occur until 2026. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 6% (2020: 6%).



Other assumptions made in the calculation of the provision are:

- No major capital projects will be required at existing closed landfill sites and
- The Mt Cooe Landfill will close when the current consent expires in 2023 but a resource consent extension is in progress.

## D6 RATEPAYER EQUITY

### ACCOUNTING POLICY

Ratepayer equity is the community's interest in the council.

Ratepayer equity has been classified into various components to identify those portions of equity held for specific purposes:

- Accumulated funds;
- Restricted reserves;
- Property revaluation reserve; and
- Fair value through other comprehensive revenue and expenditure reserve.

### RESTRICTED RESERVES

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

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

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

### PROPERTY REVALUATION RESERVE

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

Fair value through other comprehensive revenue and expense reserve.

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expenditure.

## CAPITAL MANAGEMENT

For the purpose of the council's capital management, the council's capital is its ratepayer equity, which comprises contributed equity, reserves, and accumulated funds. Equity is represented by net assets. The Local Government Act 2002 (the LGA 2002) requires the council to manage revenue, expenses, assets, liabilities, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, and general financial dealings.

In addition, the Local Government (Financial Reporting and Prudence) Regulations 2014 sets out a number of benchmarks for assessing whether the council is managing revenue, expenses, assets, and liabilities prudently.

The objective of managing the council's capital is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the council. Intergenerational equity requires today's ratepayers to meet the cost of using the council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations.

To achieve this objective, the council have asset management plans in place for major classes of assets detailing renewal and maintenance programmes to minimise the likelihood of ratepayers in future generations being required to meet the costs of deferred renewals and maintenance.

An additional objective of capital management is to ensure that the expenditure identified in the 10-year budget and annual budget are met in the manner set out in these budgets. The LGA 2002 requires the council to make adequate and effective provision in the 10-year budget and annual budget to meet the expenditure needs identified in those budgets. It sets out factors that the council is required to consider when determining the most appropriate sources of funding for each of the council's activities.

The sources and levels of funding are set out in the funding and financial policies of the 10-year budget. The council monitors actual expenditure incurred against the 10-year budget and annual budget.

No changes were made in the objectives, policies, or processes for managing capital of the council for the 30 June 2023 year.

## D7 DEVELOPMENT PROPERTY

### ACCOUNTING POLICY

Development Properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for the development properties less all estimated costs to make the sale.

# F1 CONTINGENCIES, COMMITMENTS, AND SUBSEQUENT EVENTS

## ACCOUNTING POLICY

The council does not recognise contingent liabilities and contingent assets in the financial statements due to their uncertainty or the fact that they cannot be reliably measured.

Disclosures are provided for as follows:

- Contingent liabilities are disclosed unless the possibility that these will crystallise is remote; and
- Contingent assets are only disclosed when it is probable that they will crystallise.

Contingent liabilities and assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.



# PROSPECTIVE SCHEDULE OF RESERVE FUNDS

FUND	TYPE/ PURPOSE	OPENING BALANCE AS AT 1 JULY 2022	TRANSFERS INTO THE FUND DURING THE PERIOD	INTEREST EARNED ON THE FUND DURING THE PERIOD	TRANSFERS OUT OF THE FUND DURING THE PERIOD	CLOSING BALANCE AS AT 30 JUNE 2023
<b>INTERNAL SERVICES</b>						
Information Technology	Depn	(1,191)	207	(30)	23	( 1,037)
Rosebank Terrace Main Office/Service Centres	Depn	331	79	9	123	295
Underground Insurance	Spec	502	59	17	-	579
Human Resources	Spec	20	-	1	-	21
Cars	Spec	259	265	9	240	293
Gratuities	Spec	81	-	2	-	83
District Assets Infrastructure	Spec	2	-	-	-	2
Policy and Communications	Spec	129	-	3	38	95
<b>COMMUNITY LEADERSHIP</b>						
Election Fund	Spec	37	-	-	38	(1)
Lawrence Tuapeka Community Board	Spec	21	-	-	5	17
West Otago Community Board	Spec	80	-	2	-	82
Tuapeka Bursary	Spec	30	-	-	-	30
Clutha Gold Trail	Spec	14	-	-	28	(14)
Opportunities Fund	Spec	77	-	3	-	80
Signage	Spec	8	-	-	-	8
Welcome to Signage	Spec	5	-	-	-	5
<b>COMMUNITY SERVICES</b>						
Library	Depn	110	143	4	108	150
Balc Pool	Depn	56	55	3	11	104

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next page

FUND	TYPE/ PURPOSE	OPENING BALANCE AS AT 1 JULY 2022	TRANSFERS INTO THE FUND DURING THE PERIOD	INTEREST EARNED ON THE FUND DURING THE PERIOD	TRANSFERS OUT OF THE FUND DURING THE PERIOD	CLOSING BALANCE AS AT 30 JUNE 2023
Kaitangata Pool	Depn	222	-	5	50	178
Kaitangata Pool	Spec	89	-	2	-	91
Lawrence Pool	Depn	145	-	5	-	150
Lawrence Pool	Spec	50	-	2	-	52
Milton Pool	Depn	81	26	3	-	110
Reserve Contributions	Spec	90	8	3	-	101
Parks and Reserves	Depn	52	16	1	22	48
Sports Grounds	Depn	295	-	9	-	304
Grandstand 2000	Depn	163	-	5	-	168
Cemetery	Depn	144	-	4	-	148
Cemeteries	Spec	550	-	16	-	566
Kaitangata Cemetery	Spec	15	-	1	-	16
Lawrence Cemetery	Spec	31	-	1	-	32
Public Conveniences	Depn	177	54	5	50	185
Balc Town Hall	Depn	(150)	1	(4)	1	(154)
Balclutha Town Hall	Spec	189	-	6	-	194
Milton Civic Centre	Depn	16	-	-	-	16
Kaitangata Hall	Depn	(232)	-	(7)	-	(239)
Clutha Valley Hall	Depn	53	4	1	-	58
Hillend Hall	Depn	36	3	2	-	41
Kaka Point	Depn	34	7	2	-	43
Lovells Flat	Depn	9	-	1	-	10
Moneymore Hall	Depn	9	-	-	-	9
Owaka Hall	Depn	24	3	1	-	28

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next page



FUND	TYPE/ PURPOSE	OPENING BALANCE AS AT 1 JULY 2022	TRANSFERS INTO THE FUND DURING THE PERIOD	INTEREST EARNED ON THE FUND DURING THE PERIOD	TRANSFERS OUT OF THE FUND DURING THE PERIOD	CLOSING BALANCE AS AT 30 JUNE 2023
Waihola Hall	Depn	7	-	-	-	7
Waipahi Hall	Depn	15	1	-	-	16
Waitahuna Hall	Depn	214	4	7	-	225
Waiwera Hall	Depn	14	-	1	-	15
Various Halls	Depn	165	-	5	-	170
Naish Park Camping Ground	Depn	97	17	3	4	115
Kaka Point Camping Ground	Depn	68	12	2	-	82
Taylor Park Camping Ground	Depn	63	1	2	-	66
Pounaweia Camping Ground	Depn	14	8	1	3	19
Waihola Camping Ground	Depn	13	-	1	-	14
Community Housing	Depn	831	116	28	-	975
Endowment Land	Spec	642	-	19	-	662
Depots	Depn	382	-	11	-	393
Other Property	Depn	136	-	4	-	140
Dunrobin Recreation Reserve Board	Spec	76	-	2	-	78
Parkhill Rec Reserve Board	Spec	5	-	-	-	5
Waikoikoi Domain Board	Spec	18	-	-	-	18
<b>FUNDS NOT SPECIFICALLY ALLOCATED TO AN ACTIVITY GROUP</b>						
Emergency Fund	Spec	4,561	-	137	-	4,698
General Funds	Spec	8,865	458	-	10	9,313
Economic Development	Spec	57	-	1	-	58
Civil Defence and Emergency	Depn	33	-	1	-	34
Rural Fire	Depn	2	-	-	-	2
Capital Works and Purchases	Spec	153	-	5	-	158

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FUND	TYPE/ PURPOSE	OPENING BALANCE AS AT 1 JULY 2022	TRANSFERS INTO THE FUND DURING THE PERIOD	INTEREST EARNED ON THE FUND DURING THE PERIOD	TRANSFERS OUT OF THE FUND DURING THE PERIOD	CLOSING BALANCE AS AT 30 JUNE 2023
Education Fund	Spec	15	-	1	-	16
Bulb Growing/Project	Spec	3	-	1	-	4
Momona Airport Refund	Spec	30	-	1	-	31
Serdel - Externally Invested	Spec	4,773	-	-	-	4,773
Forestry Fund - Externally Invested	Spec	6,302	-	126	-	6,428
Investment Fund Balance by difference - Externally Invested	Spec	4,885	-	-	2,652	2,733
Rates Disbursement Reserve	Spec	4,147	-	417	3	4,561
Treasury Return to Balance Reserve	Spec	1,837	-	177	-	2,014
Lawrence Heritage	Spec	30	-	1	-	31
<b>REGULATORY &amp; EMERGENCY SERVICES</b>						
Animal Control	Depn	23	2	2	-	27
Regulatory Reserve	Depn	56	-	2	-	58
<b>ROADING</b>						
Roading - Bridge Lights	Spec	46	-	1	-	47
Roading	Depn	2,644	705	82	619	2,812
Balclutha Main Street	Spec	58	-	1	4	55
Deferred Roothing	Depn	1,889	280	57	280	1,945
<b>WASTE MANAGEMENT</b>						
Solid Waste	Depn	1,190	75	13	841	438
<b>TRUST FUNDS (RESTRICTED RESERVES)</b>						
Tapanui Domain Trust	Trust	16	-	1	-	17
Milton Brass Band	Trust	1	-	-	-	1
O'Hara Sports Trust	Trust	2	-	-	-	2
J D Swan Estate	Trust	10	-	-	-	10

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next page

FUND	TYPE/ PURPOSE	OPENING BALANCE AS AT 1 JULY 2022	TRANSFERS INTO THE FUND DURING THE PERIOD	INTEREST EARNED ON THE FUND DURING THE PERIOD	TRANSFERS OUT OF THE FUND DURING THE PERIOD	CLOSING BALANCE AS AT 30 JUNE 2023
George Melville Estate	Trust	170	-	5	-	175
Kate Leslie Trust	Trust	122	-	4	-	125
Elderly Citizens Trust (Lawrence)	Trust	29	-	1	-	30
Clinton Endowment Land	Trust	97	-	3	-	100
<b>WATER</b>						
Urban Water	Depn	180	215	(4)	518	(127)
Urban Water	Spec	428	-	7	200	235
Balmoral 1 Plant Renewal	Depn	(38)	6	(1)	-	(32)
Balmoral 1	Spec	31	-	1	7	25
Balmoral 2	Depn	132	14	-	148	(2)
Balmoral 2 Plant Renewal	Spec	120	-	-	124	(4)
Clydevale / Pomahaka	Depn	133	35	1	128	41
Glenkenich	Depn	(64)	34	(1)	-	(30)
Glenkenich Rural Water Scheme Renewal	Spec	1	-	-	-	1
Moa Flat	Depn	162	34	5	45	155
Moa Flat Rural Water Scheme Pump Renewal	Spec	3	-	-	-	3
North Bruce	Depn	(19)	30	(1)	28	(18)
Richardson	Depn	(53)	36	(2)	37	(56)
Richardson Rural Water Scheme Renewal	Spec	101	-	3	-	104
South Bruce	Depn	40	6	1	-	47
Tuapeka Rural Water Scheme	Depn	208	22	7	-	236
Tuapeka Rural Water Scheme Renewal	Spec	-	-	-	-	-
Waipahi	Depn	57	30	1	51	37
Waitahuna	Depn	(44)	13	(1)	-	(32)
Wangaloa	Depn	127	4	-	130	1



FUND	TYPE/ PURPOSE	OPENING BALANCE AS AT 1 JULY 2022	TRANSFERS INTO THE FUND DURING THE PERIOD	INTEREST EARNED ON THE FUND DURING THE PERIOD	TRANSFERS OUT OF THE FUND DURING THE PERIOD	CLOSING BALANCE AS AT 30 JUNE 2023
Wangaloa Renewal	Spec	17	-	-	9	9
Stirling Treatment Plant	Depn	77	12	3	-	91
Stirling Water Treatment Plant	Spec	94	-	1	50	46
Kaitangata Treatment Plant	Depn	76	12	3	-	91
Telemetry	Depn	112	-	3	-	116
Telemetry	Spec	184	-	6	-	189
<b>Sewerage</b>						
Urban	Depn	683	280	(16)	1,497	(543)
Urban	Spec	9	-	-	-	9
Balclutha Sewerage	Spec	705	-	15	200	521
Kaitangata Sewerage	Spec	51	-	2	-	53
Kaka Pt Sewerage Renewal	Spec	86	-	3	-	89
Stirling Sewerage Plant	Spec	3	-	-	-	3
Waihola Sewerage	Spec	111	-	3	-	115
<b>Stormwater</b>						
Urban	Depn	882	89	(5)	1155	(189)
Milton Stormwater	Spec	25	-	1	-	26
<b>TOTAL RESERVE FUNDS</b>		<b>52,090</b>	<b>3,481</b>	<b>1,241</b>	<b>9,473</b>	<b>47,353</b>

# PROSPECTIVE PRUDENCE BENCHMARKS

As per the Local Government (Financial Reporting & Prudence) Regulations 2014

## 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 terms used in this statement.

BENCHMARK	LIMIT	PLANNED	MET
Rates affordability benchmark			Yes
Income (000)	29,390	29,379	Yes
Increases	4.0%	3.96%	Yes
Debt affordability benchmarks	175%	27%	Yes
Balanced budget benchmark	100%	98%	No
Essential services benchmark	100%	278%	Yes
Debt servicing benchmark	20%	3%	Yes

## RATES AFFORDABILITY BENCHMARK

- For this benchmark –
  - The Council's planned rates income for the year is compared with the 2022 actual rates plus 4%; and
  - The Council's planned rates increases for the year are compared with 4% on rates increases for the year contained in the financial strategy included in the Council's Long Term Plan.
- The Council meets the rates affordability benchmark if –
  - Its planned rates income for the year equals or is less than each quantified limit on rates; and
  - Its planned rates increases for the year equal or are less than each quantified limit on rates increases.

## DEBT AFFORDABILITY BENCHMARK

- For this benchmark, the Council's planned borrowing is compared with 150% at revenue on borrowing contained in the financial strategy included in the Council's Long Term Plan.
- The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

## BALANCED BUDGET BENCHMARK

- For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains in derivative financial instruments and revaluations of property, plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

# ESSENTIAL SERVICES BENCHMARK

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

# DEBT SERVICING BENCHMARK

1. For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
2. Because Statistics New Zealand projects that Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.