

Financial Statements

The following financial statements contain budgets for the 2007/2008 financial year and the subsequent year. The statements show the short term direction of Council and must be read in conjunction with the long term financial statements in the LTCCP 2006/2016.

Council's Financial Statements show:

- Its ability to meet operating expenses from operating revenues (Statement of Financial Performance)
- How Council's net resources are increasing over time (Statement of Movement in Equity)
- What Council owns and owes (Statement of Financial Position)
- The turnover of cash experienced by Council each year (Statement of Cash Flows)

Basis and Assumptions for Financial Information

The financial statements that are contained on pages 62 to 65 show the forecast of next years budgets compared against last years actual, this year's budget and the LTCCP budget adopted in 2006.

The major assumptions are:

1. Low population growth;
2. No increasing levels of service are budgeted;
3. No inflation above 2007/2008 dollars is included;
4. Borrowings are planned to be repaid over 15 years;
5. Council will continue to review its LTCCP.

Financial Statements *Income Statement*

For the Year Ended 30 June

2006 Council Actual \$'000		2006/07 Council LTCCP \$'000	2007/08 Council Annual Plan \$'000	2007/08 Council LTCCP \$'000
	Income			
10,794	Rates	11,717	12,776	12,765
392	Interest	348	391	334
5,071	Subsidies	5,180	5,446	5,329
1,411	Fees and Charges	1,612	1,827	1,696
-	Development Contributions	174	109	181
153	Dividends	129	124	124
229	Share of Undistributed Profits	193	186	186
(1,388)	Write down in value of Infracon	(29)	(28)	(28)
16,662	Total Operating Revenue	19,324	20,831	20,587
	Expenditure			
400	Leadership/Governance	495	506	493
129	Economic Development	151	131	147
929	Regulatory	1,156	1,184	1,195
10,253	Roading	10,127	10,555	10,436
1,403	Solid Waste	1,628	1,681	1,652
1,283	Water	1,486	1,931	1,836
1,086	Waste Water	1,539	1,486	1,702
336	Stormwater	417	341	448
720	Parks/Reserves	728	834	839
114	Public Conveniences	125	134	128
211	Retirement Housing	164	136	178
398	Libraries	346	373	354
428	Theatres/Halls	387	369	397
116	Cemeteries	147	142	185
159	Property	164	227	168
17,965	Total Expenditure	19,060	20,030	20,158
(1,303)	Net Surplus/(Deficit)	264	801	429
-	Taxation	-	-	-
(1303)	Operating Surplus	264	801	429
(1303)	Net Surplus	264	801	429

NB – included as income in the Operating Revenue are amounts which will be spent on capital renewals or credited to special funds created by Council for specific purposes. The total of this capital renewal expenditure and transfers is \$1,841,000. This amount is not included in the Total Expenditure above. Had it been included, there would be a net operating deficit of \$1,040,000 (\$801,000 - \$1,841,000).

Financial Statements *Changes in Equity*

For the Year Ended 30 June

2006 Council Actual \$'000	2006/07 Council LTCCP \$'000	2007/08 Council Annual Plan \$'000	2007/08 Council LTCCP \$'000
523,983	524,916	569,532	541,134
24,555	15,955	12,192	11,749
104		-	
(1,303)	263	801	429
23,356	16,218	12,993	12,178
547,339	541,134	582,525	553,312

Financial Statements *Balance Sheet*

As at 30 June

2006 Council Actual \$'000		2006/07 Council LTCCP \$'000	2007/08 Council Annual Plan \$'000	2007/08 Council LTCCP \$'000
ASSETS				
Current Assets				
1,836	Accounts Receivable	2,469	2,322	2,764
437	Cash and Short Term Investment	88	125	88
71	Prepayments			
2,344	Total Current Assets	2,557	2,447	2,852
Non Current Assets				
5,240	Term Investments	5,318	5,999	5,276
3,983	Shares in Infracon	3,814	4,435	3,972
547,352	Fixed Assets	544,462	584,744	558,171
556,575	Total Non Current Assets	553,594	595,178	567,419
558,919	TOTAL ASSETS	556,151	597,625	570,271
LIABILITIES				
Current Liabilities				
2,678	Accounts Payable & Accrued Expenses	5,429	3,208	5,038
151	Employees Entitlement	-		-
2,827	Current Portion of Public Debt		1,164	191
5,656	Total Current Liabilities	5,429	4,372	5,229
Non Current Liabilities				
5,817	Public Debt	9,485	10,625	11,627
107	Provision for Landfill Post-closure Costs	103	103	103
5,924	Total Non Current Liabilities	9,588	10,728	11,730
11,580	TOTAL LIABILITIES	15,017	15,100	16,959
PUBLIC EQUITY				
5,167	Special Funds	6,133	6,761	7,021
190	Trust Funds	177	190	177
299,561	Revaluation Reserve of Assets	292,287	334,323	304,035
242,421	Ratepayers' Equity	242,537	241,251	242,079
547,339		541,134	582,525	553,312
558,919	TOTAL LIABILITIES & PUBLIC EQUITY	556,151	597,625	570,271

Note – Council's investment in Infracon Limited is held in a 100% owned Council Controlled Organisation – Tamatea Limited. For Annual Plan purposes no consolidated financial statements have been prepared. As Tamatea Limited acts as a conduit, these financial statements have been prepared as if the investment in Infracon and the resultant dividend stream, were held directly by Council.

Financial Statements *Cashflows*

For the Year Ended 30 June

2006 Council Actual \$'000	2006/07 Council LTCCP \$'000	2007/08 Council Annual Plan \$'000	2007/08 Council LTCCP \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from			
10,773	11,717	12,776	12,765
6,003	5,180	5,446	5,329
392	348	391	334
2,132	1,612	1,827	1,696
-	174	109	181
153	129	124	124
19,453	19,160	20,673	20,429
Cash was applied to			
(9,318)	(8,827)	(10,326)	-10,141
(2,210)	(2,360)	(2,450)	-2,420
(747)	(585)	(660)	-571
-	-	-	-
-	-	-	-
(12,275)	(11,772)	(13,436)	-13,132
7,178	7,388	7,237	7,297
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from			
-	-	-	-
-	-	-	-
0	-	-	-
Cash was applied to			
(7,817)	(8,240)	(10,144)	-6,883
			-2,789
(7,817)	(8,240)	(10,144)	-9,672
(7,817)	(8,240)	(10,144)	-9,672
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from			
898	838	2,907	2,333
898	838	2,907	2,333
Cash was applied to			
-	-	-	-
898	838	2,907	2,333
259	(14)	-	(42)
178	5,420	125	5,406
437	5,406	125	5,364
Represented by			
-	-	-	-
437	5,406	125	5,364
437	5,406	125	5,364

Statement of Accounting Policies

1. Reporting Entity

These financial forecasts reflect the operations of the Central Hawke's Bay District Council.

2. Summary of Significant Accounting Policies

2.1 Statement of Compliance and basis of preparation

This financial statements have been prepared and comply with Section III of the Local Government Act 2002, the Financial Reporting Act 1993, Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the pronouncements of the New Zealand Institute of Chartered Accountants.

Central Hawke's Bay District Council is a Public Benefit Entity whose primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return. All available reporting exemptions allowed under the framework for Public Benefit Entities have been adopted.

The financial statements are presented in New Zealand Dollars (NZD).

2.2 Basis of Financial Statement Preparation and Measurement Base

In respect of Central Hawke's Bay District Council the measurement base adopted is that of historical cost basis modified by the revaluation of certain assets.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Central Hawke's Bay District Council and its Council Controlled Organisation (CCO) – Tamatea Limited, as at 30 June.

The financial statements of the CCO are prepared for the same reporting period as Council using consistent accounting policies.

Tamatea Limited was incorporated on 26th October 2006.

The accounting policies set out below will be applied consistently to all periods presented in the financial estimates.

Specific Accounting Policies

The following particular accounting policies have a material effect on the measurement of results and Balance Sheet.

Statement of Accounting Policies

2.4 Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that the Council make of its accumulated surpluses.

The components of equity are:

- Accumulated funds
- General Reserves
- Trust Funds
- Revaluation Reserves

2.5 Reserves

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

2.5.1 Council-created Reserves

These are reserves established by Council decision. The 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.

2.5.2 Trust Funds

These are funds received by the Council over time, usually by way of donation or bequest, which restrict the use of the funds. All such funds are separately invested and are not available for any other purposes. The interest earned is credited to the funds.

2.6 Overhead Allocations

The costs of providing support services for the Council are accumulated and then allocated to each significant activity using appropriate allocation bases which reflect usage and/or capacity for each significant activity.

2.7 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Council and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised –

Rates are recognised as revenue when struck.

Revenue from the sale of goods and services is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer or the obligation to pay arises. In the case of Licence fees, upon renewal of the licence.

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the goods.

Statement of Accounting Policies

Government grants and subsidies are recognised as revenue when entitlement has been established by the grants agency, and are recognised at their fair value.

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

Revenue from developers contributions are recognised when it is acknowledged that the liability of payment exists to the Council based on the issue of the compliance certificate and when conditions of the servicing agreements have been met.

Vested assets are recognised when the significant risks and rewards of ownership have been transferred to the Council and when the obligation to accept the transfer of the assets to the Council has been determined.

2.8 Valuation

2.8.1 Current Assets

Accounts receivable are stated at estimated net realisable value, after providing for doubtful and uncollectible debts.

All other current assets are stated at cost.

2.8.2 Non Current Assets

(a) Investments:

Investments are classified as being available for sale and are stated at lower of cost and net realisable value, with any resultant gain or loss being recognised directly in equity, except for impairment losses and, in the case of monetary items such as debt securities. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the income statement.

(b) Work In Progress

Work in progress is treated as a non current asset on the basis that there is a high likelihood that it will be capitalised. This covers work on plant, property or equipment that is incomplete at balance date, and excludes borrowing costs.

On completion the total cost of the project is transferred to the relevant asset class and then depreciated.

(c) Property, Plant and Equipment (Fixed Assets)

On acquisition, all fixed assets are initially stated at cost.

Buildings are revalued on a three yearly cycle to comply with NZ IAS 16 by ensuring the carrying amount does not differ materially from the asset's fair value at balance date.

Statement of Accounting Policies

Fair Value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged at arms length between a knowledgeable willing buyer and a knowledgeable willing seller as at the valuation date.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed to the income statement.

Plant and Machinery are stated at historical cost less accumulated depreciation and any impairment in value.

Library Books were valued by Council staff at 30 June 2005. This valuation has been recognised as the deemed cost. Additions are recognised at cost. Depreciation is provided over the asset's useful lives.

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

(d) **Infrastructural Assets:**

Infrastructural Assets: water, stormwater, and waste/sewerage are revalued on a three yearly cycle, or more frequently where the value has changed significantly, using the depreciated replacement cost method, based on currently accepted valuation methodology.

The Landfill is stated at cost less accumulated depreciation.

Roading and its networks are revalued each year using the depreciated replacement cost method.

All subsequent additions to Infrastructural Assets are stated at depreciated cost.

(e) **Investment in Subsidiary (CCD):**

Subsidiaries are consolidated from the date on which control is transferred to the group and will cease to be consolidated from the date on which control is transferred out of the Group.

All intercompany balances and transactions, including unrealised profits arising from intra group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Statement of Accounting Policies

2.9 Depreciation

2.9.1 Property, Plant and Equipment: (Excluding Infrastructural Assets)

Council's fixed assets, with the exception of infrastructural assets and land, are depreciated on a straight line basis at rates, which will write off their cost or value over their estimated useful economic lives. This depreciation charge is reflected in the appropriate cost of service statement.

The expected lives of major fixed asset classes are:

	Years
• Buildings	6 - 165
• Plant & Machinery	4 - 5
• Furniture & Equipment	4 - 10
• District Landfill	50
• Land is considered to have an indefinite useful life and is not depreciated	

2.9.2 Infrastructural Assets

(a) Water, Sewerage and Stormwater Assets:

Water, Sewerage and Stormwater Assets are the utility systems, which provide continuing services to the community and are not generally regarded as tradeable. The renewal of these assets will be funded via decline in service potential calculations using Straight Line Depreciation.

Depreciation has been calculated using useful life of components as provided by Opus International Consultants Asset Valuation Report as at 30 June 2006 and in accordance with the standard NZ Infrastructure Asset Valuation and Depreciation Guidelines (NZIAVDG).

Statement of Accounting Policies

The expected lives of major fixed asset classes are:

	Years
Water Systems	
• Pipes	40 - 100
• Valves, Hydrants, Meters, Tobies	20 - 60
• Pump Stations	15 - 90
• Reservoirs	60 - 90
Sewerage Systems	
• Pipes	50 - 120
• Manholes	100
• Valves	25 - 40
• Pump Stations	25 - 90
• Treatment Plant	15 - 100
Stormwater Systems	
• Pipes	50 - 125
• Manholes	100
• Open Channels	50
• Service Laterals	80
• Sumps	75

(b) **Roading Assets:**

Roading Assets is the roading network, which provides continuing services to the community and is not generally regarded as tradeable.

Depreciation has been calculated using useful life of components as provided by Opus International Consultants Asset Valuation Report as at 30 June 2005 and in accordance with the standard NZ Infrastructure Asset Valuation and Depreciation Guidelines (NZIAVDG).

Statement of Accounting Policies

The expected lives of major fixed asset classes are:

	Years
• Pavement Maintenance - Unsealed	7
• Pavement Maintenance - Sealed	70
• Chip Seals	10
• Area Wide Pavement Treatment	
Surface	10
Base course	70
Sub base	Not depreciated
Wearing Course	7
• Bridges	50
• Traffic – pavement marking	1
• Traffic – signs	15
• Footpaths	50-70

(c) **Landfill:**

Landfill is the individual facility which provides continuing services to the community and it not generally regarded as tradeable. The renewal of assets will be funded via a decline in service potential calculations using Straight Line Depreciation.

2.10 Intangible assets

Intangible Assets are stated at costless accumulated amortisation and any impairment losses.

2.11 Goods and Services Tax

These financial statements have been prepared exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

2.12 Employee Entitlements

Provision is made in respect of the Council's liability for annual leave, sick leave and long service leave.

Wages, salaries and annual leave are measured at nominal values on actual entitlement basis at current rates of pay. Entitlements that are payable beyond twelve months, such as long service leave, have been calculated on a probability basis, which takes into consideration the likelihood that the Council will be obligated to make the payments.

2.13 Financial Instruments

Financial Instruments are limited to bank balances, investments, accounts receivable, accounts payable, and public debt; all of which are included in the financial statements at their estimated fair value.

Statement of Accounting Policies

2.14 Cash

Cash and Short Term Investments in the balance sheets comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

2.15 Operating Leases

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term

2.16 Landfill Post-closure Provision

Council as operator of the district landfill has a legal obligation to apply for resource consents when the landfill reaches the end of its operating life. The resource consents will set out the closure requirements and requirements for ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises. The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and technological improvements.

The provision includes all costs associated with landfill post-closure: final cover application and vegetation, fencing off, completing facilities for leachate collection and the monitoring of gas systems, stormwater systems, and vegetation systems. Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits or if they are incurred to enable future economic benefits to be obtained. The capitalised landfill asset is depreciated over the life of the landfill based on the anticipated capacity used.

2.17 Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day to day cash management.

Operating activities include cash received from all income sources and record the cash payments made for the supply of goods and services. Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of non-current assets. Investing and financing activity transactions have had their respective sources and applications of cash netted off where rollover of financing has occurred and where there have been transfers between Council bank accounts.

Financing activities comprise activities that change the equity and debt capital structure of the Council.

3. Changes in Accounting Policies

These are Central Hawke's Bay District Council's first financial statements that apply and conform to the New Zealand International Financial Reporting Standards (NZ IFRS). As a result of changing from New Zealand Generally Accepted Accounting Practices (NZ GAAP) to NZ IFRS, there are no significant or material effects on the financial information to report.

Funding Impact Statement

The purpose of the funding impact statement is to provide information about the income and funding streams we will use each year and an indication of the amount of funding we will generate from each stream.

2007/2008 Rates Factors

The table below lists the rate factors for the 2007/2008 year (1 July 2007 to 30 June 2008) that are set by the Central Hawke's Bay District Council under the Local Government (Rating) Act 2002.

Key	Description	Differential	Rateable Basis	Factor	Amount Sought GST inc \$
General Rate					
101	General	District	Capital Value	0.068403	\$2,655,883
Rates					
173	District UAC	UAC	Uniform Amount	\$393.97	\$2,364,593
Targeted Rates					
103,107,112,	District Land Transport	Rural Ward	Land Value	0.210320	\$5,262,689
106	District Land Transport	Urban Ward	Land Value	0.100387	\$192,000
109	Ward Loan	Waipawa Urban	Land Value	0.027313	\$10,594
110,111,115,	Refuse Collection	Service Available	Uniform Amount	\$72.48	\$267,750
120	Sewerage Operations	Service Available - Connection(s)	Uniform Amount	\$191.14 *	\$750,788
121	Sewerage Charge(s)	Otane	Uniform Amount	\$115.64 *	\$27,812
122	Sewerage Charge(s)	Takapau	Uniform Amount	\$71.45 *	\$15,361
123	Sewerage Charge(s)	Waipukurau	Uniform Amount	\$125.98 *	\$293,408
124	Sewerage Charge(s)	Waipawa	Uniform Amount	\$213.70 *	\$196,608
133	Sewerage Charge(s)	Porangahau	Uniform Amount	\$96.29 *	\$9,773
140	Stormwater Operations	Catchment Area	Capital Value	0.061040	\$337,348
141	Stormwater Loans	Waipukurau Catchment Area	Capital Value	0.025367	\$100,510
142	Stormwater Loans	Waipawa Catchment Area	Capital Value	0.009662	\$15,050
150	Water Supply Operations	Service Available	Uniform Amount	\$302.33 *	\$1,182,122
151	Water Supply Loans	Otane	Uniform Amount	\$158.05 *	\$37,932
152	Water Supply Loans	Takapau	Uniform Amount	\$231.39 *	\$61,088
153	Water Supply Loans	Waipukurau	Uniform Amount	\$69.06 *	\$148,826
154	Water Supply Loans	Waipawa	Uniform Amount	\$94.93 *	\$92,505
155,157	Water Supply Loans	Te Paerahi, Porangahau	Uniform Amount	\$685.54 *	\$147,391
156	Water Supply Loans	Kairakau	Uniform Amount	\$82.77 *	\$5,711
165	Drainage	Te Aute	Factor		\$9,713
166	Mainstreet	Property Usage - Waipukurau	Land Value	0.076657	\$20,477
174	Ward-based main street upgrade	Ruataniwha Ward	Uniform Amount	\$22.45	\$61,612
169	Recycling Collection	Service Available	Uniform Amount	\$28.01	\$77,625
172	Economic Development	Property Usage - District	Uniform Amount	\$77.69	\$28,125
Total Sought					\$14,373,294

*includes half-charges

Funding Impact Statement

Rates

The following rates are set and assessed on a District-wide basis on all rateable property within the District for the years 2007/2008:

1. General Rate

A general rate set under section 13 of the Local Government (Rating) Act 2002 for the purposes of providing administration, cost of democracy, community voluntary support grants, planning, health inspection, liquor licensing, dangerous goods, litter control, animal control, rural fire, traffic safety, building and general inspection, civil defence, sewerage monitoring, and 60% of the cost of the operation and maintenance of parks and reserves, swimming facilities, halls, cemeteries, libraries, public conveniences, and the Civic Theatre and miscellaneous property costs. For the 2007/2008 year this rate will be 0.0684 cents in the dollar based on the rateable capital value of all rateable property within the District.

2. District Land Transport Rate

A targeted rate for the Council's land transport facilities set under section 16 of the Local Government (Rating) Act 2002. This rate is set for the purpose of funding the operation and maintenance of the land transport system. For the 2007/2008 year this rate will be as follows –

0.2103 cents in the dollar based on the land value of all rateable land within the Rural Area

0.1004 cents in the dollar based on the land value of all rateable land within the Urban Area

Uniform Annual Charges

The uniform charge below is a targeted rate. This is rated on each separately used or inhabited part of a rating unit within the District for the years 2007/2008. It is set:

- a) To ensure a minimum rate on all properties; and
- b) As a charge for services which have an equal element of private benefit but where it is not practical to apply specific user charges.

3. Uniform Annual General Charge

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 on each separately used or inhabited part of a rating unit within the District. This rate is for the purpose of funding waste management, District Promotion, and 40% of the cost of the operation and maintenance of parks and reserves, swimming facilities, halls, cemeteries, libraries, public conveniences, and the Civic Theatre and miscellaneous property costs. For the 2007/2008 year this rate will be \$393.97 (including GST).

Funding Impact Statement

Targeted Rates

Definitions:

"Ruataniwha Urban", "Ruataniwha Rural", "Waipawa Urban", "Waipawa Rural", and "Waipukurau Urban" are each defined by maps held by the Council.

"Non Residential" is defined by reference to land use codes in the valuation database, being every code other than "residential" or "lifestyle".

"Non Rural" is defined by reference to land use codes in the valuation database, being every code other than farming.

4. Water Supply Operations Rates

A differential targeted rate set under section 16 of the Local Government (Rating) Act 2002 for water supply operations of a fixed amount per separately used or inhabited part of a rating unit. The purpose of this rate is to fund the operation and maintenance of water supplies for Otane, Takapau, Waipukurau, Waipawa, Kairakau, Porangahau and Te Paerahi.

This rate is applied as follows:

- (a) a charge per separately used or inhabited part of a rating unit for Otane, Takapau, Waipukurau, Waipawa, Kairakau, Porangahau, and Te Paerahi Beach connected. For the 2007/2008 year this rate will be \$302.33 including GST.
- (b) a half charge per separately used or inhabited part of a rating unit which is serviceable for the above locations.

For this rate:

- "*Connected*" means a rating unit to which water is supplied.
- "*Serviceable*" means a rating unit to which water can be but is not supplied being a property situated within 100 metres of the water supply.

A targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, as measured by meter, over 300 cubic metres per year. This is applied to water users deemed 'Extraordinary' where payment of the Water Operations rate above entitles extraordinary users to the first 300 cubic metres of water without additional charge. The Volume of water used over 300 cubic metres per year is charged at the rate of \$1.11 per cubic metre (GST inclusive).

5. Sewerage Operations Rate

A differential targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's sewage disposal function of a fixed amount per separately used or inhabited part of a rating unit in relation to all land in the district to which the Council's sewage disposal service is provided or available.

The purpose of this rate is to fund the maintenance and operation of sewage collection, treatment and disposal systems in those parts of the District where these systems are provided. If this service is available but not connected, a half charge applies. Domestic users pay one pan charge per connection.

Funding Impact Statement

This rate is applied as follows:

- (a) a charge per rating unit connected. For the 2007/2008 year this rate will be \$191.14 (including GST); and
- (b) a charge per water closet or urinal within the rating unit, after the first one. For the 2007/2008 year this rate will be \$191.14 (including GST); and
- (c) a charge per rating unit which is serviceable. For the 2007/2008 year this rate will be \$95.57 (including GST).

For the purposes of this rate:

- "Connected" means the rating unit is connected to a public sewerage drain;
- "Serviceable" means the rating unit is not connected to a public sewerage drain but is within 30 metres of such a drain;
- A rating unit used primarily as a residence for one household is treated as not having more than one water closet.

6. Kerbside Recycling Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's collection of household recyclables for Waipukurau and Waipawa on each separately used or inhabited part of a rating unit to which the Council is prepared to provide the service. For the 2007/2008 year this rate will be \$28.01 (including GST).

7. Refuse Collection Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the collection of household and commercial refuse for Otane, Onga Onga, Takapau, Tikokino, Waipukurau, Waipawa, Porangahau and Te Paerahi Beach on each separately used or inhabited part of a rating unit to which the Council is prepared to provide the service. For the 2007/2008 year this rate will be \$72.48 (including GST).

8. Beach Refuse Rate

A uniform targeted rate for provision of refuse collection facilities/services for Blackhead Beach, Kairakau, Mangakuri and Pourerere on each separately used or inhabited part of a rating unit to which the Council is prepared to provide the service. For the 2007/2008 year this rate will be \$72.48 (including GST).

9. Economic Development Rate

A uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002 to assist in the funding of Economic Development Activities within the district on each separately used or inhabited part of a rating unit that is Non Residential and Non Rural. For the 2007/2008 year this rate will be \$77.69 (including GST).

Funding Impact Statement

10. Stormwater Operations and Loans Rates

Four targeted rates set under section 16 of the Local Government (Rating) Act 2002 for the purpose of funding operations and maintenance, and loan charges on the stormwater drainage as follows:

- A uniform targeted rate for stormwater drainage operations on the capital value of all rateable land in the Waipawa and Waipukurau Stormwater Drainage Areas. For the 2007/2008 year this rate will be 0.061 cents in the dollar (including GST);
- A uniform targeted rate for the Waipukurau Stormwater loan on the capital value of all rateable land in the Waipukurau Stormwater Drainage Area. For the 2007/2008 year this rate will be 0.0254 cents in the dollar (including GST);
- A uniform targeted rate for the Waipawa Stormwater loan on the capital value of all rateable land in the Waipawa Stormwater Drainage Area. For the 2007/2008 year this rate will be 0.0097 cents in the dollar (including GST).

The Waipukurau and Waipawa Stormwater Drainage Areas are defined by reference to stormwater drainage area plans held by the Council.

11. Waipawa Ward Loans Rate

A differential targeted rate set under section 16 of the Local Government (Rating) Act 2002 based on the land value within the Waipawa Urban ward for the purpose of paying historical loan charges that the Waipawa Ward of the District was responsible for, prior to local body amalgamation and the creation of the Central Hawke's Bay District on 1 November 1989. For the 2007/2008 year this rate will be 0.027 cents in the dollar (including GST).

Funding Impact Statement

12. Loan Charges Separate Rates

Differential targeted rates set under section 16 of the Local Government (Rating) Act 2002 for the purpose of funding capital upgrades to water supply systems and sewerage (wastewater) systems. For the 2007/2008 year the following differential targeted rates will be made per rating unit connected*. A half-charge is set per rating unit serviceable*:

Targeted Rate	Town	Rate (excl GST)	Rate (incl GST)
Water Supply Loans	Otane	140.49	158.05
Water Supply Loans	Takapau	205.68	231.39
Water Supply Loans	Waipukurau	61.39	69.06
Water Supply Loans	Waipawa	84.38	94.93
Water Supply Loans	Kairakau	73.56	82.75
Water Supply Loans	Porangahau	609.37	685.54
Water Supply Loans	Te Paerahi	609.37	685.54
Sewerage Loans	Otane	102.79	115.64
Sewerage Loans	Takapau	63.51	71.45
Sewerage Loans	Waipukurau	111.98	125.98
Sewerage Loans	Waipawa	189.96	213.70
Sewerage Loans	Porangahau	85.58	96.28

*For each targeted rate above:

'Connected' means a rating unit connected to the water supply or sewerage system as applicable.

'Serviceable' means a rating unit to which the relevant service can be but is not provided being a property situated within 100 metres of the water reticulation or within 30 metres of the sewer reticulation.

13. Waipukurau Mainstreet Rate

A uniform targeted rate based on land value on all rateable Non-Residential land within Waipukurau set under section 16 of the Local Government (Rating) Act 2002 for the purpose of funding the area's share of the Ruataniwha Street upgrade debt servicing costs. For the 2007/2008 year this rate will be \$0.077 cents in the dollar (including GST).

14. Ruataniwha Ward main street Upgrade Rate

A uniform targeted rate on all rateable land in the Ruataniwha Ward Urban set under section 16 of the Local Government (Rating) Act 2002 for the purposes of funding the High Street Waipawa improvements undertaken between 2003 and 2005. For the 2007/2008 year this rate will be \$22.45 (including GST).

Funding Impact Statement

15. Te Aute Drainage Rate

Te Aute Drainage rates are set on all rateable area of all rateable property within the designated area subject to a graduated scale for the purpose of funding the operations, loan charges and the repayment of loans of the Te Aute Drainage Scheme Area. Each hectare of land in each property is classified according to the susceptibility of that hectare to flooding as follows:

A (100 points), B (80 points), C (15 points), F (3 points), and G (0 points).

The total number of points is 73614. The total amount of funding required each year determines how much each of these points are worth. In this way, the total amount required is apportioned on a pro rata basis using the weightings on each hectare. The total amount of funding required for 2007/2008 is \$9714.00.

The Te Aute drainage scheme area is defined by reference to the classification list establishing the graduated scale.

Valuation Number	Hectares in each classification				Total Points	Amount
	A (100pts)	B (80pts)	C (15pts)	F (3pts)		
1092000300	0	11.3	8.15	31.63	1121	\$147.93
1092000800	0	32.83	74.69	23.42	3817	\$503.69
1092000900	0	0	0.83	2.15	19	\$2.51
1092001001	77.96	16.65	11.94	17.95	9361	\$1,235.26
1092001100	78.22	0	25.28	101.17	8505	\$1,122.31
1092001200	0	2.88	18.35	18.86	562	\$74.16
1092001201	0	20.25	19.15	12.31	1944	\$256.53
1092001400	0	0	0	14.16	42	\$5.54
1092001600	0	0	0	10.12	30	\$3.96
1092001700	38.74	51.06	36.24	45.12	8638	\$1,139.86
1092002100	188.81	0	0	23.93	18953	\$2,501.01
1092002200	84.02	4.14	1.16	6.45	8770	\$1,157.28
1092002300	41.02	5.2	20.43	22.8	4893	\$645.67
1092002900	0	0	0	0.81	2	\$0.26
1092003400	0	0	8.02	6.6	140	\$18.47
1092005800	0	18.63	0	4.93	1505	\$198.60
1092006100	0	65.81	0	15.84	5312	\$700.96
Total	508.77	228.75	224.24	358.25	73614	\$9,714.00

Funding Impact Statement

Rating Policy

Rates are levied under the Local Government (Rating) Act 2002 on all rateable rating units on the value of the land as supplied by Quotable Value New Zealand Limited. The last revaluation was carried out effective from 1 July 2006.

The objectives of the council's rating policy is to:

- spread the incidence of rates as fairly as possible
- be consistent in charging rates
- ensure all ratepayers pay their fair share for council services
- provide the income needed to meet the council's goals

The Central Hawke's Bay District Council rating system provides for all user charges and other income to be taken into account first, with the rates providing the balance needed to meet the council's objectives.

Rating Base

The rating base will be the database determined by the contracted rating service provider. Because this database is constantly changing due to change of ownership, subdivision, regular revaluations, change of status from rateable to non-rateable (and reverse), the rating base is not described in detail in this policy, but the policies following describe who will be rated.

Rating Information Database and Rates Records

Councils rating information database and rates records are available for public inspection at the Council offices in Waipukurau and Waipawa during normal office hours (Monday – Friday 8.00am to 4:30pm).

Due Dates for Rate Payments

Pursuant to Section 24 of the Local Government (Rating) Act 2002 the following dates will apply for assessing the amount of each instalment of rates for the year 1 July 2007 to 30 June 2008. Each instalment will be levied in four equal amounts, rounded.

Instalment number	Due date	Last day of payment without additional charge	Additional charges added
1	4 July 2007	22 August 2007	23 August 2007
2	3 October 2007	21 November 2007	22 November 2007
3	9 January 2008	20 February 2008	21 February 2008
4	2 April 2008	21 May 2008	22 May 2008

Funding Impact Statement

Payment Options

Rate payments on instalments are to be received by Council no later than 4:30pm on the last day of payment detailed above. Payment options include:

- Cheque sent by Post.
- At Council Offices in Waipukurau or Waipawa (Hours Monday – Friday 8am to 4:30pm). We accept Cash, Cheque and Eftpos. We do not accept payment by Credit Cards.
- Direct Debit (Form available from Rates Officers) Monthly or Quarterly.
- Automatic Payments (includes E-bill and Telephone Banking). Please include the valuation number of the property you are paying for in the reference section.

Penalty Charges

(Additional Charges on Unpaid Rates)

Pursuant to Section 58(1)(a) of the Local Government (Rating) Act 2002, an additional charge of 10% will be added to all rates remaining unpaid for each instalment after the last day of payment, shown above.

Pursuant to Section 58(1)(b) of the Local Government (Rating) Act, a further additional charge of 10% will be added on 1 July 2007 to the amount of rates levied in previous financial years and remaining unpaid as at 30 June 2007 (Section 58(1)(b)).

Funding Impact Statement

Community Contribution Remission Policy

Objective of the Policy

To facilitate the ongoing provision of non-commercial community services and recreational opportunities for the District.

Conditions and Criteria

The Council may remit 50% of the general rates where the application meets the following criteria:

- 1) Where land is owned by the Council or owned and occupied by a society or association of persons, and the land is used exclusively or principally:
 - (a) as a showground or place of meeting which is incorporated under the Agricultural and Pastoral Societies Act 1908; or
 - (b) for games or sports, except galloping, harness or greyhound races; or
 - (c) for the purposes of any branch of art.
- 2) The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
- 3) The policy will not apply to organisations that engage in the above mentioned sporting or community services, as a secondary purpose only.
- 4) The policy shall apply to such organisations as approved by the Corporate Services Manager (through the Staff Management Team) and the Chief Executive, as meeting the relevant criteria.
- 5) The extent of any remission to any qualifying organisation shall be as determined by the Corporate Services Manager (through the Staff Management Team) and the Chief Executive.
- 6) No remission will be granted in respect of those rates referred to in Section 9 of the Local Government (Rating) Act 2002 (i.e. targeted rates for water supply, sewage disposal or waste collection).
- 7) Organisations making application should include the following documents in support of their application:
 - statement of objectives;
 - full financial accounts;
 - information on activities and programmes;
 - details of membership or clients.

The Community Contribution Remission Policy will be reviewed every three years.

Funding Impact Statement

Club Rebate Remission Policy

Objective of the Policy

To assist clubs that provide their own facilities and enable them to facilitate the ongoing provision of non-commercial community services and recreational opportunities to the District.

Conditions and Criteria

The Council may remit 50% of the general rates where the application meets the following criteria:

- 1) Where land is owned by the Council or owned and occupied by a society or association of persons, and the land is used exclusively or principally:
 - a) as a showground or place of meeting which is incorporated under the Agricultural and Pastoral Societies Act 1908; or
 - b) for games or sports, except galloping, harness or greyhound races; or
 - c) for the purposes of any branch of art.
- 2) The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
- 3) The policy will not apply where a club licence under the Sale of Liquor Act 1989 is in force.
- 4) The policy will not apply to organisations that engage in the above mentioned sporting or community services, as a secondary purpose only.
- 5) The policy shall apply to such organisations as approved by the Corporate Services Manager (through the Staff Management Team) and the Chief Executive, as meeting the relevant criteria.
- 6) The extent of any remission to any qualifying organisation shall be as determined by the Corporate Services Manager (through the Staff Management Team) and the Chief Executive.
- 7) No remission will be granted in respect of those rates referred to in Section 9 of the Local Government (Rating) Act 2002 (i.e. targeted rates for water supply, sewage disposal or waste collection).
- 8) Organisations making application should include the following documents in support of their application:
 - a) statement of objectives;
 - b) full financial accounts;
 - c) information on activities and programmes;
 - d) details of membership or clients.

The Club Rebate Remission Policy will be reviewed every three years.

Funding Impact Statement

Recreation Organisations Remission Policy

Objective of the Policy

The objective of the Recreation Organisation Remission Policy is to assist recreation organisations that own their own facilities and enable them to facilitate the ongoing provision of non-commercial recreational opportunities to the District.

Conditions and Criteria

1. That the criteria for 100% rates remission be adopted as follows:

If an organisation meets the following criteria it is defined, for the purposes of this policy, as a "recreation organisation":

- (a) Recreation is an activity where a membership requirement exists that is freely chosen to pursue in one's discretionary time, through which leisure may be experienced.
- (b) It is a social institution that encourages active participation in a recreation activity for the purpose of relaxation or enjoyment.
- (c) The grounds and/or facilities are not used in commercial activity for the generation of taxable income.
- (d) The organisation must be such that junior members are an integral part of the recreation activities.

Funding Impact Statement

Remission of Additional Charges Policy

Objective of the Policy

The objective of the additional charges remission policy is to enable the Council to act fairly and reasonably in its consideration of rates, which Council have not received by the penalty date, due to circumstances outside the ratepayer's control.

Conditions and Criteria

The Council grants to the Corporate Services Manager or their nominee delegated authority in the following circumstances to approve on receipt of an application, the remission of such additional charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

- 1) Where the rate payment history of the property over the last 3 years (or back to purchase date where the property has been owned by the offending ratepayer less than 3 years) shows no previous evidence of late payment and the instalment was received by Council no later than 3 working days after the day of adding the instalment additional charge;
- 2) Where the balance to clear the rest of the years rates (undiscounted and including any arrears) are paid before penalties are added for the next instalment;
- 3) Where payment has been late due to significant family disruption i.e. in the case of death, illness, or accident of a family member, as at the due date;
- 4) Where the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control;
- 5) Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment, when the original account was issued in the name of the previous owner/lessee;
- 6) Where a direct debit authority is commenced in time for the next instalment;
- 7) Where an error has been made on the part of Council staff, or arising through error in the general processing or levying, which has subsequently resulted in an additional charge being imposed.

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Funding Impact Statement

Uniform Annual Charges on Contiguous Properties Remission Policy

Objective of the Policy

To enable Council to act fairly and reasonably and provide for the possibility of rates remission where two or more Uniform Annual Charges (UAC) are levied on rating units which are occupied or used by the same ratepayer being a lessee/owner using the rating units jointly as a single property for the same farming or horticulture purposes.

Conditions and Criteria

Section 20 of the Local Government (Rating) Act 2002, stipulates that there shall be one property for the purposes of levying the UAC, where two or more separately rateable properties are:

- (a) occupied by the same ratepayer (owner or person with right to occupy by virtue of lease for more than 10 years); and
- (b) used jointly as a single property (for the same purpose); and
- (c) contiguous or separated only by road, railway, drain, water race, river or stream, they shall be deemed to be one property for the purposes of any Uniform Annual Charges.

Council will allow, without further enquiry (except for clarification) applications made by ratepayers in the form of a statutory declaration to the effect that two or more separately rated properties are occupied by the same ratepayer and are used jointly for the same purpose and the Uniform Annual Charges levied on the second and subsequent assessments will be cancelled.

The Council may remit the rates where the application meets the following criteria:

- 1) The rating units must be contiguous and occupied by the same ratepayer who is the lessee/owner of each unit and who uses them jointly as a single property contiguous or separated only by road, railway, drain, water race, river or stream and used for the same purpose;
- 2) Where farming or horticultural operations conducted on separate blocks of land are so far apart as to indicate that there is no possible continuity between them, full charges may be levied on each. Factors such as stock rotation, stock driving, property size, and the number of properties affected will be taken into account;
- 3) The Council may consider reducing or cancelling any targeted rates for sewerage or waste management on such rating units, where each of the rating units are not connected to the public sewerage drain;
- 4) The Council may, on written application from a ratepayer of such rating units, reduce or cancel any separate Uniform Annual Charge levied on the rating units if it considers it to be reasonable in the circumstances to do so;
- 5) The Council grants to the Corporate Services Manager or their nominee delegated authority in the above circumstances to approve on receipt of an application, the cancellation of Uniform Annual Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments.

Funding Impact Statement

School Sewerage Charges Remission Policy

Objective of the Policy

To ensure that schools are not disproportionately charged for sewerage services based on the number of connections. Charges will be based on the school's staff and student numbers.

Conditions and Criteria

The policy will apply to the following educational establishments:

- established as a special school under Section 98(l) of the Education Act 1964; or
- a state school under Section 2 (l) of the Education Act 1989; or
- An integrated school under Section 2 (l) of the Private Schools Conditional Integrated Act 1975; or
- A special institution under Section 92 (l) of the Education Act 1989; or
- An early childhood centre under Section 308 (l) of the Education Act 1989, but excluding any early childhood centre operated for profit.

The policy does not apply to school houses occupied by a caretaker, principal or staff.

1. An amount levied using the same mechanism as are applying to other separately rateable rating units within the District and reduced in accordance with the following formula:-
 - (a) divided by the number of toilets as determined in accordance with condition 3 below (the full charge); and reduced in accordance with the following graduated formula:
 - (i) the full charge for each of the first 4 toilets or part thereof;
 - (ii) 75% of the full charge for each of the next 6 toilets or part thereof;
 - (iii) 50% of the full charge for each toilet after the first 10.
 - (b) For the purpose of 1 (a) above the number of toilets for a rating unit used for the purposes of an educational establishment is 1 toilet for every 20 students and staff or part thereof, irrespective of the actual number of toilets contained in the qualifying part of the rating unit.
 - (c) The number of students in an educational establishment is the number of students on its roll on 1 March in the year immediately before the year to which the charge relates.
 - (d) The number of staff in an educational establishment is the number of teaching staff and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relate.
2. Calculation of Councils standard sewerage charge (based on the number of water closets/urinals).
3. Calculation of the number of full time equivalent on-site students and staff divided by 20 and multiplied by the Uniform Annual Charge for Sewerage
4. The amount to be remitted is the difference between the amount calculated under 1 and the amount that would have applied, had the rating unit not been used by an educational institution.

Funding Impact Statement

5. That the Corporate Services Manager be delegated authority to approve remission of the sewage charges in excess of the charges payable according to the policy.

Example

Green Intermediate School is situated in Maa District Council. Maa collects its rates by way of a pan charge of \$100 per pan. At 1 March 2006, Green Intermediate has 500 students, 30 staff and 28 toilet pans. How much will it pay in sewerage rates?

Answer: Green School would be levied \$1762.93.

Explanation:

The total charge in this case would be $\$100 \times 28 \text{ pans} = \2800 . *Local Government New Zealand* has a legal opinion which holds that the actual number of pans should be used for this part of the calculation.

The number of rateable pans is $530/20 = 26.5$ pans which gets rounded to 27 pans for the purposes of reducing the rates.

The council calculates that the full charge on each toilet would be $\$2800/27 = \103.70 per pan.

The total charge is then calculated with reference to the scale e.g.

4 pans at the full charge ($\$103.70 \times 4 = \414.80)

6 pans at 75 percent of the full charge ($\$77.78 \times 6 = \466.68)

17 pans at 50 percent of the full charge ($\$51.85 \times 17 = \881.45).

Total = $(414.8 + 466.68 + 881.45) = \1762.93

Funding Impact Statement

Rates Holiday Postponement Policy

Objective of the Policy:

To assist ratepayers who undertake economic development that benefits the District as a whole.

Conditions and Criteria:

- 1) The ratepayer must be the current owner of the rating unit;
- 2) The Council must be satisfied that economic benefits will flow to the district from the development;
- 3) The ratepayer must make application to the Council;
- 4) Applications for the postponement of rates will be considered by the Council's Finance and Services Committee.

Funding Impact Statement

Remission and Postponement of Rates on Māori Freehold Land Policy

Council is treating all ratepayers the same, as such, there is no remission or postponement of rates provided specifically for Maori Freehold Land.

Ratepayers for Maori Freehold Land may be eligible for relief through the Sundry Remission of Rates Policy set out on page 86.

Funding Impact Statement

Remission of Rates for Natural Calamities Policy

Objective of Policy

To assist ratepayers experiencing financial hardship as a result of a natural event detrimentally affecting the use of the land or the income derived from the land, and which directly affects their ability to pay rates.

Conditions and Criteria

Council may postpone wholly or in part, any rate or charge in respect of the property, where it considers it to be fair and reasonable to do so. This will be in circumstances where Central Government have recognized the seriousness of the event and provided financial assistance to enable the remission to occur.

The term and nature of the postponement, the proof of financial hardship and any other criteria considered necessary will be determined by Council in each case.

Decisions on the extent of remissions shall be as determined by the Corporate Services Manager through the Chief Executive, as meeting the relevant criteria.

Funding Impact Statement

Remission of Rates for QEII Trust and Land for Natural, Historic or Cultural Conservation

Objective of the Policy

To recognise and support the environmental value of such protected areas and to acknowledge the non-commercial use of such protected land. To preserve and promote natural resources and heritage by encouraging the protection of land for natural, historic or cultural conservation.

Conditions and Criteria

- 1) The extent of the rates remission if approved is to be 100%;
- 2) Applications are to be received in writing requesting rates relief be given to areas protected by the registration of a QEII Open Space Covenant;
- 3) Pest eradication shall be primarily the responsibility of the owner;
- 4) No portion of the covenanted area is to be developed or utilised in any way for commercial activity. This includes generating income for maintenance of the covenanted area;
- 5) Authority to consider applications is delegated to the Corporate Services Manager with right of appeal to the Chief Executive and Council.

Funding Impact Statement

Sundry Remission of Rates Policy

Objective of the Policy

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be covered pursuant to sections 67/76 of the Local Government (Rating) Act 2002; or where Council or its delegated officer(s) consider the levy impractical to recover.

To facilitate the use of Maori Freehold Land (and therefore the collection of rates), by removing the burden on the potential lessee of existing arrears.

Conditions and Criteria

The Council or its delegated officer(s) shall determine the extent of any remission based on the merits of each situation. Decisions on the extent of remissions shall be as determined by the Corporate Services Manager through the Chief Executive, as meeting the relevant criteria.

Funding Impact Statement

Rates Discount Policy

Introduction

Under Section 55 of the Local Government (Rating) Act 2002, a discount policy may be adopted for the payment of some or all rates that are identified in the rates assessment before the due date or dates for those rates in the current year. This discount policy must be adopted using the special consultative process and may be included in the annual plan. The policy is based on existing practice. The discount policy assumes that there is only a single discount rate.

Objective

To provide a consistent and fair basis for the application of discount for the early payment of rates in the current financial year.

Conditions and Criteria

Ratepayers will qualify for the discount if all due rates are paid in full, together with any outstanding prior years' rates and penalties, on the due date for payment of the first instalment in the current year (in accordance with Section 55 of the Local Government (Rating) Act 2002).

The amount of the discount will be 2.5 % of the annual rates.

The discount rate may be reviewed annually as required, taking into consideration current borrowing interest rates and will be calculated to be fiscally neutral.

Payment Plans

1. Those ratepayers who agree in writing to pay all current rates plus arrears within twelve months of the agreement will have all additional charges struck in that twelve month period waived by Council.
2. All rates receipts will be credited against each ratepayers account in the following order:
 - i) Current instalment
 - ii) Additional charges
 - iii) Court costs
 - iv) Current rate arrears
 - v) Previous rate arrears – oldest first
3. A discount set at the May meeting each year be allowed where all rates are paid in full before the penalty date for the first instalment (see Discount Policy).
4. Easy Pay Scheme: Ratepayers who agree in writing to make regular payments which result in the payment of all current rates plus arrears within twelve months of the agreement, or where deemed necessary, the repayment period be extended to two years, then Council will waive all additional charges struck in that twelve month period.

Glossary

ACTIVITY

We now provide information about the Council based on each activity and group of activities. Council is required to identify each separate Activity it undertakes under the Local Government Act 2002.

ANNUAL PLAN

The Annual Plan is produced in each of the years between the LTCCP and sets out what Council plans to do in the upcoming year (from 1 July to 30 June) and what this will cost. It is the Council's budget and is done once a year. The Annual Plan process provides an opportunity for you to comment on Council's proposed Plan.

ANNUAL REPORT

The Annual Report is produced every year and records whether or not Council did what it said it would do in the Annual Plan, and explanations of why and why not.

ASSET MANAGEMENT PLANS

Plans that identify Council's assets and their current status, note the maintenance and cost required to look after them and if appropriate what is required to meet new growth/demand/standards.

C.B.D.

Central Business District.

CAPITAL PROJECTS FUND

Council currently has money in an account for the specific purpose of providing substantial funding assistance for the purchase or construction of new recreational, cultural or infrastructural assets anywhere in the District.

CAPITAL VALUE RATES

Calculated on the value of the ratepayers land and improvements (buildings, sheds etc).

COST OF SERVICE STATEMENT

Calculates the cost to the Council for providing services.

COUNCIL ASSETS

Council owned property and possessions that have value.

COUNCIL ORGANISATION

Any organisation, commercial or otherwise, in which Council has an appointed representative.

COUNCIL CONTROLLED ORGANISATION

An organisation in which Council has a controlling interest.

CULTURAL FACILITIES

These are the libraries, playing fields, parks, reserves, cemeteries, public conveniences, swimming baths, Waipawa Town Hall, Civic Theatre and the Settlers' Museum.

CURRENT ASSETS

Assets which can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.

DECLINE IN SERVICE POTENTIAL (DISP)

A requirement by law to put aside money for the maintenance of infrastructural assets (like water supply pipes) so that they will always be kept in good condition. The amount required is calculated from the Asset Management Plans.

DEPRECIATION

The wearing out, being used up or other loss of an asset. Also refers to the money collected to fund this loss.

Glossary

DRAFT PLANS

Plans that are prepared by Council and then circulated for comment and subject to change before being adopted. For example the Draft Annual Plan and Draft Long Term Financial Strategy.

EXPENDITURE/EXPENSES

Money that either has or is budgeted to be spent.

FUNDING POLICY

Sets out who should pay for Council Activities and how they should pay.

GROUP OF ACTIVITIES

Each set of our 21 separate activities is placed together in groups.

INCOME/REVENUE

Money received.

INFRASTRUCTURAL ASSETS

Assets that provide a service to the community, but are generally not able to be traded, for example roads, water pipes and sewerage systems.

INTERGENERATIONAL EQUITY

This concept is concerned with spreading the costs and benefits of assets over time. Therefore assets that are used by future generations are also partly paid for by future generations.

LAND VALUE RATES

Calculated on the value of the ratepayers land.

LOCAL AUTHORITY TRADING ENTERPRISE (LATE)

An enterprise that is set up to operate a business for the Council.

LONG TERM COUNCIL COMMUNITY PLAN (LTCCP)

An LTCCP is a planning tool that sets out the Council's priorities for the medium to longer term, and states how the local authority intends to contribute to community wellbeing over the life of the plan. It provides a basis for accountability of the Council to the community, and outcomes are examined along with the Annual Plan in the Annual Report.

POLICY

A course of action or set of parameters adopted by the Council or by management within which decisions can be made and action can be taken.

RESERVES

Usually refers to Council's range of reserve accounts for specific purposes. The accounts are maintained at a certain level for future spending. The accounts are not funded annually, but have accumulated from money collected from past generations. Examples of these accounts are the Rural Fire Reserve Account and the Catastrophic Events Account. Not to be confused with areas of land administered by Council under the Reserves Act 1977.

RESERVE MANAGEMENT PLANS

Reserve Management Plans are required by law for all of the Council's parks and reserves in the District. The Plans which are developed in consultation with the community set out how the reserve should be utilised.

INCOME STATEMENT

Shows Council's ability to pay its bills from the money that it receives. See page 55.

CHANGES IN EQUITY

Shows how Council's resources are increasing in value over time. See page 56.

Glossary

STATEMENT OF FINANCIAL POSITION

Shows what money Council has and what it is owed and what money Council owes. See page 64.

STATEMENT OF CASHFLOWS

The turnover of cash experienced by Council each year.

SUBMISSION

A comment, received in writing or verbally about one of Council's Plans. There is a set timeframe for submissions to be received and then considered by Council.

TREASURY POLICY

This policy states when, how and why Council will borrow money.

USER CHARGES

Money that is derived from a direct charge or fee from the person that is using the service/facility. For example, if you need a building consent you pay the amount of money that it costs to provide the consent.

UNIFORM ANNUAL CHARGES

A charge of the same amount to each ratepayer regardless of the value of the property.