



ANNUAL PLAN 2020/21

TE MAHERE Ā-TAU 2020/21



Pohewatia anō
tō tātou rohe
**REIMAGINE
OUR DISTRICT**

Ōhiwa Harbour

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This document is the Whakatāne District Council Annual Plan for the 2020/21 financial year. The Annual Plan provides an updated budget for the 2020/21 financial year only.

The Annual Plan outlines exceptions for the 2020/21 year from Whakatāne District Council's Long Term Plan 2018-28, and is intended to be read alongside that document. This document doesn't provide an exhaustive list of all of Council's projects for 2020/21; however, it does provide an overview of our key priorities and projects for the year.

What is the Long Term Plan?

The Long Term Plan (LTP) sets out our strategic direction, priorities and work programme for the coming 10 years. The LTP responds to opportunities and challenges facing our communities and district, outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure our performance along the way. The issues we face and the context within which we work are continuously evolving. For this reason, an LTP is produced every three years.



MESSAGE FROM MAYOR JUDY TURNER

Kupu Whakataki o te Koromatua

I te tuatahi, he mihi maioha ki a koutou i whai whakaaro ki tēnei Mahere ā-Tau i ēnei rangi rerekē.

He mahere tēnei hei arotahi ki ō tātou tāngata. I whanake tēnei mahere whai muri i te aituā o Whakaari, ka mutu i waenga i te mate urutā o Korona. Kua whakawhanakehia e ngā kaikaunihera, ngā kaimahi, me ngā hoamahi matua he mahere pūtea nui ake mō te hangatanga i te hītori o te Kaunihera. Ka pūtohe tonu mātou o te Kaunihera ki te āwhina te hāpori kia whakarauora i ēnei aituā. E mahi ana i te mahere mahi kia angitū te whakapiki taiōhanga o te rohe, kia tutuki pai hoki ngā hiahia o ngā hāpori.



Firstly, I want to extend a very warm thank you to all those who took time to get involved in our Annual Plan process in these unprecedented times.

This is a plan with a core focus on our people. The plan was developed under the most trying of circumstances, after the tragic eruption of Whakaari and during the COVID-19 pandemic. Together with our elected members, staff and key partners, we have developed a budget with the largest capital works programme in the history of the Council. As a Council we are determined to do our part in helping our community recover from these events. Delivering a workplan that helps boost our local economy and supports the needs of our communities is a key ingredient to success.

We plan to invest \$49.3 million into capital projects this year, including Council's contribution to the Whakatāne Boat Harbour project. This investment has been made possible by working with our key partners, local iwi and Central Government. This investment is 72% greater than anticipated in the Long Term Plan, and we have worked on ways to make it affordable for our communities, such as utilising the Harbour Fund which has no rating impact.

Working in partnership allows us to amplify our spending to provide economic relief, which is helping to save existing jobs and create new jobs and opportunities for our residents. This also enables Council to maintain a focus on our future while minimising the impact on ratepayers.

This is my first Annual Plan as the Mayor of the Whakatāne District. I am proud of how we, as elected members, have worked together to develop this budget. We want to deliver on the aspirations of our communities today, while also thinking about how our decisions can benefit future generations and ensure we are remembered as good ancestors.

It is clear that there is much work still to do, and that is why we have launched a programme to 'Reimagine our District.' This plan is the first step along that path, and together we can move forward towards a better and brighter future.

Judy Turner

Mayor,

Whakatāne District

WE LISTENED TO YOUR FEEDBACK

I whakarongo mātou ki a koutou i whakahoki kōrero mai

During May and June 2020 we asked you what you thought about our draft plans. Due to COVID-19 restrictions, this process didn't look quite like it usually does. It was important to us, however, that we heard your thoughts and concerns as we worked to finalise our Annual Plan for the 2020/21 year.

For those of you who took time to let us know your views, whether via email, through our new consultation hub Kōrero Mai, by leaving a comment on Facebook or leaving a comment on our kōwhai trees around the district; thank you for your time and the high-quality feedback you provided. All your comments helped us shape this plan. We received 66 submissions, as well as a range of less formal feedback and comments.

Through the consultation process we specifically asked if you are happy with how Council has tried to balance its four priority areas outlined in a later section. Overwhelmingly, the community feedback suggested that the Council had got the balance about right, with many requests for Council to focus more on future planning. This was reassuring for the Council, as planning for the future is a key project during the next year as we develop our Long Term Plan 2021-31.

Council has taken on-board feedback received regarding specific projects and incorporated it in several ways. Some specific items we have included as budget items in this plan, for example sealing of the carpark at Awakeri Events Centre, or increasing funding for shade sails in playgrounds across the district. Other feedback we have incorporated within our existing plans, for example an increased focus on walking and cycling through the implementation of

93%
of the feedback on our priorities for the year said Council had the balance about right, or should focus more on this priority.

the Active Whakatāne Strategy, or making sure we are appropriately maintaining the Matatā Lagoon.

Some requests are ideas more appropriately considered or included through our Long Term Plan process, which we will be working on this year. For example, tarsealing some rural roads or increased traffic calming solutions in Murupara. Other requests, such as for a solar farm in Whakatāne, will require Council to work with submitters to understand how to best realise their vision. Some requests asked Council to advocate on behalf of the community and Council will look to do that whenever appropriate, for example strongly encouraging Waka Kotahi (NZ Transport Agency) to reduce speed limits in Matatā.

Unfortunately, Council isn't always in a position to deliver on all the requests from the community. There were some requests that Council believed were unaffordable for the community at this time, or didn't align with the Council's key priorities. However, these requests will help Council understand community preferences to inform future decision-making.

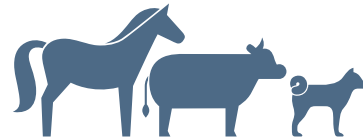
OVERVIEW OF OUR YEAR

Tirohanga whānui o te tau

Maintaining and improving our services is a strong focus in this Annual Plan.

Every year, Council delivers 36 different services and facilities across the district, including...

YOUR TRANSPORTATION NETWORK



YOUR ANIMAL CONTROL SERVICES



ECONOMIC DEVELOPMENT



Your Water, Stormwater and Sewerage SERVICES



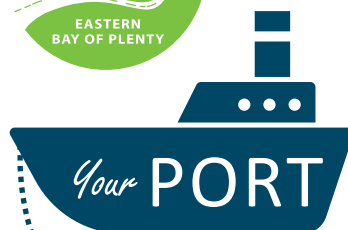
EMERGENCY MANAGEMENT



SWIMMING POOLS



CEMETERIES AND CREMATORIUM



BOAT RAMPS AND HARBOUR ACCESS



YOUR SOLID WASTE SERVICES

Kerbside rubbish and recyclables collection and disposal

Kerbside green waste collection and disposal

and much more...

COUNCIL'S PRIORITIES FOR 2020/21

Ngā mahi mātāmua a te Kaunihera mō te tau 2020/21

The draft budget for consultation on the 2020/21 Annual Plan was overhauled in response to COVID-19, as the nation was in National Alert Levels 3 and 4. The Consultation Document for the Annual Plan focused on the priorities of the Council for the coming year, acknowledging that there was likely to be changes before approving a final plan. Overwhelmingly, the feedback we received from the community was that we had got the balance about right in terms of our four priority areas (detailed below). The steps we have taken since consultation acknowledge and respond to community feedback on these priorities. Alongside community feedback, staff and elected members have considered a range of factors in determining the workplan for the coming year, such as affordability and organisational capacity.



Immediate response to COVID-19



A plan with a strong focus on people, jobs and the economy



A plan that thinks of the future



*A plan that balances the
financial pressure*



IMMEDIATE RESPONSE TO COVID-19

Te urupare ake ki COVID-19

Whakatāne District Council had an immediate responsibility and obligation to respond to COVID-19. Our response included operating the Civil Defence Emergency Operations Centre in support of Ministry of Health and regional Civil Defence efforts, and adjusting some of our services. For example, we needed to close facilities like playgrounds, libraries and aquatic centres and suspend services such as recycling collection. While as a nation we continue to remain vigilant, the true impact of COVID-19 will play out for a long time and we will continue to support our communities to navigate through these challenging times.

A 13-step COVID-19 response plan He mahere mō te COVID-19

On 30 April 2020, Council approved a 13-step COVID-19 response plan. The plan aims to manage the immediate economic impact before transitioning to a longer-term recovery phase.

The first suite of measures has provided immediate support to local business and ratepayers, including \$600,000 from the Harbour Fund to support up to three months' rent relief to impacted commercial and harbour leaseholders, and refunds for bookings and consents lodged pre-COVID-19. Council has further made a commitment to pay our bills as early as possible, which has been well received by local businesses and contractors.

Through this Annual Plan we are looking to support the local retail sector, hard hit by the COVID-19 crisis, by utilising a \$40,000 grant from the Harbour Fund to reduce the EPIC targeted rate, levied on Whakatāne CBD businesses. This will support EPIC to implement its town centre strategy.

The aim of our continued response is to address short-term needs for the people who require it most, while planning for how best to support, rebuild and 'reimagine' the district in the long-term. Our success will be determined by how well we work together with the Eastern Bay Economic Development Agency Toi EDA, the Eastern Bay of Plenty Chamber of Commerce, the business sector, and iwi and Central Government partners. Together we will demonstrate decisive leadership and strength for our communities in this challenging time.

You can find our plan at whakatane.govt.nz/covid-recovery

Supporting local tourism operators E tautoko ana i ngā pakihī tāpoi

National COVID-19 Alert Levels 3 and 4 have affected the tourism industry in the district particularly hard, at a time when many were trying to recover from the impacts of the Whakaari/White Island eruption. Furthermore, it is unlikely that international tourism will return soon, with borders expected to remain closed for the foreseeable future. Our local tourism sector is well-positioned to recover, with typically about 80% of tourism spend coming from the domestic market. Council has received funding from the Ministry of Business, Innovation and Employment for an enhanced marketing campaign agreed following the Whakaari/White Island eruption, focused on the domestic market in the short-to medium-term. Collaboration with the tourism sector to reposition our destination and market our unique offerings will be a point of focus for the Council to support local businesses on the path to recovery.



Wharaurangi - The Strand, Whakatāne

A PLAN WITH A STRONG FOCUS ON PEOPLE, JOBS AND THE ECONOMY

He mahere hei arotahi ki ngā tāngata, ngā mahi, me te taiōhanga

Creating new jobs and helping to retain existing jobs is a key economic development focus that will help our people.

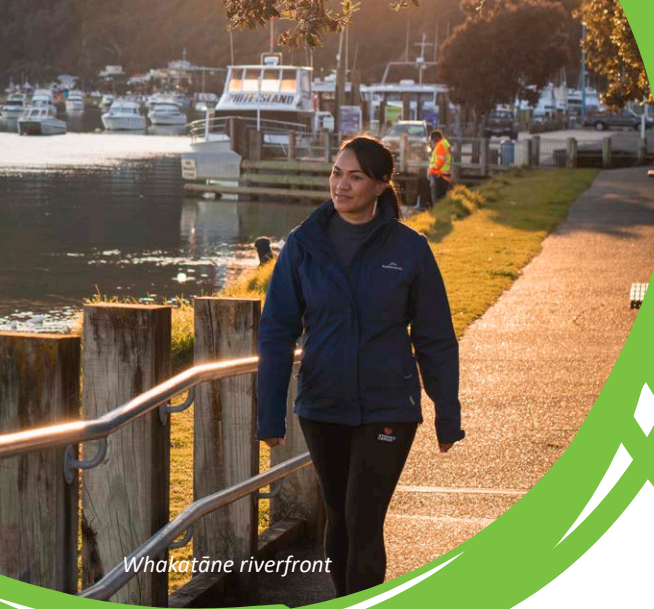
The Council continues to work alongside iwi, Central Government, Eastern Bay of Plenty councils and other partners to unlock the economic potential of the district. There will still be some businesses in the district that experience a large impact, yet we are optimistic that some of our key sectors will support the economy. Our work programme for the coming year reflects a need to support our local economy and be ready to work with partners towards this goal.

Whakatāne Regeneration Programme Te Kaupapa Whakahaumanu Whakatāne

The \$36.8 million injection from Central Government's Provincial Growth Fund supports sustained economic development, better use of existing assets and development of new infrastructure for the betterment of our communities. This funding represents a significant opportunity for project partners, Te Rūnanga o Ngāti Awa and Whakatāne District Council, to take full advantage of co-investment with Central Government, working together in collaboration to effectively deliver these benefits in a connected and efficient way. The Whakatāne Regeneration Programme has two main elements: the Whakatāne Boat Harbour Development and the Whakatāne Riverfront Revitalisation Programme, which also align with and support Ngāti Awa Group Holdings Limited's Kāinga development at the Whakatāne Army Hall. These projects are not only exciting for the town, but will result in real job creation and training pathways, which are even more important for the district since COVID-19.

Whakatāne Boat Harbour Development

The Whakatāne Boat Harbour Development represents a partnership between Te Rāhui Lands Trust, Te Rūnanga o Ngāti Awa, Ngāti Awa Group Holdings Limited, Whakatāne District Council and the Crown to establish a fit-for-purpose commercial boat harbour on Te Rāhui Lands Trust-owned land at 2 Keepa Road, Whakatāne. The development will address demand for additional berthage, provide vessels protection from the dynamic river environment, and deliver on infrastructure to boost our marine sector and related industries. The Provincial Growth Fund will contribute \$19.6 million towards the \$29.4 million total project cost. The \$9.8 million funding balance will be contributed by the Council from the harbour endowment fund, rather than via rates.



Whakatāne riverfront



Whakatāne Boat Harbour Project
(Artist Impression)

Whakatāne Riverfront Revitalisation Programme (Te Ara Hou)

The Te Ara Hou Programme is a partnership initiative between Te Rūnanga o Ngāti Awa and Whakatāne District Council, which aims to reinvigorate Whakatāne’s Central Business District and achieve a long-standing community priority to re-establish connections to the Whakatāne River.

The programme is focused on the redevelopment of a riverfront promenade, remediation of the existing commercial wharf, and unlocking high-quality open spaces facing the river to attract private sector investment. Through valuing and maximising what our town has to offer, we can better prepare the town to flourish in the future. Transforming the town and riverfront areas will create a dynamic heart for local residents, as well as supporting Whakatāne on its journey to become a world-class small-town destination for visitors. Based on cumulative years of engagement with our communities, the project will showcase our cultural heritage – an inherent and unique aspect of the district.

The Provincial Growth Fund will contribute \$9.6 million towards the total project cost of \$19.2 million. The \$9.6 million balance of funding will be contributed by the Council, the bulk of which will come from the Harbour Endowment Fund.

PROGRAMME FUNDING

Both the Boat Harbour Development and the Riverfront Revitalisation Programme are multi-year programmes of work. The funding required to progress each of these projects in the 2020/21 Financial Year is outlined below.

Whakatāne Boat Harbour Development

The project expects to spend \$10 million in the 2020/21 financial year to advance design, remediation and consenting works. Of this total, \$5 million has been budgeted by Council via the Harbour Endowment Fund in the 2020/21 Annual Plan, with the balance coming from the Provincial Growth Fund.

Whakatāne Riverfront Revitalisation Programme (Te Ara Hou)

The Te Ara Hou programme expects to spend \$6.8 million in the 2020/21 financial year, comprised of:

- \$3.1 million to remediate the commercial wharf; and
- \$3.7 million to progress design and consenting works for the Riverfront Promenade and Town Centre Heart developments.

Of this total, \$3.5 million has been budgeted in the 2020/21 Annual Plan, the bulk of which comes from the Harbour Endowment Fund, with the balance coming from the Provincial Growth Fund.

Next steps

Later this year, the project partners will be working with the community on the design phase of the Te Ara Hou projects to develop a vibrant town centre that we can all enjoy. These are truly exciting projects for the district. More information on these projects can be found on our website:

whakatane.govt.nz/wrp

An accelerated Whakatāne Regeneration Programme

Te Kaupapa Whakahaumanu Whakatāne

On 26 June 2020 a further \$2.5 million from the Government was announced to accelerate the Whakatāne Boat Harbour Development and the Te Ara Hou Programme, as well as Ngāti Awa Group Holding Limited’s Kāinga development at the Whakatāne Army Hall.

Funding opportunities to create local jobs and boost the local economy

Ngā whaiwāhitanga pūtea ki te tipu mahi me te paringa taiohanga

As part of Central Government's objective to help kickstart the economy, a number of funding opportunities are becoming available that the Council is looking to capitalise on, to help reinvigorate our local economy and deliver on some of the district's priorities. For example; Crown Infrastructure Partners Ltd has been tasked to help the Government identify infrastructure projects across the country that are 'shovel ready' and can be started quickly to generate employment.

Whakatāne District Council had applied for \$146 million in Crown funding for the district through this process. This presents an opportunity to accelerate projects that will create positive social, economic, environmental and cultural impacts across the district and remove the funding pressure from ratepayers. We applied for a variety of projects that closely align with the criteria of the fund, which includes: projects that cost more than \$10 million, can begin in less than six months, generate significant employment and will have long-term positive outcomes for the communities. The funding applications include \$66.2 million in transport projects, \$43.8 million of water, stormwater and sewerage projects, \$21.8 million of economic development projects and \$17.8 million of cycleway projects.

Additional funding opportunities continue to be released and Council is looking to identify options to realise our objectives while reducing ratepayer funding. We are still waiting to hear whether many of our applications have been successful, and more information will be made available when Council is in a place to make a decision around these projects.

KIA KAHA WHAKATĀNE

On 15 June, \$8.2 million Provincial Growth Fund investment was announced for a worker redeployment package of projects aimed at supporting local contractors and workers most impacted by the COVID-19 and Whakaari-related economic slowdown. Kia Kaha Whakatāne will see a range of roading, water, parks and green projects completed and aims to redeploy at least 160 people. The projects are being overseen by Whakatāne District Council and Bay of Plenty Regional Council, working in collaboration with a number of organisations and agencies, such as the Ministry of Social Development and local iwi.





Holly's Playground, Lake Aniwanuiwa

A PLAN THAT THINKS OF THE FUTURE

He mahere hei aro ki anamata

When developing our workplan, we were conscious that our communities face big challenges and exciting opportunities, and we need to keep a focus on the long term. Through our consultation, the community told us that we should focus even more on the future. Our plan for the year tightens our focus on some of the biggest challenges, for example through including additional investment into the Matatā wastewater project.

The Annual Plan includes provisions to increase the capacity of Council to respond to these future challenges, with additional resourcing to support climate change, communications and engagement and project management.

A focus on water He arotahi wai

The focus on Council's three waters services (drinking water, sewage and stormwater) continues to intensify. The challenges facing these services will continue to drive important strategy and planning work in the coming year. This includes responding to increased drinking water standards and regulations being proposed by Central Government, preparing for major upgrades to our sewerage systems with deadlines approaching, and improving our stormwater systems in terms of the level of service they provide to the community and the impact they have on the environment. This includes further investigation of a sewerage scheme for Matatā. With a number of looming challenges and costs in relation to the three waters services across the country, Central Government has asked the local government sector to explore alternative service delivery models. This work will be undertaken in the coming two years and will explore different collaborative approaches encouraging councils to work at a larger scale. In addition, Central Government has also just announced a \$761 million investment to help councils upgrade "run down" water services across the country. The need to renew and upgrade water-related services is a large cost for smaller councils, including ours, so the opportunity to look at funding and financing options such as this will be explored.

Our capital works programme also includes several new three waters projects for this coming year. They include bringing forward \$1.5 million of water mains renewal work to assist local businesses after COVID-19, the upgrade of the Barry Avenue stormwater pump station (\$1.6 million), investigating an alternative water supply for Whakatāne (\$1.3 million) and providing a more reliable supply for the Penetito water supply (\$250,000). A new sewer pump station at Coastlands (\$1.3 million) is also included to meet development demand.

The full capital works table is available on page 24 of this Annual Plan.



Continued focus on Climate Change Ka arotahi tonu ki te Huringa Āhuarangi

We are close to finalising the Climate Change Strategy and Action Plans, and the community's views on these documents will be important during the coming months. This year we are proposing to increase the budget to enable the ongoing delivery of Council's climate change project to ensure we factor climate change into everything we do. We had some big wins over the last year, including reducing carbon emissions through saving energy, and therefore costs, at the Whakatāne Aquatic Centre, and beginning to transition our vehicle fleet to become fully electric. Once the strategy and action plans are in place, you can expect to see a lot of things happen in this space.

Enhancing our capacity to deliver E whakahaumako ana tō mātou āheinga ki te tutuki mahi

Smart organisations invest in their people, systems and technology to ensure they are efficient and effective. To be able to advance our extended work programme and realise the economic, social, cultural and environmental benefits for the community, we have added new roles to increase our capability, as well as enhancing the capacity of our existing teams.

The budget reflects an increase in resourcing across selected areas of Council to enable key priorities to be progressed. COVID-19 has made this need to invest wisely in the organisation even more apparent, as we, and others, have rapidly adapted our ways of working. This plan will increase the resilience of our workforce and support our ability to deliver the best possible outcomes for our communities.

Whakatāne Civic Centre improvements

Ngā whakapainga o te Whare o te Kaunihera

As set out in our Long Term Plan, we have been progressing a project to earthquake strengthen the Whakatāne Civic Centre, so it can continue to be used as a Civil Defence Emergency Operations Centre, with the structural work to be undertaken in the coming year.

We have included an additional \$3.4 million to extend this budget, recognising that it is a sensible opportunity to make further improvements and future-proof the building. The Civic Centre has had no major improvements since it was built in the 1980s, and workplace systems, tools and expectations have changed substantially in that time. This project will generate significant employment across a variety of trades and support the district's recovery.

PLANNING FOR THE FUTURE

A key project for the next year will be the development of our Long Term Plan 2021-31. We have started this process by asking the community about its priorities for the future through 'Future in Focus'. Over the next year we will continue this community conversation, as we look to understand how best to deliver on the community's key aspirations. This will include considering critical projects such as access in and out of Whakatāne township, ensuring high quality sewage treatment, delivering a reliable and secure water supply, helping to enhance our local economy with jobs for local people, working collaboratively towards shared objectives and building thriving, resilient communities.



A PLAN THAT BALANCES THE FINANCIAL PRESSURE

He mahere e taurite ai te pēhi pūtea

We recognise that the longer-term impacts of COVID-19 will put economic strain on some individuals, households and businesses. Our Annual Plan seeks to balance the need to take pressure off ratepayers with the need to invest in our economy. When developing this budget, the increased scale of our work programme to respond to COVID-19 and other longer-term priorities, would have resulted in a rating increase of 8.1%. We know that would not be affordable for our communities at this time, and have therefore made efforts in this budget to relieve the financial pressure, while maintaining a strong programme of work. The budget results in an average rating increase of 3.9%, which is within the limits set out in our current Financial Strategy.

WHY DO RATES GO UP MORE THAN INFLATION?

What we refer to commonly as 'inflation' is the Consumer Price Index (CPI) which is based on household costs or a household 'basket of goods' e.g. food and clothing. Councils' costs however are driven by items such as bitumen, pipelines and construction materials. To understand these costs, we use the Local Government Cost Index (LGCI). Council's 'basket of goods' tend to increase in price more rapidly than household goods. Hence, the LGCI is higher than CPI each year. On top of that, the services that Council delivers are constantly evolving and increasing. For example, regulatory requirements set by national standards, changing community needs and responding to natural hazards. These changes all add to Council's costs, on top of inflationary increases. In a BERL report for the 2017 to 2028 period, overall local government costs (as measured by the LGCI) are expected to rise by just over 28%.

Council has a number of tools at its disposal to minimise the rates increase for the coming year and we have looked to use these tools where possible and prudent. The Annual Plan includes over 100% increased funding from grants and subsidies and a significant drawdown of debt compared to the Long Term Plan. In addition to these levers, the Council has adopted rates smoothing measures to spread the rating impact more evenly across our communities.

The total amount of rates any property pays depends on a number of factors, but very simply it is determined by how much ratepayer funding is required to deliver Council services, divided (not equally) by the number of properties paying rates. Over the last year, new rateable properties as a result of the growth our district has experienced, as well as additional water meters being read, means that the distribution of rates can be spread across more properties, leading to a reduction in the rates increase experienced by existing properties.



The impact of revaluations

Rates are based on a valuation of your property. The Council contracts Quotable Value to perform three-yearly property revaluations to reflect changing market values. The valuations are a snapshot of the market as at 1 September the year of revaluation. Revaluations were undertaken in 2019 and come into effect for the 2020/21 financial year.

In this round of revaluations, there has been a significant variation in how the value of properties around the district has changed. If your property value increases proportionally more than others, it means you will pay proportionally more rates. Revaluations do not change the total amount of rates that are collected, just how they are divided up amongst ratepayers.

Funding partnerships support an extended capital works programme

We plan to deliver more projects because we recognise the need to provide urgent stimulus into the economy, creating jobs and supporting the livelihoods of all those in the district. But we need to do that in the right way; by not overburdening ratepayers and by ensuring that our workplan is firmly fixed on delivering on the district's priorities. We need to be ambitious and intend to deliver an extended capital works programme of \$49.3 million in the Annual Plan, inclusive of a \$5 million equity contribution to the Whakatāne Boat Harbour project, compared to \$28.6 million in the LTP. This also includes \$5.8 million for Wainui Road safety improvements, which was agreed to in last year's Annual Plan and is due to commence in the coming year.

Much of this ambitious work programme is made possible with the help of co-funding partnerships, and this is reflected in our budgets with an increase in revenue from grants. We also need to fund a local share of these projects, and this will increase the amount of debt we take on in the coming year compared to what we had previously anticipated through the Long Term Plan.

FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL

The 'Indicative Funding Impact Statement' (FIS) table on the next page provides an overview of what it costs to provide Council services and activities and how they will be funded.

The FIS breaks down costs and funds at 'operational' and 'capital' levels. Operational costs include the ongoing maintenance and delivery of our services, while capital costs relate to constructing new assets or extending or renewing existing assets. Capital expenditure is generally 'one-off' in nature, whereas operational costs are ongoing.

Taking all this information into account, we can then see how much will be received, how much will be spent, and whether or not we will have a surplus or deficit at the end of the year. An explanation of the categories in this FIS can be found in the Long Term Plan 2018-28.

AP 2019/20 \$000		LTP 2020/21 \$000	AP 2020/21 \$000	VARIANCE 2020/21 \$000
OPERATIONAL				
Sources of operating funding				
23,045	General rates, uniform annual general charges, rates penalties	23,145	25,285	2,140
23,861	Targeted Rates	24,610	23,419	(1,191)
9,176	Subsidies and grants for operating purposes	4,277	13,731	9,454
9,006	Fees and Charges	7,878	9,925	2,047
45	Interest and dividends from investments	47	45	(2)
1,887	Local authorities fuel tax, fines, infringement fees, and other	1,868	2,145	277
67,020	Total Sources of operating funding (A)	61,825	74,549	12,724
Applications of operating funding				
54,515	Payments to staff and suppliers	43,278	61,907	18,629
2,600	Finance costs	2,656	2,599	(57)
910	Other operating funding applications	926	1,114	188
58,025	Total Applications of operating funding (B)	46,860	65,620	18,760
8,995	Surplus (deficit) of operating funding (A-B)	14,966	8,930	(6,035)
CAPITAL				
Sources of capital funding				
16,682	Subsidies and grants for capital expenditure	9,763	14,610	4,847
127	Development and financial contributions	134	127	(7)
6,041	Increase (decrease) in debt	994	17,617	16,623
2,000	Gross proceeds from sale of assets	-	-	-
-	Lump Sum Contributions	-	-	-
-	Other dedicated capital funding	-	-	-
24,850	Total Sources of capital funding (C)	10,891	32,354	21,463
Applications of capital funding				
Capital expenditure				
5,259	- to meet additional demand	3,448	14,289	10,841
17,541	- to improve level of service	9,145	11,775	2,630
13,605	- to replace existing assets	17,404	18,226	822
-	- Increase (decrease) of investments	-	5,000	5,000
(2,561)	Increase (decrease) in reserves	(4,140)	(8,007)	(3,866)
33,845	Total Applications of capital funding (D)	25,856	41,283	15,427
(8,995)	Surplus (deficit) of capital funding (C-D)	(14,966)	(8,930)	6,035
-	Funding Balance ((A-B) + (C-D))	-	-	-



Whakatāne township

RATES FOR 2020/21

Ngā Tāke Kaunihera 2020/21

Rateable properties in our district

The Council’s rating requirement (the amount we need to collect from rates) is divided among the available “rateable properties” in the district. Certain types of properties, like schools, churches, and recreation reserves are not rateable. Our district is made up of 15,879 rateable properties. The table below shows the number of rateable properties in our district as at 22 June 2020. Properties are valued every three years by an independent valuer, and were last valued in September 2019. The next review will take place in 2022.

The financial forecasts in this Annual Plan are based on the number of rateable units in the Whakatāne District. While some growth is expected, this provided a conservative approach. This will be updated annually to reflect the actual charge.

	Number of rateable units	Rateable capital value (\$ million)	Land value (\$ million)
Whakatāne Commercial	520	1,183,916	496,227
Edgecumbe	648	242,079	73,549
Matatā	333	121,852	67,828
Murupara	773	80,868	19,793
Ōhope	1,883	1,519,968	859,713
Ōtarawairere	38	42,755	23,125
Rural	5,163	4,362,984	2,946,824
Tāneatua	284	52,052	15,135
Te Teko	277	58,204	25,819
Whakatāne Urban	5,960	2,922,321	1,331,340
Total	15,879	10,586,998	5,859,352

RATES DUE DATES

Installment	Due date	Penalty date
Instalment 1	Friday, 21 August 2020	Wednesday, 26 August 2020
Instalment 2	Friday, 20 November 2020	Wednesday, 25 November 2020
Instalment 3	Friday, 26 February 2021	Wednesday, 3 March 2021
Instalment 4	Friday, 21 May 2021	Wednesday, 26 May 2021

WATER RATES DUE DATES

The following are the due dates for water rates invoices:

Installment	Scheme	Date due	Penalty Date
1st Reading	Plains	Friday, 23 October 2020	Wednesday, 28 October 2020
2nd Reading	All metered schemes	Friday, 22 January 2021	Wednesday, 27 January 2021
3rd Reading	Plains	Friday, 23 April 2021	Wednesday, 28 April 2021
4th Reading	All metered schemes	Friday, 23 July 2021	Wednesday, 28 July 2021

Payments

Rates are payable at the Council Service Centres in Whakatāne and Murupara. The payment facilities available at the Council offices include cash, cheque, credit card and EFTPOS. Council also accepts payment of rates by credit card via our online facility. Alternatively, the Council offers the option of paying rates by direct debit, on a weekly, fortnightly, monthly, quarterly, or annual basis. Rates can also be paid by phone or internet banking and automatic payments. Please contact Customer Services on 07 306 0500 or 0800 306 0500 for further information, or refer to whakatane.govt.nz.

Discounts for prompt payments

The Council offers a discount for ratepayers who pay their total annual rates assessment by the due date for the first instalment. The discount rate for 2020/21 is 2.5%.

Rates relief in special circumstances

The Council provides for the remission and postponement of rates in some special circumstances, as defined in our Rates Remissions and Postponement Policies (available from Council offices or online at whakatane.govt.nz).

Payment penalties

A 10% instalment penalty will apply to any rates which are not paid by the instalment due dates. A further 10% additional charge will be added on 1 October 2021 to any overdue rates payments at the 1 July 2021 and which are unpaid at 1 July 2021, which remain unpaid at 30 September 2021.

A 10% penalty will apply if any water rates payments remain outstanding after each of the above water rates due dates.

FUNDING IMPACT STATEMENT – RATING

The 'Funding Impact Statement- Rating' sets out the detail behind each of the various rating categories. You will find that this information is very similar to that which appears on the back of your rates invoice. Rating units defined as 'Commercial and Industrial' are any properties zoned or used for commercial industrial purposes. 'Rural' is defined as all rural zoned land, except commercial and industrial properties as defined above. Note: All figures in this table are GST exclusive. GST will apply at the current rate of 15%.

	2020/2021	2020/2021 \$
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General Rates

Total amount required		24,484,836
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The Council sets a general rate on the capital value (CV) of each applicable rating unit in the District on a stepped differential basis (per CV\$).

	per CV\$	
District wide rating units with capital value less than \$15 million (step 1)	0.00132543	13,419,691
District wide rating units with capital value greater than \$15 million (step 2)*	0.00099408	459,503
Uniform Annual General Charge on all rating units in the District	702.31	10,605,642

* Council uses a differential for all rating units with capital value over \$15 million to reduce the total rate those 17 rating units are charged.

Roading Rates

Total amount required		5,856,949
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The Council sets the roading rate on the capital value of each applicable rating unit in the District (cents per CV\$).

	per CV\$	
District wide rating units (per CV\$)	0.00049788	5,271,254
Fixed targeted rate on all rating units in the District	38.79	585,695

Community Board Rates

Total amount required		272,370
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The Community Board rate funds the Governance activity. The Community Board rate is set to fund the costs of the five Community Boards. The Council sets the targeted rate on rating units within each of the following locations.

	Rate \$	
Whakatāne/Ōhope	17.99	150,771
Rangitaiki	9.21	38,430
Taneatua	30.05	38,548
Murupara	35.25	44,621

Stormwater Rates

Total amount required		3,117,990
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The Council sets a differential targeted rate for stormwater on rating units and a rate on the capital value differentially as follows.

	Differential	Fixed targeted rate per rateable unit \$	per CV\$	
Whakatane Urban	1.0	90.48	0.00040366	1,781,336
Whakatane Commercial and Industrial*	2.2	90.48	0.00088805	544,665
Matata	1.0	43.35	0.00034690	56,361
Ohope	1.0	60.71	0.00022127	457,739
Edgecumbe	1.0	100.44	0.00056973	251,500
Taneatua	1.0	13.19	0.00020452	14,195
Murupara	1.0	1.65	0.00005290	4,824
Te Mahoe Land Drainage	1.0	14.70	0.00026033	1,411
Te Teko Land Drainage	1.0	11.64	0.00024719	5,960

* A differential targeted rate calculated on capital value is charged for Whakatane Commercial and Industrial rating units, due to the greater level of impermeable surfaces putting greater pressure on stormwater systems.

			2020/2021	2020/2021 \$
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District Growth Rates

Total amount required				846,840
The District Growth rate funds the Economic Development Activity. The Council sets a fixed targeted rate per commercial and industrial rating unit within the District				
			352.85	211,710
Total amount required from per CV\$				635,130
The Council sets a targeted rate on the capital value for all commercial and industrial rating units outside the Whakatane urban area (per CV\$).				
	1.0		0.00049284	91,009
The Council sets a targeted rate on the capital value for all commercial and industrial rating units within the Whakatane urban area (per CV\$).				
	2.0		0.00098568	544,121

Refuse Removal Rates

Total amount required				\$	2,598,568
The Refuse Removal rate funds the Waste Group of Activities. The Council sets a targeted rate to fund the collection and disposal of the Council approved refuse and recycling bins. This targeted rate is set as a fixed amount where a service is available to the rating unit. A rating unit can apply for more than one service and will be charged accordingly. The service applicable to each category is: Residential - refuse, recycling and green waste Rural and Commercial - refuse and recycling					
Residential - per service			195.68	1,603,627	
Rural/commercial - per service			161.47	636,522	
Ohope residential * - per service			198.29	350,379	
Ohope commercial - per service			164.08	8,040	
<i>*The Council provides an additional three recycling collections during the summer holiday period for Ohope.</i>					

Water Rates

Total amount required				6,176,269
The Council sets water rates on a differential based on provision of service, land use and location. Connected - any rating unit that is connected directly or indirectly to a Council operated waterworks. Available - any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks. <i>Note: All water by meter consumption that is invoiced during the current rating year will be calculated on the charges detailed below.</i>				
Ruatahuna		Per connection \$	Rate \$	Total \$
Connected		0.00		-
Connected - commercial		0.00		-
Plains and Awakeri Extension				
Connected - metered		120.00		460,427
Water by meter			0.29	690,641
Excess water by meter*			0.90	
Murupara				
Connected - metered		84.89		3,311
Connected - non metered		211.09		141,007
Available - not connected		84.89		8,828
Water by meter			0.57	18,963
All Other Schemes				
Connected - metered		182.17		1,764,529
Connected - non metered		527.36		311,143
Available - not connected		182.17		69,226
Water by meter			1.57	2,708,195
<i>*The council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each rating unit connected to these water supplies. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement. Note: Where rating units meet the definition of being contiguous either under legislation or Council Policy, the entitlements for such properties will be aggregated prior to an imposition of the overuse penalty.</i>				

	2020/2021	2020/2021 \$
Sewerage Rates		
Total amount required		4,509,694
<p>The Council sets sewerage rates on land use and provision of service. Land use is residential, rural or commercial / industrial. For residential and rural rating units, the Council sets fixed targeted rates per separately used or inhabited part of a rating unit* to fund sewage disposal.</p> <p>Commercial / industrial properties are charged per pan.</p> <p>Connected - any rating unit that is connected to a public sewerage drain.</p> <p>Available - any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.</p>		
	Rate \$	
Available - all schemes	181.11	71,537
Connected - all schemes	362.21	4,108,231
Available - Murupara	212.72	18,081
Connected - Murupara	425.44	311,844
* Any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.		
EPIC Rates		
Total amount required		40,000
A targeted rate has been set to fund EPIC (Events Promotions Initiatives Community). This rate is based on the capital value of the rateable units identified as the Whakatāne Central Business District in the Whakatāne District Plan.		
Fixed charge		0
Number of rateable urban properties		102
CV rate \$		0.000315408
<h2>PERCENTAGE OF RATES THAT ARE FIXED CHARGES</h2> <p>Under the Local Government Rating Act (LGRA), a maximum of 30% of total rates income can come from fixed rates, such as targeted rates or uniform annual charges. The following table shows the fixed rates set by the Council for the 2019/20 year and the percentage of the total rates that these represent.</p>		
		2019/20
Report on 30% Cap (Section 21 LGRA)		\$ Excl. GST
Targeted rates that are set on a uniform basis and calculated in accordance with section 18(2) or clause 7 of Schedule 3		
Uniform Annual General Charge		10,605,642
Roading		585,695
Community Boards		272,370
Stormwater		779,498
District Growth		211,710
Total Uniform Annual General Charge and targeted rates		12,454,914
Total rates excluding GST		47,903,517
Uniform rates as a percentage of total rates		26%
Targeted rates that are set on a differential uniform basis, not included in the 30% cap		
Refuse Removal Rate		2,598,568



INDICATIVE RATING EXAMPLES FOR 2020/21

Overall, the average rates increase for 2019/20 is 3.90% but this will differ for specific properties around the District. The table below models a number of example properties. It shows what your rates might look like for the 2020/21 year and how this compares to 2019/20.

Year One 26% Cap	Whakatāne Urban Low	Whakatāne Urban Average	Whakatāne Urban high	Whakatāne Commercial (less than \$10m) Low	Whakatāne Commercial (less than \$10m) average	Edgecumbe Average	Matatā Average	Matatā High	Murupara Urban	Murupara Lifestyle	Te Teko	Ōtarawairere	Ōhope Low	Ōhope Average	Ōhope High	Tāneatua	Rural Low	Rural - Horticultural	Rural - Pastoral	District Wide - Commercial/Industrial \$10m Plus (six pans)	High Value Commercial/Industrial	
Capital Value	245,000	500,000	1,458,000	420,000	790,000	376,000	410,000	860,000	101,000	285,000	150,000	1,075,000	670,000	864,000	1,586,000	194,000	90,500	1,475,000	3,350,000	15,850,000	38,000,000	
2020/21 Indication of Rates based on NEW valuations																						
General Rate	324.73	662.72	1,932.48	556.68	1,047.09	498.36	543.43	1,139.87	133.87	377.75	198.82	1,424.84	888.04	1,145.17	2,102.14	257.13	119.95	1,955.01	4,440.20	20,726.46	42,745.23	
Uniform Annual General Charge	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	702.31	
Roading CV	121.98	248.94	725.90	209.11	393.32	187.20	204.13	428.17	50.29	141.89	74.68	535.22	333.58	430.16	789.63	96.59	45.06	734.37	1,667.88	7,891.32	18,919.26	
Roading Fixed Targeted Rate	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	38.79	
Community Boards	17.99	17.99	17.99	17.99	17.99	9.21	9.21	9.21	35.25	35.25	9.21	17.99	17.99	17.99	17.99	30.05	9.21	9.21	9.21	17.99	-	
Stormwater Fixed Targeted Rate	90.48	90.48	90.48	90.48	90.48	100.44	43.35	43.35	1.65	-	11.64	60.71	60.71	60.71	60.71	13.19	-	-	-	90.48	-	
Stormwater CV	98.90	201.83	588.54	372.98	701.56	214.22	142.23	298.34	5.34	-	37.08	237.86	148.25	191.18	350.93	39.68	-	-	-	14,075.62	-	
District Growth	-	-	-	766.83	1,131.53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,975.82	-
Refuse Removal	195.68	195.68	195.68	161.47	161.47	195.68	195.68	195.68	195.68	161.47	195.68	198.29	198.29	198.29	198.29	195.68	161.47	161.47	161.47	161.47	161.47	
Water	527.36	527.36	527.36	527.36	527.36	527.36	527.36	527.36	211.09	-	120.00	527.36	527.36	527.36	527.36	527.36	120.00	120.00	120.00	527.36	527.36	
Sewerage	362.21	362.21	362.21	362.21	362.21	362.21	-	-	425.44	-	-	362.21	362.21	362.21	362.21	362.21	-	-	-	2,173.28	-	
Total	2,480.43	3,048.31	5,181.74	3,806.21	5,174.11	2,835.78	2,406.49	3,383.08	1,799.71	1,457.46	1,388.21	4,105.58	3,277.53	3,674.17	5,150.36	2,262.99	1,196.79	3,721.16	7,139.86	62,380.90	63,094.43	
Plus GST at 15%	372.06	457.25	777.26	570.93	776.12	425.37	360.97	507.46	269.96	218.62	208.23	615.84	491.63	551.13	772.55	339.45	179.52	558.17	1,070.98	9,357.14	9,464.16	
2020/21 Total indicative rates including GST	\$2,852.49	\$3,505.56	\$5,959.00	\$4,377.14	\$5,950.23	\$3,261.15	\$2,767.46	\$3,890.54	\$2,069.67	\$1,676.08	\$1,596.44	\$4,721.42	\$3,769.16	\$4,225.30	\$5,922.91	\$2,602.44	\$1,376.31	\$4,279.33	\$8,210.84	\$71,738.04	\$72,558.59	

ANNUAL BUDGET IN DETAIL

Taipitopito o Te Mahere Pūtea ā-Tau

PROSPECTIVE FINANCIAL STATEMENTS

Ngā matapae tauākī pūtea

The following Prospective Financial Statements are provided to give you an indication of our predicted financial position during the 2020/21 year.

CAUTIONARY NOTE

The information in the Prospective Financial Statements is uncertain and its preparation requires the exercise of judgement. Actual financial results are likely to vary from the information presented and the variations may be material. Events and circumstances may not occur as expected and may or may not have been predicted or the Council may subsequently take actions that differ from the proposed course of action on which the prospective financial statements are based. Due to rounding, numbers presented throughout these statements may not add up precisely to the totals provided.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

This provides information on the surplus or deficit arising throughout the Annual Plan impacting on the past and future comprehensive revenue and expense. This aids the reader to differentiate between components of financial performance according to frequency, potential for gain and loss predictability.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Also known as net worth, equity is measured as the difference between the total value of assets and total liabilities. This statement presents a comprehensive measure of revenue. Accumulated equity represents the communities' investment in publicly owned assets resulting from past surpluses.

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

This presents information about the economic resources controlled by the Council. This information is useful in assessing the Council's ability to generate cash, provide services and for assessing future borrowing needs.

PROSPECTIVE STATEMENT OF CASH FLOWS

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments the Council invests in as part of its day-to-day cash management. It provides information about cash generation through Council activities, to repay debt or to reinvest to maintain operating capacity

STATEMENT OF RESERVE BALANCES

This identifies the reserve funds that we operate and the expected value of these funds including how much is in each fund at the start of the 2020/21 financial year, how much we expected to come in or out of each fund during the year, and then what the balance of each fund is expected to be at the end of the year.

STATEMENT CONCERNING BALANCING THE BUDGET

Under legislation, Council is required to disclose its planned performance in relation to a balanced budget benchmark. Performance is portrayed as the percentage of operating revenue to operating expenses; a local authority meets the balanced budget benchmark if its operating revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment) exceeds its operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council plans to meet the balanced budget benchmark in 2020/21.

Prospective Statement of Comprehensive Income

LTP 2019 \$000	Actual 2019 \$000	AP 2020 \$000		LTP 2021 \$000	AP 2021 \$000	Variance 2021 \$000
REVENUE						
44,283	45,612	46,496	Rates	47,298	48,144	846
20,273	15,863	26,198	Subsidies and Grants	14,395	28,790	14,395
1,064	888	127	Development and Financial Contributions	134	127	(7)
6,480	6,797	6,773	Fees and Charges	5,634	7,648	2,014
50	33	43	Interest Revenue	47	45	(2)
1,433	4,099	3,784	Other Revenue	3,756	3,972	216
1,150	1,010	-	Gains		500	500
74,733	74,302	83,421	Total Revenue	71,264	89,226	17,962
EXPENSES						
16,960	17,107	17,678	Personnel Costs	17,234	21,050	3,816
15,464	13,444	16,202	Depreciation and Amortisation Expense	17,449	16,594	(855)
2,572	2,830	2,600	Finance Costs	2,670	2,599	(71)
26,729	26,795	36,938	Other Expenses	28,247	43,700	15,453
-	1,455	1,500	Revaluation Losses	-	900	900
61,725	61,631	74,918	Total Expenses	65,600	84,843	19,243
13,008	12,671	8,503	Surplus (Deficit) Before Tax	5,664	4,383	(1,281)
-	(40)	(25)	Income Tax Expense (Benefit)	-	-	-
13,008	12,711	8,528	Surplus (Deficit) After Tax	5,664	4,383	(1,281)
OTHER COMPREHENSIVE REVENUE AND EXPENSE						
17,716	-	14,000	Gains (Loss) on Property, Plant and Equipment Revaluations	11,945	20,000	8,055
-	(1,390)	-	Gains (Loss) on Property, Plant and Equipment Impairments	-	-	-
-	-	-	Tax on Revaluation Surplus	-	-	-
30,724	11,321	22,528	Total Comprehensive Revenue and Expense	17,609	24,383	6,774

Note 1 - General Rates by Activity

AP 2020 \$000		LTP 2021 \$000	AP 2021 \$000	VARIANCE 2021 \$000
2,960	Leadership	3,006	3,671	666
(25)	Roads and Footpaths	(26)	(31)	(5)
177	Sewage Treatment and Disposal	441	438	(3)
339	Stormwater Drainage	356	322	(35)
1,748	Solid Waste	1,997	1,847	(150)
1,829	Environmental Sustainability	1,984	2,473	489
2,569	Community Safety	2,473	2,805	332
1,459	District Growth	1,180	1,303	123
10,802	Recreation and Community Services	10,955	11,309	354
301	Corporate and District Activities	46	201	155
85	Council Controlled Activities	88	148	60
22,244	Total General Rates Levied	22,500	24,485	1,985
800	Plus Rates Penalties	645	800	155
410	Less Rate Remissions	457	560	103
22,634	General Rates	22,688	24,725	2,037

Note 2 - Targeted rates by Activity

AP 2020 \$000		LTP 2021 \$000	AP 2021 \$000	VARIANCE 2021 \$000
339	Leadership	344	272	(72)
6,034	Roads and Footpaths	6,550	5,857	(693)
6,563	Water Supply	6,035	6,176	141
4,419	Sewage Treatment and Disposal	4,468	4,510	42
3,161	Stormwater Drainage	3,597	3,118	(479)
2,461	Solid Waste	2,830	2,599	(231)
847	District Growth	748	824	75
36	Council Controlled Activities	38	63	26
23,861	Total Targeted Rates	24,611	23,419	(1,192)

Note 3 - Depreciation and Amortisation

AP 2020 \$000		LTP 2021 \$000	AP 2021 \$000	VARIANCE 2021 \$000
7,579	Roads and Footpaths	8,173	5,642	(2,530)
2,016	Water Supply	2,240	2,454	214
1,515	Sewage Treatment and Disposal	1,593	1,691	98
1,181	Stormwater Drainage	1,317	1,246	(71)
42	Solid Waste	44	78	34
10	Community Safety	10	9	(1)
72	District Growth	78	155	77
2,735	Recreation and Community Services	3,130	3,606	476
1,044	Corporate and District Activities	846	1,691	846
17	Council Controlled Activities	17	21	4
16,211	Total Depreciation and Amortisation	17,448	16,594	(854)

Reconciliation of Funding Impact Statement to Prospective Statement of Comprehensive Income

AP 2020/21 \$000		LTP 2020/21 \$000	AP 2020/21 \$000	VARIANCE 2020/21 \$000
	TOTAL OPERATING INCOME			
	<i>Per Activity Funding Impact Statement:</i>			
3,351	Leadership	3,352	3,946	594
4,667	Community Safety	4,481	5,393	912
7,199	Environmental Sustainability	2,369	6,236	3,867
4,747	District Growth	4,501	4,880	379
14,084	Recreation and Community Facilities	13,523	16,401	2,878
5,359	Waste	5,679	5,875	196
10,322	Roads and Footpaths	11,042	13,590	2,548
6,723	Water Supply	6,093	6,751	658
3,600	Stormwater Drainage	4,059	4,054	(5)
4,813	Sewerage Treatment and Disposal	5,054	5,137	83
264	Reportable Council-controlled Organisations	250	353	103
1,893	Corporate and District Activities	1,422	1,932	510
67,022	Total Operating Income	61,825	74,549	12,723
83,421	Total Income per proposed Statement of Prospective Income:	71,264	89,226	17,962
(16,399)	Variance	(9,439)	(14,677)	5,238
	<i>Made up of:</i>			
	Gains on revaluation of Investment property		500	500
16,682	Subsidies and Grants for capital expenditure	9,763	14,610	4,847
127	Development and Financial Contributions	134	127	(7)
(410)	Rate Remissions (other op funding appl in FIS)	(458)	(560)	(102)
16,399		9,439	14,677	5,238
	TOTAL OPERATING EXPENDITURE			
	<i>Per Activity Funding Impact Statement:</i>			
2,216	Leadership	2,153	2,620	467
2,461	Community Safety	2,576	2,628	52
10,353	Environmental Sustainability	1,183	7,283	6,100
3,002	District Growth	1,731	2,885	1,154
8,415	Recreation and Community Facilities	8,177	11,266	3,089
4,771	Waste	4,815	5,033	218
6,472	Roads and Footpaths	6,682	9,908	3,226
2,606	Water Supply	2,421	2,831	410
3,666	Stormwater Drainage	3,881	4,371	490
1,591	Sewerage Treatment and Disposal	1,434	1,668	234
310	Reportable Council-controlled Organisations	228	625	397
13,357	Corporate and District Activities	13,091	15,519	2,428
59,220	Total Operating Expenditure	48,372	66,637	18,265
74,918	Total Expenditure per proposed Statement of Prospective Income:	65,600	84,843	19,243
(15,697)	Variance	(17,228)	(18,206)	978
	<i>Made up of:</i>			
(1,195)	Cost of Internal Borrowing	(1,586)	917	2,503
16,202	Depreciation	17,449	16,594	(855)
(410)	Rate Remissions (other op funding appl in FIS)	(458)	(560)	(102)
1,500	Revaluation losses	1,158	900	(258)
(400)	Internal Cost Adjustment	665	355	(310)
15,697		17,228	18,206	978
	Other Comprehensive Income			
14,000	Gains on asset revaluation	11,945	20,000	8,055
22,503	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	17,609	24,383	6,774

Prospective Statement of Changes in Equity

LTP 2019 \$000	Actual 2019 \$000	AP 2020 \$000		LTP 2021 \$000	AP 2021 \$000	Variance 2021 \$000
436,635	440,534	441,798	Accumulated Funds at the start of the year	453,380	471,879	18,499
13,008	12,711	4,776	Net Surplus for the year	5,664	4,383	(1,281)
449,643	453,245	446,574	Accumulated Funds at the end of the year	459,044	476,263	17,219
176,604	205,533	205,533	Asset Revaluation Reserve at the start of the year	197,182	205,958	8,776
17,716	(1,390)	14,000	Revaluation of Assets	11,945	20,000	8,055
194,320	204,143	219,533	Asset Revaluation Reserve at the end of the year	209,127	225,958	16,831
643,963	657,388	666,107	Equity at the end of the year	668,171	702,221	34,050

Net Investment in Council Controlled Organisations

LTP 2019 \$000	Actual 2019 \$000	AP 2020 \$000		LTP 2021 \$000	AP 2021 \$000	Variance 2021 \$000
50	50	50	Shares - Civic Financial Services Ltd	50	50	-
9	9	9	Shares - Bay of Plenty Local Authority Shared Services Ltd	9	9	-
100	100	100	Shares - Local Government Funding Agency	100	100	-
544	912	928	Borrower Notes - Local Government Funding Agency	544	1,394	850
703	1,071	1,087		703	1,553	850

Council became a Guarantee Shareholder of the Local Government Funding Agency (LGFA) in December 2012. The shareholding includes a number of component parts and requirements including: unpaid subscribed capital, further equity commitments, investment in convertible borrower notes, and to enter into guarantees. Paid up capital of \$100,000 and convertible borrower notes of \$1.394 million have been included in these forecast financial statements. Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore have not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low. Furthermore, unpaid subscribed capital and commitment shares are not recognised as a financial liability in these forecast financial statements given the risk of LGFA calling the unpaid capital/commitment shares is considered remote.

Prospective Statement of Financial Position

LTP 2019 \$000	Actual 2019 \$000	AP 2020 \$000		LTP 2021 \$000	AP 2021 \$000	Variance 2021 \$000
EQUITY						
428,158	434,798	429,555	Accumulated Funds	439,260	461,505	22,245
21,485	16,790	17,019	Restricted Equity	19,785	14,758	(5,027)
194,320	204,143	219,533	Asset Revaluation Reserves	209,127	225,958	16,831
643,963	655,731	666,107	TOTAL EQUITY	668,172	702,221	34,049
ASSETS						
Current Assets						
2,508	4,730	3,052	Cash and Cash Equivalents	2,447	5,198	2,751
10,505	14,409	10,505	Receivables	10,003	16,882	6,879
-	-	-	Derivatives Financial Instruments	-	-	-
270	700	700	Goods and Services Tax	-	-	-
231	283	243	Inventory	255	283	28
2,000	3,908	500	Non-current Assets Held for Sale	6,696	3,908	(2,788)
15,244	23,600	15,000	Total Current Assets	19,401	26,271	6,870
Non-Current Assets						
6,696	5,478	4,700	Non-current Assets Held for Sale	-	5,478	5,478
-	-	-	Derivative Financial Instruments	-	-	-
703	1,071	1,087	Investment in CCOs and other similar entities	703	1,553	850
76,326	82,782	76,988	Operational Assets	82,045	96,963	14,918
525,166	540,156	562,069	Infrastructural Assets	548,803	586,762	37,959
384	1,118	511	Intangible Assets	841	1,229	388
88	236	90	Forestry Assets	50	236	186
34,820	36,588	35,819	Investment Property	35,144	38,748	3,604
38,582	40,152	43,254	Restricted Assets	39,246	40,152	906
15,391	14,072	15,544	Work in Progress	15,781	16,346	565
698,156	721,653	740,062	Total Non-Current Assets	722,613	787,466	64,853
713,400	745,253	755,062	TOTAL ASSETS	742,014	813,737	71,723
LIABILITIES						
Current Liabilities						
8,767	10,934	11,417	Payables and Deferred Revenue	9,121	9,889	768
-	139	-	Derivatives Financial Instruments	-	403	403
9,000	8,500	13,000	Borrowings and Other Financial Liabilities	13,000	5,000	(8,000)
2,544	2,167	2,755	Employee Entitlements	2,585	2,795	210
40	26	32	Provisions	-	26	26
-	-	-	Goods and Services Tax	-	-	-
20,351	21,766	27,204	Total Current Liabilities	24,706	18,113	(6,593)
Non-Current Liabilities						
3,050	4,608	4,744	Derivative Financial Instruments	3,600	6,890	3,290
45,000	62,000	56,000	Borrowings and Other Financial Liabilities LT	45,000	85,215	40,215
500	518	526	Employee Entitlements LT	-	668	668
486	596	459	Provisions LT	536	596	60
50	33	22	Deferred Tax Liability	-	33	33
49,086	67,755	61,751	Total Non-Current Liabilities	49,136	93,402	44,266
69,437	89,521	88,955	TOTAL LIABILITIES	73,842	111,516	37,674
643,963	655,732	666,107	NET ASSETS (Assets minus Liabilities)	668,172	702,221	34,049

Prospective Statement of Cash Flows

LTP 2019 \$000	Actual 2019 \$000	AP 2020 \$000		LTP 2021 \$000	AP 2021 \$000	Variance 2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
54,784	50,494	54,879	Receipts from Rates Revenue	58,261	60,218	1,957
19,901	15,648	26,198	Subsidies and Grants Received	14,039	25,575	11,536
10,576	11,580	9,040	Fees and Charges and Other Revenue received	9,944	11,747	1,803
50	23	43	Interest Received	47	45	(2)
6	6	6	Dividends Received	6	6	-
(42,696)	(47,219)	(58,037)	Payments to Suppliers and Employees	(44,203)	(64,750)	(20,547)
(9,879)	(7,492)	(9,956)	Payments to Agencies	(10,506)	(12,074)	(1,568)
(2,572)	(2,830)	(2,400)	Interest paid	(2,670)	(2,599)	71
-	430	-	GST (Net)	-	-	-
30,170	20,640	19,773	Net Cash Flow from Operating Activities	24,918	18,168	(6,750)
CASH FLOWS FROM INVESTING ACTIVITIES						
565	75	2,000	Receipts from Sale of Property, Plant and Equipment	-	-	-
(29,671)	(26,986)	(26,460)	Purchase of Property, Plant and Equipment	(29,996)	(33,264)	(3,268)
(129)	(144)	-	Acquisition of Investments	(157)	(160)	(3)
(29,235)	(27,055)	(24,460)	Net Cash Flows from Investing Activities	(30,153)	(33,424)	(3,271)
CASH FLOWS FROM FINANCING ACTIVITIES						
8,000	23,000	2,000	Proceeds from Borrowings	16,000	23,000	7,000
(9,000)	(17,500)	-	Repayment of Borrowings	(13,000)	(8,000)	5,000
(1,000)	5,500	2,000	Net Cash Flow from Financing Activities	3,000	15,000	12,000
(65)	(915)	(2,687)	Net Increase (Decrease) in Cash, Cash Equivalents and Bank Overdrafts	(2,235)	(256)	1,979
2,573	5,645	5,739	Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year	4,682	5,454	772
2,508	4,730	3,052	Cash, Cash Equivalents and Bank Overdrafts at the end of the Year	2,447	5,198	2,751
<i>Represented by:</i>						
2,508	4,730	3,052	Cash at Bank	2,447	5,198	2,751

KEY CAPITAL EXPENDITURE PROJECTS

The table on the following pages sets out the key capital expenditure projects which are planned for the period of this Annual Plan. This may include portions of projects which span multiple years. For more information on project timing and total costs, refer to Capital Projects List on page 264 of the Long Term Plan 2018-28.

KEY CAPITAL EXPENDITURE PROJECTS	2021 LTP \$	2021 AP \$	Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Restricted	Other Reserves	Fees and Charges	Targeted Rates	General Rates
Harbour Owned Building Renewals	80,636	80,636	-	-	-	-	80,636	-	-	-	-
Strategic and Investment Property Renewals	70,320	70,320	-	-	-	-	-	-	-	-	70,320
Total District Growth	150,956	150,956	-	-	-	-	80,636	-	-	-	70,320
Library Mixed Collection Renewal	100,000	100,000	100,000	-	-	-	-	-	-	-	-
Western Coastal/Motu Trails Extension	-	216,000	-	54,000	-	162,000	-	-	-	-	-
Provincial Development - Kia Kaha Projects		841,070				841,070					
Sullivan Lake Footpath and Retaining Walls	15,500	15,500	-	-	-	-	15,500	-	-	-	-
Harbour Beautification	75,000	-	-	-	-	-	-	-	-	-	-
Playground and Reserves Renewals	357,000	357,000	357,000	-	-	-	-	-	-	-	-
Significant Sites	50,000	50,000	50,000	-	-	-	-	-	-	-	-
Walking and Cycling Projects	75,000	75,000	-	-	-	-	75,000	-	-	-	-
Christmas Lights	40,000	40,000	-	-	-	-	-	-	-	-	40,000
Recycling Bins for Reserves	10,000	-	-	-	-	-	-	-	-	-	-
Skate Park		415,000				415,000					
Sportsfields Facilities	158,000	156,500	156,500	-	-	-	-	-	-	-	-
Expansion Hillcrest Cemetery	20,000	20,000	-	20,000	-	-	-	-	-	-	-
Cemetery Expansion	-	50,000	-	50,000	-	-	-	-	-	-	-
Cemetery Berms	10,000	10,000	-	-	1,100	-	-	-	8,900	-	-

KEY CAPITAL EXPENDITURE PROJECTS	2021 LTP \$	2021 AP \$	Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Restricted	Other Reserves	Fees and Charges	Targeted Rates	General Rates
Cemetery Renewals	52,000	52,000	52,000	-	-	-	-	-	-	-	-
Public Conveniences Renewals	121,500	121,500	121,500	-	-	-	-	-	-	-	-
Aquatic Centres - Renewals	269,851	269,851	202,651	67,200	-	-	-	-	-	-	-
Pt Ōhope Upgrade/Concept plan	400,000	-	-	-	-	-	-	-	-	-	-
Port Ōhope Wharf Structural Renewal	-	780,000	780,000	-	-	-	-	-	-	-	-
Port and Harbour Renewals	44,500	44,500	44,500	-	-	-	-	-	-	-	-
Whakatāne Main Wharf replacement	4,627,894	-	-	-	-	-	-	-	-	-	-
In Town Wharf, Civic Heart and Promenade	-	6,430,000	1,335,328	3,069,610	145,688	-	589,000	1,269,563	-	-	20,813
Holiday Park - Renewals	50,000	50,000	50,000	-	-	-	-	-	-	-	-
Holiday Park Upgrades	50,000	50,000	-	50,000	-	-	-	-	-	-	-
Seismic Strengthening - Halls	-	80,000	-	80,000	-	-	-	-	-	-	-
Multi, Sports Events Centre	-	198,500	18,659	37,715	9,528	132,598	-	-	-	-	-
Halls Renewals	142,500	142,500	142,500	-	-	-	-	-	-	-	-
Awakeri Scout Den	-	180,000	-	-	-	30,600	-	149,400	-	-	-
Total Recreation and Community Facilities	6,668,745	10,744,921	3,410,638	3,428,525	156,316	1,581,268	679,500	1,418,963	8,900	-	60,813
Renewals	27,728	27,728	27,728	-	-	-	-	-	-	-	-
Murupara Transfer Station Improvements	5,000	5,000	-	-	-	-	-	-	-	-	5,000
Recycling Park Improvements	5,000	5,000	-	-	-	-	-	-	-	3,500	1,500
Total Solid Waste	37,728	37,728	27,728	-	-	-	-	-	-	3,500	6,500
Unsealed Road Metalling	500,000	500,000	180,000	-	-	320,000	-	-	-	-	-
Sealed Road Resurfacing Renewals	2,200,000	2,200,000	792,000	-	-	1,408,000	-	-	-	-	-
Drainage Renewals	480,000	480,000	172,800	-	-	307,200	-	-	-	-	-

KEY CAPITAL EXPENDITURE PROJECTS	2021 LTP \$	2021 AP \$	Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Restricted	Other Reserves	Fees and Charges	Targeted Rates	General Rates
Pavement Rehabilitation	914,000	914,000	329,040	-	-	584,960	-	-	-	-	-
Structures Renewals	140,000	140,000	50,400	-	-	89,600	-	-	-	-	-
Traffic Service Renewals	200,000	200,000	72,000	-	-	128,000	-	-	-	-	-
Road Improvements - Landing Road	2,300,000	200,000	-	62,000	10,000	128,000	-	-	-	-	-
Safe Roads Alliance (Wainui Road)	-	5,788,000	-	1,041,840	-	4,746,160	-	-	-	-	-
Bunyan Road Improvements	-	260,000	-	-	93,600	166,400	-	-	-	-	-
Low Cost Low Risk Improvements **	1,855,000	1,955,000	-	669,220	34,580	1,251,200	-	-	-	-	-
Financially Assisted Local Roads	8,589,000	12,637,000	1,596,240	1,773,060	138,180	9,129,520	-	-	-	-	-
Unsealed Road Metalling	200,000	200,000	-	-	-	200,000	-	-	-	-	-
Sealed Road Resurfacing Renewals	140,000	140,000	-	-	-	140,000	-	-	-	-	-
Drainage Renewals	110,000	110,000	-	-	-	110,000	-	-	-	-	-
Structures Renewals	55,000	55,000	-	-	-	55,000	-	-	-	-	-
Traffic Service Renewals	26,500	26,500	-	-	-	26,500	-	-	-	-	-
Seal Extensions	1,500,000	200,000	-	-	-	200,000	-	-	-	-	-
Low Cost Low Risk Improvements	1,690,000	1,190,000	-	-	-	1,190,000	-	-	-	-	-
Financially Assisted Special Purpose Roads	3,721,500	1,921,500	-	-	-	1,921,500	-	-	-	-	-
Renewals	135,750	85,750	55,000	-	-	-	-	30,750	-	-	-
New Kerbing and Drainage	20,000	20,000	-	20,000	-	-	-	-	-	-	-
New Footpaths **(Moved to Financially Assisted)	100,000	-	-	-	-	-	-	-	-	-	-
Miscellaneous Projects	50,000	50,000	-	-	-	-	-	-	-	50,000	-
Provincial Development - Kia Kaha Projects		1,940,000				1,940,000					
Non Financially Assisted Roading	305,750	2,095,750	55,000	20,000	-	1,940,000	-	30,750	-	50,000	-
Total Roads and Footpaths	12,616,250	16,654,250	1,651,240	1,793,060	138,180	12,991,020	-	30,750	-	50,000	-

KEY CAPITAL EXPENDITURE PROJECTS	2021 LTP \$	2021 AP \$	Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Restricted	Other Reserves	Fees and Charges	Targeted Rates	General Rates
Hinemoa Pump Station and Pipes	1,000,000	-	-	-	-	-	-	-	-	-	-
Pipe Upgrades	750,000	-	-	-	-	-	-	-	-	-	-
Upgrade St Joseph Pump Station	500,000	-	-	-	-	-	-	-	-	-	-
Stormwater Drainage Renewals	57,000	57,000	57,000	-	-	-	-	-	-	-	-
Comprehensive Management Plan - Development	60,000	30,000	-	30,000	-	-	-	-	-	-	-
Barry Ave Pump Station Renewal	-	1,600,000	1,600,000	-	-	-	-	-	-	-	-
Comprehensive Management Plan - Upgrades	200,000	200,000	100,000	100,000	-	-	-	-	-	-	-
Maraetotara stream	25,000	125,000	25,000	100,000	-	-	-	-	-	-	-
Resource Consents, Modelling	445,000	40,000	-	40,000	-	-	-	-	-	-	-
Western Catchment Upgrades/Renewals	-	500,000	65,000	420,000	15,000	-	-	-	-	-	-
Total Stormwater Drainage	3,037,000	2,552,000	1,847,000	690,000	15,000	-	-	-	-	-	-
Water Supply Renewals	811,500	2,598,500	2,598,500	-	-	-	-	-	-	-	-
Whakatāne Water Treatment Plant Upgrade	100,000	200,000	200,000	-	-	-	-	-	-	-	-
Whakatāne Water - New Source and Protection	170,000	1,470,000	85,000	1,385,000	-	-	-	-	-	-	-
Condition and Improvements - Reservoirs	2,550,000	350,000	210,000	129,500	10,500	-	-	-	-	-	-
Whakatāne Treatment Plant Filter Covering	100,000	200,000	-	200,000	-	-	-	-	-	-	-
Water Pressure Optimisation	-	15,000	-	15,000	-	-	-	-	-	-	-
Water Modelling and Callibration	50,000	40,000	-	40,000	-	-	-	-	-	-	-
Water Safety Plan	180,000	120,000	16,200	103,800	-	-	-	-	-	-	-
Tāneatua - Pipes Hydrants and Valves	-	470,995	470,995	-	-	-	-	-	-	-	-
Water losses and leak detection	25,000	15,000	-	15,000	-	-	-	-	-	-	-
Upgrade Galatea Rd (Penitito)	-	250,000	-	250,000	-	-	-	-	-	-	-
Total Water Supply	3,986,500	5,729,495	3,580,695	2,138,300	10,500	-	-	-	-	-	-

KEY CAPITAL EXPENDITURE PROJECTS	2021 LTP \$	2021 AP \$	Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Restricted	Other Reserves	Fees and Charges	Targeted Rates	General Rates
Sewage Treatment and Disposal Renewals	468,000	583,000	511,624	69,352	2,024	-	-	-	-	-	-
Upgrade Whakatāne Waste Water Treatment Plant	-	340,000	102,000	238,000	-	-	-	-	-	-	-
Risk Assessment and Implementation	185,000	185,000	-	185,000	-	-	-	-	-	-	-
Monitoring of Wastewater Discharges	45,000	45,000	-	45,000	-	-	-	-	-	-	-
Wastewater model network upgrades	142,000	90,000	-	90,000	-	-	-	-	-	-	-
Coastlands Sewer Pump Station (Urban Growth)	-	1,300,000	-	-	1,300,000	-	-	-	-	-	-
Resource Consents	140,000	100,000	100,000	-	-	-	-	-	-	-	-
Inflow and Infiltration	-	125,500	100,000	25,500	-	-	-	-	-	-	-
Seaview Renewals	-	160,000	160,000	-	-	-	-	-	-	-	-
Total Sewage Treatment and Disposal	980,000	2,928,500	973,624	652,852	1,302,024	-	-	-	-	-	-
Security Management System	5,000	5,000	-	2,500	-	-	-	2,500	-	-	-
Airport Toilet Refurbishment	-	15,000	-	-	-	7,500	-	7,500	-	-	-
Water Supply Health and Safety Upgrades	-	30,000	-	-	-	30,000	-	-	-	-	-
Total Reportable Council Controlled Activities	5,000	50,000	-	2,500	-	37,500	-	10,000	-	-	-
Information Systems Infrastructure Renewals	565,000	1,215,000	1,215,000	-	-	-	-	-	-	-	-
Operations Business Unit Renewals	73,474	125,874	125,874	-	-	-	-	-	-	-	-
Corporate Property Renewals	166,537	125,743	125,743	-	-	-	-	-	-	-	-
Vehicle Replacements and New Vehicles	393,000	530,496	393,000	137,496	-	-	-	-	-	-	-
Civic Centre Earthquake Strengthening and Upgrades	-	3,445,214	40,794	3,404,420	-	-	-	-	-	-	-
Total Corporate Activities	1,198,011	5,442,327	1,900,411	3,541,916	-	-	-	-	-	-	-
Total	28,680,190	44,290,177	13,391,336	12,247,153	1,622,019	14,609,788	760,136	1,459,713	8,900	53,500	137,633

STATEMENT OF RESERVE BALANCES

	ACTIVITY	PURPOSE	Forecast OPENING 2021 \$000	2020/21 TRANSFERS IN \$000	2020/21 TRANSFERS OUT \$000	Forecast CLOSING 2021 \$000
COUNCIL OPERATING RESERVES						
SEPARATE OPERATING RESERVES						
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits	242	352	(106)	488
Roading Rate	Roads and Footpaths	For Rooding Rate funded Surpluses or Deficits	1,031	25	(117)	939
Refuse Collection Rate	Solid Waste	For Refuse Rate funded Surpluses or Deficits	278	8	-	286
Waste Minimisation	Solid Waste	To fund Waste Minimisation	84	134	(52)	165
Whakatāne Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(377)	-	(12)	(388)
Ōhope Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(17)	-	(1)	(18)
Edgecumbe Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(1)	-	-	(1)
Matatā Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	53	275	(583)	(256)
Tāneatua Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(2)	-	-	(2)
Te Teko Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	1	-	-	1
Murupara Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(52)	--	(2)	(54)
Equalised Water	Water	For Water Rate funded Surpluses or Deficits	402	12	-	414
Murupara Water	Water	For Water Rate funded Surpluses or Deficits	134	3	(50)	88
Plains Water	Water	For Water Rate funded Surpluses or Deficits	(216)	-	(6)	(222)
Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits	(16)	-	9	(7)
Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits	106	1	(121)	(13)
Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits	602	16	(149)	468
Airport Whakatāne	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits	(1,132)	330	(272)	(1,075)
Fixed Assets			1,652	50	-	1,702
Disaster Mitigation	Stormwater	For Disaster Mitigation Surpluses or Deficits	106	3	-	109
Whakatāne Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	353	10	(75)	288

	ACTIVITY	PURPOSE	Forecast OPENING 2021 \$000	2020/21 TRANSFERS IN \$000	2020/21 TRANSFERS OUT \$000	Forecast CLOSING 2021 \$000
Ōhope Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	136	4	(50)	89
Edgecumbe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	31	-	(1)	30
Matatā Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	14	-	-	13
Tāneatua Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	9	-	-	9
Te Teko Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	1	-	-	1
District Growth	District Growth	For District Growth Rate funded Surpluses or Deficits	104	-	(102)	2
Separate Operating Reserves			3,526	1,223	(1,691)	3,057
OTHER RESERVES						
Car Parks Development	Parking	For the Development of Car parks in the District	45	1	-	47
Museum Collections	Exhibitions, Research, Storage and Archives	For the purchase of Assets for the Museum Collection	1	-	-	1
Galatea Reserve Development	General Council	For amenities within the Galatea and Murupara areas	2	-	-	2
Disabled Facilities	Pensioner Housing	For the improvement of Disabled Facilities throughout the District	-	-	-	-
Capital Contributions - Roothing	Roads and Footpaths	Financial Contributions for Roothing Capital Projects	62	2	-	64
Roothing Storm Damage Reserve	Roads and Footpaths	To fund costs associated with storm damage to the Councils Roothing network	(79)	275	(318)	(122)
Te Mahoe Water - special	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme	22	1	-	22
Disaster/LAPP Insurance Reserve	Corporate and District	To fund contributions to the LAPP scheme over and above annual insurance	100	105	-	205
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets	(61)	-	(1,306)	(1,367)
Sale of Bennett Block	General Council	Surplus funds from the Divestment of Council Assets	(103)	-	(3)	(106)
Leaky Homes Reserve	Building	To fund weather tight claims	(38)	151	-	113
Whakatāne Comm Bd	Leadership	Separately collected rates for community projects	13	-	(40)	(27)
Rangitaiki Comm Bd	Leadership	Separately collected rates for community projects	58	1	(30)	29
Ōhope Beach Comm Bd	Leadership	Separately collected rates for community projects	53	2	-	54
Tāneatua Comm Bd	Leadership	Separately collected rates for community projects	16	-	(10)	6

	ACTIVITY	PURPOSE	Forecast OPENING 2021 \$000	2020/21 TRANSFERS IN \$000	2020/21 TRANSFERS OUT \$000	Forecast CLOSING 2021 \$000
Murupara Comm Bd	Leadership	Separately collected rates for community projects	32	1	(8)	26
Iwi Liaison Comm	Governance	Separately collected rates for community projects	7	-	-	8
Digitisation	Corporate and District	To fund the Digitisation Project	140	3	(86)	57
Edgecumbe Flood 2017 Reserve	Emergency Management	To fund the 2017 Edgecumbe Flood	(2,860)	2,971	(143)	(32)
Whakatāne Holiday Park	Whakatāne Holiday Park	To fund the Whakatāne Holiday Park	(465)	-	(227)	(692)
Other Reserves			(3,055)	3,513	(2,170)	(1,712)
DEPRECIATION RESERVES						
Whakatāne Water	Whakatāne Water	To fund the renewal of Water assets	371	890	(2,252)	(991)
Ōhope Water	Ōhope Water	To fund the renewal of Water assets	(1,224)	136	(111)	(1,199)
Edgecumbe Water	Edgecumbe Water	To fund the renewal of Water assets	200	55	(482)	(228)
Matatā Water	Matatā Water	To fund the renewal of Water assets	181	12	(3)	191
Tāneatua Water	Tāneatua Water	To fund the renewal of Water assets	483	35	(475)	43
Murupara Water	Murupara Water	To fund the renewal of Water assets	528	24	(2)	550
Rūātoki Water	Rūātoki Water	To fund the renewal of Water assets	178	1	(20)	159
Waimana Water	Waimana Water	To fund the renewal of Water assets	(29)	25	(11)	(15)
Plains Water	Plains Water	To fund the renewal of Water assets	240	(10)	(275)	(45)
Te Mahoe Water	Te Mahoe Water	To fund the renewal of Water assets	91	2	(2)	91
Whakatāne Wastewater	Whakatāne Wastewater	To fund the renewal of Wastewater assets	2,231	409	(774)	1,867
Ōhope Wastewater	Ōhope Wastewater	To fund the renewal of Wastewater assets	(1,223)	173	(49)	(1,100)
Edgecumbe Wastewater	Edgecumbe Wastewater	To fund the renewal of Wastewater assets	1,107	516	(70)	1,552
Tāneatua Wastewater	Tāneatua Wastewater	To fund the renewal of Wastewater assets	525	128	(15)	638
Te Mahoe Wastewater	Te Mahoe Wastewater	To fund the renewal of Wastewater assets	(47)	7	(1)	(42)
Murupara Wastewater	Murupara Wastewater	To fund the renewal of Wastewater assets	289	209	(100)	398
Whakatāne Land Drainage	Whakatāne Land Drainage	To fund the renewal of Stormwater assets	(393)	191	(1,850)	(2,053)

	ACTIVITY	PURPOSE	Forecast OPENING 2021 \$000	2020/21 TRANSFERS IN \$000	2020/21 TRANSFERS OUT \$000	Forecast CLOSING 2021 \$000
Ōhope Land Drainage	Ōhope Land Drainage	To fund the renewal of Stormwater assets	(96)	38	(32)	(89)
Edgecumbe Land Drainage	Edgecumbe Land Drainage	To fund the renewal of Stormwater assets	(24)	9	(1)	(15)
Matatā Land Drainage	Matatā Land Drainage	To fund the renewal of Stormwater assets	18	4	-	22
Tāneatua Land Drainage	Tāneatua Land Drainage	To fund the renewal of Stormwater assets	20	1	-	21
Te Mahoe Land Drainage	Te Mahoe Land Drainage	To fund the renewal of Stormwater assets	20	-	-	21
Murupara Land Drainage	Murupara Land Drainage	To fund the renewal of Stormwater assets	101	6	(4)	103
Te Teko Land Drainage	Te Teko Land Drainage	To fund the renewal of Stormwater assets	6	-	-	7
Refuse Disposal	Waster	To fund the renewal of Refuse Disposal assets	109	11	(28)	93
Libraries	Libraries	To fund the renewal of Library assets	105	103	(100)	108
Museum	Exhibitions, Research, Storage and Archives	To fund the renewal of Museum assets	149	4	-	153
Parks, Reserves, Recreation and Sports Fields	Parks, Reserves, Recreation and Sports Fields	To fund the renewal of Parks and Gardens and Sports fields assets	614	331	(564)	382
Cemeteries and Crematoria	Cemeteries and Crematorium	To fund the renewal of Cemeteries and Crematorium assets	100	52	(52)	100
Recreation	Recreation	To fund the renewal of Recreation assets	154	5	-	158
Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets	120	210	(203)	126
Halls	Halls	To fund the renewal of Halls assets	(313)	150	(171)	(334)
Dog Control	Animal Control	To fund the renewal of Dog Control assets	(3)	-	-	(4)
Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets	125	51	(122)	55
Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets	398	12	-	410
Strategic and Investment Property	Commercial Property	To fund the renewal of Commercial Property assets	2	-	-	2
Vehicle and Plant Reserve	Vehicle and Plant	To fund the renewal of Vehicle and Plant	714	445	(472)	687
Corporate Property	Corporate and District Activities	To fund the renewal of Corporate Property assets	699	320	(215)	805
Information Management	Corporate and District Activities	To fund the renewal of Information Management assets	1,612	753	(1,215)	1,150
Port	Ports and Harbour	To fund the renewal of Ports and Harbour assets	1,328	171	(2,160)	(661)

	ACTIVITY	PURPOSE	Forecast OPENING 2021 \$000	2020/21 TRANSFERS IN \$000	2020/21 TRANSFERS OUT \$000	Forecast CLOSING 2021 \$000
Roading - assisted / non-assisted / special and safety	Roads and Footpaths	To fund the renewal of Roding assets	1,084	1,695	(1,652)	1,127
Airport - Whakatāne 50%	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets	(703)	82	(20)	(641)
Whakatāne Holiday Park	Whakatāne Holiday Park	To fund the renewal of Whakatāne Holiday Park assets	62	62	(50)	74
Depreciation Reserves			9,907	7,320	(13,550)	3,677
Council Operating Reserves			10,378	12,055	(17,411)	5,022
RESTRICTED RESERVES						
Development Contributions - Whakatāne Water	Water	To fund growth related capital expenditure	(196)	41	(16)	(171)
Development Contributions - Ōhope Water	Water	To fund growth related capital expenditure	116	3	-	119
Development Contributions - Edgcumbe Water	Water	To fund growth related capital expenditure	8	-	-	8
Development Contributions - Matatā Water	Water	To fund growth related capital expenditure	74	2	-	76
Development Contributions - Plains Water	Water	To fund growth related capital expenditure	(69)	-	(2)	(71)
Development Contributions -Whakatāne Wastewater	Wastewater	To fund growth related capital expenditure	(1,668)	48	(1,371)	(2,990)
Development Contributions - Coastlands Wastewater	Wastewater	To fund growth related capital expenditure	(98)	-	(3)	(101)
Development Contributions - Ōhope Wastewater	Wastewater	To fund growth related capital expenditure	279	8	-	287
Development Contributions - Edgcumbe Wastewater	Wastewater	To fund growth related capital expenditure	(3)	-	-	(3)
Development Contributions - Matatā Wastewater	Wastewater	To fund growth related capital expenditure	4	-	-	4
Development Contributions - Community Infrastructure	Arts and Culture, Recreation and Community Facilities	To fund growth related Community Infrastructure	423	13	(11)	425
Development Contributions - Parks, Gardens and Reserves	Parks, Reserves, Recreation and Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure	189	6	(125)	69
Development Contributions - Rural Reserves	Parks, Reserves, Recreation and Sports Fields	To fund growth related capital expenditure	(32)	-	(1)	(33)
Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure	308	9	-	317

	ACTIVITY	PURPOSE	Forecast OPENING 2021 \$000	2020/21 TRANSFERS IN \$000	2020/21 TRANSFERS OUT \$000	Forecast CLOSING 2021 \$000
Development Contributions - Rooding	Roads and Footpaths	To fund growth related Rooding capital expenditure	437	24	(159)	302
Development Contributions - Non Fin Assisted Rooding	Roads and Footpaths	To fund growth related capital expenditure	4	-	-	5
Development Contributions - Whakatāne Land Drain	Stormwater	To fund growth related capital expenditure	164	29	(15)	178
Development Contributions - Ōhope Land Drain	Stormwater	To fund growth related capital expenditure	134	4	-	138
Development Contributions - Whakatāne Carparks	Roads and Footpaths	To fund growth related capital expenditure	(9)	-	-	(9)
Ōtarawairere Disaster Mitigation	Stormwater	To fund growth related capital expenditure at Ōtarawairere	(50)	-	(2)	(52)
Development Contributions - Port	Ports and Harbour	To fund growth related capital expenditure	-	-	(2)	(2)
Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in the Whakatāne Ward	121	4	-	125
Subdivision Contributions - Ōhope	General Council	To fund capital expenditure in the Ōhope Ward	49	1	-	50
Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward	28	1	-	28
Subdivision Contributions - Matatā	General Council	To fund capital expenditure in the Matatā Ward	24	1	-	24
Subdivision Contributions - Murupara	General Council	To fund capital expenditure in the Murupara Ward	(1)	-	-	(1)
Subdivision Contributions - Rural	General Council	To fund capital expenditure in the Rural Ward	6	-	-	6
Harbour Capital Fund	Ports and Harbour	For Ports and Harbour Operating Surpluses or Deficits	1,676	1,841	(2,943)	573
Harbour Land Sales	Ports and Harbour	Funds set aside from the sale of Harbour assets	12,823	385	-	13,208
Restricted Reserves			14,738	2,422	(4,650)	12,510
Total Reserves			25,116	14,477	(22,061)	17,532

STATEMENT OF ACCOUNTING POLICIES

NGĀ TAUĀKĪ KAUPAPA HERE PŪTEA

These statements provide the principles that we have applied in preparing our prospective financial statements. They are designed to help you understand the detail behind our calculations and forecasts.

REPORTING ENTITY

Whakatāne District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand. The principal accounting policies adopted in the preparation of this financial report are set out below. The financial report consists of the prospective financial statements of Whakatāne District Council (the Council) and includes the Whakatāne Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself a Tier 1 public benefit entity (PBE) for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The prospective financial statements of the Council are for the year ended 30 June 2021. The financial statements were authorised for issue on 15 July 2020 by Council resolution. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). They comply with FRS 42 Prospective Financial Statements, as appropriate for public benefit entities.

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

Measurement base

The financial statements use forecast closing balances from the period ending 30 June 2020; estimates have been restated accordingly if required. These financial statements have been prepared on a historical basis, modified by the estimated revaluation of land and buildings, certain infrastructural assets, financial instruments (including derivative instruments) investment property, and forestry assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data. The functional currency of the Council is New Zealand dollars.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted.

Standards, amendments, and interpretations issued but not yet effective, that have not been early adopted, and which are relevant to the Council are:

Impairment of revalued assets

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

This Standard amends PBE International Public Sector Accounting Standards (IPSAS) 21 Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 Impairment of Cash-Generating Assets so that assets measured at revalued amounts under the revaluation model in PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets are within the scope of PBE IPSAS 21 and PBE IPSAS 26.

As a result of the amendments, the Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The Council can therefore impair a revalued asset without having to revalue the entire class-of-asset to which the asset belongs.

The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34- 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6- 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 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 Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

Joint ventures and associates

Council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and income from the sale or use of its share of the output of the joint venture.

Significant Accounting Policies

REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received.

Rates

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as the Council is acting as an agent for BOPRC. Rates collected on behalf of the BOPRC are not included in the Prospective Statement of Comprehensive Income as it does not belong to the Council. It is however, included as a receipt and payment in the Prospective Statement of Cash Flows.

Revenue from water rates by meter is recognised on an accrual basis.

Licences and permits

Revenue derived from licences and permits is recognised on application.

Development contributions

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

Sales of goods

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

Provision of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Rental revenue

Rental revenue is recognised in the period that it relates to.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Vested assets

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

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are paid.

Grants and subsidies

Grants and subsidies are recognised when the conditions of the grant or subsidy have been met.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

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

FINANCE COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress which represents a departure from NZ IAS 23: Borrowing Costs. However, it is in line with the decision of the Accounting Standards Review Board to indefinitely defer the adoption of NZ IAS 23 for public benefit entities.

INCOME TAX

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against the deductible temporary differences or tax losses.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit or taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

LEASES

Finance leases

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

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Operating leases

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

CASH AND CASH EQUIVALENTS

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

TRADE AND OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

INVENTORIES

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost.

FINANCIAL ASSETS

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 the surplus or deficit.

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

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive income.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

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

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

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

Loans and receivables

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

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

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

Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

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

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council and group includes in this category:

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

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

IMPAIRMENT OF FINANCIAL ASSETS

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The associated gains or losses of these derivatives are recognised in the prospective statement of comprehensive income.

NON-CURRENT ASSETS HELD FOR SALE

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the prospective statement of comprehensive income. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of:

Operational assets

These include land, buildings, library books, plant and equipment, museum collection and motor vehicles.

Restricted assets

Restricted assets are parks, reserves and harbour assets owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructural assets

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

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

Revaluation

Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

On transition to NZ IFRS, Whakatāne District Council elected to use the fair value of land under roads as at 1 July 2006 as deemed cost. Land under roads is no longer revalued.

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

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

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the prospective statement of comprehensive income. Any subsequent increase on revaluation that off-sets a previous decrease in value

recognised in the statement of comprehensive income will be recognised first in the prospective statement of comprehensive income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the prospective statement of comprehensive income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all buildings, bridges and other structures and diminishing value for motor vehicles, plant and equipment, office equipment and furnishings. Land is non depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

The expected lives, in years, of major classes of fixed assets are as follows:

INFRASTRUCTURE ASSETS	YEARS
Roading	
Land - road reserve	Not depreciated
Road formation	Not depreciated
Basecourse	78
Sealed pavement surface	15
Unsealed wearing course	5
Bridge railings	10
Signs	16
Drainage	49
Large culverts	51
Retaining walls	74

INFRASTRUCTURE ASSETS	YEARS
Surface water channel	54
Railings	22
Traffic islands	50
Street lighting	26
Footpaths	47
Bridges	93
Car - parks	48
Water	
Treatment plant – headworks	13
Pump stations	11
Reservoirs	38
Trunk main	41
Main	49
Service line	33
Harbour Assets	
Harbour assets	14-15
Stormwater	
Gravity main	45
Rising main	46
Pump stations	12
Sewer	
Service lines	25
Gravity main	40
Rising main	57
Pump station	12
Treatment plant	47
Outfall	28
OPERATIONAL ASSETS	YEARS
Museum assets	Not depreciated
Land	Not depreciated
Buildings	8-55
Vehicles	5-8
Plant and equipment	4-33
Furniture and fittings	5-10
Library books	3-4
Office equipment	5-10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

INTANGIBLE ASSETS

Software acquisition and development

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

Cost associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Easements

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

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the prospective statement of comprehensive income.

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

Computer software 4- 5 years 20%- 25%

IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive income.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the prospective statement of comprehensive income.

The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in prospective statement of comprehensive income, a reversal of the impairment loss is also recognised in the prospective statement of comprehensive income.

For assets not carried at a re-valued amount the reversal of an impairment loss is recognised in the prospective statement of comprehensive income.

INVESTMENT PROPERTY

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

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

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

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

FOREST ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

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

The costs to maintain forestry assets are included in the Prospective Statement of Comprehensive Income.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are recorded at their face value.

BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

PROVISIONS

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation either legal or constructive as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

EMPLOYEE ENTITLEMENTS

Short-term employee entitlements

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

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

A liability and an expense are recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

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

Presentation of employee entitlements

Sick leave and long service leave are valued on an actuarial basis. The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Three key assumptions used in calculating this liability include the discount rate, salary escalation rates and resignation rates. Any changes in these assumptions will affect the carrying amount of the liability. Projected cashflows are discounted back to the valuation date at the valuation discount rates. The discount rates have been chosen in accordance with PBE IPSAS 25 and have been obtained from Treasury's published Risk-Free Discount Rates. A long term annual rate of salary growth of 3.0% per year has been used. Sick leave and long service leave are classified as both current and long term liabilities depending on predicted settlement. If the payment is likely to

be made within 12 months of balance date the entitlement is classified as current. The balance of the valuation is classified as long term.

Superannuation scheme

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

PUBLIC EQUITY

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

- Retained earnings;
- Restricted reserves;
- Asset revaluation 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 are those subject to specific conditions accepted as binding by Council and which may not be revised by the 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. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserve

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

GOODS AND SERVICES TAX

All items in the financial statements are stated exclusive of GST, except for receivables and creditors and other payables, which are presented inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the prospective statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the prospective statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

COST ALLOCATION

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

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

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. Best estimates are used to predict what things will cost in the future, including inflation expectations. There is a risk that future interest rates and prices of actual inputs and outputs will not increase at the rate assumed.

ANNUAL PLAN DISCLOSURE STATEMENT

For year ended 30 June 2021

(Note: this Statement is unaudited)

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The Council is required to include this statement in its Annual Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

BENCHMARK	PLANNED	MET
<p>Rates affordability – income:</p> <p>Total rates revenue for each year will be limited to 80% of operating revenue.</p>	54%	Yes
<p>Rates affordability – increases:</p> <p>Total rates revenue will not increase by more than the Local Government Cost Index plus 2% - as quantified in the Financial Strategy set out in Council's Long Term Plan 2018-28. For 2021 this limit is 4.2%.</p>	3.90%	Yes
<p>Debt affordability:</p> <p>The Limit on Net External Debt as a percentage of Total Annual Income will not exceed 150% - as quantified in Council's Liability Management Policy.</p>	101%	Yes
<p>Balanced budget:</p> <p>The planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) equals or is greater than its planned operating expenses.</p>	104%	Yes
<p>Essential services:</p> <p>The planned capital expenditure on network services is equal to or greater than the expected depreciation on network services (i.e. 100%).</p>	253%	Yes
<p>Debt services:</p> <p>The Council's planned borrowing costs are equal or are less than 10% of its planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment).</p>	3%	Yes

YOUR COUNCIL

Te Kaunihera

The Whakatāne District Council consists of the Mayor (elected by the district at large), and ten Councillors elected from four wards: Rangitāiki, Galatea-Murupara, Tāneatua-Waimana and Whakatāne-Ōhope. The Council is elected every three years, with the most recent election held in October 2019.

The Council and Committees of Council meet regularly to provide direction and make decisions. Meetings are generally open to the public. Information about meetings and access to agendas can be found on our website.



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Rangitāiki Ward



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