Draft Financial Strategy 2024-34

Te tuhinga hukihuki Rautaki Ahumoni 2024-34

Long Term Plan 2024-34 - Consultation
Te Mahere Pae Tawhiti 2024-34 - He Uiuinga

WHAKATĀNE District Council
Kia Whakatāne au i ahau

FINANCIAL STRATEGY

Te Rautaki Ahumoni

Long Term Plan Te Mahere Pae Tawhiti 2024-34
Consultation Draft Supporting Document
6 March 2024

FINANCIAL STRATEGY
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Introduction

The financial strategy outlines our overall approach to managing the Council's finances, how we plan to deliver Council activities and services and fund the capital investments planned for the period of the 2024-34 Long Term Plan (LTP), providing guidance when we make spending decisions.

The financial strategy is central to the development of the Council's LTP and builds on the associated Revenue and Financing Policy and Fund Needs Analysis undertaken in accordance with section 101 of the Local Government Act 2002.

This strategy has been adapted to respond to the many challenges faced by Council's at present. It focuses on balancing the investment in priority areas to support the district's development and communities' aspirations, addressing historic under investment in critical infrastructure, responding to increasing policy and legislation requirement, and addressing the substantial and significant inflation and interest cost increases incurred in the last 3 years well above the assumptions of our previous 2021-31 LTP. The strategy reflects how we will do this in a manner that addresses rates affordability and ensures that the Council remains in a long-term stable financial position.

Objectives

Our financial strategy aims to provide the financial framework underlying the proposed expenditure and funding of the LTP and is intended to guide the decisions we make now in the future to enable Council to contribute to the vision for Whakatāne District. Our financial strategy aims to deliver on the following objectives which provide the foundation for prudent sustainable financial management:

- Minimising impact on ratepayers now and in the future. We understand that rate increases can place a burden on current ratepayers and their future. We must balance the need to fund our immediate goals with the responsibility of not overburdening our residents. Striking this balance is essential for the well-being of both current and future ratepayers.
- Achieving outcomes. We need to consider the strategic goals that aim to drive growth and improvement in our community not only for our present prosperity but also for the long-term health and vitality of our district. At the same time recognising the importance of maintaining and where appropriate improving the essential services that our community relies on daily. Failing to do so would adversely affect the quality of life for our residents and businesses.
- Ensuring financial prudence and sustainability. While we strive to achieve our strategic objectives, we are committed to being financially prudent, securing our long-term financial health, balancing budgets, and minimising financial risks for resilient community well-being and growth. This means managing resources responsibly, avoiding excessive debt, and ensuring that every dollar spent delivers maximum value to the community.
- Reflecting fairness and equity. We need to ensure fairness through our financial strategy, and equitable distribution of costs across who it benefits, including the inter-generational nature of our investments and those that impact costs. Focusing on equity across multiple perspectives fosters social justice for community harmony and progress.

These objectives are anticipated to be achieved by observing the following financial outcomes:

- Ability to pay (affordability)- affordability is an important consideration as it ensures that we transparently consider the ability of our diverse community to pay rates as part of the decision-making process. Consideration will be given at both the macro level (ie, general affordability to most) and also at the micro level (ie, for a specific individual where rates rebates, remissions or postponement policies may be required).
- Value for money - proposals for expenditure must contribute to the strategic outcomes agreed with the community, and the total cost must be reasonable. The cost effectiveness of the funding mechanism must be considered.
- Prioritisation of investment choices - careful consideration is given to investment choices and options, and priority is given to core infrastructure investment and 'invest to save' options.
- Environmental sustainability - funding decisions will consider the community outcomes the Council seeks, including wider environmental and climate change impacts.
- Prudent sustainable financial management- budgets are managed prudently and in the best interests of the District in the long term. Debt must be maintained at prudent levels and be affordable.
- Good financial governance and stewardship - good stewardship of Council's assets and finances requires Council to ensure that its actions now do not compromise the ability of future councils to fund future community needs.
    - Assets should be maintained at least at current service levels to avoid placing a financial burden on future generations.
    - Debt should not be used to fund operating expenditure other than in specific exceptional circumstances.
    - The level of debt is regularly reviewed to ensure that it is at a level that will not restrict a future Council's ability to fund new assets through debt.
    - The consequential operational expenditure implications of capital expenditure decisions are considered.

- **Fairness and equity** - the funding of expenditure should be equitable across both present and future ratepayers:
  - Intergenerational equity, meaning the cost of long-term assets should be met by ratepayers over the life of those assets. This is reflected by debt funding new assets and funding the replacement or renewal of assets from rates.
  - Balanced budget, meaning projected operating revenue over the lifetime of the 10-year plan is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or are able to access; ie, 'everyday costs' are paid for from everyday income.
- **Growth pays for growth** - the capital costs incurred to develop infrastructure that supports growth within the district should be primarily covered by those causing the growth and increasing the demand on Council infrastructure.
- **Distribution of benefits** - consideration is given to the distribution of the benefits from Council activities over identifiable parts of the community, the whole community or individuals (users). Where there are identifiable direct benefits, the proportion of costs associated with these benefits should be covered by the user(s).

Background

Over the last three years when measured against our previous Long Term Plan, we have achieved significant success by diligently delivering on strategic priorities, thereby enriching the fabric of our amazing district. Essential services were not only maintained but also improved, contributing to the overall well-being of our community. This success reflects the Council's commitment to addressing the needs and aspirations of the residents.

It was clear throughout the Annual Plan 2023/24 process that we face significant financial challenges going forward, and there was a need for these to be considered in a well-structured approach through the financial strategy of this 10-year plan.

As we embark on the next phase reflected in our 2024-34 Long-Term Plan, we recognise that like all Council's across Aotearoa New Zealand, we are facing different and more significant challenges today than we did when we set the financial strategy of 2021, many of which have been caused by factors outside our control.

Inflationary pressures and starting from behind

The global economy is in a vastly different space, and we will continue to see the costs of delivering our plan significantly increase in the coming 10 years. We have seen unprecedented increases in inflation through what has been largely labelled the 'cost of living crisis', and with this has come an increase in interest rates and impacts to borrowing. Everything we do is costing more to deliver. While consumer inflation has risen as high as 7.5 per cent, local government costs have inflated as high as 50 per cent in some instances. As a result, the starting position of this LTP, as we highlighted when setting our annual plan last year, means current rates don't cover our cost increases. We have been using borrowing to fund our asset renewals which has been acceptable in the short term, however it is not a sustainable option for the medium-to-long term.

Responding to increasing cost of compliance

We face the challenge of additional costs to maintain crucial services due to compliance demands from central government. These demands, through policy and legislation, while necessary for regulatory adherence and quality standards to ensure the well-being of the community, bring with them financial pressures on the Council's resources. Balancing the books for the Long Term Plan becomes more difficult as the Council strives to meet these mandated requirements without unduly burdening the community.

Recognising the future demand for critical infrastructure investment

We are also confronted with the pressing issue of addressing long-term historical underinvestment in critical infrastructure. To meet the needs of the community and ensure the reliability of essential services, capital expenditure projects are essential. However, the challenge lies in the limited ability to borrow funds for these necessary investments. Striking the right balance is crucial, as the Council must also be mindful of the rates burden on the community now and in the future.

Developing resilience to respond to climate change and weather events

Like many councils, we are grappling with the challenge of anticipating and responding to the unpredictable and volatile impact of climate change and extreme weather events. These phenomena pose a significant threat to our community's well-being and infrastructure. In our long-term financial strategy, it is imperative we continue to consider the increasing need to allocate resources for adaptation and resilience

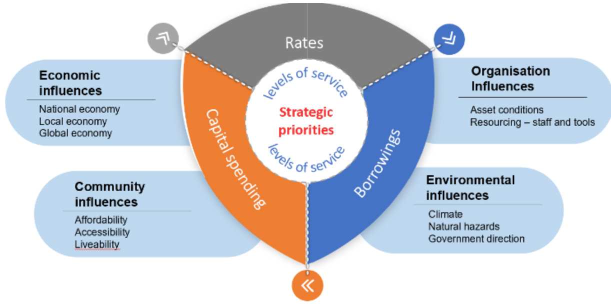
Planning for the long term

The 2024-34 Long Term Plan has a particular focus, in the first three years, on undertaking a number of key initiatives to ensure that we:

- Remain mindful of the financial pressures our communities are facing
- Are realistic about what we can achieve now while carefully planning for the future
- Weigh up all options to close the gap between the cost of delivery and the rates income needed
- Continue to prepare for changes brought about by central government reforms.

Balancing diverse and often conflicting financial priorities in the face of community needs and various challenges, such as high inflation and interest rates, is a complex task that our Council faces. This delicate balance requires careful consideration and strategic planning within the financial strategy to ensure the well-being of both current and future ratepayers.

- Rates fund capital spending on renewal of assets and service levels, impacting current service quality.
- Borrowings for long-term projects spread costs across generations, matching the benefit against when it is paid for, but it also comes with the obligation of future debt.
- Balancing rates, spending, and borrowings is crucial for fair intergenerational equity—ensuring current services without compromising the future's financial stability or overwhelming them with debt.



Capital expenditure

Capital expenditure is categorised into renewals (renewing existing assets), service improvement (new assets that improve the services provided to the community) and growth (new assets required to accommodate growth within the district).

This financial strategy focuses on strong fiscal management whilst addressing growing historically generated demands for increasing capital expenditure into core infrastructure assets such as the stormwater, wastewater, water supply and transport networks.

Over the next 10 years, Council's total capital expenditure is planned to range from $40.9 million to $108.4 million. In total, Council plans to spend $618.2 million on capital investment, 35 per cent of which is in the wastewater, stormwater and water supply area, and 32 per cent on transport.

Council assets have very long lives. Council's strategy is to ensure that both current and future ratepayers pay their fair share of the cost of providing assets and services. Intergenerational equity is achieved through loan funding, long-term assets and drawing rates to pay for the loan over an extended period.

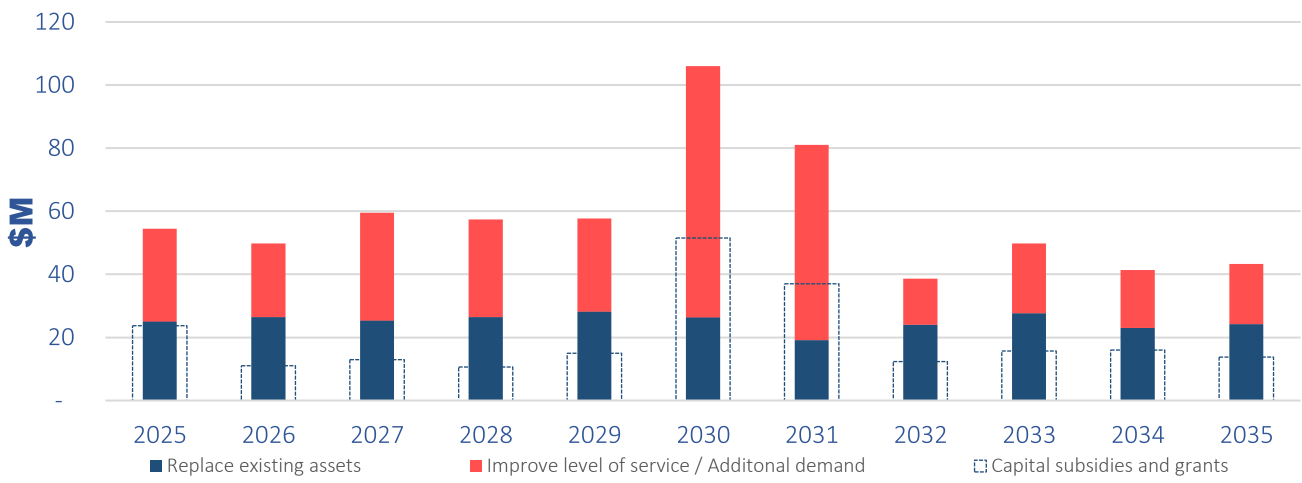
Depreciation assists in intergenerational equity by ensuring that a cost is recognised for the consumption of the assets. Where financially prudent depreciation reserves are set aside annually to meet the costs of renewing an asset as it nears the end of its lifespan.

The Infrastructure Strategy included in this Long Term Plan provides for further information on capital expenditure plans, together with asset information and service levels.

A major factor for consideration by the Council in preparing this financial strategy has been the uncertain nature of government reforms associated with the waters activity groups.

Government direction in water reforms has meant responsibility for three waters is retained by local government with the repealing of the enabling legislation. The 54th government has advised that 'Local Water Done Well' policy development will occur in 2024 with possible regional or sub-regional groupings of willing participants.

Figure 1: Total capital expenditure by year

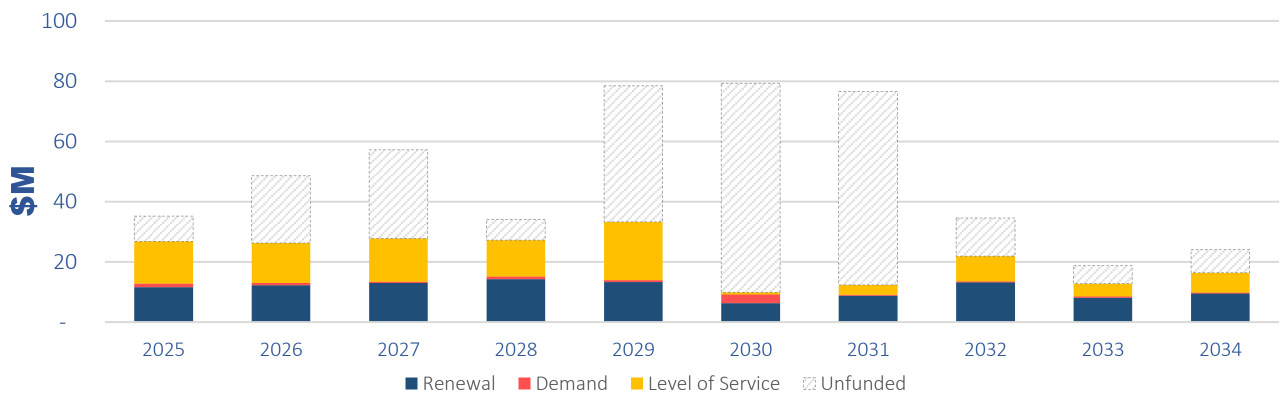


The re-inclusion of three waters back into Council's Long Term Plan and Infrastructure Strategy brings significant levels of service, funding and financing challenges.

One of key issues with water, has highlighted in more detail in the Infrastructure Strategy, is the acknowledged requirement for significant capital investment to address historic under-investment and maintain service level expectations. The volume of investment required however far outweighs the Councils ability to securing borrowings to support the programme, irrespective of the additional affordability issues this increased investment would have on ratepayers.

As a result, Council, in setting this Long Term Plan, has had to constrain the investment in water infrastructure capital investment to ensure it remains within its financial limits. Figure 2 highlights the extent to which demand for investment in water infrastructure has gone unfunded in this Long Term Plan.

Figure 2: Total capital expenditure on water infrastructure (planned vs required)



Renewals

It is important the Council continues to renew/replace assets to ensure our assets are fit for purpose and deliver the level of service that is required. Funding for renewal expenditure is from rates. By funding renewal expenditure, together with moving to a balanced budget this will enable a financially sustainable asset replacement programme.

Growth

The population of the district at the 2018 Census was 35,700. And latest assessment on 30 June 2023 indicates it was 38,800.

The population is forecast to grow by around 3,800 people, an 10 per cent increase, by 2034, this has been assessed as indicating that approximately an additional 1,250 households will be required over the Long Term Plan 10 year period.

Service improvement

Investing in better service levels for infrastructure is essential to any growing community; however, Council must balance these improvements with our community's ability to pay.

Figure 3: Total capital expenditure by driver

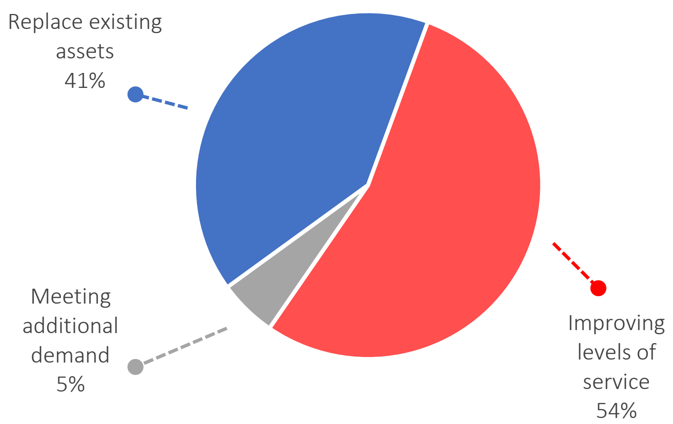


Figure 4: Capital renewals compared to depreciation

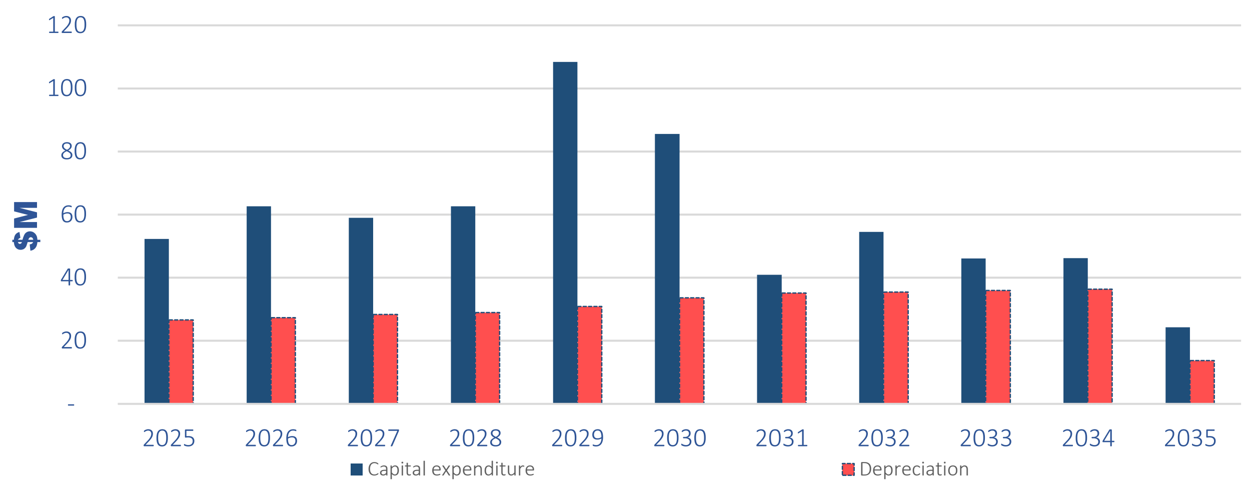
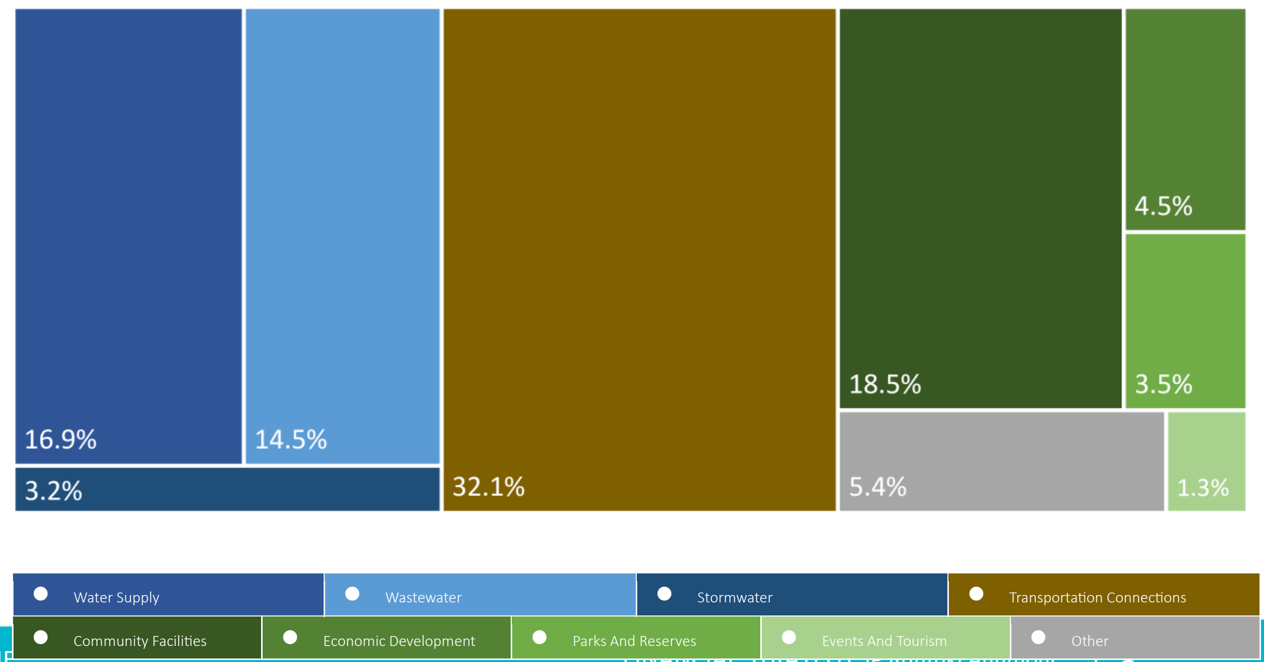


Figure 5: Total capital expenditure by council activity



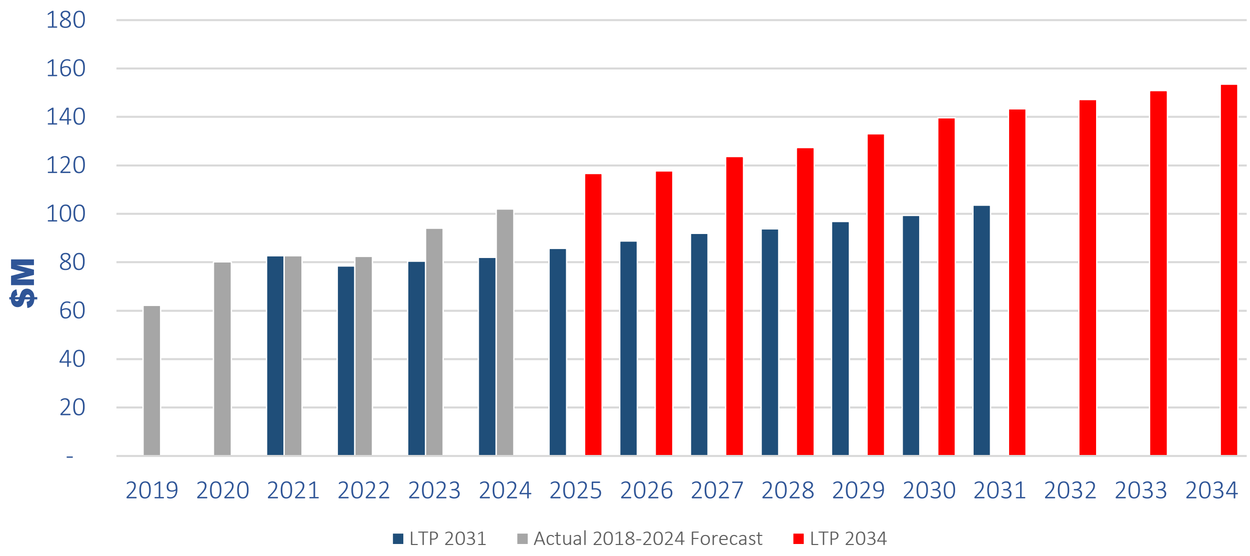
Operating expenditure

Operating expenditure primarily pays for Council's day-to-day costs of delivering services and maintaining existing assets. The Council is forecasting operational expenditure of $1.36 billion over the life of the 10-year plan. This reflects the costs of continuing with the Council's programme to prioritise spend based on the key priorities.

Council is forecasting that its operating expenditure will increase by 47 per cent from $105.0M to $154.3M between 2024/25 and 2033/34. The majority of our operating expenditure is related to the four core network infrastructure activities which include transport connections, water supply, stormwater drainage, and sewage treatment and disposal.

Council will continue to drive for efficiencies and revenue opportunities to reduce the rates burden into the future benchmarking with other councils. The proposed fees and charges reflect the outcome of this review process.

Figure 6: Total operating expenditure trend



This chart reflects the significant shift in actual operating costs incurred and forecast for 2023-24 and the impact this combined with higher future inflation and interest rates together with financing costs from increased borrowing requirements is projected to have in the 10 years of LTP 2024-34, against the previous LTP 2021-31.

Figure 7: Revenue sources to fund operational expenditure

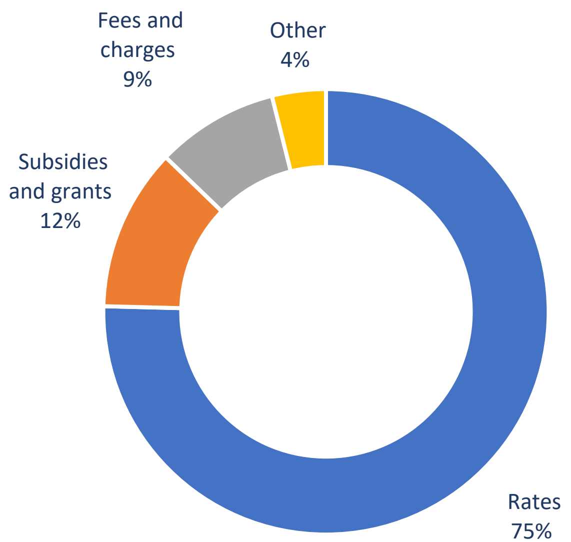


Figure 8: Total operating expenditure trend by nature of expenditure

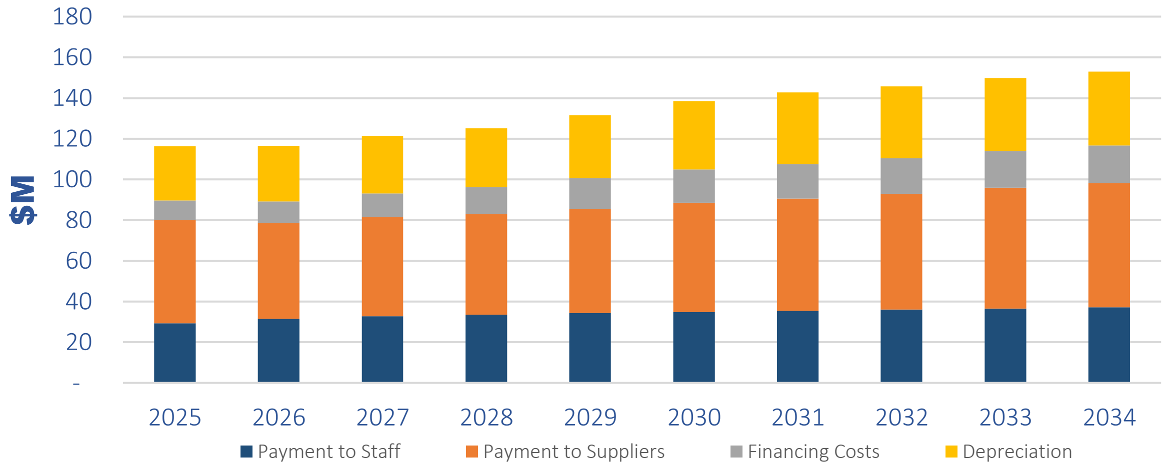
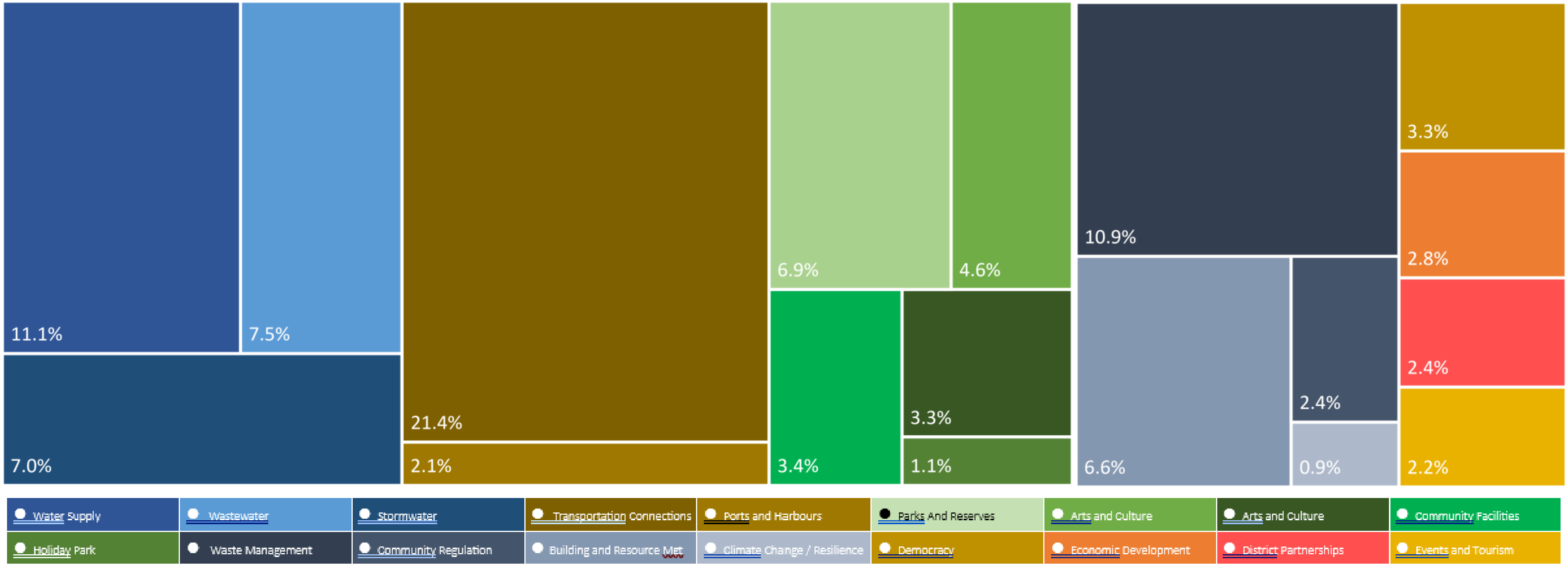


Figure 9: Total operating expenditure by council activity



Borrowing for capital expenditure and impact on debt

Borrowings are a key component of recognising the intergenerational equity principle, and recognising that the cost of long-term assets should be met by ratepayers over the life of those assets. It is important that we prudently manage the amount of borrowings, while enabling continued investment in infrastructure and community assets.

In light of the significant capital expenditure plans, particularly as a response to the demands for improving water infrastructure and the Rex Morpeth Park Project, we will need to increase our debt to fund what is not provided for by way of capital subsidies, development contributions income and depreciation.

Council is able to externally borrow through a variety of market mechanisms including: direct bank borrowing, the LGFA, accessing the short and long-term wholesale/retail debt capital markets directly or internal borrowing of reserve and special funds.

Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong financial standing and manage its relationships with its investors, LGFA, and financial institutions/brokers.

The growth in debt over the life of the 10-year plan is from $150M to $330M in 2033/34.

Investment in capital expenditure is the major driver of the projected increase in borrowings, with $365M in capital expenditure to meet demand and essential investment in infrastructure to improve levels of service. Council has carefully considered the timing of the capital programme and the associated borrowing requirements to ensure that we can best meet the needs of current and future generations.

Managing debt in a prudent manner helps the Council build resilience and sustainability, as it provides the Council with the financial capacity to cope with exceptional circumstances.

The Treasury Risk Management Policy outlines limits set for borrowings for the current Long Term Plan. These limits are set at prudent levels, and are within the requirements of the Local Government Funding Agency. Council has reviewed the limits as part of the development of this 10-year plan (the net debt to total revenue limit has been increased to enable the funding of the increased investment programme and aligns with the intergenerational equity principle).

In order to secure borrowing in line with the Long Term Plan, Council is anticipating gaining a credit rating from a certified credit rating agency to enable it to borrow within the LGFA covenants for credit rated councils rather than the lower covenants for unrated councils.

Interest rate swaps are held as part of the interest rate risk management strategy, in line with the Treasury Risk Management.

Figure 10: Projected net debt compared to debt to revenue limit of 250%

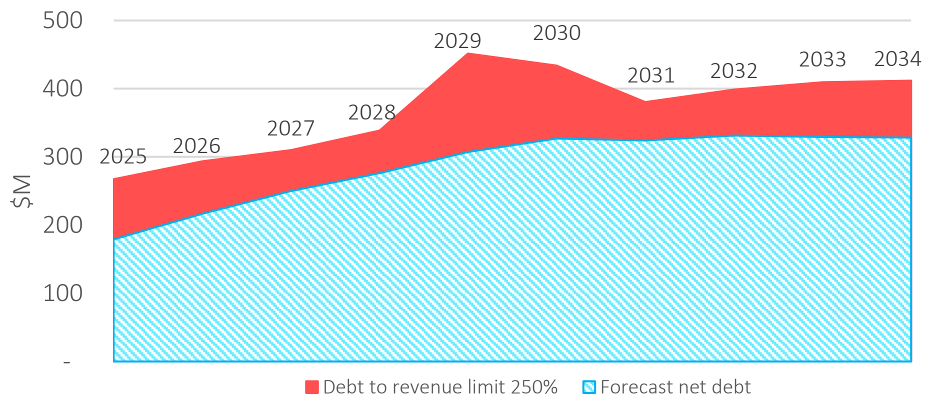


Figure 12: Projected interest to revenue ratio compared with limit of 10%

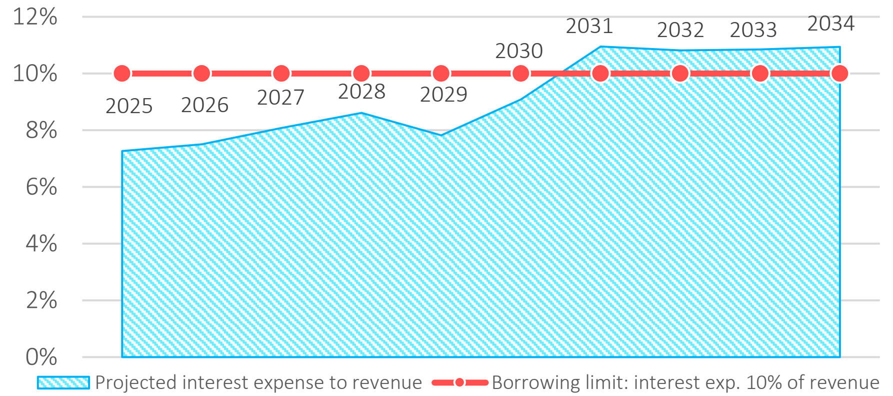


Figure 11: Projected net debt to revenue ratio compared to debt to revenue limit of 250%

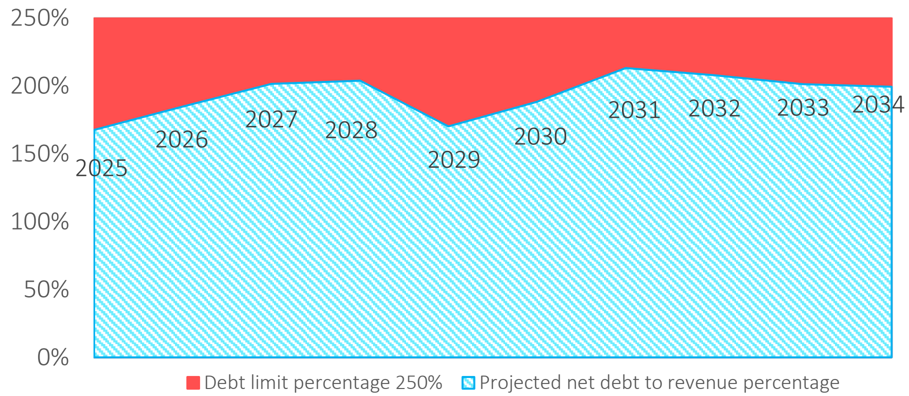
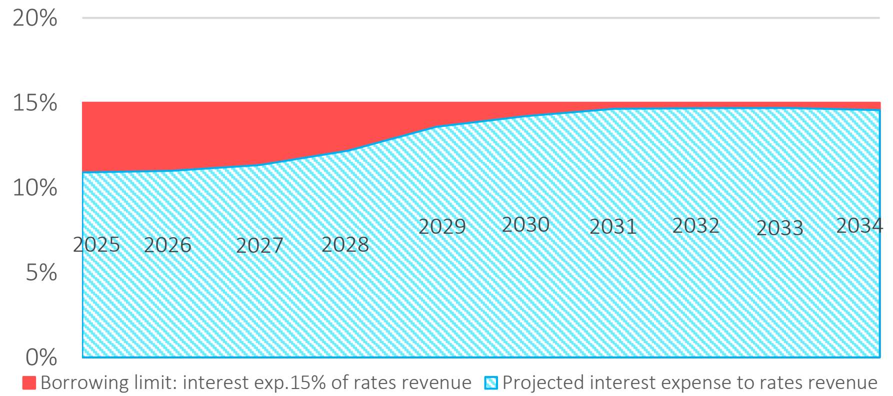


Figure 13: Projected interest to annual rates revenue compared with limit of 15%



Rates and rates increases

Rates revenue is the amount Council requires to provide services to residents and ratepayers after allowing for other income, such as fees and charges, grants and subsidies. The Council has a high dependency on rates revenue as its principal source of income. 75 per cent of operating expenditure is funded from rates over the life of the 10-year plan.

Affordability of rates is a key principle of the Financial Strategy.

Council has determined its rates increases based on a number of factors, including the levels of service it wants to provide and its capital programme. The increases reflect the guiding principles and issues referred to earlier in this strategy, including the challenge of achieving a balanced budget and responding to increasing costs of compliance.

It is important to distinguish between the increases in rate revenue from year to year and the average rate increase which can significantly vary from property to property.

Our revenue not only reflects the impact of rates increases to the average ratepayer; it also includes rate revenue received from the growth in new rateable properties each year, which is expected to be about 0.83 per cent per annum.

Further information about the indicative rating impact for the average ratepayer by category and location is available in the Rates Funding Impact Statement.

Quantified limits and targets

Rates and agreed limits on rates

The focus of the Long Term Plan is on what we need to do and spend to achieve the desired outcomes for our district recognising the challenges and issues that our district is facing.

Revenue from rates is one of the ways we fund the needed expenditure. Other ways include direct charges to people using our services, subsidies and grants, developer contributions and shared arrangements or partnerships with other organisations as outlined above.

Where we decide to fund activities or services by rates, Council must determine how much different members of the community contribute and for what.

Quantified limit on rates income

The quantified limit on rates income is an affordability measure, which sets a limit on the maximum Council expects of income from rates as a ratio of total income.

For this Long Term Plan, the amount of rates revenue as a percentage of total revenue will not exceed 80 per cent.

Quantified Limit on rates increases

This quantified limit on rates increases sets the maximum budgeted increase in annual rates collected per year based on the Long Term Plan budgets.

In presenting rates increase limits for this Long Term Plan, we have set the limit on an annual basis reflecting the specific circumstances assumed to be in place for each year.

For this Long Term Plan, the limit on rates increases makes allowance for:

- The recovery to a balanced budget over a six-year period through 2030
- Inflation on costs lines assumed to be greater than the Local Government Cost Index, such as waste management and insurance costs
- Inflation on costs based on the Local Government Cost Index, plus an allowance of up to 3 per cent for uncertainty and risk
- The cost of borrowings on higher levels of borrowings to support an increased rate of investment in infrastructure assets.

The specific annual limits in rate increases are set as follows:

for the years ending 30 June				
2025	2026	2027	2028	2029
19%	14%	13%	11%	11%
2030	2032	2032	2033	2034
9%	5%	5%	5%	5%

The LTP remains compliant with the limits for borrowing and rates throughout the ten years.

What is LGCI?

The LGCI, or Local Government Cost Index, is a measure of inflation, as it relates to costs specifically affecting the Local Government sector. LGCI inflation figures are produced for the local government sector by Business and Economic Research Limited (BERL).

The inflation assumptions used in this Long Term Plan are based on the LGCI forecast at the time this Financial Strategy was written. As annual updates are made to LGCI, the limits will be adjusted accordingly.

Quantified Limits on Borrowing

Consistent with Council's Treasury policy, Council will adhere to the following limits on borrowing:

- Net interest expense on external debt as a percentage of annual rates revenue will not exceed 15 per cent
- Net external debt as a percentage of annual operating revenue will not exceed the lower of 250 per cent or the borrowing limits set by the covenants of the Local Government Funding Agency.

The Long Term Plan remains compliant with the limits for borrowing and rates throughout the ten years.

Ensuring the funding decisions of Council don't materially impact market neutrality

In delivering on its financial strategy, Council recognises that it is itself a significant entity within the economy of the district and at times may be in a position of competing with the private sector in producing or delivering services or securing resources, such as staff. To avoid Council being placed in an advantageous position or discouraging private enterprise, Council will apply commercial best practice when undertaking such activities.

Balancing the budget

One of the guiding principles of this financial strategy is prudent sustainable financial management, which is reflected here as the importance of a balanced budget. This means that projected operating revenue over the lifetime of the LTP is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or can access.

In the context of our Long Term Plan, this assessment highlights the impact of market forces beyond the scope considered in our 2021-31 projections, as identified in the introduction to this strategy. These forces include addressing the rising demands of policies and legislation; and managing substantial inflation and interest cost increases over the last three years, far surpassing the assumptions allowed for in our previous LTP and which have not been adequately addressed through rating or third-party income increases to offset the additional costs over the same period. As a result, our starting position is now in deficit.

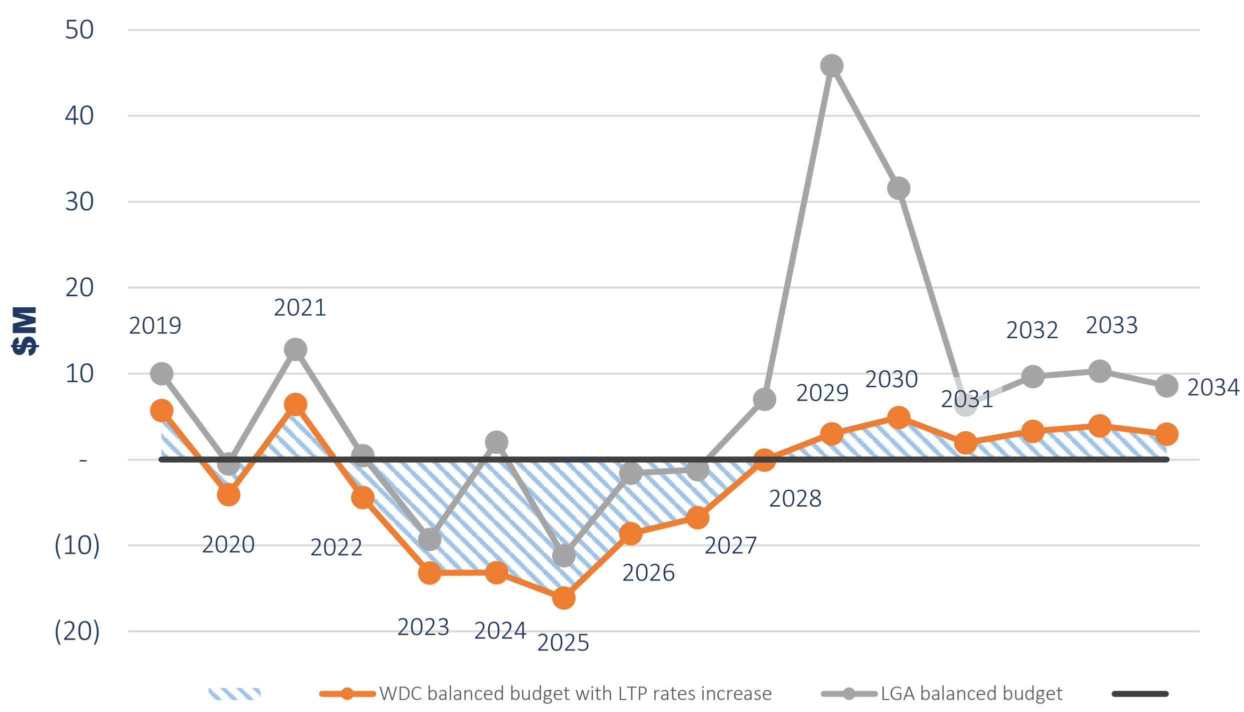
We acknowledge that we run deficits from a balanced budget perspective mainly due to revenues not covering the full cost of depreciation rather than day to day operating costs. Council will use the following financial levers to move progressively towards achieving a balanced budget: fees and charges, rating for depreciation, development and financial contributions, efficiencies, debt repayment and rates setting.

Recognising the 'cost of living crisis' which has largely resulted in us being where we are, we need to move towards a sustainable position, balancing the budget over the medium term. The capital investment programme and cost pressures from the last and current 10-year plan, together with limitations on revenue, particularly due to affordability issues of rates, makes this very challenging.

The LGA requires Council to budget each year for operating revenue at a level sufficient to meet operating expenses budgeted for that year. This is known as the 'balanced budget' requirement. The LGA allows councils to budget for a deficit, if it resolves that it is financially prudent to do so.

10-year plan projects that we will achieve the balanced budget target in 2028-29. This balanced budget position is a pragmatic balance between managing the pressures on current ratepayers and ensuring the Council remains financially sustainable into the future, whereby the actions of today do not significantly impact unfairly on ratepayers in the future.

Figure 14: Projected Council balanced budget position [1]



1 To project the Councils' Balanced Budget Position we have used the Local Government (Financial Reporting and Prudence) Regulations Act 2014 definition, modified to exclude from the definition of revenue 'capital improvement subsidies' primarily related to NZ Transport Agency Waka Kotahi's capital improvement subsidies supporting road transportation improvements, and capital improvement grants and subsidies assumed for the Rex Morpeth Redevelopment project.

Uncertainty and risk

The Council has made a number of forecasting assumptions in preparing the 2024-34 Long Term Plan. These are outlined in the 'Our Assumptions' section of this prospective Long Term Plan.

In preparing this Long Term Plan, a number of areas of uncertainty and risk were identified, many of them through the assumption setting process, which includes:

- Planned external funding to support the infrastructure capital programme, including from Ministry of Transport Waka Kotahi and other agencies, does not eventuate
- Planned external funding from capital subsidies and grants to support the Rex Morpeth Park Redevelopment project, do not eventuate
- The ability of the civil construction sector to deliver the volume of capital investment proposed in our district in the Long Term Plan
- Unforeseen cost increases beyond the inflation levels assumed which could impact ability to pay (affordability)
- Unforeseen costs and challenges in delivering our capital investments (deliverability)
- Potential impact of unplanned failure of assets
- The impact of a change in timing or quantity of projected population growth which would affect demand for services and revenue from development contributions
- The impacts of climate change and the risk of unforeseen natural events such as earthquakes, tsunamis, major storms and flooding
- Uncertainty about the future including disruptive technologies and changing lifestyles and living choices
- Local government reform such as waters done well (three waters) and resource management act reforms indicated in the coalition agreement of the current government which are likely to occur during the period of this Long Term Plan, but the specific of which and there impacts are at present uncertain.

There are a number of tools used to manage risk and uncertainty in this budget, or which could be utilised even as short term treatments to absorb risks and uncertainty should it occur:

- Continued review of funding and confirmation of external revenue for projects before significant funds are committed, with an option of revising the capital programme should there be a significant shortfall in external funding
- Identification of underutilised assets that could be realised to support new priority expenditure to support funding where external funding is less than budgeted
- Investment in staff, systems, processes and governance arrangements to improve the capacity of the organisation to deliver the proposed capital investment in a timely and cost-effective way managing and mitigating risks
- Continued review of timing of projects in relation to growth requirements and assessment of most appropriate areas to develop to address growth needs
- Maintenance of debt levels below treasury limits to provide debt headroom to cope with unforeseen events
- Sound asset management including revaluation of assets, and funding of depreciation into a depreciation reserve from which activity debt can be repaid and renewals funded over time
- Implementing the funding of a risk reserve within the annual plan setting process, funded from annual rates, that enables consistent funding over time to respond to unforeseen events which are likely to occur sporadically through time.

Securities and financial investment disclosure

Policy on the giving of securities for borrowing

To borrow money, the Council has to offer lenders security. Like most councils, we secure our debt against our rates income, rather than against physical assets like land or buildings.

This means that lenders can make us increase rates to repay debt under certain circumstances. Using this form of security helps to keep the interest rates on our debt low.

Council uses financial derivatives to arrange interest rate risk.

These derivatives, known as swaps, reduce variability in interest costs, allowing Council to better manage cash-flow. The Council's full policy on security for borrowing, the Liability Management Policy, incorporated within its' Treasury Policy, setting out its approach to managing securities for borrowings.

Objective for holding and managing financial investments and equity securities

Under the legislation, our Financial Strategy must disclose any objectives for holding and managing investments and equity securities.

Council holds financial investments, such as term deposits, to manage its cash flow to finance expenditure on operations. As per Council's Investment Policy, incorporated within its' Treasury Policy, these investments are not significant.

The Council holds these funds to:

- Invest surplus cash and working capital funds.
- Invest proceeds from the sale of assets.
- Invest funds allocated for approved future expenditure to implement strategic initiatives or to support inter generational allocations.
- Invest amounts allocated to accumulated surplus, Council created and restricted reserves such as renewal reserves, operational reserves, development contributions and the harbour fund.

The Council has an Investment Policy in place, incorporated within its Treasury Policy, setting out its approach to managing any investments.

WHAKATĀNE DISTRICT COUNCIL

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WHAKATĀNE
District Council
Kia Whakatāne au i ahau