

# Corrections and Changes to documentation released with the agenda for EER Meeting 6 March 2024

**Purpose of this document:** To record and track changes to appendices to the Council report 'Adoption of LTP 24-34 Documents for consultation'.

**This document will:**

- Provide Council with a summary of changes required to the Consultation Document and supporting documents
- Enable Council to adopt the most up-to-date and accurate content in the Consultation Document and supporting documents
- Enable staff to continue to prepare for statutory consultation commencing 12 March 2024

This document will not record corrections to spelling and/or grammar and formatting. Updated complete documents will not be tabled at the Committee. A summary of changes per appendix is listed in tables below. Appendix A provides screenshots of corrected content by ID reference.

## *Appendix 5 – Draft Financial Information*

<b>ID</b>	<b>Agenda Page Ref</b>	<b>What it is</b>	<b>Change to</b>	<b>Reason</b>
FI1	p240 (p17/246 Part 2) p10 FI	Middle column, para 6 - \$XXX,XXX.	Specific number	Accurate information
FI2	P 257 (p34/36 Part 2) P27 FI	Table needs to be replaced	Replace table with correct figures	Errors in data source
FI3	p260 (P37/246 Part 2) p30 FI	Missing data in 2 x tables for "Rateable properties in our district"	Confirm correct figures and update to wording	Missing data, corrections for accuracy
FI4	As above	The General Rates values and the UAGC value have changed a little	Correction to table and UAGC value	Accurate Data

FI5	p261 (p38/246 Part 2) p31 FI	Community board rates to be confirmed (yellow highlights)	Confirm correct figures	Accurate data
FI6	p263 (P40/246 Part 2) p33 FI	Community Boards data highlighted + update to full table figures	Confirm correct figures Whole table updated	Missing data, corrections for accuracy

### *Appendix 10 – Fees & Charges Schedule*

ID	Page Ref	What it is	Change to	Reason
FC1	P385 (p162/246 Part 2) P5 F&C	5.1.4 All other loads over weigh-bridge is incorrect	\$299/tonne (*not \$78/tonne).	Incorrect data

### *Appendix 11 – Consultation Document*

ID	Page Ref	What it is	Change to	Reason
CD1	P453 (p230/246 Part 2) P24 CD	Para 1 – Line 5. “...\$14 million per year.”	Wording confirmed	Incorrect wording
CD2	p27 CD	Option 1 for Rex Morpeth	Populate ‘XX’, missing financials, and wording	Missing data, corrections for accuracy
CD3	P27CD	Option 2 for Rex Morpeth	Populate ‘XX’, corrected data and wording, updated table	Missing data, corrections for accuracy
CD4	P28 CD	Option 3 for Rex Morpeth	Populate missing financials	Missing data, corrections for accuracy
CD5	P33 CD	Change UAGC in Option 2 + table	Change the \$ in Option 2 header Change the Option 2 Table	Corrections for accuracy (as per FI6)
CD6	P464 (p241/246 Part 2) P35 CD	Comm boards has ### not numbers	Table data replaced	Corrections for accuracy (as per FI6)

# Appendix A – Detail of changes

## Change FI1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to Council and the revenue can be reliably measured, regardless of when payment is being made.

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue is disclosed as either exchange or non-exchange transactions. Exchange transactions are transactions in which Council receives resources (obtains assets or services, or has liabilities extinguished) and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to the other party for the transaction. Non-exchange transactions are transactions in which Council receives resources and provides nil or nominal consideration directly in return.

The specific recognition criteria described must also be met before revenue is recognised. The specific accounting policies for significant revenue items are explained below:

receivable and subsequent recognition of interest revenue.

Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its Rates Remission Policy.

Rates collected on behalf of Bay of Plenty Regional Council (BOPRC) are not recognised in the prospective financial statements, with the exception of the prospective statement of cash flows, as the Council is acting as an agent for BOPRC.

In accordance with Local Government (Financial Reporting and Prudence) Regulations 2014 Part 1 Section 5 (5) specify the amount of income received or to be received from targeted rates for metered water supply for the 10 years of the long term plan as being **\$5.1m.**

(4) The notes to a local authority's financial statements must specify, in relation to each group of activities, the combined depreciation and amortisation expense for assets used directly in providing the group of activities.

development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

#### Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis, with reference to the recoverable costs incurred at balance date.

#### Entrance fees

Entrance fees are fees charged to users of the Council's local facilities, such as pools, museum and gallery. Revenue from entrance fees is recognised upon entry to such facilities.

#### Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste disposed by users.

#### Provision of commercially based services

Revenue derived through the provision of services to third parties In a commercial manner is recognised in proportion to the stage of completion at balance date.

#### Rendering of services

Revenue derived through rendering of services is recognised when the service is provided to the customer.

## Change FI3

## Prospective funding impact statement - Whole of Council

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
31,016	General rates, uniform annual general charges, rates penalties	34,076	38,085	42,320	45,570	49,831	52,961	54,312	55,269	56,363	57,031
29,824	Targeted rates	37,903	42,636	46,726	50,870	54,746	58,661	60,114	62,890	65,282	67,280
7,606	Subsidies and grants for operating purposes	7,480	7,092	7,250	7,277	7,433	7,586	7,736	7,848	8,004	8,156
10,863	Fees and charges	11,349	11,614	11,863	12,093	12,308	12,539	12,766	12,855	13,084	13,300
48	Interest and dividends from investments	60	61	62	64	65	66	67	68	70	71
2,531	Local authorities fuel tax, fines, infringement fees, and other receipts	2,429	2,479	2,533	2,592	2,644	2,696	2,753	2,796	2,848	2,899
<b>81,888</b>	<b>Total sources of operating funding (A)</b>	<b>93,296</b>	<b>101,966</b>	<b>110,753</b>	<b>118,466</b>	<b>127,026</b>	<b>134,508</b>	<b>137,748</b>	<b>141,726</b>	<b>145,651</b>	<b>148,737</b>
<b>Applications of operating funding</b>											
67,645	Payments to staff and suppliers	79,439	78,842	82,664	84,244	86,106	88,866	90,346	93,388	95,937	97,832
8,281	Finance costs	7,774	8,802	10,021	11,666	14,134	15,770	16,668	17,253	17,769	18,014
1,531	Other operating funding applications	1,645	1,680	1,715	1,750	1,785	1,820	1,855	1,891	1,926	1,962
<b>77,457</b>	<b>Total applications of operating funding (B)</b>	<b>88,858</b>	<b>89,324</b>	<b>94,400</b>	<b>97,660</b>	<b>102,025</b>	<b>106,456</b>	<b>108,869</b>	<b>112,532</b>	<b>115,632</b>	<b>117,809</b>
<b>4,431</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>4,438</b>	<b>12,642</b>	<b>16,354</b>	<b>20,806</b>	<b>25,002</b>	<b>28,053</b>	<b>28,879</b>	<b>29,195</b>	<b>30,019</b>	<b>30,929</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
26,841	Subsidies and grants for capital expenditure	10,985	12,993	10,607	15,026	51,533	36,973	12,346	15,667	16,000	13,773
426	Development and financial contributions	1,423	1,453	1,486	1,517	1,549	1,579	1,610	1,639	1,669	1,699
53,500	Increase (decrease) in debt	29,000	37,500	33,000	26,500	31,000	19,500	(2,500)	7,000	(2,000)	(1,000)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>80,767</b>	<b>Total sources of capital funding (C)</b>	<b>41,409</b>	<b>51,946</b>	<b>45,093</b>	<b>43,043</b>	<b>84,082</b>	<b>58,052</b>	<b>11,456</b>	<b>24,307</b>	<b>15,669</b>	<b>14,472</b>
<b>Applications of capital funding</b>											
<b>Capital expenditure</b>											
8,654	- to meet additional demand	2,426	3,093	1,581	4,836	2,391	4,538	2,214	4,691	4,730	2,903
42,000	- to improve level of service	23,347	34,156	30,966	29,560	79,720	61,853	14,640	22,162	18,423	19,012
27,240	- to replace existing assets	26,484	25,379	26,474	28,198	26,302	19,176	24,036	27,635	22,984	24,258
3,204	Increase (decrease) in reserves	(6,410)	1,961	2,426	1,256	670	538	(555)	(986)	(450)	(772)
4,100	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>85,198</b>	<b>Total applications of capital funding (D)</b>	<b>45,846</b>	<b>64,589</b>	<b>61,447</b>	<b>63,850</b>	<b>109,083</b>	<b>86,105</b>	<b>40,335</b>	<b>53,502</b>	<b>45,688</b>	<b>45,401</b>
<b>(4,431)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(4,438)</b>	<b>(12,642)</b>	<b>(16,354)</b>	<b>(20,806)</b>	<b>(25,002)</b>	<b>(28,053)</b>	<b>(28,879)</b>	<b>(29,195)</b>	<b>(30,019)</b>	<b>(30,929)</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	-	-	-	-	-	-	-	-	-	-

\* The Whole of Council- Funding Impact Statement 2024-34 presented above excludes Whakatāne Airport which is a 50/50 Joint Venture with Te Manatū Waka [The](#) Ministry of Transport, and therefore a COO of Council accounted for separately in the financial statements under the equity accounting method.

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## Change FI3 and FI4

### 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, including an allowance for growth. Certain types of properties, like schools, churches, and recreation reserves, are not rateable.

The table below shows the number of rateable properties in our district as of 1 March 2024. Properties are valued every three years by an independent valuer and were last valued in September 2022. The next review will take place in September 2025.

Location	Number of Rateable Rating Units	Rateable Capital Value (\$B)
Whakatāne Commercial	529	0.82
Edgecumbe	640	0.36
Matatā	333	0.18
Murupara	772	0.14
Ōhope	1,890	2.51
Ōtararua	38	0.01
Rural	5,264	6.35
Tāneatua	287	0.01
Te Teko	276	0.01
Whakatāne Urban	6,195	5.42
	16,224	15.81

The financial forecasts in this Long Term Plan are based on growth in the number of rateable units in the Whakatāne District in line with the population and rating unit assumptions within this Long Term Plan. The table below shows the projected number of rateable rating units provided for in this Long Term Plan. This will be updated annually to reflect the actual change.

Year	Projected Rateable Rating Units
2024 Annual Plan	16,183
2025 LTP	16,224
2026 LTP	16,370
2027 LTP	16,498
2028 LTP	16,627
2029 LTP	16,704
2030 LTP	16,781
2031 LTP	16,859
2032 LTP	16,937
2033 LTP	17,016
2034 LTP	17,078

### Rates for year one of the Long Term Plan

The following rates are to be set and assessed on properties by Whakatāne District Council for the 2024/2025 year:

#### General rates (\$33.15 million)

The Council sets a general rate based on the capital value of each applicable rating unit in the District on a stepped differential basis.

For properties valued over \$30 million the portion of the property valued under \$15 million will attract the first step. For any portion of the property valued over \$30 million, step two will apply.

The rates (per dollar of capital value) for 2024/25 are:

	Per dollar of Capital Value	Rate \$
Step 1	District wide rateable residential properties capital value up to \$30 million	0.00136371
	District wide rateable commercial properties capital value up to \$30 million	0.00136371
	District wide rateable industrial properties capital value up to \$30 million	0.00136371
	District wide rateable rural and horticultural properties capital value up to \$30 million	0.00136371
Step 2	District wide rateable properties capital value portion greater than \$30 million	0.00102278

#### Uniform annual general charge

In addition to the above as part of the general charge Council sets a Uniform Annual General Charge on all applicable rating units in the District as a fixed amount per rating unit. In the 2024/25 year this charge is projected at \$741.31 per rating unit.

#### Economic development - district growth rates (\$1.53 million)

Council sets a targeted rate on the capital value for all commercial and industrial properties as follows:

Per dollar of Capital Value	Rate \$
Commercial and Industrial properties within the Whakatāne urban area	0.00140267
Commercial and Industrial properties outside the Whakatāne urban area	0.00070134

In addition, Council set as a targeted rate of a fixed amount of \$624.79 per rating unit for all commercial and industrial properties within the District.

## Change F15

### Democracy – community boards rates **(\$0.45 million)**

The Community Board rate is set to fund the costs of the four Community Boards which are recorded as part of the Democracy activity group. The Council sets a Community Board targeted rate as a fixed amount on rating units within each of the following areas (locations):

Targeted Rate	\$
All rating units in the Whakatāne and Ōhope Community Board Area	26.14
All rating units in the Rangitāiki Community Board Area	23.18
All rating units in the Tāneatua Community Board Area	44.65
All rating units in the Murupara Community Board Area	54.78

## Change F16 Indicative property rates (continued)

2024/25 Proposed rates		Rating Categories										GST Inclusive			
Indicative Property Types	Capital value (\$000)	General Rates	UAGC	District Growth	Community Boards	Events / Tourism EPIC	Transport (roading)	Storm-water	Waste-water	Water supply	Waste water	Total 2024/25	Total 2023/24	Increase (%)	Increase (\$pw)
<b>Residential</b>															
Whakatāne urban low	400,000	545.48	743.31	-	26.14		205.01	303.99	525.14	850.63	459.16	4,207.69	3,507.51	20.0%	13.46
Whakatāne urban average	730,000	995.51	743.31	-	26.14		336.24	443.89	525.14	850.63	459.16	5,037.02	4,225.85	19.2%	15.60
Whakatāne urban high	1,975,000	2,693.32	743.31	-	26.14		831.37	971.70	525.14	850.63	459.16	8,165.89	6,935.96	17.7%	23.65
Ohope average	1,275,000	1,738.73	743.31	-	26.14		552.99	335.47	525.14	850.63	461.85	6,019.40	5,068.49	18.8%	18.29
Ohope high	2,210,000	3,013.80	743.31	-	26.14		924.83	517.27	525.14	850.63	461.85	8,122.42	6,886.52	17.9%	23.77
Edgecumbe average	560,000	763.68	743.31	-	23.18		268.64	479.16	525.14	850.63	459.16	4,729.84	3,966.26	19.3%	14.68
Matata average	640,000	872.77	743.31	-	23.18		300.45	339.47	-	850.63	459.16	4,127.32	3,457.05	19.4%	12.89
Murupara average	185,000	252.29	743.31	-	54.78		119.50	24.80	337.93	657.45	459.16	3,046.60	2,740.57	11.2%	5.89
Tāneatua average	345,000	470.48	743.31	-	44.65		183.13	120.41	525.14	850.63	459.16	3,906.45	3,234.13	20.8%	12.93
Te Teko average	235,000	320.47	743.31	-	23.18		139.39	99.17	-	621.11	459.16	2,766.66	2,259.04	22.5%	9.76
Rural residential average	340,000	463.66	743.31	-	23.18		181.14	-	-	-	404.04	2,087.63	1,837.45	13.6%	4.81
Lifestyle average	940,000	1,281.89	743.31	-	23.18		419.76	-	-	621.11	404.04	4,017.28	3,372.10	19.1%	12.41
<b>Commercial</b>															
Commercial low	1,050,000	1,431.89	743.31	2,097.59	26.14		463.51	1,113.73	525.14	850.63	404.04	8,804.38	6,978.12	26.2%	35.12
Commercial average	14,100,000	19,228.29	743.31	20,402.48	26.14	8,550.68	5,653.37	13,285.23	4,201.11	850.63	404.04	84,347.08	68,415.17	23.3%	306.38
Commercial high	25,950,000	35,388.23	743.31	37,024.16	26.14		10,366.01	24,337.52	5,251.39	850.63	404.04	131,550.14	99,940.90	31.6%	607.87
<b>Industrial</b>															
Industrial low	2,510,000	3,422.91	743.31	4,145.50	26.14		1,044.13	2,475.44	1,050.28	850.63	808.09	16,751.39	13,111.94	27.8%	69.99
Industrial average	37,850,000	48,940.08	743.31	53,715.98	26.14		15,098.54	35,436.45	19,430.14	850.63	-	200,377.46	153,336.31	30.7%	904.64
Industrial high	119,000,000	131,938.78	743.31	84,083.86	23.18		47,371.16	70,083.16	26,256.95	621.11	404.04	415,754.38	333,905.59	24.5%	1,574.02
<b>Farming and Horticultural</b>															
Farming – Dairy average	3,390,000	4,622.97	743.31	-	23.18		1,394.10	-	-	621.11	808.09	9,444.67	7,798.31	21.1%	31.66
Farming – Pastoral average	3,110,000	4,241.13	743.31	-	44.65		1,282.75	-	-	-	-	7,258.62	6,447.19	12.6%	15.60
Farming – Other average	1,970,000	2,686.51	743.31	-	23.18		829.38	-	-	-	-	4,924.74	4,425.42	11.3%	9.60
Horticultural average	2,220,000	3,027.43	743.31	-	23.18		928.80	-	-	-	404.04	5,895.77	5,134.12	14.8%	14.65

The capital value bands are calculated using the current rating values from September 2022. These rates do not include metered water supply which is subject to specific property usage volumes.

## Change FC1

5. WHAKATĀNE AND MURUPARA TRANSFER STATIONS		
5.1	General refuse:	Charges 24/25
5.1.1.	Refuse bag (60 litre bag max)	\$5.50 each
5.1.2.	Car or station wagon	\$42.00
5.1.3.	Ute, Van, Single axle trailer (up to 200Kg)	\$58.00
5.1.4.	All other loads over <a href="#">weigh-bridge</a>	\$299.00/tonne

## Change CD1

### **KEY QUESTION : How quickly should we close our funding gap?**

When we talk about the funding gap, we're referring to the costs of delivering our [day to day](#) services, renewing existing assets, and covering the debt and interest payments associated with increasing demands to address historic under investment in essential infrastructure assets. The starting position of this [Long Term](#) Plan means current rates are not covering our cost increases. We have been using borrowings to fund our asset renewals which has been acceptable in the short term, [however](#) is not a sustainable option for the medium-to-long term. Under legislation we need to deliver a budget that is financially responsible and achievable. **As a result of the combination of extraordinary cost escalations, increased insurance and compliance costs, our starting position reflects a funding gap of approximately \$14 million.** This is simply the reality of unforeseen and unprecedented increases, and not from financial mismanagement. We need to close the gap, and the question we're asking is, how quickly? If we recover the gap quickly, then we need to pay more in rates increases in the early years of this [Long Term](#) Plan. The catch is, the longer we take to repay, the greater the amount of interest we're paying on our debt borrowing, and the more people will need to pay in the future. Having debt isn't a bad thing – it means we can spread the cost of assets intergenerationally, meaning that people who will benefit from it in the future will also pay their share. We need to find a balance between paying now and paying later.



### Change CD2

**OPTION ONE** - Carry out a full-scale redevelopment of the Rex Morpeth Recreation Hub as soon as possible. This requires us to secure 35% external funding for major development works in year four and five of the project. The remainder would be funded through rates and development contributions. The total cost of the project is approximately \$105.7 million with \$47.9 million of this coming from subsidies and development contributions. The table below shows the weekly rating impact over time.

For the year ending 30 June	2025	2026	2027	2028	2029	2030	2031	2032	2032	2034
Project capital expenditure (\$M)	\$1.1	\$3.3	\$3.3	\$48.0	\$48.9	\$0.3	\$0.3	\$0.3	\$0.3	-
Subsidies funding (\$M)	-	-	-	\$16.8	\$17.1	-	-	-	-	-
Development contributions (\$M)	\$0.1	\$0.4	\$0.4	\$6.4	\$6.5	\$0.0	\$0.0	\$0.0	\$0.0	-
Additional debt (\$M)	\$0.9	\$2.8	\$2.9	\$20.5	\$20.9	\$0.2	\$0.3	\$0.3	\$0.3	-
Weekly \$ increase *	3c	15c	26c	99c	\$2.49	\$1.59	9c	10c	8c	6c

### Change CD3

**OPTION TWO (Preferred)** - Carry out a full-scale redevelopment of the Rex Morpeth Recreation Hub as soon as possible. This requires us to secure 50% external funding for major development works in year five and six of the project. The remainder would be funded through rates and development contributions. The total cost of the project is approximately \$107.5 million with \$62.8 million of this coming from subsidies and development contributions. The table below shows the weekly rating impact over time.

For the year ending 30 June	2025	2026	2027	2028	2029	2030	2031	2032	2032	2034
Project capital expenditure (\$M)	\$1.1	\$2.2	\$2.2	\$2.3	\$48.9	\$49.7	\$0.3	\$0.3	\$0.3	\$0.3
Subsidies funding (\$M)	-	-	-	-	\$24.4	\$24.8	-	-	-	-
Development contributions (\$M)	\$0.1	\$0.3	\$0.3	\$0.3	\$6.5	\$6.6	\$0.0	\$0.0	\$0.0	\$0.0
Additional debt (\$M)	\$0.9	\$1.9	\$1.9	\$2.0	\$13.4	\$13.6	\$0.3	\$0.3	\$0.3	\$0.3
Weekly \$ increase *	3c	12c	17c	19c	77c	\$1.78	\$1.18	8c	7c	6c

### Change CD4

**OPTION THREE** – Carry out required upgrades to the Rex Morpeth Recreation Hub which consist of:

- Refurbishment of the Little Theatre
- Upgrades to the Whakatāne War Memorial Hall reception lounge, kitchens, hall flooring, toilets and mezzanine floor
- Seismic strengthening of the rugby grandstand and minor upgrades to the kitchen and changing facilities
- A new children’s play space similar in size to the existing playground
- Additional carparking

The total cost of this option is approximately \$12.5 million.

For the year ending 30 June	2025	2026	2027	2028	2029	2030	2031	2032	2032	2034
Project capital expenditure (\$M)	\$0.2	\$5.4	\$5.5	\$2.6						
Subsidies funding (\$M)	-	\$0.5	\$0.8	\$0.4						
Development contributions (\$M)	\$0.0	\$0.7	\$0.7	\$0.3						
Additional debt (\$M)	\$0.2	\$4.1	\$3.9	\$1.8						
Weekly \$ increase *	1c	15c	37c	63c	79c	2c	2c	3c	2c	2c

#### Change CD5

OPTION 2 (preferred) – 20% UAGC - \$741.31 (GST exclusive) in year 1