



# Annual Plan

## Te Mahere Rautaki

### 2019/20

To be read in conjunction with the Whakatāne District Council Long Term Plan 2018-28

Shaping our tomorrow - *Ngā rā anamata*



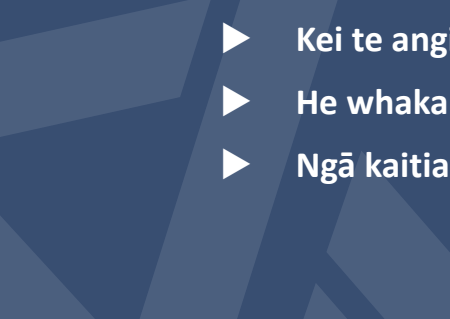
## WHAKATĀNE DISTRICT

*The place of choice for people  
to live, work and play*

- ▶ Our community is safe and surrounded by people who are friendly and caring
- ▶ Businesses are thriving
- ▶ There is respect for, and pride in our history
- ▶ We are successful guardians of our natural environment

## TE ROHE O WHAKATĀNE

*Te rohe pai ki te noho, ki te mahi,  
me te takaro*

- ▶ He hapori haumarū, ponitakatia e ngā tāngata ngākaunui
  - ▶ Kei te angitu ngā pakihi
  - ▶ He whakaute, he whakahī ki tō tātou rohe hītori
  - ▶ Ngā kaitiaki tātou o te taiao
- 

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# MESSAGE FROM THE MAYOR

## Kupu whakataki o te Koromatua

*Kia ora me te mihi kia koutou katoa nā koutou I tāpirihia mai i o koutou whaaaro hei whakapakari ake i Te Rautaki Māhere mō te tau 2019/20.*

*Ko tenei Rautaki Mahere e whakaata mai ana ngā kaupapa matua, kaupapa whaiti, whānui rānei ngā kaupapa mahinga me ngā whakapaunga pūtea mō 2019/20. Mā ngā whakarerekētanga e taea ai te whakahāngai ki ngā mahinga whāiti kia puāwai ai ngā kaupapa katoa o te Rautaki Mahere.*

*Koianeī taku rautaki whakamutunga hei koromatua mō te rohe nei o Whakatāne, a, kua oti I ahau tekau ma matau te mahi, he whakahī nōku ki tō tatau rohe me ngā mahinga a te Kaunihera. Arā noa atu ngā taumata hei pikitanga ake, kia pai te haere a te Kaunihera hou ka kawē ake mō ngā ra kei te haere mai.*

Kia ora, and thank you to everyone who took time to provide feedback on our Annual Plan for the 2019/20 year.

For the coming year, Council has made a number of changes to our budgets and work programmes that were not anticipated when we adopted our Long Term Plan 2018-28.

These changes will allow us to maximise funding opportunities that are currently available through Central Government partnerships, such as unlocking marine and tourism sector development potential through Whakatāne waterfront and town centre regeneration; addressing the debris flow risk at Awatarariki; and bringing forward a major suite of safety improvements for Wainui Road.

Other changes in our Annual Plan 2019/20 will allow us to remain responsive to Central Government changes so we can meet future legal and environmental obligations. These changes also enable us to maintain the quality of our infrastructure and services, so that they continue to meet the community's needs into the future.

We have heard your feedback on how we can build vibrancy and resilience throughout the District and have incorporated a number of projects to reflect this including key community development initiatives.

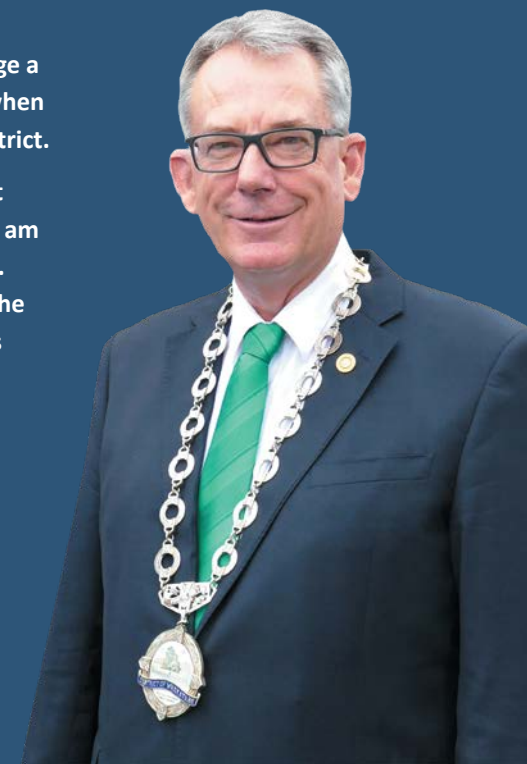
Alongside staff and elected members, I have endeavoured to manage a budget which provides a huge amount of value in return for rates when taking into account the breadth of services delivered across our District.

This will be my last Annual Plan as Mayor of the Whakatāne District after having served 18 years in local government and 12 as Mayor. I am immensely proud of the District and what our Council has achieved. There are still many challenges to tackle, yet I believe we have set the next elected Council in good stead to lead the District forward to its potential.

*Nāku noa, nā*



Tony Bonne





# WHAT IS THIS DOCUMENT?

## He aha tenei tuhinga?

### About the Annual Plan:

This document is the Whakatāne District Council Annual Plan for the 2019/20 financial year (1 July 2019 to 30 June 2020). It puts into motion year two of the Whakatāne District Council Long Term Plan 2018-28 and is intended to be read in conjunction with that document.

This Annual Plan:

- Describes changes to our budgets and work programme for the 2019/20 year compared to what was set out for the year in our Long Term Plan.
- Provides an updated and detailed budget specific to the 2019/20 financial year.

### What is the Long Term Plan?

The Council's current Long Term Plan was adopted in June 2018. It encompasses much more than what is included in this Annual Plan document, including projects and services across the District.

The Long Term Plan sets out the strategic direction, priorities, work programme and budgets for the ten-year period 2018-28. It 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.

Copies of the Long Term Plan and Annual Plan are available on our website, at the Council's Service Centres in Whakatāne and Murupara and at Council libraries around the District.



### Why are changes needed compared to the Long Term Plan?

The Long Term Plan represents our projected work programme and budgets at a moment in time. It responds to the challenges, opportunities, legislation and other assumptions at the time of drafting.

In the time since our Long Term Plan was adopted there have been changes to this context. A key factor relates to the priorities of Central Government gaining greater traction over time following elections in late 2017. The advancement of Central Government priorities provides some very significant co-investment incentives for local government while also increasing pressure on the sector to ensure it is meeting its obligations. The change in context presents a number of challenges to Council but also opportunities to substantially accelerate progress towards outcomes for our communities that were signalled in our Long Term Plan, in particular for economic development and for our three waters services - drinking water, storm water and waste water.

Our plans also need to be reviewed annually because of factors like inflation and interest rates; evolving knowledge about projects and key issues; and changing priorities of the communities we serve.

This Annual Plan signals some important changes to our budgets and work programme for 2019/20. The changes relate to some specific projects and are in keeping with the priorities set out in the Long Term Plan. For most services, facilities and projects, we will deliver what we said we would in the Long Term Plan.

# PRIORITIES FOR 2019/20

Ngā arotahi matua mō te tau  
2019/20

## OUR WORK

Ngā mahinga whānui

The Whakatāne District Council is your Council - here to promote and represent the interests of our communities and District. We work to ensure the wellbeing and hauora of our communities and District, for today and into the future.

As a local Council, our work involves the delivery of a wide range of services and facilities that families, households and businesses rely on and use every day - like water supplies, sewage treatment and disposal, solid waste management, roads and footpaths, parks and reserves, libraries, halls, economic development and animal control to name a few. Many other Council activities play an essential role in making this a great District in which we all want to live, work and play.

## OUR FOUR KEY FOCUS AREAS

Kia arotahi ki ngā kaupapa matua e wha

Our priorities for the coming 2019/20 year are set out on the following pages. These follow the four key focus areas that are set out in our Long Term Plan including:

**THRIVING ECONOMY - *Te ōhanga e puāwai ana***

**VIBRANT COMMUNITIES - *Ngā hapori whitawhita***

**RESILIENT PEOPLE AND PLACES - *Ngā tāngata me ngā wāhi Manawaroa***

**RESPONSIBLE MONEY MANAGEMENT - *Te haepapa whakahaere pūtea***

This document provides only limited insight into the full range of services, facilities and projects that we deliver. It is also only a one-year slice of our work, whereas for some things (like infrastructure for example) our planning can look 30 years ahead, or more. More information about our activities and what is planned, is available in the Long Term Plan 2018-28 and on the Council website.

## YOUR FEEDBACK HAS HELPED TO SHAPE THE PRIORITIES AND PROJECTS IN THIS ANNUAL PLAN

We appreciate the time and effort that many have taken to advise, influence and provide feedback to the development of the Annual Plan 2019/20. Feedback has helped to shape priorities and projects for the coming year.

Formal consultation on the Annual Plan was open from 25 March to 29 April 2019. Annual Plan consultation focused on eight key changes being proposed to our work programme and budgets for the 2019/20 year. In total, 118 submissions were received, raising some 383 submission points with further feedback also received through social media. A total of 27 organisations, community groups and individual submitters presented their submissions to Council at hearings.

Feedback was received on eight key consultation proposals as well as a variety of other topics. The decisions in relation to those eight key proposals can be found on the following pages. Through submissions and feedback you told us what you did and did not like, and made suggestions. Council elected members read through the submissions and listened to feedback and comments. As a result, a number of changes have been incorporated into the final Annual Plan for 2019/20.

Our conversations continue at many levels as we work closely with communities, stakeholder groups, iwi, Central Government, neighbouring councils and others. We encourage an approach of 'working together' and invite you to continue to be involved because it helps us keep in touch with the priorities of our communities and because it presents significant opportunities to deliver better outcomes for our District.

*Kia koe tētahi kīwai,  
kia au tētahi kīwai*

*For you one handle of the basket,  
for me the other*





# THRIVING ECONOMY

## Te ōhanga e puāwai ana

Our Long Term Plan recognises the need to uplift economic and social outcomes for our District. We know that our District offers many opportunities for economic development and job creation. Our Long Term Plan aims to work in partnership with Central Government, iwi, our business community and other stakeholders towards a District where our people and businesses thrive.

Since developing our Long Term Plan, our partnership opportunities have continued to grow. A particular focus for Council is working with Central Government on the Provincial Growth Fund (PGF) opportunities following identification of the Eastern Bay of Plenty as a surge region for investment. This focus draws together and accelerates many interlinking strands of work already included in our Long Term Plan.

## WHAT WE CONSULTED ON

### Regenerating the Whakatāne town, building on our marine and tourism economy:

The Provincial Growth Fund (PGF) announcements in December 2018 saw a significant amount of Central Government funding committed to economic development initiatives in the Eastern Bay of Plenty. This includes funding towards the investigation and design stage of the Whakatāne Waterfront and Town Centre Regeneration project. The opportunity to co-invest with Central Government has a limited timeframe, if we are to maximise the benefits for our District, we must act quickly.

The Whakatāne Wharf redevelopment is signalled as a clear priority in our Long Term Plan, and this infrastructural investment will be the cornerstone of a wider, more impactful intervention into the future of the Whakatāne township. Stimulating commercial activity, and enhancing the vibrancy and attractiveness of the town centre is the key to unlocking employment for our residents; new pathways to skilled careers; and attracting the right kind of investment to the District.

The Whakatāne Waterfront and Town Centre Regeneration project encompasses a number of work streams including an investment strategy; destination tourism marketing; boat harbour and urban design; and stakeholder and community engagement. The project will be delivered in partnership with Te Rūnanga o Ngāti Awa and Ngati Awa Group Holdings Limited and any proposed developments will recognise the cultural significance for iwi and hapū of Ngāti Awa historical sites, events and practices relating to the Whakatāne River.





## Supporting an 'EPIC' town centre strategy:

A passionate group of local Whakatāne business people have formed EPIC (Events Promotion Initiatives and Community). EPIC aims to deliver on a vision shared by many organisations, groups and people, for a “re-energised and revitalised Whakatāne town centre that attracts more people, who stay longer and spend more”. As part of this vision, EPIC aims to promote the Whakatāne CBD as the heart of the town, where people come together for socialising and recreation. The initiative follows the model of similar programmes that are adding significant value in other towns including Mt Maunganui, Tauranga and Taupō for example.

A new targeted rate will be implemented from 2019/20 to support EPIC to implement their town centre strategy. Information about the targeted rate can be found on page 32 of this document.



## OTHER HIGHLIGHTS AND KEY PROJECTS FOR 2019/20

### Getting the most out of our Airport:

Future planning for our Airport continues into the 2019/20 year. This includes working through improvements that will allow for larger passenger aircraft at our Airport, as well as future proofing capacity for further hangar development.

### Providing a coordinated approach to development:

In the 2019/20 year great strides will be made towards a Development Strategy for the District. The Strategy will aim to proactively manage demand for residential, industrial and business land associated with different potential growth scenarios. This will take into account for example, the significant economic development opportunities presented by the Provincial Growth Fund, and residential development projects that have commenced.

### Supporting Iwi-led development opportunities:

Council continues to build relationships and work with Iwi to support their development aspirations. Some examples include collaborating with Te Rūnanga o Ngāti Awa on Provincial Growth Fund projects, supporting Tūhoe Te Uru Taumatua and Te Urewera Board on the Nature's Road/ SH38 project, the Ngāti Manawa aspirations for Murupara township, supporting Ngāti Whare's nursery and redevelopment of Minginui, and supporting various iwi in pursuing cultural and ecotourism aspirations.

# VIBRANT COMMUNITIES

## Ngā hapori whitawhita

We are privileged to live in an area of natural beauty and rich cultural diversity. Survey results consistently show that our residents rate their quality of life much higher than New Zealand as a whole. Our Long Term Plan aims to ensure the District retains its vibrancy and vitality and that the quality of life we all enjoy is enhanced. Since the Long Term Plan was developed, some new funding opportunities have become available to deliver specific projects in partnership with others. These represent some exciting opportunities for our District but a commitment of local funding will also be needed to progress the projects.



## WHAT WE CONSULTED ON

### *Working in partnership to enclose the Whakatāne Aquatic Centre outdoor pool:*

The Whakatāne District Aquatic and Fitness Centre is a major recreational facility for residents and visitors to the District. It caters for members of a number of aquatic clubs, recreational swimmers and people involved in learn-to-swim and aquatic fitness programmes. The Centre continues to experience strong growth in use and as a result, there is increased pressure on the facility, particularly over winter months when the outdoor pool is closed. Enclosing the outdoor pool will provide additional pool/lane space during the autumn and winter. This will help to meet current and future demand for sports-related use, aquatic programmes, and public recreational use.

In response to submissions, the newly enclosed facility will be open to the general public over winter months whereas the original proposal focused on use by clubs and programmes to take the pressure off the main facility.

The project anticipates most, if not all, of the construction costs to be met by grant funding. Some increases in operating costs will result to cover maintenance, pool heating and expanded lifeguard duties.





## Finalising the Active Whakatāne Strategy:

The Active Whakatāne Strategy is due to be finalised early in the 2019/20 year. It aims to promote a healthier, safer, more inclusive and more active lifestyle for our District by creating better, more accessible, mode-neutral transport and recreation infrastructure.

Following finalisation of the Strategy, the focus will move to implementation. Some Council funding is included in the 2019/20 year for implementation including improvements to the 'Safe ways to schools' programme, and for minor improvements to commuter and recreational routes.

At the time of consultation on the Annual Plan, we had positive indications of external funding support for implementation of walking and cycling priorities. Unfortunately, this funding is now not likely to be available. Council will continue to look for funding solutions to implement key projects in the Strategy.

## OTHER HIGHLIGHTS AND KEY PROJECTS FOR 2019/20

### **Supporting the community-led Whakatāne skatepark expansion project:**

Through the Long Term Plan, Council received submissions from a community group keen to lead and fund a project to expand the Whakatāne Skate Park. The group is working with the Council to complete the expansion in the coming 2019/20 year.

### **Developing a community strategy:**

In the coming year we will develop a Community Strategy to help build on and guide the momentum created by Whakatāne Ki Mua, and provide direction to Council's community development activity.

### **Community development initiatives for our smaller communities:**

As part of the above strategy work and in response to submissions received through Annual Plan consultation, a project will be initiated this year to support local community-led development. This will involve collaborative, community and multi-agency work towards a better understanding of and investment into key priorities.

### **Port Ōhohe Wharf repairs:**

The Port Ōhohe Wharf is a popular recreational amenity and also offers access and loading provisions for charter and recreational craft. A project to refurbish the concrete piers and cross beams will be undertaken in 2019/20.



# RESILIENT PEOPLE AND PLACES

## *Ngā tāngata me ngā wāhi Manawaroa*

Our Long Term Plan takes a proactive approach to a number of significant challenges facing our District over the next few years and beyond. Some of these challenges include managing the effects of natural hazards and climate change, maintaining a safe and secure water supply network, and improving the impact our wastewater and stormwater systems have on the environment. These matters are also high on the Central Government agenda, and as a result, the expectations for what we do and how we do it are continuously increasing. As these challenges evolve, we need to adjust our plans too.

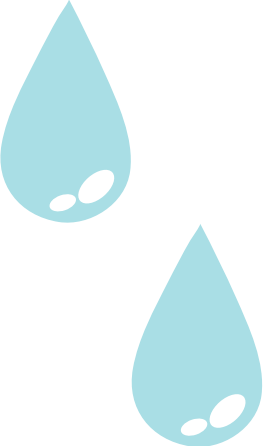
## WHAT WE CONSULTED ON

### *Implementing a managed retreat from the Matatā Awatarariki debris flow hazard:*

The Whakatāne District Council is working with partners and stakeholders on a programme of managed retreat from the Awatarariki debris flow hazard. The programme will allow properties within the defined hazard zone to be purchased at current market value as if the hazard did not exist. The programme also includes contributions to legal and relocation costs for landowners and will provide a dispute resolution process should owners not agree with valuations. The programme is expected to cost \$15.1 million in total with the funding to be split three ways – at the time of writing, a commitment has been made by the Whakatāne District Council and Bay of Plenty Regional Council, while a decision from Central Government is awaited.

A proposed change to our District Plan will seek to re-zone the high-risk land from 'residential' to 'coastal protection', preventing any future development. A change to the Bay of Plenty Regional Natural Resources Plan would also seek to manage the existing risk to people by preventing them from living on the fanhead.

Budget has been included in this Annual Plan to implement the managed retreat and plan change process. The Council's portion of funding will be from loans and repaid through the general rate.



## Responding to increasing service standards and costs for our three-water services:

Our Council provides three crucial water services to the District: water supply, wastewater, and stormwater. These services are facing increasing challenges and costs compared to what was anticipated in our Long Term Plan. Increasing pressure from Central and Regional Government, and the community continues to raise expectations for the levels of service in terms of health and environmental outcomes. Notably, we are also approaching the end date of our consents to discharge wastewater from treatment plants and new consents will demand much higher service standards. Adjustments to the budget are also needed to reflect the known operating costs of the new Otumahi water scheme, which recently came online.

Through the Annual Plan 2019/20, an increase in operating expenditure will help us to deliver the comprehensive work programmes set out in Council's Asset Management Plans and Infrastructure Strategy for our three waters services. This will support improved consent compliance monitoring; help deliver longer-term service improvements; and prepare for significant resource consent applications in the near future.





## Seismic strengthening of the Whakatāne District War Memorial Hall:

Our Long Term Plan includes a project to redevelop the Whakatāne District War Memorial Hall. One of the key drivers of the project is the need for seismic strengthening work to parts of the building. With the earthquake-prone building assessment on the facility now finalised, the Council has a legal obligation to complete strengthening work within a 7.5 year timeframe.

Given that the facility continues to be well used, we will advance the seismic strengthening work in the coming year, to ensure the hall continues to be fit for purpose until the full redevelopment takes place. The longer-term intention will continue to be for a complete redevelopment of the facility by 2026, but noting that substantial funding will need to be secured from project partners before progressing.

## Safety Improvements to Wainui Road:

In partnership with the New Zealand Transport Agency (NZTA), Council plans to advance improvements to Wainui Road over the next two years (starting in 2019/20). This forms a part of a larger \$33 million project to improve the route from Ōhope through to Ōpōtiki. The route has a poor safety record and continues to present a major unacceptable crash risk.

The project includes road widening, safety barriers, improved rest stops, minor realignments, and passing areas. Our commitment would be a contribution of \$2.45 million towards the \$6.8 million improvements on the Wainui Road section within our District, subject to confirmation of funding from NZTA. Half of our investment (\$1.225M) will also be able to be used for other priority works in the district through the TEFAR (Targeted Enhanced Funding Assistance Rate) fund.



## OTHER HIGHLIGHTS AND KEY PROJECTS FOR 2019/20

### **Seismic strengthening of other public buildings:**

Alongside the seismic strengthening of the District War Memorial Hall, a wider earthquake-prone buildings programme continues to be progressed. Seismic strengthening work is due to be undertaken on the Council Civic Centre building in the 2019/20 year and the Council continues to coordinate an earthquake-prone buildings programme for CBD building owners.

### **Prioritising and responding to the challenge of Climate Change.**

In 2019/20, work on the Climate Change Project will continue. Increased resource has been provided through this Annual Plan to progress this work. A core focus area will be the development of a Climate Change Strategy, and associated action plans relating to both mitigation and adaptation.

### **Alternative water supply for Whakatāne and Ōhope:**

In the 2018/19 year investigations found that the concept of a filtration gallery (shallow wells) upstream of the current Whakatāne Water Treatment were not likely to be a viable solution as an alternative supply. Over the 2019/20 year the project will investigate the potential of deeper bores as a potential option.

### **Water pressure optimisation:**

Low water pressure at the top part of Melville Drive has been raised through an Annual Plan submission. A project will be undertaken in the 2019/20 year to address firefighting capability, to then be able to consider household pressure as part of the wider pressure optimisation programme.

### **Upgrading wastewater treatment systems:**

The resource consents for many of our wastewater treatment systems expire in 2026. New technology and standards are very likely to require upgrades to the way our treatment plants operate. In the coming year we will develop project plans for this significant challenge, starting with Murupara.

### **Matatā and integrated wastewater system:**

The reticulation of Matatā will be further investigated this year, ideally as part of an integrated wastewater system which also aims to deliver improvements to the Edgecumbe and Whakatāne systems. In the interim a transitional plan to pump out septic tanks in Matatā will be progressed. An integrated wastewater scheme at an estimated \$32 million can only be progressed if we are able to secure external funding support. Funding of \$100,000 is included in the 2019/20 year to continue to progress this solution, or consider alternatives.

# RESPONSIBLE MONEY MANAGEMENT

*Te haepapa whakahaere pūtea*



We are mindful of the need to keep rates affordable, but still carry on the work needed to help ensure our communities are resilient, vibrant and thriving.

Our Long Term Plan includes a 'Financial Strategy' to ensure that we remain financially sustainable – it maps out our anticipated costs and funding sources for a 10 year period. This includes limits for average rates increases, and for the amount of debt we use to fund our work programme. The following pages provide an overview of the Financial Strategy as it applies to the coming 2019/20 financial year. Of note, through the Annual Plan we consulted on a change to the Financial Strategy for the level of borrowing we take on and how we set limits on debt.

This section also includes the Council 'Funding Impact Statement' which provides an overview of Council costs and funding for the 2019/20 year compared to what was set out in the Long Term Plan

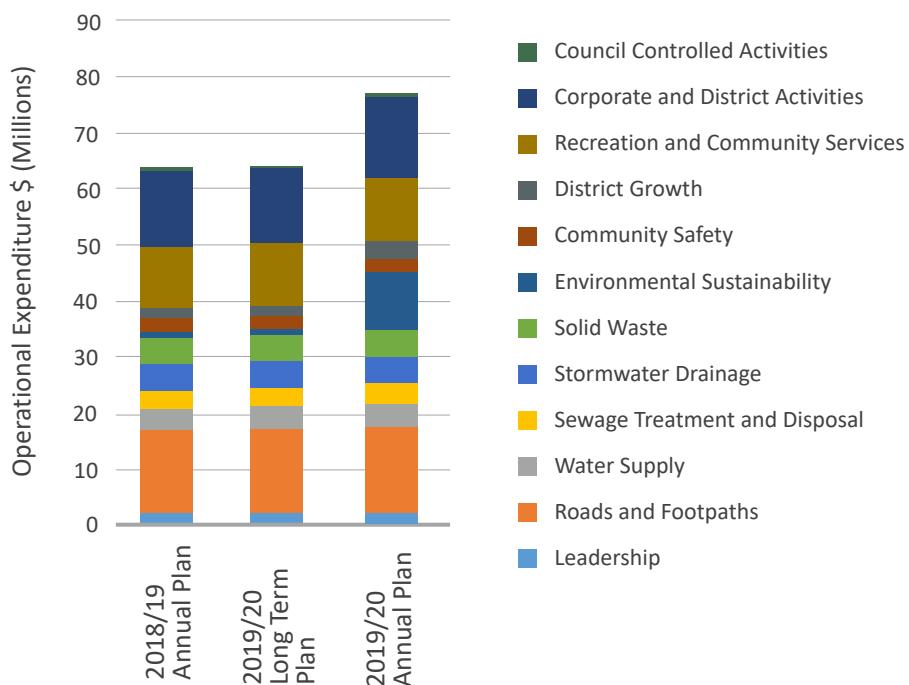
The full Financial Strategy can be found on pages 66-81 of the Long Term Plan 2018-28. In reading the full Strategy, it should be noted that the limit for total debt has been amended.

## OPERATING COSTS IN 2019/20

Our operating expenditure for 2019/20 is \$77 million. Figure 1 below, compares this expenditure to what was anticipated for the year in our Long Term Plan and to expenditure for the previous year (2018/19).

As shown in the graph, a large portion of our operating expenditure is related to core network infrastructure (roads and footpaths, solid waste, water supply, stormwater and sewerage).

**Figure 1: Operating expenditure by group of activity**

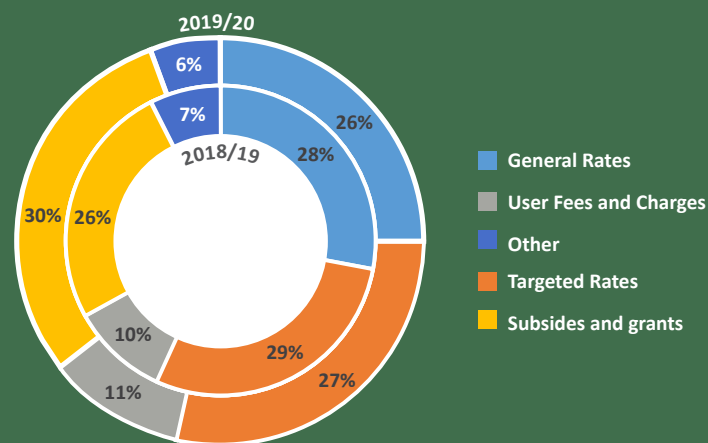


## WHERE REVENUE WILL COME FROM

Rates are the main source of income for the Council and will make up around 53.4% of income in the 2019/20 year. Other major sources of funding are fees and charges, and external subsidies and grants. The table below (Figure 2) shows where our operating revenue is budgeted to come from for the 2019/20 year and how this compares to last year's budget.

**Figure 2: Sources of revenue**

REVENUE	2018/19	2019/20
General Rates	27.8%	25.8%
Targeted Rates	28.9%	27.6%
User Fees and Charges	10.3%	10.9%
Subsidies and Grants	25.5%	30.0%
Other	7.5%	5.7%





## CHANGES IN RATES FOR 2019/20

The average rates increase for the 2019/20 year is 4.11%. This is within the limit on rates increases of 4.2% set through our Financial Strategy. The rates increase of 4.11% is the average across the District and the change for individual properties may be higher or lower than this. For more detail about how rates are set and how they may impact different property sectors in the District, please see the 'All About Rates' chapter, which starts on page 21 of this Annual Plan document.

### Limits on average rates increases:

Our Financial Strategy includes limits for rates increases to help provide greater certainty over time to rate payers. Our limits are set at the rate of inflation plus a 2% flexibility margin.

For inflation we use the Local Government Cost Index, which is a measure of inflation as it relates to local government costs.

For the 2019/20 year, the limit is 4.2%.

### Limits on rates revenue:

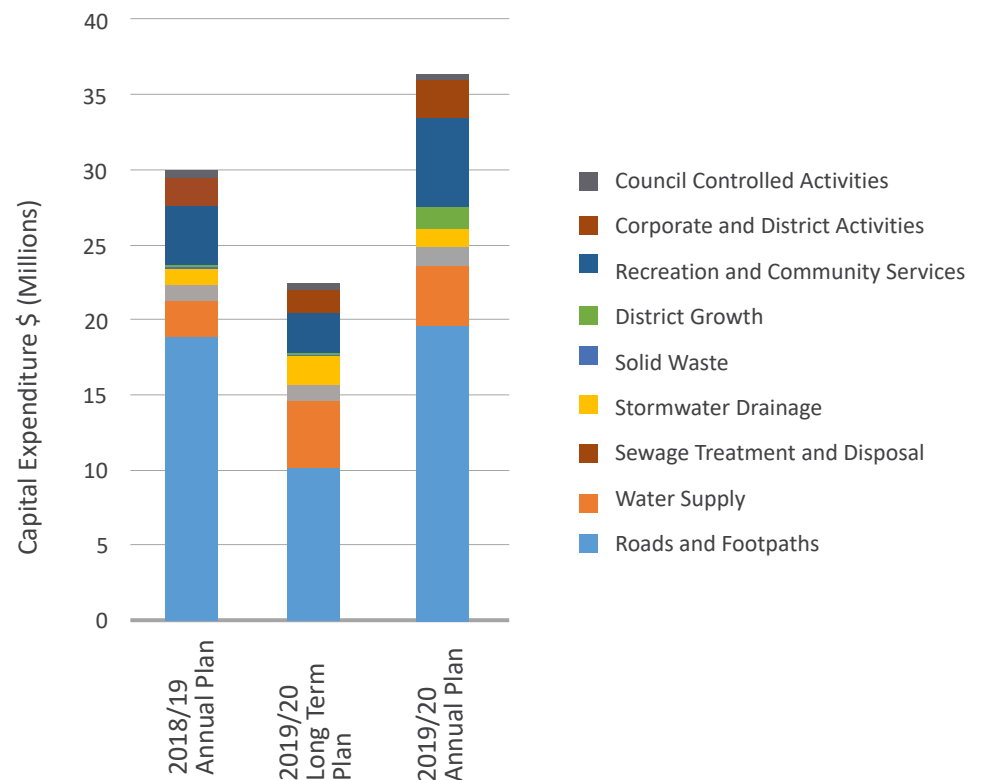
The Financial Strategy limits rates revenue to a maximum of 80% of operating costs. This means we will need to continue to get at least 20% of revenue from sources other than rates. For the 2019/20 year, we plan to receive approximately 47% of our revenue from sources other than rates and we will continue to maximise this wherever possible.

## CAPITAL EXPENDITURE

This year's capital expenditure programme is projected to cost \$36.41 million. This compares to \$22.94 million set out in the Long Term Plan for the 2019/20 year. Key projects contributing to the variance include: safety improvements to Wainui Road; land purchases at the Whakatāne Airport and The Strand; the Whakatāne Waterfront and Town Centre Regeneration project; and the Whakatāne outdoor pool roof.

The full capital works programme for the 2019/20 year is included on page 42 of this Annual Plan document. The full programme provides detail at individual project level.

Figure 3: Capital expenditure by group of activity



## BORROWING AND LIMITS ON DEBT

### Our total debt is increasing:

Debt is a useful tool to allow us to deliver major intergenerational projects that would not otherwise be possible. Taking on debt and repaying it over time means that current and future ratepayers are contributing to the cost of the assets they are using or benefiting from. However, because loans are mostly repaid from rates revenue, we need to be mindful of the implications for affordability.

Through this Annual Plan the Council is increasing the use of debt as a funding tool compared to what was originally set out in our Long Term Plan. The following graph, indicates that Council's total debt will increase to around \$84 million in the 2019/20 year, and rise to \$93 million the following year. This is higher than the levels of debt signalled in our Long Term Plan. We have thought carefully about this increase in debt and the proposals that are driving it. Without the increase in debt, we could not take advantage of some of the substantial funding opportunities outlined in this document, which allow the delivery of important projects we couldn't otherwise afford.

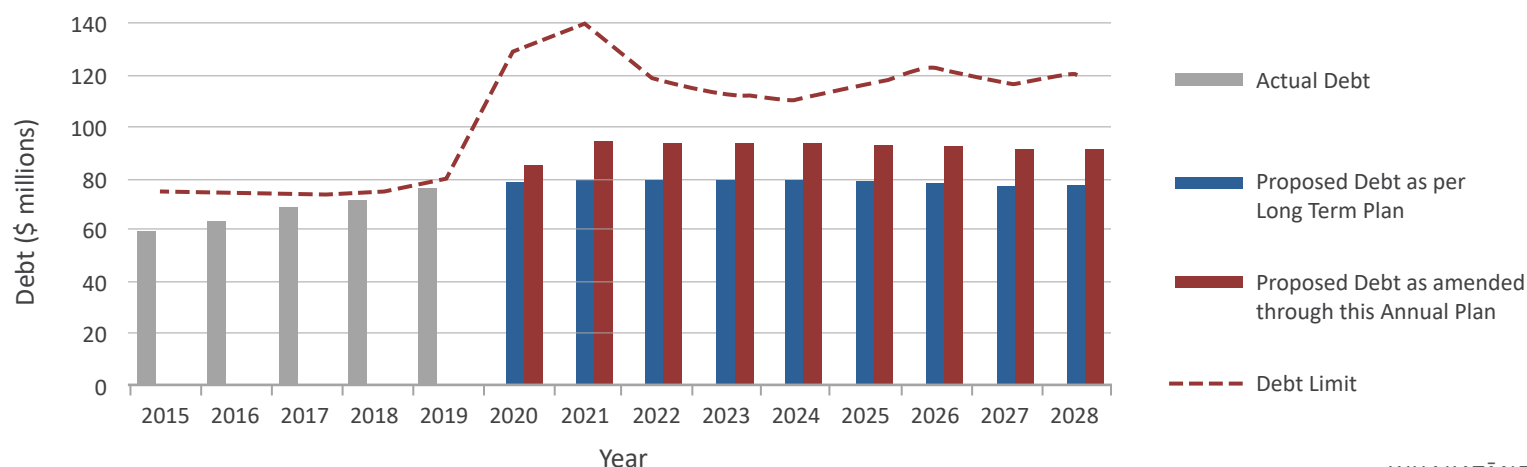
### We have made changes to the debt limit in our Financial Strategy:

Through this Annual Plan we amended the debt cap in our Financial Strategy. Previously, our debt cap was fixed at \$80 million and we were one of very few councils to operate a debt cap in this way, at a fixed dollar amount. While a fixed dollar amount is a simpler approach, because debt needs to be repaid from revenue, it makes more sense to set a debt cap relative to revenue. That is to say, if our revenue goes up, we can borrow more – if revenue comes down, we would need to tighten up on debt.

Our new debt cap is set annually at 150% of total revenue. We have looked at some similar councils to us and their debt caps range from 150% to 195%. We are proposing to stay at the more conservative end of this range.

The graph below indicates how the new debt cap levels will change over time. In dollar terms, this means our debt cap would be approximately \$129 million for the 2019/20 year.

**Figure 4: Total debt levels and limits**





# FUNDING IMPACT STATEMENT WHOLE OF COUNCIL

The 'Indicative Funding Impact Statement' (FIS) table provides an overview of what it costs to provide Council services and activities; how they will be funded; and whether we are planning for a surplus, deficit, or balanced budget at the end of the year.

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 buying or building new assets or extending or renewing existing assets. Capital expenditure is generally 'one-off' in nature, whereas operational costs are ongoing.

An explanation of the categories in this FIS can be found on page 136 of the Long Term Plan 2018-28.

LTP 2018/19 \$000		LTP 2019/20 \$000	AP 2019/20 \$000	VARIANCE 2019/20 \$000
<b>OPERATIONAL</b>				
<b>Sources of operating funding</b>				
22,313	General rates, uniform annual general charges, rates penalties	22,627	23,045	418
22,592	Targeted Rates	23,567	23,861	294
4,087	Subsidies and grants for operating purposes	4,180	9,176	4,996
7,617	Fees and Charges	7,691	9,006	1,316
50	Interest and dividends from investments	46	45	(1)
1,786	Local authorities fuel tax, fines, infringement fees, and other receipts	1,881	1,887	6
<b>58,445</b>	<b>Total Sources of operating funding (A)</b>	<b>59,991</b>	<b>67,020</b>	<b>7,029</b>
<b>Applications of operating funding</b>				
41,847	Payments to staff and suppliers	42,253	54,515	12,263
2,561	Finance costs	2,495	2,600	105
850	Other operating funding applications	908	910	2
<b>45,257</b>	<b>Total Applications of operating funding (B)</b>	<b>45,655</b>	<b>58,025</b>	<b>12,370</b>
<b>13,188</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>14,335</b>	<b>8,995</b>	<b>(5,340)</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
15,814	Subsidies and grants for capital expenditure	7,561	16,682	9,121
1,064	Development and financial contributions	131	127	(3)
2,534	Increase (decrease) in debt	2,363	6,041	3,678
565	Gross proceeds from sale of assets	2,000	2,000	-
-	Lump Sum Contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>19,977</b>	<b>Total Sources of capital funding (C)</b>	<b>12,055</b>	<b>24,850</b>	<b>12,795</b>
<b>Applications of capital funding</b>				
Capital expenditure				
3,051	- to meet additional demand	4,208	5,259	1,051
15,494	- to improve level of service	7,407	17,541	10,135
11,126	- to replace existing assets	11,127	13,605	2,478
3,495	Increase (decrease) in reserves	3,648	(2,561)	(6,209)
-	Increase (decrease) of investments	-	-	-
<b>33,166</b>	<b>Total Applications of capital funding (D)</b>	<b>26,390</b>	<b>33,845</b>	<b>7,455</b>
<b>(13,188)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(14,335)</b>	<b>(8,995)</b>	<b>5,340</b>
-	<b>Funding Balance ((A-B) + (C-D))</b>	-	-	-

# OTHER CHANGES MADE THROUGH THIS ANNUAL PLAN

## Ngā tāpirihanga o Te Rautaki Mahere



### Fees and charges:

We review fees and charges annually as part of the Annual Plan process to ensure that these remain appropriate and fair, and continue to achieve necessary levels of revenue required by Council's Revenue and Financing Policy. As a result of this review there are a number of changes that have been made to fees and charges for 2019/20. In general, the changes are minor and many fees and charges have remained unchanged. The key changes are as follows:

- Increases in water supply connection fee to more closely reflect the actual cost incurred.
- Inclusion of the Tradewaste charging regime into the Annual Plan fees and charges document.
- Changes to deposit schemes for building and resource consent applications to make these easier to understand and administer.
- Minor inflationary increases for the Whakatāne Aquatic Centre.
- Introduction of fees to support public use of new meeting rooms available at Te Whare Taonga Ō Taketake (Whakatāne Museum and Research Centre)
- A new fees and charges regime for parks and reserves to make these easier to understand and administer.

The full Fees and Charges document is available on our website, at the Council's Service Centres in Whakatāne and Murupara, and at Council libraries around the District.



## Non-financial performance measures:

Through the development of this Annual Plan, necessary minor amendments to the wording of two non-financial performance measures have been identified. The measures are both in the Community Safety group of activities, and changes are outlined below:

### **ACTIVITY: LICENSING (ALCOHOL AND GAMBLING)**

**Previous wording:** Percentage of licenced premises inspected as required by the Sale and Supply of Alcohol Act 2012.

**New wording:** Percentage of licensed premises inspected at least once per year, excluding special licences.

**Reason for change:** This change is necessary as the Sale and Supply of Alcohol Act requires licensing inspectors to monitor licensees' compliance with the Act, but does not specify particular inspection requirements. The target remains at 100%.

### **ACTIVITY: ENVIRONMENTAL HEALTH AND REGULATION MONITORING**

**Previous wording:** Percentage of food premises inspected as legislatively required.

**New wording:** Percentage of registered premises verified within the timeframes defined by the Food Act 2014.

**Reason for change:** Under the now repealed Food Hygiene Regulations 1974 (made pursuant to the Health Act 1956 and the former Food Act 1981), Territorial Authorities were required to undertake inspection of food premises. The new Food Act 2014 now refers to verifications rather than inspections. The target remains at 100%.





All about rates  
Ngā Reiti Anake



# HOW RATES WORK



**This section of the Annual Plan provides a brief overview of how our rating system works and examples of what your rates might look like for the 2019/20 year.**

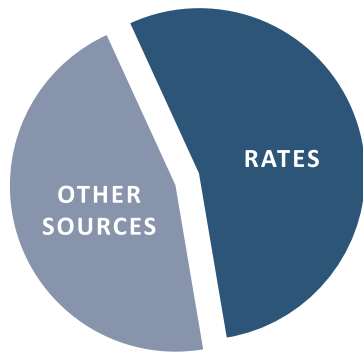
**The 'Funding Impact Statement - Rating' is included in this section. This lets you see how we calculate your rates, and the services that you might be paying for in 2019/20. It sets out the total rating impacts of the work programme contained in this Annual Plan.**

**Your rates are determined by a number of key factors, which are set out here.**

## 1. OUR BUDGET SETTING PROCESS IMPACTS RATES AFFORDABILITY

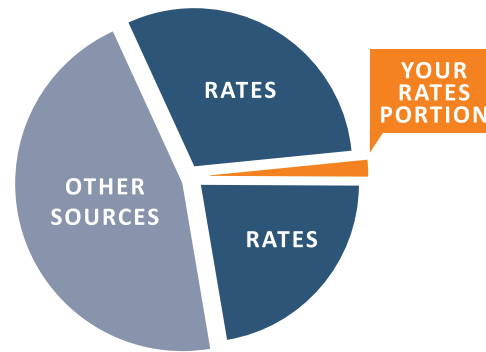
As we developed the Long Term Plan and subsequently refined the budget through this Annual Plan, we made choices about the projects and services that will be delivered. The amount that we spend and how we spread these costs over time (such as through loan funding) has a direct impact on rates.





## 2. THE AMOUNT OF FUNDING WE ARE ABLE TO GET FROM OTHER SOURCES IMPACTS RATES AFFORDABILITY

Not all of Council's spending is paid for by rates. In fact, 47% will come from other sources in the 2019/20 year. We work hard to get as much funding as we can from external sources like the Ministry of Health, New Zealand Transport Agency, the Lotteries Commission, local partnerships and others. Working in partnership for more effective and efficient outcomes is a key focus in our LTP and Annual Plan.



## 3. OUR SYSTEM OF RATING IMPACTS RATES AFFORDABILITY

There are 15,723 rateable properties in our District. Our total rates requirement is divided amongst these properties. The amount of rates charged differs from one to the next. These differences are based on a balance between the capital value of each property, and the services property owners can access or are likely to benefit from. Our rating philosophy and system determines that balance, and is set out in our Revenue and Financing Policy.



## 4. OUR DAY-TO-DAY FINANCIAL MANAGEMENT IMPACTS RATES AFFORDABILITY

Staying within the budgets that have been set for any given year is a key part of rates affordability. This is because cost overruns in one year can cause a rating deficit which would need to be recovered in the following year or years.

## 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 15,723 rateable properties. The table below shows the number of rateable properties in our District as at 21 June 2019. Properties are valued every three years by an independent valuer, and were last valued in September 2016. The next review will take place in 2019.

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 change.

	NUMBER OF RATEABLE RATING UNITS	RATEABLE CAPITAL VALUE \$ MILLION
Whakatāne Commercial	514	1,087,457
Edgecumbe	648	188,471
Matatā	333	92,325
Murupara	772	53,569
Ōhope	1,879	1,207,214
Ōtarawairere	37	33,062
Rural	5,141	3,506,781
Tāneatua	284	37,764
Te Teko	277	38,890
Whakatāne Urban	5,838	2,154,926
<b>TOTAL</b>	<b>15,723</b>	<b>8,400,459</b>

## Rates due dates

There will be four equal rates instalments for the 2019/20 rating year. The due dates are as follows:

INSTALMENT	DUE DATE	PENALTY DATE
Instalment 1	Friday, 23 August 2019	Monday, 26 August 2019
Instalment 2	Friday, 22 November 2019	Monday, 25 November 2019
Instalment 3	Friday, 21 February 2020	Monday, 24 February 2020
Instalment 4	Friday, 22 May 2020	Monday, 25 May 2020

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 2020 to any overdue rates payments at 1 July 2020 and which are unpaid at 1 July 2020, which remain unpaid at 30 September 2020.

## Water rates due dates

The following are the due dates for water rates invoices:

INSTALMENT	SCHEME	DUE DATE	PENALTY DATE
1st Reading	Plains	Friday, 25 October 2019	Monday, 28 October 2019
2nd Reading	All metered schemes	Friday, 24 January 2020	Monday, 27 January 2020
3rd Reading	Plains	Friday, 24 April 2020	Monday, 27 April 2020
4th Reading	All metered schemes	Friday, 24 July 2020	Monday, 27 July 2020

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

## 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](http://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 2019/20 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](http://whakatane.govt.nz)).



# 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%.*

		2019/20 \$
<b>GENERAL RATES</b>		
<b>Total Amount Required</b>		<b>22,244,997</b>
The Council sets a general rate on the capital value (CV) of each applicable rating unit in the District on a stepped differential basis (cents per CV\$).		
<b>Per dollar of capital value</b>	<b>Rate \$</b>	
District wide rating units with capital value less than \$15 million (step 1)	0.00137785	10,963,176
District wide rating units with capital value greater than \$15 million (step 2)*	0.00068892	305,697
Uniform Annual General Charge on all rating units in the District	734.88	10,976,125
<i>* 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.</i>		

<b>ROADING RATES</b>		
<b>Total Amount Required</b>		<b>6,034,135</b>
The Council sets the roading rate on the capital value of each applicable rating unit in the District (cents per CV\$).		
<b>Per dollar of capital value</b>	<b>Rate \$</b>	
District wide rating units (cents per CV\$)	0.00065104	5,430,721
Fixed targeted rate on all rating units in the District	40.39	603,413

		2019/20 \$
<b>COMMUNITY BOARDS</b>		
<b>Total Amount Required</b>		<b>338,888</b>
The Community Board rate funds the Governance activity. The Community Board rate is set to fund the costs of the four Community Boards. The Council sets the targeted rate on rating units within each of the following locations.		
	<b>Rate \$</b>	
Whakatāne/Ōhope	22.42	184,843
Rangitāiki	15.05	62,645
Tāneatua	34.75	44,308
Murupara	37.55	47,091

<b>STORMWATER RATES</b>				
<b>Total amount required</b>				<b>3,161,212</b>
The Council sets a differential targeted rate for stormwater on rating units and a rate on the capital value differentially as follows.				
<b>Per dollar of capital value</b>	<b>Differential</b>	<b>Fixed targeted rate per rateable unit \$</b>	<b>Rate \$</b>	
Whakatāne Urban	1.0	91.19	0.00052989	1,676,388
Whakatāne Commercial and Industrial*	2.2	91.19	0.00116577	620,261
Matatā	1.0	47.16	0.00049801	61,306
Ōhope	1.0	69.28	0.00031745	521,557
Edgecumbe	1.0	102.75	0.00070612	257,282
Tāneatua	1.0	13.26	0.00028339	14,269
Murupara	1.0	0.96	0.00004913	2,806
Te Mahoe Land Drainage	1.0	11.73	0.00040162	1,126
Te Teko Land Drainage	1.0	12.14	0.00044142	6,216
<i>* A differential targeted rate calculated on capital value is charged for Whakatāne Commercial and Industrial rating units, due to the greater level of impermeable surfaces putting greater pressure on stormwater systems.</i>				

				2019/20 \$
<b>DISTRICT GROWTH RATES</b>				
<b>Total amount required</b>				<b>803,399</b>
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				
Fixed amount per rating unit for all commercial and industrial properties			335.87	200,850
Total amount required per CV\$				602,549
The Council sets a targeted rate on the capital value for all commercial and industrial rating units outside the Whakatāne urban area (per CV\$).	1.0	0.00052151		86,513
The Council sets a targeted rate on the capital value for all commercial and industrial rating units within the Whakatāne urban area (per CV\$).	2.0	0.00104303		516,036

<b>REFUSE REMOVAL RATES</b>			
<b>Total amount required</b>			<b>\$ 2,461,394</b>
The Refuse Removal rate funds the Solid 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: <b>Residential</b> - recycling, refuse, and green waste <b>Rural and Commercial</b> - recycling and refuse			
Residential - per service		187.05	1,522,974
Rural/commercial - per service		153.32	597,337
Ōhope residential * - per service		189.67	333,442
Ōhope commercial - per service		155.94	7,641
*The Council provides an additional three recycling collections during the summer holiday period for Ōhope.			

				2019/20 \$
<b>WATER RATES</b>				
<b>Total amount required</b>				<b>6,562,809</b>
The Council sets water rates on a differential based on provision of service, land use and location. <b>Connected</b> - any rating unit that is connected directly or indirectly to a Council operated waterworks. <b>Available</b> - 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>				
<b>Ruatāhuna</b>	<b>Per connection \$</b>	<b>Rate \$</b>	<b>Total \$</b>	
Connected	0		0	
Connected - commercial	0		0	
<b>Plains and Awakeri Extension</b>				
Plains and Awakeri connected - metered	120.00		457,851	
Plains and Awakeri water by meter		0.27	686,776	
Plains and Awakeri excess water by meter*		0.90		
<b>Murupara</b>				
Connected - metered	123.32		4,563	
Connected - non metered	308.23		205,898	
Available - not connected	123.32		13,935	
Water by meter		0.84	27,786	
<b>All Other Schemes</b>				
Connected - metered	216.24		1,847,997	
Connected - non metered	583.60		345,490	
Available - not connected	216.24		90,389	
Water by meter		1.67	2,882,126	
* 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. <i>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>				



		2019/20 \$
<b>SEWERAGE RATES</b>		
<b>Total amount required</b>		<b>4,418,802</b>
<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. Commercial / industrial properties are charged per pan.</p> <p><b>Connected</b> - any rating unit that is connected to a public sewerage drain.  <b>Available</b> - any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.</p>		
	<b>Rate \$</b>	
Available - all schemes excluding Murupara	180.95	62,969
Connected - all schemes excluding Murupara	361.89	4,081,066
Available - Murupara	175.23	15,421
Connected - Murupara	350.47	259,345
<p>*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.</p>		

<b>EPIC RATES</b>	
<b>Total amount required</b>	<b>80,000</b>
<p>A targeted rate has been set to fund EPIC (Events Promotions Initiatives Community). The rate is based on the capital value of the rateable units identified as the Whakatāne Central Business District in the Whakatāne District Plan. More information about this rate can be found on page 32 of this document.</p>	
Fixed charge	0
Number of rateable urban properties	102
CV rate \$	0.000686793

## PERCENTAGE OF RATES THAT ARE FIXED CHARGES

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.

	2019/20 \$
<b>Report on 30% Cap (Section 21 LGRA)</b>	<b>\$ Excl. GST</b>
<b>Targeted rates that are set on a uniform basis and calculated in accordance with section 18(2) or clause 7 of Schedule 3</b>	
Uniform Annual General Charge	10,976,125
Roading	603,413
Community Boards	338,887
Stormwater	790,303
District Growth	200,850
<b>Total Uniform Annual General Charge and targeted rates</b>	<b>12,909,578</b>
<b>Total rates (excluding GST)</b>	<b>46,105,635</b>
<b>Uniform rates as a percentage of total rates</b>	<b>28%</b>

# INDICATIVE RATING EXAMPLES FOR 2019/20

Overall, the average rates increase for 2019/20 is 4.11% 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 2019/20 year and how this compares to 2018/19. In addition to the table below, a new targeted rate will apply to properties in the Whakatāne CBD. Information about the new EPIC targeted rate can be found on the next page.

	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
<b>Capital Value</b>	<b>155,000</b>	<b>355,000</b>	<b>1,100,000</b>	<b>370,000</b>	<b>730,000</b>	<b>295,000</b>	<b>293,000</b>	<b>640,000</b>
General Rate	213.57	489.14	1,515.63	509.80	1,005.83	406.47	403.71	881.82
Uniform Annual General Charge	734.88	734.88	734.88	734.88	734.88	734.88	734.88	734.88
Roading CV	100.91	231.12	716.14	240.88	475.26	192.06	190.75	416.66
Roading Fixed Targeted Rate	40.39	40.39	40.39	40.39	40.39	40.39	40.39	40.39
Community Boards	22.42	22.42	22.42	22.42	22.42	15.05	15.05	15.05
Stormwater Fixed Targeted Rate	91.19	91.19	91.19	91.19	91.19	102.75	47.16	47.16
Stormwater CV	82.13	188.11	582.88	431.33	851.01	208.30	145.92	318.73
District Growth	-	-	-	721.79	1,097.28	-	-	-
Refuse Removal	187.05	187.05	187.05	153.32	153.32	187.05	187.05	187.05
Water	583.60	583.60	583.60	583.60	583.60	583.60	583.60	583.60
Sewerage	361.89	361.89	361.89	361.89	361.89	361.89	-	-
<b>Subtotal (excluding GST)</b>	<b>2,418.03</b>	<b>2,929.79</b>	<b>4,836.07</b>	<b>3,891.49</b>	<b>5,417.07</b>	<b>2,832.44</b>	<b>2,348.51</b>	<b>3,225.34</b>
<b>Plus GST at 15%</b>	<b>362.70</b>	<b>439.47</b>	<b>725.41</b>	<b>583.72</b>	<b>812.56</b>	<b>424.87</b>	<b>352.28</b>	<b>483.80</b>
<b>2019/20 Total indicative rates including GST</b>	<b>\$2,780.73</b>	<b>\$3,369.26</b>	<b>\$5,561.48</b>	<b>\$4,475.21</b>	<b>\$6,229.63</b>	<b>\$3,257.31</b>	<b>\$2,700.79</b>	<b>\$3,709.14</b>
<b>2018/19 Total indicative rates including GST</b>	<b>\$2,658.05</b>	<b>\$3,247.74</b>	<b>\$5,444.30</b>	<b>\$4,321.34</b>	<b>\$6,067.88</b>	<b>\$3,091.89</b>	<b>\$2,626.51</b>	<b>\$3,629.34</b>
<b>\$ increase (decrease) incl. GST</b>	<b>\$122.68</b>	<b>\$121.52</b>	<b>\$117.19</b>	<b>\$153.87</b>	<b>\$161.75</b>	<b>\$165.42</b>	<b>\$74.28</b>	<b>\$79.80</b>
<b>% increase (decrease) incl. GST</b>	<b>4.62%</b>	<b>3.74%</b>	<b>2.15%</b>	<b>3.56%</b>	<b>2.67%</b>	<b>5.35%</b>	<b>2.83%</b>	<b>2.20%</b>

MURUPARA URBAN	MURUPARA LIFESTYLE	TE TEKŌ	ŌTARAWAIRERE	ŌHOPE LOW	ŌHOPE AVERAGE	ŌHOPE HIGH	TĀNEATUA	RURAL LOW	RURAL AVERAGE	RURAL HIGH	DISTRICT WIDE - COMMERCIAL/ INDUSTRIAL \$10M PLUS (SIX PANS)
61,000	205,000	111,000	820,000	510,000	640,000	1,220,000	134,000	58,500	965,000	3,190,000	14,500,000
84.05	282.46	152.94	1,129.84	702.70	881.82	1,680.98	184.63	80.60	1,329.62	4,395.34	19,978.82
734.88	734.88	734.88	734.88	734.88	734.88	734.88	734.88	734.88	734.88	734.88	734.88
39.71	133.46	72.26	533.85	332.03	416.66	794.26	87.24	38.09	628.25	2,076.80	9,440.02
40.39	40.39	40.39	40.39	40.39	40.39	40.39	40.39	40.39	40.39	40.39	40.39
37.55	37.55	15.05	22.42	22.42	22.42	22.42	34.75	15.05	15.05	15.05	22.42
0.96	-	12.14	69.28	69.28	69.28	69.28	13.26	-	-	-	91.19
3.00	-	49.00	260.31	161.90	203.17	387.29	37.97	-	-	-	16,903.64
-	-	-	-	-	-	-	-	-	-	-	15,459.78
187.05	153.32	187.05	189.67	189.67	189.67	189.67	187.05	153.32	153.32	153.32	153.32
308.23	-	120.00	583.60	583.60	583.60	583.60	583.60	120.00	120.00	120.00	583.60
350.47	-	-	361.89	361.89	361.89	361.89	361.89	-	-	-	2,171.36
1,786.29	1,382.06	1,383.71	3,926.13	3,198.76	3,503.78	4,864.66	2,265.66	1,182.33	3,021.51	7,535.78	65,579.42
267.94	207.31	207.56	588.92	479.81	525.57	729.70	339.85	177.35	453.23	1,130.37	9,836.91
<b>\$2,054.23</b>	<b>\$1,589.37</b>	<b>\$1,591.27</b>	<b>\$4,515.05</b>	<b>\$3,678.57</b>	<b>\$4,029.35</b>	<b>\$5,594.36</b>	<b>\$2,605.51</b>	<b>\$1,359.68</b>	<b>\$3,474.74</b>	<b>\$8,666.15</b>	<b>\$75,416.33</b>
\$1,924.97	\$1,564.05	\$1,573.97	\$4,402.71	\$3,562.60	\$3,914.90	\$5,486.72	\$2,470.00	\$1,336.90	\$3,442.94	\$8,612.19	\$74,675.01
<b>\$129.26</b>	<b>\$25.32</b>	<b>17.30</b>	<b>\$112.34</b>	<b>\$115.98</b>	<b>\$114.45</b>	<b>\$107.64</b>	<b>\$135.50</b>	<b>\$22.78</b>	<b>\$31.80</b>	<b>\$53.96</b>	<b>\$741.32</b>
<b>6.71%</b>	<b>1.62%</b>	<b>1.10%</b>	<b>2.55%</b>	<b>3.26%</b>	<b>2.92%</b>	<b>1.96%</b>	<b>5.49%</b>	<b>1.70%</b>	<b>0.92%</b>	<b>0.63%</b>	<b>0.99%</b>

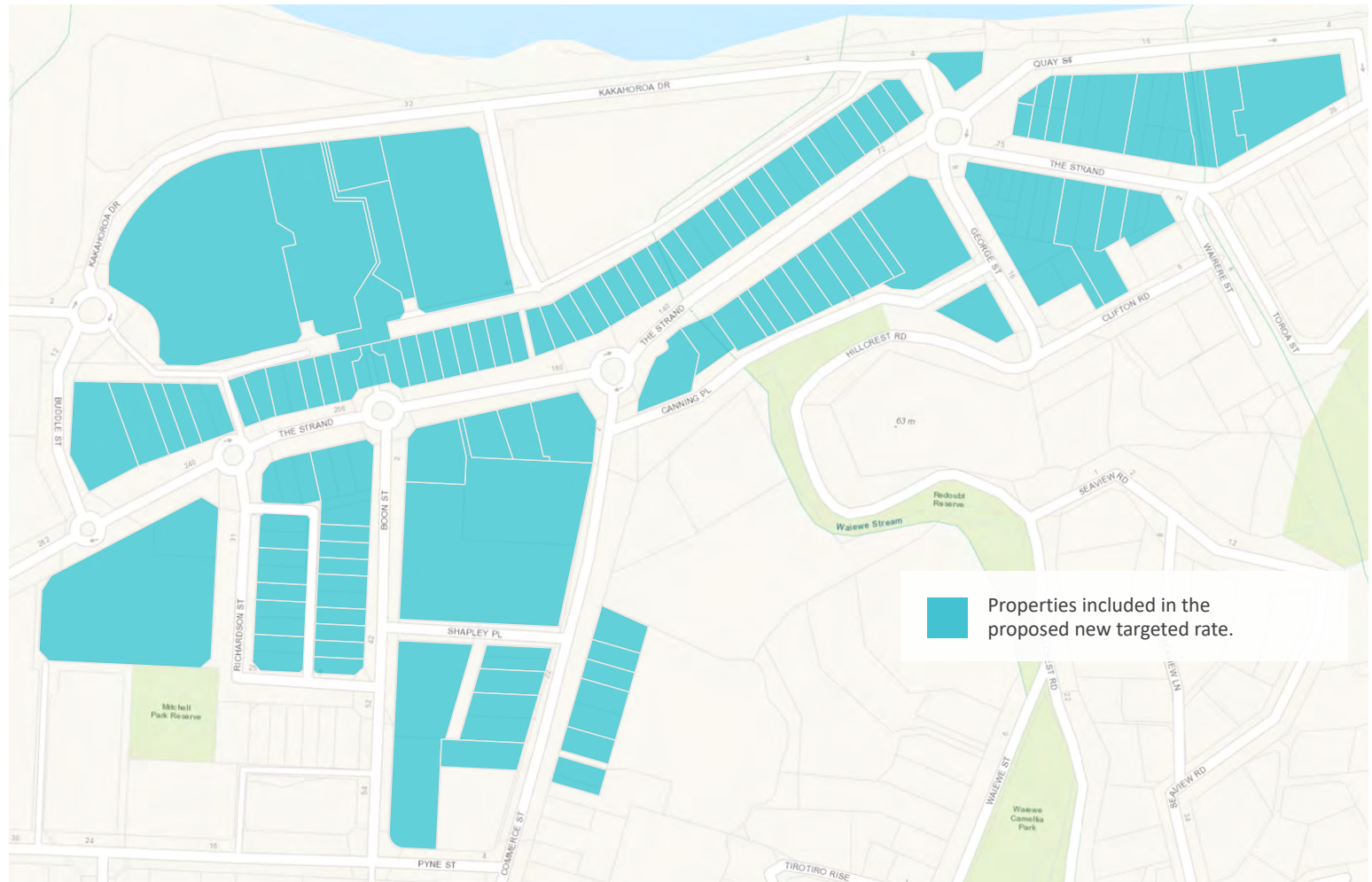


# EPIC TARGETED RATE

From the 2019/20 year a new targeted rate will be applied to provide funding to implement the EPIC Whakatāne Town Centre Strategy. The \$80,000 funding requirement will be spread as a targeted rate over 102 properties in Whakatāne CBD, based on the capital value of each property.

The information on this page models the impact of this rate on example properties and provides and indication of which properties will be affected.

More information about the EPIC initiative is available on page 7 of this Annual plan.



Properties included in the proposed new targeted rate.

## Overview of rating proposal and targeted properties

	Example properties			
	Large property on the Strand	Large Property	Medium Property	Small property under apartments
<b>Capital Value</b>	<b>\$7,000,000</b>	<b>\$5,950,000</b>	<b>\$570,000</b>	<b>\$290,000</b>
Current rates assessment (2018/19 year)	\$33,380	\$28,637	\$4,061	\$2,717
Proposed new EPIC rate (ex gst)	+ \$4,807	+ \$4,086	+ \$391	+ \$199





Annual budget in detail  
*Taipitopito o Te Mahere Pūtea ā-Tau*



# PROSPECTIVE FINANCIAL STATEMENTS

## Ngā matapae tauāki pūtea

The following Prospective Financial Statements are provided to give you an indication of our predicted financial position during the 2019/20 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.

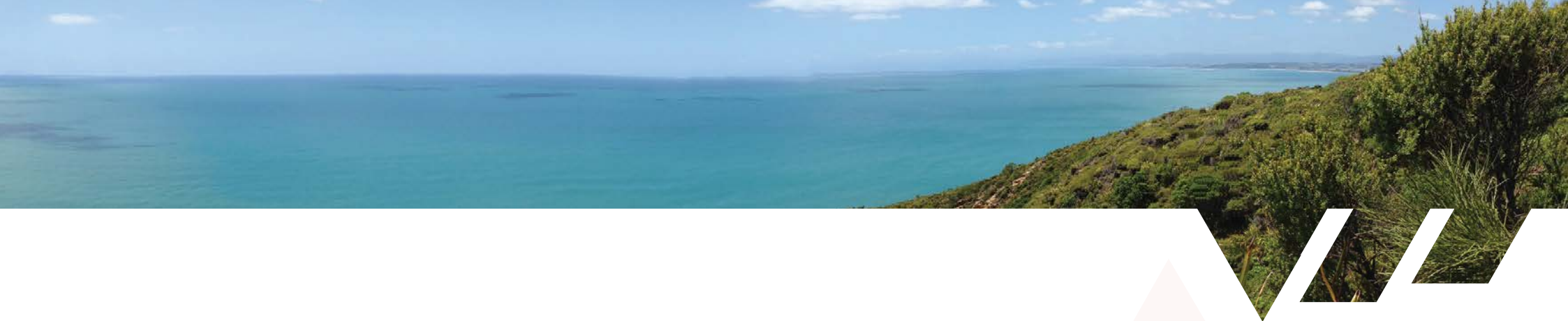
### PROSPECTIVE STATEMENT OF FINANCIAL POSITION

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 2019/20 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 2019/20.



## PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
<b>REVENUE</b>				
44,283	Rates *See Note 1 and 2	45,560	46,496	936
20,273	Subsidies and Grants	12,089	26,198	14,109
1,064	Development and Financial Contributions	131	127	(4)
6,480	Fees and Charges	5,822	6,773	951
50	Interest Revenue	46	43	(3)
1,433	Other Revenue	3,402	3,784	382
1,150	Gains	-	-	-
<b>74,733</b>	<b>Total Revenue</b>	<b>67,050</b>	<b>83,421</b>	<b>16,371</b>
<b>EXPENDITURE</b>				
16,960	Personnel Costs	17,007	17,678	671
15,464	Depreciation and Amortisation Expense * Note 3	16,605	16,202	(403)
2,572	Finance Costs *	2,508	2,600	92
26,729	Other Expenses	27,192	36,938	9,746
-	Revaluation Losses	-	1,500	1,500
<b>61,725</b>	<b>Total Expenses</b>	<b>63,312</b>	<b>74,918</b>	<b>11,606</b>
<b>13,008</b>	<b>Surplus (Deficit) Before Tax</b>	<b>3,738</b>	<b>8,503</b>	<b>4,765</b>
	Income Tax Expense (Benefit)		(25)	25
<b>13,008</b>	<b>Surplus (Deficit) After Tax</b>	<b>3,738</b>	<b>8,528</b>	<b>4,790</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
17,716	Gains (Loss) on Property, Plant and Equipment Revaluations	2,862	14,000	11,138
-	Tax on Revaluation Surplus	-	-	-
<b>30,724</b>	<b>Total Comprehensive Revenue and Expense</b>	<b>6,600</b>	<b>22,528</b>	<b>15,928</b>

\*Excludes internal borrowing costs

LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
<b>NOTE 1: GENERAL RATES BY ACTIVITY</b>				
2,964	Leadership	2,956	2,960	4
(25)	Roads and Footpaths	(25)	(25)	-
126	Sewage Treatment and Disposal	438	177	(261)
352	Stormwater Drainage	354	339	(15)
1,849	Solid Waste	1,924	1,748	(176)
2,019	Environmental Sustainability	1,892	1,829	(63)
2,523	Community Safety	2,463	2,569	106
1,066	District Growth	1,128	1,459	331
10,551	Recreation & Community Services	10,717	10,802	85
803	Corporate and District Activities	692	301	(391)
85	Council Controlled Organisations	86	85	(1)
<b>22,313</b>	<b>General Rates per Whole of Council FIS</b>	<b>22,625</b>	<b>22,244</b>	<b>(381)</b>
-	<b>Plus Penalties</b>	-	800	800
400	Less Remissions	449	410	(39)
<b>21,913</b>	<b>General Rates Levied per Rating Statement</b>	<b>22,176</b>	<b>22,634</b>	<b>458</b>

LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
<b>NOTE 2: TARGETED RATES BY ACTIVITY</b>				
334	Leadership	339	339	-
5,837	Roads & Footpaths	6,412	6,034	(378)
6,117	Water Supply	5,885	6,563	678
3,764	Sewage Treatment & Disposal	4,038	4,419	381
3,184	Stormwater Drainage	3,390	3,161	(229)
2,595	Solid Waste	2,732	2,461	(271)
723	District Growth	734	847	113
36	Council Controlled Organisations	37	36	(1)
<b>22,590</b>	<b>Total Targeted Rates per Whole of Council FIS</b>	<b>23,567</b>	<b>23,860</b>	<b>293</b>

LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
<b>NOTE 3: DEPRECIATION AND AMORTISATION</b>				
7,081	Roads & Footpaths	7,746	7,570	(176)
1,916	Water Supply	2,073	2,016	(57)
1,483	Sewage Treatment & Disposal	1,558	1,515	(43)
1,135	Stormwater Drainage	1,215	1,181	(34)
41	Solid Waste	43	42	(1)
10	Community Safety	10	10	-
69	District Growth	73	72	(1)
2,730	Recreation & Comm Facilities	2,907	2,735	(172)
990	Corporate & District Activities	963	1,044	81
9	Council Controlled Organisations	17	17	-
<b>15,464</b>	<b>Total Depreciation and Amortisation</b>	<b>16,605</b>	<b>16,202</b>	<b>(403)</b>



## RECONCILIATION OF FUNDING IMPACT STATEMENT TO THE PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
<b>TOTAL OPERATING INCOME</b>				
Per Activity Funding Impact Statement:				
3,299	Leadership	3,347	3,351	4
4,450	Community Safety	4,405	4,667	262
2,389	Environmental Sustainability	2,270	7,199	4,929
4,314	District Growth	4,386	4,747	361
13,031	Recreation and Community Services	13,238	14,084	846
5,264	Solid Waste	5,492	5,359	(133)
10,128	Roads and Footpaths	10,801	10,322	(479)
6,172	Water Supply	5,941	6,723	782
3,637	Stormwater Drainage	3,847	3,600	(247)
4,027	Sewerage Treatment and Disposal	4,616	4,813	197
223	Reportable Council-controlled Organisations	236	264	28
1,511	Corporate & District Activities	1,410	1,893	483
<b>58,445</b>	<b>Total Operating Income</b>	<b>59,991</b>	<b>67,022</b>	<b>7,033</b>
74,955	Total Income per proposed Statement of Prospective Income:	67,234	83,421	16,187
<b>(16,509)</b>	<b>Variance</b>	<b>(7,243)</b>	<b>(16,399)</b>	<b>(9,154)</b>
Made up of:				
15,845	Subsidies and Grants for capital expenditure	7,561	16,682	9,121
1,064	Development and Financial Contributions	131	127	(4)
(400)	Rate Remissions (other operating funding applied in FIS)	(449)	(410)	39
<b>16,509</b>		<b>7,243</b>	<b>16,399</b>	<b>9,154</b>

LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
<b>TOTAL OPERATING EXPENDITURE</b>				
Per Activity Funding Impact Statement:				
2,144	Leadership	2,174	2,216	42
2,631	Community Safety	2,558	2,461	(97)
1,141	Environmental Sustainability	1,124	10,353	9,229
1,631	District Growth	1,665	3,002	1,337
7,980	Recreation and Community Services	8,081	8,415	334
4,558	Solid Waste	4,698	4,771	73
6,566	Roads and Footpaths	6,556	6,472	(84)
2,170	Water Supply	2,268	2,606	338
3,625	Stormwater Drainage	3,711	3,666	(45)
1,231	Sewerage Treatment and Disposal	1,347	1,591	244
215	Reportable Council-controlled Organisations	224	310	86
12,718	Corporate & District Activities	12,768	13,357	589
<b>46,610</b>	<b>Total Operating Expenditure</b>	<b>47,174</b>	<b>59,221</b>	<b>12,047</b>
61,947	Total Expenditure per proposed Statement of Prospective Income:	63,497	74,918	11,421
<b>(15,337)</b>	<b>Variance</b>	<b>(16,323)</b>	<b>(15,697)</b>	<b>626</b>
Made up of:				
(1,422)	Cost of Internal Borrowing	(1,589)	(1,195)	394
15,464	Depreciation	16,605	16,202	(403)
(400)	Rate Remissions (other operating funding applied in FIS)	(449)	(410)	39
645	Internal Cost Adjustment	654	(400)	(1,054)
1,050	Revaluation losses	1,103	1,500	397
<b>15,337</b>		<b>16,324</b>	<b>15,697</b>	<b>(627)</b>
Other Comprehensive Income				
<b>17,716</b>	<b>Gains on asset revaluation</b>	<b>2,862</b>	<b>14,000</b>	<b>11,138</b>
<b>30,724</b>	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>6,599</b>	<b>22,503</b>	<b>15,904</b>

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
436,635	Accumulated Funds at the start of the year	449,642	441,798	(7,844)
13,008	Net Surplus for the year	3,738	4,776	1,038
<b>449,643</b>	<b>Accumulated Funds at the end of the year</b>	<b>453,380</b>	<b>446,574</b>	<b>(6,806)</b>
176,604	Asset Revaluation Reserve at the start of the year	194,320	205,533	11,213
17,716	Revaluation of Assets	2,862	14,000	11,138
<b>194,320</b>	<b>Asset Revaluation Reserve at the start of the year</b>	<b>197,182</b>	<b>219,533</b>	<b>22,351</b>
<b>643,963</b>	<b>Equity at the end of the year</b>	<b>650,562</b>	<b>666,107</b>	<b>15,545</b>

## NET INVESTMENT IN COUNCIL CONTROLLED ORGANISATIONS

LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
	Whakatāne Airport	4,018	4,020	2
	Local Government Funding Agency*	644	1,087	443
	<b>Net Investment</b>	<b>4,662</b>	<b>5,107</b>	<b>445</b>

\*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 \$1.027 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

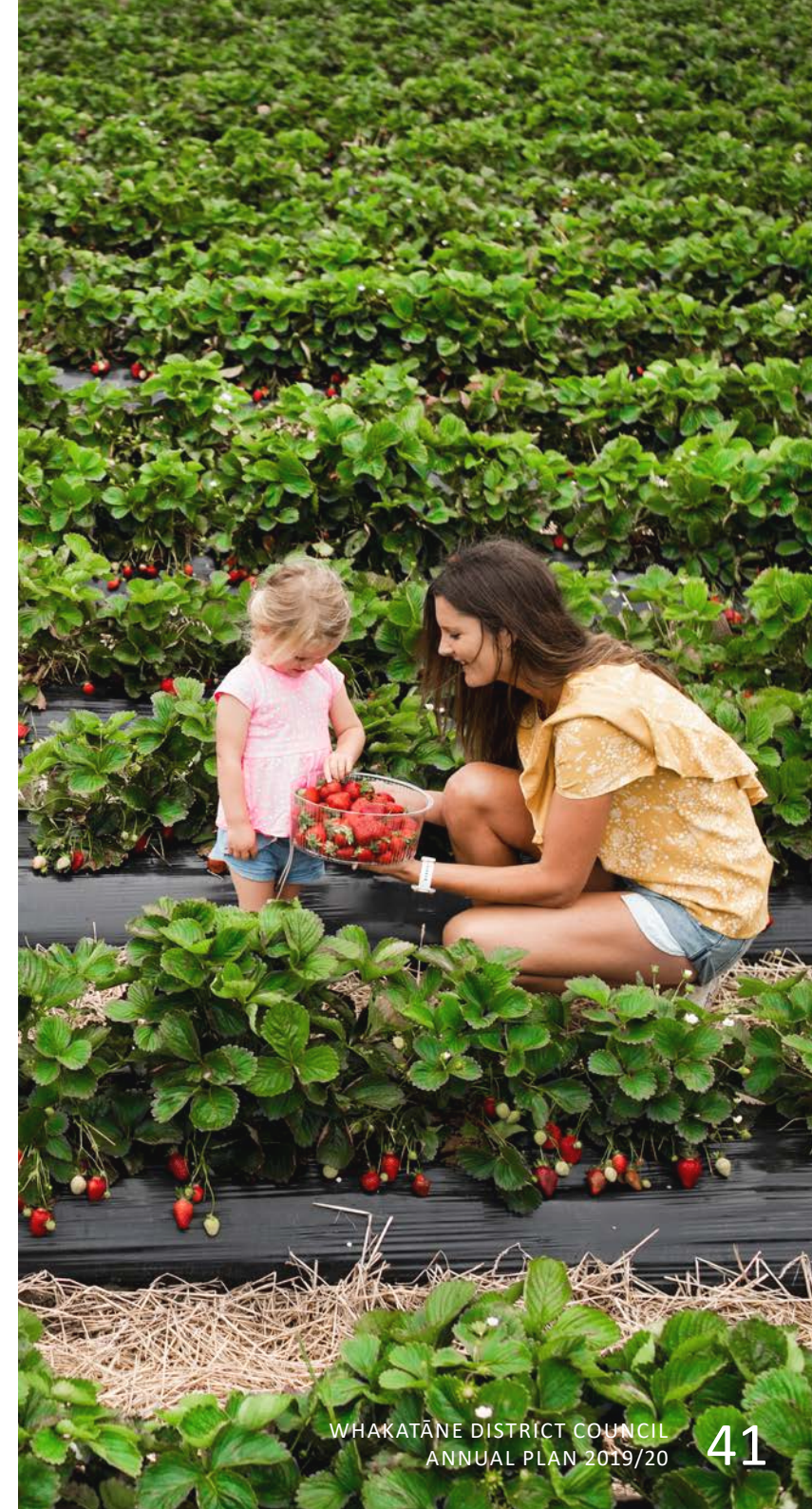
LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
<b>PUBLIC EQUITY</b>				
428,158	Accumulated Funds	430,479	429,555	(924)
21,485	Restricted Equity	22,901	17,019	(5,882)
194,320	Asset Revaluation Reserves	197,182	219,533	22,351
<b>643,963</b>	<b>TOTAL EQUITY</b>	<b>650,562</b>	<b>666,107</b>	<b>15,545</b>
<b>CURRENT ASSETS</b>				
2,508	Cash and Cash Equivalents	4,682	3,052	(1,630)
10,505	Receivables	9,439	10,505	1,066
	Derivatives Financial Instruments		-	-
	Goods and Services Tax		700	700
231	Inventory	243	243	-
2,000	Non-current Assets Held for Sale		500	500
<b>15,244</b>	<b>Total Current Assets</b>	<b>14,364</b>	<b>15,000</b>	<b>636</b>
<b>NON CURRENT ASSETS</b>				
6,696	Non-current Assets Held for Sale	6,696	4,700	(1,996)
	Derivative Financial Instruments		-	-
703	Investment in CCOs and other similar entities	703	1,087	384
76,326	Operational Assets	77,398	76,988	(410)
525,166	Infrastructural Assets	532,544	562,069	29,525
384	Intangible Assets	390	511	121
88	Forestry Assets	90	90	0
34,820	Investment Property	34,987	35,819	832
38,582	Restricted Assets	39,124	43,254	4,130
15,391	Work in Progress	15,544	15,544	-
<b>698,156</b>	<b>Total Non-Current Assets</b>	<b>707,475</b>	<b>740,062</b>	<b>32,587</b>
<b>713,400</b>	<b>TOTAL ASSETS</b>	<b>721,839</b>	<b>755,062</b>	<b>33,223</b>

LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
<b>CURRENT LIABILITIES</b>				
8,767	Payables and Deferred Revenue	9,585	11,417	1,832
	Derivatives Financial Instruments		-	-
9,000	Borrowings and Other Financial Liabilities	5,000	13,000	8,000
2,544	Employee Entitlements	2,551	2,755	204
40	Provisions	30	32	2
	Goods and Services Tax		-	-
<b>20,351</b>	<b>Total Current Liabilities</b>	<b>17,166</b>	<b>27,204</b>	<b>10,038</b>
<b>NON CURRENT LIABILITIES</b>				
3,050	Derivative Financial Instruments	3,050	4,744	1,694
45,000	Borrowings and Other Financial Liabilities LT	50,000	56,000	6,000
500	Employee Entitlements LT	520	526	6
486	Provisions LT	510	459	(51)
50	Deferred Tax Liability	30	22	(8)
<b>49,086</b>	<b>Total Non-Current Liabilities</b>	<b>54,110</b>	<b>61,751</b>	<b>7,641</b>
<b>69,437</b>	<b>TOTAL LIABILITIES</b>	<b>71,276</b>	<b>88,955</b>	<b>17,679</b>
<b>643,963</b>	<b>NET ASSETS (Assets minus Liabilities)</b>	<b>650,563</b>	<b>666,107</b>	<b>15,544</b>



## PROSPECTIVE STATEMENT OF CASH FLOWS

LTP 2019 \$000		LTP 2020 \$000	AP 2020 \$000	VARIANCE 2020 \$000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
54,784	Receipts from Rates Revenue	56,356	54,879	(1,477)
19,901	Subsidies and Grants Received	11,741	26,198	14,457
10,576	Fees and Charges and Other Revenue received	9,765	9,040	(725)
50	Interest Received	46	43	(3)
6	Dividends Received	6	6	-
(42,696)	Payments to Suppliers & Employees	(43,160)	(58,036)	(14,876)
(9,879)	Payments to Agencies	(10,163)	(9,956)	207
(2,572)	Interest paid	(2,508)	(2,400)	108
-	GST (Net)		-	
<b>30,170</b>	<b>Net Cash Flow from Operating Activities</b>	<b>22,083</b>	<b>19,774</b>	<b>(2,309)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
565	Receipts from Sale of Property, Plant and Equipment	2,000	2,000	-
(29,671)	Purchase of Property, Plant and Equipment	(22,742)	(26,460)	(3,718)
(129)	Acquisition of Investments	(167)	-	167
<b>(29,235)</b>	<b>Net Cash Flows from Investing Activities</b>	<b>(20,909)</b>	<b>(24,460)</b>	<b>(3,551)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
8,000	Proceeds from Borrowings	6,000	2,000	(4,000)
(9,000)	Repayment of Borrowings	(5,000)	-	5,000
<b>(1,000)</b>	<b>Net Cash Flow from Financing Activities</b>	<b>1,000</b>	<b>2,000</b>	<b>1,000</b>
(65)	Net Increase (Decrease) in Cash, Cash Equivalents and Bank Overdrafts	2,174	(2,687)	(4,861)
2,573	Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year	2,508	5,739	3,231
<b>2,508</b>	<b>Cash, Cash Equivalents and Bank Overdrafts at the End of the Year</b>	<b>4,682</b>	<b>3,052</b>	<b>(1,630)</b>
<b>Represented by:</b>				
<b>2,508</b>	<b>Cash at Bank</b>	<b>4,682</b>	<b>3,052</b>	<b>1,630</b>







## 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 Budget Update. 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.

# CAPITAL PROJECTS LIST - 2019/20 ANNUAL BUDGET UPDATE

PROJECT DESCRIPTION	BUDGET		FUNDING SOURCE								
	AS PER LONG TERM PLAN	UPDATED FOR ANNUAL PLAN	DEPRECIATION	LOANS	DEVELOPMENT CONTRIBUTIONS	SUBSIDIES/GRANTS	RESTRICTED	OTHER RESERVES	FEES & CHARGES	TARGETED RATES	GENERAL RATES
<b>GROUP: ROADS AND FOOTPATHS</b>											
Safe Roads Alliance (Wainui Rd)	-	6,400,000	-	1,152,000	-	5,248,000	-	-	-	-	-
Cycleway Extension	250,000	250,000	-	77,025	12,975	160,000	-	-	-	-	-
Pedestrian Bridge	1,000,000	1,000,000	-	-	-	500,000	-	500,000	-	-	-
Unsealed Roads Metalling Renewals	500,000	500,000	180,000	-	-	320,000	-	-	-	-	-
Sealed Roads Resurfacing Renewals	2,200,000	2,200,000	792,000	-	-	1,408,000	-	-	-	-	-
Drainage Renewals	480,000	480,000	172,800	-	-	307,200	-	-	-	-	-
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	200,000	200,000	-	62,000	10,000	128,000	-	-	-	-	-
Low Cost Low Risk Improvements	1,255,000	1,355,000	-	486,300	1,500	867,200	-	-	-	-	-
Bunyan Road Improvements	-	1,040,000	118,800	-	255,600	665,600	-	-	-	-	-
<b>Total: Local Roads Renewals and Improvements</b>	<b>7,139,000</b>	<b>14,679,000</b>	<b>1,715,040</b>	<b>1,777,325</b>	<b>280,075</b>	<b>10,406,560</b>	-	<b>500,000</b>	-	-	-
Unsealed Roads Metalling Renewals	200,000	200,000	-	-	-	200,000	-	-	-	-	-
Sealed Roads 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	-	-	-	-	-
Road Improvements	1,500,000	2,900,000	-	-	-	2,900,000	-	-	-	-	-
Low Cost Low Risk Improvements	700,000	1,320,000	-	-	-	1,320,000	-	-	-	-	-
<b>Total For Special Purpose Roads</b>	<b>2,731,500</b>	<b>4,751,500</b>	-	-	-	<b>4,751,500</b>	-	-	-	-	-
Renewals	105,000	55,000	55,000	-	-	-	-	-	-	-	-
New Kerbing & Drainage	20,000	20,000	-	20,000	-	-	-	-	-	-	-
New Footpaths	100,000	-	-	-	-	-	-	-	-	-	-
Miscellaneous Projects	50,000	50,000	-	-	-	-	-	-	-	50,000	-
<b>Total: Non Financially Assisted Transport</b>	<b>275,000</b>	<b>125,000</b>	<b>55,000</b>	<b>20,000</b>	-	-	-	-	-	<b>50,000</b>	-
<b>Total for Roads &amp; Footpaths</b>	<b>10,145,500</b>	<b>19,555,500</b>	<b>1,770,040</b>	<b>1,797,325</b>	<b>280,075</b>	<b>15,158,060</b>	-	<b>500,000</b>	-	<b>50,000</b>	-



PROJECT DESCRIPTION	BUDGET		FUNDING SOURCE								
	AS PER LONG TERM PLAN	UPDATED FOR ANNUAL PLAN	DEPRECIATION	LOANS	DEVELOPMENT CONTRIBUTIONS	SUBSIDIES/GRANTS	RESTRICTED	OTHER RESERVES	FEES & CHARGES	TARGETED RATES	GENERAL RATES
<b>GROUP: WATER SUPPLY</b>											
Water Supply Renewals	727,000	1,330,000	1,330,000	-	-	-	-	-	-	-	-
Whakatāne Water Emergency Works	-	100,000	-	-	-	-	-	100,000	-	-	-
Whakatāne Riverbank Filtration Gallery and Bore	2,000,000	700,000	-	700,000	-	-	-	-	-	-	-
Water Safety Plan	362,200	502,200	100,600	401,600	-	-	-	-	-	-	-
Otumahi Watermains	250,000	250,000	-	250,000	-	-	-	-	-	-	-
Condition & Improvements - Reservoirs	395,000	395,000	237,000	146,150	11,850	-	-	-	-	-	-
Te Mahoe Improvements	30,000	50,000	-	50,000	-	-	-	-	-	-	-
Water Modelling and Callibration	105,000	105,000	-	105,000	-	-	-	-	-	-	-
Melville Drive - Water Pressure	-	60,000	-	60,000	-	-	-	-	-	-	-
Water Meter Programme	558,000	538,000	-	538,000	-	-	-	-	-	-	-
Water Losses and Leak Detection	80,000	80,000	-	80,000	-	-	-	-	-	-	-
<b>Total for Water Supply</b>	<b>4,507,200</b>	<b>4,110,200</b>	<b>1,667,600</b>	<b>2,330,750</b>	<b>11,850</b>	-	-	<b>100,000</b>	-	-	-
<b>GROUP: SEWERAGE TREATMENT AND DISPOSAL</b>											
Sewage Treatment & Disposal Renewals	454,100	600,100	523,886	67,900	8,314	-	-	-	-	-	-
Upgrade Whakatāne Wastewater Treatment Plant	-	150,000	45,000	105,000	-	-	-	-	-	-	-
Risk Assessment and Implementation	159,000	159,000	-	159,000	-	-	-	-	-	-	-
Monitoring of Wastewater Discharges	195,000	195,000	-	195,000	-	-	-	-	-	-	-
Tāneatua Treatment Plant Upgrade	35,000	35,000	24,500	10,500	-	-	-	-	-	-	-
Resource Consents	100,000	100,000	100,000	-	-	-	-	-	-	-	-
<b>Total for Sewerage Treatment &amp; Disposal</b>	<b>943,100</b>	<b>1,239,100</b>	<b>693,386</b>	<b>537,400</b>	<b>8,314</b>	-	-	-	-	-	-

PROJECT DESCRIPTION	BUDGET		FUNDING SOURCE								
	AS PER LONG TERM PLAN	UPDATED FOR ANNUAL PLAN	DEPRECIATION	LOANS	DEVELOPMENT CONTRIBUTIONS	SUBSIDIES/GRANTS	RESTRICTED	OTHER RESERVES	FEES & CHARGES	TARGETED RATES	GENERAL RATES
<b>GROUP: STORMWATER DRAINAGE</b>											
Stormwater Drainage Renewals	21,200	21,200	21,200	-	-	-	-	-	-	-	-
Henderson Street Improvements	750,000	100,000	-	100,000	-	-	-	-	-	-	-
Pipe Upgrades	50,000	50,000	35,000	15,000	-	-	-	-	-	-	-
Upgrade St Josephs Pump Station	500,000	50,000	-	46,600	3,400	-	-	-	-	-	-
Ōhope Upgrades	50,000	50,000	25,000	25,000	-	-	-	-	-	-	-
Risk Assessment and Implementation	220,000	470,000	-	470,000	-	-	-	-	-	-	-
Resource Consents	300,000	300,000	-	300,000	-	-	-	-	-	-	-
Modelling	45,000	45,000	-	45,000	-	-	-	-	-	-	-
<b>Total for Stormwater Drainage</b>	<b>1,936,200</b>	<b>1,086,200</b>	<b>81,200</b>	<b>1,001,600</b>	<b>3,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GROUP: SOLID WASTE</b>											
Renewals	29,608	29,608	29,608	-	-	-	-	-	-	-	-
Murupara Transfer Station Improvements	5,000	5,000	-	-	-	-	-	-	-	-	5,000
Recycling Park Improvements	5,000	5,000	-	-	-	-	-	-	-	3,500	1,500
<b>Total for Solid Waste</b>	<b>39,608</b>	<b>39,608</b>	<b>29,608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,500</b>	<b>6,500</b>
<b>GROUP: DISTRICT GROWTH</b>											
Harbour Owned Building Renewals	3,008	3,008	-	-	-	-	3,008	-	-	-	-
Strategic & Investment Property Renewals	1,792	1,792	-	-	-	-	-	-	-	-	1,792
Strategic & Investment Property Renewals	58,725	33,725	-	-	-	-	-	-	-	-	33,725
60 Bunyan Road Woodwaste Remediation	100,000	100,000	-	-	-	-	-	100,000	-	-	-
Strategic Property Purchases	-	1,340,000	-	350,000	-	-	990,000	-	-	-	-
<b>Total for District Growth</b>	<b>163,525</b>	<b>1,478,525</b>	<b>-</b>	<b>350,000</b>	<b>-</b>	<b>-</b>	<b>993,008</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>35,517</b>

PROJECT DESCRIPTION	BUDGET		FUNDING SOURCE								
	AS PER LONG TERM PLAN	UPDATED FOR ANNUAL PLAN	DEPRECIATION	LOANS	DEVELOPMENT CONTRIBUTIONS	SUBSIDIES/ GRANTS	RESTRICTED	OTHER RESERVES	FEES & CHARGES	TARGETED RATES	GENERAL RATES
<b>GROUP: RECREATION AND COMMUNITY FACILITIES</b>											
Library Mixed Collection Renewal	100,000	100,000	100,000	-	-	-	-	-	-	-	-
Sullivan Lake Footpath and Retaining Walls	7,500	7,500	-	-	-	-	7,500	-	-	-	-
Harbour Beautification	75,000	75,000	-	-	3,600	-	71,400	-	-	-	-
Significant Sites	75,000	75,000	75,000	-	-	-	-	-	-	-	-
Walking & Cycling Projects	75,000	75,000	-	-	-	-	75,000	-	-	-	-
Playground & Reserve - Renewals	291,500	291,500	291,500	-	-	-	-	-	-	-	-
Sportsfields Facilities - Renewals	148,000	148,000	148,000	-	-	-	-	-	-	-	-
Christmas Lights	40,000	40,000	-	-	-	-	-	-	-	-	40,000
Recycling Bins for Reserves	10,000	10,000	-	-	-	10,000	-	-	-	-	-
Cemeteries - Hillcrest Expansion	20,000	20,000	-	20,000	-	-	-	-	-	-	-
Cemeteries - Berms	10,000	10,000	-	-	1,100	-	-	-	8,900	-	-
Cemeteries - Renewals	35,000	35,000	35,000	-	-	-	-	-	-	-	-
Public Conveniences - Renewals	106,000	106,000	106,000	-	-	-	-	-	-	-	-
Aquatic Centres - Plant Room VSD Installation to Pumps	40,000	40,000	-	40,000	-	-	-	-	-	-	-
Aquatic Centres - Outdoor Picnic and BBQ Facilities	30,000	30,000	-	15,000	-	15,000	-	-	-	-	-
Aquatic Centres - Heat Pump Replacement	20,000	20,000	10,000	-	-	10,000	-	-	-	-	-
Aquatic Centres - Plant Renewals	66,100	66,100	34,372	31,728	-	-	-	-	-	-	-
Aquatic Centres - Renewals	80,261	80,261	80,261	-	-	-	-	-	-	-	-
Whakatāne Aquatic Centre Outdoor Pool Roof	-	1,063,150	-	213,162	-	849,988	-	-	-	-	-
Port Ōhope Wharf Structural Replacement	-	720,000	720,000	-	-	-	-	-	-	-	-
Ports & Harbour Renewals	191,500	191,500	191,500	-	-	-	-	-	-	-	-
Whakatāne Main Wharf Replacement (See Waterfront and Town Centre Regeneration below)	433,333	-	-	-	-	-	-	-	-	-	-
Waterfront and Town Centre Regeneration	-	1,346,000	-	-	-	538,400	242,280	-	565,320	-	-
Whakatāne Holiday Park - Renewals	50,000	50,000	50,000	-	-	-	-	-	-	-	-
Whakatāne Holiday Park - Upgrades	50,000	50,000	-	50,000	-	-	-	-	-	-	-



PROJECT DESCRIPTION	BUDGET		FUNDING SOURCE								
	AS PER LONG TERM PLAN	UPDATED FOR ANNUAL PLAN	DEPRECIATION	LOANS	DEVELOPMENT CONTRIBUTIONS	SUBSIDIES/ GRANTS	RESTRICTED	OTHER RESERVES	FEES & CHARGES	TARGETED RATES	GENERAL RATES
Multi Sports Event Centre	150,000	150,000	14,100	28,500	7,200	100,200	-	-	-	-	-
Halls Renewals	571,000	571,000	571,000	-	-	-	-	-	-	-	-
Whakatāne War Memorial Hall Seismic Strengthening	-	500,000	-	500,000	-	-	-	-	-	-	-
<b>Total for Recreation &amp; Community Services</b>	<b>2,675,194</b>	<b>5,871,011</b>	<b>2,426,733</b>	<b>898,390</b>	<b>11,900</b>	<b>1,523,588</b>	<b>396,180</b>	<b>-</b>	<b>574,220</b>	<b>-</b>	<b>40,000</b>
<b>GROUP: CORPORATE ACTIVITIES</b>											
Information Systems Infrastructure - Upgrades	385,000	435,000	75,000	360,000	-	-	-	-	-	-	-
Information Systems Infrastructure - Renewals	640,000	833,000	833,000	-	-	-	-	-	-	-	-
Operations Business Unit Renewals	30,900	30,900	30,900	-	-	-	-	-	-	-	-
Vehicle Replacements	344,000	545,980	545,980	-	-	-	-	-	-	-	-
Corporate Property Renewals	204,490	204,490	204,490	-	-	-	-	-	-	-	-
Civic Centre Earthquake Strengthening	-	500,000	250,000	250,000	-	-	-	-	-	-	-
<b>Total for Corporate &amp; District Activities</b>	<b>1,604,390</b>	<b>2,549,370</b>	<b>1,939,370</b>	<b>610,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GROUP: REPORTABLE COUNCIL CONTROLLED ACTIVITIES</b>											
Taxiway & Terminal Apron	25,200	25,200	12,600	-	-	-	-	12,600	-	-	-
Commercial Lease Taxiway	50,400	50,400	25,200	-	-	-	-	25,200	-	-	-
Airport Car Park	15,372	15,372	7,686	-	-	-	-	7,686	-	-	-
Airport Terminal Building	150,000	150,000	-	75,000	-	-	-	75,000	-	-	-
Runway Renewals	149,240	235,000	117,500	-	-	-	-	117,500	-	-	-
<b>Total for Council Controlled Activities</b>	<b>390,212</b>	<b>475,972</b>	<b>162,986</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237,986</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COUNCIL TOTAL</b>	<b>22,404,929</b>	<b>36,405,486</b>	<b>8,770,923</b>	<b>7,600,465</b>	<b>315,539</b>	<b>16,681,649</b>	<b>1,389,188</b>	<b>937,986</b>	<b>574,220</b>	<b>53,500</b>	<b>82,017</b>



# STATEMENT OF RESERVE BALANCES

	ACTIVITY	PURPOSE	REVISED 30 JUNE 2019 \$000	2019/20 TRANSFERS IN \$000	2019/20 TRANSFERS OUT \$000	2019/20 CLOSING BALANCE \$000
<b>GENERAL OPERATING RESERVES</b>						
General rates and revenues	General Council	For General Rate funded Surpluses or Deficits	(201)	200	(4)	(5)
Roading Rate	Roads & Footpaths	For Roads & Footpaths Rate funded Surpluses or Deficits	1,008	34	(275)	767
Refuse Collection Rate	Solid Waste	For Refuse Collection Rate funded Surpluses or Deficits	134	5	-	139
Waste Minimisation	Solid Waste	To fund Waste Minimisation projects	180	115	(225)	69
Whakatāne Wastewater	Sewage Treatment & Disposal	For Wastewater Rate funded Surpluses or Deficits	(417)	210	(13)	(220)
Ōhope Wastewater	Sewage Treatment & Disposal	For Wastewater Rate funded Surpluses or Deficits	(16)	-	(1)	(17)
Edgecumbe Wastewater	Sewage Treatment & Disposal	For Wastewater Rate funded Surpluses or Deficits	(1)	-	-	(1)
Matatā Wastewater	Sewage Treatment & Disposal	For Wastewater Rate funded Surpluses or Deficits	86	-	(99)	(13)
Tāneatua Wastewater	Sewage Treatment & Disposal	For Wastewater Rate funded Surpluses or Deficits	(2)	-	-	(2)
Te Teko Wastewater	Sewage Treatment & Disposal	For Wastewater Rate funded Surpluses or Deficits	1	-	-	1
Murupara Wastewater	Sewage Treatment & Disposal	For Wastewater Rate funded Surpluses or Deficits	(22)	-	(1)	(23)
Equalised Water	Water Supply	For Water Rate Funded Surpluses or Deficits	(27)	407	-	380
Murupara Water	Water Supply	For Water Rate Funded Surpluses or Deficits	(25)	-	(1)	(26)
Plains Water	Water Supply	For Water Rate Funded Surpluses or Deficits	(173)	-	(7)	(180)
Dog Control	Dog Control	For Animal Control Operating Surpluses or Deficits	1	-	(4)	(3)
Parking Enforcement	Parking Enforcement	For Parking Enforcement Operating Surpluses or Deficits	169	228	(255)	142
Pensioner Housing	General Council	For General Rate Funded Projects	571	22	-	594
Airport Whakatāne	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits	(950)	683	(721)	(987)
Fixed Assets	General Council	For General Operating Costs	1,567	61	-	1,629
Disaster Mitigation Reserves	Stormwater Drainage	For Disaster Mitigation Surpluses or Deficits	347	6	(247)	106
Whakatāne Stormwater	Stormwater Drainage	For Stormwater Rate funded Surpluses or Deficits	268	10	-	279
Ōhope Stormwater	Stormwater Drainage	For Stormwater Rate funded Surpluses or Deficits	143	5	(25)	123
Edgecumbe Stormwater	Stormwater Drainage	For Stormwater Rate funded Surpluses or Deficits	(66)	-	(3)	(68)



	ACTIVITY	PURPOSE	REVISED 30 JUNE 2019 \$000	2019/20 TRANSFERS IN \$000	2019/20 TRANSFERS OUT \$000	2019/20 CLOSING BALANCE \$000
Matatā Stormwater	Stormwater Drainage	For Stormwater Rate funded Surpluses or Deficits	(22)	-	(1)	(23)
Murupara Stormwater	Stormwater Drainage	For Stormwater Rate funded Surpluses or Deficits	(6)	-	-	(6)
Tāneatua Stormwater	Stormwater Drainage	For Stormwater Rate funded Surpluses or Deficits	8	-	-	8
Te Teko Stormwater	Stormwater Drainage	For Stormwater Rate funded Surpluses or Deficits	-	-	-	-
Te Mahoe Stormwater	Stormwater Drainage	For Stormwater Rate funded Surpluses or Deficits	-	-	-	-
District Growth	District Growth	For District Growth Rate funded Surpluses or Deficits	(52)	-	(2)	(54)
<b>General Operating Reserves Total</b>			<b>2,506</b>	<b>1,710</b>	<b>(1,605)</b>	<b>2,611</b>
<b>OTHER RESERVES</b>						
Car Parks Development	Parking Enforcement	For the Development of Car parks in the District	45	2	-	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	General Council	To fund costs associated with disabled facilities	(10)	-	-	(10)
Capital Contributions - Roading	Roads & Footpaths	Financial Contributions for Roading Capital Projects	62	2	-	65
Roading Storm Damage Reserve	Roads & Footpaths	To fund costs associated with storm damage to the Councils Roading network	(4)	280	-	276
Te Mahoe Water - special	Water Supply	To fund capital expenditure for the Te Mahoe water scheme	22	1	-	23
Disaster/LAPP Insurance Reserve	General Council	To fund costs associated with a disaster in the district	-	102	-	102
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets	(40)	2,053	(513)	1,500
Sale of Bennett Block	General Council	Surplus funds from the Divestment of Council Assets	(103)	-	(4)	(107)
Leaky Homes Reserve	Building	To fund weather tight claims	(2)	153	-	151
Community Boards & Iwi Liaison	Community Boards & Iwi Liaison	Separately collected rates for community projects	133	6	-	139
Digitisation	Corporate & District	To fund digitisation project	371	-	(381)	(10)
Whakatāne Holiday Park	Whakatāne Holiday Park	To fund surpluses or deficits associated with the Whakatāne Holiday Park	(214)	-	(164)	(379)
Edgecumbe Flood 2017	Community Safety	Deficit relating to the April 2017 Flood	(2,568)	-	(100)	(2,669)
<b>Total Other Reserves</b>			<b>(2,304)</b>	<b>2,599</b>	<b>(1,164)</b>	<b>(869)</b>

	ACTIVITY	PURPOSE	REVISED 30 JUNE 2019 \$000	2019/20 TRANSFERS IN \$000	2019/20 TRANSFERS OUT \$000	2019/20 CLOSING BALANCE \$000
<b>DEPRECIATION RESERVES</b>						
Whakatāne Water	Water Supply	To fund the renewal of Water assets	(210)	870	(959)	(300)
Ōhope Water	Water Supply	To fund the renewal of Water assets	(1,160)	136	(115)	(1,138)
Edgecumbe Water	Water Supply	To fund the renewal of Water assets	153	59	(155)	57
Matatā Water	Water Supply	To fund the renewal of Water assets	287	16	(100)	203
Tāneatua Water	Water Supply	To fund the renewal of Water assets	449	45	(15)	480
Murupara Water	Water Supply	To fund the renewal of Water assets	448	32	-	480
Rūātoki Water	Water Supply	To fund the renewal of Water assets	174	2	-	176
Waimana Water	Water Supply	To fund the renewal of Water assets	52	25	(303)	(226)
Plains Water	Water Supply	To fund the renewal of Water assets	280	3	(77)	205
Te Mahoe Water	Water Supply	To fund the renewal of Water assets	45	1	-	46
Whakatāne Wastewater	Sewage Treatment & Disposal	To fund the renewal of Wastewater assets	1,780	543	(285)	2,038
Ōhope Wastewater	Sewage Treatment & Disposal	To fund the renewal of Wastewater assets	(892)	173	(175)	(894)
Edgecumbe Wastewater	Sewage Treatment & Disposal	To fund the renewal of Wastewater assets	603	408	(23)	989
Tāneatua Wastewater	Sewage Treatment & Disposal	To fund the renewal of Wastewater assets	416	87	(25)	479
Te Mahoe Wastewater	Sewage Treatment & Disposal	To fund the renewal of Wastewater assets	(46)	7	(12)	(52)
Murupara Wastewater	Sewage Treatment & Disposal	To fund the renewal of Wastewater assets	306	171	(210)	266
Whakatāne Land Drainage	Stormwater Drainage	To fund the renewal of Whakatāne Stormwater Drainage assets	(615)	186	(77)	(506)
Ōhope Land Drainage	Stormwater Drainage	To fund the renewal of Ōhope Stormwater Drainage assets	(112)	43	(30)	(99)
Edgecumbe Land Drainage	Stormwater Drainage	To fund the renewal of Edgecumbe Stormwater Drainage assets	(60)	9	(2)	(52)
Matatā Land Drainage	Stormwater Drainage	To fund the renewal of Matatā Stormwater Drainage assets	8	4	-	12
Tāneatua Land Drainage	Stormwater Drainage	To fund the renewal of Tāneatua Stormwater Drainage assets	13	1	-	15
Te Mahoe Land Drainage	Stormwater Drainage	To fund the renewal of Te Mahoe Stormwater Drainage assets	20	-	-	20
Murupara Land Drainage	Stormwater Drainage	To fund the renewal of Murupara Stormwater Drainage assets	100	4	-	103
Te Teko Land Drainage	Stormwater Drainage	To fund the renewal of Te Teko Stormwater Drainage assets	6	-	-	6
Refuse Disposal	Solid Waste	To fund the renewal of Refuse Disposal assets	113	10	(30)	93
Libraries	Libraries	To fund the renewal of Library assets	103	104	(100)	107
Museum	Museum	To fund the renewal of Museum assets	149	6	-	155
Parks, Reserves, Recreation & Sports Fields	Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks, Reserves, Recreation & Sportsfields assets	829	518	(515)	833

	ACTIVITY	PURPOSE	REVISED 30 JUNE 2019 \$000	2019/20 TRANSFERS IN \$000	2019/20 TRANSFERS OUT \$000	2019/20 CLOSING BALANCE \$000
Cemeteries & Crematoria	Cemeteries & Crematorium	To fund the renewal of Cemeteries & Crematorium assets	118	54	(35)	137
Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets	26	196	(125)	98
Halls	Halls	To fund the renewal of Halls assets	365	118	(580)	(96)
Dog Control	Dog Control	To fund the Renewal of Dog Control assets	1	(4)	-	(3)
Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets	190	55	(106)	139
Pensioner Housing	General Council	To fund the renewal of Council Assets	388	15	-	403
Strategic & Investment Property	District Growth	To fund the renewal of Commercial Property assets	2	-	-	2
Vehicle & Plant Reserve	Corporate & District	To fund the renewal of Vehicle and Plant	824	509	(546)	786
Corporate Property	Corporate & District	To fund the renewal of Corporate Property assets	(553)	277	(480)	(755)
Information Management	Corporate & District	To fund the renewal of Information Management assets	1,468	511	(908)	1,071
Port	Ports & Harbour	To fund the renewal of Port & Harbour assets	1,254	200	(911)	543
Roading - assisted / non-assisted / special and safety	Roads & Footpaths	To fund the renewal of Roothing assets	645	2,026	(1,715)	956
Airport - Whakatāne 50%	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets	(297)	77	(176)	(396)
Operations BU	Corporate & District	To fund the renewal of Corporate Property assets	(40)	-	(33)	(73)
Whakatāne Holiday Park	Whakatāne Holiday Park	To fund the renewal of Whakatāne Holiday Park assets	67	52	(60)	60
<b>Depreciation Reserves Total</b>			<b>7,697</b>	<b>7,551</b>	<b>(8,882)</b>	<b>6,366</b>
<b>RESTRICTED RESERVES</b>						
Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in Whakatāne Ward	115	4	-	120
Subdivision Contributions - Ōhope	General Council	To fund capital expenditure in the Ōhope Ward	46	2	-	48
Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward	26	1	-	27
Subdivision Contributions - Matatā	General Council	To fund capital expenditure in the Matatā Ward	22	1	-	23
Subdivision Contributions - Murupara	General Council	To fund capital expenditure in the Murupara Ward	-	-	-	-
Subdivision Contributions - Rural	General Council	To fund capital expenditure in the Rural Ward	5	-	-	6
Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits	3,425	2,006	(4,053)	1,377
Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets	12,347	483	-	12,829
Development Contributions - Whakatāne Water	Water Supply	To fund growth related capital expenditure	(325)	41	(24)	(308)
Development Contributions - Ōhope Water	Water Supply	To fund growth related capital expenditure	128	5	-	133



	ACTIVITY	PURPOSE	REVISED 30 JUNE 2019 \$000	2019/20 TRANSFERS IN \$000	2019/20 TRANSFERS OUT \$000	2019/20 CLOSING BALANCE \$000
Development Contributions - Edgecumbe Water	Water Supply	To fund growth related capital expenditure	8	-	-	8
Development Contributions - Matatā Water	Water Supply	To fund growth related capital expenditure	73	3	-	76
Development Contributions - Plains Water	Water Supply	To fund growth related capital expenditure	(65)	-	(3)	(68)
Development Contributions - Whakatāne Wastewater	Sewage Treatment & Disposal	To fund growth related capital expenditure	(1,081)	48	(49)	(1,081)
Development Contributions - Ōhope Wastewater	Sewage Treatment & Disposal	To fund growth related capital expenditure	257	10	(1)	265
Development Contributions - Edgecumbe Wastewater	Sewage Treatment & Disposal	To fund growth related capital expenditure	(4)	-	-	(4)
Development Contributions - Community Infrastructure	Recreation & Community Services	To fund growth related Community Infrastructure	141	5	(8)	138
Development Contributions - Parks, Gardens and Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure	684	28	(5)	707
Development Contributions - Solid Waste	Solid Waste	To fund growth related Solid Waste capital expenditure	287	11	-	298
Development Contributions - Roothing	Roads & Footpaths	To fund growth related Roothing capital expenditure	423	31	(287)	167
Development Contributions - Whakatāne Land Drainage	Stormwater Drainage	To fund growth related capital expenditure	111	29	(3)	136
Development Contributions - Ōhope Land Drainage	Stormwater Drainage	To fund growth related capital expenditure	127	5	-	132
Development Contributions - Matatā Land Drainage	Stormwater Drainage	To fund growth related capital expenditure	-	-	-	-
Development Contributions - Whakatāne Carparks	Stormwater Drainage	To fund growth related capital expenditure	(9)	-	-	(9)
Ōtarawairere Disaster Mitigation	Stormwater Drainage	To fund growth related capital expenditure at Ōtarawairere Stormwater	(48)	-	(2)	(49)
<b>Restricted Reserves Total</b>			<b>16,694</b>	<b>2,715</b>	<b>(4,436)</b>	<b>14,974</b>
<b>Total Reserves</b>			<b>24,594</b>	<b>14,575</b>	<b>(16,086)</b>	<b>23,082</b>

# 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 2020. The financial statements were authorised for issue on 27 June 2019 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 2019; 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 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 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.

#### **Development and financial 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
<b>ROADING</b>	
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
Surface water Channel	54
Railings	22
Traffic Islands	50
Street lighting	26
Footpaths	47
Bridges	93
Car-parks	48

INFRASTRUCTURE ASSETS	YEARS
<b>WATER</b>	
Treatment plant – Headworks	13
Pump stations	11
Reservoirs	38
Trunk Main	41
Main	49
Service Line	33
<b>HARBOUR ASSETS</b>	
Harbour Assets	14-15
<b>STORMWATER</b>	
Gravity Main	45
Rising Main	46
Pump stations	12

INFRASTRUCTURE ASSETS	YEARS
<b>SEWERAGE</b>	
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 exceptions. There is a risk that future interest rates and prices of actual inputs and outputs will not increase at the rate assumed.

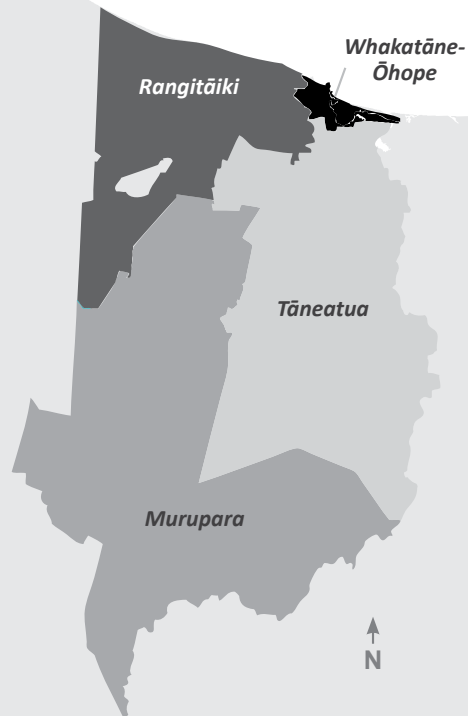
# YOUR COMMUNITY BOARD MEMBERS

*Te Poari Hāpori* AS AT 30 JUNE 2019

The Whakatāne District Council has four Community Boards covering the entire District. Each board is made up of members elected from within the four wards, and an appointed Councillor (two Councillors for Whakatāne-Ōhope) from the same area. Community Boards provide an important link between the Council and the community.

Community Boards meet every seven weeks in an open meeting that you are welcome to attend. Contact information for your Community Board representatives and more details on meeting dates and venues are available on our website.

If you have questions or concerns about a Council process or service, are looking for more information or advice, or have an idea to enhance your community - feel free to get in touch with your local Councillor or Community Board members.



COMMUNITY BOARD AREAS

## WHAKATĀNE-ŌHOPE COMMUNITY BOARD

Christine Chambers - *Chair*  
 Moira Hanna - *Deputy Chair*  
 Scott Jarrett - *Councillor*  
 Mike van der Boom -  
*Councillor*  
 Carolyn Hamill  
 Gerard Casey  
 Jennifer Manning  
 Kay Boreham  
 Mark Inman  
 Neville Delahunty

## RANGITĀIKI COMMUNITY BOARD

Charelle Stevenson - *Chair*  
 Kris Byrne - *Deputy Chair*  
 Gerard van Beek - *Councillor*  
 Alison Clark  
 Evan Harvey  
 Gavin Dennis  
 Graeme Bourk

## TĀNEATUA COMMUNITY BOARD

Diane Yalden - *Chair*  
 Geoff Chater - *Deputy Chair*  
 Andrew Iles - *Councillor*  
 Hohepa McLean  
 Les Knowles  
 Luke Ruiterman  
 Mary Falkner

## MURUPARA COMMUNITY BOARD

Alison Silcock -  
*Chair and Councillor*  
 Jackie Te Amo - *Deputy Chair*  
 April O'Brien  
 Mem Jenner  
 Ormond Hynes  
 Te Waiti Rangiwai

# ANNUAL PLAN DISCLOSURE STATEMENT

FOR YEAR ENDED  
30 JUNE 2020

*(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
<b>Rates affordability – income:</b>		
Total rates revenue for each year will be limited to 80% of operating revenue.	55%	Yes
<b>Rates affordability – increases:</b>		
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 2020 this limit is 4.2%.	3.6%	Yes
<b>Debt affordability:</b>		
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.	83%	Yes
<b>Balanced budget:</b>		
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.	114%	Yes
<b>Essential services:</b>		
The planned capital expenditure on network services is equal to or greater than the expected depreciation on network services (i.e. 100%).	211%	Yes
<b>Debt services:</b>		
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).	3%	Yes



# YOUR COUNCIL

*Te Kaunihera-ā-Rohe*

AS AT 30 JUNE 2019

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 2016.

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.



MAYOR  
**Tony Bonne**  
07 312 4787  
027 440 1126  
tony.bonne@whakatane.govt.nz

## Rangitāiki Ward



COUNCILLOR  
**Russell Orr**  
07 322 8473  
027 290 7565  
russell.orr@whakatane.govt.nz



COUNCILLOR  
**George Johnston**  
07 304 8373  
027 667 3645  
george.johnston@whakatane.govt.nz



COUNCILLOR  
**Gerard van Beek**  
07 308 6474  
027 444 4940  
gerard.vanbeek@whakatane.govt.nz

## Tāneatua - Waimana Ward



COUNCILLOR  
**Andrew Iles**  
07 312 3191  
027 294 1849  
waimanailles@xtra.co.nz

## Galatea - Murupara Ward



COUNCILLOR  
**Alison Silcock**  
07 366 4087  
027 451 2087  
alison.silcock@whakatane.govt.nz

## Whakatāne-Ōhope Ward



DEPUTY MAYOR  
**Judy Turner**  
07 307 1171  
021 309 803  
judy.turner@whakatane.govt.nz



COUNCILLOR  
**Scott Jarrett**  
027 493 8019  
scott.jarrett@whakatane.govt.nz



COUNCILLOR  
**Mike van der Boom**  
07 322 8347  
027 697 7194  
mike.vanderboom@whakatane.govt.nz



COUNCILLOR  
**Julie Jukes**  
07 312 5644  
027 412 1025  
julie.jukes@whakatane.govt.nz



COUNCILLOR  
**Nándor Tanczos**  
021 887 011  
nandor.tanczos@whakatane.govt.nz

## WHAKATĀNE DISTRICT COUNCIL

Civic Centre, Commerce Street, Whakatāne  
Private Bag 1002, Whakatāne 3158

Email: [info@whakatane.govt.nz](mailto:info@whakatane.govt.nz)

Phone: 07 306 0500

Website: [whakatane.govt.nz](http://whakatane.govt.nz)



Whakatane District Council



@WhakataneDC1

## SERVICE CENTRE MURUPARA

Pine Drive, Murupara

Phone: 07 366 5896

