



OUR COSTS IN DETAIL

Our Costs in Detail

This chapter of the LTP provides a breakdown of some of our costs in more detail and provides some further information about how these costs are calculated and distributed. This information is a culmination of all the information contained within this LTP.

Revenue and Financing Policy

This policy considers who uses and benefits from our services and then, based on our funding philosophy, allocates how the costs of our activities are paid for.

Prospective Financial Statements

Our Prospective Financial Statements are included to give you an overview of the Council's forecasted financial position for the next ten years. This information should be read alongside the financial information contained in the 'Our Work in Detail' Chapter. The Statements include:

- Prospective Statement of Changes of Revenue and Expenses
- Prospective Statement of Changes of Net Assets and Equity
- Prospective Statement of Changes of Prospective Financial Position
- Prospective Statement of Changes of Prospective Cash Flows
- Prospective Statement of Changes of Reserve Balances.

Financial Prudence Benchmarks

The Long Term Plan disclosure statements provide the Council's planned financial performance against various benchmarks in relation to revenue, expenses, assets, liabilities and general financial dealings.

All About Rates

This section includes information about the number of rateable properties in our District over which rates are distributed, the due dates for rate in 2015/16, and the Council's Funding Impact Statement (Rating). The Funding Impact Statement shows how the rating system will look as dollar figures applied across the community, including indicative rating examples for 2015/16.

Capital Projects List

This table outlines the capital projects we have planned to complete over the course of this LTP. More information about the projects is contained in the 'Our Work in Detail' chapter of this LTP.

Statement of Accounting Policies

This statement outlines the principles against which we have prepared our financial statements. These policies have been applied to all the ten years of this plan, unless specifically stated.

Revenue and Financing Policy

1.0 PURPOSE

The aim of the Policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to ensure activities are funded from the most appropriate source.

The Revenue and Financing Policy sets out the Council's funding philosophy and describes how each of the Council's activities will be funded including the rationale for the use of each funding method.

The Local Government Act 2002 (the Act) requires all councils to adopt a Revenue and Financing Policy as part of its LTP. Specifically, this Policy is required to comply with sections 102 and 103 of the Act.

2.0 FUNDING PHILOSOPHY

The following funding philosophy has been adopted by the Council to underpin the revenue and rating system for the 2015-25 LTP.

The Council has adopted the following philosophy for the apportionment of funding:

- a. Where services and the beneficiaries of those services can be clearly defined, those beneficiaries should contribute towards the cost of providing those services in proportion to their

level of use through direct user charges provided it is administratively efficient to do so; and

- b. Where specific benefits accrue to a particular part or parts of the District, the cost of those benefits should be met through rates charged to that part or parts of the District, through the application of differentials and/or targeted rates; and
- c. Where benefits provided can be identified as a public good and accrue to the District as a whole, the Council will apply the generally accepted principles of taxation and the cost of those benefits will be met by Capital Value general rates across the District.

Remission and postponement policies will be provided as the safety net to assist in cases where ratepayers have a reduced ability to pay.

3.0 POLICY CONSIDERATIONS

Section 101(3)(a) of the Act requires local authorities to consider certain matters when determining the sources that will be used to meet funding needs. These considerations seek to ensure that financial affairs are managed prudently and in a manner that promotes the current and future interests of the community. This section of the Policy demonstrates how the Council has considered these matters.

3.1 Community outcomes

Community Outcomes represent the Council's contribution to community wellbeing in the District. They represent the goals that the Council is aiming towards and underpin the rationale for the activities and services the Council delivers. The six Community Outcomes of the Council are outlined below. The Activity Funding Tables within section seven of this Policy outline the Community Outcomes to which each activity contributes.



3.2 User/beneficiary pays

This consideration analyses the distribution of benefits an activity has between the community as a whole, any identifiable part of the community, and individuals. The activity funding tables within section seven of this Policy identify which proportion of each activity is considered being of public versus private benefit.

As the Council's funding philosophy is centred around a beneficiary pays approach, the funding sources selected by the Council for each activity will typically, although not always, reflect the levels of public versus private benefit. The choice of funding source will also be influenced by the other policy considerations listed in this section.

The available funding sources are listed in section seven of this Policy. This includes an identification of whether these sources apply to either public or private good, or both. The Council also applies differentials to some rating categories. This provides both reduced and increased rates charges to recognise the level of access to services and facilities for some areas of the District.

3.3 Intergenerational equity

This consideration analyses the period in or over which the benefits of Council's activities are expected to accrue. This then indicates the period over which the operating and capital expenditure should be funded.

For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded on an annual basis from annual revenue.

Intergenerational equity applies more readily to capital expenditure where assets have useful lives ranging from a few years through to many decades. One method used to spread these costs over time is loan funding. This ensures that current ratepayers do not pay for benefits received by future ratepayers. Each year's ratepayers service the debt associated with this asset. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.

3.4 Exacerbator Pays

This consideration analyses the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity. Examples are parking enforcement, dog control, littering, noise control, enforcement of bylaws etc. This principle aims to identify the costs to the community of controlling the negative effects of individual or group actions. The principle suggests that Council should recover any costs directly from those causing the problem.

Some of Council's activities exhibit exacerbator pays characteristics, in particular 'Regulation Monitoring'. Through the use of fees and charges (including fines), the Council will seek to recover expenditure where this situation exists. However, it is acknowledged that it can be difficult or inefficient to identify exacerbators (e.g. fly-tipping of refuse) and in these circumstances activities will be funded through general rates.

3.5 Costs and benefits

This consideration analyses the costs and benefits of funding the activity distinctly from other activities.

There are administration costs associated with separate funding and these need to be weighed against any benefits of targeting specific beneficiaries/users of a service, including transparency and accountability. Transparency and accountability are most evident when an activity has one defined funding source. This allows ratepayers, or payers of user charges, as the case may be, to see exactly how much money is being raised and spent on the activity, and to assess more readily whether or not the cost to them of the activity represents good value.

However, funding every activity this way would be extremely complex. For some activities, the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative cost and lack of significance lead Council to fund a number of activities by way of a general rate. To aid in transparency and accountability, Council separates the total general rate into reasonable activity breakdowns, when presenting the ratepayer with their rates assessment notices. This then allows the ratepayer to make some form of meaningful assessment down to activity level.

4.0 FUNDING OF OPERATING EXPENDITURE

Operating expenditure pays for Council's day to day expenditure of service delivery, maintaining existing assets, or other expenditure that does not buy or build a new asset.

Council funds operating expenditure from the following sources:

- a. General rates, including uniform annual general charges
- b. Targeted rates, including fixed targeted rates
- c. Fees and charges
- d. Interest and dividends from investments
- e. Grants and subsidies
- f. Other operating revenue (e.g. operating reserves).

The Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The activity funding tables outlines in section seven of this Policy explains how those decisions have been made and provides information on how operating expenditure is funded for each activity.

The Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees or charges.

The Council may choose to fund from the above sources more than necessary to meet the operating expenditure in any particular year. The Council will only budget for an operating surplus to fund an operating deficit in the immediately preceding or following years, or to repay debt.

The Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment. The LGA requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered and for this Statement to be included in the Long Term Plan and Annual Plan, as appropriate. The Funding Impact Statement shows how the Council intends to implement the Revenue and Financing Policy each year. It also shows the amount of funding to be collected from each available source, including how various rates are to be applied.

5.0 FUNDING OF CAPITAL EXPENDITURE

Capital Expenditure pays for buying or building new assets including replacing an existing asset or improving an existing one to deliver a better service.

The Council usually funds capital expenditure from borrowing and spreads repayment over several years. Borrowing is managed within the framework specified in Council's Liability Management Policy. Borrowing for capital expenditure enables the Council to ensure there is intergenerational equity in terms of who funds capital expenditure – the repayments are spread over the reasonably expected average life of the asset where practicable. This means today's ratepayers are not asked to fund tomorrow's assets.

Other funds include:

- a. Grants and Subsidies - from agencies such as the NZ Transport Agency and Ministry of Health
- b. Council reserves - including annual revenue collected to cover depreciation
- c. Development contributions
- d. Proceeds from the sale of assets
- e. Lump sum contributions.

The Prospective Financial Statements included in the Long Term Plan contain a statement of prospective net debt position. This statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.



6.0 FUNDING SOURCES

This section provides some simple definitions of the different sources that are available to fund Council's activities. Each activity may be funded from any one or more source.

General Rates

General rates are used to raise revenue for activities that are of public good or where recovery from users (private good) is not efficient or possible. They include two portions. Part is set based on capital value (value of land plus improvements), and part is by a fixed amount per rating unit (Uniform Annual General Charges – UAGC-).

A stepped differential is applied for properties with a capital value over \$15m. For properties that are in this category, the portion of the property valued under \$15m will attract the full capital value general rates charges. For the portion of the property with capital value over \$15m, only a half capital value general rates charge will apply. This differential does not apply to the UAGC portion.

Targeted rates

Targeted rates are used to raise revenue for activities where an area of benefit can be recognised, for example a rate may be charged to the commercial sector, or to a specific ward. They are set based on the capital value or as a fixed amount per rating unit (Fixed Targeted Rate). This can be used for both private good and public good.

Lump sum contributions

For the recovery of specific capital expenditure, otherwise loan funded (optional for ratepayer). These must have a high component of private good as they are paid by ratepayers for capital. Our policy is to not accept lump sum contributions for targeted rates.

Fees and charges

Fees, charges and the recovery of fines are used to raise revenue for services or activities that have a high component of either private good and where the users of the service or the exacerbators are identifiable.

Interest and dividends from investments

The Council has very little external investment holdings and these do not make any return of note. Any income that is received from an investment are generally used to fund activities of public good.

Borrowing

Loans, both short term and long term. Our policy is that borrowing is a funding tool and does not need a split between public and private good as it is only deferring the eventual charge.

Proceeds from asset sales

Our policy for the proceeds from the sale of assets is that the proceeds from assets sales will be applied to reduce debt either within the activity from which the sale arose or by Council allocating the proceeds to retire debt in a specific activity.

Development Contributions

To levy these there must be a specific policy, however the Revenue and Financing Policy must signal why these are going to be levied. This must have a high component of private good.

Grants and subsidies

Our policy is that income received from an external funding entity be applied against the project for which the subsidy was acquired. These generally would be of a public good however this can depend on the purpose or source of the grant or subsidy.

Council created reserves

Council created reserves are used to fund a number of activities, usually in instances where the activity meets the purpose for which the reserve was created. In some instances, where it is considered appropriate by the Council and where appropriate approval is granted, reserves are used to fund items outside of their original purpose.

Any other source

Other funding sources may be available from time to time to fund Council activities.

7.0 ACTIVITY FUNDING TABLES

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
LEADERSHIP											
Governance	Effective Leadership	<p>This activity provides the opportunity for people to participate in the democratic process, and for the elected members to lead the Council on behalf of the community.</p> <p>The public good component of this activity reflects that the governance activity, (which provides for local body elections every three years and supports elected members to be effective, responsible and accountable decision-makers) is contributing to the open, transparent and accountable democratic process of local government.</p> <p>Operational costs are funded predominantly through general rates reflecting the public good component of this activity. Targeted rates are used to fund each of the five Community Boards of the District.</p>	100	0	Nil	Nil	Nil	Nil	General rates Targeted rates	H L	Nil
Community Support	Community Needs	<p>This activity provides support to organisations and groups that are contributing to the current and future needs of the District.</p> <p>The public good component of this activity recognises the contribution made by organisations and groups within the community and offers a helping hand in appreciation of this voluntary contribution in the way of grants or subsidised rentals. The public good component also reflects the civil ceremonies and recognition awards, as well as developing sister city relationships which contribute to the social and cultural well-being of the community.</p> <p>Operational costs are funded through the general rate reflecting the public good component of this activity.</p>	100	0	Nil	Nil	Nil	Nil	General rates	F	Nil
Strategy and Policy	Effective Leadership	<p>This activity provides strategy and policy advice to enable effective decision making and long-term planning.</p> <p>The public good component of this activity recognises that the services delivered by this activity are of public good. The advice supports elected members in their policy and direction decisions for the benefit of the community and the majority of the plans and policies developed in this activity are requirements of legislation.</p> <p>Operational costs are funded through the general rate reflecting the public good component of this activity.</p>	100	0	Nil	Nil	Nil	Nil	General rates	F	Nil

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			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
ROADS AND FOOTPATHS											
Transport Network	Reliable and Affordable Infrastructure Community Needs Sustainable Economic Development	<p>This activity provides and maintains transport networks (such as roads, footpaths, parking facilities and bridges), public transport infrastructure (such as bus shelters) and traffic control mechanisms (such as signage, lighting and road markings). This activity provides for the safe and efficient movement of goods, services and people throughout the District.</p> <p>Specific users of the network are able to benefit from the safe, efficient, effective and affordable transport network. This represents the private component of this activity. The activity also supports the economic and social wellbeing outcomes for the District as a whole which is reflected in the public good component of this activity.</p> <p>Operational costs are funded through a targeted rate (including a Fixed Targeted Rate) across the District. This activity is also funded through subsidies from the New Zealand Transport Agency.</p>	50	50	M	M	L	M	Targeted rates Grants and subsidies	M M	Targeted rates Grants and subsidies Development contributions Operating and capital reserves Borrowings
Parking Enforcement	Community Needs Quality Services Sustainable Economic Development	<p>The activity provides parking enforcement services primarily in the Whakatāne town centre and Kopeopeo shopping area. The parking wardens also check vehicles for registrations and warrants of fitness.</p> <p>The public good component of this activity reflects that this service is provided at the request of the community and businesses of the CBD, so parking spaces in our busiest areas have an appropriate level of turn-over and are available for shoppers and businesses. This activity helps to ensure parking is done in a way that is safe and does not cause a hazard or obstruction for other road users. The activity also assists with making sure that vehicles are generally safe to be on the road.</p> <p>While the Council recognises the public good component of this activity, the exacerbator component is so high that operational costs are recovered entirely by way of fees and charges (also includes fines). This activity is entirely self-funding.</p> <p>Any revenue surpluses are required by legislation to be applied to transportation projects in the (geographic) area where that revenue was collected.</p>	0	100	M	L	H	L	Fees and charges	F	Nil

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WATER SUPPLY											
Water Supply	Reliable and Affordable Infrastructure Community Needs	<p>The activity provides a potable water supply service to consumers who are able to connect to schemes within the District.</p> <p>The Council recognises the benefit to the health and wellbeing of the community from providing safe and reliable water schemes and also recognises the strong community demand for the Council to provide healthy drinking water. The Council further recognises the benefits of providing adequate water pressure across urban areas for firefighting purposes for residential dwellings as this promotes public safety. Although there is a public good aspect to this activity the Council has considered that the user pay philosophy applies in this instance given that the users of this activity can be easily identified and it is administratively efficient to apply targeted rates. The private good component of this activity recognises the benefits to the individual households and businesses from the provision of safe and reliable water schemes. People who are not connected to a water scheme do not contribute to this activity as they supply their own water, therefore the use of general rates to fund this activity is not considered to be fair and reasonable.</p> <p>Operational costs are funded through targeted rates (targeted to properties where connection to a scheme is possible) and through fees and charges.</p> <p>Fees and charges are used to recover costs of water use where meters exist. Where there are no meters in place the targeted rate will include a charge equal to the national average level of water use. These two funding mechanisms have been applied in acknowledgement that this activity is of private good and reflects a user pays approach.</p> <p>Water supply schemes across the District are amalgamated for funding purposes, rather than each scheme paying for its own costs. This means that everyone receiving a similar service of having access to a scheme, pays the same regardless of the costs related to each individual scheme. In general, this benefits smaller schemes which have a higher per ratepayer cost. The water schemes for Ruatāhuna, Plains and Murupara have not been amalgamated with the others, each for different reasons. The Ruatāhuna scheme is not owned by the Council. The Plains scheme is primarily an agricultural scheme and has a unique 50 year management strategy. The Murupara scheme is gravity fed rather than relying on pumps and therefore requires comparatively low cost to run. Amalgamating the Murupara Scheme would place an unaffordable cost on this community.</p>	0	100	H	H	L	L	Targeted rates Fees and charges	H L	Targeted rates Grants and subsidies Development contributions Operating and capital reserves Borrowings

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
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SEWAGE TREATMENT AND DISPOSAL											
Sewage Treatment and Disposal	<p>Reliable and Affordable Infrastructure</p> <p>Valuing our Environment</p> <p>Community Needs</p>	<p>The activity provides a sewage disposal service to consumers who are able to connect to a scheme within the District.</p> <p>The Council recognises the benefit to the health and wellbeing of the community from public sewage disposal schemes and recognises the wider environmental and cultural benefits of having sewage treated and disposed appropriately and protecting the environment from contaminants. Although there is a public good aspect to this activity the Council has considered that the user pays philosophy applies in this instance given that the users of this activity can be easily identified and it is administratively efficient to apply targeted rates.</p> <p>The private good component reflects the private benefit received by individual households and businesses from the provision of a safe and reliable sewage disposal schemes.</p> <p>This activity also includes trade waste. This function manages waste discharged into Council's sewerage system from industrial and commercial premises. The private benefit is to commercial and industrial premises for using the sewerage system.</p> <p>Operational costs are funded through targeted rates (targeted to properties where connection to a scheme is possible) and through fees and charges (for the trade waste component). These two funding mechanisms have been applied in acknowledgement that this activity is of private good and reflects a user pays approach.</p> <p>People who are not connected to a sewerage scheme do not contribute to the funding of the sewerage schemes as they have their own septic tanks or community schemes, therefore the use of general rates to fund this component of the activity is not considered to be fair and reasonable.</p> <p>Although each sewerage scheme has different costs to maintain and operate, sewerage schemes across the District have been amalgamated for funding purposes, rather than each scheme paying for its own costs. This means that everyone receiving a similar service of having access to a scheme, pays the same regardless of the costs related to each individual scheme. In general, this benefits smaller schemes which have a higher per ratepayer cost. Similar to the amalgamation of water schemes. Murupara is again an exception.</p> <p>Matatā sewerage scheme is expected to be complete in 2016/17 and Matatā will be charged a half charge sewerage targeted rate for 2016/17 and the full sewerage targeted rate in 2017/18.</p>	0	100	H	H	L	L	<p>Targeted rates</p> <p>Fees and charges</p>	<p>H</p> <p>L</p>	<p>Targeted rates</p> <p>Grants and subsidies</p> <p>Development contributions</p> <p>Operating and capital reserves</p> <p>Borrowings</p>

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STORMWATER DRAINAGE											
Stormwater Drainage	<p>Community Needs</p> <p>Reliable and Affordable Infrastructure</p> <p>Valuing our Environment</p>	<p>The Council provides a variety of infrastructure to deal with stormwater within our urban areas.</p> <p>The Council recognises the strong community demand to be protected and safe within our homes and the wider economic and social benefits of protecting people from floodwaters as there is a high emotional and financial cost associated with flooding. The Council further recognises the benefits of protecting Council infrastructure that can be damaged by excessive floodwater.</p> <p>Although there is a public good aspect to this activity the Council has considered that the user pay philosophy applies in this instance given that the users of this activity can be easily identified and it is administratively efficient to apply targeted rates.</p> <p>The private good component reflects the private benefit received by individual households and businesses from the provision of protection from inundation.</p> <p>A component of the stormwater activity is disaster mitigation works and the repayment of debt related to these works.</p> <p>Operational costs of this activity are funded through targeted rates (targeted according to each area benefiting from a stormwater scheme). This acknowledges the private benefit to households receiving that service and reflects a user pays approach.</p> <p>Funding for Matatā disaster mitigation is an exception as the costs place a huge and unaffordable burden onto that community. As a result a portion of costs will be funded across the District. The Council recognises this is inconsistent with the funding for the rest of this activity but considers it necessary to ease the rating burden on the Matatā community.</p>	0	100	L	H	L	L	<p>Targeted rates</p> <p>General Rates (for Matatā disaster mitigation only)</p>	<p>H</p> <p>L</p>	<p>Targeted rates</p> <p>General Rates</p> <p>Development contributions</p> <p>Operating and capital reserves</p> <p>Borrowings</p>

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SOLID WASTE											
Solid Waste	Valuing our Environment Community Needs Quality Service	<p>The purpose of this activity is to provide for the collection, diversion, reprocessing and disposal of waste. The activity seeks to reduce the quantity of waste going to landfill for disposal through reprocessing or recycling, resulting in environmental benefits and cost savings to the ratepayers.</p> <p>The public good component of this activity recognises that the provision of facilities for the community to dispose of waste in a convenient and secure way helps to protect public health and reduces the harmful effects of waste getting into the environment. The facilities are designed to minimise fly-tipping and reduce issues of odour or contamination caused by incorrectly disposed waste.</p> <p>Operational costs are funded through a mix of targeted rates, general rates and fees and charges. Mainly the operational costs are paid for through targeted rates (targeted to communities where the wheelie bin, recycling bin and green waste wheelie bin collection services are available). This acknowledges the private good to households who have access to these services. The fees and charges component also acknowledges the private good to users of the transfer stations where those fees and charges are leveraged.</p> <p>General rates are used to fund this activity, to recognise the public benefit of managing waste appropriately and safely and that it contributes to the environmental well-being of the District. The Council also acknowledges that a stronger user pays approach would be prohibitive.</p>	10	90	H	M	M	L	Targeted rates General rates Fees and charges	H L L	Targeted rates Operating and capital reserves Borrowings

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ENVIRONMENTAL SUSTAINABILITY											
Resource Management-Consents	Quality Services Valuing our Environment Sustainable Economic Development	<p>This activity manages subdivision and development of the District through the consent process.</p> <p>The public good component of this activity recognises that the enabling and controlling of growth in the District is of wider benefit to the community. It also recognises the service to customers who have not necessarily made a consent application.</p> <p>The private good component represents the benefit to those applying for subdivision and land-use consents.</p> <p>Operational costs are funded through general rates and through fees and charges reflecting the public and private good components of the activity.</p>	50	50	H	L	L	L	General rates Fees and charges	M L	Nil
Resource Management-Policy	Valuing our Environment Community Needs Sustainable Economic Development Effective Leadership	<p>This activity provides a framework for the sustainable management of growth and development in the District. Through this activity we prepare plans and policies that implement the Resource Management Act 1991 (RMA), specifically the District Plan. The District Plan controls the way we use, subdivide and develop land in the District, it identifies where activities can take place, what land can be developed and what special features of our District should be protected. This activity is of public benefit as it weighs up the costs (both financial and environmental) and benefits (to the long term well-being of the community) of the decisions that are made under the RMA.</p> <p>Operational costs of this activity are funded entirely through general rates. This acknowledges that the activity is predominantly of public benefit.</p>	90	10	L	L	L	L	General rates	F	Nil

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COMMUNITY SAFETY												
Licensing (Alcohol and Gambling)	Community Needs	<p>The activity allows the operation of licensed premises but provides some control over the sale of alcohol.</p> <p>Operational costs of this activity are funded through the general rate and through fees and charges.</p> <p>Default fees and charges for alcohol are set through the Sale and Supply of Alcohol Act 2012. These fees will continue to apply unless the Council changes these through a bylaw.</p>	5	95	H	Nil	M	L	General rates Fees and charges	M M	Nil	
Environmental Health	Community Needs Quality Services Valuing our Environment	<p>This activity responds to nuisance complaints (such as noise, refuse, odour) and to provide licensing for registered premises that provide restricted goods and services (such as food, hair dressers, camp grounds etc).</p> <p>The services provided by this activity contribute to public health.</p> <p>The private benefit acknowledges that businesses receive licensing services which they require to operate lawfully.</p> <p>Operational costs are funded primarily by general rates to reflect the public benefit component of this activity. Fees and charges also fund this activity to reflect the private good component of this activity.</p>	70	30	M	Nil	M	L	General rates Fees and charges	M L	Nil	
Regulation Monitoring	Community Needs Quality Services Valuing our Environment	<p>This activity administers and enforces bylaws, legislation and policies relating to health and safety in public places.</p> <p>There are public good benefits to the whole community of undertaking this enforcement role. The private benefit recognises that exacerbators should pay for their actions.</p> <p>Operational costs are predominantly funded through general rates reflecting the public benefit component of this activity.</p> <p>Some fees and charges (fines are included in this category) are able to be recovered. However, there are difficulties in identifying the exacerbators for actions such as fly tipping and abandoning vehicles. Therefore there is a limited ability to recover costs from fees and charges.</p>	90	10	L	Nil	M	L	General rates Fees and charges	H L	Nil	

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			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
Building	Community Needs Quality Services Sustainable Economic Development	<p>This activity manages the legal requirements for the construction and alteration of buildings under the Building Act 2004.</p> <p>The public good component of this activity is delivered through projects such as identifying earthquake prone buildings, dealing with leaky homes liability and interacting with customers who have not necessarily made a consent application. The public good component further reflects that this activity protects the community from unsafe buildings and ensures buildings are designed and constructed in a manner that promotes sustainable development and to enables buildings that contribute to the health and wellbeing of the community.</p> <p>The public good component further recognises that it is important for the economic wellbeing of the District not to deter development and growth through high consent costs.</p> <p>The private good component of this activity reflects the private benefit to those applying for building consents.</p> <p>Operational costs are predominantly funded through fees and charges reflecting the private good component of those applying for consents.</p> <p>The general rates component acknowledges the public good component of this activity.</p>	30	70	H	Nil	M	L	General rates Fees and charges	L H	Nil
Animal Control	Community Needs Quality Services	<p>This activity protects human safety and health through the registration and enforcement of legislation, bylaws and policies of dogs, stock and other animals.</p> <p>This activity contributes to the safety of the community and this is recognised in the public good component.</p> <p>The private benefit of this activity recognises the services to dog owners.</p> <p>In the past the Council recognised that this activity was mainly of private benefit and this resulted in high fees to dog owners. It is considered that this did not fairly represent the wider public safety element of this activity as the complaint service is largely accessed by non-dog owners. It was also not considered equitable, in that the majority of dog owners are responsible dog owners who were penalised for the actions of those who were not. The Council acknowledges that it is an individual's choice to own a dog and the private good component reflects this.</p> <p>Operational costs are funded through general rates and fees and charges. The general rates component acknowledges the public good of this activity in contributing to the safety of the community. The fees and charges portion recognises both the private benefit of services to dog owners specifically and the high exacerbator element</p>	30	70	H	L	H	M	General rates Fees and charges	L H	General rates Fees and charges Operating and capital reserves

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
Emergency Management	Community Needs Effective Leadership	<p>The purpose of this activity is to have in place measures that prepare the community for disasters and to be able to respond and recover from them.</p> <p>There is a strong community desire for the Council to take a lead in an emergency situation and there are also statutory obligations for the Council to be involved in Civil Defence, Rural Fire and Hazardous Substances planning and response.</p> <p>This activity is considered to be of public good.</p> <p>Operational costs are predominantly funded through the general rate reflecting the public good component of this activity. Grants and subsidies are also able to be sourced to support this activity.</p>	100	0	Nil	L	Nil	L	General rates Grants and subsidies	H L	General rates and subsidies
RECREATION AND COMMUNITY SERVICES											
Parks, Reserves, Recreation & Sports-fields	Community Needs Sustainable Economic Development Reliable and Affordable Infrastructure	<p>This activity provides a range of leisure, recreational, educational and sporting opportunities for the public.</p> <p>The activity is considered to be have a high public good component and reflects the strong desire from the community to have quality recreational space available in the most appropriate and convenient locations. This activity helps to build communities that interact with each other, are healthy, happy and well connected.</p> <p>The private benefit component reflects the use of reserves and recreational facilities by clubs and individuals.</p> <p>Operational costs are substantially funded through general rates reflecting the high public good component.</p> <p>Fees and charges are used to recover some costs from users where possible. A stronger user pays approach is not possible by the nature of the services and facilities being provided and would not be appropriate as this would deter people from using them.</p>	95	5	L	H/L	M	M	General rates Grants and subsidies	H L	General rates Fees and charges Development contributions Operating and capital reserves Borrowings Subsidies

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
Aquatic Centres	Community Needs Quality Services Reliable and Affordable Infrastructure	<p>This activity provides facilities for recreational, educational and sporting use.</p> <p>The activity is considered to have a high public good component and reflects the strong desire from the community to have quality facilities to enable opportunities to exercise and have fun in a social environment. Having facilities available in our District for people to learn to swim in a safe environment is considered to have a high public benefit to the community. Swimming facilities have a positive impact on the community's health and well-being and are used for occupational therapy treatment and rehabilitation.</p> <p>The private benefit recognises the benefits to the users of the aquatic centres.</p> <p>Operational costs are predominantly funded through general rates acknowledging the high level of public good. Fees and charges are used to recover some costs from service users and reflect the private benefit component of this activity.</p> <p>While a stronger user pays approach could be implemented it is considered that this would deter people from using the aquatic centres.</p>	80	20	M	H	L	L	General rates Fees and charges	H L	Targeted rates Fees and charges Operating and capital reserves Borrowings
Halls	Community Needs Reliable and Affordable Infrastructure	<p>This activity provides public facilities for community use.</p> <p>The public good component identifies the contribution of halls to social cohesion of the communities they serve. The private benefit component reflects the benefits to those individuals and organisations hiring the halls.</p> <p>Operational costs are predominantly funded through general rates, reflecting the public good component of this activity. Operational costs are also funded through fees and charges which recognises the private benefit component of this activity.</p> <p>While users of the service can easily be identified and a strong user pays approach could be implemented, it is considered that this would deter people from using the halls.</p>	80	20	H	M	Nil	L	General rates Fees and charges	L H	General rates Fees and charges Operating and capital reserves Development contributions
Cemeteries and Crematorium	Community Needs Quality Services Reliable and Affordable Infrastructure	<p>This activity provides for an appropriate method and location for burials and cremations.</p> <p>The public good component of this activity acknowledges that the appropriate burials and cremation processes contribute to the health and safety of the public. There is a strong community demand to provide attractive, restful facilities which cater for the differing needs of the community. The social and cultural well-being of the community is enhanced by this activity. This activity also maintains closed cemeteries.</p> <p>The private benefit component of this activity reflects the benefits to those families of the deceased who chose to use the facilities.</p> <p>Operational costs are funded through fees and charges reflecting the high private benefit of this activity. General rates funding recognises the public good component of this activity.</p>	40	60	L	H	H	M	General rates Fees and charges	M M	General rates Fees and charges Development contributions Operating and capital reserves Borrowings

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
Public Conveniences	Community Needs Reliable and Affordable Infrastructure	<p>This activity provides appropriately located public conveniences for public use.</p> <p>The public good component of this activity recognises the benefit of public conveniences for the whole of the community and the strong community demand.</p> <p>Operational costs are entirely funded through general rates acknowledging the public good component of this activity.</p>	100	0	L	H	H	M	General rates Restricted Reserves	H L	General rates Development contributions Operating and capital reserves Borrowings
Pensioner Housing	Community Needs Quality Services	<p>This activity provides low cost housing for the elderly.</p> <p>Although the Council recognises there is a public good aspect to this activity the Council has considered that the user pay philosophy applies in this instance given that the users of this activity can be easily identified.</p> <p>The private benefit component of this activity reflects the benefit to those renting the pensioner housing.</p> <p>Operational and capital costs are completely self-funded through the rentals charged to occupants. This reflects the private benefit to those using this service.</p>	0	100	H	M	Nil	L	Fees and charges	F	Fees and charges Operating and capital reserves
Libraries	Community Needs Quality Services	<p>This activity provides access to printed and digital information for education and recreation and to encourage literacy through programmes delivered by this activity.</p> <p>The public good component of this activity reflects the strong public demand for a community hub which provides resources and opportunities to access information in printed form or on-line. This activity provides access to relevant information whether it is for leisure, research or education. This activity increases the socio-economic conditions of our District by running and supporting programmes that work to raise literacy rates and increase levels of qualifications.</p> <p>The private good component of this activity recognises that individuals and organisations receive private benefit from the activities and services provided.</p> <p>Operational costs of this activity are funded mainly through the general rate to reflect the public good component of this activity. Fees and charges are also used but not to a level in keeping with the private good component of the activity.</p> <p>While users of the service can easily be identified and a strong user pays approach could be implemented it is considered that this would result in a level of fees and charges that would deter users from using the libraries.</p>	50	50	L	M	L	L	General rates Fees and charges Subsidies	H L L	General rates Operating and capital reserves Borrowings Grants and Subsidies

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
Museum	Community Needs Quality Services Reliable and Affordable Infrastructure	<p>This activity manages the preservation, display and provision of education around the artefacts and other historical assets on behalf of the community.</p> <p>The public good component of this activity reflects the cultural, educational, leisure and community values of the District. Te Koputu a te Whanga a Toi, offers exhibition space for a number of local, national and international exhibitions. The museum preserves our cultural heritage intergenerationally and provides research and archives facilities. The preservation, presentation, protection and education of the community, about its origins, also provides a significant sense of pride in the place we have chosen to live. This activity also encourages and develops cultural tourism.</p> <p>The private good component of this activity reflects the private benefit to those using the services.</p> <p>Operational costs are predominantly funded through general rates in recognition of the public good component of this activity.</p> <p>Fees and charges are also used, however these are generally not able to achieve a level of return reflecting the private good component of this activity.</p>	80	20	L	M	Nil	L	General rates Fees and charges Subsidies	H L L	General rates Operating and capital reserves Borrowings Grants and Subsidies
Ports and Harbour	Reliable and Affordable Infrastructure Community Needs Sustainable Economic Development	<p>This activity manages the port, launch facilities and associated assets. This includes the main commercial wharf, Otuawhaki (Green Wharf) and the Game Wharf in Whakatāne as well as Ōhope Wharf, Thornton and Ōhiwa ramps and various groynes and navigational equipment. This activity also includes some facilities around the ports and harbours including car parks, jetties, a weigh station, hardstand, wharves and navigation markers. The operation of this activity also includes services such as disking the river mouth, undertaking soundings and providing assistance to boat owners in times of high floodwater.</p> <p>The public benefit component of this activity recognises that these facilities enhance the economy of the District through enhanced recreational and business opportunities. Operational costs are funded by the harbour fund reserves, sourced from harbour property leases.</p> <p>This funding situation recognises the unique situation of the harbour assets vested in the Council where any income received from those assets can only be reapplied to their maintenance and development. This has an impact of offsetting any funding requirement that might otherwise be sourced from general rates.</p> <p>Fees and charges are also used, however these are generally not able to achieve a level of return reflecting the private good component of this activity. The Council will continue to assess options to recover costs from private users, where this would be administratively efficient.</p>	70	30	L	H	L	L	Harbour Fund Reserves	F	Investment Income Fees and charges Operating Reserves Harbour Fund Reserves

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
Community Development	Community Needs Effective Leadership	<p>This activity promotes a safe community through a variety of methods including education, interagency collaboration and externally funded programmes. This activity includes road safety, youth development and community safety.</p> <p>The public good component of this activity reflects the contribution of road safety programmes and community safety initiatives, undertaken to support the wellbeing and safety of the community. This activity has a wider public benefit of reducing the social costs associated with road accidents through its road safety function.</p> <p>Operational costs of the community safety component of this activity are funded through general rates. Operational costs of the road safety component of this activity are funded through targeted rates. This recognises the public good component of this activity</p> <p>The private good component acknowledges the benefit to individuals who participate in the externally funded programmes that the Council delivers. These are funded through grants and subsidies.</p>	60	40	L	L	M	L	General rates Grants and subsidies	L H	Grants and Subsidies Harbour Fund Operating and Capital Reserves

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
DISTRICT GROWTH											
Economic Development	Effective Leadership Sustainable Economic Development	<p>This activity promotes, supports and facilitates projects that have economic benefits to the District.</p> <p>The Council has strengthened its focus on economic development and the high public good component recognises the contribution of this activity to the economic wellbeing of our community.</p> <p>Operational costs are funded primarily through the general rate reflecting the high public good component of this activity. Fees and charges, targeted rates and subsidies are used to reflect the private good component of this activity.</p>	70	30	L	H	Nil	M	General rates Fees and charges Subsidies Targeted Rates	M L L M	Nil
Strategic Property	Sustainable Economic Development	<p>This activity manages commercial assets vested in the Council and includes a number of different properties attributed to the harbour fund. The majority of these are for commercial land and are held in perpetual ground lease.</p> <p>The assets of the Harbour Board were gifted to the Council for the benefit of the community as Harbour Endowment Land and the Council has an obligation to maintain, operate and develop the port and harbour facilities for the good of the community. The Harbour Endowment Land earns income through leases, which is used to pay for the on-going operation, maintenance and improvements of the ports and harbour facilities.</p> <p>The private good component recognises the benefit to those leasing the Council's commercial assets for private use.</p> <p>Operational costs are funded through a mix of general rates, fees and charges, subsidies and in the case of harbour fund property, through the Harbour Fund Reserve.</p> <p>The high private good component recognises the benefit to those leasing the Council's commercial assets for private use. Where the Council is unable to achieve a higher level of private benefit funding sources for its non-harbour assets, it uses general rates to fund the shortfall.</p>	0	100	H	H	Nil	M	General rates Fees and charges Subsidies	L H L	General rates Fees and charges Operating and capital reserves
Events & Tourism	Community Needs Quality Services Sustainable Economic Development	<p>This activity provides information about services and facilities available to the local community and visitors to the District. It also provides marketing and events promotion and includes the Visitor Centre.</p> <p>The public good component of this activity recognises the contribution to the recreational and prosperity outcomes for the District.</p> <p>The private good component of this activity recognises the benefits of marketing and information distribution to the commercial sector.</p> <p>The use of general rates to fund the operational costs of this activity recognises the public good component. The use of fees and charges and targeted rates recognises the private good components of this activity.</p>	20	80	M	Nil	Nil	M	General rates Targeted rates Fees and charges	L H L	Nil

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES			
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL	
CORPORATE AND DISTRICT ACTIVITIES												
Corporate and District Activities	Internal activities, therefore Community Outcomes are delivered on behalf of external activities.	These activities manage the development and maintenance of internal organisational systems to support the delivery of efficient and effective external services.								As these are internal activities, allocations from other external activities fund the Corporate and District activities.		Borrowings Operational and Capital Reserves
COUNCIL CONTROLLED ORGANISATIONS												
Whakatāne Airport		<p>This Council Controlled Organisation supports the safe and secure movement of aircraft passengers and freight.</p> <p>The public good component of this activity recognises the public benefit to the District as a whole from operating a sub-regional airport.</p> <p>The private good component of this activity recognises the private benefit to those residents, businesses and visitors using the Whakatāne Airport.</p> <p>Operational costs are predominantly funded through fees reflecting the high private good component of the activity. Where the Council is unable to achieve a higher level of private benefit funding sources, it uses general rates to fund the shortfall. The use of general rates recognises the public good component of this activity.</p>	20	80	H	H	M	H	Fees and charges General rates Joint venture funding	H L H	Operating and Capital Reserves Joint Venture Funding Borrowings	
BoPLASS		This Council Controlled Organisation delivers shared back office services and communications. As such BoPLASS supports the outcomes of the activities to which those deliverables relate.							General rates Fees and charges	H L	The funding requirements on the Whakatāne District Council of participating in this Council Controlled Organisation will be specifically relevant to each deliverable and will be considered individually as they arise.	

» Prospective Financial Statements

The following Prospective Financial Statements are provided to give you an indication of our predicted financial position during the period of this LTP. We develop an Annual Plan on an annual basis to update our proposals with the latest information.

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.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

This provides information on the surplus or deficit arising throughout the LTP 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 CHANGES IN NET ASSETS AND EQUITY

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 in which the Council invests 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 LTP period, how much we expected to come in or out of each fund during the term of the LTP, and then what the balance of each fund is expected to be at the end of the LTP term.

Statement concerning balancing the budget

The Council will not produce a balanced budget in each of the ten years of the LTP. Having considered the overall impact of our financial management policies and decisions we believe it remains financially prudent.

In setting the budget we have had regard for the following matters:

- Maintaining levels of service
- Maintaining service capacity and integrity of assets
- Intergenerational equity
- Compliance with the Council's revenue and financing policies.

The main reasons for the surplus are:

- NZTA grants for roading are largely used to fund capital expenditure
- Other Central Government grants and subsidies are shown as income, whereas the capital items they fund are not included in the profit and loss statements.

Surpluses are reduced by:

- The policy to fund depreciation on infrastructural assets based on their 25 year renewal requirement.
- Reserves which may be used to fund one off expenditure.

The Council has set the expenditure and revenue at levels it considers appropriate to meet the funding needs of the District over the next ten years and to meet the social, cultural, environmental and economic well-being of the community.

Prospective Statement of Comprehensive Revenue and Expense

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
	REVENUE										
10,050	Revenue from activities	9,212	9,608	9,812	10,167	10,565	10,933	11,559	12,037	12,389	12,859
11,160	Subsidies and Grants	14,518	12,634	10,840	12,244	10,563	7,603	7,874	9,369	8,088	9,002
39,294	Rates Revenue Note 1 and 2	40,598	42,150	43,638	44,666	46,190	47,806	48,445	49,457	51,086	52,777
290	Vested Assets	231	233	236	238	241	244	247	250	253	257
1,068	Gains on revaluation of Investment property	443	448	464	481	500	520	542	565	591	619
465	Development and Financial Contributions	87	97	100	583	106	110	114	119	123	128
15	Finance Revenue*	40	40	40	40	40	40	40	40	40	40
62,343	Total Revenue	65,128	65,211	65,130	68,420	68,205	67,256	68,821	71,837	72,570	75,681
	EXPENDITURE										
26,509	Other Expenses	27,021	28,293	27,726	28,227	29,342	30,392	31,140	32,331	33,334	34,365
12,563	Personnel Costs	13,229	13,579	13,944	14,286	14,659	15,059	15,486	15,942	16,439	16,972
16,256	Depreciation and Amortisation Note 3	14,949	16,097	17,177	18,356	19,270	19,719	20,585	21,581	22,676	23,820
2,470	Finance Costs*	2,645	3,182	3,413	3,492	3,510	3,472	3,275	3,110	3,032	3,038
57,798	Total Expenditure	57,844	61,151	62,260	64,361	66,781	68,642	70,486	72,964	75,481	78,195
4,545	Net Surplus (Deficit)	7,284	4,060	2,870	4,059	1,424	(1,386)	(1,665)	(1,127)	(2,911)	(2,514)
	OTHER COMPREHENSIVE REVENUE & EXPENSE										
2,500	Gains on asset revaluation	7,067	6,307	7,201	7,863	8,271	8,982	9,518	10,196	10,778	11,597
7,045	Total comprehensive revenue and expense for the year	14,351	10,367	10,070	11,922	9,695	7,597	7,853	9,069	7,867	9,083

*Excludes Internal Borrowing Interest.

Notes to the Prospective Statement of Comprehensive Revenue and Expense

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
NOTE 1: GENERAL RATES BY ACTIVITY											
2,412	Leadership	2,521	2,704	2,755	2,723	2,932	2,922	2,990	3,151	3,182	3,246
1,522	Community Safety	1,640	1,694	1,610	1,684	1,709	1,793	1,811	1,902	1,938	2,038
1,155	Environmental Sustainability	1,579	1,703	1,536	1,790	1,839	1,885	1,927	1,968	2,034	2,013
630	District Growth	931	934	984	974	1,040	1,075	1,086	1,106	1,150	1,195
9,157	Recreation and Community Facilities	9,001	9,327	9,533	9,740	10,087	10,457	10,692	10,951	11,271	11,573
1,422	Waste	989	966	991	1,000	1,026	1,057	1,083	1,111	1,141	1,168
(15)	Roads and Footpaths	(14)	(14)	(15)	(15)	(15)	(16)	(16)	(15)	(16)	(16)
342	Stormwater Drainage	341	395	449	435	448	464	483	501	519	539
19	Sewerage Treatment and Disposal	23	42	44	45	46	48	50	52	54	56
-	Reportable Council-controlled Organisations	150	144	143	145	142	155	156	158	160	165
(425)	Corporate and District Activities Funds Applied	279	227	376	376	376	268	116	(93)	(113)	(138)
-	Add operating reserve balances repaid	-	-	-	-	-	-	-	-	-	-
16,219	Total General Rates per Funding Impact Statement - Whole of Council	17,440	18,123	18,407	18,897	19,629	20,108	20,379	20,792	21,321	21,840
600	Less Rates Penalties	660	677	694	713	734	756	779	805	832	862
15,619	General Rates Levied per Funding Impact Statement - Rating	16,780	17,446	17,712	18,185	18,895	19,352	19,600	19,987	20,489	20,978
NOTE 2: TARGETED RATES BY ACTIVITY											
284	Leadership	318	336	335	343	365	365	375	400	402	415
406	District Growth	431	442	454	466	478	492	507	522	540	559
35	Recreation and Community Facilities	16	17	18	18	20	21	20	21	22	22
4,164	Waste	4,342	4,416	4,530	4,614	4,744	4,860	4,980	5,128	5,276	5,439
7,890	Roads and Footpaths	7,510	7,732	7,873	8,026	8,229	8,492	8,233	8,546	8,911	9,206
5,292	Water Supply*	5,005	5,289	5,334	5,421	5,553	5,815	5,967	6,199	6,368	6,666
2,641	Stormwater Drainage	2,848	2,948	2,896	2,924	3,092	3,326	3,426	3,467	3,541	3,599
2,363	Sewerage Treatment and Disposal	2,687	2,847	3,792	3,957	4,080	4,327	4,558	4,382	4,706	5,031
23,075	Total Targeted Rates per Funding Impact Statements - Whole of Council and Rating	23,158	24,027	25,231	25,769	26,561	27,698	28,066	28,665	29,765	30,937
796	Operating reserve balances repaid	-	-	-	-	-	-	-	-	-	-
3,175	* metered water supply	3,003	3,173	3,200	3,252	3,332	3,489	3,580	3,719	3,820	3,999

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
NOTE 3: DEPRECIATION AND AMORTISATION											
34	Community Safety	-	-	-	1	-	1	-	-	1	-
140	District Growth	89	98	106	113	111	122	132	141	149	155
2,572	Recreation and Community Facilities	1,898	2,077	2,250	2,440	2,595	2,801	3,058	3,254	3,457	3,644
60	Waste	49	51	55	57	60	62	66	68	71	73
6,784	Roads and Footpaths	6,930	7,325	7,708	8,105	8,494	8,964	9,425	9,992	10,534	11,147
1,944	Water Supply	2,035	2,087	2,126	2,195	2,304	2,349	2,364	2,411	2,491	2,574
944	Stormwater Drainage	1,096	1,112	1,142	1,193	1,276	1,338	1,359	1,382	1,428	1,459
1,505	Sewerage Treatment and Disposal	1,450	1,613	1,917	2,154	2,171	2,216	2,355	2,490	2,710	2,903
51	Reportable Council-controlled organisations	70	71	82	87	107	116	127	131	135	140
2,221	Corporate & District Activities Funds Applied	1,332	1,663	1,791	2,011	2,152	1,750	1,699	1,712	1,700	1,725
16,256	Total Depreciation and Amortisation	14,949	16,097	17,177	18,356	19,270	19,719	20,585	21,581	22,676	23,820
16,657	Projected number of rating units within the district at the end of the preceding year	16,657	16,657	16,657	16,657	16,657	16,657	16,657	16,657	16,657	16,657

Prospective Statement of Changes in Net Assets and Equity

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
442,958	Accumulated Funds at the start of the year	440,914	448,198	452,258	455,128	459,187	460,611	459,225	457,560	456,434	453,523
4,545	Total Comprehensive Revenue for the Period	7,284	4,060	2,870	4,059	1,424	(1,386)	(1,665)	(1,127)	(2,911)	(2,514)
447,503	Accumulated Funds at the end of the year	448,198	452,258	455,128	459,187	460,611	459,225	457,560	456,434	453,523	451,009
179,283	Asset Revaluation Reserves at the start of the year	175,410	182,477	188,784	195,985	203,848	212,119	221,101	230,619	240,815	251,594
2,500	Revaluation of Assets	7,067	6,307	7,201	7,863	8,271	8,982	9,518	10,196	10,778	11,597
181,783	Asset Revaluation Reserves at the end of the year	182,477	188,784	195,985	203,848	212,119	221,101	230,619	240,815	251,594	263,190
629,286	Net Assets and Equity at the end of the year	630,676	641,042	651,113	663,034	672,730	680,326	688,179	697,249	705,116	714,199

Prospective Statement of Financial Position

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
	PUBLIC EQUITY										
430,353	Retained Earnings	431,800	438,814	442,119	445,524	446,826	444,692	441,590	438,896	434,412	430,106
17,150	Restricted Equity	16,399	13,445	13,009	13,663	13,785	14,533	15,970	17,538	19,110	20,903
181,783	Asset Revaluation Reserves	182,477	188,784	195,985	203,848	212,119	221,101	230,619	240,815	251,594	263,190
629,286	Total Public Equity	630,676	641,042	651,113	663,034	672,730	680,326	688,179	697,249	705,116	714,199
	CURRENT ASSETS										
34	Cash and Cash Equivalents	1,228	1,506	339	300	93	73	5	58	79	43
90	Other Current Assets	90	92	95	97	100	103	106	110	113	118
7,500	Trade and other Receivables	10,893	10,279	9,640	8,472	13,139	11,603	11,419	11,437	10,836	10,067
200	Assets Held for Sale	-	-	-	-	-	-	-	-	-	-
7,824	Total Current Assets	12,211	11,877	10,073	8,870	13,332	11,779	11,530	11,605	11,029	10,228
	NON CURRENT ASSETS										
45,000	Investment Property	43,741	44,189	44,653	45,134	45,634	46,154	46,696	47,261	47,852	48,471
629,992	Property, Plant and Equipment	631,900	647,629	663,755	678,030	685,370	690,847	695,620	702,014	711,720	720,164
10,000	Work in Progress	7,000	5,125	5,259	5,401	5,557	5,724	5,901	6,096	6,303	6,530
500	Other Non-Current Assets	607	622	638	656	675	695	716	740	765	793
685,492	Total Non Current Assets	683,248	697,565	714,305	729,221	737,235	743,419	748,934	756,110	766,639	775,957
693,316	Total Assets	695,460	709,442	724,378	738,090	750,568	755,198	760,463	767,716	777,668	786,186
	CURRENT LIABILITIES										
8,500	Trade and Other Payables	10,561	9,941	9,995	9,918	10,073	9,068	9,185	9,718	10,513	10,602
1,430	Employee Benefit Liabilities	1,700	1,743	1,788	1,836	1,889	1,946	2,006	2,072	2,143	2,220
10,000	Borrowings	5,000	13,000	14,000	5,000	26,000	5,000	17,000	13,000	5,000	18,000
19,930	Total Current Liabilities	17,261	24,683	25,783	16,754	37,962	16,014	28,191	24,791	17,655	30,822
	NON CURRENT LIABILITIES										
500	Provisions	500	513	526	540	556	572	590	610	630	653
42,000	Borrowings	45,676	41,824	45,540	56,307	37,823	56,743	41,913	43,424	52,567	38,752
1,600	Other Non-Current Liabilities	1,347	1,381	1,417	1,455	1,497	1,542	1,590	1,642	1,698	1,759
44,100	Total Non-Current Liabilities	47,523	43,717	47,482	58,302	39,876	58,858	44,092	45,676	54,896	41,164
64,030	Total Liabilities	64,784	68,400	73,265	75,057	77,838	74,872	72,283	70,466	72,551	71,986
629,286	Net Assets	630,675	641,042	651,113	663,034	672,730	680,326	688,180	697,249	705,117	714,199

Notes to the Prospective Statement of Financial Position

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
NET INVESTMENT IN COUNCIL CONTROLLED ORGANISATIONS											
750	Whakatāne Airport	789	793	1,223	1,276	1,671	1,766	1,881	1,881	1,881	2,070
448	Local Government Funding Agency	448	448	448	448	448	448	448	448	448	448
1,198	Net Investment	1,237	1,241	1,671	1,724	2,119	2,214	2,329	2,329	2,329	2,518

Prospective Statement of Cash Flows

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
CASH FLOW FROM OPERATING ACTIVITIES											
Cash will be provided from:											
38,293	Rates and Service Charges	37,205	42,765	44,277	45,833	41,523	49,342	48,629	49,438	51,688	53,546
465	Development Contributions	87	97	100	583	106	110	114	119	123	128
2,226	Sundry Revenue	2,226	2,341	2,328	2,393	2,513	2,521	2,620	2,783	2,801	2,903
6,225	User Fees	7,070	5,826	6,032	6,306	8,052	6,542	7,052	7,352	7,667	8,018
10,160	Subsidies & Grants	14,518	12,634	10,840	12,244	10,563	7,603	7,874	9,369	8,088	9,002
15	Interest Revenue - External	40	40	40	40	40	40	40	40	40	40
7,200	Regional Council Rates	8,185	9,408	9,741	10,083	9,135	10,855	10,698	10,876	11,371	11,780
64,585	Total Operating Cash Provided	69,330	73,111	73,358	77,483	71,932	77,014	77,028	79,978	81,777	85,416
Cash will be applied to:											
34,822	Suppliers and Employees	37,319	41,606	40,712	41,667	38,756	45,491	45,522	46,726	47,940	50,180
2,470	Interest on Public Debt	2,645	3,182	3,413	3,492	3,510	3,472	3,275	3,110	3,032	3,038
7,200	Regional Council Rates	8,185	9,408	9,741	10,083	9,135	10,855	10,698	10,876	11,371	11,780
44,492	Total Operating Cash Applied	48,149	54,196	53,866	55,242	51,401	59,818	59,495	60,713	62,343	64,998
20,093	Net Cashflows from Operating Activities	21,182	18,915	19,492	22,240	20,531	17,196	17,533	19,265	19,434	20,418
CASH FLOW FROM INVESTING ACTIVITIES											
Cash will be provided from:											
600	Proceeds from sale of property, plant and equipment	625	625	625	625	1,000	1,000	1,000	1,000	1,000	1,000
600	Total Investing Cash Provided	625	625	625	625	1,000	1,000	1,000	1,000	1,000	1,000
Cash will be spent on:											

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
26,999	Purchase of property, plant and equipment	28,029	23,411	26,000	24,672	24,254	16,137	15,771	17,723	21,557	20,638
-	Purchase of investments	-	-	-	-	-	-	-	-	-	-
26,999	Total Investing Cash Applied	28,029	23,411	26,000	24,672	24,254	16,137	15,771	17,723	21,557	20,638
(26,399)	Net Cashflows from Investing Activities	(27,404)	(22,786)	(25,375)	(24,047)	(23,254)	(15,137)	(14,771)	(16,723)	(20,557)	(19,638)
CASH FLOW FROM FINANCING ACTIVITIES											
Cash will be provided from:											
14,000	Loans raised	7,076	4,148	4,715	1,768	2,515				1,144	
14,000	Total Financing Cash Provided	7,076	4,148	4,715	1,768	2,515	-	-	-	1,144	-
Cash will be spent on:											
7,700	Repayment of public debt						2,079	2,831	2,489		815
7,700	Total Financing Cash Applied	-	-	-	-	-	2,079	2,831	2,489	-	815
6,300	Net Cashflows from financing activities	7,076	4,148	4,715	1,768	2,515	(2,079)	(2,831)	(2,489)	1,144	(815)
(6)	Net increase (decrease) in cash held	853	278	(1,167)	(39)	(207)	(20)	(68)	54	21	(36)
40	Plus opening cash balance	375	1,228	1,506	339	300	93	73	5	58	79
34	Closing Cash Position	1,228	1,506	339	300	93	73	5	58	79	43



Council Reserves

GENERAL OPERATING RESERVES	ACTIVITY	PURPOSE
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits
Roading Rate	Roads and Footpaths	For Roothing Rate funded Surpluses or Deficits
Refuse Collection rate	Waste	For Refuse Collection Rate funded Surpluses or Deficits
Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits (excluding Matatā and Murupara schemes)
Wastewater - Matatā 1	Sewage Treatment and Disposal	For Matatā Wastewater operational Surpluses or Deficits
Wastewater - Murupara	Sewage Treatment and Disposal	For Murupara Wastewater Rate funded Surpluses or Deficits
Water	Water	For Water Rate funded Surpluses or Deficits (excluding Murupara, Plains and Ruatahuna schemes)
Water - Murupara	Water	For Murupara Water Rate funded Surpluses or Deficits
Water - Plains	Water	For Plains Water Rate funded Surpluses or Deficits
Water - Ruatahuna	Water	For Ruatahuna Water Rate funded Surpluses or Deficits
Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits
Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits
Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits
Airport Whakatāne	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits
Whakatāne Stormwater	Stormwater	For Whakatāne Stormwater Rate funded Surpluses or Deficits
Ōhope Stormwater	Stormwater	For Ōhope Stormwater Rate funded Surpluses or Deficits
Edgecumbe Stormwater	Stormwater	For Edgecumbe Stormwater Rate funded Surpluses or Deficits
Matatā Stormwater	Stormwater	For Matatā Stormwater Rate funded Surpluses or Deficits
Murupara Stormwater	Stormwater	For Murupara Stormwater Rate funded Surpluses or Deficits
Tāneatua Stormwater	Stormwater	For Tāneatua Stormwater Rate funded Surpluses or Deficits
Te Teko Stormwater	Stormwater	For Te Teko Stormwater Rate funded Surpluses or Deficits
Te Mahoe Stormwater	Stormwater	For Te Mahoe Stormwater Rate funded Surpluses or Deficits
Disaster Mitigation	Stormwater	For Disaster Mitigation/Stormwater Rate funded Surpluses or Deficits
Car parks Development	Parking	For the Development of Carparks in the District
Sand mining Royalties	General Council	Income received from sandmining company for access over Council reserve
Museum Collections	Exhibitions, Research, Storage & Archives	For the purchase of Assets for the Museum Collection
Galatea Reserve Development	General Council	For amenities within the Galatea and Murupara areas
Disabled Facilities	Pensioner Housing	For the improvement of Disabled Facilities throughout the District
Te Mahoe Water - special	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets
Leaky Homes Reserve	Building	To fund weather tight claims
Roothing Storm Damage Reserve	Roads and Footpaths	To fund costs associated with storm damage to the Councils Roothing network
General Disaster Reserve	General Council	To fund costs associated with a disaster within the District

RESTRICTED RESERVES	ACTIVITY	PURPOSE
Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in the Whakatāne Ward
Subdivision Contributions - Ōhope	General Council	To fund capital expenditure in the Ōhope Ward
Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward
Subdivision Contributions - Matatā	General Council	To fund capital expenditure in the Matatā Ward
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
Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits
Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets
Development Contributions - Stormwater	Stormwater	To fund growth related stormwater capital expenditure
Development Contributions - Water	Water	To fund growth related Water capital expenditure
Development Contributions - Wastewater	Sewage Treatment and Disposal	To fund growth related Wastewater capital expenditure
Development Contributions - Community Infrastructure	Arts & Culture, Recreation & Community Facilities	To fund growth related Community Infrastructure
Development Contributions - Parks, Gardens and Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure
Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure
Development Contributions - Rooding	Roads and Footpaths	To fund growth related Rooding capital expenditure
Capital Contributions - Rooding	Roads and Footpaths	Financial contributions for Rooding capital projects
DEPRECIATION RESERVES	ACTIVITY	PURPOSE
Water	Water	To fund the renewal of Water assets
Wastewater	Sewage Treatment and Disposal	To fund the renewal of Wastewater assets
Stormwater	Stormwater	To fund the renewal of Stormwater assets
Refuse Disposal	Waste	To fund the renewal of Refuse Disposal assets
Libraries	Libraries	To fund the renewal of Library assets
Museum	Exhibitions, Research, Storage & Archives	To fund the renewal of Museum assets
Parks and Gardens & Sportsfields	Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks and Gardens & Sportsfields assets
Cemeteries & Crematoria	Cemeteries & Crematorium	To fund the renewal of Cemeteries & Crematorium assets
Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets
Halls	Halls	To fund the renewal of Halls assets
Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets
Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets
Strategic & Investment Property	Commercial Property	To fund the renewal of Commercial Property assets
Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets
Information Management	Corporate & District Activities	To fund the renewal of Information Management assets
Port	Ports & Harbour	To fund the renewal of Port & Harbour assets
Rooding	Roads and Footpaths	To fund the renewal of Rooding assets
Airport - Whakatāne	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets

Statement of Reserve Balances

Notes:

- The forecast reserve balances have not been adjusted for inflation. Figures are stated in 2016 dollars

- depicts an overdrawn reserve balance

* upon sale of the Pensioner Housing these funds will be transferred to the General Rates and Revenues Reserve

RESERVE GROUP	2015 OPENING BALANCE	2015 TRANSFER INTO FUND	2015 TRANSFER OUT OF FUND	2015 CLOSING BALANCE	2016 TRANSFER INTO FUND	2016 TRANSFER OUT OF FUND	2016 CLOSING BALANCE	2017 TRANSFER INTO FUND	2017 TRANSFER OUT OF FUND	2017 CLOSING BALANCE	2018 TRANSFER INTO FUND	2018 TRANSFER OUT OF FUND	2018 CLOSING BALANCE	2019 TRANSFER INTO FUND	2019 TRANSFER OUT OF FUND
General Operating Reserves															
Airport Whakatāne	-706	608	-22	-120	-	-7	-127	-	-7	-134	-	-8	-142	-	-8
Aquatic Centre	-1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Disaster Mitigation	170	736	-906	-	-	-	-	-	-	-	-	-	-	-	-
Dog Control	211	12	-	223	12	-50	185	11	-	196	12	-	207	12	-
Edgecumbe Stormwater	60	3	-	63	4	-	67	4	-	71	4	-	75	5	-
General Rates & Revenues	946	34	-726	254	14	-50	217	13	-	231	14	-	244	15	-
Matatā Stormwater	-60	20	-3	-43	-	-3	-45	-	-3	-48	-	-3	-51	-	-3
Ōhope Stormwater	-58	30	-2	-30	-	-2	-32	-	-2	-34	-	-2	-36	-	-2
Parking Enforcement	656	91	-267	480	61	-101	440	59	-70	429	57	-101	385	55	-70
Pensioner Housing *	183	376	-271	288	15	-52	252	15	-	267	16	-	283	17	-
Refuse Collection rate	-288	430	-4	138	8	-	146	9	-	155	9	-	164	10	-
Roading Rate	-106	-	94	-12	-	-1	-13	-	-1	-14	-	-1	-15	-	-1
Tāneatua Stormwater	-2	-	-	-2	-	-	-2	-	-	-2	-	-	-3	-	-
Te Mahoe Stormwater	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-
Te Teko Stormwater	-1	-	-	-1	-	-	-1	-	-	-1	-	-	-1	-	-
Wastewater	404	452	-706	149	7	-61	96	4	-61	39	2	-1	41	3	-1
Wastewater - Matatā	-1,323	-	-198	-1,521	-	-235	-1,756	1,145	-527	-1,139	245	-61	-955	261	-49
Wastewater - Murupara	17	-	-25	-8	-	-	-8	-	-	-9	-	-1	-9	-	-1
Water	-140	1,468	-1,490	-162	31	-9	-140	31	-8	-117	-	-7	-124	-	-7
Water - Murupara	-96	25	-5	-76	-	-5	-80	-	-5	-85	-	-5	-90	-	-5
Water - Plains	1,245	70	-	1,315	78	-	1,393	84	-	1,477	89	-	1,565	94	-
Water - Ruatāhuna	3	-	-	3	-	-	3	-	-	4	-	-	4	-	-
Whakatāne Stormwater	-190	180	-6	-16	-	-1	-17	-	-1	-18	-	-1	-19	-	-1
General Operating Reserves Total	925	4,535	-4,537	923	230	-575	579	1,375	-685	1,269	448	-190	1,526	471	-149

2019 CLOSING BALANCE	2020 TRANSFER INTO FUND	2020 TRANSFER OUT OF FUND	2020 CLOSING BALANCE	2021 TRANSFER INTO FUND	2021 TRANSFER OUT OF FUND	2021 CLOSING BALANCE	2022 TRANSFER INTO FUND	2022 TRANSFER OUT OF FUND	2022 CLOSING BALANCE	2023 TRANSFER INTO FUND	2023 TRANSFER OUT OF FUND	2023 CLOSING	2024 TRANSFER INTO FUND	2024 TRANSFER OUT OF FUND	2024 CLOSING BALANCE	2025 TRANSFER INTO FUND	2025 TRANSFER OUT OF FUND	2025 CLOSING BALANCE
-151	-	-9	-160	-	-10	-170	-	-11	-180	-	-11	-191	-	-11	-203	-	-12	-215
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220	13	-	233	14	-	247	15	-	262	16	-	278	17	-	295	18	-	313
80	5	-	85	5	-	90	5	-	95	6	-	101	6	-	107	7	-	114
259	15	-	274	16	-	291	18	-	308	19	-	327	20	-	347	21	-	368
-54	-	-3	-57	-	-3	-61	-	-4	-64	-	-4	-68	-	-4	-72	-	-4	-77
-38	-	-2	-41	-	-2	-43	-	-3	-46	-	-3	-48	-	-3	-51	-	-3	-55
369	51	-101	319	50	-70	299	48	-101	246	47	-70	223	43	-101	165	42	-70	136
300	18	-	317	19	-	336	20	-	356	21	-	377	23	-	400	25	-	425
174	10	-	184	11	-	195	12	-	207	13	-	220	13	-	233	14	-	248
-15	-	-1	-16	-	-1	-17	-	-1	-18	-	-1	-19	-	-1	-21	-	-1	-22
-3	-	-	-3	-	-	-3	-	-	-3	-	-	-3	-	-	-4	-	-	-4
1	-	-	1	-	-	1	-	-	2	-	-	2	-	-	2	-	-	2
-1	-	-	-1	-	-	-1	-	-	-2	-	-	-2	-	-	-2	-	-	-2
43	3	-1	45	3	-1	48	3	-1	50	3	-1	53	4	-1	55	4	-1	58
-743	280	-36	-499	301	-21	-219	337	-3	115	7	-	122	7	-	130	8	-	137
-10	-	-1	-10	-	-1	-11	-	-1	-12	-	-1	-12	-	-1	-13	-	-1	-14
-131	-	-8	-139	-	-8	-148	-	-9	-157	-	-10	-166	-	-10	-176	-	-11	-187
-95	-	-6	-101	-	-6	-107	-	-6	-114	-	-7	-121	-	-7	-128	-	-8	-136
1,659	99	-	1,758	106	-	1,863	112	-	1,976	121	-	2,096	127	-	2,223	137	-	2,360
4	-	-	4	-	-	4	-	-	5	-	-	5	-	-	5	-	-	6
-20	-	-1	-21	-	-1	-22	-	-1	-23	-	-1	-25	-	-2	-26	-	-2	-28
1,848	494	-169	2,173	525	-125	2,573	570	-140	3,003	253	-109	3,147	261	-142	3,266	276	-114	3,428

RESERVE GROUP	2015 OPENING BALANCE	2015 TRANSFER INTO FUND	2015 TRANSFER OUT OF FUND	2015 CLOSING BALANCE	2016 TRANSFER INTO FUND	2016 TRANSFER OUT OF FUND	2016 CLOSING BALANCE	2017 TRANSFER INTO FUND	2017 TRANSFER OUT OF FUND	2017 CLOSING BALANCE	2018 TRANSFER INTO FUND	2018 TRANSFER OUT OF FUND	2018 CLOSING BALANCE	2019 TRANSFER INTO FUND	2019 TRANSFER OUT OF FUND
Depreciation Reserves															
Cemeteries & Crematorium	64	46	-53	57	26	-12	71	27	-16	82	27	-18	91	28	-19
Corporate Property	1,534	685	-859	1,359	770	-566	1,564	760	-1,175	1,149	730	-777	1,102	707	-1,778
Information Management	2,582	709	-695	2,596	456	-775	2,277	444	-560	2,161	433	-690	1,903	420	-600
Libraries	34	131	-125	40	128	-100	68	129	-100	97	131	-100	128	133	-100
Museum	100	26	-	126	8	-	134	8	-	142	9	-	150	9	-
Parks, Reserves, Recreation & Sports Fields	1,082	636	-633	1,085	475	-282	1,277	481	-396	1,362	475	-768	1,069	462	-609
Pensioner Housing	335	99	-152	282	17	-	299	18	-	317	19	-	336	20	-
Ports & Harbour	1,618	458	-158	1,918	472	-399	1,991	487	-75	2,403	393	-4,008	-1,212	358	-196
Public Conveniences	333	107	-87	353	18	-24	348	16	-84	281	13	-58	235	12	-16
Refuse Disposal	154	14	-	168	-4	-	164	-5	-15	144	-6	-25	113	-8	-15
Roading Depreciation	318	1,974	-2,141	151	2,090	-2,100	141	2,082	-2,500	-277	2,082	-2,465	-660	2,102	-2,012
Stormwater Depreciation	285	648	-1,296	-363	253	-843	-952	248	-147	-851	285	-670	-1,237	251	-84
Strategic & Investment Property	2	-	-	2	-	-	2	-	-	2	-	-	3	-	-
Swimming Pools	208	186	-82	312	161	-130	343	165	-52	456	170	-109	517	171	-212
Wastewater Depreciation	926	827	-355	1,399	993	-712	1,680	1,006	-3,049	-363	1,020	-1,942	-1,284	1,009	-1,526
Water Depreciation	1,996	1,134	-582	2,548	946	-1,037	2,457	944	-972	2,428	957	-956	2,429	987	-564
Whakatāne Airport	-195	31	-100	-264	70	-19	-213	70	-16	-159	70	-26	-115	70	-59
Depreciation Reserves Total	11,376	7,711	-7,317	11,770	6,878	-6,998	11,650	6,880	-9,157	9,373	6,808	-12,613	3,568	6,730	-7,790
Other Reserves															
Asset Divestment	-255	583	-185	143	645	-255	532	625	-1,675	-518	625	-353	-246	625	-1,298
Car Parks Development	36	2	-	38	2	-	40	2	-	43	3	-	45	3	-
Community Boards & Iwi Liaison	121	8	-1	128	9	-1	135	9	-1	144	10	-1	152	10	-1
Disabled Facilities	-8	28	-20	-	-	-	-	-	-	-	-	-	-	-	-
Galatea Reserve Development	1	-	-1	-	-	-	-	-	-	-	-	-	-	-	-
LAPP Insurance	282	16	-	298	18	-	316	19	-	334	20	-	355	21	-
Leaky Homes Reserve	280	118	-	398	24	-	422	25	-	448	27	-	474	28	-
Roading Storm Damage Reserve	755	325	-	1,080	64	-	1,144	69	-	1,213	73	-	1,286	77	-
Te Mahoe Water - special	217	7	-181	43	3	-	46	3	-	49	3	-	52	3	-
Other Reserves Total	1,429	1,087	-388	2,128	764	-256	2,635	753	-1,677	1,712	760	-354	2,118	768	-1,300
Restricted Reserves															
Capital Contributions - Roading	50	3	-	53	3	-	56	3	-	59	4	-	63	4	-

2019 CLOSING BALANCE	2020 TRANSFER INTO FUND	2020 TRANSFER OUT OF FUND	2020 CLOSING BALANCE	2021 TRANSFER INTO FUND	2021 TRANSFER OUT OF FUND	2021 CLOSING BALANCE	2022 TRANSFER INTO FUND	2022 TRANSFER OUT OF FUND	2022 CLOSING BALANCE	2023 TRANSFER INTO FUND	2023 TRANSFER OUT OF FUND	2023 CLOSING BALANCE	2024 TRANSFER INTO FUND	2024 TRANSFER OUT OF FUND	2024 CLOSING BALANCE	2025 TRANSFER INTO FUND	2025 TRANSFER OUT OF FUND	2025 CLOSING BALANCE
101	29	-14	116	29	-28	117	29	-33	113	29	-36	106	29	-22	113	30	-2	141
31	688	-1,161	-443	705	-728	-465	721	-703	-446	739	-578	-285	753	-791	-323	768	-846	-401
1,723	412	-470	1,666	409	-500	1,575	406	-440	1,540	404	-450	1,495	404	-350	1,549	410	-310	1,649
161	135	-100	196	137	-100	234	139	-100	273	142	-100	315	145	-100	360	148	-100	407
159	9	-	169	10	-	179	11	-	190	12	-	201	12	-	213	13	-	227
921	452	-625	748	436	-839	344	419	-583	180	409	-579	10	404	-871	-457	404	-434	-487
356	21	-	377	23	-	400	24	-	424	26	-	450	27	-	477	29	-	506
-1,049	358	-968	-1,659	358	-176	-1,476	358	-151	-1,269	358	-145	-1,056	358	-132	-829	358	-119	-590
231	11	-17	225	10	-46	190	7	-93	104	2	-59	47	-1	-59	-13	-2	-38	-53
90	-10	-25	55	-11	-	44	-12	-30	2	-14	-	-12	-14	-1	-27	-14	-2	-43
-570	2,102	-1,974	-442	2,102	-1,949	-289	2,102	-1,960	-147	2,102	-2,178	-223	2,102	-1,876	3	2,111	-1,818	296
-1,071	251	-105	-925	252	-627	-1,300	253	-127	-1,174	254	-116	-1,036	255	-637	-1,418	256	-102	-1,265
3	-	-	3	-	-	3	-	0	3	-	-	3	-	-	4	-	-	4
476	170	-149	498	164	-395	266	158	-141	283	161	-75	370	159	-316	212	149	-337	24
-1,801	1,000	-493	-1,295	1,006	-880	-1,169	1,008	-1,915	-2,076	1,020	-2,138	-3,194	990	-1,929	-4,133	888	-4,100	-7,344
2,852	1,001	-1,181	2,672	1,017	-863	2,825	1,038	-370	3,493	1,066	-793	3,766	1,082	-790	4,059	1,106	-777	4,387
-104	70	-175	-209	70	-101	-240	70	-119	-288	70	-19	-237	70	-15	-182	70	-12	-125
2,509	6,701	-7,457	1,753	6,718	-7,233	1,237	6,732	-6,765	1,204	6,782	-7,265	720	6,776	-7,889	-393	6,725	-8,998	-2,666
-919	1,000	-134	-53	1,024	-106	865	1,079	-106	1,839	1,139	-105	2,873	1,202	-106	3,969	1,272	-106	5,135
48	3	-	51	3	-	54	3	-	57	3	-	61	4	-	64	4	-	68
161	11	-1	171	12	-1	181	12	-2	192	13	-2	204	14	-2	216	15	-2	229
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
376	22	-	398	24	-	422	25	-	447	27	-	475	29	-	504	31	-	535
503	30	-	533	32	-	565	34	-	599	37	-	635	39	-	674	42	-	715
1,363	81	-	1,444	87	-	1,531	92	-	1,623	99	-	1,722	105	-	1,826	113	-	1,939
55	3	-	58	3	-	61	4	-	65	4	-	69	4	-	73	5	-	78
1,586	1,150	-135	2,601	1,185	-107	3,679	1,250	-107	4,822	1,323	-107	6,038	1,395	-108	7,326	1,481	-107	8,699
67	4	-	71	4	-	75	5	-	79	5	-	84	5	-	89	6	-	95

RESERVE GROUP	2015 OPENING BALANCE	2015 TRANSFER INTO FUND	2015 TRANSFER OUT OF FUND	2015 CLOSING BALANCE	2016 TRANSFER INTO FUND	2016 TRANSFER OUT OF FUND	2016 CLOSING BALANCE	2017 TRANSFER INTO FUND	2017 TRANSFER OUT OF FUND	2017 CLOSING BALANCE	2018 TRANSFER INTO FUND	2018 TRANSFER OUT OF FUND	2018 CLOSING BALANCE	2019 TRANSFER INTO FUND	2019 TRANSFER OUT OF FUND
Development Contributions - Community Infrastructure	473	102	-316	258	11	-151	118	7	-1	124	7	-12	119	-	-297
Development Contributions - Parks, Gardens & Reserves	1,527	62	-845	744	33	-727	50	35	-209	-124	37	-178	-265	39	-192
Development Contributions - Roading	1,508	145	-341	1,312	71	-269	1,114	65	-74	1,105	65	-71	1,098	64	-70
Development Contributions - Solid Waste	331	27	-	358	17	-150	225	14	-	239	14	-	253	15	-
Development Contributions - Stormwater'	257	206	-206	257	37	-139	156	33	-855	-667	33	-54	-688	34	-157
Development Contributions - Wastewater	-726	255	-181	-652	55	-489	-1,086	63	-882	-1,905	63	-147	-1,990	312	-144
Development Contributions - Water	270	42	-93	219	33	-152	100	30	-511	-382	31	-293	-644	216	-154
Harbour Capital Fund	5,675	2,312	-2,918	5,069	2,409	-2,275	5,203	2,399	-3,699	3,903	2,353	-2,952	3,304	2,384	-2,104
Harbour Land Sales	9,315	521	-	9,836	586	-	10,422	626	-	11,048	663	-	11,711	701	-
Otarawairere Disaster Mitigation	-1,542	1,584	-42	-	-	-	-	-	-	-	-	-	-	-	-
Subdivision Contributions - Edgecumbe	21	1	-	22	1	-	23	1	-	25	1	-	26	2	-
Subdivision Contributions - Matatā	18	1	-	19	1	-	20	1	-	21	1	-	23	1	-
Subdivision Contributions - Murupara	5	-	-	5	-	-	6	-	-	6	-	-	6	-	-
Subdivision Contributions - Ōhope	4	33	-47	-10	-	-1	-11	-	-1	-12	-	-1	-12	-	-1
Subdivision Contributions - Rural	26	1	-	27	2	-	29	2	-	31	2	-	33	2	-
Subdivision Contributions - Whakatāne	261	6	-292	-24	-	-1	-26	-	-2	-27	-	-2	-29	-	-2
Restricted Reserves Total	17,473	5,301	-5,280	17,494	3,259	-4,354	16,399	3,280	-6,234	13,445	3,275	-3,710	13,009	3,775	-3,121
Grand Total	31,203	18,635	-17,523	32,315	11,131	-12,183	31,263	12,288	-17,752	25,799	11,291	-16,868	20,221	11,744	-12,360

2019 CLOSING BALANCE	2020 TRANSFER INTO FUND	2020 TRANSFER OUT OF FUND	2020 CLOSING BALANCE	2021 TRANSFER INTO FUND	2021 TRANSFER OUT OF FUND	2021 CLOSING BALANCE	2022 TRANSFER INTO FUND	2022 TRANSFER OUT OF FUND	2022 CLOSING BALANCE	2023 TRANSFER INTO FUND	2023 TRANSFER OUT OF FUND	2023 CLOSING	2024 TRANSFER INTO FUND	2024 TRANSFER OUT OF FUND	2024 CLOSING BALANCE	2025 TRANSFER INTO FUND	2025 TRANSFER OUT OF FUND	2025 CLOSING BALANCE
-178	-	-234	-412	-	-26	-438	-	-28	-466	-	-30	-495	-	-31	-527	-	-34	-560
-417	41	-221	-596	44	-214	-766	47	-228	-947	51	-242	-1,138	53	-256	-1,341	58	-275	-1,558
1,092	63	-70	1,085	64	-55	1,094	64	-69	1,089	65	-69	1,085	64	-69	1,080	65	-69	1,076
268	16	-	284	17	-	301	18	-	319	19	-	339	21	-	359	22	-	381
-811	34	-196	-973	35	-137	-1,075	35	-74	-1,114	36	-78	-1,155	37	-81	-1,199	38	-85	-1,247
-1,821	63	-141	-1,900	63	-125	-1,962	64	-130	-2,028	66	-137	-2,099	67	-247	-2,280	68	-157	-2,368
-581	32	-156	-705	33	-58	-730	34	-61	-756	36	-64	-785	37	-67	-815	38	-71	-847
3,583	2,427	-2,282	3,728	2,437	-2,103	4,062	2,703	-1,785	4,980	2,753	-1,746	5,986	2,823	-1,737	7,072	2,886	-1,724	8,234
12,413	739	-	13,151	790	-	13,942	839	-	14,781	902	-	15,683	952	-	16,634	1,025	-	17,659
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	2	-	30	2	-	31	2	-	33	2	-	35	2	-	38	2	-	40
24	1	-	25	2	-	27	2	-	29	2	-	30	2	-	32	2	-	34
7	-	-	7	-	-	7	-	-	8	-	-	8	1	-	9	1	-	9
-13	-	-1	-14	-	-1	-15	-	-1	-16	-	-1	-17	-	-1	-18	-	-1	-19
35	2	-	37	2	-	39	2	-	41	3	-	44	3	-	46	3	-	49
-31	-	-2	-32	-	-2	-34	-	-2	-37	-	-2	-39	-	-2	-41	-	-3	-44
13,663	3,424	-3,302	13,785	3,494	-2,721	14,558	3,816	-2,377	15,997	3,939	-2,369	17,566	4,066	-2,492	19,140	4,213	-2,418	20,935
19,606	11,770	-11,063	20,312	11,922	-10,187	22,047	12,368	-9,389	25,026	12,296	-9,851	27,471	12,498	-10,630	29,339	12,694	-11,637	30,395

» Financial Prudence Benchmarks

Long-Term Plan disclosure statement for period commencing 1 July 2015

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 Long-Term 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.

Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

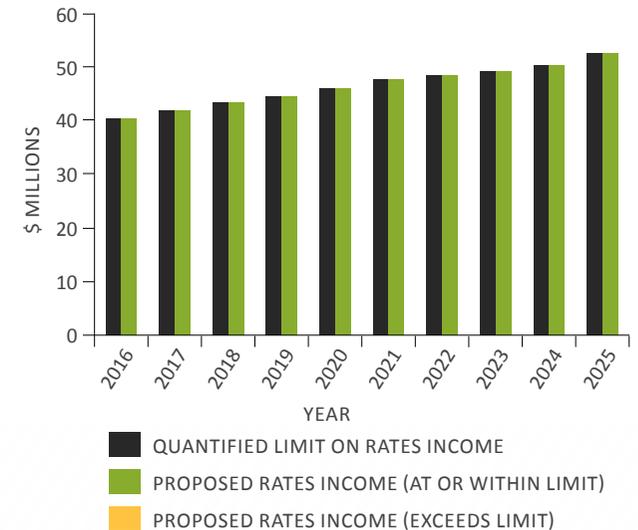
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

RATES INCOME AFFORDABILITY

The following graphs compare the Council's planned rates with a quantified limits on rates contained in the financial strategy included in this Long-Term Plan.

Quantified Limits on Rates

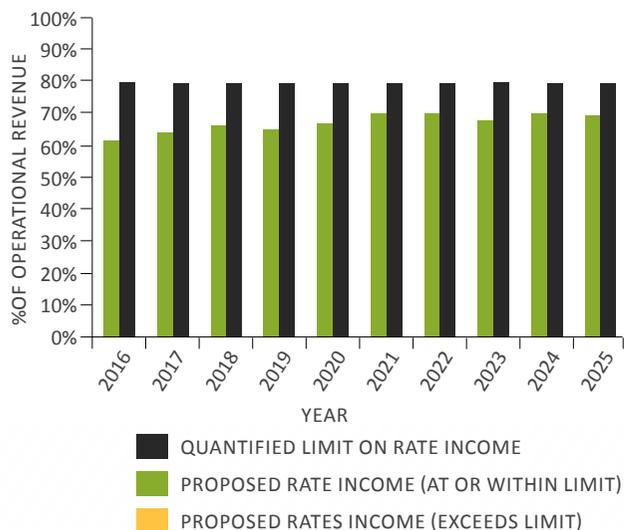
The proposed rates income will be no more than the total rates requirement for each year of the ten-year plan.



RATES INCREASES AFFORDABILITY

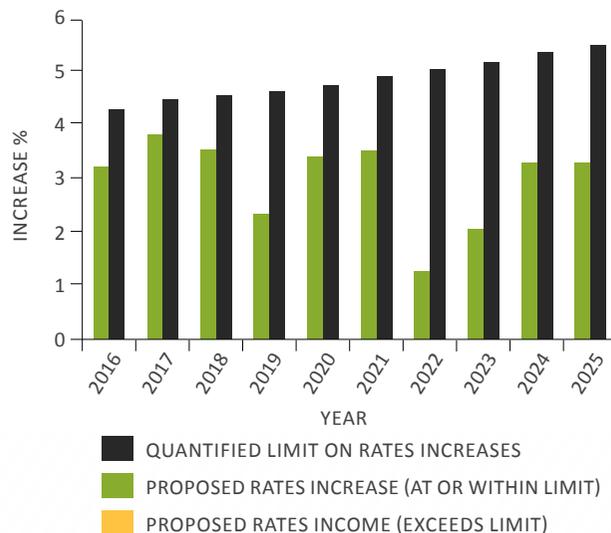
The following graph compares the Council’s planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included this Long-Term Plan.

TOTAL RATES REVENUE FOR EACH YEAR OF THE TEN-YEAR PLAN WILL BE LIMITED TO 80% OF OPERATING REVENUE



Quantified Limit on Rates Increases

- The annual percentage increase in the Local Government Cost Index*
- Plus two percent.



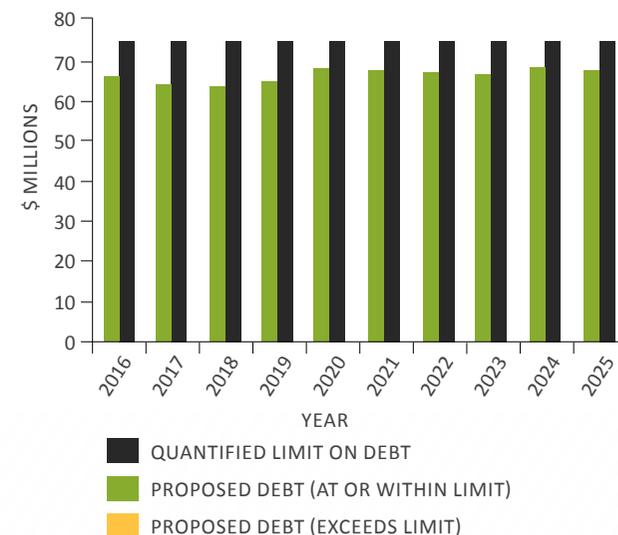
*Using the most recent Local Government Cost Index, published by BERL, available at the time the this ten-year plan was prepared.

Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

Our Limits for Debt

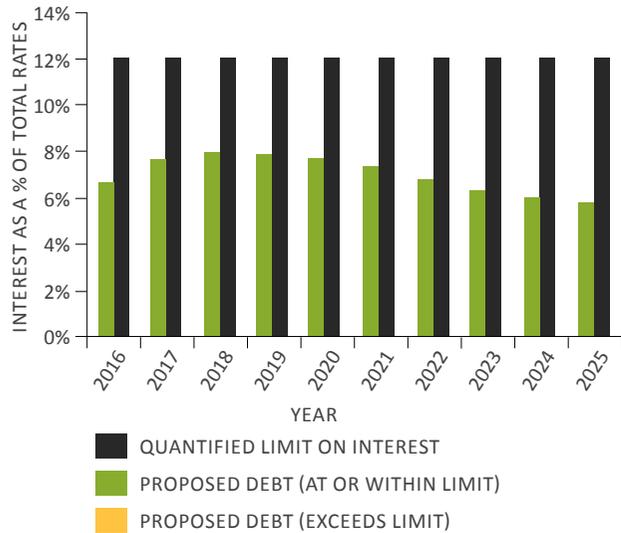
The following graph compares the council’s planned total borrowing with the first quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is for total debt to be capped at \$75 million.





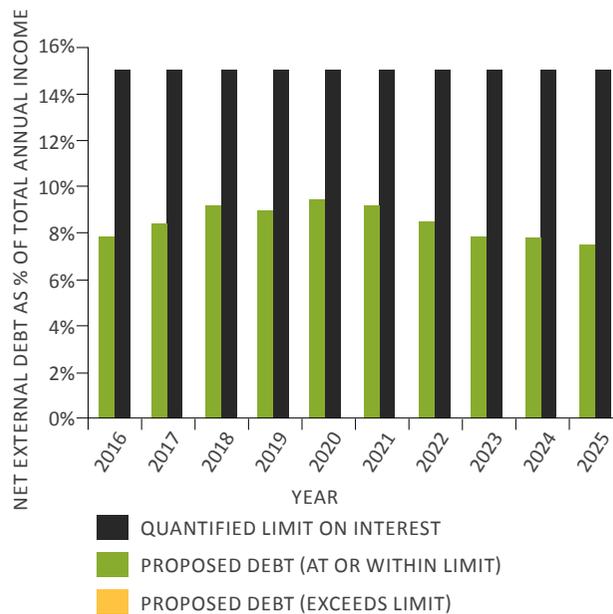
Our Limit on Interest as a Percentage of Total Rates Income

The following graph compares the council’s planned interest as a percentage of total rates income with the second quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is 12% of total rates.



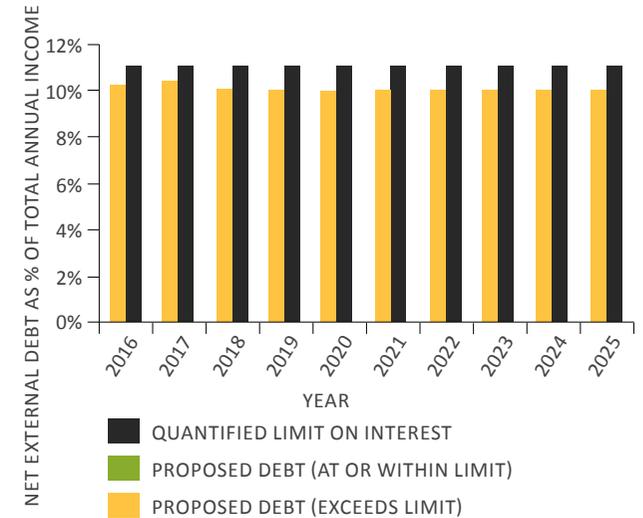
Our Limit on Net External Debt as a Percentage of Total Annual Income

The following graph compares the Council’s planned net external debt as a percentage of total annual income with the quantified limit stated in the Liability Management Policy. The quantified limit is 150% of total income.



Our Limit on Net External Debt, Committed Loan Facilities and Available Cash Equivalents is maintained at 110% of existing external debt

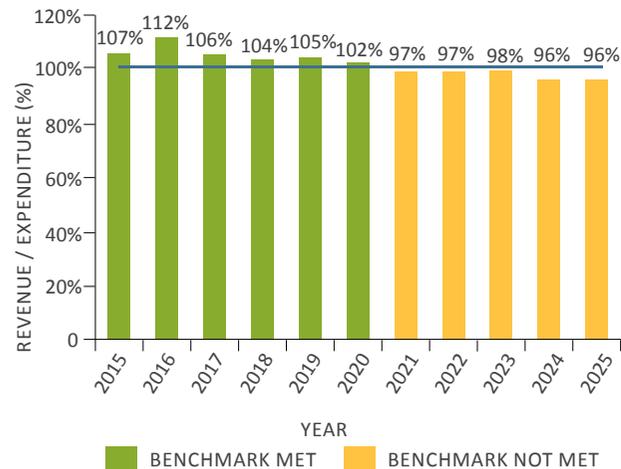
The following graph compares the Council’s planned net external debt and cash equivalents as a percentage of existing external debt. The quantified limit is 110%.





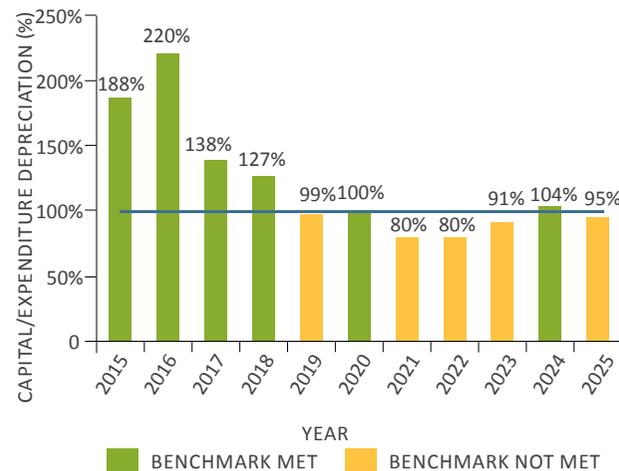
Balanced Budget Benchmark

The following graph displays the Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets the balanced benchmark if its planned revenue equals or is greater than its planned operating expenses.



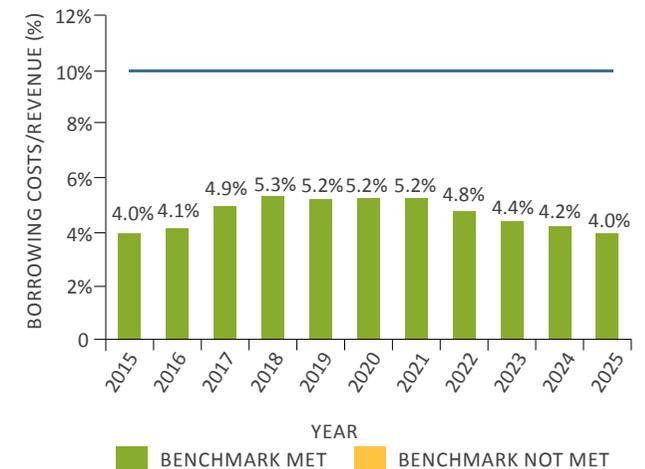
Essential Services Benchmark

The following graph displays the Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services. The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment). Because Statistics New Zealand projects the Councils’ population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its planned revenue.





» All About Rates

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 are not rateable like schools, churches, recreation reserves and national parks. Our District is made up of 15,732 rateable properties.

The table below shows the number of rateable properties in our District as at 26 November 2014. Properties are valued every three years by an independent valuer and were last valued in September 2013.

	NUMBER OF RATEABLE RATING UNITS	RATEABLE CAPITAL VALUE \$ MILLION
Whakatāne Commercial	518	\$969.76
Edgecumbe	646	\$137.87
Matatā	334	\$73.50
Murupara	777	\$47.59
Ōhope	1,843	\$940.19
Otarawairere	37	\$27.12
Rural	5,273	\$2,901.78
Tāneatua	282	\$31.93
Te Teko	277	\$35.21
Whakatāne Urban	5,745	\$1,771.04
TOTAL	15,732	\$6,935.99

The Council's LTP assumes a 0.5% increase in rating base per annum for the next ten years. However this change is not considered material, and a conservative approach has been taken to rate modelling, assuming the current number of rating units is maintained.

Rates due dates

There will be four equal instalments for the 2012/13 rates and the due dates are as follows:

INSTALMENT	DUE DATE
Instalment 1	Friday, 21 August 2015
Instalment 2	Friday, 20 November 2015
Instalment 3	Friday, 26 February 2016
Instalment 4	Friday, 20 May 2016

A 10% instalment penalty will apply if any of these rates remain outstanding after each of the above instalment due dates. A further 10% additional charge will be added on 1 October 2016 to any rates that were set prior to 1 July 2016 and which are unpaid at 1 July 2016 and remain unpaid at 30 September 2016.

Water due dates

The following are the due dates for the water invoices:

INSTALMENT	SCHEME	DUE DATE
1st Reading	Plains and Awakeri Extn	Friday, 23 October 2015
2nd Reading	All metered schemes	Friday, 22 January 2016
3rd Reading	Plains and Awakeri Extn	Friday, 22 April 2016
4th Reading	All metered schemes	Friday, 22 July 2016

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

Funding Impact Statement (Rating)

The Funding Impact Statement shows how the rating system will look as dollar figures applied across the community. Hopefully this information will help you to understand the financial impact of the 'All about rates' section. You will find that this information is very similar to what appears on the back of your rates invoice.

Rating units are defined as:

Commercial and industrial is defined as any property 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%

		2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
GENERAL RATES											
Total amount required		16,779,060	17,443,985	17,710,805	18,185,154	18,896,323	19,352,774	19,596,673	19,985,543	20,487,697	20,978,219
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\$).											
	Cents per CV\$										
District wide rating units with capital value less than \$15 million (step 1)	0.00111229	7,259,927	7,554,398	7,416,453	7,634,544	8,000,166	8,095,650	8,178,921	8,355,811	8,467,036	8,551,909
District wide rating units with capital value greater than \$15 million (step 2)*	0.00055615	227,472	236,699	232,376	239,210	250,666	253,657	256,267	261,809	265,294	267,953
Uniform Annual General Charge on all rating units in the District	\$630.50	9,291,661	9,652,888	10,061,975	10,311,400	10,645,491	11,003,467	11,161,485	11,367,923	11,755,367	12,158,357
* Council uses a differential for all rating units with capital value over \$15 million to reduce the total rate those 17 rating units are charged.											
ROADING RATES											
Total amount required		7,525,852	7,748,608	7,891,010	8,044,278	8,248,109	8,512,295	8,253,197	8,566,693	8,933,161	9,228,403
The Council sets the roading rate on the capital value of each applicable rating unit in the District (cents per CV\$).											
	Cents per CV\$										
District wide rating units (cents per CV\$)	0.00097654	6,773,267	6,973,747	7,101,909	7,239,850	7,423,298	7,661,066	7,427,877	7,710,024	8,039,845	8,305,563
Fixed targeted rate on all rating units in the District	\$51.06	752,585	774,861	789,101	804,428	824,811	851,230	825,320	856,669	893,316	922,840
COMMUNITY BOARD RATES											
Total amount required		318,363	336,664	335,479	343,922	364,936	365,179	375,725	400,373	402,121	415,742
The Community Board rate funds the Governance activity. The Community Board rate is set to fund the costs of the five Community Boards. The Council sets the targeted rate on rating units within each of the following locations.											
	Rate \$										
Whakatāne	15.95	99,534	104,091	104,812	107,518	112,844	114,086	117,469	123,794	125,628	129,980
Rangitāiki	14.51	59,263	62,814	62,458	64,021	68,087	67,988	69,941	74,699	74,866	77,390

		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Ōhope	38.43	71,787	75,650	75,630	77,549	82,006	82,325	84,721	89,967	90,653	93,745		
Tāneatua	32.69	40,998	44,091	43,249	44,294	47,787	47,081	48,384	52,433	51,844	53,538		
Murupara	31.02	46,781	50,019	49,330	50,539	54,213	53,699	55,209	59,481	59,131	61,089		
STORMWATER RATES													
Total amount required		2,847,650	2,948,497	2,896,484	2,923,947	3,091,525	3,326,009	3,425,786	3,467,245	3,541,251	3,599,153		
The Council sets a differential targeted rate for stormwater on rating units and a rate on the capital value differentially as follows.													
	Differential	Fixed targeted rate per rateable unit	Cents per CV\$										
Whakatāne Urban	1.0	80.37	0.00055558	1,438,089	1,495,240	1,491,675	1,541,798	1,663,271	1,834,583	1,906,595	1,933,827	1,984,604	2,025,129
Whakatāne Commercial and Industrial*	2.2	80.37	0.00122228	554,347	576,377	575,003	594,324	641,148	707,185	734,944	745,441	765,014	780,635
Matatā	1.0	114.55	0.00152409	149,371	108,002	32,666	20,930	17,035	15,045	10,702	7,360	4,112	3
Ōhope	1.0	66.52	0.00038273	489,827	550,816	539,234	545,360	540,794	539,491	542,238	545,596	547,867	546,359
Edgecumbe	1.0	76.28	0.00067051	193,434	195,279	196,938	198,484	206,220	206,493	208,223	211,600	215,581	222,834
Tāneatua	1.0	5.91	0.00014923	6,354	6,418	24,441	6,566	6,606	6,663	6,678	6,803	7,005	7,093
Murupara	1.0	1.05	0.00006158	3,068	3,003	3,073	2,905	2,797	2,801	2,552	2,514	2,628	2,399
Te Mahoe Land Drainage	1.0	53.54	0.00203323	5,140	5,259	21,739	5,360	5,433	5,521	5,574	5,701	5,896	6,010
Te Teko Land Drainage	1.0	15.79	0.00064352	8,020	8,104	11,714	8,220	8,221	8,228	8,280	8,404	8,543	8,689
* 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.													
DISTRICT GROWTH RATES													
Total amount required		430,917	441,812	453,845	466,496	477,932	491,935	506,591	521,676	540,412	558,657		
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		\$178.06	107,729	110,453	113,461	116,624	119,483	122,984	126,648	130,419	135,103	139,664	
Total amount required from cents per CV\$		323,188	331,359	340,384	349,872	358,449	368,951	379,943	391,257	405,309	418,993		
The Council sets a targeted rate on the capital value for all commercial and industrial rating units outside the Whakatāne urban area (cents per CV\$).		1.0	0.00032872	45,674									
The Council sets a targeted rate on the capital value for all commercial and industrial rating units within the Whakatāne urban area (cents per CV\$).		2.0	0.00065745	277,513									
REFUSE REMOVAL RATES													
Total amount required		\$ 4,341,906	4,416,377	4,529,825	4,613,546	4,743,783	4,860,384	4,980,273	5,127,916	5,276,195	5,438,531		

	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$		
<p>The Refuse Removal rate funds the Waste Group of Activities. The Council sets a targeted rate to fund the collection and disposal of the Council approved refuse and recycling bins. This targeted rate is set as a fixed amount where a service is available to the rating unit. A rating unit can apply for more than one service and will be charged accordingly. The service applicable to each category is: Residential - refuse, recycling and green waste Rural and Commercial - recycling and green waste</p>												
Residential - per service	342.89	2,741,752	2,786,481	2,854,620	2,904,904	2,983,126	3,053,159	3,125,166	3,213,843	3,302,901	3,400,403	
Rural/commercial - per service	279.91	1,000,966	1,020,970	1,051,443	1,073,931	1,108,914	1,140,234	1,172,438	1,212,096	1,251,925	1,295,530	
Ōhope residential * - per service	345.61	587,882	597,397	611,892	622,589	639,230	654,128	669,446	688,310	707,256	727,998	
Ōhope commercial - per service	282.63	11,305	11,529	11,870	12,121	12,513	12,863	13,223	13,667	14,112	14,600	
*The Council provides an additional three recycling collections during the summer holiday period for Ōhope.												
WATER RATES												
Total amount required	5,005,390	5,288,667	5,334,274	5,420,702	5,553,301	5,815,287	5,967,016	6,199,012	6,367,631	6,666,044		
<p>The Council sets water rates on a differential based on provision of service, land use and location. Connected - any rating unit that is connected directly or indirectly to a Council operated waterworks. Available - any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks. Note: All water by meter consumption that is invoiced during the current rating year will be calculated on the charges detailed below.</p>												
	Per connection \$	Rate \$										
Ruatāhuna												
Connected	26.92		215	224	230	238	246	254	263	273	284	297
Connected - commercial	67.31		135	140	144	148	153	159	165	171	178	185
Plains and Awakeri Extension												
Plains connected - metered	120.00		161,394	175,594	180,705	186,536	192,851	200,629	207,988	214,746	223,914	232,934
Plains water by meter		0.27	231,400	251,759	259,087	267,447	276,502	287,654	298,205	307,893	321,038	333,970
Plains excess water by meter*		0.90	239,513	260,586	268,171	276,824	286,196	297,739	308,660	318,688	332,294	345,679
Awakeri connected - metered	120.00		44,845	48,790	50,211	51,831	53,586	55,747	57,791	59,669	62,217	64,723
Awakeri water by meter		0.27	51,139	55,638	57,258	59,105	61,106	63,571	65,903	68,044	70,949	73,807
Excess water by meter*		0.90	36,851	40,093	41,260	42,592	44,034	45,810	47,490	49,033	51,126	53,186
Murupara												
Connected - metered	69.05		2,555	2,767	2,733	2,839	2,990	3,163	3,448	3,681	3,710	3,837
Connected - non metered	171.35		116,175	125,810	124,279	129,093	135,952	143,801	156,782	167,355	168,697	174,467
Available - not connected	69.05		7,112	7,702	7,609	7,903	8,323	8,804	9,599	10,246	10,328	10,681
Water by meter		0.46	15,371	16,646	16,444	17,081	17,988	19,027	20,744	22,143	22,321	23,084
All Other Schemes												
Connected - metered	151.28		1,380,626	1,449,420	1,457,245	1,475,071	1,506,838	1,579,448	1,613,485	1,676,506	1,718,109	1,801,855
Connected - non metered	420.90		521,495	547,481	550,436	557,169	569,169	596,595	609,452	633,256	648,971	680,603
Available - not connected	151.28		71,406	74,965	75,369	76,291	77,934	81,690	83,450	86,709	88,861	93,193
Water by meter		1.23	2,125,158	2,231,051	2,243,095	2,270,535	2,319,433	2,431,199	2,483,591	2,580,598	2,644,636	2,773,543
*The council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each rating unit connected to these water supplies. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement. Note: Where rating units meet the definition of being contiguous either under legislation or Council Policy, the entitlements for such properties will be aggregated prior to an imposition of the overuse penalty.												

	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	
SEWERAGE RATES											
Total amount required	2,687,472	2,846,788	3,791,625	3,956,810	4,079,818	4,327,429	4,557,678	4,382,242	4,705,894	5,030,935	
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.											
Connected - any rating unit that is connected to a public sewerage drain.											
Available - any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.											
	Rate \$										
Available - all schemes excluding Murupara	113.56	39,745	42,142	56,805	59,312	61,133	64,753	67,242	62,299	66,138	70,875
Connected - all schemes excluding Murupara	227.11	2,509,133	2,660,476	3,586,166	3,744,431	3,859,410	4,087,981	4,245,083	3,933,002	4,175,374	4,474,416
Available - Murupara	88.28	7,768	8,081	8,332	8,580	8,928	9,792	13,752	21,688	26,029	27,221
Connected - Murupara	176.55	130,826	136,089	140,322	144,487	150,347	164,903	231,601	365,253	438,353	458,423
<i>* 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.</i>											
PERCENTAGE OF RATES THAT ARE FIXED CHARGES											
Under the Local Government Rating Act (LGRA) the Council may only set a maximum of 30% of the total rates income to come from fixed rates such as targeted rates or uniform annual charges. The following table shows an analysis of these charges and shows the percentage of the Council's total rates.											
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Report on 30% Cap (Section 21 LGRA)	\$ Excl. GST										
Targeted rates that are set on a uniform basis and calculated in accordance with section 18(2) or clause 7 of Schedule 3											
Uniform Annual General Charge	9,291,661	9,652,888	10,061,975	10,311,400	10,645,491	11,003,467	11,161,485	11,367,923	11,755,367	12,158,357	
Roading	752,585	774,861	789,101	804,428	824,811	851,230	825,320	856,669	893,316	922,840	
Community Boards	318,363	336,665	335,479	343,921	364,937	365,179	375,724	400,374	402,122	415,742	
Stormwater	711,913	737,124	724,121	730,987	772,881	831,502	856,446	866,811	885,313	899,788	
District Growth	107,729	110,453	113,461	116,624	119,483	122,984	126,648	130,419	135,103	139,664	
Total Uniform Annual General Charge and targeted rates	11,182,251	11,611,991	12,024,138	12,307,359	12,727,603	13,174,361	13,345,623	13,622,196	14,071,221	14,536,392	
Total rates excluding GST	39,936,610	41,471,398	42,943,349	43,954,855	45,455,726	47,051,291	47,662,939	48,650,701	50,254,362	51,915,685	
Uniform rates as a percentage of total rates	28%										
Targeted rates that are set on a differential uniform basis, not included in the 30% cap											
Refuse Removal Rate	4,341,906	4,416,377	4,529,825	4,613,546	4,743,783	4,860,384	4,980,273	5,127,916	5,276,195	5,438,531	

Indicative Rating Examples for 2015/16

	WHAKATĀNE URBAN LOW	WHAKATĀNE URBAN AVERAGE	WHAKATĀNE URBAN HIGH	WHAKATĀNE COMMERCIAL (LESS THAN \$10M) LOW	WHAKATĀNE COMMERCIAL (LESS THAN \$10M) AVERAGE	EDGE CUMBE AVERAGE	MATATĀ AVERAGE	MATATĀ HIGH
Capital Value	128,000	298,000	900,000	335,000	640,000	205,000	226,000	485,000
General Rate - capital value	142.37	331.46	1,001.06	372.62	711.87	228.02	251.38	539.46
Uniform Annual General Charge	630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50
Roading Capital Value Rate	125.00	291.01	878.88	327.14	624.98	200.19	220.70	473.62
Roading Fixed Targeted Rate	51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06
Community Boards	15.95	15.95	15.95	15.95	15.95	14.51	14.51	14.51
Stormwater Fixed Targeted Rate	80.37	80.37	80.37	80.37	80.37	76.28	114.55	114.55
Stormwater Capital Value Rate	71.11	165.56	500.02	409.46	782.26	137.45	344.45	739.19
District Growth	-	-	-	398.31	598.83	-	-	-
Refuse Removal	342.89	342.89	342.89	279.91	279.91	342.89	342.89	342.89
Water	420.90	420.90	420.90	420.90	420.90	420.90	420.90	420.90
Sewerage	227.11	227.11	227.11	227.11	227.11	227.11	-	-
Total	2,107.26	2,556.81	4,148.74	3,213.33	4,423.74	2,328.91	2,390.94	3,326.68
Plus GST at 15%	316.09	383.52	622.31	482.00	663.56	349.34	358.64	499.00
Total (including GST) 2015/16	\$2,423.35	\$2,940.33	\$4,771.05	\$3,695.33	\$5,087.30	\$2,678.25	\$2,749.58	\$3,825.68
Total (including GST) 2014/15	\$2,342.33	\$2,842.12	\$4,611.95	\$3,737.58	\$4,975.43	\$2,617.96	\$2,819.36	\$3,974.42
\$ increase (decrease)	81.02	98.21	159.10	(42.25)	111.87	60.28	(69.78)	(148.74)
% increase (decrease)	3.46%	3.46%	3.45%	(%1.13)	2.25%	2.30%	(%2.48)	(%3.74)

MURUPARA URBAN	MURUPARA LIFESTYLE	TE TEKŌ	ŌTARAWAIRERE	ŌHOPE LOW	ŌHOPE AVERAGE	ŌHOPE HIGH	TĀNEATUA	RURAL LOW	RURAL AVERAGE	RURAL HIGH	DISTRICT WIDE - COMMERCIAL/ INDUSTRIAL/ INDUSTRIAL \$10M PLUS (SIX PANS)
53,000	180,000	101,000	720,000	375,000	490,000	935,000	112,000	55,000	865,000	2,370,000	11,131,175
58.95	200.21	112.34	800.85	417.11	545.02	1,039.99	124.58	61.18	962.13	2,636.13	12,381.12
630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50
51.76	175.78	98.63	703.11	366.20	478.50	913.06	109.37	53.71	844.70	2,314.39	10,870.00
51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06
31.02	31.02	14.51	38.43	38.43	38.43	38.43	32.69	14.51	14.51	14.51	15.95
1.05	-	15.79	66.52	66.52	66.52	66.52	5.91	-	-	-	80.37
3.26	-	65.00	275.57	143.52	187.54	357.85	16.71	-	-	-	13,605.39
-	-	-	-	-	-	-	-	-	-	-	7,496.24
342.89	279.91	342.89	345.61	345.61	345.61	345.61	342.89	279.91	279.91	279.91	279.91
171.35	-	120.00	420.90	420.90	420.90	420.90	420.90	120.00	120.00	120.00	420.90
176.55	-	-	227.11	227.11	227.11	227.11	227.11	-	-	-	1,362.67
1,518.39	1,368.48	1,450.72	3,559.66	2,706.96	2,991.19	4,091.03	1,961.72	1,210.87	2,902.81	6,046.50	47,194.11
227.76	205.27	217.61	533.95	406.04	448.68	613.65	294.26	181.63	435.42	906.98	7,079.12
\$1,746.15	\$1,573.75	\$1,668.33	\$4,093.61	\$3,113.00	\$3,439.87	\$4,704.68	\$2,255.98	\$1,392.50	\$3,338.23	\$6,953.48	\$54,273.23
\$1,863.07	\$1,515.67	\$1,617.26	\$3,904.08	\$2,974.19	\$3,284.15	\$4,483.57	\$2,190.26	\$1,341.29	\$3,242.89	\$6,776.10	\$48,683.79
(116.92)	58.09	51.07	189.53	138.82	155.72	221.11	65.72	51.21	95.35	177.38	5,589.44
(%6.28)	3.83%	3.16%	4.85%	4.67%	4.74%	4.93%	3.00%	3.82%	2.94%	2.62%	11.48%



Capital Projects List

The following table sets out the capital projects which are planned for the period of the LTP. This table provides a complete list of capital projects, however a number of projects have been consolidated for readability. All figures are not inflation adjusted.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Roads and Footpaths			
Unsealed Road Metalling - Financially Assisted Renewals	2015-25	4,612,500	Renewal 47% Subsidy 53%
Sealed Road Resurfacing - Financially Assisted Renewals	2015-25	19,270,000	Renewal 47% Subsidy 53%
Drainage Renewals - Financially Assisted Renewals	2015-25	4,612,500	Renewal 47% Subsidy 53%
Pavement Rehabilitation - Financially Assisted Renewals	2015-25	7,544,000	Renewal 47% Subsidy 53%
Structure Component Replacement - Financially Assisted Renewals	2015-25	1,332,500	Renewal 47% Subsidy 53%
Traffic Service Renewals - Financially Assisted Renewals	2015-25	2,162,500	Renewal 47% Subsidy 53%
Traffic Service Renewals - Light Upgrades - LED	2016-18	2,000,000	Renewal 47% Subsidy 53%
Road Improvements - Financially Assisted Renewals (Landing Road)	2018/19	691,875	Loan 47% Subsidy 53%
Resilience Improvements - Financially Assisted Renewals (Reid Road Route Security)	2022/23	512,500	Loan 47% Subsidy 53%
Resilience Improvements - Financially Assisted Renewals (Rewatu Road Route Security)	2024/25	1,025,000	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted Renewals (Wainui Road/Burma Road)	2020/21	666,250	Loan 47% Subsidy 53%
Resilience Improvements -Financially Assisted (Hillcrest Slumps)	2015/16	510,450	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted (Tāneatua Road Route Security)	2016/17	768,750	Loan 47% Subsidy 53%
Minor Improvements Local Roads - Financially Assisted	2015-25	14,318,000	Loan 42.2% Subsidy 53% Development Contributions 4.8%



DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Minor Improvements Local Roads - Ōhope Stormwater Outlet Improvements	2015-18	150,000	Loan 47% Subsidy 53%
Cycle Facilities - Gorge Road	2015/16	1,161,036	Restricted Reserve 2.86% Subsidy 58.44% Loan 21.90% Development Contributions 16.80%
Unsealed Road Metalling - Special Purpose Roads	2015-25	3,907,606	Subsidy 100%
Sealed Road Resurfacing - Special Purpose Roads	2015-25	974,775	Subsidy 100%
Drainage Renewals - Special Purpose Roads	2015-25	1,004,500	Subsidy 100%
Structure Component Replacement - Special Purpose Roads	2015-25	625,250	Subsidy 100%
Traffic Service Renewals - Special Purpose Roads	2015-25	305,625	Subsidy 100%
Special Purpose Roads - Resilience Improvements	2015-18	4,150,000	Subsidy 100%
Minor Improvements - Special Purpose Roads	2015-25	838,450	Subsidy 100%
Bridge Renewals - Special Purpose Roads (Mimiha Stream, Ruatāhuna Road)	2022/23	987,075	Subsidy 100%
Renewals - Non Financially Assisted	2015-25	2,030,000	Renewal 100%
New Kerbing & Drainage - Non Financially Assisted	2015-25	205,000	Loan 100%
New Amenity Lighting, Lighting Upgrades and Xmas Lights - Non Financially Assisted	2015-25	251,125	Subsidy 81.6% Loan 18.4%
New Stock Signs - Non Financially Assisted	2015-25	51,250	Fees & Charges 100%
Road Reserve Purchase - Non Financially Assisted	2015-25	512,500	Targeted Rate 100%
Parking Renewals - Non Financially Assisted	2015-25	256,250	Operating Reserve 100%
Total Roads and Footpaths		77,437,267	
Water Supply			
Whakatāne Sludge Treatment	2022-24	800,000	Loan 100%
Whakatāne Water Storage	2017-20	3,060,000	Loan 93.1% Development Contributions 6.9%
Coastlands Main Link	2016-18	500,000	Development Contributions 98% Loan 2%
Shaw/Huna Road Development - Extension of Water Main	2015-17	300,000	Development Contribution 98% Loan 2%
Mill Road Development	2015/16	150,000	Developer Contribution 30% Loan 70%
Monitoring Equipment	2015/16	65,000	Renewal 100%
Whakatāne Treatment Plant Filter Covering	2015/16	70,000	Loan 100%
Upgrade Pipes Harbour Road, Ōhope	2024/25	650,000	Loan 100%
Install Chlorination Unit - Murupara Water Treatment Plant	2020/21	200,000	Loan 100%
Paul Road Bore - Site and Reticulation	2015/16	284,912	Loan 22% Subsidy 60% Development Contributions 18%

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Plains Water - Pipe Upgrades	2015/16	800,000	Loan 81.3% Restricted Reserve 18.7%
Supply Main from Paul Road Bore to Edgcumbe	2015/16	1,661,000	Subsidy 100%
Edgcumbe Water Supply - Pipe Upgrades (Fire Flow)	2019/20	450,000	Loan 100%
Water Supply Renewals	2015-25	7,778,000	Renewal 100%
Total Water Supply		16,768,912	
Sewage Treatment and Disposal			
Mill Road Development	2015/16	1,235,000	Development Contributions 30% Loan 70%
Shaw/Huna Road Development	2015-17	845,000	Development Contributions 98% Loan 2%
Emergency Storage McAlister Pump Station	2023/24	1,500,000	Loan 93.2% Development Contributions 6.8%
Upgrade Whakatāne Treatment Plant	2015-25	4,160,000	Development Contributions 70% Loan 30%
Upgrade Ōhope Treatment Plant & Pump Replacements	2015-25	1,140,000	Loan 62.54% Renewal 30.36% Development Contributions 7.1%
Upgrade and Additional Storage Edgcumbe Treatment Plant	2015-18	4,050,000	Loan 30% Renewal 30% Subsidy 40%
Matatā Treatment Plant & Reticulation Construction	2015/16	4,454,700	Loan 44.13% Subsidy 55.87%
Murupara Treatment Plant Upgrade	2019-23	3,350,000	Loan 70% Renewal 30%
Tāneatua Treatment Plant Upgrade	2019-23	2,600,000	Loan 30% Renewal 70%
Sewage Treatment and Disposal Renewals	2015-25	10,955,000	Renewal 100%
Total Sewage Treatment and Disposal		34,289,700	
Stormwater Drainage			
Apanui (including Pyne Street) Stormwater Upgrade	2015/16	1,800,000	Loan 65% Renewal 30% Development Contributions 5%
Wainui Te Whara - Flood Mitigation	2015/16	2,420,000	Loan 100%
Hinemoa Pump Station & Pipes	2017-21	3,600,000	Loan 93.2% Development Contributions 6.8%
Henderson Street Stormwater Improvements	2018-20	800,000	Loan 100%





DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
St Joseph Pumpstation and Drainage Upgrades	2018-21	1,050,000	Loan 93.2% Development Contributions 6.8%
Huna Road Development Upgrades	2015-17	900,000	Development Contributions 98% Loan 2%
Ōhope Stormwater Upgrade - Maraetōtara Stream	2015/16	200,000	Loan 100%
Ōhope Stormwater Upgrade - Millers Stream	2015/16	150,000	Loan 100%
Ōhope Stormwater Upgrade - Pohutukawa/Harbour Road	2015-18	700,000	Loan 50% Renewal 50%
Stormwater Replacements	2015-25	132,000	Renewal 100%
Edgecumbe Stormwater Study	2024/25	75,000	Loan 100%
Whakatāne Stormwater Minor Works	2015-25	200,000	Targeted Rate 100%
Whakatāne Stormwater Pipe Upgrades	2016-24	2,400,000	Loan 30% Renewal 70%
Total Stormwater Drainage		14,427,000	
Solid Waste			
Ongoing Minor Works	2015-22	60,000	Subsidy 50% Targeted Rate 50%
Murupara Transfer Station - Weighbridge & Kiosk	2015/16	40,000	Subsidy 100%
Renewals	2016-22	110,000	Renewal 100%
Green Waste Processing Plant	2015/16	200,000	Subsidy 25% Development Contributions 75%
Total Solid Waste		410,000	
Community Safety			
Sound Level Meter	2015/16	19,000	General Rate 100%
Total Community Safety		19,000	
District Growth			
Strategic Property Renewals	2015-25	1,101,860	Restricted Reserve 45.07% General Rate 54.93%
Total District Growth		1,101,860	
Recreation & Community Facilities			
Library Mixed Collection Renewal	2015-25	1,000,000	Renewal 100%
Re-fit of exhibition displays including exhibition furniture	2018-22	40,000	General Rate 100%
Wairaka Centennial Park Improvements	2015/16	870,000	Renewal 9% Development Contributions 16% Restricted Reserve 44% Subsidy 31%

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Matatā Coastal Reserve Access Development	2016-21	82,500	Loan 100%
Ōhope Playground Development; Maraetōtara	2019/20	20,000	Development Contributions 100%
Coastal Land Acquisition	2015-25	1,000,000	Loan 95.2% Development Contributions 4.8%
Harbour Beautification	2015-25	500,000	Restricted Reserves 95.2% Development Contributions 4.8%
Sullivan Lake Footpath & Retaining Walls	2015-17	64,000	Restricted Reserves 100%
Significant Sites - Whakatāne Toi's Track	2018/19	50,000	Renewal 45.2% Subsidy 50% Development Contributions 4.8%
Walking and Cycling Projects	2015-25	750,000	Restricted Reserves 100%
Port Ōhope Recreation Reserve	2015-17	30,000	Loan 95.2% Development Contributions 4.8%
Beach Access Upgrades	2015-25	60,000	Loan 95.2% Development Contributions 4.8%
Reserves Renewals	2015-25	4,434,839	Renewal 100%
Dog Park	2015/16	50,000	Restricted Reserves 100%
Sportsfields Facilities - Renewals	2015-25	1,411,048	Renewal 100%
Whakatāne Cemetery Expansion	2017-19	214,033	Loan 94% Development Contributions 6%
Whakatāne Cemetery Berms	2015-25	100,000	Fees and Charges 89% Development Contributions 11%
Cemeteries & Crematorium Renewals	2015-25	198,617	Renewal 100%
Pikowai Camp Septic Tanks	2015/16	65,000	Loan 100%
Public Conveniences - New Facility Mitchell Park, Tāneatua	2016/17	135,000	Loan 100%
Public Conveniences - Renewals	2015-25	491,199	Renewal 100%
Whakatāne Aquatic Centre - Pool Solar Heating	2015/16	150,000	Subsidy 75% Loan 25%
Whakatāne Aquatic Centre - UV Water Treatment	2015/16	115,000	Loan 100%
Whakatāne Aquatic Centre - Reception, Entrance and Office	2015/16	175,000	Loan 100%
Aquatic Centres - Renewals	2015-25	1,916,675	Renewal 100%
Multi Sports Event Centre	2017-20	10,597,000	Loan 19% Subsidy 66.8% Renewal 9.4% Development Contributions 4.8%
Halls - Renewals	2015-25	2,449,445	Renewal 100%
CCTV Phase 2 - Expansion of camera network and renewals	2016-22	300,000	Subsidy 70% Renewal 30%
Port Ōhope Wharf Structural Repairs and Strengthening	2017/18	550,000	Renewal 100%
Port Ōhope Concept Plan - Site Development	2016-21	1,685,000	Restricted Reserve 100%





DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Quay Street Wharf Structural Repair and Strengthening	2015-17	1,250,000	Restricted Reserve 100%
Whakatāne Harbour Eastern Wall Strengthening	2016/17	500,000	Restricted Reserve 100%
Whakatāne Main Wharf Replacement	2015-20	5,714,561	Renewal 80% Restricted Reserve 20%
Ports and Harbour Renewals	2015-25	764,228	Renewal 100%
Total Recreation and Community Facilities		37,733,145	
Corporate Activities			
Information Systems Infrastructure - Renewals	2015-25	5,145,000	Renewal 100%
Operations Business Unit - Renewals	2015-25	252,000	Renewal 100%
Vehicle Replacement	2015-25	1,906,256	Renewal 100%
Corporate Property - Renewals	2015-25	1,730,744	Renewal 100%
Civic Centre Earthquake Strengthening Investigations and Works	2016-19	2,100,000	Loan 50% Renewal 50%
Museum Redevelopment	2015-17	4,240,000	Subsidy 70.70% Loan 25.7% Renewal 3.5%
Total Corporate Activities		15,374,000	
Reportable Council Controlled Organisations			
Runway Lighting and Navigational Aids Upgrade	2017-20	600,000	Loan 50% Operating Reserve 50%
Pavement Resurfacing	2017-22	550,000	Renewal 50% Operating Reserve 50%
Runway Lighting and Navigational Aids Renewal	2015-17	16,000	Renewal 50% Operating Reserve 50%
Reseal Airport Carpark	2019/20	275,000	Renewal 50% Operating Reserve 50%
Airport Terminal Building - New Building	2024/25	150,000	Loan 50% Operating Reserve 50%
LED Lighting Upgrade at Whakatāne Airport Carpark and Apron Lighting	2015/16	25,000	Loan 50% Operating Reserve 50%
Airport Hanger Building	2015/16	10,000	Loan 50% Operating Reserve 50%
Airport Renewals	2015-25	55,000	Renewal 50% Operating Reserve 50%
Total Reportable Council Controlled Organisations		1,681,000	
Total Council		199,241,884	



Statement of Accounting Policies

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 for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The prospective financial statements of the Council are for the ten years ended 30 June 2025. The financial statements were authorised for issue on 30 June 2015 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). The financial statements have been prepared in accordance with Tier 1 PBE Standards and comply with PBE FRS 42 Prospective Financial Statements. The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

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

Measurement base

The financial statements use closing balances from the period ending 30 June 2014; 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 issued that are not yet effective and not early adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. Council has applied these standards in preparing the LTP financial statements. In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. Council will apply these updated standards in preparing its 30 June 2016 financial statements. Council expects there will be minimal or no change in applying these updated accounting standards.

Joint ventures and associates

For jointly controlled assets 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 Revenue and Expense as it does not belong to the Council. It is however, included as a receipt and payment in the Prospective Statement of Cash Flows.

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

Licences and permits

Revenue derived from licences and permits is recognised on application.

Development Contributions

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

Sales of goods

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

Provision of services

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

Rental revenue

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

Interest income

Interest income is recognised using the effective interest method.

Dividend income

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

Vested assets

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

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are paid.

Grants and subsidies

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

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

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

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

FINANCE COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred, regardless of how the borrowings are applied.

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.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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 which the deductible temporary differences or tax losses can be utilised.

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 nor 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.

Impairment of a receivable is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated

future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an additional allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance cost of receivables. Overdue receivables that have not been renegotiated are reclassified as current (that is, not past due).

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 revenue and expense.

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 revenue and expense 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 revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense 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 revenue and expense.

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 revenue and expense.

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 revenue and expense. 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 revenue and expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of comprehensive revenue and expense will be recognised first in the prospective statement of comprehensive revenue and expense 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 revenue and expense. 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 fixed assets have been estimated as follows:

INFRASTRUCTURE ASSETS	YEARS
Roading	
Land - Road reserve	N/A
Road formation	N/A
Pavement Basecourse	22-90
Sealed Pavement surface	2-20
Unsealed roads	2-7
Traffic control device	50
Road signs and markers	7-15
Kerbs and channels and cesspits	40-60
Surface water Channel	15-50
Street Railings	10-20
Traffic Islands	50
Street lighting	10-50
Footpaths	20-50
Bridges – concrete	100
Bridges – wooden	30
Car-parks	50
Water	
Treatment plant – structure	70-90
Treatment plant – contents	15-50
Pump stations – structure	80-100
Pump stations – contents	10-50
Reservoirs – concrete and wooden	70-90
Water lines and service lines	50-80
Valves and hydrants	30-65
Water meters	15-25
Stormwater	
Stormwater lines	80
Manholes	70-80
Open drains and channels	50-90

INFRASTRUCTURE ASSETS	YEARS
Pump stations – structure	80-100
Pump station – contents	12-40
Retention dams	80-90
Floodgates	50
Sewerage	
Sewer lines and service lines	60-80
Manholes	70-80
Pump station – structure	60-70
Pump station – contents	12-25
Ponds – structure	60
Ponds – plant and equipment	15-25
Refuse	
Whakatāne landfill	8.5
Murupara landfill	2
Solid Waste	25
Wharves	
Wharves (concrete)	50

OPERATIONAL ASSETS	YEARS
Museum assets	N/A
Land	N/A
Buildings	8-55
Vehicles	5-8
Plant and Equipment	4-33
Furniture and fittings	5-10
Library books	2-15
Office equipment	5-10
<i>The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.</i>	

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 revenue and expense.

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

Computer software 4 - 5 years 25% - 20%

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 revenue and expense.

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

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 revenue and expense, a reversal of the impairment loss is also recognised in the prospective statement of comprehensive revenue and expense.

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

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 prospective statement of comprehensive revenue and expense.

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 Prospective Statement of Comprehensive revenue and expense.

The costs to maintain forestry assets are included in the Prospective Statement of Comprehensive revenue and expense.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

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

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax 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.

EMPLOYEE BENEFITS

Short-term benefits

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.

Long-term benefits

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
- The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation scheme

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit 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. Reserves are a component of equity generally representing a particular use for which various parts of equity have been assigned.

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.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of prospective financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

We have assumed interest rates between 5.95% and 6.61%. We use best estimates to predict what things will cost in the future, including inflation expectations. There is a risk that future interest rates and prices of actual inputs and outputs will not increase at the rate assumed. We expect growth to reflect the population projections provided by the National Institute of Demographic and Economic Analysis (NIDEA), The University of Waikato by Statistics New Zealand (33,992 for 2015 and 33,940 for 2025). If growth were to differ substantially from the assumption, growth related projects and work programmes will need to be adjusted. See the Assumptions and Data section of this LTP for further detail about the assumptions that underlie this LTP.

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.

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

