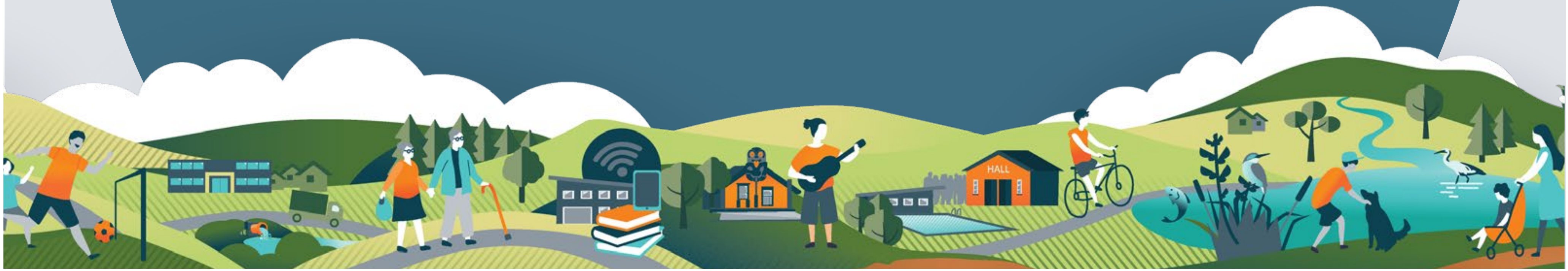
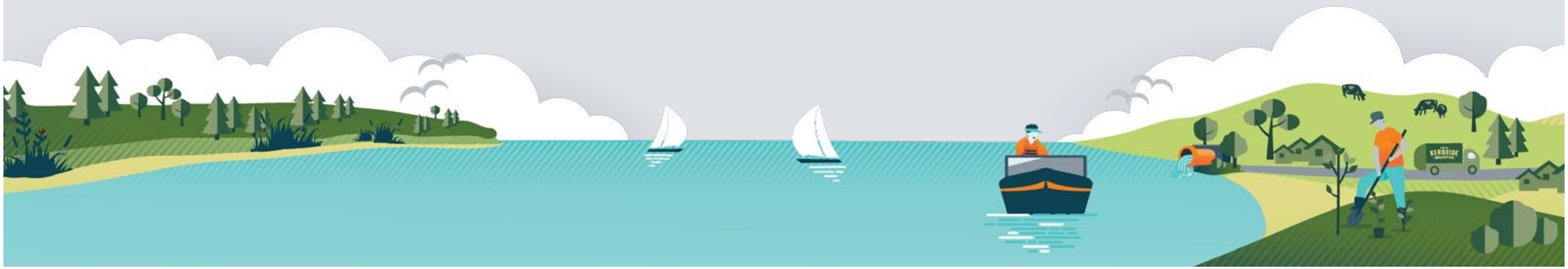
5

Policies, Summaries and Statements

Ngā Kaupapa here, ngā Whakarāpopototanga me ngā Whakapuakanga



This chapter provides an overview of Council's key policies for the Long Term Plan. Also covered in this chapter are Council's prudential benchmarks, activity funding impact statements and Audit New Zealand's audit opinion on the Long Term Plan 2021-2031.



Chapter 5

Policies, Summaries and Statements
Ngā Kaupapa here, ngā Whakarāpopototanga me ngā Whakapuakanga

Overall Revenue and Financing Policy
Pūtea Katoa me Kaupapahere Tahua

This policy deals with the revenue and financing decisions taken at a "whole of Council" level. It documents our high level rating philosophy and summarises the rationale for the rating decisions taken.

Introduction

We have considered the distribution and timing of benefits, rating efficiency and transparency, community preferences and the overall impact on the economic, cultural, social and environmental wellbeing of our District. In particular, we have considered the impacts of our rating proposals on a range of representative properties. These can be viewed at westernbay.govt.nz/LongTermPlan2021-2031.

Our Revenue and Financing Policy for each group of activities can be found from page 396 and when read in conjunction with the Funding Impact Statement, from page 472, this policy links the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive.

Council's funding philosophy

Ratepayers have told us that fairness and equity in rating is very important to them. We try wherever practical, to maintain a close relationship between the benefits received by groups of ratepayers and the rates they pay for those services, especially where communities within our District have differing levels of service. Where levels of service are more uniform or where it is impractical to identify groups of ratepayers that principally benefit, we use General Rates which are essentially a tax. In theory taxation is not related to benefit received but is charged according to an assessment of ability to pay – in the case of Council rates this is assessed by property value.

In principle, we seek to recover the maximum amount possible from the direct users of a service (the 'user-pays' principle) or from those that create the need for a service (the 'exacerbator-pays' principle). The primary tools we use to achieve these principles are fees and targeted rates. We also seek to ensure that people pay for services at the time they consume them, (the 'inter-generational equity' principle). Costs of service include capital costs, direct and indirect operational costs, depreciation, interest and loan repayments. The tools we use to achieve inter-generational equity include loans, financial contributions and increases in the rating base resulting from growth.

Fees

These are funding tools which are used where the users of services can be individually identified, for example building consents.

Targeted rates

Targeted rates tend to be used where categories of ratepayers can be identified as a group, rather than individually, as primarily benefiting from a service or contributing to the requirement for a Council service, for example stormwater.

Targeted rates can be used to recover capital costs as well as operating costs.

Financial contributions

Our policy for recovering the costs of infrastructure built to accommodate growth is to use financial contributions. Our Financial Contributions Policy is set through our District Plan under the Resource Management Act 1991.

The details of the policy is published as part of the District Plan and is available on our website www.westernbay.govt.nz and at our libraries and service centres.

Our District Plan provides that waivers and reductions to financial contributions levied under the Resource Management Act 1991 are agreed through our Annual Plan process. The Long Term Plan 2021-31 is also our Annual Plan for 2021/2022.

Debt financing

As we have no significant reserves, we rely on loans to finance infrastructure development, for example wastewater schemes. The portion of interest and loan repayments relating to growth is generally funded through financial contributions, however in periods of low growth they may be funded from rates. This is detailed in our Financial Strategy from the Informing our Planning section on page 76. The remaining interest and loan repayments are funded by annual rates or charges. We acknowledge that the interest on loans increases the overall cost of services but we believe that this disadvantage is offset by the advantages of a more equitable allocation of cost between existing and future ratepayers. As our rating base increases with new development there are more ratepayers to meet the cost of interest and loan repayments.

For transportation infrastructure, however, we have traditionally used less debt to finance capital expenditure. For this activity, where the capital development programme is more evenly spread over time and the users of the service are less easy to identify individually, we have primarily used rates to finance capital expenditure with loans used to a lesser degree.

The overall use of debt financing is limited by the extent of our indebtedness and the principles of prudent financial management. Our Financial Strategy in the Informing our Planning section from, page 76 proposes a limit on debt and our Treasury Policy, page 449 contains limits on debt and interest payments in relation to our assets and revenue. The term of our debt is related to the useful life of the asset financed but does not generally exceed 30 years. This ensures that the people benefiting from the asset repay the loan before the asset's life is over.

For several activities we operate a current account funding programme to smooth rates increases over time and to ensure renewals are adequately provided for. The level of rates in year one of the Long Term Plan is set such that once inflation is added to each of the ten years of the Plan, the projected current account balance in years 10 and 30 is adequate to meet the balanced budget test. The current account balance reflects all revenue and expenditure (including operating and capital costs) and all funding requirements (including loans, financial contributions and other revenue).

Depreciation funding and current account deficit funding

Prudent financial management requires organisations to plan for the replacement or renewal of their assets when they reach the end of their useful lives to maintain the service they provide. The inter-generational equity principle suggests that, ideally, today's ratepayers should pay for the `asset-life' they are consuming and likewise future generations should pay for their share of the asset's life. There are three principal ways this can be achieved:

1. **Pay as you go**
   - Capital funded annually by rating existing ratepayers to cover the expenses incurred in that year.

Suitable when capital expenditure is evenly spread over the years so there is less risk that today's ratepayers are not paying their fair share when compared to future ratepayers.

2. **Saving for asset replacement**
   (charge rates over the life of the asset – spend later)
   - Ratepayers are rated annually to fund depreciation which builds up in a reserve account to fund future replacements of assets.

Unsuitable if ratepayers are already servicing debt incurred to acquire the existing asset. If debt were incurred, today's ratepayers would be paying twice for the asset, once through debt repayments and interest and again through financing the depreciation.

3. **Borrowing to fund asset replacement**
   (spend now – charge rates over the life of the asset)
   - Ratepayers are rated annually to fund interest and capital repayments on loans matched to the life of the asset. In the future, replacement of the asset would be financed in the same way.

Suitable if our overall level of debt can accommodate the required borrowing.

There is no legal requirement for councils to accumulate dedicated depreciation reserves, however the Local Government Act 2002 (LGA) requires that councils have a balanced budget, which means that revenue must be greater than operating expenditure (which includes depreciation). As the balanced budget test is conducted at the local authority level it is considered acceptable and within the bounds of prudence to run an operating deficit on one activity and a surplus on another. This means that we are not required to retain revenue on an annual basis in dedicated depreciation reserves if we can show through our financial strategy that future rates revenue is adequate to fund infrastructure renewals when they are needed.

When setting rates we consider the impact they have on the affordability to the various sectors of the community. Where there is a clear need to balance the principles set out above, some redistribution of rates may be required. This is done through the development of the financial strategy.

Rating policy

1. **Rating unit**
   Under the relevant legislation, we have the ability to set our unit of rating as a dwelling (or separately used inhabited part of a property) as opposed to a property. We have chosen to retain our rating unit as a property, consistent with our policy in previous years.

2. **Rating basis**
   The Local Government (Rating) Act 2002 allows us to choose from three rating systems - the land value rating system, the capital value rating system and the annual value rating system. There is no legislation prescribing the best type of rating system for each council. We will assess the General Rate and all other property value-based rates (except the roading rate) on capital value. The roading rate will be assessed on land value.

   We show a land value and an improvement value on our property valuations. The improvement value reflects the added value given to the land by buildings or other structures, including fruit trees, vines and landscaping. Capital value includes both the land value and the value of improvements. The improvement value excludes chattels, stock, crops, machinery or trees other than fruit or nut trees, vines, berry-fruit bushes and live hedges.

   Regardless of the rating basis we use, the total amount of rates collected remains the same but the incidence of rating shifts. To illustrate the differences between the land and capital value rating systems for example, consider two identically valued pieces of land, one with a substantial dwelling on it and the other with no improvements. Under the land value rating system the two properties would pay the same rates. Under the capital value rating system the property with the substantial improvement would pay more than the property that was undeveloped.

3. **General rates**

General Rates consist of a rate in the dollar charged on capital value and a Uniform Annual General Charge (UAGC) which is a flat amount levied on each rating unit. The size of the UAGC is set each year by Council and is used as a levelling tool in the collection of General Rates. If the Uniform Annual General Charge (UAGC) were set at zero the effect would be to increase the amount of General Rates assessed on capital value which would increase the share levied on properties with higher capital values and decrease the share levied on lower capital values.

In setting the level of the UAGC, we consider the following issues:

- The impact of a high UAGC on those with low incomes and relatively low property values.
- The impact of a low UAGC on the relative share of rates levied on high value properties, for example large rural properties.
- Fairness and equity and the social consequences of an unfair distribution of rates.
- The collective effect of other flat charges (e.g. environmental protection rate, targeted rate for libraries) on affordability for low income households.

4. **Differential general rate**

Our policy is to have the same system for charging General Rates across the whole District.

Our current policy for differentials on General Rates:

- Residential zoned areas 1.0
- Rural zoned areas 1.0
- Commercial/industrial zoned areas 1.0
- Post-harvest zoned areas 1.0

5. **Multiple dwelling differentials**

There are no multiple dwelling differentials for any rates assessed on capital value.

6. **Environmental protection rate**

The Environmental Protection Rate is a fixed charge on each rateable unit. It funds a number of activities that are seen to benefit the District as a whole.

7. **Roading rates**

There are three roading rates:

- Roading rate on land value
- Roading Uniform Targeted Rate (UTR) which is a fixed amount on every property in our District
- Rural works charge which is a fixed amount on every rural zoned property.

We use the rural works charge and the roading UTR to reduce the share of roading rates levied on higher value properties. If these fixed charges were not included, large pastoral farms for example, would be liable for an unfairly large share of the revenue required for roading.

We are unable to collect direct user charges; only central government can charge road user fees and levy petrol tax.

The roading rate on land value is calculated using the following differentials:

- Residential zoned areas 1.0
- Rural zoned areas 1.0
- Commercial/industrial zoned areas 2.0
- Post-harvest zoned areas 2.0

8. **Targeted rates**

We use targeted rates, as defined in the Local Government (Rating) Act 2002, to collect funds over areas of benefit. This rating tool is chosen where the services provided are specific to a particular community or area within our District and it is not considered fair to charge all ratepayers, e.g. charges for town centre promotion and community halls. Details of these rates are shown in the Funding Impact Statement, from page 472. These rates may be collected on a uniform (fixed) basis per property or on the capital value of each property.

Water rates are charged using a metered or unmetered Uniform Targeted Rate (UTR).

Our policy on water meters is that all properties connected to Council's water supply should be metered.

In establishing the criteria for water metering we recognised the environmental benefits that would result from water conservation if all users were metered and balanced that against the cost of installing meters on all properties and the affordability of such a strategy.

Where meters are in use charges are as follows:

- Each property will be charged the metered Uniform Targeted Water Rate for the first meter, and
- An additional Uniform Targeted Rate will be charged for every additional meter on the property. This covers the costs of reading, billing, maintenance and future meter replacement.
- Connections larger than 20mm will be charged additional UTRs in proportion to the capacity of the connection.
- A charge based on water consumption per m3 is also levied.

Where unmetered connections are in place a single annual charge is levied. This charge is higher than the metered water annual charge to take into account water usage.

10. Wastewater

Our policy on wastewater charges is:

10.1 Uniform Targeted Rate

All properties connected or available to be connected (within 30 metres of a public wastewater drain) will be charged a Uniform Targeted Wastewater Rate.

10.2 Multiple connection charges

We have a policy for charging properties with more than one toilet. It applies to all wastewater schemes.

- Each residential household will pay one standard connection charge to the wastewater scheme regardless of the number of toilets in the dwelling. This charge covers fixed and variable costs.

- For non-residential properties with more than one toilet in Katikati, Ōmokoroa, Te Puke and Waihī Beach, each property will pay the standard connection charge for the first toilet. For each additional toilet, the charge will be:

  - 25% of the variable cost component of the standard connection charge, plus
  - 100% the full fixed cost component of the standard connection charge.

- For non-residential properties with more than one toilet in Maketu, each property will pay the standard connection charge for the first toilet. For each additional toilet, the charge will be:

  - 100% of the variable cost component of the standard connection charge, plus

  - 100% the full fixed cost component of the standard connection charge.

  Our intention is to achieve a fair allocation of the costs of the wastewater scheme based on the usage of capacity in the system. We acknowledge that in some instances additional toilets may be installed in non-residential properties for convenience which may not result in an increase in total usage.

  Council has a multiple pan remission policy to address instances where organisations would be charged unduly high amounts by the application of this policy.

11. Schools

Although the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001 was repealed, schools are charged for sewage disposal on the same basis as that envisaged by the Act but as a targeted rate for each individual school in our District. This is because schools by and large, have accepted the levies charged.

Leadership

Representation

Our community outcome
Elected leaders represent the views of residents and make decisions which improve our communities and environment, now and for the future.

- We have effective representation arrangements for our communities.
- We engage with our communities, listen well, lead effectively and make well-informed decisions.
- We actively seek and consider the full range of residents' views on our plans, policies and projects.
- We have strong relationships with Tangata Whenua and work together in a range of ways so that Tangata Whenua perspectives inform our decisions.
- Our strategic relationships at all levels are maintained and strengthened.

Discussion / Rationale	Funding Approach
The whole of the District benefits from the representation provided by elected members, while residents of each Community Board area also benefit from having a Community Board.	The General Rate and Uniform Annual General Charge fund elected members' expenditure. Community Board rates (a fixed charge per property) fund Community Boards. Targeted rates (a fixed charge per property) over the area of benefit may fund particular community development projects.
Resource consent hearings Consent applicants receive a private benefit when the Regulatory Hearing Committee hears resource consent applications, although it is recognised that the purpose of the Committee is to provide a democratic process for the benefit of the public. No inter-generational benefits have been identified. No exacerbator has been identified.	**Resource consent hearings** Fees and charges to fund up to 25% of the cost of elected members' expenses are charged to the consent applicant. General Rates fund the balance.

Leadership

Planning for the future

Our community outcome

In consultation with our communities and guided by our sustainable development approach, we plan for the future.

- Develop, monitor, review and advocate policy and plans that support the achievement of our vision for the District, our community outcomes and the direction provided by SmartGrowth.

Discussion / Rationale	Funding Approach
Policy and planning The community as a whole benefits from monitoring, policy and planning activities. Individuals may request private plan changes to the District Plan. Applicants would receive a private benefit from this service and it is possible and practical to charge them a fee to recover the costs of this service. Council's Strategic and District Planning activities guide Council's high-level, long term vision and plans. To this extent, these activities provide inter-generational benefits. No exacerbator was identified for this activity.	**Policy and planning** All expenditure on policy and planning activities are funded from General Rates, with the exception of private District Plan changes where the costs are recovered from the applicant. Environmental monitoring is funded through ecological financial contributions.
Strategic planning of infrastructure Infrastructure investigations and feasibility studies are undertaken to provide us with information for decision-making. At the planning stage it is not always possible to identify individuals or groups who will benefit from an activity. If a project goes ahead, some design work will have been done and consents obtained. This may provide a benefit to the future users of water and wastewater schemes and to groups of ratepayers in the case of stormwater investigations. For other infrastructure planning projects it may be possible to identify individuals who benefit from the resulting development. Third party benefits also result from information gathering and knowledge gained during investigations. If a project does not go ahead, no private benefit can be identified. To the extent that the costs of such applications and consent costs are capitalised, it could be considered that this activity delivers an inter-generational benefit. No exacerbator for this activity was identified.	**Strategic planning of infrastructure** Central government funding may be available to fund certain infrastructure investigations. The Bay of Plenty Regional Council may fund particular projects through its Regional Infrastructure Fund. **Wastewater investigations:** Funded 55-65% from the Environmental Protection Rate and 35-45% initially loan funded and recovered by Uniform Targeted Rate for wastewater. **Water and stormwater investigations:** Funded from General Rates and Uniform Annual General Charge. **All other infrastructure planning costs:** Funding will be assessed on a project by project basis.

Building communities

Community building

Our community outcome
In the Western Bay of Plenty, no matter what age you are:
• people feel safe and welcome • people are connected and feel they belong • people can be active and healthy and enjoy the outdoors • people have access to adequate housing • people can learn and contribute.

Discussion / Rationale	Funding Approach
Building communities – grants and contracts This policy includes: • Creative Bay of Plenty • Sport Bay of Plenty • Bay of Plenty Surf Lifesaving • Fee abatement scheme (when funded) • Community Matching Fund • Western Bay Museum The community as a whole benefits from Council's service delivery contracts and grant schemes. Individuals benefiting from these activities cannot be separately identified.	General Rates and Uniform Annual General Charge fund this activity.
Katikati Community Centre The Katikati Community Centre offers information, services and support to the community in the areas of health, education and wellbeing.	**Katikati Community Centre** Funded from targeted rates (75% from the Katikati Community Board Area of Benefit and 25% from the Waihī Beach Community Board Area of Benefit).

Building communities

Libraries and service centres

Our community outcome
In the Western Bay of Plenty, no matter what age you are:
• people feel safe and welcome • people are connected and feel they belong • people can learn and contribute. Our goals and approach set out how the libraries and services centres activity contributes to achieving these outcomes.

Discussion / Rationale	Funding Approach
Libraries The whole community benefits from a better informed and more literate community. Many residents value the existence of a library and service centre and having the option to use them even if they choose not to. Individuals benefit from the learning opportunities provided by libraries and information provided at the service centres. Having a library in a community may contribute to the public's pride in its community and acts as an anchor for further development. Developers and new residents benefit from the provision of local library services which must be increased to cater for growth. Legislation stipulates that where libraries are provided, residents must be offered membership free of charge.	**Operational Expenditure:** • 0-10% - User Fees and Charges. • 90-100% - Uniform Targeted Rate. **Capital Expenditure:** Capital expenditure for new buildings that provide a shared library / service centre is funded as follows: • 15-25% general rates. • 15-35% financial contributions. • 40-70% uniform targeted rates and sales proceeds from existing buildings, where applicable. Grant funding will be sought, where applicable and available. Stock renewals are funded from uniform targeted rates. Capital expenditure for new stock required as a result of population growth is funded from financial contributions. Grant funding (Hastie Bequest Fund) is used for Te Puke area library purchases and as a contribution to the regional digital hub in Katikati.
Te Puna library contract We fund this contract as a collecting agent in order to secure public access to the facilities for the benefit of the Te Puna community. We cannot charge user fees for this facility as we do not own the assets.	**Te Puna library contract** This contract is funded by a targeted rate over the defined area of benefit (Te Puna).

Building communities

Libraries and service centres

Discussion / Rationale	Funding Approach
Service centres Many individuals seek information from us in order to comply with Council processes, regulations and procedures. Individuals also obtain other benefits from information provided either in person, via the phone, email or the internet from Council service centres. This activity also includes delivery of internal service level agreements to other departments and functions and the monitoring of customer satisfaction with these services. Internal customers can be identified and charged through internal cost recoveries and overheads.	Operational expenditure for service centres is funded from general rates. For internal services provided, internal recoveries and overheads are applied. User fees and charges fund printing and scanning costs.

Building communities
Community facilities

Our community outcome
In the Western Bay, no matter what age you are:
• people feel safe and welcome • people are connected and feel they belong • people can be active and healthy and enjoy the outdoors • people have access to adequate housing • people can learn and contribute.

Discussion / Rationale	Funding Approach
Community halls All community halls are available to the public. Groups and individuals use the halls for community and recreational use. Users can be identified and are charged by the respective hall committee for hireage. The community benefits from the existence of the hall and the option they have to use it. In terms of Council policy, the facility must be available to the public and any project eligible for funding must enhance the value of the facility to the public at large. Hall committees are able to apply for funding for capital development to community trusts and sponsors which could reduce the amount required to be collected by Council from ratepayers.	**Community Halls** **Operational expenditure (Council's operational costs only)** Funded from General Rates. **Capital expenditure and significant maintenance projects (hall committee costs)** Funded from a Uniform Targeted Rates over a defined hall areas of benefit.
Housing for older people The public indirectly benefits from supporting the health and well-being of low income residents through the provision of affordable housing. Most of the benefits of elder housing are gained by the tenants of the units. Access to Council-owned affordable housing is limited to a relatively small number of low income older residents.	**Housing for older people** 100% of the funding for capital, operations and maintenance is provided from rental income.

Building communities
Community facilities

Discussion / Rationale	Funding Approach
Cemeteries The public receives indirect benefit from this activity through the existence of cemeteries and the option they have of using them. The public also benefits from the heritage values of cemeteries and there are third party benefits associated with public health. Users of this service are the families of the deceased that choose to use Council cemeteries – from within and outside our District. They can be identified at the time of burial and charged for the use of the cemetery. The useful life of a cemetery is limited by the rate of uptake of the interment plots. As plots are used and spare capacity reaches a minimum level, we have to develop additional plots or berms. Booking of plots, without the requirement to pay an appropriate fee results in the need to develop additional berms in the absence of a corresponding income. Individuals can exclude themselves from using this service by choosing to be cremated or buried in other than Council-owned and operated cemeteries – for example an urupa. Vandalism can result in additional costs of providing this service.	**Cemeteries** Fees and charges target to recover 65-75% of capital, operational and renewals costs. General Rates are used to fund the remaining 25-35%%. Any shortfall will be funded from the General Rate.
Gibraltar water scheme A private water scheme which supplies water to properties in Te Puke (No.3 Road) that are not serviced by Council's water infrastructure.	Targeted rate to support Gibraltar Water Supply Company.

Building communities

Recreation and open space

Our community outcome
The recreation and open space network makes a significant contribution to achieving the following outcomes from the Communities Strategy and Environment Strategy.

- people are connected and feel they belong
- people can be active and healthy
- people enjoy the outdoors
- connecting people with the natural environment and having a lighter footprint
- protecting important natural and cultural areas.

Discussion / Rationale	Funding Approach
District reserves, harbour structures, recreational service delivery contracts Reserves provide recreation and open space to the community as a whole and many residents value their existence and the option to use them for both passive and active recreation. Facilities are available for use by visitors and residents alike. Communities are often proud of their reserves and even if they do not use them themselves, people may recognise a prestige value attached to a particular reserve area. In many cases it is not practical or efficient to identify the individual users of reserves and recreational assets. Sports and recreational clubs whose clubhouses occupy parts of our reserves can be identified and are charged rentals. Graziers who occupy reserves for grazing can also be identified and charged. While users of jetties and boat ramps are not charged there could be some commercial use of these structures that could be identified and charged for. Users of swimming pools can be identified and charged by the pool administrators. Income from pool users contributes to the cost of running pools. The level of provision of recreational assets is linked to demand, which is affected by population growth and development. Property developers can be identified and charged for the resulting consumption of reserves and facility capacity when properties are developed.	**District reserves, harbour structures, recreational service delivery contracts** Loans are used to finance significant reserve land acquisition opportunities. Loans are serviced (repaid) through recreation and leisure financial contributions when related to growth or from General Rates, as appropriate. General Rates, fees for commercial use of boat ramps, rentals, lease fees, grazing fees, fines and reparation are used to fund operational expenditure including financing costs, renewals and capital expenditure relating to existing ratepayers. The Environmental Protection Rate is used to fund coastal erosion projects relating to reserves. The service delivery contracts for Council's swimming pools is funded from the Uniform Annual General Charge. User fees and charges contribute help to offset operational costs. Financial contributions are used to fund the capital cost of swimming pool upgrades and development, where increased capacity is required to accommodate growth. For the rest of the network, financial contributions are used to fund capital development that is required to accommodate growth and to service loans where appropriate. Capital developments funded by financial contributions may include expenditure on assets that are not in Council ownership or on Council land.

Building communities
Recreation and open space

Discussion / Rationale	Funding Approach
Land has an infinite life with the life of improvements exceeding 15 years. Lives of coastal and harbour structures range from 15-50 years. The life of swimming pool assets is estimated at 50 + years. Actions identified that result in increased expenditure on this activity include vandalism, littering and inappropriate use of facilities which results in increased costs to ratepayers for maintenance and replacement of assets.	Council encourages communities and clubs to apply for funding from external sources for recreational facilities before approaching Council for funding. Only if communities are unsuccessful in obtaining funding will Council consider contributing funding to any recreation facilities beyond the basic level of provision of facilities outlined in this Strategy. Council (along with Tauranga City Council) receives income from the commercial forestry crop at TECT Park which assists in funding costs associated with development and management of the Park.
Camping grounds While we do not run motor camps, we do lease property on a commercial basis to various motor camp operators. The lessees of the property have a legal interest in the land and use this for commercial gain. They are charged market rates for the right of occupation though a lease agreement. The properties are either held as reserve land or as corporate property. The public benefits from the existence of the camp ground as a community asset and public access to the property is protected by Section 17 of the Reserves Act 1977, subject to any specific terms of the lease and bylaws. The Reserves Act also requires that any financial surpluses generated from reserve land must be used for reserve purposes, providing a public benefit. The land and improvements to the property revert to Council on expiry, surrender, breach or otherwise of each lease. No inter-generational benefits have been recognised as the useful life of the assets is not known. Actions that result in increased expenditure on this activity include legal disputes which may arise with lessees and could result in increased expenditure such as increased compliance and monitoring costs.	**Camping grounds** Lease rentals fund operating costs, overheads and maintenance of the properties undertaken by Council. Any shortfall will be funded from the General Rate.

Building communities

Regulatory services - animal services

Our community outcome

Regulatory services are delivered through a balanced compliance approach, promoting the safety and well-being of our communities and enhanced sustainability of our built and natural environments.

- communities are healthy and safe
- animal control services: Provide a safe environment for the public through promoting responsible dog ownership
- building services: Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods
- resource consent services: The quality of the environment is maintained and enhanced through effective decision-making on resource consents
- community protection: Improve, protect and preserve the environment and public health and safety by minimising risks from nuisances and offensive behaviour.

Discussion / Rationale	Funding Approach
Animal control services The public benefits from the enforcement of bylaws and legislation aimed at meeting health, public order and safety requirements. In relation to dog control in particular, the community as a whole benefits from Council's response to complaints about uncontrolled or nuisance dogs. Events provide dog owners with an opportunity for interaction and education. Similarly patrolling public places and enforcement of designated dog on leash/ prohibited areas (especially during the holiday season) benefit the wider community, as does impounding nuisance dogs. Many impounded dogs are returned to their owners upon payment of applicable infringement fees and impounding costs. Destruction of unclaimed dogs is avoided where possible through use of our adoption and fostering programmes. Registration of dogs provides a benefit to identifiable individuals as lost and found dogs can be returned to owners. Dog owners who do not maintain control of their animals may cause public nuisance and/ or danger, requiring the attention of animal control officers. While identified offenders are fined, there remains an unrecovered cost of enforcement. People can avoid using the registration services by not owning a dog.	**Animal control services** Funding targets for the dog control activity are set at 75-85% private benefit funded through dog registration fees, impounding fees and fines, and 15-25% public benefit funded through General Rates. Funding targets for the livestock control activity are set at 0-10% private benefit funded through user fees, impounding fees and sale of unclaimed stock and 90-100% public benefit funded through General Rates. Where cost recovery through fees falls short of these targets, the shortfall will be funded through General Rates.

Building communities

Regulatory services - animal services

Discussion / Rationale	Funding Approach
There is a more defined private benefit that can be attributed to livestock control services where we respond to complaints about wandering stock. In most cases stray stock is returned to the owner by animal control officers. Offenders can only be prosecuted through the courts, with unrecovered costs of enforcement remaining in cases where prosecution would be cost prohibitive and/or unlikely to be successful. Council is empowered to sell unclaimed stock, which can partially recover the costs incurred by its impoundment. Education improves overall public safety and increases compliance.	

Building communities

Regulatory services - building services

Community outcome
Regulatory services are delivered through a balanced compliance approach, promoting the safety and well-being of our communities and enhanced sustainability of our built and natural environments.

- communities are healthy and safe
- animal control services: Provide a safe environment for the public through promoting responsible dog ownership
- building services: Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods
- resource consent services: The quality of the environment is maintained and enhanced through effective decision-making on resource consents
- community protection: Improve, protect and preserve the environment and public health and safety by minimising risks from nuisances and offensive behaviour.

Discussion / Rationale	Funding Approach
Building services The public benefits from the assurance that building standards are being upheld. However a private benefit can be attributed to an applicant for a building consent and the administration, processing and inspection costs charged accordingly. Public education and the monitoring and investigation of complaints improve safety and benefits the community. Complaint investigations incur costs that cannot always be attributed to a specific applicant or fee so cannot be recovered. Individuals have the opportunity to obtain information without being an applicant for a specific process. The community may benefit from the use of information obtained by individuals. When applicants are well informed, applications can be processed more smoothly. The public may benefit from this in terms of reduced numbers of complaints. Monitoring and reporting misconduct in relation to restricted building work improves safety and benefits the wider community.	**Building services** The overall funding target for Building Services is 85-95% user fees and infringements, and 5-15% General Rates. Within this, the funding targets for maintaining Building Consent accreditation, processing building consents, building warrants of fitness and compliance schedule applications (and undertaking the necessary inspections for these processes) are 90-100% user fees and 0-10% General Rates Public enquiries, including complaints and their investigation, are funded by General Rates except where it is appropriate and practical to recover user or infringement fees. Where enforcement and legal action is taken, cost recovery will be sought, but any shortfall will be funded by General Rates.

Building communities

Regulatory services - resource consents

Our community outcome

Regulatory services are delivered through a balanced compliance approach, promoting the safety and well-being of our communities and enhanced sustainability of our built and natural environments.

- communities are healthy and safe
- animal control services: Provide a safe environment for the public through promoting responsible dog ownership
- building services: Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods
- resource consent services: The quality of the environment is maintained and enhanced through effective decision-making on resource consents
- community protection: Improve, protect and preserve the environment and public health and safety by minimising risks from nuisances and offensive behaviour.

Discussion / Rationale	Funding Approach
Resource consents The service exists primarily to enable the development aspirations of individuals, in a manner that meets community expectations as set out in the District Plan. Generally, the applicant for services can be identified and charged, although it is acknowledged that there is a wider public benefit from this service. Control of development and the imposition of consent conditions benefits the public in general. Our District Plan rules are designed to control the negative effects of development and to impose charges on developers to mitigate those negative effects for the benefit of the wider community. Notified consents provide an opportunity for non-applicants to have their say, although recent trends show there is generally a small number of notified consents annually. Where resource consents are appealed to the Environment Court, we have no ability to charge appellants or other parties in the appeal process. Individuals have the opportunity to obtain information without necessarily being a consent applicant, such as prior to purchasing a property or understanding the legality of activities being undertaken by neighbours. Whilst individuals may derive a private benefit when making enquiries and could theoretically be charged for this service, this would not be practical.	**Resource consents** For processing land use and subdivisions consent applications, the funding target is 100% user fees with any shortfall funded from General Rates. Appeals to the Environment Court are funded 100% from General Rates. Public enquiries are 100% funded by General Rates.

Discussion / Rationale	Funding Approach
Land Information Memoranda (LIMs) and Property Information Memoranda (PIMs) Individuals can apply for a LIM or PIM on any property, enabling the applicant to be well informed about their property purchase decisions. They derive a private benefit from the use of this service, and can be identified and charged at the time they apply to use the LIMs/PIMs service. Indirectly, this service can bring illegal or dangerous situations to the attention of Council.	**Land Information Memoranda (LIMs) and Property Information Memoranda (PIMs)** Funding target for the LIMs and PIMs service is 100% user fees, with any shortfall from General Rates.

Building communities

Regulatory services - community protection

Community outcome
Regulatory services are delivered through a balanced compliance approach, promoting the safety and well-being of our communities and enhanced sustainability of our built and natural environments.

- communities are healthy and safe
- animal control services: Provide a safe environment for the public through promoting responsible dog ownership
- building services: Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods
- resource consent services: The quality of the environment is maintained and enhanced through effective decision-making on resource consents
- community protection: Improve, protect and preserve the environment and public health and safety by minimising risks from nuisances and offensive behaviour.

Discussion / Rationale	Funding Approach
Traffic and parking services Enforcement of bylaws and Transport Regulations for improving and maintaining traffic safety provides a public benefit. Individuals benefit from the potential opportunity to use convenient parking spaces, but they cannot be identified. Enforcement of parking bylaws enables businesses in the patrolled areas to benefit from accessible parking close to their businesses.	**Traffic and parking services** Funding target is 100% through infringement fines, with any shortfall funded from General Rates.
Alcohol licensing and the District Licensing Committee The public benefits from the assurance that premises selling alcohol are appropriately licensed, complying with the conditions of their licence and meeting the obligation to reduce alcohol-related harm. Private benefit is also derived for applicants with licences, as they are legally required before a business can operate. Applicants can be identified and charged for these services. **Environmental Health** Public health and safety is protected when food and other premises are appropriately registered and monitored. Private benefit is also derived from applicants for these various licenses as they are legally required before a business can operate. Applicants can be identified and charged for these services. Premises with poor or unsafe food handling practices can be charged for the costs associated with compliance. Management of hazardous substances in public places benefits the wider community.	**Alcohol licensing and the District Licensing Committee** Funding target is 50-60% user fees and 40-50% from General Rates. **Environmental Health** Funding targets for the following services are: • licensed premises - 55-65% from user fees and 35-45% from General Rates • management of hazardous substances in public places - 100% from General Rates • swimming pool fencing services - 75-85% from user fees and 15-25% from General Rates.

Building communities

Regulatory services - community protection

Discussion / Rationale	Funding Approach
Swimming pool fencing inspections ensures public health and safety through compliance with Building Act 2004 requirements. A private benefit can be attributed to an identifiable pool owner, and the administration, processing and inspection costs can be charged accordingly.	
Resource consent monitoring and District Plan compliance Monitoring and enforcement of consent conditions ensures that development of our District is consistent with our District Plan, benefiting the whole community rather than individuals. Protection lot monitoring, noise control and bylaw enforcement benefit the community as a whole. Individual consent holders can be identified and charged when they receive monitoring of their consent conditions. Monitoring expenditure can increase where there is non-compliance with consent conditions and enforcement is required. Cost recovery can include infringement fines and/or prosecution through the court.	**Resource consent monitoring and District Plan compliance** Funding target is 5-15% from user fees and infringement fines and 85-95% from General Rates.
Public enquiries about nuisances, general bylaw compliance and monitoring Responses to community concerns and public enquiries on nuisances and bylaw compliance has wider public benefit. Private benefits may be derived where rectification has a positive impact on neighbouring properties. However, it is difficult to identify and charge these people for this service. Some of the cost of investigation can be recovered through fines and penalties from those found in breach. However, because there are no infringement penalties in a number of our bylaws, and the Health Act (as legislation does not empower this), the cost of compliance and monitoring cannot necessarily be recovered through infringement fees. Prosecution through the courts is costly and requires a substantive evidence base in order to gain a favourable outcome.	**Public enquiries about nuisances, general bylaw compliance and monitoring** Funding target is 5-15% infringement fees and 85-95% General Rates, with any shortfall funded from General Rates.

Building communities

Stormwater

Our community outcome	
A stormwater management system that manages flood risk, contributes to improving water quality, and contributes to enhancing ecological and cultural values.	
Discussion / Rationale	**Funding Approach**
Stormwater - General Education aimed at raising community awareness of stormwater issues and good practice benefits the District as a whole. Some communities will be required to implement higher standards of stormwater treatment as a result of having sensitive receiving environments, for example wetlands, estuaries and harbours. While these communities could be seen as the cause of the adverse environmental effects, protection of these environments also benefits the whole District. Individual property owners within a community cannot exclude themselves from benefiting from the existence of a stormwater system and we could not exclude them from receiving these benefits if they refused to pay for the service. Different communities may benefit from different levels of service for stormwater. This could be as a result of topographical conditions, for example steep slopes, unstable land or density of settlement, i.e. urban versus rural densities of development.	**Capital expenditure** Financed initially by loans and serviced from: Financial contributions, if expenditure is to accommodate growth and/or to pay for the consumption of excess capacity in the stormwater supply system. Includes the related loan servicing (holding) costs. For capital expenditure to service existing ratepayers. 90% Uniform Targeted Rates over the defined area of benefit which has a reticulated stormwater system. 10% from General Rates. *Areas of benefit* • Urban Growth nodes – Katikati, Ōmokoroa, Te Puke, Waihī Beach (including Pios Beach, Athenree). • Small settlements – Kauri Point, Maketu/Little Waihī, Paengaroa, Pukehina, Tanners Point and Te Puna. • Minden.

Building communities

Stormwater

Discussion / Rationale	Funding Approach
Stormwater - General Individuals benefit from the delivery of this service through the reduction in risk of damage due to flooding and/or erosion on their properties. Properties that benefit from stormwater assets can be identified. Individuals also benefit from this service as it reduces the risk of flooding to commercial and business centres. Developers benefit from the existence of excess capacity in the stormwater system. In some cases stormwater assets and levels of service have to be increased to enable development to proceed. Not all ratepayers are connected to a stormwater system, primarily our District's towns and small settlements are connected but not our rural residents. Some actions increase expenditure on this service: • Modifications to overland flow paths through minor earthworks, construction of retaining walls or fences. • Growth of trees or shrubs in overland flow paths. • Additional paving, hard surfaces or buildings may increase the volume of stormwater run-off and reduce its quality/effectiveness. • Inappropriate disposal of hazardous substances and contaminants into the stormwater system increases the requirements for stormwater prior to discharge. Expected useful lives of stormwater assets: • Reticulated stormwater >60 years. • Open drains 30 to 50 years. Some drains and reticulation systems have surplus capacity which can be utilized by later developments. If this activity were funded using a rate in the dollar a disproportionate burden of the funding would fall on high value properties, especially those in rural areas where there is limited stormwater infrastructure benefit received.	**Operational, maintenance and renewals expenditure** 90% Uniform Targeted Rates over the defined area of benefit which has a reticulated stormwater system. 10% from General Rates. *Areas of benefit* • Urban Growth nodes - Katikati, Ōmokoroa, Te Puke, Waihī Beach (including Pios Beach, Athenree). • Small settlements - Kauri Point, Maketu/Little Waihī, Paengaroa, Pukehina, Tanners Point and Te Puna. • Minden. General Rates may be used to service interest payments and growth related debt when Council considers that financial contributions and/or development contributions will not provide adequate funding.

Building communities

Stormwater

Discussion / Rationale	Funding Approach
Waihī Beach coastal protection project This policy applies to the project that comprises: • Dune enhancement - 412m dune enhancement (shoreline at northern end of Shaw Road) • Rock revetment - 1,047m rock revetment (along shoreline at Shaw Road, Ayr Street and the Loop) and 1.2m wide timber access ways • Three Mile Creek works - 146m dune enhancement (shoreline off Glen Isla Place) and creek training at Three Mile Creek using training groynes • Maintenance and monitoring during the life of the works. The policy does not apply to: • Coastal erosion works in other locations, intended for the purpose of protecting Council esplanade reserves, strategic harbour walkways or public access ways. Such structures are included in the District Reserves Activity. • Additional works at Two Mile Creek, e.g. Creek Training. If coastal erosion went uncontrolled and damage to property occurred, the image of Waihī Beach could be adversely affected. If protection works were not constructed other costs may be imposed on the community such as litigation in the event of property loss or the need for other solutions to the erosion problem. Walkways along the top of the rock revetment will provide public access. Two Council reserves (Elizabeth Street Reserve and Brewer Park) will be protected through these works. These reserves comprise two out of 85 properties in the primary hazard area. The works reduce the risk of erosion to esplanade reserves but the works themselves will reduce the amenity value of the esplanade reserves. In areas where beach scraping and dune care is undertaken there is expected to be some improved beach amenity value and environmental enhancement.	**Waihī Beach coastal protection project** Loans will be used to finance capital expenditure, excluding renewals, over a 25 year period. These loans will be serviced from the following revenue sources: *General rate reserves* To finance up to 5% of the capital cost of the project. *Balance of Waihī Beach Drainage Reserve and Waihī Beach Erosion Reserve* Lump sums transferred to finance the capital cost of the project. ($272,000). *Rates collected for coastal protection works (2003/04)* - Lump sum transferred to finance the capital cost of the project. ($245,474). *Uniform Annual General Charge (UAGC)* To fund the revenue required for capital and all operating, maintenance and finance costs of the Three Mile Creek training groynes. **Uniform Targeted Rate for the Waihī Beach Ward** To fund 25% of the remaining revenue requirement for capital and all operating, maintenance and financing cost of the rock revetment works. To fund 30% of the remaining revenue requirement for capital and all operating, maintenance and financing cost of the coastal protection works for the dune enhancement work (northern end and off Glen Isla Place). ***Area of benefit targeted rates*** Uniform Targeted Rate for 83 beachfront properties directly benefiting from the works or • lump-sum contributions* equivalent to loan and interest portion of revenue requirement over 25 years; and • area of benefit targeted rates to meet the revenue required for maintenance and operations for those properties that elect to take up the lump-sum payment option. To fund 75% of the remaining revenue requirement for capital and all operating, maintenance and financing costs of the rock revetment (53 properties).

Building communities

Stormwater

Discussion / Rationale	Funding Approach
Waihī Beach coastal protection project (continued) Two Mile Creek and Three Mile Creek provide waterways into which stormwater discharges flow from both rural and urban catchments. The eroding effects of additional stormwater from increased urban development are not considered significant in terms of intensity, when compared to the overall quantity of stormwater from existing urban and rural catchments. Three Mile Creek receives treated discharges from the Waihī Beach wastewater treatment plant. The Waihī Beach community therefore benefits from the existence of Two Mile Creek and Three Mile Creek but there is no direct stormwater or wastewater benefit from the erosion mitigation works. Individual properties that receive benefits from the reduced risk of property damage resulting from coastal erosion can be identified and can be charged for the service. The life of the protection works is 25 years. The works are designed to protect buildings and property that have a long life.	To fund 70% of the remaining revenue requirement for capital and all operating, maintenance and financing costs of the coastal protection works for the dune enhancement, northern end (23 properties) and off Glen Isla Place (7 properties). ** a lump-sum payment option is offered each year to the properties benefiting from the rock revetment.*
Two Mile Creek A public benefit has been identified as there is no practicable alternative to using Two Mile Creek to convey the stormwater that collects in this area to the ocean.	Council conveys stormwater collected above Two Mile Creek to the ocean through Two Mile Creek the increase in dwellings and changes to rainfall patterns have led to the banks of the creek eroding. It has been identified that there is a private benefit from the proposed capital works as the mitigation of erosion protects those properties from further loss of land or damage. **Capital Works** *Above Dillon Street bridge.* • Capital works to be funded 90% from growth communities UTR and 10% from General Rates. • Any land required to achieve the preferred solution will be vested by the respective land owners. *Below Dillon Street bridge.* • 25% to be funded by the properties who receive a direct benefit as a result of the works. • The balance will be funded 90% from growth UTR and 10% from General Rates.

Building communities

Transportation

Our community outcome
Transportation networks are safe, affordable, sustainable and planned to meet our community's needs and support economic development.

- Transportation networks support and promote economic development.
- The impact on the environment of the transportation system is mitigated where practicable.
- Transport systems enable healthy activity and reduce transport-related public health risks.
- Transport systems improve access and mobility.
- Land use and transportation network planning are integrated. Communities are healthy and safe.

Discussion / Rationale	Funding Approach
Network optimisation and network development Council has a statutory responsibility under the Local Government Act 2002 to manage its transportation network for the benefit of the community. Both individuals and the community as a whole benefit from the efficient flow of goods, services and people through the transport network. Through registration, individual vehicles can be identified when they use the road. It is practically possible to charge road users through fuel taxes and road user charges and tolls. It is also possible to exclude road users who refuse to pay through enforcement of registration and tolling parts of the roading network. When roads are not at capacity increased use by individuals does not reduce the ability of others to use the road. Conversely when capacity is reached, increased use of the road by individuals reduces the ability of others to use the road. Public benefits of improving/maximising the efficient flows of goods and services and people through the network include: • reductions in emissions and energy efficiency improvements as a result of reduced travel distances and/or congestion. • contribution to improved social cohesion by increasing accessibility within the District • indirect benefits of improved economic wellbeing.	**Capital expenditure** • Roading Rates including Roading Uniform Targeted Rate (UTC) and Rural Works charge for capital expenditure to service existing ratepayers • Financial contributions for capital expenditure to accommodate growth and/or to pay for any excess consumption in the roading network. Includes the related loan servicing costs (interest, administration) • Private contributions, where applicable, in terms of our policy. - Waka Kotahi NZ Transport Agency (NZTA) subsidies for eligible projects (49 – 51% for this Long Term Plan). Where appropriate loans are used to finance large projects and then funded from the sources above.

Building communities

Transportation

Discussion / Rationale	Funding Approach
Private benefits identified include: • developers benefit from the ability to subdivide. This growth may result in uptake of the existing roading capacity • road users benefit from the maintenance and upgrade of roads by having reduced vehicle operating costs, reduced accidents, reduced driver frustration, reduced travelling times and increased road user comfort • safety improvements and travel time savings for road and rail users from increasing use of rail to transport bulk items • improved pedestrian mobility by removing heavy vehicle traffic from local town centres. Commercial/Industrial and Post Harvest zoned properties are charged a differential of 2 in the roading rate. The rationale for this is that high volumes and heavy vehicles servicing these properties cause the infrastructure to wear at a higher rate. Integrated planning creates time and cost efficiencies which benefit individual transport users. Developers benefit from integrated transport planning because well connected subdivisions may command higher section prices. Our ability to recover for private benefit is limited by Government policy on the use of vehicle registration charges. This funding is provided through New Zealand Transport Agency (NZTA) subsidies which are available according to certain criteria. The components of roading have widely varying design lives ranging from 3 to 75 years. The key roading component lives are: • Base course - 25-75 years • Seal - 12 years • Unsealed road surfaces - 3-5 years Actions that result in increased expenditure on this activity include: • illegally overloaded vehicles that reduce the life of the road • cattle crossings that require cleaning up • heavy traffic turning in driveways which damages the edges of roads.	**Operational, maintenance and renewals expenditure including financing costs that relate to existing ratepayers** • Roading Rate Uniform Targeted Rate on all properties in our District. • Roading Rate based on land value for all residential, commercial, industrial, post-harvest zoned and rural properties. • Rural Works charge for all rural zoned properties. • New Zealand Transport Agency (NZTA) subsidies for eligible projects (49% - 51% for this Long Term Plan). **For particular community projects or higher levels of service, as negotiated with the relevant community** Targeted rates over the defined area of benefit. Roading rates may be used to service interest payments and growth related debt when Council considers that financial contributions and/or development contributions will not provide adequate funding.

Building communities

Transportation

Discussion / Rationale	Funding Approach
Environmental mitigation The community as a whole benefits from the effective management of the environmental impacts of the transport network as a result of: • actions taken to reduce negative environmental effects • environmental recovery costs reduced by the ability to undertake immediate action to mitigate or reduce the environmental impact. Emergency environmental response services provide a private benefit to those affected or responsible for accidents through our ability to undertake immediate action. These individuals could be identified at the time they use the service. Improved travel demand management benefits identifiable individuals by reducing travel time and energy consumption. Owners of poorly maintained vehicle, which contribute to excessive emissions, may result in more Council expenditure being required for this activity.	
Health and safety The public benefits of transport-related health impacts include: • the potential for reduced community health costs through increased physical activity for example use of cycleways, walkways and footpaths • improved road safety and personal security • reduced vehicle emissions. Pedestrians and cyclists cannot be as easily identified as vehicles when they use the roads. It would be impractical to identify the individual users of walkways and cycleways. Seal Extensions: Residents in the vicinity of roads undergoing seal extension enjoy a private benefit as they could technically be identified and charged. They could benefit from the potential reduction in vehicle wear and tear, increased road-user comfort, productive gains resulting from elimination of dust and increased property values.	

Building communities
Transportation

Discussion / Rationale	Funding Approach
Modal choice and mobility The transport network forms a vital part of any community's means of communication and movement of goods, services and people which benefits the community as a whole, even if they do not actually use some parts of it. The community as a whole also benefits from others using the transport network; for example visitors, ambulances, fire service, postal delivery, etc. The community and affected individuals gain indirect and direct benefits from the increased mobility of transport disadvantaged people, through the effect it has on their ability to participate in the economy and play a part in the social life of the community. Reducing heavy traffic volumes helps to improve individual pedestrian mobility, however it is not practical to individually identify those receiving this benefit. Individual users of public transport could theoretically be identified. However, where public transport is subsidised, charging the full cost of the service would defeat the purpose of the subsidy. The availability of alternative transport modes (including public transport) has the potential to reduce congestion and travel times for individual road users who can be separately identified.	

Building communities

Water supply

Our community outcome

Water supply is provided to our community in a sustainable manner.

- Provide potable water of an appropriate standard and quality to meet the needs of consumers within the three supply zones.
- Sustainably manage our water resource, water supply infrastructure and consumer use of water across the three supply zones.

Discussion / Rationale

We have a statutory responsibility as an administering body under the Local Government Act 2002 to manage our District's water supply for the benefit of the community. However, it should be noted that many rural ratepayers in our District are not connected to Council water supplies as they provide their own water.

Provision of potable water provides public health and sanitation benefits to the community. It enables commercial and industrial businesses to have access to clean water for their activities.

If potable water were unavailable economic development would be constrained and the community as a whole would suffer.

Water supply schemes provide fire-fighting capability to the community.

Individuals provided with water can be identified and charged for the service. Increased use of water by some customers reduces the amount available for others. We are progressively implementing water metering across the District which will help extend the life of existing water supply schemes, help identify water losses through leaks and ensure that those individuals who use more water pay their fair share.

Water supply, treatment facilities and reticulation systems have surplus capacity designed to cater for growth. Developers who take advantage of this capacity by subdividing properties can be identified and charged.

The life of assets ranges from 40 to 100 years and are designed to cater for growth. Actions identified that result in increased expenditure on this activity include:

- undetected leaks resulting in water losses.
- illegal connections contributing to water losses.
- poor maintenance of pipes and taps leading to water losses.
- customers with large connections and a rapid delivery rate (>20mm) affect the level of service that can be offered elsewhere, especially in peak demand times.

Funding Approach

Capital expenditure

Initially financed by loans to match the life of the asset which are serviced from:

- Financial contributions, for expenditure to accommodate growth and/or to pay for the consumption of excess capacity in the water supply system. Includes the related loan servicing (holding) costs.
- User fees and charges for capital expenditure to service existing ratepayers.
- Targeted rates can be used to recover capital costs of extensions to networks.

Operational, maintenance and renewals expenditure including financing costs that relate to existing ratepayers

User fees and charges including:

- metered uniform targeted rates and charges for actual water consumed via metering
- unmetered water uniform targeted rates
- connection fees including additional fees for large connections >20mm
- availability charges – to those properties able to connect but not connected.

General Rates may be used to service interest payments and growth related debt when Council considers that financial contributions and/or development contributions will not provide adequate funding.

Protecting the environment

Natural environment and sustainable living

Our community outcome

A clean green valued environment, achieved by:

- increasing indigenous biodiversity
- protecting important natural and cultural areas
- having a lighter footprint
- connecting people with the natural environment
- making decisions to address the impacts of climate change.

Discussion / Rationale	Funding Approach
The community as a whole benefits from activities that contribute to protecting and enhancing the environment. These benefits may include: • Functional benefits – carbon sequestration, tourism opportunities and ecosystem services such as the provision of freshwater, air, fertile soils, riparian protection and flood control. • Bequesting Value – the ability to pass on environmental integrity to future generations. • Existence Value – the value of environmental preservation in perpetuity. • Knowledge – increased awareness and knowledge that leads to local actions that enhance the environment. These benefits accrue equally – no part of the community benefits more, or less, from this activity. The Activity offsets negative environmental impacts of land use and development, that cannot be avoided or mitigated on site. It is therefore appropriate that some of the costs of the activity are funded from the 'exacerbator' through financial contributions. Private landowners may gain a specific benefit where increased environmental enhancement protects their properties from natural hazard risks such as coastal erosion and flooding. Targeted rates may be used in these instances. Land owners are incentivised to protect areas of significant ecological and cultural values. It is appropriate for these landowners to receive a remission in rates for these areas, in recognition of the feature's protection in perpetuity.	Total Activity Programme: • 45%-55% financial contributions. • 45-55% - targeted rates funding. Operational costs (including staff time) are funded from general rates. Pukehina Beach Sand Relocation Programme: • 80% of the programme funded by targeted rate over coastal side of Pukehina Parade. • 20% of the programme funded by targeted rate over remaining properties in Pukehina Beach.

Protecting the environment

Wastewater

Our community outcome

Wastewater services are well planned and maintained to ensure a clean and healthy environment.

- All areas in our District served by Council's reticulated wastewater disposal systems meet acceptable health, safety and environmental standards.
- Assist small urban communities along the Tauranga Harbour to ensure that the wastewater disposal options available to them meet health and safety requirements.

Discussion / Rationale

Provision of reticulated wastewater systems in the district provides public health and sanitation benefits to the community. If adequate wastewater disposal systems were unavailable economic development may be constrained or environmental standards may be compromised, which would affect the community as a whole.

Individuals provided with reticulated wastewater can be identified and charged for the service. Wastewater reticulation systems, treatment facilities and disposal systems have surplus capacity designed to cater for growth. Developers who take advantage of this capacity by subdividing can be identified and charged.

Increased volumes of wastewater produced by some commercial and industrial users (trade waste) require that the capacity of the system be larger. Higher toxicity of the wastewater produced by some users requires more treatment in order to meet consents for disposal.

Many ratepayers are not connected to our wastewater systems and construct and maintain their own septic tanks.

Actions that result in increased expenditure on this activity include:

- Illegal disposal of stormwater into the wastewater systems via illegal private connections and sub-standard private connections.
- Infiltration and inflow into reticulation systems through poorly maintained or badly constructed reticulation systems.
- Illegal discharges of trade waste into domestic sewers.
- Trade waste discharges which are not measured or charged.
- Pollution of the harbour and coastal areas from poorly maintained septic tanks.
- Pollution caused by septic tank de-sludging.
- Contractors disposing of septage at non-conforming disposal sites.

Funding Approach

Capital expenditure
Initially financed from loans and serviced from:

- Financial contributions, if expenditure is to accommodate growth and/or to pay for the consumption of excess capacity in the wastewater supply system. Includes the related loan servicing (holding) costs.
- Wastewater targeted rates over the applicable area of benefit to fund capital expenditure (excluding renewals) to extend services to existing properties. This may include the opportunity for lump sum contributions.
- External subsidies.

Operational, maintenance and renewals expenditure including financing costs that relate to existing ratepayers
Funding sources to cover 96% of the revenue requirement include:

- area of benefit targeted rates (uniform charges)
- availability charges
- multiple connection charges
- capital charges
- financial contributions
- fees and charges from trade waste and connections
- subsidies (if available).

Protecting the environment
Wastewater

Discussion / Rationale	Funding Approach
Wastewater infrastructure typically has a long life: • reticulation and manholes 60 to 100 years, depending on pipe material • pumps and pump stations 25 years on average • wastewater treatment and disposal facilities 50 years.	To fund 4% of the revenue requirement: • Environmental protection rate. General Rates may be used to service interest payments and growth related debt when Council considers that financial contributions and/or development contributions will not provide adequate funding.

Protecting the environment

Solid waste

Community outcome
Effective waste management practices that minimise waste to landfill and encourage efficient use of resources to reduce environmental harm.

- Reduce and recover more waste.
- Apply the latest proven and cost-effective waste management and minimisation approaches.
- To collect information to enable decision making.
- To create benefit for our community.

Discussion / Rationale	Funding Approach
Education, promotion of waste minimisation benefits, planning for and monitoring waste benefits our district as a whole. When individuals make use of education and information on waste and hazardous waste issues the community benefits as a result. If the remediation and monitoring of closed landfills were not undertaken it would affect the community as a whole, through downstream effects on the environment. The existence of greenwaste and recycling facilities will benefit those in the local area. If convenient facilities are not provided to dispose of greenwaste it may be more likely that it will be illegally dumped and may result in increased enforcement and regulatory costs for the whole community. It is sometimes possible to identify individuals who are illegally dumping cars and other rubbish. They may be prosecuted. Individuals using greenwaste and recycling facilities can be identified and charged for the service. Council wishes to encourage recycling and therefore chooses not to charge gate fees at its recycling drop off facilities. Council also wishes to consolidate its revenue collection for this activity by geographical area of benefit and has chosen to combine targeted rates for greenwaste and recycling with targeted rates for landfill remediation and monitoring where facilities are available.	**Capital expenditure excluding renewals** Initially financed by loans and serviced from solid waste targeted rates (uniform annual charges) over the applicable area of benefit (currently Eastern, Western and Ōmokoroa). Waste minimisation levy received from the Ministry of the Environment to fund waste minimisation activities. **Operational, maintenance and renewals expenditure** Provided from: • Environmental protection rate to fund District-wide operational expenditure. • Area of benefit targeted rates uniform annual charges (Eastern and Western) and user fees to fund renewals and all operating, maintenance and financing costs of closed landfills, green waste and recycling centres. • Waste Minimisation levy to fund waste minimisation activities. • User fees, area of benefit targeted rates to fund renewals of capital and all operational, maintenance and financing costs of Ōmokoroa greenwaste facility. • User fees for kerbside rubbish collections. • Area of benefit targeted rates for service availability, for kerbside recycling, glass, and food scraps (urban areas) collections.

Protecting the environment

Solid waste

Discussion / Rationale	Funding Approach
The life of greenwaste and recycling assets is estimated at 25 years. Achieving a cleaner environment benefits future generations through not leaving a legacy of waste. Illegal dumping and littering requires cleaning up which increases costs. Offenders often cannot be identified. We have a responsibility to ensure that remediation and monitoring of closed landfills continues. Council's increased role in kerbside service delivery through the Council-contracted collection of rubbish, recycling, glass and food scraps (urban areas). These services benefit those households using the service. A targeted rate on the geographic area of benefit where the services are available, reflects the access to services. For rubbish collection user fees and charges are more appropriate, as those that create more waste are clearly identifiable and can be directly charged. Using fees and charges for rubbish collections also helps to encourage the reduction of waste to landfill and the utilisation of recycling options.	

Supporting our economy

Economic development

Community outcome

To encourage the sustainable use of local resources in a way which strengthens economic opportunities and improves social outcomes.

- Foster partnerships between organisations, including local and Central Government and businesses to support economic, social, cultural and environmental development.
- Council services are committed to being business-friendly to encourage and enable businesses to flourish and contribute to building vibrant communities.
- Enable an environment where community groups and business can collaborate and work together on shared outcomes for communities.

Discussion / Rationale	Funding Approach
Economic development The public benefits from a strong and sustainable local economy, increased prosperity and the availability of a wide range of employment opportunities provide third party benefits to the public. The promotion of the region as a desirable place to work and do business, and the facilitation of investment and training opportunities in the District, provide benefits to the whole District. The marketing, development and management of the region as a tourism destination benefits the tourism industry and other businesses in our District. The community may receive third party benefits because, if tourism is growing, facilities can be developed to cater for visitors that are also enjoyed by local residents. In considering the practicality of charging businesses a targeted rate for economic development, it would be technically difficult to identify 'businesses' located on land zoned rural or residential. In addition, horticultural and agricultural businesses also benefited from economic development expenditure as they are also businesses.	**Funding is provided from:** General Rates (Uniform Annual General Charge): • Economic development • Tourism support General Rates on capital value: • Visitor information services Uniform Targeted Rates on Community Board areas of growth centres: • Town centre plan implementation • Economic and community development projects Ward uniform targeted rates (UTRs) for: • Town centre promotion • Service delivery contracts Uniform targeted rates on commercial and industrial zoned and post harvest zoned properties: • Town centre promotion • Service delivery contracts Uniform annual general charge (UAGC) for: • Town centre development projects across our District.

Supporting our economy

Economic development

Discussion / Rationale	Funding Approach
Visitor information This service is provided in anticipation of visitors' needs for information. There are public benefits from the existence of the service and from the option of using it when they need it. Some individuals benefiting from the visitor information service can be identified and charged. Some commercial tourism operators may benefit from referrals by the service. It is not our policy to charge users for the provision of visitor information. Volunteers provide some of this service.	

Support services

Support services

Discussion / Rationale	Funding Approach
Internal services The users of this activity are other Council functions or departments. As a result there are no public benefits identified. The users of these services are identifiable. Where particular costs can be allocated to specific departments on a user-pays basis they can be charged through internal recovery of direct costs. Where it is not possible to identify specific departments costs can be allocated to departments and functions in a fair and consistent manner through the overhead allocation process. When overheads are allocated to activities that are funded by fees or targeted rates there may be a consequential increase or decrease in fees required to fund that activity. Land has an infinite life and the life or remaining corporate assets will depend on their composition and purposes. This could range from 10 to 75 years.	**Internal services** All costs are recovered either on a user-pays basis, through overhead allocation, or allocation of the General Rate.

Summary of Specific Rates Policies
Whakarāpopoto o ētahi Kaupapa here Tautuhi Rēti

In addition to Council's overall rating policies, specific policies have also been established over time to accommodate individual ratepayer circumstances that have been identified as requiring a specific approach. By having these specific policies available Council considers it provides a more equitable and fair rating system.

Council's specific rates policies

- Discount For Early Payment of Rates In Current Financial Year Policy.
- Early Payment Of Rates For Subsequent Years.
- Multiple Pan Wastewater Remission Policy.
- Rates Remission For Covenanted Land Policy.
- Remission Of Rates Penalties Policy.
- Rates Remission On Māori Freehold Land Policy.
- Rates Postponement For Financial Hardship Policy.
- Rates Postponement For Owners Aged Over 65 Policy.
- Rates Remission On Re-Zoned Land Policy.
- Rates Remission For Contiguous Land Policy.
- Rates Remission For Land Used for Sport and Games Policy.
- Rates Remission For Natural Disasters And Emergencies.
- Water Rates Remission Policy.

The policies can be viewed on Council's website www.westernbay.govt.nz/policiesandbylaws


Doggy Day out - 13 February 2021

Significant Accounting Policies
Kaupapa here Tautuhi Tatauranga

This section includes financial statements and information. The Local Government Act 2002 requires Council to include forecast financial statements for the local authority within the Long Term Plan (LTP). The main purpose of providing prospective financial statements is to enable stakeholders (residents and ratepayers, other local authorities, business community groups and government regulatory bodies etc.) to make decisions regarding Council and how it conducts its business.

This prospective financial information includes the prospective Statement of Comprehensive Revenue and Expense, the Prospective Statement of Financial Position, the Prospective Statement of Changes in Equity, the Prospective Statement of Cash Flows, and the accompanying Prospective Statement of Accounting Policies and Notes to the Financial Statements. This information must be prepared according to generally accepted accounting practice (GAAP) and recognised accounting standards.

Significant accounting policies contents

Prospective Statement of Comprehensive Revenue and Expense

The Prospective Statement of Comprehensive Revenue and Expense shows all of Council's prospective revenue earned and expenses incurred for the years ended 30 June 2022 to 30 June 2031. Revenue includes revenue received from rates and other revenue such as investment revenue, rent and fees while expenses paid includes costs such as operating costs, interest payments and depreciation.

This Prospective Statement shows how total comprehensive revenue and expense is arrived at. Total comprehensive revenue and expense is then added or subtracted from Council's equity as shown in the Prospective Statement of Changes in Equity.

Prospective Statement of Changes in Equity

This Prospective Statement provides information about the nature of changes in Council's equity for the years ended 30 June 2022 to 30 June 2031.

Prospective Statement of Financial Position

The Prospective Statement of Financial Position shows the assets and liabilities of the Council as at 30 June each year from 2022 to 2031.

Assets include cash, accounts receivable (money owed to Council but not yet received), investments, land, buildings, operational and infrastructural assets. Current assets are amounts owed to Council that are expected to be received within the next 12 months while current liabilities are Council's debts that are due to be paid within the next 12 months. Investments are Council funds held in revenue earning securities while property, plant and equipment are of a permanent nature and are held for the benefit of the community.

Non-current liabilities represent money owed by Council that does not have to be paid within the next 12 months.

Prospective Statement of Cash Flows

This Prospective Statement covers all the inflows and outflows of cash during the year covered by the Prospective Statement of Comprehensive Revenue and Expense. The Prospective Statement of Cash Flows identifies the sources and application of cash in respect of Council's operating, investing and financing activities.

Prospective Proposed Statement of Accounting Policies

These explain the basis upon which the prospective financial Prospective Statements are prepared. They explain the methods adopted by Council used to measure the transactions incorporated into the financial Prospective Statements above.

Prospective Funding Impact Statement

The Prospective Funding Impact Statements ("PFIS") have been prepared in accordance with the Local Government (Financial Reporting) Regulations 2011, which came into effect 11 July 2011. This is a reporting requirement unique to local government and the disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices.

The purpose of these statements is to report the net cost of services for significant groups of activities ("GOA") of Council, and are represented by the revenue that can be attributed to these activities less the costs of providing the service. They contain all the funding sources for these activities and all the applications of this funding by these activities. The GOA PFIS includes internal transactions between activities such as internal overheads and charges applied and or recovered and internal borrowings.

The PFIS is also prepared at the whole of Council level summarising the transactions contained within the GOA PFIS, eliminating internal transactions, and adding in other transactions not reported in the GOA statements. These items include but are not limited to gain and/or losses on revaluation and vested assets.

They also depart from GAAP as funding sources are disclosed within the PFIS as being either for operational or capital purposes. Revenue such as subsidies received for capital projects, development contributions and proceeds from the sale of assets are recorded as capital funding sources. Under GAAP these are treated as revenue in the Prospective Statement of Comprehensive Revenue and Expense.

Proposed Statement of Accounting Policies for Prospective Financial Statements

Reporting entity

Western Bay of Plenty District Council (Western Bay Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing Western Bay Council's operations includes the LGA and the Local Government (Rating) Act 2002.

Western Bay Council provides local infrastructure, local public services, and performs regulatory functions to the community. Western Bay Council does not operate to make a financial return.

Western Bay Council has designated itself and the group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

The prospective financial statements of Western Bay Council are for the 10 year period ending 30 June 2031. The financial statements of Western Bay Council for each year within the Long Term Plan are to be authorised for issue by Council. These prospective financial statements were authorised for issue by the Western Bay Council on the 29 June 2021.

Basis of preparation

These set of prospective financial statements have been prepared in accordance with NZ generally accepted accounting practice (GAAP) and opening balances for the year ended 30 June 2021. Estimates have been restated accordingly if required. No actual financial results have been incorporated within the prospective financial statements.

Council and management of Western Bay of Plenty District Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and other required disclosures.

Council, who are authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, have adopted the Consultation Document and have approved it for distribution on 18 February 2021.

The prospective financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout.

Statement of compliance

The prospective financial statements of Western Bay Council have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The prospective financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP) R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These prospective financial statements comply with PBE Standards.

Measurement base

The prospective financial statements have been prepared on an historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000).

Critical accounting estimates and assumptions

In preparing these prospective financial statements, Council has made estimates and assumptions concerning the future, these are outlined in the Informing our Planning section from page 39. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Cautionary note

The information in the prospective financial statements is uncertain and the preparation requires the exercise of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or Council may subsequently take actions that differ from the proposed courses of action on which the prospective financial statements are based.

The information contained within these prospective financial statements may not be suitable for use in another capacity.

Standards issued and not yet effective and not yet adopted

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

Financial instruments

In March 2019, the XRB issued PBE IPSAS 41 Financial Instruments. PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments. PBE IPSAS 41 is effective for the year ending 30 June 2023, with early application permitted. The main changes under PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

Council plans to apply this standard in preparing its 30 June 2023 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Service Performance Reporting

In November 2017, the XRB issued PBE FRS 48 Service Performance Reporting. PBE IPSAS 48 is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted. Council plans to apply the new standard in preparing the 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Cashflow Statements

Disclosure Initiative (Amendments to IAS 7), issued by the IASB in January 2016, amended IAS 7 Statement of Cash flows to require entities to provide disclosures that enable users of financial statement to evaluate changes in liabilities arising from financial assets. The IPSASB subsequently amended IPSAS 2 Cash Flow Statements in Improvements to IPSAS, 2018 and the NZASB amended PBE IPSAS 2 in 2018 Omnibus Amendments to PBE Standards. The Council plans to apply the new standard in preparing the 30 June 2022 financial statements. Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Changes in accounting policies

There have been no other changes in accounting policy.

Assumption underlying prospective financial information

The financial information contained within these policies and statements is prospective information and has been prepared in compliance with PBE FRS 42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Western Bay of Plenty District Council over the financial years from 2021/22 to 2030/31 and to provide a broad accountability mechanism of the Council to the community.

Significant accounting policies

Associate entities

Council's entities associate investment is accounted for in the financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Council has a 9.7% share in Bay of Plenty Local Authority Shared Services Limited (BOPLASS). The Council also has a 50% ownership in Western Bay of Plenty Tourism and Visitors' Trust.

The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

Revenue

Revenue is measured at fair value.

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Western Bay Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue
- Rates arising from late payment penalties are recognised as revenue when rates become overdue
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis
- Rates remissions are recognised as a reduction of rates revenue when Western Bay Council has received an application that satisfies its rates remission policy
- Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised as revenue in the financial statements, as Western Bay Council is acting as an agent for the BOPRC.

Financial contributions

The Resource Management Act 1991 is the governing legislation regarding the charging of financial contributions.

Financial contributions are recognised as revenue when Western Bay Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Western Bay Council provides, or is able to provide, the service.

Waka Kotahi NZ Transport Agency roading subsidies

Council receives funding assistance from the Waka Kotahi which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

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

Entrance fees

Entrance fees are fees charged to users of Council's local pools. Revenue from entrance fees is recognised upon entry to such facilities.

Sales of goods

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

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to the balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with Council's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the statement of comprehensive revenue and expense.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

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 Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by Council and the approval has been communicated to the applicant. Council's grants awarded have no substantive conditions attached.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ$ (the functional currency) using the spot exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Income tax

Council does not pay income tax as Section CW39 of the Income Tax Act 2007 specifically exempts income derived by a local authority from income tax, unless that income is derived from a Council-Controlled Organisation, a port related commercial undertaking or as a trustee.

Leases

Finance leases

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

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit 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 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.

Council does not currently have any finance leases.

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.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Assets

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, 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 in the statement of financial position.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to foreign exchange arising from Western Bay Council’s operational activities and interest rate risks arising from Council’s financing activities. In accordance with its treasury policy, 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 to their fair value at each balance date.
The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The Council and group have elected to not adopt the new hedge accounting requirements of PBE IPSAS 41 as permitted under the transitional provisions of PBE IPSAS 41.

This means the Council and group continues to apply the hedge accounting requirements of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

Other financial assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); or
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group’s management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

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.

Subsequent measurement of financial assets at amortised cost
Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE
Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council and group do not hold any debt instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD
Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include the Council and group's investment fund portfolio (comprising of listed shares, bonds, and units in investment funds) and LGFA borrower notes.

Expected credit loss allowance (ECL)
The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group considers a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

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 a 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. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

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.

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

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, or realise, the investment within 12 months of balance date. Council includes in this category:

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

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

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that Council and group 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 indicators that the asset 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. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an 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 account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

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 surplus or deficit.

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 (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant, and equipment consist of:

Operational assets

These include land, buildings, landfill post-closure, library books, plant and equipment, and motor vehicles.

Restricted assets

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

Infrastructure assets

Infrastructure assets are the fixed utility systems owned by Council and group. Each asset class includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewerage pump stations. Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted) library books, and infrastructural assets (with the exception of land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed 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 revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset.

Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Transportation assets including roads, bridges and footpaths were revalued at depreciated replacement cost at 1 July 2018 and certified by Opus International Consultants Limited.

Water, wastewater and stormwater assets including reticulation, treatment plants, reservoirs and bores were revalued at depreciated replacement cost at 1 July 2017 and certified by Aecom New Zealand Limited.

Land and buildings, except land under roads, were revalued at fair value at 1 July 2017 by Opteon. Library books were revalued at fair value by Aecom at 1 July 2017 and Marine assets were revalued at fair value by Tonkin and Taylor at 1 July 2017.

All other asset classes are carried at depreciated historical cost.

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 Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all buildings, bridges, reticulation assets and other structures, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Diminishing value is used for motor vehicles, office equipment and furnishings, library books and computer systems. Land and drains are non-depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as noted overleaf.

Buildings		
• Concrete	100 years	Straight line
• Wooden	40 years	Straight line
• Improvements	10 years	Straight line
Land		Not depreciated
Other plant and equipment	10 years	Diminishing value
Office equipment and furnishings	10 years	Diminishing value
Computer systems	5 years	Diminishing value
Motor vehicles	5 years	Diminishing value
Library books	10-15 years	Straight line
Infrastructural assets		
Roading network		
• Pavements (base course)	25 to 75 years	Straight line
• Seal	5 to 60 years	Straight line
• Unsealed	3 to 5 years	Straight line
• Other	5 to 70 years	Straight line
• Formation (not depreciated)		
Bridges		
• Concrete	100 years	Straight line
• Steel	50 years	Straight line
Reticulation		
• Water	20 to 60 years	Straight line
• Sewerage	60 to 100 years	Straight line
• Stormwater	80 to 120 years	Straight line
• Treatment plant and equipment	25 to 50 years	Straight line
• Wooden reservoirs	80 years	Straight line
• Concrete reservoirs	100 years	Straight line
• Dams	100 years	Straight line
• Bores	100 years	Straight line
• Coastal Structures	22 years	Straight line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end

Impairment of property, plant, and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life,or are not yet available for use are not subject to amortisation and are tested annually for impairment.

Property, plant, and equipment and intangible assets subsequently measured as costs. Impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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 its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

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.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of Council's website are recognised as an expense when incurred.

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

Carbon credits
Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually.

They are derecognised when they are used to satisfy carbon emission obligations.

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 that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

Computer software	3 to 5 years	20% to 33.3%
Resource consents	life of the asset	5%
Property subdivision rights	19 years	5.3%

Forestry 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 future cash flows discounted at a current market determined 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 or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.
Forestry maintenance costs are recognised in the surplus or deficit when incurred.

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, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Payables
Short-term payables are recorded at the amount payable.

Borrowings
Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee entitlements

Short-term employee entitlements
Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured 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, retirement gratuity and long-service leave expected to be settled within 12 months and sick leave. A liability for sick leave is recognised 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 it will be used by staff to cover those future absences.

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

Long-term employee entitlements
Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

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

Presentation of employee entitlements
Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Landfill post-closure provision
Council as operator of the Te Puke and Athenree landfills, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfills post-closure.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- the present value of the estimated amount to settle the guarantee obligation if it is probable there will be an outflow to settle the guarantee, and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Accumulated funds
- Restricted reserves
- Property revaluation reserve
- Fair value through other comprehensive revenue and expense reserve,
- Council created reserves.

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 the Council.

Restricted reserves include those subject to specific conditions accepted as binding by Council and which may not be revised by 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. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

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

Fair value through other comprehensive revenue and expense reserve
This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Council created reserves
These reserves are made up general reserves and form a component of equity. They include Asset replacement reserves, disaster contingency reserves and general reserves.

Goods and Service Tax (GST)

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

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the 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 statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The 2021 budget figures are those approved by Council in its 2020-21 annual plan which have subsequently been revised due to the shift in opening balances arising from the 2019-20 Annual Report. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Cost allocation

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

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

Impact of COVID-19

Western Bay Council has assessed the impacts of COVID-19 on its position as at 18 February 2021, and its key accounting estimates and its assumptions looking forward.

Council considers that the impact of COVID-19 immaterial and subsequently there are no adjustments required to key accounting estimates and assumptions.

Anzac Bay, Bowentown

Summary of Financial Contributions Policy Whakarāpopoto o Kaupapa here Tuku Tahua

Council is required under sections 102(4) (d) and 106 of the Local Government Act 2002 (LGA) to have either a Development Contribution Policy under the LGA 2002 or a Financial Contribution Policy under section 108(9) of the Resource Management Act 1991 (RMA).

General position statement

Council's Financial Contributions Policy has been operative since 1991. The full policy is contained in the Western Bay of Plenty District Council District Plan.

Criteria

Protection of the natural and physical environment and social, economic, cultural and environmental wellbeing of the people and communities from the potential adverse effects of new or intensified development.

- The provision of adequate funding for and efficient utilisation of, the District's infrastructure.
- A financial contributions strategy which ensures that financial contributions are charged on the basis of covering the community's costs of providing infrastructure.
- A financial contributions strategy which is responsive to the social, environmental, cultural and economic needs of the community.
- Timing of development commensurate with the ability to make appropriate provision for infrastructure.

Summary of Financial Contributions Policy

Introduction

Growth in the District places significant pressure on Council to provide infrastructure at the appropriate levels of service. If growth is not managed in an integrated manner along with the provision of infrastructure, then the levels of service will fall short of the demands of growth and/or Council could be forced to develop infrastructure in an unplanned, ad hoc and inefficient manner.

Integration of Council's funding strategy with growth management is critical to ensure that funds are spent in the most effective manner possible. Part of the funding strategy is to also ensure that those who require the expenditure pay accordingly. Financial contributions from development are seen as a key part of that strategy to make sure that new development is not subsidised by existing ratepayers.

While it is acknowledged that development in the District has positive effects, it also has the potential to adversely affect the environment, including people and communities, in a range of ways. Some of these effects cannot be adequately avoided or mitigated on a site-by-site basis. Rather, they can best be addressed through the provision of new or improved infrastructure. In some parts of the District the community has already provided infrastructure ahead of development and measures to avoid or mitigate future effects are thus already in place.
The types of adverse effects on the environment associated with new development that are best addressed through integrated provision of infrastructure include:

Wastewater

Effects on the environment including property, people and their health, amenity, social and cultural values through pollution of soil, ground and surface water, the coastal area including beaches and seafood and through odor.

Stormwater

Effects on property, human life and health and amenity and cultural values through flooding, siltation, erosion and pollution of waterways and coastal waters.

Water supply

Effects on health, fire safety, amenity, economic and cultural wellbeing through adequacy and quality of supply.

Transportation and Roading

Effects on access, mobility and safety, social, cultural and economic wellbeing through inadequate standards for the level of use.

Recreation and Leisure

Effects on wellbeing of people and communities and cultural and amenity values through inadequate or inappropriate provision of open space and facilities.
New development may also have adverse effects on indigenous vegetation and habitats of indigenous fauna through inadequate protection of and, provision for, biodiversity.

Alternative means of funding the necessary additional infrastructure, such as by rates levied on existing properties and/or loans taken out by Council can place a disproportionate burden on the existing community, which is, in effect, being asked to subsidise growth and change. This may adversely affect the economic well-being of the existing community and may be unsustainable. Conversely new development should not subsidise activities that primarily benefit existing users. There needs to be an equitable sharing of costs between existing residents and new development.

Integrated growth management (statutory context)

While Council's financial contributions policy is determined as part of the District Plan process, the schedules of works and consequent amounts payable can be updated each year through the Long Term Plan or Annual Plan process. This is to ensure that amounts charged reflect up to date costs, including actual expenditure and any necessary changes in timing or patterns of growth. Financial contributions can also be reviewed through a plan change through the RMA process. Implementation and monitoring are carried out through separate processes such as the Annual Plan and Annual Report.

General approach to calculating financial contributions

Financial contributions in the District Plan are based on a buy-in to the surplus capacity of existing infrastructure and/or the payment of a contribution to development programmes involving the upgrading of existing infrastructure or the provision of new infrastructure, both of which allow for future development.

Infrastructure financial contributions are calculated in accordance with formulae set out in the District Plan and are based on approved development programmes. Some of these programmes will be established through urban growth structure plans (water, wastewater, stormwater and urban roading) which include schedules of works to be undertaken, timing and funding (particularly the split between developer and Council funding). For areas not covered by structure plans, e.g. rural areas, geographic spread and the unpredictability of the location of growth makes it difficult to implement planned infrastructure development programmes. Rather than restrict growth, Council wishes to provide for it in a responsive manner. Development in the rural area will be subject to financial contributions that have been developed on a broader catchment or District-wide basis.

Infrastructure provision or upgrades will be implemented through approved infrastructure development programmes that are based on criteria that are triggered by actual growth.

The level of financial contribution is generally calculated by projecting growth for various parts of the District, establishing the need for and, capital costs of, a service or facility for the planning period (including costs which have already been incurred in anticipation of growth) to service that growth and then determining an equitable contribution. Specifically, financial contributions for recreation, transportation and ecological protection are based on future capital expenditure requirements. Financial contributions for water, wastewater and stormwater are based on recovery of the value of existing surplus capacity, plus the value of additional capacity for future dwellings.

The financial contributions for ecological protection are figures which can only be reviewed through a change to the District Plan.

Subdivision is generally a precursor to further development and intensification of the use of land, so financial contributions are generally assessed at the time that a resource consent for a subdivision, development or new activity is granted and are paid directly to Council as the relevant condition of consent provides.

Financial contributions may also apply to land use changes where the new activity has a potential future impact on infrastructure.
As part of its Annual Plan process, Council may resolve to reduce or waive any particular financial contribution that would normally be charged during that year.
Such resolution will be recorded in the Annual Plan. This will be done only where it is shown that wider community detriment would be likely to occur if full financial contributions were charged. Such a community subsidy is intended to be applied only where a clear net disbenefit to the community concerned would otherwise occur.

The following tables summarise the projected capital expenditure requirements over the 10 years of the Long Term Plan (2021-2031) which are attributable to growth and the funding provided by way of financial contributions for this capital expenditure.

The balance of the capital expenditure costs, apart from a small component for strategic roading capital expenditure, is recovered from financial contributions received in subsequent years to the Long Term Plan 2021-2031. Strategic roading comprises key roads that benefit the whole roading network and includes projects such as Ōmokoroa Road and Te Puke Highway. Strategic roading is funded by a mix of District-wide financial contributions, specific financial contributions, developers, subsidies from New Zealand Transport Agency and roading rates.

Projected Capital expenditure for growth

Council activity	Forecast $'000										
Sources of operating funding	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Communities	124	320	53	547	2,901	674	1,784	8,883	71	85	149
Transportation	5,392	18,624	40,173	47,113	13,537	7,765	12,331	11,254	7,773	8,622	17,734
Water supply	3,025	5,787	4,726	7,690	6,766	4,888	5,558	4,904	3,708	789	527
Recreation and open space	2,683	2,309	2,303	6,490	5,107	5,557	1,548	559	2,977	3,188	3,080
Wastewater	1,030	3,610	6,440	1,691	2,387	478	569	1,100	10,194	12,627	516
Solid waste	50	-	-	-	-	-	-	-	-	-	-
Stormwater	2,115	3,251	4,132	2,136	2,678	3,883	389	169	198	5,274	3,764
Economic	662	564	479	863	562	357	592	373	621	391	649

Financial contributions sought

Council activity	Forecast $'000										
Sources of operating funding	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Transportation	2,755	3,089	3,663	4,245	4,369	4,496	4,620	4,740	4,863	4,987	5,106
Water supply	1,605	2,045	2,122	1,886	1,951	2,020	2,078	2,144	1,736	1,788	1,837
Recreation and open space	-	2,293	2,357	2,241	2,298	2,360	2,415	2,472	2,532	2,591	2,646
Wastewater	1,836	1,911	1,960	1,802	1,969	2,038	2,087	2,148	1,949	2,001	2,050
Stormwater	1,479	1,600	1,676	1,637	1,689	1,744	1,790	1,842	1,717	1,763	1,806

Treasury Policy
Kaupapa here Kaupapa Rawa

The purpose of the Treasury Policy is to outline approved policies and procedures in respect of all treasury activity to be undertaken by Western Bay of Plenty District Council.

The formalisation of such policies and procedures will enable treasury risks within Council to be prudently managed.

1. Policy objective

Council has Treasury risks arising from debt raising, investments and associated interest rate management activity.

Treasury activities are:

- compliance with the Local Government Act 2002
- develop and maintain professional relationships with the financial markets
- invest surplus cash in liquid and creditworthy investments
- raise appropriate finance, in terms of both maturity and interest rate
- manage the overall cash position of Council's operations.

2. General approach

2.1 Council is a risk-averse entity and does not wish to seek risk from its Treasury activities.

2.2 Activity which may be construed as speculative in nature is expressly forbidden.

2.3 Council manages both liabilities and cash investments through an internal Treasury activity. Funds are advanced by the Treasury activity for a specific period. Loans are repaid to the Treasury activity based on standard loan lives, depending on the useful lives of the assets.

2.3.1 Interest for loans is based on Council's weighted cost of funds.

2.3.2 Interest is credited to activities based on investment rates.

3. Liability management policy

3.1 Council approves borrowing by resolution during the Annual Planning process.

3.2 Council raises borrowing for the following primary purposes:

3.2.1 General debt to fund Council's Balance Sheet.

3.2.2 Specific debt associated with "special one-off" projects and capital expenditure.

3.2.3 To fund assets with inter-generational qualities.

3.3 Specific borrowing limits

In managing borrowing, Council will adhere to the following limits:

- the net interest expense of all external borrowings will not exceed 20% of total revenues
- the net interest expense of all external borrowings will not exceed 25% of annual rates revenue
- liquid ratio of ≥ 1:1.10
- current ratio ≥ 1.25
- liquidity ratio (external term debt plus committed loan facilities plus available liquid short term financial investments divided by existing external debt) to be greater than 110%
- The percentage of net external debt to total revenue to be less than 180% in 2021 to 2031.

'Revenue' is defined as earnings from rates, government grants and subsidies, user charges, interest and other revenue.
'Rates' is defined as all revenue under the Local Government (Rating) Act 2002,
excluding rates collected on behalf of the Bay of Plenty Regional Council.
'Total revenue' for the purposes of this policy includes: earnings from rates revenue; grants and subsidies; user charges; interest and other operating revenue (excluding vested assets and financial contributions).

3.4 Liquidity and credit risk management

3.4.1 Council's ability to readily attract cost-effective borrowing is largely driven by its ability to maintain a strong balance sheet, as well as its ability to rate, manage its image in the market and its relationships with bankers. Where possible, Council seeks a diversified pool of stock and bank borrowing and ensures that bank borrowings are only sought from the approved list of registered banks.

3.4.2 To minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high for reasons within or beyond Council's control, Council ensures debt maturity is spread widely over a band of maturities. Council manages this specifically by ensuring that:

- No more than 35% of total borrowing is subject to refinancing in any financial year. Total borrowing includes any forecast borrowing.

3.4.3 Council's liquidity ratio includes both cash and cash equivalents, and Council's guaranteed external facilities (2021:$30m).

3.4.4 New Zealand Local Government Funding Agency Limited investment

The Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

(a) Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA.
(b) Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
(c) Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
(d) Subscribe for shares and uncalled capital in the LGFA; and
(e) Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

3.5 Risk recognition

- Local government risk is priced to a higher fee and margin level.
- The Council's own credit standing, or financial strength as a borrower, deteriorates due to financial, regulatory or other reasons.
- A large individual lender to the Council experiences its own financial/exposure difficulties, resulting in the Council not being able to manage their debt portfolio as optimally as desired.
- New Zealand investment community experiences a substantial "over supply" of Council investment assets.
- Financial market stocks from domestic or global events.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time. This is so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and the desired maturity profile is not compromised due to market conditions.

3.6 Liquidity/funding risk control limits (borrowings)

3.6.1 Term debt and committed debt facilities must be maintained at an amount that exceeds 110% of projected peak net debt levels over the next year (per long term cash and debt forecasts).

3.6.2 Disaster recovery requirements are met through the liquidity ratio.

3.6.3 The maturity profile of the total committed funding in respect to all loans and committed facilities is to be controlled by the following system and apply when external debt exceeds $25 million:

Council has the ability to pre-fund up to 18 months forecast debt requirements including re-financings. Debt refinancing that have been prefunded, will remain included within the funding maturity profile until their maturity date

A maturity schedule outside these limits requires specific Council approval.
A 12-month phase-in, non-compliance period is permitted.

3.7 Interest rate risk management

Council's borrowing gives rise to direct exposure to interest rate movements. Generally, given the long-term nature of Council's assets, projects and inter-generational factors and Council's preference to avoid an adverse impact on rates, there is a general tendency to have a high percentage of long-term fixed rate or hedged borrowing.

3.8 Approved financial instruments

Dealing in interest rate products must be limited to financial instruments approved by the Council. Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

Category	Instrument
Cash management and borrowing	• Bank overdraft • Committed cash advance and bank accepted bill facilities (term facilities) • Uncommitted money market facilities • Loan stock / bond issuance • Commercial paper (CP) / bills / promissory notes • Finance leases
Interest rate risk Management	Forward rate agreements ('FRAs') on: • Bank bills • Government bonds. Interest rate swaps including: • Forward start swaps (start date <24 months) • Amortising swaps (whereby notional principal amount reduces) • Swap extensions and shortenings Interest rate options on: • Bank bills (purchased caps and one for one collars) • Government bonds • Interest rate swaps (purchased only).

3.9 Interest rate risk control limits

Exposure to interest rate risk is managed and mitigated through the risk control limits below. Council's forecast core external debt should be within the following fixed/floating interest rate risk control limit, and will apply when forecast core debt exceeds $25 million.

- Core external debt is defined as gross external debt. When approved forecasts are changed, the amount of fixed rate cover in place may have to be adjusted to ensure compliance with the Policy minimums and maximums.

3.

Debt Interest Rate Policy Parameters (calculated on a rolling basis)		
Period	**Minimum Fixed**	**Maximum Fixed**
0 – 2 Yrs	40%	100%
2 – 5 Yrs	20%	80%
5 – 10 Yrs	0%	60%

“Fixed Rate” is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.

“Floating Rate” is defined as an interest rate repricing within 12 months.
The percentages are calculated on the rolling projected core debt level calculated by management (signed off by the CFO).

3.

- A fixed rate maturity profile that is outside the above limits, however self corrects within 90-days is not in breach of this Policy. Maintaining a maturity profile beyond 90-days requires specific approval by Council.
- Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months.
- Any interest rate derivatives with a maturity beyond 16 years must be approved by Council. The exception to this will be if council raises LGFA funding as fixed rate and this maturity is beyond 16 years.
- Hedging outside the above risk parameters must be approved by Council.
- Interest rate options must not be sold outright. However, one for one collar option structures are allowable, whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, only the sold side of the collar can be closed out (i.e. repurchased) otherwise, both sides must be closed simultaneously. The sold option leg of the collar structure must not have a strike rate "in-the-money".
- Purchased borrower swaptions mature within 12 months.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate, cannot be counted as part of the fixed rate hedge percentage calculation.
- The forward start period on swap/collar strategies is to be no more than 24 months, unless the forward start swap/collar starts on the expiry date of an existing fixed interest rate instrument (i.e. either derivative or fixed rate borrowings) and has a notional amount which is no more than that of the existing fixed interest rate instrument

3.10 Loan payments

External loans are repaid on due date. The lengths of external loans are based on projected internal loans and cash requirements.

4. Investment policy

4.1 Council maintains investments in the following financial assets:

- Equity investments including shareholdings and loan advances to trading and service enterprises, charitable trusts and incorporated societies; for example sporting and community organisations
- Property investments, including land and buildings
- Treasury instruments incorporating longer term and liquidity investments.

4.2 Equity investments and loan advances

Investments include shareholdings in trading and service enterprises and loan advances to charitable trusts, incorporated societies, residential and rural housing which are consistent with Council's Long Term Plan. Council operates an internal borrowing system for funding infrastructural improvements as well as funding current accounts. This information is reported to Council on a quarterly basis.

4.2(a) New Zealand Local Government Funding Agency Limited Investment:

- The Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA) and may borrow to fund that investment
- The Council's objective in making any such investment will be to:
  - (a) obtain a return on the investment; and
  - (b) ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.
- Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

4.

4.3 Property investments

Council's overall objective is to only own property that is necessary to achieve its strategic objectives.
Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results.

4.4 Treasury investments

Council maintains treasury investments for the following primary reasons:

- provide ready cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal revenue streams and assets
- invest amounts allocated to accumulated surplus, Council created and restricted reserves, sinking funds and general reserves
- invest funds allocated for approved future expenditure, to implement strategic initiatives or to support inter-generational allocations
- invest proceeds from the sale of assets
- invest surplus cash and working capital funds.

4.5 Counterparty credit risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party.

The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into.

Council will regularly review credit risk. Treasury related transactions would only be entered into with organisations specifically approved by Council.

Counterparties and limits can only be approved on the basis of long term credit ratings (Standard and Poor's or Moody's) being A- and above or short term rating of A-1 or above.

Council is not a long-term investor in Treasury investments.

Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure.

The following matrix guide below will determine limits:

The combined holdings of entities rated BBB to A shall not exceed $10 million.

The combined holdings of corporates and financials shall not exceed $10 million.

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer
New Zealand Government	100%	Government Stock/Treasury Bills	Not Applicable	Unlimited
Supranationals	50%	Bonds/MTNs/FRNs	AAA	Maximum of $10 million
New Zealand Registered Banks	100%	Call/Deposits/Bank Bills/ Commercial Paper Bonds/MTNs/FRNs	Short term S&P rating of A-1+ Short term S&P rating of A-1 Long term rating of A+ or better	Maximum of $30 million Maximum of $10 million Maximum of $10 million
Rated Local Authorities ("RLA")	50%	Commercial Paper/Bonds/MTNs/ FRNs	Minimum short term S&P rating of A-1 or minimum long term S&P rating of A+	Maximum of $10 million
State Owned Enterprises ("SoE")	50%	Commercial Paper/ Bonds/ MTNs/FRNs	Short term S&P rating of A-1+ or long term rating of A+ or better Short term S&P rating of A-1 or long term rating of BBB to A	Maximum of $10 million Maximum of $5 million
Corporates	30%	Commercial Paper/Bonds/MTNs/ FRNs	Short term S&P rating of A-1+ or long term rating of A+ or better Short term S&P rating of A-1 or long term rating of BBB to A	Maximum of $7 million Maximum of $3 million
Financials	30%	Commercial Paper/ Bonds/MTNs/FRNs	Short term S&P rating of A-1+ or long term rating of A+ or better Short term S&P rating of A-1 or long term rating of BBB to A	Maximum of $5 million Maximum of $2 million

4.

4.5.1 **Treasury investment objectives**

Council's primary objective when investing is the protection of its investment. Accordingly, only creditworthy counterparties are acceptable.

Council also seeks to:

- Monitor investment return
- Ensure investments are liquid
- Manage potential capital losses due to interest rate movements if investments need to be liquidated before maturity.

4.5.2 Credit risk is minimised by limiting investments to registered banks, strongly rated State Owned Enterprises (SOE) and corporates within prescribed limits.

4.6 **Interest rate risk management**

Council's investments give rise to a direct exposure to a change in interest rates, impacting the return and capital value of its fixed rate investments.
Interest rate risk will be managed by reviewing rolling cashflow forecasts and using risk management instruments to protect investment returns and/or to change interest rate and maturity profile.

4.7 **Special funds, sinking funds, reserve and endowment funds**

Liquid assets are not required to be held against special funds and reserve funds. Instead Council will internally borrow or utilise these funds where ever possible.

4.7.1 **Acquisition and disposal of assets**

Any disposal of assets requires the approval of Council except those assets within delegated authority.

4.8 **Security**

Generally, Council does not offer assets or deemed rates as security for general borrowing programmes.

In some circumstances, with prior Council approval, security may be offered:

- On borrowings by granting a rates charge under the Council's Debenture Trust Deed.
- By providing a charge over one or more of the Council's assets.

4.9 **Repayment**

The Council repays borrowings from the specific sinking fund allocated to that borrowing or from general funds.

4.10 **Contingent liabilities**

Council from time to time provides financial guarantees to recreation and service organisations. Where possible Council shall obtain cross guarantees. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council will take immediate steps to recover the money.

5. Foreign exchange policy

Council has foreign exchange exposure through the occasional purchase of foreign exchange denominated plant, equipment and services.
Generally, all commitments for foreign exchange greater than $100,000 are hedged using foreign exchange contracts, once expenditure is approved. Council uses both spot and forward foreign exchange contracts.

The use of other foreign exchange risk management products is not permitted.

Significance and Engagement Policy
Kaupapa here Hiranga me Whakapā

Council is required to have a Significance and Engagement Policy under Section76AA of the Local Government Act 2002 (LGA).

The LGA sets out requirements to consult the community when making decisions. It gives Council some flexibility over how it chooses to meet those requirements. The Significance and Engagement Policy is the guide to how Council uses that flexibility.

1. Relevant legislation

Local Government Act (LGA) 2002.

2. Purpose of policy

The purpose of this Policy is to let both Council and the community identify the level of significance of particular proposals or decisions, and to understand when and how the community will be engaged in making decisions.

This Policy is one of the inputs into Council's approach to sustainable decision making. The approach to sustainable decision making is set out in Schedule 1 to this Policy.

3. Policy objective

3.1 To set out how the level of significance of a proposal or decision is determined.

3.2 To set out how Council will engage with the public about particular proposals or decisions, depending on its level of significance.

4. Policy

4.1 Council will take into account the following matters when determining the level of significance of a proposal or decision:

- Whether there is a legal requirement to engage with the community and what that requirement is (see policy 4.4 and 4.5).
- Whether the proposal or decision affects the level of service of a significant activity.
- The level of financial consequence of the proposal or decision.
- Whether the proposal or decision affects a large part of the community, and the extent to which they are affected.
- The likely impact on future and present interests of the community, recognising Maori cultural values and their relationship to land and water.
- Whether community interest in the proposal or decision is high, and /or there are divided community views.
- Whether community views are already known from previous engagement processes.
- Whether the decision is reversible.

4.2 In general, if a proposal or decision is affected by a number of the above matters, the higher its level of significance, and greater the need for community engagement.

4.3 Council will decide early in each process the appropriate level of engagement to support decision making, and will apply the principles of engagement set out in Part 5.

4.4 In some instances legislation requires Council to follow either the Special Consultative Procedure (SCP) set out in Section 83 of the LGA 2002, or the principles of consultation set out in Section 82 of the LGA 2002, regardless of the level of significance of a proposal or decision.

4.5 In accordance with Section 97 of the LGA 2002, some decisions will only be taken if they have been consulted on and provided for in a Long Term Plan. This includes a decision to alter significantly the intended level of service of a significant activity, and a decision to transfer the ownership or control of a strategic asset to or from a local authority. Council's strategic assets are listed in Schedule 2 to this policy.

4.6 For all other proposals or decisions Council will determine the appropriate level of engagement on a case by case basis, applying the engagement principles set out in Part 5 of this policy.

4.7 Engagement will be informed by Council's Community Engagement Guidelines and Tangata Whenua Engagement Guidelines and Protocols. A summary of the engagement spectrum and tools is provided in Schedule 3 to this policy.

4.8 Council, through its Tangata Whenua Engagement Guidelines and Protocols, recognises the specific obligations set out in Section 81 of the LGA 2002 to establish and maintain processes to provide opportunities for Maori to contribute to Council decision-making processes.

4.9 If Council makes a decision that is inconsistent with this policy, the steps identified in Section 80 of the LGA 2002 will be followed.

5. Principles of engagement

Engagement will be:

- **Meaningful** - based on an open mind and willingness to listen.
- **Respectful** - with the aim of building council-community relationships.
- Supported by the provision of information which is balanced, sufficient and in plain language.
- Inclusive and endeavour to reach all those affected.
- Flexible and tailored to the needs of those who are being engaged.
- Coordinated across Council departments to minimise duplication and engagement fatigue.
- Pragmatic, efficient and value for money.

6. Policy procedures

6.1 Council will use an internal significance checklist, alongside each report to Council / Committee, to ensure the proposal or decision has been assessed against the matters set out in Policy 4.1.

6.2 Each Council report will include a section on Significance, detailing the level of significance of the particular proposal or decision and the rationale for why that level has been determined.

6.3 Each report seeking a decision will detail the level of engagement appropriate to the proposal or decision, and tools that will be used to engage. The Community Engagement Guidelines and Tangata Whenua Engagement Guidelines and Protocols will be used to inform engagement decisions.

6.4 The following financial thresholds will guide analysis of the level of financial consequence of a proposal or decision. Proposals or decisions above these thresholds will be considered to be of high significance:

- Decisions or proposals in excess of $8 million or which would result in a 5% or more increase in the annual District rates.
- Decisions or proposals which would result in a new or increased targeted rate of more than 10% of existing rates per property.
- Decisions or proposals relating to capital expenditure in excess of $6 million (total project cost) which has not been provided for in the 3-year term of the current long term plan.

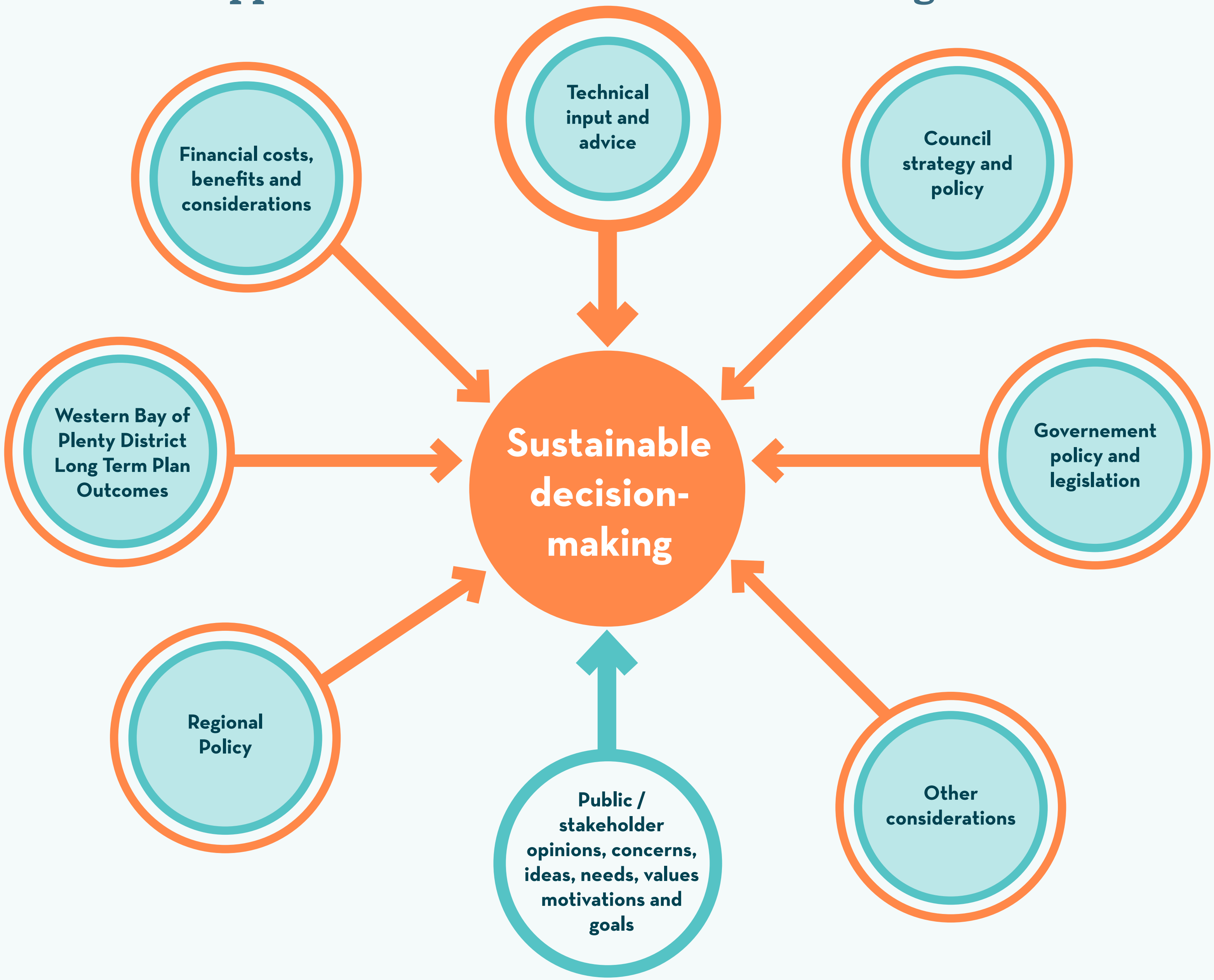
7. Definitions

Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
Decisions	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of Council decisions will not be deemed as significant).
Engagement	A term used to describe the process of seeking public input to inform decision making. There is a continuum of community engagement (see Section 3 in Schedule 2 of this policy).
Significance	As defined in Section 5 of the LGA 2002 this means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: a. the district or region: b. any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter: c. the capacity of the local authority to perform its role, and the financial and other costs of doing so.
Significant	Significant means that the issue, proposal, decision or other matter is assessed as having a high degree of significance against the criteria of this policy.
Strategic asset	As defined in Section 5 of the LGA 2002 “in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes: a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and c. any equity securities held by the local authority in: (i) a port company within the meaning of the Port Companies Act 1988: (ii) an airport company within the meaning of the Airport Authorities Act 1966”. Council’s strategic assets are listed in Schedule 2.

8. Policy review

8.1 This Policy will be reviewed every 3 years following the commencement of a new triennium.

Schedule 1 - Council's approach to sustainable decision making



Community and stakeholder engagement (including consultation) - for example:
Stakeholder meetings and workshops, reference and advisory groups, surveys, focus groups, feedback forms.

Schedule 2 - list of strategic assets

For the purposes of sections 5 and 76AA(3) of the Local Government Act 2002, Council considers the following assets to be strategic assets:

- The roading network as a whole
- Reserves listed and managed under the Reserves Act 1997 excluding:
  - (a) Reserves identified for investigation for disposal in an adopted Reserve Management Plan
  - (b) Local Purpose Reserves
- Land held under other Acts or as fee simple but listed as reserves or considered as reserves.
- Water reticulation network as a whole
- Wastewater plant and network as a whole
- Stormwater reticulation network as a whole
- Library network
- Elder housing network.

Schedule 3 - community engagement levels and methods of engagement

Spectrum level	Community participation goal	Promise to the community	Example techniques to consider
Inform Whakamōhio *Council led - this level is just as important as the other levels.*	To provide balanced and objective information to assist the community in understanding the problem, alternatives, opportunities and/or solutions.	We will keep you informed.	• Have Your Say Western Bay/Social media • Open days/drop-in sessions/Maori initiated events • Media (Maori and mainstream)
Consult Whakauiuia *Council led - this is the standard Council role.*	To obtain feedback on analysis, alternatives and/or decisions.	We will keep you informed listen to and acknowledge concerns and aspirations, and provide feedback on how your input influenced the decision.	• Feedback forms/surveys • Focus groups • Public meetings/Marae/community hui
Involve Whakaura *Council led - this is where we invest in our stakeholder relationships.*	To work directly with the community throughout the process to ensure concerns and aspirations are consistently understood and considered.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how your input influenced the decision.	• Community workshops • Partnership Forums • Hapu/Iwi Management Plans
Collaborate Mahi ngatāhi *Co-led - make sure you mean it. This is our partnerships, working together in collaboration.*	To partner with the community in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	• Citizen Advisory Committees • Partnership Forums
Empower Whakamanahia *Community led - most under used role. This is where Council can take a step back and our communities can step up and take responsibility.*	To place final decision making in the hands of the community.	You will decide and we will implement what you decide.	• Citizen juries • Ballots • Treaty settlement legislation

Statement on Council-Controlled Organisations
Tauākī mō Ngā Tōpūtanga a Kaunihera

Council-Controlled Organisations (CCOs) are companies, trusts or other types of organisations in which a local authority holds 50% or more of the voting rights or has the power to appoint 50% or more of the directors. CCOs that operate for the purpose of making a profit are known as Council-Controlled Trading Organisations (CCTOs).

Western Bay of Plenty District Council is a member of the following Council-Controlled Organisations (CCOs):

- New Zealand Local Government Funding Agency (LGFA) – a CCTO
- Bay of Plenty Local Authority Shared Services Limited (BOPLASS)
- Western Bay of Plenty Tourism and Visitors Trust (Tourism Bay of Plenty)

These organisations have signed a Statement of Intent that is agreed with us and the other member councils.

The Statement of Intent specifies:

- The objectives or purpose of the organisation; and
- The nature and scope of the activities to be delivered; and
- The performance targets and other measures by which the performance of the organisation may be judged in relation to its objectives.

The Statement of Intent is a public document that can be supplied on request.

The tables overleaf provides the information stated above:

Ōmokoroa - looking out towards Matakana and Mauao

Council-controlled organisation	Purpose
New Zealand Local Government Funding Agency Limited, known as the 'LGFA' The principal shareholder councils of the LGFA are made up of 31 local and regional authorities including: • Auckland Council • Bay of Plenty Regional Council • Christchurch City Council • Gisborne District Council • Hamilton City Council • Hastings District Council • Taupo District Council • Tauranga City Council • Wellington City Council • Wellington Regional Council • Western Bay of Plenty District Council • Whangarei District Council **and** • Her Majesty The Queen acting by and through the Minister of Local Government and the Minister of Finance	The LGFA is a partnership between Participating Local Authorities and the Government which enables councils to secure funding at lower interest margins and to make longer-term borrowings. The LGFA raises debt on behalf of local authorities through domestic and offshore sources, at a rate that is more favourable than that which would be secured if the council was to raise debt directly. **Primary objective** **The LGFA will operate with the primary objective of optimising the debt funding terms and conditions for participating Local Authorities.** **Among other things this includes:** • Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of fundingMaking longer-term borrowings available to Participating Local Authorities Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice • Offering more flexible lending terms to Participating Local Authorities. **Additional objectives** **The LGFA has a number of additional objectives which complement the primary objective. These objectives are to:** • Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated dividend policy set out in its Statement of Intent. • Provide at least 50% of aggregate long-term debt funding to the Local Government sector. • Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015. • Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency. • Achieve the financial forecasts (excluding the impact of AIL) set out in its Statement of Intent. • Meet or exceed the agreed Performance Targets set out in its Statement of Intent. • Comply with its Treasury Policy, as approved by the Board.

Council-controlled organisation	Performance targets and measures from statement of intent 2020/21 (will be updated for 2021/22)
New Zealand Local Government Funding Agency Limited, known as the 'LGFA'	**The LGFA has the following performance targets:** LGFA's net interest income for the period to: • 30 June 2021 will be greater than $18.8 million. • 30 June 2022 will be greater than $20.2 million. • 30 June 2023 will be greater than $29.0 million. **LGFA's annual issuance and operating expenses (excluding AIL) for the period to:** • 30 June 2021 will be less than $6.8 million • 30 June 2022 will be less than $6.8 million. • 30 June 2023 will be less than $7.0 million. **Total lending to participating Borrowers at:** • 30 June 2021 will be at least $11,664 million • 30 June 2022 will be at least $12,260 million. • 30 June 2023 will be at least $12,681 million. • LGFA will conduct an annual survey of Participating Borrowers who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the borrowing activities. • Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements. • Achieve 85% market share of all council borrowing in New Zealand. • Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually. • No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015. • Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due. • Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.

Council-controlled organisation	Purpose
Bay of Plenty Local Authority Shared Services Limited known as 'BOPLASS' The nine shareholding councils of BOPLASS are: • Bay of Plenty Regional Council • Gisborne District Council • Kawerau District Council • Opotiki District Council • Rotorua District Council • Taupo District Council • Tauranga City Council • Western Bay of Plenty District Council • Whakatane District Council	BOPLASS is a company owned by nine councils in the Bay of Plenty/Gisborne regions, which investigates, develops and delivers shared services, and undertakes joint procurement where this is appropriate. **Primary objectives** Working together to provide benefits to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and / or increased value through innovation.

Council-controlled organisation	Performance targets and measures from statement of intent 2020/21 (will be updated for 2021/22)
Bay of Plenty Local Authority Shared Services Limited known as 'BOPLASS'	**Over the next three years, the targets are to:** ***Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.*** • Measure: contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable. ***Investigate new Joint procurement initiatives for goods and services for BOPLASS councils.*** • Measure: a minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils. ***Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.*** • Measure: Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually. ***Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.*** • Measure: number of listed projects to increase by 10% per year. Number of active users to increase by 20% per year. ***Communicate with each shareholding council at appropriate levels***. Measure: At least one meeting per year. ***Ensure current funding model is appropriate.*** Measure: Performance against budgets reviewed quarterly. Company remains financially viable.

<table>
<tr><th>Council-controlled organisation</th><th>Purpose</th></tr>
<tr><td rowspan="5">Western Bay of Plenty Tourism and Visitors Trust, trading as Tourism Bay of Plenty

(This is a joint council-controlled Organisation of Western Bay of Plenty District Council and Tauranga City Council).</td><td>Tourism Bay of Plenty is the appointed destination manager and promoter, enabling visitor economy growth and sustainability.</td></tr>
<tr><td>Additional objectives</td></tr>
<tr><td>Tourism Bay of Plenty takes the leading role in growing visitor demand for the Western Bay of Plenty through targeted interventions that increase destination awareness and intent to visit, length of stay and spend.</td></tr>
<tr><td>Performance targets and measures from statement of intent 2020 - 2023 (will be updated for 2021/22)</td></tr>
<tr><td>Provide leadership for the visitor economy, including the destination management strategy, and work with both Councils to explore alternative funding mechanisms.
• Implement the destination management strategy and provide leadership to Councils to protect the sub-region for future generations. Provide leadership for the recovery and restart of the visitor economy to mitigate the impacts of the COVID-19 pandemic on the local economy.
• Support Councils to explore alternative funding mechanisms.
• Measure visitor spend.
• Measure the contribution of tourism to GDP.
• Measure the number of jobs provided by the tourism industry.

Target the Right Visitors at the Right Time with the Right Messages
• Understand current visitation levels and patterns
• Implement campaigns to drive domestic visitation including collaboration with strategic partners for advertising, digital and PR initiatives.
• Build reputation as per Place DNA™ by implementing story theme strategies identified in Brand Storybook research and embed across the Coastal Bay of Plenty.
• Work with Tauranga City Council City Events team to support events aligning with our Place DNA™.

Connect with residents to maintain a community social licence, and measure this via likelihood to recommend the area to others to visit (Net Promoter Score™) and perceptions of the impact of tourism on the community.
• Measure and understand residents' sentiment towards tourism. Measured by the percentage of residents who agree that tourism has a positive impact on the community. Residents provide a rating of 1 to 10, where 1 is strongly disagree and 10 is strongly agree.
• Residents' likelihood to recommend the city or district as a holiday destination, using the Net Promoter Score™.
• Undertake research to further explore perceptions of the tourism industry (particularly cruise) among the local community (via Vital Signs and/or other projects).
• Implement the Connect with Residents strategy and implement a local's communications plan.
• Develop and maintain an Ambassador programme.
• Implement stakeholder engagement & communications plan including Iwi/ and Hapū relationships, Leadership Advisory Group, and Industry events</td></tr>
</table>

Council-controlled organisation	Purpose
Western Bay of Plenty Tourism and Visitors Trust, trading as Tourism Bay of Plenty (This is a joint council-controlled Organisation of Western Bay of Plenty District Council and Tauranga City Council).	Tourism Bay of Plenty is the appointed destination manager and promoter, enabling visitor economy growth and sustainability. **Additional objectives** Tourism Bay of Plenty takes the leading role in growing visitor demand for the Western Bay of Plenty through targeted interventions that increase destination awareness and intent to visit, length of stay and spend. **Performance targets and measures from statement of intent 2020 - 2023 (will be updated for 2021/22)** **Enhance the visitor experience by providing fit for purpose visitor information services, including the development of Te Tomokanga and the use of digital services.** • Continue to implement the Visitor Experience Plan including continuing to provide fit-for-purpose visitor information services and exploring new opportunities. • Continue the project plan for Te Tomokanga. • Review the cruise sector model post-Covid 19. • Review and action the Future Network Strategy. **Grow capability of operators and increase supply of tourism product, including identifying and assisting in the product development of indigenous cultural experiences.** • Map regional natural and build assets to identify experience gaps and opportunities. • Identify and implement options for understanding and measuring environmental regeneration and implement any suitable options. • Enable, empower and facilitate opportunities for Māori economic development to identify, enhance, and promote tourism experiences which feature our unique culture, heritage, and history.* • Proactively identify and support the development of new products and experiences and engage with potential investors regarding product development.* • Develop and implement an industry capability programme and collaborate with operators to help enhance tourism experiences that align with target audiences and Place DNA™.* • Establish and maintain passion groups for niche development to align experiences with target audiences.* • Identify and support opportunities for new 'tourism with purpose' and environmental stewardship initiatives*. • Business Events development. **Prudent management of TBOP including risk and financial control, and compliance to regulatory and Code of Conduct frameworks.** • Manage P&L to budget and aim for best effort cost recovery through revenue growth opportunities and cost management strategies. • Code of Conduct compliance. • Compliance and regulatory obligations met. • Enterprise Risk Management Policy adherence. • Maintain good working relationships with Council staff and elected members, observing the 'no surprises' principle.

Barry and Jack - Katikati

Activity Funding Impact Statements

Tauākī a Whakaawe Pūtea Mahi

These statements show where each Council activity receives its funding from, and where the funding is applied.

Capital expenditure classifications

- **Growth** is used to describe new projects identified in structure plans for the urban growth areas, and funded (either wholly or partially) from financial contributions.
- **Level of service (LOS)** is used to describe projects that deliver on Council's adopted level of service, and are not growth related or renewals. It is not about new levels of service or any specific change in levels of service.
- **Renewals** are used to describe projects that replace or upgrade existing assets.

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 (whole of Council)

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		46,325	31,515	32,962	35,767	36,336	39,051	40,617	42,408	44,405	46,782	48,860
Targeted rates		28,849	51,859	52,150	52,451	52,739	53,036	53,339	53,647	53,957	54,260	54,567
Subsidies and grants for operating purposes		11,745	10,108	10,585	10,608	16,168	17,339	17,835	20,395	18,948	17,544	17,977
Fees and charges and other revenue		6,602	8,418	8,658	8,814	9,054	9,509	9,758	10,003	10,127	10,362	10,599
Interest and dividends from interest		-	263	270	278	286	293	301	308	316	323	330
Local authority and fuel tax, fines, infringement fees, and other receipts		3,076	3,230	3,183	2,952	2,885	3,240	2,972	3,381	3,482	3,560	3,635
Total operating funding	**(A)**	**96,597**	**106,394**	**131,576**	**149,367**	**124,660**	**130,635**	**136,340**	**143,880**	**147,441**	**149,870**	**153,776**
Applications of operating funding												
Payments to staff and suppliers		64,831	79,250	83,678	86,456	91,508	95,536	98,837	102,812	106,390	110,197	113,402
Finance costs		4,146	3,675	4,651	6,057	7,285	8,160	8,729	9,204	9,717	9,883	10,600
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**68,977**	**82,925**	**88,329**	**92,513**	**98,793**	**103,696**	**107,566**	**112,017**	**116,107**	**120,080**	**124,002**
Operating funding - surplus/(deficit)	**(A-B)**	**27,620**	**23,469**	**43,247**	**56,854**	**25,867**	**26,939**	**28,773**	**31,864**	**31,333**	**29,790**	**29,774**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	6,874	7,939	10,619	8,441	6,267	3,636	2,149	10,607	10,890	202
Development and financial contributions		10,098	11,221	14,035	14,127	14,597	14,978	15,310	15,664	14,912	15,101	15,267
Increase/(decrease) in debt		(659)	13,400	38,000	36,000	28,600	17,473	12,500	12,500	14,500	17,000	20,700
Gross proceeds from sale of assets		(85)	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	2,240	2,313	2,387	2,459	2,534	2,602	2,673	2,745	2,816	2,884
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**9,353**	**33,735**	**62,286**	**63,133**	**54,096**	**41,252**	**34,048**	**32,986**	**42,765**	**45,807**	**39,053**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		15,900	35,506	37,528	34,709	33,777	23,412	22,111	27,747	26,282	31,562	26,785
• to improve the level of service		12,141	11,112	15,398	21,202	23,287	25,866	17,680	12,357	12,857	13,820	13,905
• to replace existing assets		9,514	11,451	25,603	25,468	21,312	18,930	24,922	22,544	32,192	27,837	23,474
Increase/(decrease) in reserves		(583)	(5,047)	1,638	(1,158)	(4,158)	(6,199)	(8,387)	(4,606)	(4,403)	(5,217)	(3,449)
Increase/(decrease) in investments		-	3,181	4,131	5,031	5,746	6,183	6,495	6,808	7,170	7,595	8,113
Total applications of capital funding	**(D)**	**36,973**	**56,203**	**84,299**	**85,251**	**79,964**	**68,191**	**62,821**	**64,850**	**74,098**	**75,597**	**68,827**
Capital funding - surplus/(deficit)	**(C-D)**	**(27,620)**	**(23,469)**	**(43,247)**	**(56,854)**	**(25,867)**	**(26,939)**	**(28,773)**	**(31,864)**	**(31,333)**	**(29,790)**	**(29,774)**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Representation

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		3,353	3,093	2,779	3,014	3,580	3,207	3,325	3,854	3,581	3,849	4,321
Targeted rates		-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	-	-
Fees and charges and other revenue		-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered		766	1,052	1,068	1,117	1,160	1,215	1,267	1,322	1,380	1,436	1,496
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	77	-	-	-	-	-	-	-	-
Total operating funding	**(A)**	**4,119**	**4,144**	**3,924**	**4,132**	**4,740**	**4,422**	**4,592**	**5,176**	**4,961**	**5,285**	**5,817**
Applications of operating funding												
Payments to staff and suppliers		1,873	2,035	1,730	1,834	2,352	1,919	1,981	2,448	2,113	2,322	2,728
Finance costs		-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		2,240	2,083	2,149	2,249	2,335	2,444	2,547	2,660	2,775	2,884	3,005
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**4,113**	**4,118**	**3,879**	**4,083**	**4,686**	**4,363**	**4,529**	**5,108**	**4,888**	**5,206**	**5,733**
Operating funding - surplus/(deficit)	**(A-B)**	**6**	**(26)**	**(44)**	**(49)**	**(54)**	**(59)**	**(63)**	**(68)**	**(74)**	**(79)**	**(84)**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt		-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service		-	20	36	37	38	39	40	41	42	43	44
• to replace existing assets		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves		6	6	8	12	16	20	24	28	32	36	40
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**6**	**26**	**44**	**49**	**54**	**59**	**63**	**68**	**74**	**79**	**84**
Capital funding - surplus/(deficit)	**(C-D)**	**(6)**	**26**	**44**	**49**	**54**	**59**	**63**	**68**	**74**	**79**	**84**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Planning for the Future

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		2,847	3,873	4,180	4,337	3,884	3,642	3,719	3,789	4,186	4,297	4,289
Targeted rates		13	13	13	13	13	13	13	13	13	13	13
Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	-	-
Fees and charges and other revenue		-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered		-	-	-	-	-	-	-	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	-	-	-	-	-	-	-	-	-
Total operating funding	**(A)**	**2,859**	**3,885**	**4,193**	**4,350**	**3,896**	**3,655**	**3,732**	**3,802**	**4,199**	**4,310**	**4,302**
Applications of operating funding												
Payments to staff and suppliers		1,857	2,933	3,193	3,295	2,815	2,527	2,550	2,568	2,912	2,970	2,907
Finance costs		(25)	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		987	939	987	1,042	1,069	1,115	1,169	1,221	1,275	1,327	1,382
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**2,819**	**3,873**	**4,180**	**4,337**	**3,884**	**3,642**	**3,719**	**3,789**	**4,186**	**4,297**	**4,289**
Operating funding - surplus/(deficit)	**(A-B)**	**40**	**(13)**	**(13)**	**(13)**	**(13)**	**(13)**	**(13)**	**(13)**	**(13)**	**(13)**	**(13)**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt		-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service		-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves		40	13	13	13	13	13	13	13	13	13	13
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**40**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**
Capital funding - surplus/(deficit)	**(C-D)**	**(40)**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Communities

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		4,878	5,754	5,811	6,298	6,487	6,811	6,755	7,066	7,272	7,532	7,833
Targeted rates		2,141	3,123	3,245	3,298	3,395	3,607	3,682	3,793	3,984	4,114	4,173
Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	-	-
Fees and charges and other revenue		75	80	82	84	87	89	91	93	95	98	100
Internal charges and overheads recovered		1,024	502	481	512	523	550	574	600	621	650	672
Local authority and fuel tax, fines, infringement fees, and other receipts		495	502	518	535	551	569	585	602	625	642	657
Total operating funding	**(A)**	**8,613**	**9,961**	**10,137**	**10,727**	**11,043**	**11,625**	**11,687**	**12,155**	**12,597**	**13,036**	**13,435**
Applications of operating funding												
Payments to staff and suppliers		5,193	6,488	6,358	6,456	6,635	6,898	7,090	7,317	7,554	7,838	8,027
Finance costs		49	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		3,132	3,253	3,417	3,607	3,694	3,859	4,039	4,215	4,397	4,565	4,751
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**8,374**	**9,741**	**9,774**	**10,064**	**10,329**	**10,757**	**11,128**	**11,533**	**11,951**	**12,402**	**12,778**
Operating funding - surplus/(deficit)	**(A-B)**	**239**	**(220)**	**(363)**	**(664)**	**(714)**	**(868)**	**(558)**	**(622)**	**(646)**	**(634)**	**(657)**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt		86	161	(229)	(85)	1,332	(65)	838	5,177	(403)	(403)	(388)
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**86**	**161**	**(229)**	**(85)**	**1,332**	**(65)**	**838**	**5,177**	**(403)**	**(403)**	**(388)**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		124	320	53	547	2,901	674	1,784	8,883	71	85	149
• to improve the level of service		-	85	51	53	-	-	46	-	-	-	-
• to replace existing assets		378	676	1,049	453	2,410	496	2,213	541	554	567	579
Increase/(decrease) in reserves		(177)	(700)	(1,020)	(474)	(3,266)	(366)	(2,647)	(3,624)	(381)	(422)	(459)
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**325**	**381**	**133**	**579**	**2,045**	**804**	**1,396**	**5,799**	**244**	**230**	**269**
Capital funding - surplus/(deficit)	**(C-D)**	**(239)**	**220**	**363**	**664**	**714**	**868**	**558**	**622**	**646**	**634**	**657**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Recreation and Open Space

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		6,794	7,691	8,100	9,144	8,578	9,995	10,016	10,316	10,577	10,879	11,210
Targeted rates		-	215	432	444	455	467	353	361	370	379	387
Subsidies and grants for operating purposes		-	-	82	866	975	-	569	-	-	-	-
Fees and charges and other revenue		20	20	21	21	43	245	250	256	239	244	249
Internal charges and overheads recovered		1,582	1,779	1,858	1,936	2,018	2,091	2,172	2,274	2,369	2,457	2,565
Local authority and fuel tax, fines, infringement fees, and other receipts		709	1,339	1,166	829	796	1,261	945	1,297	1,338	1,366	1,392
Total operating funding	**(A)**	**9,105**	**11,045**	**11,659**	**13,239**	**12,865**	**14,060**	**14,304**	**14,505**	**14,894**	**15,324**	**15,803**
Applications of operating funding												
Payments to staff and suppliers		4,974	6,017	6,387	6,415	6,593	7,911	7,728	8,395	8,467	8,685	8,993
Finance costs		(291)	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		2,659	2,941	3,075	3,218	3,335	3,453	3,597	3,759	3,921	4,069	4,242
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**7,341**	**8,958**	**9,462**	**9,634**	**9,928**	**11,364**	**11,325**	**12,154**	**12,388**	**12,754**	**13,235**
Operating funding - surplus/(deficit)	**(A-B)**	**1,764**	**(2,087)**	**(2,196)**	**(3,605)**	**(2,937)**	**(2,696)**	**(2,979)**	**(2,350)**	**(2,505)**	**(2,570)**	**(2,568)**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	919	1,122	722	2,625	3,081	120	105	101	104	106
Development and financial contributions		2,205	2,576	4,613	4,558	4,619	4,680	4,734	4,790	4,647	4,562	4,467
Increase/(decrease) in debt		843	552	1,600	5,121	3,850	5,337	(231)	(250)	(269)	(283)	(306)
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**3,048**	**4,047**	**7,335**	**10,401**	**11,094**	**13,097**	**4,623**	**4,646**	**4,480**	**4,383**	**4,268**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		2,683	2,309	2,303	6,490	5,107	5,557	1,548	559	2,977	3,188	3,080
• to improve the level of service		520	1,879	2,855	7,098	9,053	11,268	993	781	740	757	773
• to replace existing assets		1,427	1,788	4,379	4,881	1,836	1,928	1,922	1,935	3,161	3,236	5,175
Increase/(decrease) in reserves		181	158	(6)	(4,463)	(1,965)	(2,959)	3,139	3,721	107	(228)	(2,192)
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**4,812**	**6,134**	**9,532**	**14,006**	**14,031**	**15,794**	**7,602**	**6,996**	**6,985**	**6,953**	**6,836**
Capital funding - surplus/(deficit)	**(C-D)**	**(1,764)**	**2,087**	**2,196**	**3,605**	**2,937**	**2,696**	**2,979**	**2,350**	**2,505**	**2,570**	**2,568**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Regulatory Services

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		4,013	4,496	4,866	5,188	5,511	5,901	6,226	6,675	7,137	7,565	7,969
Targeted rates		-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	-	-
Fees and charges and other revenue		6,083	7,224	7,424	7,614	7,794	8,011	8,219	8,420	8,526	8,720	8,919
Internal charges and overheads recovered		757	1,058	1,218	1,280	1,327	1,385	1,446	1,508	1,571	1,634	1,700
Local authority and fuel tax, fines, infringement fees, and other receipts		86	274	280	287	203	208	212	217	222	226	231
Total operating funding	**(A)**	**10,938**	**13,052**	**13,789**	**14,370**	**14,834**	**15,504**	**16,103**	**16,819**	**17,455**	**18,145**	**18,819**
Applications of operating funding												
Payments to staff and suppliers		6,963	8,437	8,778	9,130	9,473	9,889	10,246	10,700	11,071	11,534	11,932
Finance costs		(8)	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		3,939	4,603	4,913	5,195	5,308	5,551	5,820	6,071	6,331	6,586	6,850
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**10,894**	**13,040**	**13,691**	**14,325**	**14,781**	**15,441**	**16,066**	**16,771**	**17,402**	**18,119**	**18,783**
Operating funding - surplus/(deficit)	**(A-B)**	**44**	**(12)**	**(98)**	**(45)**	**(53)**	**(63)**	**(37)**	**(48)**	**(54)**	**(26)**	**(36)**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt		-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service		-	-	31	-	-	-	-	-	-	-	-
• to replace existing assets		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves		44	12	67	45	53	63	37	48	54	26	36
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**44**	**12**	**98**	**45**	**53**	**63**	**37**	**48**	**54**	**26**	**36**
Capital funding - surplus/(deficit)	**(C-D)**	**(44)**	**12**	**98**	**45**	**53**	**63**	**37**	**48**	**54**	**26**	**36**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Stormwater

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		974	700	718	736	755	775	795	815	825	845	866
Targeted rates		4,413	4,619	4,765	4,914	5,075	5,239	5,803	5,575	5,748	6,428	6,095
Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	-	-
Fees and charges and other revenue		-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered		-	-	-	-	-	-	-	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	-	-	-	-	-	-	-	-	-
Total operating funding	**(A)**	**5,386**	**5,319**	**5,484**	**5,651**	**5,830**	**6,014**	**6,597**	**6,390**	**6,573**	**7,273**	**6,961**
Applications of operating funding												
Payments to staff and suppliers		1,031	1,197	1,259	1,328	1,498	1,581	1,582	1,653	1,731	1,807	1,980
Finance costs		866	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		633	771	804	840	875	883	919	961	1,005	1,042	1,088
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**2,531**	**1,968**	**2,064**	**2,169**	**2,374**	**2,464**	**2,501**	**2,614**	**2,736**	**2,849**	**3,068**
Operating funding - surplus/(deficit)	**(A-B)**	**2,856**	**(3,351)**	**(3,420)**	**(3,482)**	**(3,457)**	**(3,549)**	**(4,096)**	**(3,776)**	**(3,838)**	**(4,424)**	**(3,893)**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions		1,479	1,600	1,676	1,637	1,689	1,744	1,790	1,842	1,717	1,763	1,806
Increase/(decrease) in debt		1,123	2,649	6,409	4,214	3,446	3,596	1,428	(341)	(334)	5,348	1,361
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	300	310	320	331	341	350	361	371	381	390
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**2,602**	**4,549**	**8,395**	**6,171**	**5,466**	**5,681**	**3,568**	**1,862**	**1,754**	**7,492**	**3,557**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		2,115	3,251	4,132	2,136	2,678	3,883	389	169	198	5,274	3,764
• to improve the level of service		1,080	310	1,337	3,185	2,601	1,912	2,120	847	1,187	2,195	2,379
• to replace existing assets		2,262	417	3,643	3,580	2,388	1,523	2,900	1,573	1,026	1,442	79
Increase/(decrease) in reserves		-	3,923	2,702	752	1,256	1,913	2,256	3,048	3,182	3,004	1,228
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**5,457**	**7,901**	**11,815**	**9,653**	**8,922**	**9,231**	**7,664**	**5,638**	**5,592**	**11,916**	**7,450**
Capital funding - surplus/(deficit)	**(C-D)**	**(2,856)**	**3,351**	**3,420**	**3,482**	**3,457**	**3,549**	**4,096**	**3,776**	**3,838**	**4,424**	**3,893**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Transportation

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		-	50	52	53	55	56	58	59	61	62	64
Targeted rates		13,182	14,695	16,072	16,678	19,639	19,700	21,982	23,737	25,346	24,681	25,149
Subsidies and grants for operating purposes		9,821	9,935	10,324	9,557	15,002	17,130	15,952	18,175	18,721	17,312	17,739
Fees and charges and other revenue		10	10	10	11	11	11	12	12	12	13	13
Internal charges and overheads recovered		-	-	-	-	-	-	-	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		262	262	270	438	451	295	303	311	319	327	335
Total operating funding	**(A)**	**23,275**	**24,951**	**26,728**	**26,737**	**35,158**	**37,192**	**38,306**	**42,294**	**44,459**	**42,395**	**43,300**
Applications of operating funding												
Payments to staff and suppliers		10,197	11,260	13,395	14,022	16,876	17,517	18,029	18,522	19,149	19,663	20,165
Finance costs		229	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		1,454	1,351	1,415	1,487	1,536	1,592	1,665	1,738	1,818	1,893	1,972
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**11,880**	**12,611**	**14,810**	**15,509**	**18,413**	**19,109**	**19,694**	**20,260**	**20,967**	**21,557**	**22,136**
Operating funding - surplus/(deficit)	**(A-B)**	**11,395**	**(12,340)**	**(11,918)**	**(11,228)**	**(16,745)**	**(18,083)**	**(18,612)**	**(22,034)**	**(23,492)**	**(20,839)**	**(21,164)**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	5,655	4,334	3,809	1,959	-	-	-	-	-	-
Development and financial contributions		2,755	3,089	3,663	4,245	4,369	4,496	4,620	4,740	4,863	4,987	5,106
Increase/(decrease) in debt		1,584	50	1,697	1,496	1,374	2,022	53	(1,138)	(2,725)	(2,829)	-
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	1,400	1,445	1,490	1,533	1,578	1,621	1,663	1,707	1,750	1,792
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**4,339**	**10,194**	**11,140**	**11,039**	**9,235**	**8,097**	**6,294**	**5,264**	**3,844**	**3,908**	**6,898**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		5,392	19,095	19,033	14,527	13,201	7,342	11,435	10,558	7,567	8,354	16,877
• to improve the level of service		9,317	6,725	8,469	9,310	10,124	10,529	11,060	9,568	9,313	9,819	9,745
• to replace existing assets		1,000	3,205	4,294	4,316	8,690	8,943	9,189	9,428	9,674	9,920	10,158
Increase/(decrease) in reserves		25	(6,491)	(8,738)	(5,886)	(6,034)	(635)	(6,778)	(2,255)	782	(3,347)	(8,718)
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**15,734**	**22,534**	**23,058**	**22,267**	**25,981**	**26,180**	**24,906**	**27,298**	**27,336**	**24,746**	**28,062**
Capital funding - surplus/(deficit)	**(C-D)**	**(11,395)**	**12,340**	**11,918**	**11,228**	**16,745**	**18,083**	**18,612**	**22,034**	**23,492**	**20,839**	**21,164**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Water Supply

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		6,407	-	-	-	-	-	-	-	-	-	-
Targeted rates		6,052	11,750	12,041	12,342	12,630	12,927	13,230	13,538	13,848	14,151	14,458
Subsidies and grants for operating purposes		1,700	-	-	-	-	-	-	-	-	-	-
Fees and charges and other revenue		-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered		-	-	-	-	-	-	-	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	47	42	43	46	45	44	48	50	49	49
Total operating funding	**(A)**	**14,159**	**11,797**	**12,082**	**12,385**	**12,675**	**12,973**	**13,274**	**13,586**	**13,898**	**14,200**	**14,507**
Applications of operating funding												
Payments to staff and suppliers		5,382	6,313	6,775	7,281	8,148	8,459	8,475	8,996	9,441	9,598	9,886
Finance costs		1,008	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		2,223	2,392	2,478	2,577	2,682	2,746	2,846	2,978	3,109	3,215	3,355
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**8,613**	**8,704**	**9,253**	**9,858**	**10,830**	**11,205**	**11,321**	**11,974**	**12,551**	**12,813**	**13,241**
Operating funding - surplus/(deficit)	**(A-B)**	**5,546**	**(3,092)**	**(2,829)**	**(2,526)**	**(1,845)**	**(1,767)**	**(1,953)**	**(1,612)**	**(1,347)**	**(1,387)**	**(1,266)**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	100	468	5,020	3,857	3,186	3,516	-	-	-	96
Development and financial contributions		1,605	2,045	2,122	1,886	1,951	2,020	2,078	2,144	1,736	1,788	1,837
Increase/(decrease) in debt		(2,276)	4,865	3,881	1,918	1,361	585	1,629	3,175	2,442	(632)	(809)
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	200	207	214	220	228	234	240	247	254	260
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**(671)**	**7,210**	**6,678**	**9,037**	**7,389**	**6,019**	**7,457**	**5,559**	**4,425**	**1,409**	**1,384**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		3,025	5,787	4,726	7,690	6,766	4,888	5,558	4,904	3,708	789	527
• to improve the level of service		30	995	805	609	316	984	1,346	288	365	133	85
• to replace existing assets		1,820	2,052	2,961	2,702	3,608	3,622	3,889	3,240	6,752	3,743	3,357
Increase/(decrease) in reserves		-	1,468	1,016	563	(1,456)	(1,708)	(1,383)	(1,262)	(5,052)	(1,869)	(1,318)
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**4,875**	**10,302**	**9,508**	**11,563**	**9,234**	**7,786**	**9,410**	**7,171**	**5,772**	**2,797**	**2,650**
Capital funding - surplus/(deficit)	**(C-D)**	**(5,546)**	**3,092**	**2,829**	**2,526**	**1,845**	**1,767**	**1,953**	**1,612**	**1,347**	**1,387**	**1,266**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Natural Environment and Sustainable Living

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		259	358	382	398	373	388	402	416	431	446	460
Targeted rates		530	573	592	612	631	652	669	688	708	727	744
Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	-	-
Fees and charges and other revenue		-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered		-	-	-	-	-	-	-	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	-	-	-	-	-	-	-	-	-
Total operating funding	**(A)**	**789**	**930**	**974**	**1,010**	**1,004**	**1,040**	**1,071**	**1,105**	**1,139**	**1,172**	**1,204**
Applications of operating funding												
Payments to staff and suppliers		912	1,154	1,204	1,299	1,221	1,269	1,304	1,344	1,390	1,366	1,401
Finance costs		(87)	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		84	76	80	84	87	91	95	99	103	107	111
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**909**	**1,230**	**1,284**	**1,384**	**1,308**	**1,359**	**1,399**	**1,442**	**1,493**	**1,473**	**1,512**
Operating funding - surplus/(deficit)	**(A-B)**	**(120)**	**300**	**310**	**374**	**303**	**319**	**328**	**338**	**354**	**300**	**308**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions		219	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt		24	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**243**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service		-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves		123	(300)	(310)	(374)	(303)	(319)	(328)	(338)	(354)	(300)	(308)
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**(123)**	**(300)**	**(310)**	**(374)**	**(303)**	**(319)**	**(328)**	**(338)**	**(354)**	**(300)**	**(308)**
Capital funding - surplus/(deficit)	**(C-D)**	**120**	**(300)**	**(310)**	**(374)**	**(303)**	**(319)**	**(328)**	**(338)**	**(354)**	**(300)**	**(308)**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Wastewater

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		12,331	-	-	-	-	-	-	-	-	-	-
Targeted rates		-	11,681	12,041	12,439	12,744	13,122	13,411	13,848	14,198	14,588	15,024
Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	-	-
Fees and charges and other revenue		2	2	2	2	3	-	-	-	-	-	-
Internal charges and overheads recovered		-	-	-	-	-	-	-	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		248	48	49	51	53	54	56	57	59	60	62
Total operating funding	**(A)**	**12,581**	**11,731**	**12,092**	**12,492**	**12,799**	**13,176**	**13,467**	**13,906**	**14,257**	**14,648**	**15,086**
Applications of operating funding												
Payments to staff and suppliers		5,270	5,744	5,885	6,168	6,564	6,754	6,997	7,520	7,600	7,908	8,066
Finance costs		1,929	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		2,025	2,131	2,207	2,292	2,387	2,448	2,534	2,653	2,771	2,862	2,988
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**9,225**	**7,874**	**8,093**	**8,459**	**8,951**	**9,202**	**9,531**	**10,173**	**10,371**	**10,769**	**11,055**
Operating funding - surplus/(deficit)	**(A-B)**	**3,356**	**(3,857)**	**(4,000)**	**(4,033)**	**(3,849)**	**(3,974)**	**(3,935)**	**(3,733)**	**(3,886)**	**(3,879)**	**(4,032)**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	-	1,033	1,068	-	-	-	2,043	10,506	10,787	-
Development and financial contributions		1,836	1,911	1,960	1,802	1,969	2,038	2,087	2,148	1,949	2,001	2,050
Increase/(decrease) in debt		(2,347)	2,422	5,475	1,237	(837)	(1,853)	(1,878)	(2,201)	1,891	1,283	(118)
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	340	351	363	375	387	397	409	420	431	442
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**(511)**	**4,673**	**8,820**	**4,470**	**1,507**	**572**	**607**	**2,399**	**14,767**	**14,502**	**2,375**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		1,030	3,810	6,577	1,694	2,324	467	554	2,043	10,877	13,210	1,464
• to improve the level of service		520	100	10	64	121	353	818	12	371	13	-
• to replace existing assets		1,395	2,025	7,178	7,854	1,055	1,223	3,412	4,572	9,560	7,614	2,592
Increase/(decrease) in reserves		(100)	2,595	(946)	(1,110)	1,856	2,503	(241)	(496)	(2,154)	(2,456)	2,350
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**2,845**	**8,529**	**12,819**	**8,503**	**5,356**	**4,546**	**4,542**	**6,132**	**18,654**	**18,381**	**6,406**
Capital funding - surplus/(deficit)	**(C-D)**	**(3,356)**	**3,857**	**4,000**	**4,033**	**3,849**	**3,974**	**3,935**	**3,733**	**3,886**	**3,879**	**4,032**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Solid Waste

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		795	122	134	147	162	177	192	209	226	244	263
Targeted rates		1,276	3,350	3,629	3,608	3,471	3,587	3,817	3,923	4,029	4,288	4,390
Subsidies and grants for operating purposes		223	173	179	185	191	209	214	220	227	233	238
Fees and charges and other revenue		100	771	798	752	779	806	830	857	881	905	927
Internal charges and overheads recovered		-	-	-	-	-	-	-	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		33	36	37	3	-	-	-	-	-	-	-
Total operating funding	**(A)**	**2,428**	**4,453**	**4,778**	**4,696**	**4,602**	**4,779**	**5,054**	**5,209**	**5,363**	**5,669**	**5,817**
Applications of operating funding												
Payments to staff and suppliers		1,574	4,494	4,816	4,575	4,401	4,620	4,870	5,025	5,212	5,525	5,675
Finance costs		(36)	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		470	648	670	690	715	745	769	805	841	867	905
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**2,008**	**5,141**	**5,485**	**5,265**	**5,116**	**5,365**	**5,639**	**5,831**	**6,053**	**6,392**	**6,580**
Operating funding - surplus/(deficit)	**(A-B)**	**420**	**689**	**708**	**569**	**514**	**586**	**586**	**622**	**690**	**723**	**763**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	200	981	-	-	-	-	-	-	-	-
Development and financial contributions		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt		(368)	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**(368)**	**200**	**981**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		50	-	-	-	-	-	-	-	-	-	-
• to improve the level of service		-	200	981	-	-	-	-	-	-	-	-
• to replace existing assets		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves		2	(689)	(708)	(569)	(514)	(586)	(586)	(622)	(691)	(723)	(763)
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**(52**	**(489)**	**274**	**(569)**	**(514)**	**(586)**	**(586)**	**(622)**	**(691)**	**(723)**	**(763)**
Capital funding - surplus/(deficit)	**(C-D)**	**(420)**	**(689)**	**(708)**	**(569)**	**(514)**	**(586)**	**(586)**	**(622)**	**(690)**	**(723)**	**(763)**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Economic Development

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		749	736	753	780	795	823	838	865	881	909	924
Targeted rates		324	367	379	392	404	416	426	436	446	457	467
Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	-	-
Fees and charges and other revenue		-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered		-	-	-	-	-	-	-	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	-	-	-	-	-	-	-	-	-
Total operating funding	**(A)**	**1,074**	**1,104**	**1,132**	**1,172**	**1,199**	**1,239**	**1,264**	**1,301**	**1,327**	**1,366**	**1,390**
Applications of operating funding												
Payments to staff and suppliers		666	744	760	786	800	827	841	867	882	908	922
Finance costs		(46)	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied		115	56	59	61	64	67	69	72	75	78	81
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**735**	**800**	**818**	**847**	**864**	**894**	**910**	**939**	**957**	**987**	**1,003**
Operating funding - surplus/(deficit)	**(A-B)**	**339**	**(304)**	**(314)**	**(325)**	**(335)**	**(345)**	**(353)**	**(362)**	**(371)**	**(379)**	**(387)**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt		-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		662	564	479	863	562	357	592	373	621	391	649
• to improve the level of service		-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves		(324)	(260)	(164)	(539)	(227)	(11)	(239)	(12)	(251)	(12)	(262)
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**339**	**304**	**314**	**325**	**335**	**345**	**353**	**362**	**371**	**379**	**387**
Capital funding - surplus/(deficit)	**(C-D)**	**(339)**	**304**	**314**	**325**	**335**	**345**	**353**	**362**	**371**	**379**	**387**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Western Bay of Plenty District Council - Funding Impact Statement 2021-2031 - Support Services

All information from 2023-2031 includes an adjustment for inflation.

For the years ended 30 June		Annual Plan $'000	Forecast $'000									
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sources of operating funding												
General rates, uniform annual charges, rates penalties		2,926	4,642	5,187	5,671	6,156	7,275	8,290	8,343	9,227	10,153	10,661
Targeted rates		918	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474
Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	-	-
Fees and charges and other revenue		311	311	320	329	338	347	356	365	374	383	391
Internal charges and overheads recovered		18,787	19,870	20,796	21,824	22,467	23,279	24,297	25,373	26,492	27,487	28,633
Local authority and fuel tax, fines, infringement fees, and other receipts		1,244	986	1,014	1,044	1,072	1,101	1,128	1,156	1,185	1,212	1,240
Total operating funding	**(A)**	**24,185**	27,282	28,791	30,343	31,508	33,476	35,546	36,711	38,751	40,709	42,399
Applications of operating funding												
Payments to staff and suppliers		18,937	22,437	23,139	23,865	24,131	25,363	27,142	27,457	28,868	30,073	30,721
Finance costs		557	3,675	4,651	6,057	7,285	8,160	8,729	9,204	9,717	10,316	11,032
Internal charges and overheads applied		2,956	3,015	3,167	3,327	3,409	3,527	3,688	3,844	4,013	4,168	4,334
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**22,449**	**29,126**	**30,957**	**33,249**	**34,824**	**37,050**	**39,559**	**40,506**	**42,599**	**44,557**	**46,087**
Operating funding - surplus/(deficit)	**(A-B)**	**1,736**	**1,844**	**2,165**	**2,906**	**3,316**	**3,574**	**4,014**	**3,795**	**3,848**	**3,849**	**3,688**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt		671	2,701	19,167	22,099	18,074	7,851	10,661	8,079	13,898	14,517	20,959
Gross proceeds from sale of assets		(85)	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**586**	**2,701**	**19,167**	**22,099**	**18,074**	**7,851**	**10,661**	**8,079**	**13,898**	**14,517**	**20,959**
Applications of capital funding												
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand		819	369	225	761	238	245	251	257	263	269	276
• to improve the level of service		674	799	822	846	1,033	781	1,258	820	840	860	879
• to replace existing assets		1,232	1,289	2,099	1,683	1,327	1,195	1,396	1,254	1,466	1,315	1,534
Increase/(decrease) in reserves		(404)	(4,781)	9,725	10,871	6,415	(4,126)	(2,753)	(4,856)	310	629	6,470
Increase/(decrease) in investments		-	3,181	4,131	5,031	5,746	6,183	6,495	6,808	7,170	7,595	8,113
Total applications of capital funding	**(D)**	**2,322**	**857**	**17,002**	**19,193**	**14,758**	**4,277**	**6,647**	**4,283**	**10,050**	**10,669**	**17,271**
Capital funding - surplus/(deficit)	**(C-D)**	**(1,736)**	**(1,844)**	**(2,165)**	**(2,906)**	**(3,316)**	**(3,574)**	**(4,014)**	**(3,795)**	**(3,848)**	**(3,849)**	**(3,688)**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**


Katikati Festival of Cultures - 2019

Long Term Plan Disclosure Statement for period commencing 1 July 2021

Tauākī Whākinga a Mahere Rae Roa mai i te timatanga o Hūrae 2021

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.

What is the purpose of the Long Term Plan disclosure statement

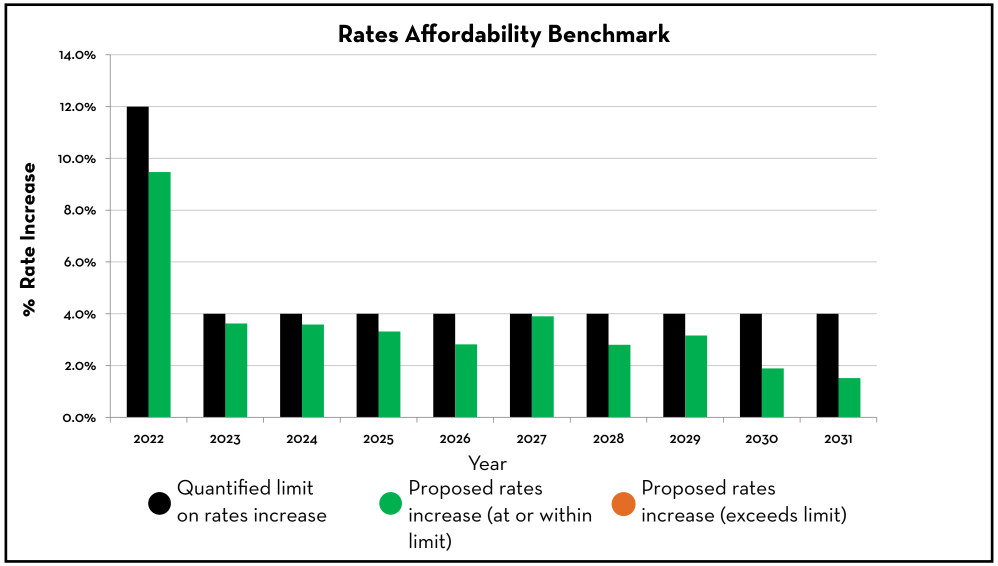
The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The Council is required to include 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:

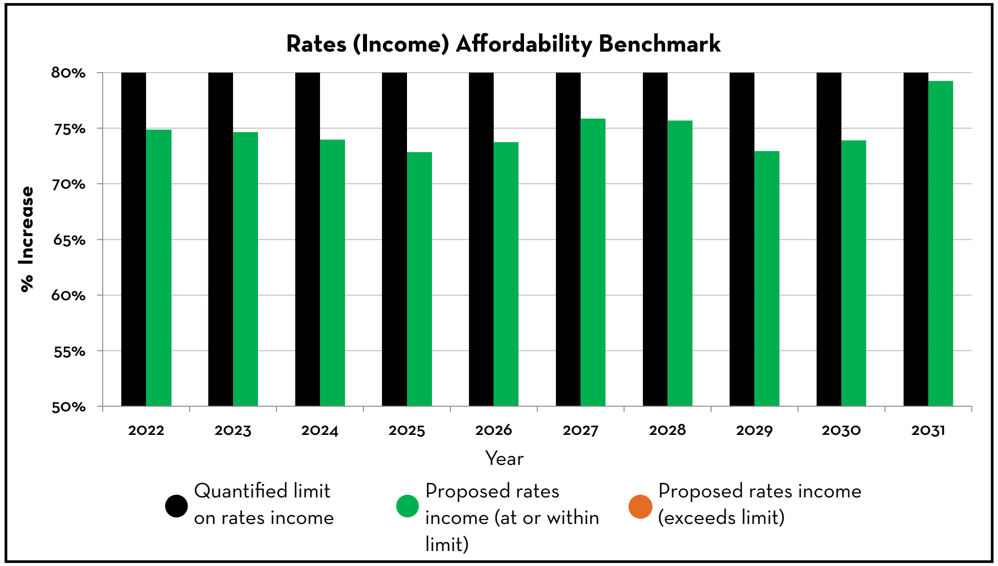
- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

The following graph compares the Council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this Long Term Plan. The quantified limit on rates increases is 12% for year one and 4% for subsequent years.



Rates (Income) Affordability Benchmark

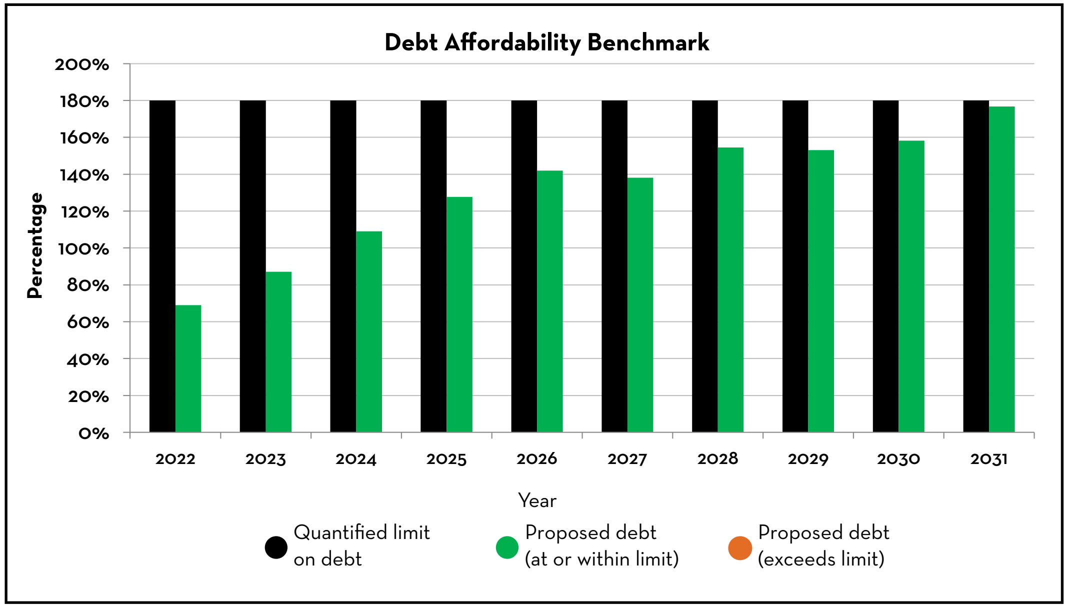
The following graph compares the council's planned rates income with a quantified limit on rates contained in the financial strategy included in the Long Term Plan. The quantified limit is that rates will be no more than 80% of revenue. Revenue is defined as total revenue as per the Statement of Comprehensive Revenue and Expenditure less Financial Contributions, Gains and Vested Assets.



Debt Affordability Benchmark

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

The following graph compares the Council's planned debt with a quantified limit on borrowing stated in the financial strategy included in this Long Term Plan. The quantified limit is that debt will not exceed 180% of revenue (excluding financial contributions and vested assets) during 2022 - 2031.

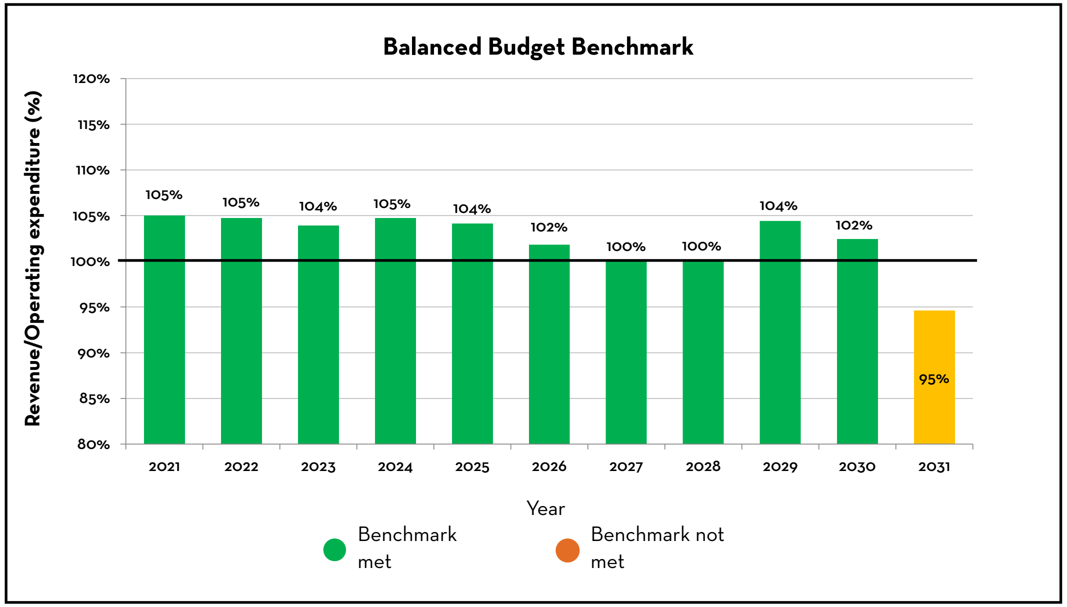


Balanced budget benchmark

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, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.

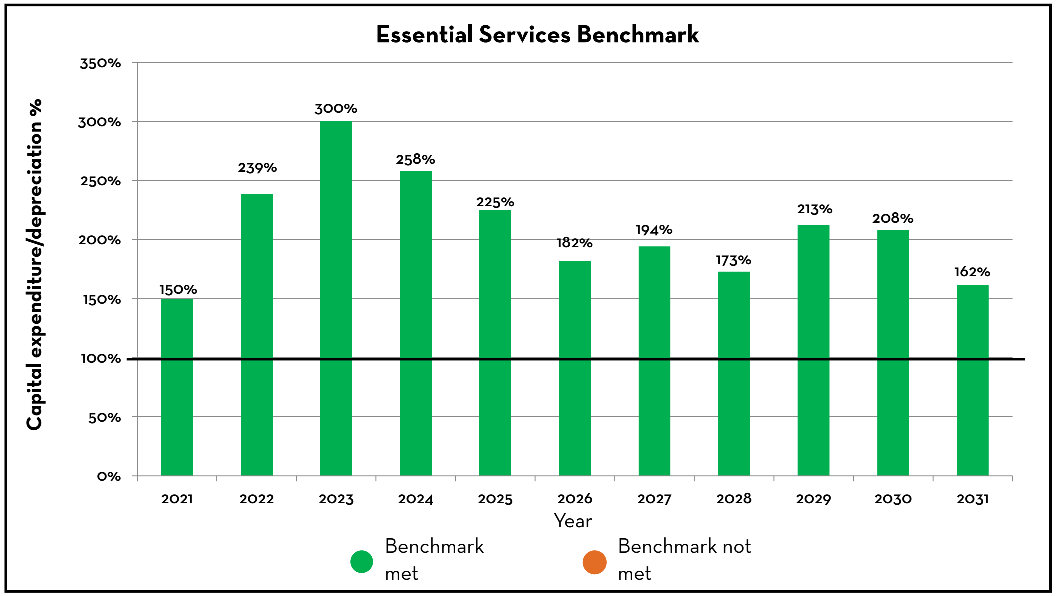
Council are proposing an unbalanced budget in 2030/31 due to the proportion of transport depreciation that is funded externally through Waka Kotahi. Council deem this to be prudent and affordable as the breach is nominal, non-cash in nature and is provided for by a third party.



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.

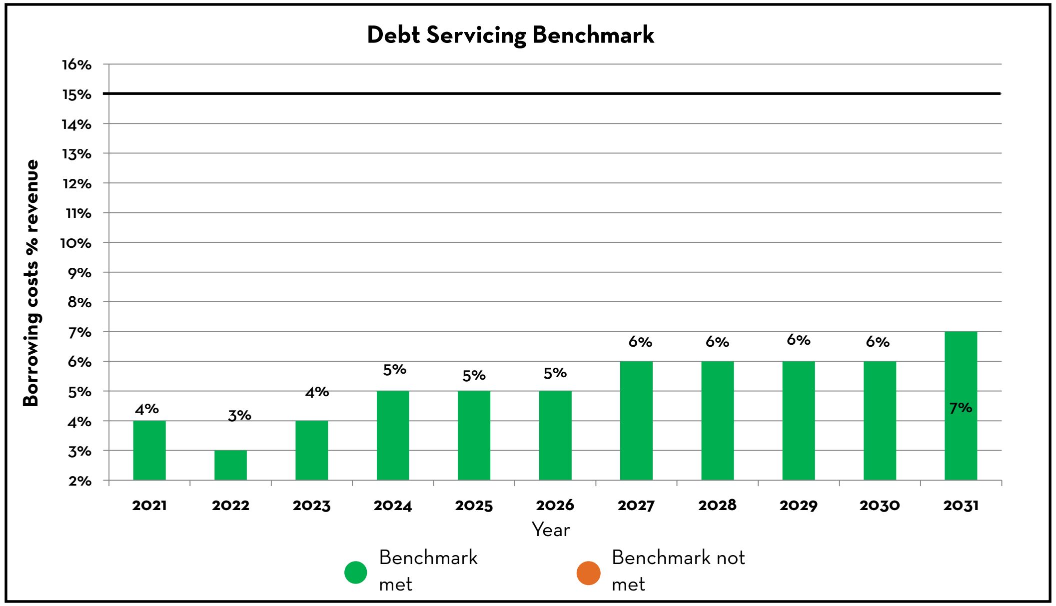
The Council meets this benchmark if its planned capital expenditure on network services (being; transportation, water, wastewater and Stormwater) equals or is greater than expected depreciation on network services.



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, or equipment).

Because Statistics New Zealand projects the council's population will grow faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Auditor's Report
Ripoata o te Kaiarotake

To the reader: Independent Auditor's report on Western Bay of Plenty District Council's 2021 31 long-term plan

I am the Auditor-General's appointed auditor for Western Bay of Plenty District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 29 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
  - long term, integrated decision making and co ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 488 to 490 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of Matter

Without modifying our opinion, we draw attention to the disclosure on page 99, outlining the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The Long-Term Plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, which is available on the External Reporting Board's website. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information, which are available on the International Auditing and Assurance Standards Board's website, that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;

- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality control

We have complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this audit and our report on the Council's annual report, we have carried out engagements in the areas of the debenture trust deed assurance engagement and the 2018-2028 long term plan amendment audit, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council.

Clarence Susan, Audit New Zealand
On behalf of the Auditor General, Tauranga, New Zealand