
Annual Plan 2020-2021



*Western Bay of Plenty
District Council*



CONTENTS

INTRODUCTION AND OVERVIEW

Message from the Mayor	4
Guide to this Plan	5
Our District	6
At a Glance	6
Our Councillors	8
Te Ara Mua - The Pathway Forward	9
Linkages to Council's 2018-2028 Long Term Plan	10
The Annual Plan process this year	11

CHAPTER ONE - FINANCIALS

Introduction to our financials	14
Key assumptions	15
Changes to projects	18
Finances at a glance	22
Annual Plan disclosure statement for the year ended 30 June 2020	23
Rates overview 2020/21	24
Funding impact statements and other rating information	27
Prospective financial statements	49
Reserve funds	55

CHAPTER TWO - POLICIES AND STATEMENTS

Overall revenue and financing policy	62
Summary of specific rates policies	67
Significant accounting policies	68
Activity funding impact statements	82



Introduction and Overview

Annual Plan 2020-2021



*Western Bay of Plenty
District Council*

INTRODUCTION AND OVERVIEW

Message from the Mayor	4
Guide to this Plan	5
Our District	6
At a Glance	6
Our Councillors	8
Te Ara Mua - The Pathway Forward	9
Linkages to Council's 2018-2028 Long Term Plan	10
The Annual Plan process this year	11

MESSAGE FROM THE MAYOR

Welcome to Western Bay of Plenty District Council's Annual Plan for 2020-2021 financial year.







As a Council we have worked hard to keep the rate increase for existing ratepayers to 1.98 percent, which is less than the 2.53 percent we had planned in our 2018-2028 Long Term Plan (LTP).

This plan takes into consideration the impact of COVID-19 on the economy and household incomes, as well as the ability for Council to deliver public services to the District post pandemic.

COVID-19 has simultaneously changed the world and impacted on our District in ways that we could not predict or prepare for.

This Annual Plan has the added complexity of including the latest independent revaluation exercise that we must implement.







It is pleasing to see 61 percent of ratepayers District-wide receiving a net reduction in their rates demand compared to 2019-2020. The table below illustrates by category the typical rates movement for the median property across the District.

	 Urban residential	 Commercial/ industrial	 Orchards	 Dairy farms	 Lifestyle block	 Other rural
Waihi Beach	-1.1%	3.2%	0.4%	-14.6%	-1.1%	-1.9%
Katikati	-0.9%	2.7%	1.0%	-14.6%	-0.8%	-2.2%
Kaimai (Omokoroa)	-1.2%	3.5%	0.8%	-15.2%	-1.2%	-2.0%
Te Puke	-1.6%	2.8%	0.2%	-15.0%	-1.4%	-2.4%
Maketu	-1.5%	3.4%	0.4%	-14.9%	-1.1%	-2.3%

In this document you'll find details about the work we are planning to undertake in your community over the next 12 months (1 July 2020 - 30 June 2021), and as you can see there are no big changes from what was outlined in the 2018 - 2028 LTP.

We're doing what we said we would by delivering on the promises made during the last LTP. Where appropriate, we have made some minor changes to our capital works programme and budget that reflect our decision to minimise the impact of COVID-19. At the same time we are accommodating feedback from our communities who are asking for service improvements.

Here's a few of the key projects we will deliver in the coming year:

	\$1.03m for the continuation of the seal extension programme across the District.
	\$1.5m for wastewater treatment plant improvements.
	\$1.9m for the Two Mile Creek bank protection in Waihi Beach.
	\$900,000 support for community groups including Tourism Bay of Plenty, Katch Katikati, and Te Puke Economic Development Group.
	\$600,000 for a new destination playground as part of the Omokoroa Domain development.
	\$500,000 for District-wide walking and cycling projects.



We are in the early stages of preparing our 2021 - 2031 LTP and understand the community will wish to share their views about the District's future direction - and we encourage them to do so.

Hello Future District, our 2021 - 2031 LTP community conversation, provides a user friendly opportunity to submit on our plans for the next 10 years.

Your ideas and thoughts will help shape the direction this plan takes. Whether it's the things that matter to you, the challenges you expect your community to face or what we should prioritise - it all counts.

To keep up-to-date with where we're at in this process, visit hellofuturedistrict.co.nz

The sub-region, and for that matter New Zealand, will go through significant change as we navigate through a post COVID-19 'new normal' and I believe this plan for 2020 - 2021 shows our ability to adapt quickly while being pragmatic, prudent and inclusive in taking the Western Bay forward.

Garry Webber
Mayor
Western Bay of Plenty District



GUIDE TO THIS PLAN

The Annual Plan 2020/21 is divided into an introduction and overview section and two chapters.

INTRODUCTION AND OVERVIEW

Here we introduce our District, explain why we are developing our Annual Plan and what it includes.

CHAPTER 1 - FINANCES

This chapter provides a summary of our financial situation and what it means.

The main areas of focus are changes to the rates funding impact statements, prospective statements of financial position, changes in equity and reserve funds. Changes in projects are also detailed on pages 18 to 21.

This chapter also provides the key assumptions we've taken into account in our planning. The key assumptions have been reviewed since the development of the 2018-2028 Long Term Plan and have either been updated or reconfirmed.

CHAPTER 2 - POLICIES AND STATEMENTS

This chapter includes our overall revenue and financing policy and significant accounting policies. You can also find in this chapter our activity funding impact statements.



OUR DISTRICT



OUR HISTORY

The Western Bay of Plenty has a long history of settlement by Māori. The western area of the District (Tauranga Moana) was occupied by the iwi of Ngati Ranginui, Ngaiterangi and Ngati Pukenga from the waka Takitumu and Mataatua. Te Arawa descendents from the waka Te Arawa inhabited much of the eastern area of the District and south to Rotorua.

Traders and missionaries were among the first European settlers who developed communities at Maketu and Tauranga. George Vesey Stewart founded Ulster settlements at both Katikati in 1875 and Te Puke in 1880. Tauranga, Te Puke and Katikati formed the nucleus for subsequent expansion of European pastoral farms. Te Puke and Katikati have grown steadily over the years and are the largest settlements in the District.



Western Bay of Plenty District is one of the faster growing areas in New Zealand. As at 30 June 2018 its current estimated population is 52,900. The population is expected to reach around 64,500 by 2033. Between the 2013 and 2018 censuses, the population of the District grew by 17.5% (7,630 people); it is estimated that the population will grow by 8.5% in the next five years. Most of this growth has come from immigrants and migration from other parts of New Zealand.

AT A GLANCE

- Of the District's population 19% identify themselves as Māori, which is higher than the national average of 17%.
- In the District 19% of the population are less than 15 years, very close to the national average of 20%.
- 21% of residents in the District are over 65 years old, higher than the national average of 15%.
- The average household size in the District is slightly lower at 2.3 than the national average of 2.5.
- In the Western Bay 33% of the people are not in the labour force, slightly higher than the national average of 31%
- In 2018 there were 18,603 occupied dwellings in the Western Bay of Plenty District, an increase of 1,713 dwellings or 10% compared with the 2013 Census.
- The number of unoccupied dwellings increased by 570 between the 2006 and 2013 censuses, compared to the 2013 and 2018 censuses, less dwellings (297 dwellings) are unoccupied.
- Overall the District has a lower level of socio-economic deprivation than the country as a whole.
- 25% of the District's residents, do not own their own house compared with 35% nationally.



OUR ENVIRONMENT

The Western Bay of Plenty District surrounds Tauranga, a fast-growing city of approximately 140,800 people (as at 2018). The District covers 212,000 hectares of coastal, rural and urban areas. Almost half of the District is covered by forest, both planted (12.8%) and indigenous (35.4%) and a further 40% is pastoral land. Less than 1% of the total area of the District is urban and includes the townships of Waihi Beach, Katikati, Omokoroa, Te Puna, Te Puke and Maketu. Smaller rural settlements are at Paengaroa, Pongakawa and Pukehina in the east and at Kauri Point, Tanners Point, Ongare Point, Tuapiro and Athenree in the western part of the District.

The District has a warm, sunny climate with an average of 1,900 - 2,300 sunshine hours per year with moderate rainfall of 1,200 - 2,400 mm per year. This diverse landscape, combined with a favourable temperate climate, provides an area rich in resources such as indigenous flora and fauna, highly versatile soils, rivers and harbours.

The land of the Western Bay of Plenty faces north-east to the sea. To the west are the rugged bush-covered Kaimai Ranges. Numerous streams drain the Kaimais, flowing down through the hills and coastal lowlands, into the swampy estuaries and mudflats of the Tauranga Harbour.

In the east, the Kaituna River drains the lakes of Rotorua and Rotoiti into the Maketu Estuary and out to sea, while smaller streams drain the eastern District into the Waihi Estuary.

Matakana Island forms a natural barrier between Tauranga Harbour and the Pacific Ocean.



OUR ECONOMY

Agriculture and horticulture are the main economic drivers of the Western Bay of Plenty District and the greater Tauranga and Western Bay sub-region. These two primary sectors fuel a multitude of professional businesses and service industries, employing a diverse labour force. Our environment, soils and climate are not only attractive for agricultural production but are also a magnet for people wanting a relaxed outdoor lifestyle. We are close to the amenities of Tauranga, yet we retain a rural and small town atmosphere. Manufacturing, commerce and trades are also vital to the sub-region's economic growth.

Our District is three times more reliant on horticulture and agriculture for its economic output than New Zealand as a whole. This dependence presents challenges for the District, as well as opportunities. The outbreak of the kiwifruit vine disease Psa-V in November 2010 is an example of the risks associated with economic dependence on single crops.

OUR COUNCILLORS

WESTERN BAY OF PLENTY DISTRICT MAYOR

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TE ARA MUA - THE PATHWAY FORWARD

Developing Māori capacity to contribute to decision-making

We recognise the importance and special place of Tangata Whenua within our communities and the additional responsibilities that the Local Government Act places on us to develop the capacity of Māori to take part in local government decision-making processes.

Equally, we acknowledge the journey that is required to develop positive and purposeful relationships with Tangata Whenua that can sustain us into the future.

We have a number of mechanisms for engagement and to involve Tangata Whenua in our decision-making processes. We will continue to review and improve them to ensure ongoing effectiveness.

Partnership Forum

Our Tauranga Moana /Te Arawa ki Takutai Partnership Forum represents iwi and hapū across the District, and address issues relating to Māori with the Mayor and all Councillors.

Te Ara Mua

Te Ara Mua (the pathway forward) is a plan developed by the Tauranga Moana / Te Arawa ki Takutai Partnership Forum. It signifies the efforts of the Partnership Forum to meet the aspirations of Māori and the Western Bay of Plenty District Council when it comes to kaupapa Māori. Te Ara Mua provides Ngā Whetu, a framework for identifying issues of significance to Māori in line with the Treaty of Waitangi principles that have been adopted by Council, and the clear statutory obligations Council has to Māori. The Plan also outlines Ngā Kaihoe, an annual work programme for the Partnership Forum to drive actions that address issues of significance.

Our Takawaenga Māori team

This team initiates, builds and maintains our relationship with Tangata Whenua and Māori, and strengthens our organisation's ability to appropriately engage with Māori through exposure to and training in kawa (protocols), tikanga (customs) and te reo (the Māori language).

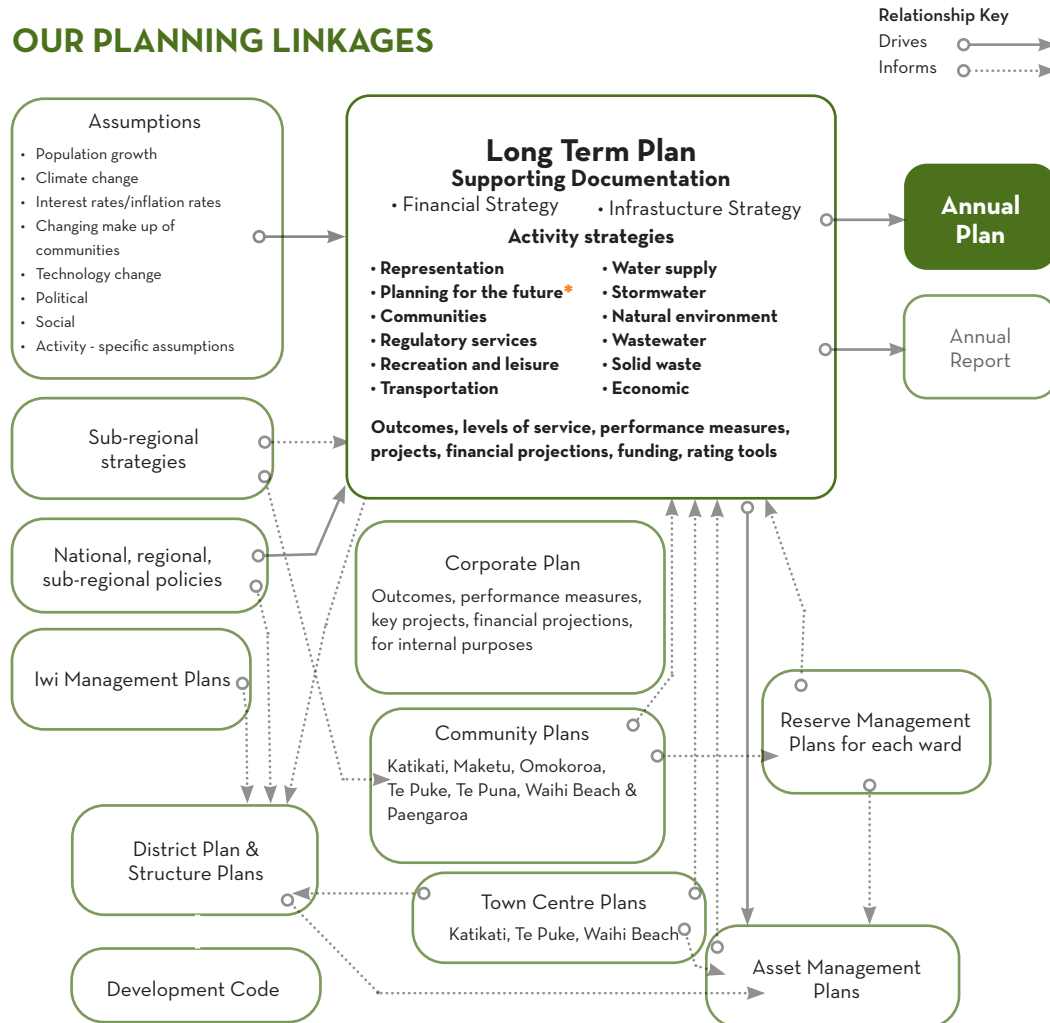
Tangata Whenua engagement guidelines

Our Tangata Whenua engagement guidelines have been developed to assist staff in engaging with Tangata Whenua.

Find out more detail by reading Te Ara Mua on Council's website by visiting www.westernbay.govt.nz/council/working-with-maori/te-ara-mua

LINKAGES TO COUNCIL'S 2018-2028 LONG TERM PLAN

OUR PLANNING LINKAGES



*Built Environment Strategy provides more detail

The Long Term Plan

The Long Term Plan is produced every three years so the community can have their say about Council policy and work that will be undertaken over the next two years.

Council's Long Term Plan was adopted in 2018 and the next review is due in 2021. In the meantime, Council carries out a 'rolling' review of policies. This ensures the community can be engaged on the development or review of particular strategy and action plans.

Each year Council produces an Annual Plan (this document)

The Annual Plan is simply a budget expression of what is contained in the Long Term Plan for the budget year.

This focuses on the money needed to carry out work in the Long Term Plan. If Council changes the programme and has a material impact on ratepayers, the reason for the change is explained, through a proposed financial variance.

Project variances of \$50,000 or more are disclosed in the financial chapter of this Plan. The financial variances include changes to projects, which are either operating or capital expenditure. If there is a material variance this is included in the revised programme.

The 2020/21 work programme is based on the Long Term Plan 2018-2028. The Annual Plan discloses differences to the Long Term Plan.

Council can also use the Annual Plan process to propose amendments to policies or levels of service in the Long Term Plan.

Each year an Annual Report is published

At the end of each financial year (1 July - 30 June) an Annual Report is published which shows financial results and the progress made against the Long Term Plan.

Bringing the planning process together



THE ANNUAL PLAN PROCESS THIS YEAR

This year there were no big changes being proposed compared to what was outlined in the 2018-2028 Long Term Plan - which was adopted in June 2018.

For this reason Council chose not to undertake formal consultation on this Annual Plan. Community Boards and Ward Forums were invited to submit requests to the Annual Plan in place of formal submissions.

We appreciate the global COVID-19 pandemic has presented unprecedented challenges for everyone in the District and have taken this into account when adopting the Annual Plan.

We remain committed to what we said we would do in the 2018-28 Long Term Plan. However, we understand the community will wish to share their views on a range of questions about the District's future direction especially in light of COVID-19 and the 2021-2031 Long Term Plan provides this opportunity to submit on our plans for the next 10 years.

CHAPTER ONE

01

Financials

Annual Plan 2020-2021



*Western Bay of Plenty
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CHAPTER ONE FINANCIALS

Introduction to our financials	14
Key assumptions	15
Changes to projects	18
Finances at a glance	22
Annual Plan disclosure statement for the year ended 30 June 2020	23
Rates overview 2020/21	24
Funding impact statements and other rating information	27
Prospective financial statements	49
Reserve funds	55

INTRODUCTION TO OUR FINANCIALS

What is covered in the financial supporting documentation?

This section of the Annual Plan 2020/21 covers the prospective financial statements, reserve funds, key changes to rates for 2020/21, along with a summary of projects that vary from the Long Term Plan 2018-2028 by over \$50,000 or have been bought forward. The key assumptions that are published in the Long Term Plan 2018-2028 have been reviewed and updates are noted in the first part of this chapter.

KEY ASSUMPTIONS

When planning for the Long Term Plan (LTP) 2018-2028 (which is the basis for this Annual Plan), we need to make assumptions about future trends and events that are outside our control. When making assumptions it is important to recognise the possibility that, over time, the assumption may prove to be incorrect. We need to be clear about the potential consequences of assumptions being wrong, and what we will do to mitigate these consequences.

During the development of this Annual Plan the following assumptions were reviewed and either updated or reconfirmed. All other assumptions in the LTP remain as published from pages 29 to 33 in the 'key strategic assumptions' section in Chapter Two. For the complete list of assumptions see the LTP 2018-2028 Chapter Two or visit our www.westernbay.govt.nz/council/plans-and-strategies/long-term-plans/longtermplan2018-2028

POPULATION GROWTH

IMPLICATION	LEVEL OF UNCERTAINTY	IMPACT	MITIGATION
<p>Growth affects the number of rateable properties in the district and the expected demand for services and infrastructure.</p> <p>Growth has a lot of benefits but also creates challenges for the delivery of services and funding infrastructure work.</p>	<p>Moderate</p> <p>Based on national assumptions and regional economic projections, we expect sustained growth over the next 2 years. Growth becomes more difficult to predict over longer time periods because unforeseen events can alter migration, settlement patterns or resource limitations.</p>	<p>If population growth is faster than expected and the number of rateable properties are underestimated, the consequences are:</p> <ul style="list-style-type: none"> • income growing faster than expected • higher demand for Council services • financial contributions being set too high. <p>Council would respond by bringing forward future expenditure and adjusting financial contributions the following year.</p> <p>If population growth is lower than expected, the consequences are:</p> <ul style="list-style-type: none"> • over-investment in infrastructure and un-used capacity • income from rates and financial contributions falling short of budget, meaning debt is repaid more slowly and interest costs increase • financial contributions being set too low for that financial year. <p>Council would respond by funding the shortfall through rates or increasing debt, or by deferring expenditure. Council is well within its prescribed debt limits with borrowing headroom to raise more debt if required.</p>	<p>Council plans for growth in collaboration with TCC, BOPRC and Iwi, through SmartGrowth.</p> <p>Council re-forecasts growth projections each year through the annual plan to ensure infrastructure provision and service delivery are aligned to growth.</p>

Year end 30 June	New lots created	Growth rate	Total dwellings	District Population
*2020 (LTP 2018-2028 Projection)	300	1.30%	22,960	54,760
*2021 (LTP 2018-2028 Projection)	300	1.28%	23,320	55,620
2028 (LTP 2018-2028 Projection)	274	1.06%	25,907	55,863
2048 (30 year Projection)	105	0.35%	29,777	61,729

*Update due to Census results

FINANCIAL ASSUMPTIONS

Key assumptions	Description	Risk
Inflation	<p>Inflation for 2020/21 remains at 2.2%, this is consistent with the published Long Term Plan 2018-2028.</p> <ul style="list-style-type: none"> • 2020-2026: 3% • 2027-2028: 1% 	<p>The level of uncertainty for this assumption is moderate.</p> <p>Inflation assumptions are reviewed each year as part of the annual planning process.</p>
Interest rates	<p>The interest rate for 2020/21 has been set at 3.8%, this is consistent with Council's adoption of the underlying assumptions for the Annual Plan 2020/21.</p>	<p>The level of uncertainty for this assumption is low. Council has a high level of confidence in these assumptions, which are based on cost, market information and hedges on existing borrowings through interest rate swaps, in conjunction with advice sought from Council's treasury advisors.</p> <p>Interest rate assumptions are reviewed each year as part of the annual planning process.</p>
External funding for projects	<p>Council and the community often rely on external funding sources to help deliver projects.</p> <p>Council is able to access central government funds in some situations to assist with delivery of projects. It is assumed these projects will not be delivered unless there is certainty of funds from central government.</p>	<p>The level of uncertainty for this assumption is high. It is difficult to predict whether community groups and Council for that matter will be successful in obtaining external funding for projects. If the project is unable to secure funds then Council may be approached to meet any shortfall. If this is the case, this request will be considered through the annual budget process. If the project does not proceed, Council will remove the funding contribution (if applicable) from the budget.</p>



Driver	Key considerations	Risk
Depreciation of coastal structures	<p>Council funds 50% of depreciation for coastal structure renewals.</p> <p>Annual condition assessments will provide an overview of the asset condition and likely implications in terms of the renewals profile once the Coastal Erosion Responses Policy (2017) has been applied.</p>	<p>The level of uncertainty is low. Based on the asset management plan, there is no identified funding or asset risk to warrant this approach changing over the next two years.</p>
Date of Assumption	<p>The assumptions underlying this prospective financial information are at 25 June 2020. The financial information contained within this Annual Plan may not be appropriate for purposes other than those described. Actual results to 30 June 2019 have been incorporated in this prospective information.</p>	

KEY STRATEGIC ASSUMPTIONS

To view all the assumptions for the 2018-2028 LTP visit www.westernbay.govt.nz/council/plans-policies-strategies-bylaws/plans/long-term-plans (*chapter two - informing our planning*)



CHANGES TO PROJECTS

For our Annual Plan 2020/21 we continue our 'steady as we grow' approach to the capital projects and financial goals we set out in the 2018 - 2028 Long Term Plan.

Project variances of \$50,000 or more are disclosed below. The financial variances include changes to project costs and projects that have been brought forward, which are either operational or capital expenditure.

COMMUNITIES

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2021 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
316401	Annual Contribution to Regional Council for the Emergency Management Group Operation	62,520	-	(62,520)	Change in service delivery.
332101	Waihi Beach Library Build	833,600	-	(833,600)	Timing changes.
264315	Cemetery Land Purchase & Development - West	-	60,000	60,000	New project.
280830	Te Puke Hall Improvements Loan	-	64,172	64,172	Timing changes.
316402	Emergency Management - Statutory Levies	-	62,000	62,000	New project.



RECREATION AND LEISURE

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2021 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
237109	Island View Reserve - BBQ and Playground	-	200,000	200,000	New project.
294602	Omokoroa Kaylene Place Walkway / Cycleway	-	75,000	75,000	New project.
289855	TECT - Hood Rd Extension - Forestry Funded	-	190,000	190,000	New project.
289857	TECT - Events Space Electricity Network Extension - Forestry Funded	-	125,000	125,000	New project.
289858	TECT - Motorsport Entrance Relocation - Forestry Funded	-	170,000	170,000	New project.
289859	TECT - Kiwicamp - Forestry Funded	-	350,000	350,000	New project.
212910	Moore Park Katikati - Capital Development	-	51,000	51,000	New project.
244912	General Reserve Acquisition	208,400	1,200,000	991,600	Timing changes.
260415	Pahoia Domain Carpark Extension	104,200	-	(104,200)	Timing changes.
322701	Pongakawa Domain Upgrade Access and Hardcourt	90,523	-	(90,523)	Timing changes.
326102	District-wide Swimming Pools	468,900	-	(468,900)	Timing changes.





TRANSPORTATION

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2021 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
302801	Waihi Beach roading Structure Plans	456,646	-	(456,646)	Timing Changes.
303001	Omokoroa Roding Structure Plans - Catchment	324,693	2,224,537	1,899,844	Timing Changes.
303003	Omokoroa Roding Structure Plans - Rural	324,693	187,040	(137,653)	Timing Changes.
303004	Omokoroa Roding Structure Plans - Strategic	730,560	841,682	111,122	Timing Changes.
303005	Omokoroa Roding Structure Plans - Rates	243,520	467,601	224,081	Timing Changes.
293201	Network Upgrades - JOG	104,400	-	(104,400)	Timing Changes.
324014	Sub Regional Transport Centre	52,200	125,000	72,800	Increased scope of Urban Form & Transport Initiative.
279202	Property purchases roading	156,600	100,000	(56,600)	Timing changes.
283438	Transport District Capital - Network Improvements - 2018 to 2025 (NZTA Subsidy 51%)	623,838	746,933	123,095	Increasing costs.
210413	Minor Improvements - 2018 to 2025 (NZTA Subsidy 51%)	2,088,000	3,000,000	912,000	Increasing costs.



WATER SUPPLY

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
243619	Western Water Reticulation Renewals	901,280	513,500	(387,780)	Timing Changes.
243622	Katikati Structure Plan - Water	376,861	155,150	(221,711)	Timing Changes.
243310	Central Water Reticulation Improvements	836,381	203,514	(632,867)	Timing Changes.
243320	Central Supply Zone Construct Additional Bore	1,362,400	70,000	(1,292,400)	Timing Changes.
287112	Eastern Supply Zone Alternative Water supply	209,600	-	(209,600)	Timing Changes.
287118	Te Puke Infrastructure Areas 3 + 4	-	100,000	100,000	New project.
243337	Omokoroa Road Water Upgrade	-	265,000	265,000	New project.
350026	Rangiuru Business Park - Water	-	1,500,000	1,500,000	New project.
350027	Rangiuru Business Park - New Pipeline	-	200,000	200,000	New project for new water supply.



CHANGES TO PROJECTS

For our Annual Plan 2020/21 we continue our 'steady as we grow' approach to the capital projects and financial goals we set out in the 2018 - 2028 Long Term Plan.

Project variances of \$50,000 or more are disclosed below. The financial variances include changes to project costs and projects that have been brought forward, which are either operational or capital expenditure.

STORMWATER


PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2021 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
226332	Waihi Beach Pump Station Renewals	164,536	-	(164,536)	Timing Changes.
226353	Waihi Beach 2 Mile Creek West Bank	2,096,000	1,945,000	(151,000)	Timing changes.
226355	Waihi Beach 1 Mile Creek Improved Flow Path	628,800	-	(628,800)	Timing changes in order to complete works at 2 Mile Creek.
226359	Waihi Beach Broadlands Block - Upgrade Drains	-	50,000	50,000	Timing changes.
226602	Te Puke Area 3 Structure Plan	1,152,800	415,000	(737,800)	Timing changes.
226633	Te Puke Upgrades Lee Street, Harris Street	104,800	-	(104,800)	Project no longer required.
316601	Katikati Structure Plan Utilities Stormwater	1,306,175	-	(1,306,175)	Timing changes.
317201	Omokoroa Structure Plan Stormwater	-	1,600,000	1,600,000	New project.
331601	Te Puke Ohineangaanga Stream Upper Catchment Screen Device	-	370,000	370,000	New project.
344701	Katikati Stevens Stormwater Pond Embankment Repair	188,640	100,000	(88,640)	Rebudget to ensure workplan is deliverable.
332615	Tanners Point Upgrades Tanners Point Road	92,224	-	(92,224)	Timing changes.



**SEE HOW OUR
PLANS HAVE
CHANGED PER
WARD**

To see the full list of projects per ward visit
www.westernbay.govt.nz/annualplan2020-2021

WASTEWATER

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2021 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION	
225723	Katikati Wastewater Pump Station Renewals	75,456	220,000	144,544	Relining of PS due to H2S corrosion.	
225724	Katikati Wastewater Treatment Plant Renewals	628,800	309,016	(319,784)	Rebudget remaining to 2022 and review in LTP. Projects rebudgeted include UV, Power upgrade, and improvements to outflow.	
229815	Omokoroa Wastewater Pumpstation Renewals	178,160	96,000	(82,160)	Reduction in renewals work.	
317301	Omokoroa Structure Plan Utilities Wastewater	-	650,000	650,000	Timing Changes.	
336601	Omokoroa Manhole Repair	209,600	50,000	(159,600)	Investigations and design change.	
220105	Te Puke Wastewater Treatment Plant Inlet Grit Trap	-	500,000	500,000	Project to be reviewed following Te Puke Master Plan development.	
225619	Te Puke Wastewater Treatment Plant Renewals	272,480	160,000	(112,480)	Project to be reviewed following Te Puke Master Plan development.	
295703	Te Puke Structure Plan Area 3	-	380,000	380,000	New project.	
225634	Rangiuru Business Park to Te Puke	-	200,000	200,000	To undertake design work for RBP WWTP upgrades.	
335003	Maketu Wastewater Pump Stations	-	60,000	60,000	New project.	

SOLID WASTE

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2021 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION	
348504	Rural Recycling Drop Off Point	278,768	-	(278,768)	Timing Changes.	

ECONOMIC

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2021 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION	
313505	Waihi Beach Town Centre Development - Capital Work Program	364,700	200,000	(164,700)	Timing changes.	
326805	Katikati Town Centre Development - Capital Work Program	-	150,000	150,000	New project.	

FINANCES AT A GLANCE

Comparison of District rates. All ratepayers contribute to Council's District rate, which is made up of four different rates, i.e.:

- General Rate
- Library Rate
- Roading Rate
- Environmental Protection Rate

Council also levies targeted rates for services provided within a specific area of benefit.

The Western Bay of Plenty District is one of the country's fastest growing districts. While Council's costs will increase as a result, so will the ratepayer base over which those costs are spread.

To more fairly compare one year's budget with the next, Council makes an allowance for growth, which this year is 1.38%.

In Council's budget for 2020/21, District rates total \$40.9m, targeted rates total \$25.6m. The total proposed rates revenue of \$66.5m is 3.36% higher than last year. Of this, additional ratepayers will add 1.38% leaving 1.98% to be funded by existing ratepayers. Inflation is estimated at 2.20%, which means a real increase of 0.90% in total rates.

The figures below exclude a 2% bad debt provision on all rates, GST, and rates collected on behalf of Bay of Plenty Regional Council.

2019/2020 Budget \$	Plus allowance for growth (1.25%) \$	Rate	2020/2021 Budget \$
24,068,257		General Rate	25,052,231
1,569,774		Library Rate	1,760,530
25,638,031			26,812,761
13,150,000		Roading Rate	13,132,160
918,000		Environmental Protection Rate	918,000
39,706,031		Total	40,862,921
Increase in/addition on 2019/20 Budget			1,156,890
Increase in/addition to growth allowance			547,943

ANNUAL PLAN DISCLOSURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

WHAT IS THE PURPOSE OF THIS 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 annual plan in accordance with the [Local Government \(Financial Reporting and Prudence\) Regulations 2014](#) (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	2020-21 Annual Plan	Met
Rates		
• Income	Rates will be less than 75% of total income.	71% Yes
• Increases	Total rates revenue will not increase by more than 4% before growth.	2.0% Yes
Debt affordability benchmark	180% of revenue	111% Yes
Balanced budget benchmark	100%	105% Yes
Essential services benchmark	100%	150% Yes
Debt servicing benchmark	15%	4% Yes

Notes

1. Rates affordability benchmark

- 1.1 For this benchmark:
 - a. the Council's planned rates revenue, excluding metered water charges, will be equal to or greater than 75% of total planned revenue in the Annual Plan; and
 - b. the Council's planned rates increases for the year are compared with a 4% rates increase limit for the year contained in the Financial Strategy included in the Council's 2018-2028 long term plan.

- 1.2 The Council meets the rates affordability benchmark if -
 - a. its planned rates income for the year equals or is less than each quantified limit on rates; and
 - b. its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2. Debt affordability benchmark

- 2.1 For this benchmark, the Council's planned borrowing is compared with a debt to revenue limit of 180% on borrowing contained in the financial strategy included in Council's long-term plan.
- 2.2 The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3. Balanced budget benchmark

- 3.1 For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- 3.2 The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4. Essential services benchmark

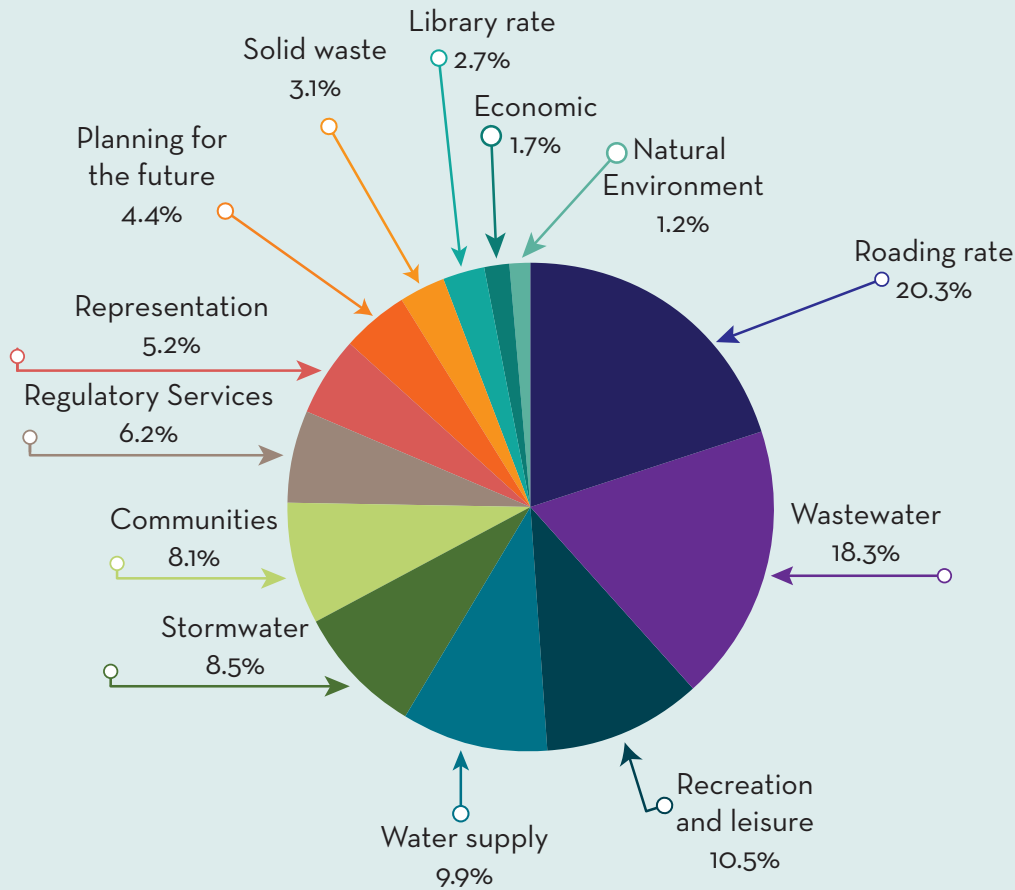
- 4.1 For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- 4.2 The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5. Debt servicing benchmark

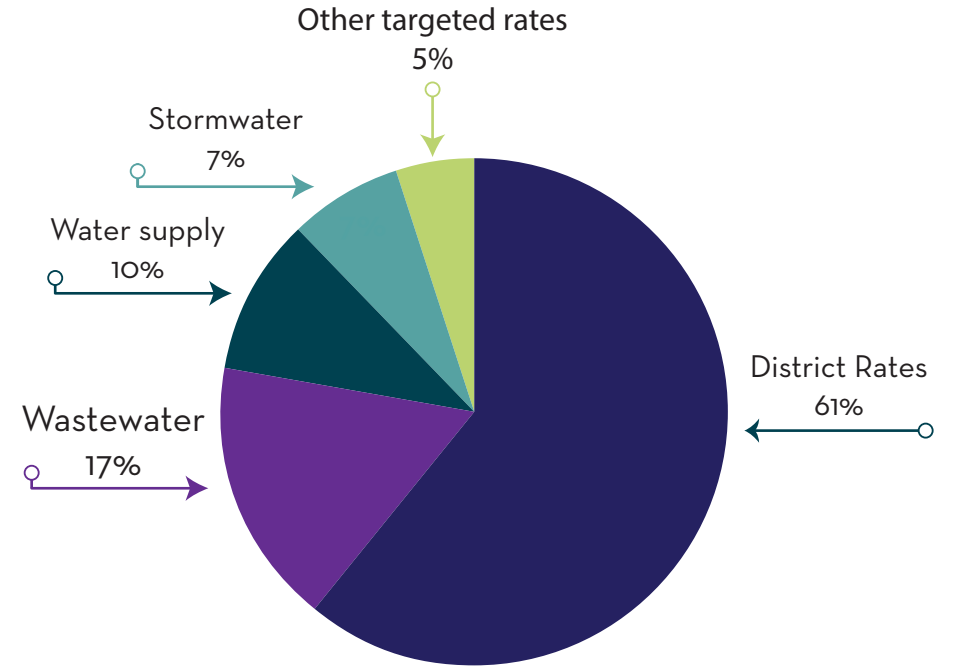
- 5.1 For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- 5.2 Because Statistics New Zealand projects that the Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

RATES OVERVIEW 2020/21

Activities funded by rates 2020/21



Breakdown of total rates by rate type



KEY CHANGES TO RATES

Council's total rates are proposed to increase by 1.98 percent for the 2020/21 year. This is less than the total of 2.53 percent forecast for 2020/21 through the LTP.


The rates increase is made up of two key parts:

1. Decreased costs - which account for -0.22 percent (these are to deliver projects and meet our levels of service).

2. Inflation - which accounts for 2.2 percent based on the Local Government Cost Index (LGCI). Inflation for construction costs is a big driver within this.

The examples below are based on 'typical' properties for illustrative purposes:


Urban Residential Typical Property



- Land Value: **\$315,000**
- Capital Value: **\$615,000**

-1.27% Rate Decrease
Annual rate charge of \$2,895


Lifestyle Block Typical Property



- Land Value: **\$615,000**
- Capital Value: **\$920,000**

-1.11% Rate Decrease
Annual rate charge of \$2,176


Rural Dairy Typical Property



- Land Value: **\$2,264,000**
- Capital Value: **\$2,914,000**

-14.66% Rate Decrease
Annual rate charge of \$4,404


Rural Orchard Typical Property



- Land Value: **\$1,120,000**
- Capital Value: **\$2,453,000**

0.54% Rate Increase
Annual rate charge of \$3,265


Rural Typical Property



- Land Value: **\$625,000**
- Capital Value: **\$1,055,000**

-2.16% Rate Decrease
Annual rate charge of \$2,638

Commercial/Industrial Typical Property



- Land Value: **\$468,000**
- Capital Value: **\$808,000**

3.11% Rate Increase
Annual rate charge of \$3,541

To see what Council's rating approach could mean for your rates we have put together a few examples of the effect on the rates of typical properties across the District.

Each typical property type total rates examples were calculated across five areas of the District within the three wards (Katikati/Waihi Beach, Kaimai and Maketu/Te Puke). There are a number of different ward-based or area of benefit charges that apply, which affect the total rates paid. Some properties are connected to services like reticulated water supply and wastewater, which also affect rates.

The results of these calculations can be found in the Annual Plan 2020/21 on our website. Please see below for the link to view.

Please note that these examples do not include GST or Regional Council rates. We collect these on behalf of the Government and Regional Council respectively, and they are included in your rates bill.

RATES GRAPHS FOR 2020/21

To view the rates increases (in graph form) for each property type/area in the District please visit www.westernbay.govt.nz/annualplan2020-2021

WHAT RATES ARE USED FOR

There are three main types of rates:

General Rate

This consists of:

- A rate in the dollar charged on capital value
- A Uniform Annual General Charge (UAGC), which is a flat amount levied on each rating unit.

The General Rate is used to fund our day-to-day operations and activities that are considered to be mainly for public benefit.

Targeted Rates

Council uses targeted rates to collect funds over areas that benefit from a particular service. This rating tool is chosen where services are specific to a particular community or area within the District and it is not considered fair to charge all ratepayers. For example charges for water, wastewater and town centre promotion.

Roading Rate

This consists of:

- A rate in the dollar charged on land value
- The roading charge, which is a flat amount levied on each rating unit
- The rural works charge, which is a fixed amount on every rural zoned property in the District.

The Roding Rate is used to fund the building and maintenance of the roading network within the District.



FUNDING IMPACT STATEMENTS AND OTHER RATING INFORMATION

WESTERN BAY OF PLENTY DISTRICT COUNCIL

SUMMARY FUNDING STATEMENT

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL	LTP	ANNUAL
	\$'000	PLAN	FORECAST	PLAN
	2019	2020	2021	2021
General rates				
General rate	38,075	24,763	25,544	25,791
Community Board rates	434	437	458	431
Targeted rates				
Roading rate	10,554	13,413	14,269	13,395
Environmental protection rate	710	936	976	936
District library rate	1,579	1,601	1,771	1,796
Service charges	17,931	23,871	25,232	24,714
Capital contributions				
Financial contributions	18,605	10,498	10,471	10,098
Subsidies	15,994	9,403	8,342	11,745
Vested assets	15,891	2,240	2,342	2,240
Other revenue				
Fees and charges	9,131	5,850	11,538	6,602
Penalty revenue	1,176	1,200	1,000	1,200
Other revenue	(15,441)	8,089	3,220	9,987
Total operating revenue	133,766	102,301	105,164	108,934
Other funding sources				
Loans	110,000	120,000	120,000	110,000
Cash reserves and surpluses	(116,267)	(88,024)	(99,709)	(89,377)
Total other funding sources	(6,267)	31,976	20,291	20,623
Total sources of funds	127,499	134,278	125,454	129,558
Less operating expenditure				
Operating costs	65,222	62,637	61,014	64,831
Interest	6,874	8,000	7,000	4,146
Depreciation	20,484	20,181	23,329	23,025
Total operating expenditure	92,580	90,818	91,343	92,001
Other expenditure				
Capital expenditure	34,919	43,460	34,111	37,556
Debt repayment	-	-	-	-
Total other expenditure	34,919	43,460	34,111	37,556
Total expenditure	127,499	134,278	125,454	129,558
Operating surplus/(deficit)	41,186	11,484	13,820	16,933

WESTERN BAY OF PLENTY DISTRICT COUNCIL

RECONCILIATION OF SUMMARY FUNDING IMPACT STATEMENT TO PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2019	2020	2021	2021
Operating funding per funding impact statement	89,458	84,960	87,747	96,597
Add: Subsidies and grants for capital expenditure	6,844	4,603	4,603	-
Swap revaluation movement	-	-	-	-
Financial contributions	18,605	10,498	10,471	10,098
Lump sum contributions	-	-	-	-
Revaluation adjustments	2,383	-	-	-
Total	117,291	100,061	102,822	106,694
Total revenue per statement of revenue and expense	133,762	102,301	105,164	108,934
Less: loss on shares adjustment	-	-	-	-
Less: asset impairment	580	-	-	-
Less: vested assets	15,891	2,240	2,342	2,240
Total	117,291	100,061	102,822	106,694
Variance	-	-	-	-
Application of operating funding per funding impact statement	68,402	70,637	68,023	68,977
Total expenditure per statement of revenue and expense	92,580	90,818	91,343	92,001
Less: depreciation and amortisation	21,371	20,181	23,319	23,025
Less: other adjustments	-	-	-	-
Less: unrealised hedging movement	2,808	-	-	-
Less: asset impairment/loss on sale	-	-	-	-
Less: other adjustments	-	-	-	-
Total	68,402	70,637	68,023	68,976
Variance	-	-	-	-
Net variance	-	-	-	-

FUNDING IMPACT STATEMENT - RATES

Rate Funding Mechanisms 2020/2021

The following rates are GST exclusive. The defined areas of benefits, land areas, or zones are available on Council maps at - Barks Corner, Tauranga and can be viewed on our website at www.westernbay.govt.nz. Further detail on the rate funding mechanisms can be found in Councils Revenue and Financing Policy. All our funding sources will also be used during each future year covered by the Long Term Plan 2018-2028.

General Rates

General rates are set under section 13 of the Local Government (Rating) Act 2002 on a differential basis on the capital value of all rateable rating units for the District. 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 assessed on each rateable rating unit.

Differential general rate

Our policy is to have the same system for charging General Rates across the whole District. Our current differential rates policy is that all rateable rating units are charged at a differential of 1.0 for the General Rate

The different categories of land and rates are outlined in the table below. The objectives of the differential rate, in terms of the total revenue sought from each category are:

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR OF LIABILITY	2019/20 ANNUAL PLAN REVENUE (\$)	GENERAL RATE IN THE DOLLAR OF CAPITAL VALUE	2020/21 ANNUAL PLAN REVENUE (\$)
General rate	Residential zoned areas	Zone	Capital value	6,047,638	0.0007343	6,075,462
	Rural zoned areas	Zone	Capital value	12,621,723	0.0007343	13,366,596
	Commercial/industrial zoned area/post-harvest zoned areas	Zone	Capital value	611,852	0.0007343	676,124
	Forestry	Zone	Capital value	87,506	0.0007343	92,837
Total general rates				19,368,719		20,211,020

Uniform Annual General Charge (UAGC)

A uniform annual general charge set under section 15 (1) of the Local Government (Rating) Act 2002 for all rateable land within the District. The size of the UAGC is set each year by Council and is used as a levelling tool in the collection of General Rates. The combined revenue sought from both the UAGC and certain targeted rates set on a uniform basis, is to be assessed close to but not exceeding 30% of the total rates revenue. 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 assessed on properties with higher capital values and decrease the share assessed 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 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.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
UAGC	-	-	Fixed amount per rating unit	5,393,920	245.00	5,580,120

FUNDING IMPACT STATEMENT - RATES

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. These rates are collected according to the factors listed below. Area of Benefit maps for the various targeted rates can be viewed on our website at www.westernbay.govt.nz.

Roading rates

The Council sets three roading rates. One is a differentiated targeted rate. The second targeted rate is District-wide on all rateable rating units. The third rate is for all rateable rating units which have a rural zoning. The roading targeted rates part fund the transportation activity.

SOURCE	DIFFERENTIAL CATEGORIES / CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Roading rate (LV)	1. Residential and Rural zoned	Land use	Land value	8,616,246	0.000591	8,574,040
	1. Forestry zoned	Land use	Land value	66,248	0.000591	65,993
	1. Commercial/Industrial or Post-harvest zoned	Land use	Land value	407,228	0.001182	437,357
	2. Roothing rate (District-wide)	All rateable land within the local authority district	Fixed amount per rating unit	1,607,548	70.49	1,605,367
	3. Roothing rate (Rural)	Land use	Fixed amount per rating unit	2,715,730	261.45	2,712,046
Total roading targeted rates				13,413,000		13,394,803

FUNDING IMPACT STATEMENT - RATES

Community Board targeted rates

The community board rates are uniform targeted rates set under section 16 of the Local Government (Rating) Act 2002. The community board rates part fund community board activity. The different rates are based on where the land is situated (refer to Council maps). The rates are outlined in the table below.

SOURCE	CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Community Boards	Waihi Beach	Location	Fixed amount per rating unit	80,683	24.92	77,537
	Katikati	Location	Fixed amount per rating unit	92,174	20.52	94,084
	Omokoroa	Location	Fixed amount per rating unit	73,112	34.82	69,712
	Te Puke	Location	Fixed amount per rating unit	112,138	27.69	113,027
	Maketu	Location	Fixed amount per rating unit	78,837	131.66	77,019
Total Community Board targeted rates				436,944		431,379

Environmental Protection Targeted Rate

The environmental protection rate is a uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002. It is set as a fixed amount per rating unit for the District. The environmental protection rate part funds the following activities: wastewater, environmental protection, recreation and leisure.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Environmental Protection Rate	-	All rateable land within the District	Fixed amount per rating unit	918,000	41.11	936,360

FUNDING IMPACT STATEMENT - RATES

Solid Waste Targeted Rates

The solid waste rates are uniform targeted rates set under section 16 (3) (b) of the Local Government (Rating) Act 2002. The solid waste rate part funds the solid waste activity.

SOURCE	CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Solid waste	Western	Location - Katikati/Waihi Beach ward	Fixed amount per rating unit	618,333	86.85	668,997
	Eastern	Location - Te Puke/Maketu ward	Fixed amount per rating unit	493,463	71.28	522,684
Total Solid Waste targeted rates				1,111,796		1,191,680

Omokoroa Greenwaste

The Omokoroa greenwaste rate is a uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002. The Omokoroa greenwaste targeted rate part funds greenwaste facilities. The targeted rate is on all rating units in the Omokoroa community board defined area of benefit.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Omokoroa greenwaste		Location - Omokoroa	Fixed amount per rating unit	83,514	54.88	110,758

Waste & Recycling Initiatives

The waste & recycling initiatives rate is a uniform targeted rate set under section 16 (3) (a) of the Local Government (Rating) Act 2002. The kerbside collection rate part funds the solid waste activity.

SOURCE	CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Waste & Recycling Initiatives	District-wide	All rateable land within the District	Fixed charge per rating unit	73,359	4.83	109,927
Total Waste & Recycling Initiatives targeted rates				73,359		109,927

Library Services Targeted Rates

The library services rates are targeted rates set under section 16 of the Local Government (Rating) Act 2002. They are a fixed amount per rating unit for the District, and a fixed amount for the defined area of benefit Te Puna. The library services targeted rates part fund the library activity.

SOURCE	CATEGORIES	MATTERS	DIFFERENTIAL FACTOR	2019/20	AMOUNT	2020/21
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Library Services	District-wide	All rateable land within the District	Fixed amount per rating unit	1,589,949	78.35	1,784,521
Te Puna Library rate		Location - Te Puna area of benefit	Fixed amount per rating unit	11,220	7.53	\$11,220
Library Services rate				1,601,169		1,795,741



FUNDING IMPACT STATEMENT - RATES

Western Water

The western water rates are differential targeted rates set under section 16 and a volumetric water rates set under section 19 of the Local Government (Rating) Act 2002. The western water targeted rate part funds the western water activity, this area approximates the Katikati/Waihi Beach ward. The different categories of land are based on the provision or availability of water supply services provided by Council on all rating units in the western water zone. Where a rating unit has the ability to, but is not connected to the water supply an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Western water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Per connection	2,662,909	367.57	2,579,974
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Per connection	25,921	95.11	26,060
	Metered connection (25mm)	Location of land and provision or availability of service	Per connection	4,584	205.84	4,323
	Metered connection (32mm)	Location of land and provision or availability of service	Per connection	-	421.71	-
	Metered connection (40mm)	Location of land and provision or availability of service	Per connection	3,508	1,102.71	3,308
	Metered connection (50mm)	Location of land and provision or availability of service	Per connection	14,324	1,929.74	13,508
	Metered connection (100mm)	Location of land and provision or availability of service	Per connection	9,354	8,821.68	8,822
	Metered connection (150mm)	Location of land and provision or availability of service	Per connection	-	20,308.24	-
	Unmetered connection	Location of land and provision or availability of service	Per connection	-	478.53	-
	Availability charge	Location of land and availability of service	Extent of provision of service	69,381	183.78	60,647
	Consumption charge		A fixed amount per cubic metre of water consumption	-	1.24	-
	Woodland Road water supply extension (capital repayment over time through rate)	Location of land in defined area of benefit and provision or availability of service	Service provision	2,109	527.37	2,109
	Woodland Road water supply extension (one-off capital repayment)	Location of land in defined area of benefit and provision or availability of service	Service provision	35,307	3,626.62	32,640
Total western water rates				2,827,397		2,731,391

FUNDING IMPACT STATEMENT - RATES

Central Water

The central water rates are differential targeted rates set under section 16 and a volumetric water rates set under section 19 of the Local Government (Rating) Act 2002. The central water targeted rate part funds the central water activity. The area serviced is approximated by the Kaimai Ward area. The different categories of land are based on the provision or availability of central water supply services provided by Council on all rating units in the central water zone. Where a rating unit has the ability to, but is not connected to the water supply an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Central water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Per connection	1,329,708	367.57	1,484,248
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Per connection	20,196	95.11	24,729
	Metered connection (25mm)	Location of land and provision or availability of service	Per connection	5,563	205.84	5,763
	Metered connection (32mm)	Location of land and provision or availability of service	Per connection	-	421.71	-
	Metered connection (40mm)	Location of land and provision or availability of service	Per connection	-	1,102.71	-
	Metered connection (50mm)	Location of land and provision or availability of service	Per connection	16,048	1,929.74	15,438
	Metered connection (100mm)	Location of land and provision or availability of service	Per connection	-	8,821.68	-
	Metered connection (150mm)	Location of land and provision or availability of service	Per connection	-	20,308.24	-
	Unmetered connection	Location of land and provision or availability of service	Per connection	995	478.53	957.06
	Availability charge	Location of land and availability of service	Extent of provision of service	50,437	183.78	49,253
	Consumption charge		A fixed amount per cubic metre of water consumption	-	1.24	-
Total central water rates				1,422,948		1,580,388

FUNDING IMPACT STATEMENT - RATES

Eastern Water

The eastern water rates are differential targeted rates set under section 16 and a volumetric water rates set under section 19 of the Local Government (Rating) Act 2002. The eastern water targeted rate part funds the eastern water activity. The area serviced is approximated by the Maketu/Te Puke Ward area. The different categories of land are based on the provision or availability of central water supply services provided by Council. The targeted rates are on all rating units in the Eastern water area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the water supply an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20	AMOUNT	2020/21
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Eastern water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Per connection	2,034,989	367.57	1,967,235
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Per connection	16,238	95.11	15,313
	Metered connection (25mm)	Location of land and provision or availability of service	Per connection	7,421	205.84	6,999
	Metered connection (32mm)	Location of land and provision or availability of service	Per connection	-	421.71	-
	Metered connection (40mm)	Location of land and provision or availability of service	Per connection	5,847	1,102.71	5,514
	Metered connection (50mm)	Location of land and provision or availability of service	Per connection	30,694	1,929.74	28,946
	Metered connection (100mm)	Location of land and provision or availability of service	Per connection	28,063	8,821.68	26,465
	Metered connection (150mm)	Location of land and provision or availability of service	Per connection	21,535	20,308.24	20,308
	Unmetered connection	Location of land and provision or availability of service	Per connection	1,537	478.53	1,436
	Availability charge	Location of land and availability of service	Extent of provision of service	64,703	183.78	57,523
	Consumption charge		A fixed amount per cubic metre of water consumption	-	1.24	-
	Black Road water supply extension (capital repayment over time through rate)	Location of land in defined area of benefit and provision or availability of service	Service provision	2,045	511.27	2,045
	Black Road water supply extension (one-off capital repayment)	Location of land in defined area of benefit and provision or availability of service	Service provision	-	3,515.93	-
	Gibraltar water scheme	Location of land in defined area of benefit and provision or availability of service	Service provision	2,900	100.00	2,900
Total eastern water rates				2,215,972		2,134,683

FUNDING IMPACT STATEMENT - RATES

Waihi Beach Wastewater

The Waihi Beach wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002. The Waihi Beach wastewater targeted rate part funds the Waihi Beach wastewater activity. The different categories of land are based on the provision or availability of wastewater services provided by Council. The targeted rates are on all rating units in the Waihi Beach wastewater area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Waihi Beach wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision per rating unit	74,972	472.05	69,863
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	2,506,471	944.09	2,599,080
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	293,475	791.92	305,681
	Waihi Beach School	Location of land and provision or availability of service	Nature and number of connections	7,922	8,085.00	8,085
Total Waihi Beach wastewater				2,882,840		2,982,709

FUNDING IMPACT STATEMENT - RATES

Katikati Wastewater

The Katikati wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002. The Katikati wastewater targeted rate part funds the Katikati wastewater activity. The different categories of land are based on the provision or availability of wastewater services provided by Council. The targeted rates are on all rating units in the Katikati wastewater area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Katikati wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision per rating unit	49,519	472.05	94,410
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	2,049,234	944.09	2,137,420
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	266,302	791.92	281,924
	Katikati College	Location of land and provision or availability of service	Nature and number of connections	22,529	22,993.00	22,993
	Katikati Primary	Location of land and provision or availability of service	Nature and number of connections	14,425	14,722.00	14,722
Total Katikati wastewater				2,402,008		2,551,468

FUNDING IMPACT STATEMENT - RATES

Omokoroa Wastewater

The Omokoroa wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002.

The Omokoroa wastewater targeted rate part funds the Omokoroa wastewater activity. The different categories of land are based on the provision or availability of wastewater services provided by Council. The targeted rates are on all rating units in the Omokoroa wastewater area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Omokoroa wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision per rating unit	73,121	472.05	74,584
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	1,581,816	944.09	1,776,777
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	180,122	791.92	183,725
	Omokoroa Point School	Location of land and provision or availability of service	Nature and number of connections	6,676	6,813.00	6,813
	Astelia Place	Location of land in Astelia Place and availability of service	Nature and number of connections	1,164	593.64	1,187
Total Omokoroa wastewater				1,842,900		2,043,087

Ongare Point

The Ongare Point wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002. The Ongare Point wastewater targeted rate part funds the Ongare Point Wastewater wastewater activity. The different categories of land are based on the the provision or availability of wastewater services provided by Council. The targeted rates are on all properties in the Ongare Point wastewater area or in defined areas of benefit. The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Ongare Point Wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision per rating unit	-	472.05	-
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	54,609	944.09	44,372
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	-	791.92	-
Total Ongare Point wastewater				54,609		44,372

FUNDING IMPACT STATEMENT - RATES

Te Puke Wastewater

The Te Puke wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002. The Te Puke wastewater targeted rate part funds the Te Puke wastewater activity. The different categories of land are based on the provision or availability of wastewater services provided by Council. The targeted rates are on all rating units in the Te Puke wastewater area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Te Puke wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision per rating unit	31,933	472.05	32,571
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	2,564,782	944.09	2,633,067
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	575,305	791.92	586,813
	Te Puke High School	Location of land and provision or availability of service	Nature and number of connections	12,402	12,657.00	12,657
	Te Puke Intermediate School	Location of land and provision or availability of service	Nature and number of connections	13,416	13,692.00	13,692
	Te Puke Primary School	Location of land and provision or availability of service	Nature and number of connections	12,607	12,867.00	12,867
	Fairhaven Primary School	Location of land and provision or availability of service	Nature and number of connections	11,327	11,560.00	11,560
	Te Timatanga Hou Kohanga Reo	Location of land and provision or availability of service	Nature and number of connections	232	236.00	236
Total Te Puke wastewater				3,222,004		3,303,463

FUNDING IMPACT STATEMENT - RATES

Maketu / Little Waihi Wastewater Wastewater

The Maketu / Little Waihi wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002. The Maketu / Little Waihi wastewater targeted rate part funds the Maketu / Little Waihi Wastewater wastewater activity. The different categories of land are based on the provision or availability of wastewater services provided by Council. The targeted rates are on all rating units in the Maketu / Little Waihi wastewater area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Maketu / Little Waihi Wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision per rating unit	49,981	472.05	50,981
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	425,767	944.09	434,281
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	776	791.92	35,636
	Maketu / Little Waihi Wastewater High School	Location of land and provision or availability of service	Nature and number of connections	2,854	2,912.00	2,912
Total Maketu / Little Waihi Wastewater				479,379		523,811

FUNDING IMPACT STATEMENT - RATES

Waihi Beach Coastal Protection

The Waihi Beach Coastal Protection rates are targeted rates set under sections 16 and 117 of the Local Government (Rating) Act 2002. The Waihi Beach Coastal Protection targeted rates part fund coastal protection in Waihi Beach. The different categories of land are based on the provision of services provided by Council. The targeted rates are on all rating units in the Waihi Beach area or defined areas of benefit. The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Waihi Beach Coastal Protection	Rock revetment area of benefit - Operational	Location of land and provision or availability of service	Extent of service provision	8,818	173.09	9,174
	Rock revetment area of benefit - Capital	Location of land and provision or availability of service	Extent of service provision	27,586	1,486.69	34,194
	Rock revetment area of benefit capital lump sum (optional)*				14,924.00	
	- Ward area	Location of land and provision or availability of service	Extent of service provision	42,977	14.10	43,879
	- Dunes northern end area of benefit	Location of land and provision or availability of service	Extent of service provision	13,946	624.66	14,367
	- Dunes Glen Isla Place area of benefit	Location of land and provision or availability of service	Extent of service provision	4,372	643.41	4,504
Total Waihi Beach Coastal Protection				97,698		106,118

*Lump sum contributions are invited in respect of Waihi Beach Rock Revetment within the defined areas of benefit in lieu of future payments of the Rock Revetment area of benefit - capital rate above. Offer letters are sent out each year inviting rate payers to make a lump sum contribution.

FUNDING IMPACT STATEMENT - RATES

Stormwater

The stormwater rate is a differential targeted rate set under section 16 of the Local Government (Rating) Act 2002. Stormwater targeted rate part funds stormwater in defined areas of benefit. The different categories of land are based on the provision services provided by Council. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Stormwater	Kauri Point	Location of land and provision or availability of service	Fixed amount per rating unit	13,844	174.33	14,295
	Tanners Point	Location of land and provision or availability of service	Fixed amount per rating unit	18,800	174.33	19,002
	Te Puna	Location of land and provision or availability of service	Fixed amount per rating unit	23,073	174.33	23,709
	Pukehina	Location of land and provision or availability of service	Fixed amount per rating unit	109,724	174.33	111,920
	Waihi Beach	Location of land and provision or availability of service	Fixed amount per rating unit	1,214,026	405.07	1,260,578
	Katikati	Location of land and provision or availability of service	Fixed amount per rating unit	842,313	405.07	883,458
	Omokoroa	Location of land and provision or availability of service	Fixed amount per rating unit	685,844	405.07	830,394
	Ongare Point	Location of land and provision or availability of service	Fixed amount per rating unit	10,084	174.33	18,305
	Tuapiro Point	Location of land and provision or availability of service	Fixed amount per rating unit	4,273	174.33	4,358
	Te Puke	Location of land and provision or availability of service	Fixed amount per rating unit	1,161,208	405.07	1,208,729
	Paengaroa	Location of land and provision or availability of service	Fixed amount per rating unit	51,102	174.33	52,125
	Maketu	Location of land and provision or availability of service	Fixed amount per rating unit	87,506	174.33	89,780
	Minden	Location of land and provision or availability of service	Fixed amount per rating unit	-	-	-
Total Stormwater				4,221,796		4,516,651

FUNDING IMPACT STATEMENT - RATES

Land Drainage

Land Drainage rates are targeted rates set under section 16 of the Local Government (Rating) Act 2002. Land Drainage targeted rates part fund land drainage in Little Waihi defined areas of benefit. The categories of land liable for each rate are based on the provision of services provided by Council and the location of land. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Land Drainage	Land Drainage - drains class A	Location of land and provision or availability of service	Per hectare of each rating unit	158,697	42.04	174,567
	Land Drainage - drains class B	Location of land and provision or availability of service	Per hectare of each rating unit	1,631	19.84	2,024
	Land Drainage - pumps class A	Location of land and provision or availability of service	Per hectare of each rating unit	268,678	171.88	330,704
	Land Drainage - pumps class B	Location of land and provision or availability of service	Per hectare of each rating unit	6,858	84.23	7,834
	Land Drainage - pumps class C	Location of land and provision or availability of service	Per hectare of each rating unit	8,539	77.52	10,000
Total Land Drainage				444,404		525,129

FUNDING IMPACT STATEMENT - RATES

Community Halls

Community Hall rates are uniform targeted rates set under section 16 of the Local Government (Rating) Act 2002.

Community Hall targeted rates part fund Community Halls in defined areas of benefit. The categories of land are based on the location of land. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Community Halls	Katikati War Memorial Hall	Location of land and provision or availability of service	Fixed amount per rating unit	44,600	16.70	76,670
	Te Puna War Memorial Hall	Location of land and provision or availability of service	Fixed amount per rating unit	41,575	20.66	30,783
	Te Puna Community Centre	Location of land and provision or availability of service	Fixed amount per rating unit	18,646	4.85	7,227
	Paengaroa Hall	Location of land and provision or availability of service	Fixed amount per rating unit	8,361	4.66	3,253
	Pukehina Beach Community Centre	Location of land and provision or availability of service	Fixed amount per rating unit	13,005	3.99	3,272
	Pukehina Hall	Location of land and provision or availability of service	Fixed amount per rating unit	-	-	-
	Oropi War Memorial Hall	Location of land and provision or availability of service	Fixed amount per rating unit	24,945	40.45	22,854
	Kaimai Hall	Location of land and provision or availability of service	Fixed amount per rating unit	1,836	10.31	4,237
	Omanawa Hall	Location of land and provision or availability of service	Fixed amount per rating unit	8,500	26.53	11,302
	Te Ranga Hall	Location of land and provision or availability of service	Fixed amount per rating unit	2,040	17.48	2,500
	Te Puke War Memorial and Settlers Hall	Location of land and provision or availability of service	Fixed amount per rating unit	147,206	21.92	89,434
	Omokoroa Settlers Hall	Location of land and provision or availability of service	Fixed amount per rating unit	2,719	5.00	11,880
	Ohauiti Hall	Location of land and provision or availability of service	Fixed amount per rating unit	12,852	50.37	13,600

FUNDING IMPACT STATEMENT - RATES

SOURCE	CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Community Halls (continued)	Waihi Beach Community Centre	Location of land and provision or availability of service	Fixed amount per rating unit	30,480	10.00	31,120
	Whakamarama Hall	Location of land and provision or availability of service	Fixed amount per rating unit	10,240	20.00	10,280
	Pyes Pa Hall	Location of land and provision or availability of service	Fixed amount per rating unit	4,437	10.22	5,652
Total Community Halls				371,442		324,062

Promotion rates

Promotion rates are targeted rates set under section 16 of the Local Government (Rating) Act 2002. Promotion targeted rates part fund town centre promotion in defined areas of benefit. The categories of land are based on the location of land. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES / CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Waihi Beach Events and Promotions	Waihi Beach promotion charge	Location - Waihi Beach community board area (all land other than commercial/industrial)	Fixed amount per rating unit	38,250	12.29	38,250
Waihi Beach Events and Promotions	Commercial/industrial zoned area rate	Location of land and land use	Fixed amount per rating unit	12,750	216.10	12,750
Katikati Promotion	Katikati Town Centre rate	Location of land - Katikati	Fixed amount per rating unit	91,140	20.00	91,820
Katikati Promotion	Katikati Ward promotion charge	Location of land - Katikati (all land other than commercial/industrial)	Fixed amount per rating unit	35,448	7.42	34,071
Katikati Promotion	Commercial/industrial zoned area rate	Location of land and land use	Fixed amount per rating unit	45,113	309.72	43,361
Omokoroa Promotion	Omokoroa Town Centre rate	Location of land - Omokoroa	Fixed amount per rating unit	-	-	-
Te Puke Promotion	Te Puke promotion charge	Location of land - Te Puke (all land other than commercial/industrial)	Fixed amount per rating unit	49,099	11.80	48,136

FUNDING IMPACT STATEMENT - RATES

SOURCE	DIFFERENTIAL CATEGORIES / CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Te Puke Promotion (continued)	Te Puke promotion charge	Location of land - Maketu	Fixed amount per rating unit	18,604	5.61	18,239
Te Puke Promotion	Commercial/industrial zoned area rate	Location of land and land use	Fixed amount per rating unit	37,725	170.44	36,985
Total Town Centre promotion rates				328,130		323,613

Development Fund Rates

Development fund rates are uniform targeted rates set under section 16 of the Local Government (Rating) Act 2002.

Targeted rates part fund Pukehina development in defined areas of benefit. The different categories of land are based on land use and services provided by Council. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Pukehina development rate	Residential	Land use	Fixed amount per rating unit	12,640	20.00	12,640

Pukehina Beach Protection Rate

The Pukehina Beach Protection rate is a differential targeted rate set under section 16 of the Local Government (Rating) Act 2002.

The Pukehina Beach Protection targeted rate part funds Pukehina beach protection in defined areas of benefit. The different categories of land are based on location of land. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Pukehina beach protection	Coastal	Location	Fixed amount per rating unit	12,623	46.02	12,240
Pukehina beach protection	Inland	Location	Fixed amount per rating unit	3,060	8.23	3,060
Total Pukehina Beach Protection				15,683		15,300

FUNDING IMPACT STATEMENT - RATES

Community Development and Grants

Community Development and Grants rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002, which part fund the communities activity. The different categories of land are based on location of land. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2019/20 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2020/21 ANNUAL PLAN REVENUE (\$)
Katikati resource centre	Katikati	Location - Katikati community board area	Fixed amount per rating unit	22,261	4.85	22,261
Katikati resource centre	Waihi Beach	Location - Waihi Beach community board area	Fixed amount per rating unit	7,420	2.38	7,420
Heritage Museum	District-wide	All rateable land within the District	Fixed amount per rating unit	71,400	3.13	71,400
Total Community Development and grants				101,081		101,081

RATING UNITS

The projected number of rating units at the end of the preceding financial year for each year covered by the long-term plan are as follows:

FINANCIAL YEAR ENDING 30 JUNE	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Number of rating units for Western Bay of Plenty District Council	21,144	22,890	23,288	23,681	24,072	24,440	24,808	25,176	25,544	25,907

PROSPECTIVE FINANCIAL STATEMENTS

CAUTIONARY NOTE

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

ASSUMPTIONS 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 for the financial year ended 30 June 2021 and to provide a broad accountability mechanism of the Council to the community. Refer to Chapter One page 15 for details of underlying assumptions.



WESTERN BAY OF PLENTY DISTRICT COUNCIL PROSPECTIVE STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2019	2020	2021	2021
Current assets				
Cash and cash equivalents	29,622	3,915	2,704	4,124
Trade and other receivables	12,550	25,791	11,726	26,116
Total current assets	42,172	29,706	14,430	30,240
Non-current assets				
Property, plant and equipment	1,427,988	1,477,516	1,452,077	1,516,626
Intangible assets	2,585	2,617	2,098	2,306
Investments	25,708	11,422	10,559	11,422
Total non-current assets	1,456,281	1,491,555	1,464,734	1,530,354
Total assets	1,498,453	1,521,261	1,479,163	1,560,593
Current liabilities				
Trade and other payables	19,771	15,590	14,455	15,780
Employee accruals	2,780	2,575	2,575	2,575
Other current liabilities	-	465	9,655	465
Provisions	313	313	312	313
Borrowings	-	-	10,000	20,000
Total current liabilities	22,864	18,943	36,997	39,133
Non-current liabilities				
Borrowings	110,000	120,000	110,000	90,000
Employee benefit liabilities	17	150	150	150
Provisions	308	342	334	342
Other non-current liabilities	10,521	8,376	-	8,368
Total non-current liabilities	120,846	128,868	110,484	98,860
Total liabilities	143,710	147,811	147,481	137,993
Net assets	1,354,744	1,373,450	1,331,682	1,422,600
Represented by				
Retained earnings	889,720	874,598	838,917	890,574
Restricted reserves	276	271	266	271
Council-created reserves	31,913	27,912	28,745	28,864
Asset revaluation reserve	432,835	470,669	463,755	502,886
Total public equity	1,354,744	1,373,450	1,331,682	1,422,600

WESTERN BAY OF PLENTY DISTRICT COUNCIL PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2019	2020	2021	2021
Revenue from non-exchange transactions				
Fees and charges from activities	8,878	6,271	6,615	6,737
Rate income	69,284	70,885	74,238	75,174
Fines	200	189	342	228
Vested assets	15,891	2,240	2,342	2,240
Financial contributions	18,605	10,498	10,471	10,098
Subsidies and grants	12,423	9,433	8,342	11,745
Other revenue	547	400	375	450
Fair value movement in derivative financial instruments	-	-	-	-
Gains	2,963	-	-	-
Total revenue from non-exchange transactions	128,792	99,916	102,725	106,671
Revenue from exchange transactions				
Finance income	1,507	792	413	413
Dividends	146	-	-	-
Rental Income	1,048	873	904	773
Other exchange revenue	2,268	748	1,121	1,078
Total operating revenue	133,762	102,329	105,164	108,934
Expenditure				
Other expenses	40,807	40,205	39,448	41,970
Personnel costs	20,720	22,407	21,576	22,860
Depreciation	20,484	19,755	22,928	22,599
Amortisation	887	426	401	426
Impairment expense	2,808	-	-	-
Finance costs	6,874	8,000	7,000	4,146
Total operating expenditure	92,580	90,793	91,343	92,001
Share of associates retained surplus	5	-	-	-
Net surplus / (deficit)	41,186	11,537	13,820	16,933
Gains/(losses) on asset revaluations	25,595	33,580	33,678	33,580
Reversal of impairment	2	-	-	-
Other assets at fair value through other comprehensive income	45	-	-	-
Total other comprehensive income for the year	25,642	33,580	33,678	33,580
Total comprehensive income for the year	66,828	45,116	47,498	50,513

WESTERN BAY OF PLENTY DISTRICT COUNCIL PROSPECTIVE STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2019	2020	2021	2021
Cash flow from operating activities				
Cash will be provided from:				
Rates and services charges	69,435	70,565	69,410	75,088
Other revenue	8,713	2,230	2,028	2,214
Financial contributions	18,605	10,498	10,471	10,098
Sundry revenue	547	400	375	450
User fees	8,878	5,850	11,538	6,602
Subsidies and grants	12,423	9,433	8,342	11,745
Interest revenue - external	413	413	413	413
Regional Council rates	7,926	6,252	6,890	8,449
Total operating cash provided	126,940	105,642	109,467	115,058
Cash was applied to:				
Suppliers and employees	61,519	62,240	60,922	64,640
Interest on public debt	6,874	8,000	7,000	4,146
Regional Council rates	7,926	6,252	6,890	8,449
Total operating cash applied	76,319	76,492	74,812	77,236
Net cashflows from operating activities	50,621	29,150	34,655	37,822
Cash flow from investing activities				
Cash will be provided from:				
Proceeds from sale of property, plant and equipment	9,616	85	89	-
Proceeds from sale of investments	15,220	11,857	-	-
Total investing cash provided	24,836	11,942	89	-
Cash will be spent on:				
Purchase of property, plant and equipment	42,585	42,460	34,111	37,613
Purchase of investments	-	-	-	-
Total investing cash applied	42,585	42,460	34,111	37,613
Net cashflows from investing activities	(17,749)	(30,518)	(34,022)	(37,613)
Cash flow from financing activities				
Cash will be provided from:				
Loans raised	10,000	-	-	-
Total financing cash provided	10,000	-	-	-
Cash will be spent on:				
Repayment of public debt	25,000	-	-	-
Total financing cash applied	25,000	-	-	-
Net cashflows from financing activities	(15,000)	-	-	-
Net increase/(decrease) in cash held	17,872	(1,368)	631	209
Plus opening cash balance	11,750	5,283	2,075	3,915
Closing cash position	29,622	3,915	2,706	4,124

WESTERN BAY OF PLENTY DISTRICT COUNCIL PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

FOR THE YEARS ENDED 30 JUNE

	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2019	2020	2021	2021
Accumulated funds at the start of the year	849,971	860,607	826,894	873,057
Net surplus for the year	39,749	13,991	12,022.71	17,516
Accumulated funds at the end of the year	889,720	874,598	838,917	890,574
Asset revaluation reserves at the start of the year	407,239	437,559	430,073	470,670
Revaluation of infrastructural assets	25,595	33,111	33,682	32,217
Asset revaluation reserves at the end of the year	432,834	470,669	463,755	502,886
Council reserves at the start of the year	30,705	30,637	27,218	29,723
Movements during the year	1,484	(2,454)	1,793	(583)
Council reserves at the end of the year	32,189	28,183	29,011	29,140
Equity at the end of the year	1,354,744	1,373,450	1,331,682	1,422,600

WESTERN BAY OF PLENTY DISTRICT COUNCIL

RECONCILIATION BETWEEN SUMMARY FINANCIAL FORECASTS AND PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2019	2020	2021	2021
Total operating revenue				
Activity summary financial forecast statements				
Representation	443	503	449	423
Planning for the future	13	13	13	13
Communities	2,622	2,536	2,505	2,712
Recreation and leisure	7,984	3,533	3,120	2,938
Regulatory services	6,205	5,732	6,510	6,169
Transportation	31,224	26,815	27,663	27,380
Water supply	18,474	12,567	13,281	15,963
Stormwater	14,453	6,120	6,403	6,401
Natural environment	805	667	706	749
Wastewater	20,699	13,209	13,751	13,880
Solid waste	1,548	1,572	725	1,741
Economic	324	330	340	324
Support services	5,128	4,176	4,148	5,398
Total operating revenue	109,920	77,773	79,615	84,091
Total operating revenue per prospective statement of comprehensive revenue and expense	133,762	102,329	105,164	108,934
Variance	(23,842)	(24,556)	(25,549)	(24,843)
General rate allocated to activities	(23,030)	(23,417)	(24,241)	(23,640)
Environmental protection rate allocated to activities	(900)	(1,139)	(1,308)	(1,203)
Total allocations	(23,842)	(24,556)	(25,549)	(24,844)
Total operating expenditure				
Activity summary financial forecast statements				
Representation	2,942	3,816	3,578	3,353
Planning for the future	2,632	2,701	2,433	2,822
Communities	7,770	7,794	7,607	7,790
Recreation and leisure	7,443	7,211	8,960	7,488
Regulatory services	9,750	9,457	9,034	10,195
Transportation	18,687	20,024	20,521	22,906
Water supply	14,230	12,448	13,576	12,176
Stormwater	4,230	4,719	4,738	4,015
Natural environment	702	921	940	910
Wastewater	12,976	13,402	13,594	12,536
Solid waste	1,357	2,107	2,137	2,031
Economic	727	724	752	735
Support services	9,134	5,468	3,471	5,043
Total operating expenditure	92,580	90,793	91,343	92,001
Total operating expenditure per prospective statement of comprehensive revenue and expense	92,580	90,793	91,343	92,001
Variance	-	-	-	-
Net surplus per prospective statement of comprehensive revenue and expense	41,182	11,537	13,820	16,933
Other comprehensive revenue and expense				
Gains/(losses) on asset revaluation	25,595	33,580	33,678	33,580
Total other comprehensive revenue and expense for the year	25,595	33,580	33,678	33,580
Total comprehensive revenue and expense for the year	66,828	45,116	47,498	50,513

RESERVE FUNDS

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2020	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2021	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2021	CLOSING BALANCE 30 JUNE 2021
Restricted Reserves							
Restricted Reserves	<i>Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor.</i>						
Hunter Estate	Established from bequest made in the late 1980s. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and Leisure	Yes	39,447	3,550	-	42,996
I'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Leisure	Yes	9,510	814	-	10,324
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	Yes	210,505	20,581	24,000	207,086
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Leisure	Yes	16,888	1,674	-	18,562
Total Restricted Reserves				276,350	26,619	24,000	278,968
Asset Replacement Reserves							
Asset Replacement Reserves - general approach	Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.						
Asset Replacement - computers		Support Services	Yes	(3,910)	1,167,752	1,800,000	(636,158)
Coastal Marine		Recreation and Leisure	No	(265,384)	546,330	-	280,946
District Reserves		Support Services	No	2,835,750	1,218,797	1,325,200	2,729,347
Huharua Sub Regional Park		Recreation and Leisure	No	201,164	42,679	-	243,843
TECT All Terrain Park		Recreation and Leisure	No	894,280	307,121	55,733	1,145,668
Asset Replacement - office buildings		Recreation and Leisure	Yes	827,287	773,485	2,162,720	(561,948)
Asset Replacement - vehicles		Support Services	Yes	(411,209)	742,464	1,148,000	(816,745)
Asset Replacement - civil defence - vehicle		Communities	Yes	136,986	5,618	-	142,604

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Asset Replacement Reserves							
Asset Replacement - telemetry		Communities	Yes	86,159	3,016	-	89,175
Asset Replacement - swimming pool		Recreation and Leisure	Yes	329,514	157,261	-	486,775
Asset Replacement - library books		Communities	Yes	2,257,933	242,732	623,241	1,877,424
Asset Replacement - cemetery		Communities	Yes	253,094	108,571	-	361,665
Total Asset Replacement Reserves				7,141,662	5,315,826	7,114,894	5,342,594
Community Board Reserves							
Community Boards - general approach	We have five community boards but not all of our District is covered by these boards. The Community Board rate is a Fixed amount for their community board area of benefit. The level of rating is determined based on the expected expenditure of the Board and may vary between Boards. Any unspent money at year end is transferred to the respective community board reserve account. Reserve funds can only be used for capital, one-off, or non-recurring expenditure items or grants.						
Waihi Beach Community Board		Communities	No	281,622	-	-	281,622
Katikati Community Board		Communities	No	61,162	-	-	61,162
Omokoroa Community Board		Communities	No	245,941	-	-	245,941
Te Puke Community Board		Communities	No	125,088	-	14,999	110,089
Maketu Community Board		Communities	No	159,659	-	-	159,659
Total Community Board Reserves				873,473	-	14,999	858,474

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Other Community Reserves							
Other community reserves – general approach	These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates.						
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements as well as encourage business development in Katikati.	Planning for the future	Yes	14,867	-	-	14,867
Waihi Beach Town Centre Development	For town centre development.	Economic	Yes	461,093	44,552	200,000	305,645
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	Yes	313,698	28,718	190,000	152,416
Omokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	Yes	447,911	29,417	-	477,328
Te Puke Town Centre Development	For town centre development.	Economic	Yes	97,342	48,506	-	145,848
Pukehina Beach Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area.	Planning for the future	Yes	419,650	91,896	-	511,546
Total Other Community Reserves				1,754,561	243,090	390,000	1,607,651

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Financial Contributions Reserves							
Financial contributions reserves - general	These are specific reserves that must be applied for a particular purpose and under specific criteria or qualifying conditions. These reserves are not cash reserves.						
Ecological financial contributions - capital	Financial contributions split into capital and operational components that are to be spent based on Council's annually approved ecological education programme. Capital expenditure must be by Council resolution and satisfy criteria for privately owned land. Operational expenditure is based on the prior year's closing operations balance available.	Natural Environment	No	306,176	-	-	306,176
Ecological financial contributions - operational	As above	Natural Environment	No	603,289	520,755	368,102	755,942
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	No	3,212,221	4,916,237	3,791,556	4,336,901
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	No	49,974	-	-	49,974
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	No	367,633	-	-	367,633
Total Financial Contribution Reserves				4,539,293	5,436,992	4,159,658	5,816,627
General Reserves Established reserves for specific purposes							
Community Discretionary	For any under spent expenditure at year end.	Communities	No	14,386	-	-	14,386
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve	All	No	3,837,928	306,256	2,091,897	2,052,287
Environmental Protection Rate	For the accumulation of any net surplus arising from the Environmental Protection Rate account Deficits are not permitted in this reserve.	All	No	1,858,163	-	909,521	948,642
Traffic and parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980s. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	No	186,095	11,836	-	197,931
Total General Reserves				5,896,572	318,092	3,001,418	3,213,246

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Special Reserves							
Disaster Contingency	Council's infrastructure self-insurance fund provided from the sale of power company shares in the 1990s. Council's policy is to self insure based on the premise that commercial infrastructure insurance is not available. Major infrastructure, apart from district roading is geographically dispersed throughout our District (primarily stand-alone sewerage and water schemes) and the likelihood of failure of this entire infrastructure at once is assessed as very low.	Communities	Yes	9,261,721	635,577	-	9,897,298
Re-budget Reserve	To allow for the adjustment of timing and cost to Council's capital work program.	All	No	326,520	-	44,000	282,520
Matakana Island Trust	Reserves accumulated several years ago from the appeal against the Katikati Reserve extension across to Matakana Island. The funds are available to be used for improvements to the Matakana Island community.	Planning for the Future	No	258,803	-	-	258,803
Corporate Property and Assets	For any surplus arising from the corporate property/land purchase account.	Support Services	No	943,470	30,380	331,360	642,490
Weathertight Homes	To settle potential weathertightness claims that may arise.	Regulatory	No	223,660	13,483	-	237,143
Panepane Point		Reserves	No	415,429	42,653	30,000	428,082
Total Special Reserves				11,429,603	722,093	405,360	11,746,336
Total All Council Created Reserves				31,911,515	12,062,712	15,110,329	28,863,897

CHAPTER TWO

02

Policies and Statements

Annual Plan 2020-2021



*Western Bay of Plenty
District Council*



CHAPTER TWO POLICIES AND STATEMENTS

Overall revenue and financing policy	62
Summary of specific rates policies	67
Significant accounting policies	68
Activity funding impact statements	82

OVERALL REVENUE AND FINANCING POLICY

INTRODUCTION

Our Revenue and Financing Policy for each group of activities can be found in chapter five from page 394 in our Long Term Plan 2018-2028.

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. 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 well-being of our District. In particular, we have considered the impacts of our rating proposals on a range of representative properties; these can be found on our website www.westernbay.govt.nz/council/plans-policies-strategies-bylaws/plans. When read in conjunction with the Funding Impact Statement, in chapter one on pages 27- 48, 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 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 detail of the policy is published as part of the District Plan and is available on our website www.westernbay.govt.nz and at our offices and libraries.

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 2018-2028 is also our Annual Plan for 2018/2019.

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 in chapter two on page 54 in our Long Term Plan 2018-2028. 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 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 Chapter Two, page 39 in the Long Term Plan 2018-2028 proposes a limit on debt and our Treasury Policy, page 447 in the Long Term Plan 2018-2028 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 2018-2028 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 differential rates policy is:

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

These differentials apply only to the General Rate.

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. Rooding rates

There are three rooding rates:

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

We use the rural works charge and the rooding UTR to reduce the share of rooding 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 rooding.

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

The rooding 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, chapter one from pages 27 to 47. These rates may be collected on a uniform (fixed) basis per property or on the capital value of each property.

9. Water

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

Our policy for water supply is that all properties connected to Council's water supply should be metered. In June 2018, Council completed a ten-year project to install meters to all connected properties in the District. In establishing the criteria for water metering we have 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. This has improved Council's ability to measure and manage water usage and reduce losses within the District.

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, Omokoroa, Te Puke and Waihi 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.

We reviewed our multiple pan remission policy in 2015 to address instances where organisations would be charged unduly high amounts by the application of this policy. See page 430 in the Long Term Plan 2018-2028 for further detail.

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.



SUMMARY OF SPECIFIC RATES POLICIES

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
- Rates remission on covenanted land
- Remission of rates penalties
- Rates remission on Māori freehold land
- Rates postponement for financial hardship
- Rate postponement for homeowners aged over 65 years
- Rates remission on re-zoned land
- Rates remission for contiguous land
- Rates remission for land used for sport and games
- Rates remission of wastewater charges (summary)
- Rates remissions for natural disasters and emergencies
- Early repayment of rates for subsequent years (adopted 2019)

SPECIFIC RATES POLICIES

The policies can be viewed in the Long Term Plan 2018-2028 in chapter five from page 420. Visit www.westernbay.govt.nz/council/plans-policies-strategies-bylaws/plans/long-term-plans/longtermplan2018-2028.

SIGNIFICANT ACCOUNTING POLICIES

CONTENT	PAGE				
Prospective statement of comprehensive revenue and expense	69	Vested or donated physical assets	72	- Infrastructure assets	76
Prospective statement of changes of equity	69	Donated and bequeathed financial assets	73	Revaluation	76
Prospective statement of finance position	69	Interest and dividends	73	Additions	77
Prospective statement of cash flows	69	Construction contracts	73	Disposals	77
Prospective statement of accounting policies	69	Borrowing Costs	73	Depreciation	77
Prospective funding impact statements	69	Grant Expenditure	73	Impairment of property, plant, and equipment	77
Reporting entity	70	Foreign Currency Transactions	73	Intangible assets	77
Basis of preparation	70	Income Tax	73	Impairment of intangible assets	77
Statement of compliance	70	Leases	73	Forestry assets	79
Measurement base	70	Finance leases	73	Investment property	79
Presentation currency & rounding	70	Operating leases	74	Payables	79
Critical accounting estimates and assumptions	70	Assets	74	Borrowings	79
Cautionary note	70	Cash and cash equivalents	74	Employee entitlements	79
Standards issued and not yet effective and not yet adopted	71	Receivables	74	Short-term employee entitlements	79
Changes in accounting policies	71	Derivative financial instruments and hedge accounting	74	Long-term employee entitlements	79
Assumptions underlying prospective financial information	71	Other financial assets	74	Presentation of employee entitlements	79
Significant accounting policies	71	Financial assets at fair value through surplus or deficit	74	Provisions	79
Associate entities	72	Loans and receivables	75	Landfill post-closure provision	80
Revenue	72	Held-to-maturity investments	75	Financial guarantee contracts	80
Rates revenue	72	Fair value	75	Equity	80
Financial contributions	72	Fair value through other comprehensive revenue and expense	75	Restricted reserves	80
NZ Transport Agency roading subsidies	72	Impairment of financial assets	75	Property revaluation reserve	80
Other grants received	72	Loans and receivables, and held-to-maturity investments	75	Fair value through other comprehensive revenue and expense reserve	80
Building and resource consent revenue	72	Financial assets at fair value through other comprehensive revenue and expense	75	Council created reserves	80
Entrance fees	72	Non-current assets held for sale	76	Goods and Services Tax (GST)	81
Sales of goods	72	Property, Plant, and Equipment	76	Cost allocation	81
Infringement fees and fines	72	- Operational assets	76		
		- Restricted assets	76		

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 Annual Plan. 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.

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 year ended 30 June 2021. 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 year ended 30 June 2021.

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

The Prospective Statement of Financial Position shows the assets and liabilities of the Council as at 30 June 2021.

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 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 STATEMENTS

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.

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 as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

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.

The financial information contained within this Annual Plan may not be appropriated for purposes other than those described.

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 Chapter One from page 15 to 17. 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 the Council are:

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34-38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6-8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted

The Council plans to apply the new standards in preparing the 30 June 2021 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

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

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Employee benefits

In May 2017, the XRB issued PBE IPSAS 39 Employee Benefits. PBE IPSAS 39 replaces PBE IPSAS 25 Employee benefits. PBE IPSAS 39 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted. 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. The Council plans to apply the new standard in preparing the 30 June 2021 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

CHANGES IN ACCOUNTING POLICIES

Employee benefits

In May 2017, the XRB issued PBE IPSAS 39 Employee Benefits. PBE IPSAS 39 replaces PBE IPSAS 25 Employee benefits. PBE IPSAS 39 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

ASSUMPTIONS 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 1 July 2019 - 30 June 2020, and to provide a broad accountability mechanism of the Council to the community.

SIGNIFICANT ACCOUNTING POLICIES

ASSOCIATE ENTITIES

Western Bay Council's entities associate investment is accounted for in the financial statements using the equity method. An associate is an entity over which Western Bay Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Western Bay 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 Western Bay 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.

New Zealand Transport Agency roading subsidies

Western Bay Council receives funding assistance from the New Zealand Transport Agency, 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 Western Bay 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 Western Bay 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), Western Bay Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Western Bay 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 Western Bay Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by Western Bay Council and the approval has been communicated to the applicant. Western Bay 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

Western Bay 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 Western Bay 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.

Western Bay 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

Receivables are recorded at their face value, less any provision for impairment.

Short-term receivables are recorded at the amount due, less any provision for uncollectability. A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

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 Western Bay Council's financing activities. In accordance with its treasury policy, Western Bay 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.

Western Bay Council has elected not to hedge account.

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

OTHER FINANCIAL ASSETS

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which Western Bay Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Western Bay Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit
- loans and receivables
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

Derivatives are also categorised as held for trading unless they are designated into 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. Western Bay Council includes in this category:

- investments that Western Bay Council intends to hold long-term but which may be realised before maturity; and
- shareholdings that Western Bay 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 the 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:

(a) Operational assets

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

(b) Restricted assets

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

(c) Infrastructure assets

Infrastructure assets are the fixed utility systems owned by Western Bay Council

and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

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 2014 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 2014 and certified by Aecom New Zealand Limited.

Land and buildings, including land under roads, were revalued at fair value at 1 July 2014 by Opteon. Library books were revalued at fair value by Aecom at 1 July 2014 and Marine assets were revalued at fair value by Tonkin and Taylor at 1 July 2014.

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 Western Bay 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 the 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 follows.

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	12 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
OTHER STRUCTURES		
• Wooden reservoirs	80 years	Straight line
• Concrete reservoirs	100 years	Straight line
• Dams	100 years	Straight line
• Bores	100 years	Straight line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and 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. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

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 the 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%

Impairment of 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.

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 creditors and other payables are recorded at their face value.

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 Western Bay 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

Western Bay 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 Western Bay 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 Western Bay 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 the Western Bay 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, and
- 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 Western Bay Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Western Bay Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Western Bay Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Western Bay 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 SERVICES 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 the Council in its 2020-21 annual plan which have subsequently been revised due to the shift in opening balances arising from the 2018-19 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 the 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.

ACTIVITY FUNDING IMPACT STATEMENTS

CONTENT	PAGE
Summary	83
Representation	84
Planning for the future	85
Communities	86
Recreation and leisure	87
Regulatory services	88
Transportation	89
Water supply	90
Stormwater	91
Natural environment	92
Wastewater	93
Solid waste	94
Economic	95
Support services	96

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 (WHOLE OF COUNCIL)

FOR THE YEARS ENDED 30 JUNE		ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
		\$'000	\$'000	\$'000	\$'000
		2019	2020	2021	2021
Sources of operating funding					
General rates, uniform annual charges, rates penalties		47,199	48,689	27,773	46,325
Targeted rates		22,085	26,519	46,446	28,849
Subsidies and grants for operating purposes		5,616	4,800	3,739	11,745
Fees and charges		6,352	1,530	6,971	6,602
Interest and dividends from investments		146	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		8,060	3,422	2,816	3,076
Total operating funding	(A)	89,458	84,960	87,745	96,597
Applications of operating funding					
Payments to staff and suppliers		61,527	62,637	61,023	64,831
Finance costs		6,874	8,000	7,000	4,146
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	68,402	70,637	68,023	68,977
Operating funding - surplus/(deficit)	(A-B)	21,057	14,323	19,722	27,620
Sources of capital funding					
Subsidies and grants for capital expenditure		6,844	4,603	4,603	-
Development and financial contributions		18,605	10,498	10,471	10,098
Increase/(decrease) in debt		(11,330)	11,496	1,020	(659)
Gross proceeds from sale of assets		1,268	85	89	(85)
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	-	26,683	16,183	9,353
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		4,785	16,575	12,134	15,900
• to improve the level of service		16,713	14,515	9,412	12,141
• to replace existing assets.		13,421	12,370	12,564	9,514
Increase/(decrease) in reserves		1,529	(2,454)	1,793	(583)
Increase/(decrease) in investments		(5)	-	-	-
Total applications of capital funding	(D)	36,444	41,006	35,904	36,973
Capital funding - surplus/(deficit)	(C-D)	(21,057)	(14,323)	(19,722)	(27,620)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - REPRESENTATION

FOR THE YEARS ENDED 30 JUNE		ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
		\$'000	\$'000	\$'000	\$'000
		2019	2020	2021	2021
Sources of operating funding					
General rates, uniform annual charges, rates penalties		3,350	3,741	3,578	3,353
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads costs recovered		735	786	879	766
Local authority fuel tax, fines, infringement fees and other receipts		3	75	-	-
Total operating funding	(A)	4,088	4,602	4,457	4,119
Applications of operating funding					
Payments to staff and suppliers		1,664	2,226	2,151	1,873
Finance costs		-	-	-	-
Internal charges and overheads applied		2,002	2,369	2,298	2,240
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	3,666	4,595	4,449	4,113
Operating funding - surplus/(deficit)	(A-B)	422	7	9	6
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		422	7	9	6
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	422	7	9	6
Capital funding - surplus/(deficit)	(C-D)	(422)	(7)	(9)	(6)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - PLANNING FOR THE FUTURE

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2019	2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	2,847	2,744	2,614	2,847
Targeted rates	13	13	13	13
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	(A) 2,860	2,757	2,628	2,859
Applications of operating funding				
Payments to staff and suppliers	1,713	1,822	1,763	1,857
Finance costs	(37)	(43)	(181)	(25)
Internal charges and overheads applied	954	920	847	987
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 2,629	2,699	2,429	2,819
Operating funding - surplus/(deficit)	(A-B) 231	58	198	40
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	231	58	198	40
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 231	58	198	40
Capital funding - surplus/(deficit)	(C-D) (231)	(58)	(198)	(40)
Funding balance	((A-B) + (C-D)) -	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - COMMUNITIES

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2019	2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	4,783	4,676	4,921	4,878
Targeted rates	1,963	1,973	1,913	2,141
Subsidies and grants for operating purposes	37	-	-	-
Fees and charges	85	75	78	75
Internal charges and overheads costs recovered	953	982	941	1,024
Local authority fuel tax, fines, infringement fees and other receipts	537	487	513	495
Total operating funding	(A) 8,357	8,194	8,366	8,614
Applications of operating funding				
Payments to staff and suppliers	5,242	5,565	4,739	5,193
Finance costs	161	87	49	49
Internal charges and overheads applied	2,932	2,799	3,031	3,132
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 8,336	8,451	7,819	8,374
Operating funding - surplus/(deficit)	(A-B) 22	(257)	547	239
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(985)	692	581	86
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) (985)	692	581	86
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	308	324	916	124
• to improve the level of service	9	-	-	-
• to replace existing assets	(273)	369	394	378
Increase/(decrease) in reserves	(1007)	(257)	(182)	(177)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) (963)	436	1,128	326
Capital funding - surplus/(deficit)	(C-D) (22)	257	(547)	(239)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - RECREATION AND LEISURE

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2019	2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	6,183	6,339	7,169	6,794
Targeted rates	-	-	28	-
Subsidies and grants for operating purposes	-	163	-	-
Fees and charges	10	20	25	20
Internal charges and overheads costs recovered	1,347	1,455	1,491	1,582
Local authority fuel tax, fines, infringement fees and other receipts	2,158	747	770	709
Total operating funding (A)	9,699	8,724	9,484	9,105
Applications of operating funding				
Payments to staff and suppliers	5,296	4,695	5,151	4,974
Finance costs	(364)	(247)	(110)	(291)
Internal charges and overheads applied	2,243	2,393	2,692	2,659
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	7,175	6,840	7,733	7,341
Operating funding - surplus/(deficit) (A-B)	2,524	1,884	1,751	1,764
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	3,679	2,599	2,297	2,205
Increase/(decrease) in debt	(1,174)	2,061	198	843
Gross proceeds from sale of assets	80	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	2,585	4,660	2,495	3,048
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	1,052	4,096	946	2,683
• to improve the level of service	684	496	333	520
• to replace existing assets	371	3,441	1,447	1,427
Increase/(decrease) in reserves	3,002	(1,489)	1,520	181
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	5,109	6,544	4,247	4,812
Capital funding - surplus/(deficit) (C-D)	(2,524)	(1,884)	(1,751)	(1,764)
Funding balance ((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - REGULATORY SERVICES

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2019	2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	3,535	3,690	2,536	4,013
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	6,031	5,644	6,420	6,083
Internal charges and overheads costs recovered	594	726	-	757
Local authority fuel tax, fines, infringement fees and other receipts	174	88	90	86
Total operating funding (A)	10,331	10,147	9,046	10,938
Applications of operating funding				
Payments to staff and suppliers	6,751	6,710	6,007	6,963
Finance costs	(12)	(25)	(11)	(8)
Internal charges and overheads applied	3,520	3,428	2,931	3,939
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	10,259	10,113	8,927	10,894
Operating funding - surplus/(deficit) (A-B)	72	35	119	44
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	25	10	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	25	10	-	-
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	-	-	-
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	97	45	119	44
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	97	45	119	44
Capital funding - surplus/(deficit) (C-D)	(72)	(35)	(119)	(44)
Funding balance ((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - TRANSPORTATION

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	W
	\$'000	\$'000	\$'000	
	2019	2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	-	-	-	-
Targeted rates	13,250	13,201	14,042	13,182
Subsidies and grants for operating purposes	4,661	4,426	4,448	9,821
Fees and charges	17	15	10	10
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	1,183	262	273	262
Total operating funding (A)	19,110	17,903	18,774	23,275
Applications of operating funding				
Payments to staff and suppliers	8,027	9,454	9,354	10,197
Finance costs	245	479	1,108	229
Internal charges and overheads applied	1,172	1,458	1,561	1,454
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	9,445	11,392	12,023	11,880
Operating funding - surplus/(deficit) (A-B)	9,665	6,512	6,751	11,395
Sources of capital funding				
Subsidies and grants for capital expenditure	6,844	4,603	4,603	-
Development and financial contributions	5,197	2,959	2,876	2,755
Increase/(decrease) in debt	(3,290)	4,230	(901)	1,584
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	8,750	11,793	6,579	4,339
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	3,163	6,058	4,023	5,392
• to improve the level of service	9,811	10,778	4,721	9,317
• to replace existing assets	5,414	1,447	4,559	1,000
Increase/(decrease) in reserves	28	21	27	25
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	18,416	18,305	13,330	15,734
Capital funding - surplus/(deficit) (C-D)	(9,665)	(6,512)	(6,751)	(11,395)
Funding balance ((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - WATER SUPPLY

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2019	2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	11,255	10,844	11,431	6,407
Targeted rates	180	4,321	-	6,052
Subsidies and grants for operating purposes	-	-	-	1,700
Fees and charges	88	(4,321)	-	-
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	62	-	-	-
Total operating funding	(A) 11,585	10,844	11,431	14,159
Applications of operating funding				
Payments to staff and suppliers	7,059	5,223	5,462	5,382
Finance costs	1,605	1,581	1,986	1,008
Internal charges and overheads applied	1,869	2,124	2,142	2,223
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 10,533	8,928	9,589	8,613
Operating funding - surplus/(deficit)	(A-B) 1,052	1,915	1,841	5,546
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	2,684	1,524	1,641	1,605
Increase/(decrease) in debt	(2,009)	3,701	2,162	(2,276)
Gross proceeds from sale of assets	1,115	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 1,790	5,225	3,803	(671)
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	178	2,786	2,787	3,025
• to improve the level of service	348	765	73	30
• to replace existing assets	2,316	3,589	2,784	1,820
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 2,842	7,140	5,645	4,875
Capital funding - surplus/(deficit)	(C-D) (1,052)	(1,915)	(1,841)	(5,546)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT- STORMWATER

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2019	2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	1,151	1,018	1,429	974
Targeted rates	3,895	4,152	4,508	4,413
Subsidies and grants for operating purposes	-	38	-	-
Fees and charges	3	-	-	-
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	2	-	-	-
Total operating funding	(A) 5,051	5,207	5,937	5,386
Applications of operating funding				
Payments to staff and suppliers	895	1,005	914	1,031
Finance costs	1,351	1,453	1,491	866
Internal charges and overheads applied	567	677	571	633
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 2,813	3,134	2,976	2,531
Operating funding - surplus/(deficit)	(A-B) 2,238	2,073	2,961	2,856
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	1,476	-
Development and financial contributions	2,016	1,421	2,174	1,479
Increase/(decrease) in debt	(858)	1,886	-	1,123
Gross proceeds from sale of assets	10	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 1,169	3,307	3,650	2,601
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	2,854	2,700	2,648	2,115
• to improve the level of service	143	1,190	3,456	1,080
• to replace existing assets	420	1,490	507	2,262
Increase/(decrease) in reserves	(10)	-	-	-
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 3,407	5,380	6,611	5,457
Capital funding - surplus/(deficit)	(C-D) (2,238)	(2,073)	(2,961)	(2,856)
Funding balance	((A-B) + (C-D)) -	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - NATURAL ENVIRONMENT

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2019	2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	242	264	251	259
Targeted rates	447	451	477	530
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	(A) 689	715	728	789
Applications of operating funding				
Payments to staff and suppliers	763	847	871	912
Finance costs	(138)	(3)	(27)	(87)
Internal charges and overheads applied	74	75	85	84
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 700	919	928	909
Operating funding - surplus/(deficit)	(A-B) (11)	(204)	(200)	(120)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	358	216	229	219
Increase/(decrease) in debt	(1)	20	21	24
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 357	236	251	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	346	32	50	123
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 346	32	50	123
Capital funding - surplus/(deficit)	(C-D) 11	204	200	120
Funding balance	((A-B) + (C-D)) -	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - WASTEWATER

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2019	2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	11,446	12,036	2,000	12,331
Targeted rates	256	-	11,441	-
Subsidies and grants for operating purposes	729	-	-	-
Fees and charges	4	2	2	2
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	1,340	200	-	248
Total operating funding (A)	13,776	12,238	13,443	12,581
Applications of operating funding				
Payments to staff and suppliers	4,752	4,774	4,469	5,270
Finance costs	3,282	3,316	3,212	1,929
Internal charges and overheads applied	1,691	2,089	2,031	2,025
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	9,725	10,178	9,713	9,225
Operating funding - surplus/(deficit) (A-B)	4,051	2,060	3,730	3,356
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	4,673	1,779	1,952	1,836
Increase/(decrease) in debt	(5,277)	(2,483)	(3,822)	(2,347)
Gross proceeds from sale of assets	50	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	(554)	(704)	(1,870)	(511)
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	157	100	-	1,030
• to improve the level of service	1,185	269	126	520
• to replace existing assets	2,135	1,036	1,839	1,395
Increase/(decrease) in reserves	19	(49)	(105)	(100)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	3,497	1,356	1,860	2,845
Capital funding - surplus/(deficit) (C-D)	(4,051)	(2,060)	(3,730)	(3,356)
Funding balance ((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - SOLID WASTE

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000 2019	ANNUAL PLAN \$'000 2020	LTP FORECAST \$'000 2021	ANNUAL PLAN \$'000 2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	480	831	745	795
Targeted rates	1,048	1,162	1,299	1,276
Subsidies and grants for operating purposes	189	173	(709)	223
Fees and charges	109	93	99	100
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	123	33	35	33
Total operating funding (A)	1,949	2,293	1,468	2,428
Applications of operating funding				
Payments to staff and suppliers	1,003	1,699	1,501	1,574
Finance costs	(21)	(22)	(19)	(36)
Internal charges and overheads applied	355	442	624	470
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,337	2,119	2,106	2,008
Operating funding - surplus/(deficit) (A-B)	612	174	(638)	420
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(610)	(80)	703	(368)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	(610)	(80)	703	(368)
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	-	-	52	50
• to improve the level of service	-	93	-	-
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	2	1	13	2
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2	94	65	52
Capital funding - surplus/(deficit) (C-D)	(612)	(174)	638	(420)
Funding balance ((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - ECONOMIC

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2019	2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties	758	776	807	749
Targeted rates	323	328	338	324
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	1	2	2	-
Total operating funding (A)	1,082	1,106	1,147	1,074
Applications of operating funding				
Payments to staff and suppliers	679	723	712	666
Finance costs	(55)	(132)	(97)	(46)
Internal charges and overheads applied	102	112	109	115
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	727	703	724	735
Operating funding - surplus/(deficit) (A-B)	355	403	423	339
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	(29)	(32)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	-	(29)	(32)	-
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	-	311	690	662
• to improve the level of service	-	-	-	-
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	360	63	(300)	(324)
Increase/(decrease) in investments	(5)	-	-	-
Total applications of capital funding (D)	355	374	391	339
Capital funding - surplus/(deficit) (C-D)	(355)	(403)	(423)	(339)
Funding balance ((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - SUPPORT SERVICES

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		1,171	1,729	1,728	2,926
Targeted rates		710	918	957	918
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		5	1	337	311
Internal charges and overheads costs recovered		16,660	17,570	18,222	18,787
Local authority fuel tax, fines, infringement fees and other receipts		2,626	1,528	1,133	1,244
Total operating funding	(A)	2,1171	21,746	22,377	24,185
Applications of operating funding					
Payments to staff and suppliers		17,683	17,896	17,927	18,937
Finance costs		857	1,558	(394)	557
Internal charges and overheads applied		2,807	2,631	2,614	2,956
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	21,347	22,084	20,147	22,449
Operating funding - surplus/(deficit)	(A-B)	(176)	(339)	2,230	1,736
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		2,848	1,488	(66)	671
Gross proceeds from sale of assets		13	85	89	(85)
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	2,860	1,573	23	586
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		(2,927)	200	72	819
• to improve the level of service		4,533	924	702	674
• to replace existing assets		3,038	998	1,034	1,232
Increase/(decrease) in reserves		(1,960)	(887)	444	(404)
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	2,684	1,235	2,252	2,322
Capital funding - surplus/(deficit)	(C-D)	176	339	(2,230)	(1,736)
Funding balance	((A-B) + (C-D))	-	-	-	-

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