

Mahere ā tau
Annual Plan
2022-2023



**Western
Bay of Plenty**
District Council

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Introduction

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Message from the Mayor

He karere nō te Koromatua

Tēnā koutou,

Welcome to Western Bay of Plenty District Council's Annual Plan for the 2022-2023 financial year.

In this document you'll find details about the key decisions we made to finalise our Annual Plan. This is closely aligned with the plans we set out for year two of the Long Term Plan for 2022/23.

We have been mindful of our community through this Annual Plan process to, wherever possible, minimise the disruptions COVID-19 still presents, the increased cost of living and interest rates that most are having to live with.

Rather than carry on with the projects we had planned for the 2022/23 year in our Long Term Plan 2021-31 (LTP), we have considered our community's needs and the shifting situation, and where appropriate, we have made some changes to our programs and budget.

This year the only big change considered was in relation to the Pukehina Development Rate. For this reason, we undertook consultation directly with the Pukehina community on the future for that rate - whether they wished to pay, pause or stop the rate.

For the last 21 years the Pukehina community has paid \$20 a year, per rateable property, into a fund for a possible future wastewater scheme. The current balance of the fund is \$483,500.

But given the uncertainty around how Central Government's Three Waters Reform Programme could affect the fund the time was right to assess the situation.

I thank everyone in the Pukehina community who took the time to share their thoughts with us on this rate. Our job is to make decisions on behalf of the community, and we have done just that by pausing the fund for two years (a zero rate).

That is the most appropriate and sensible approach at this stage to give some time for the dust to settle around central government's Three Waters Reform Programme and see where to proceed from there.

As a Council we have worked hard to keep the rate increase for existing ratepayers to 3.92 percent, below the 4 percent commitment we made in our LTP.

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

- We have brought forward planned capital expenditure for pensioner housing from future years meaning we now have \$1.83m in 2022-23
- \$6.3m wastewater capital works across the District
- \$1.3m for the Two Mile Creek bank protection in Waihi Beach
- \$1m support for community groups
- \$1m for walking and cycling initiatives
- \$3.1m minor capital roading improvements

Looking ahead, the future will be interesting for those leading local government.

We are facing reviews and reforms from central government that will have a major impact on the role councils have in the community. These reforms are: Three Waters, Resource Management Act and the Future for Local Government.

The reforms aim to achieve better outcomes for communities and the environment that surrounds those communities while at the same time giving greater effect to the principles of Te Tiriti o Waitangi.

The reviews and reforms are planned to provide considerable opportunity to further the purpose of local government and will fundamentally change the system that local government operates within, including how decisions are made and by whom, what local government does and how it does it, and who local government needs to work with to enhance community wellbeing.

As a Council we are committed to being future ready and will be keeping across the reform process as it begins to take shape.

Our community is important to us and we will continue to advocate for them at all levels and at every opportunity.

Finally, as I prepare to hand over the chains to the incoming Mayor, I want to thank the community for its input to ensure we have strong, connected and resilient neighbourhoods and communities where all of our people thrive, but most importantly, for giving me the privilege to serve you over the last six years.

Ngā mihi nui,



Garry Webber
Mayor



The Annual Plan process this year

Te hanga o tēnei Mahere ā tau

The Annual Plan is Council's updated plans for the coming financial year (1 July 2022 - 30 June 2023), setting out the work we are planning to undertake in your community. This Annual Plan is year two of the Long Term Plan (LTP) 2021-2031.

We considered what was outlined in the LTP and assessed what changes are needed to reflect current circumstances and community needs. We remain committed to what we said we would do in the LTP.

This year the only big change being considered affects the Pukehina Development Rate. For this reason Council undertook targeted engagement with the Pukehina community. This was the only material or significant change being considered.

We appreciate Covid-19 and the increased cost of living has presented challenges for everyone in the District and have taken this into account through the Annual Plan process.



Key matters Nga take matua

Whilst we are keeping largely to what was agreed within the Long Term Plan 2021-2031, we are still responsive to the changing environment and conversations with the community. Several changes were either considered or made through the Annual Plan process and are discussed below.

Pukehina Development Rate

Council decided to pause the collection of the Pukehina Development Rate for two years, until there is more certainty on the Three Waters reform and what it means for the Pukehina Community. This means that the rate will be set at \$0 for 2022/23 and 2023/24. Council can revisit this decision through the next Long Term Plan 2024-34 process.

This pause would mean the potential changes from the Three Waters Reform, led by Central Government, and from the Bay of Plenty Regional Council's work in the Waihi Estuary can be better understood. We can revisit this through the 2024 Long Term Plan if suitable.

Through this Annual Plan, we asked 'Should we continue, pause, stop, or re-purpose the Pukehina Development Rate?'. This was the only matter outlined for consultation in the Annual Plan Consultation Document.

For the past 21 years the Pukehina community has paid \$20 a year, per rateable property, into the Pukehina Development Fund, saving up funds toward a future wastewater scheme for the area.

There is a lot of uncertainty around when or if a wastewater scheme will be needed for Pukehina and exactly how much it would cost. We believe that a scheme will be needed at some point, and it could cost \$30-40 million, depending on the type of system that is required. If the rate should continue or how it could be used was the key question. The Pukehina Beach Residents' and Ratepayers' Association had requested Council consider this issue through a previous submission.

Targeted consultation with the Pukehina Beach community was undertaken. We received 141 submissions on this topic. The submissions are part of the considerations in making a decision. These are summarised below:

Option	Count	%
Option 1 - Continue to pay (Council's preferred option)	30	21
Option 2 - Pause.	25	18
Option 3 - Stop.	42	30
Option 4 - Repurpose.	43	31
Total	140*	100

* Note: One submission suggested an alternative option.

Consultation on the Pukehina Development Rate was focussed on the potential to cease collecting the development rate and/or to change the purpose of the Pukehina Development Rate and not related to the accumulated funds. However, Council received 19 submissions relating to refunding the balance of the Pukehina Development Fund to the ratepayers of Pukehina.

Council decided to retain the accumulated funds from the Pukehina Development Rate, as it is expected to be transferred to the new Three Waters entity. If Council can retain ownership of the Fund through the Three Waters process, Council can revisit this conversation with the community.

Other matters

In adopting the Final Annual Plan several other changes were made to better reflect current information. These were considered non-material and not significant. This included:

- Updating our assumptions regarding inflation and interest rates; and
- Changing specific project timing and costs to better reflect contracts in place, the pace of development and construction cost increases.

If you would like to read more about these individual changes, please see the agenda and minutes from Council's Annual Plan/ Long Term Plan Committee from June 9 2022 - available online at westernbay.govt.nz/council/meetings-and-committees/agendas-and-minutes.



Our District, Our People Tō tātou Takiwā, tō tātou Iwi

Western Bay of Plenty District is one of the faster growing areas in New Zealand.

As at 30 June 2021 the Western Bay of Plenty District's estimated population is 57,355. The population is expected to reach around 69,980 by 2038.

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 8.4% (4,864 people) in the next five years. Most of this growth has come from immigrants and migration from other parts of New Zealand.

Our District at a glance

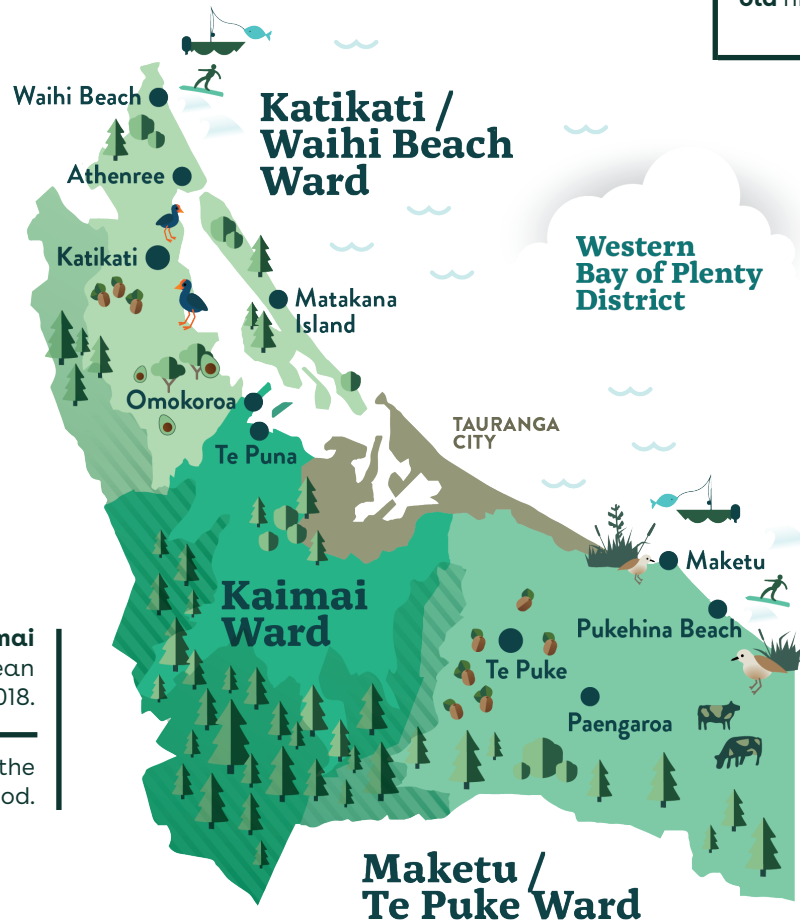
To tatou Takiwa ma te titiro

19% of the District's population identify themselves as **Māori** which is higher than the national average of 17%.

19% of the population in the District are **less than 15-years-old** very close to the national average of 20%.

Over 90% of the people in the **Kaimai Ward** indicated they were of European ethnicity in 2018.

15% indicated they were Māori in the **Kaimai Ward** for the same period.



21% of residents in the District are **over 65-years-old** higher than the national average of 15%.

The Asian ethnicity in the **Katikati/Waihi Beach Ward** increased from 606 people in 2013 to 816 people in 2018 (+35%), while the Pacific People ethnicity increased from 342 people to 432 people (+26%) for the same period.

28% of the people in the **Maketu/Te Puke Ward** indicated they were of Māori ethnicity in 2018. 12% indicated they were Asian.

50% increase
The Asian and Pacific ethnicities increased in the **Maketu/Te Puke Ward** by 50% or over from the 2013 to 2018 Census.

Population statistics on this page are from the 2018 Census.

The District has a lower level of socio-economic deprivation than the country as a whole.



The Pathway Forward *Te Ara ki Mua*

The Te Ara Mua plan signifies the previous efforts to meet the aspirations of Māori and the Western Bay of Plenty District Council when it comes to kaupapa Māori.

Developing Māori capacity to contribute to decision-making

te whakawhanake i te mana maori ki te whai waahi ki te whakatauranga kaupapa

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.

We will continue to work with iwi and hapū to provide for their representation aspirations.

Te Ara Mua

Te Ara Mua is a plan that was developed by the Tauranga Moana and Te Arawa ki Takutai Partnership Forum. The Partnership Forum was disestablished in 2020, and two new forums, Te Kāhui Mana Whenua o Tauranga Moana and Te Ihu o Te Waka o Te Arawa were created in 2021.

Te Ara Mua has been used to inform Council's Long-Term Plan and Annual Plan and signifies the previous 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.

In time, Te Ara Mua will be superseded by the plans of the two forums once these have been developed.

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 Kaupapa Māori team

This team initiates, builds and maintains our relationship with Tangata Whenua and Māori, ensures Kaupapa Māori is considered in Council's decision making, 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.

For further information

Find out more detail by reading Te Ara Mua on Council's website .

westernbay.govt.nz/council/working-with-maori

Your Mayor and Councillors Tō Koromatua me ngā Kaikaunihera

Katikati/Waihi Beach Ward Councillors



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Chapter One

Wahanga Tuatahi

Introduction to our financials He kupu whakataki ki a maatau putea

What is covered in the financial supporting documentation?

This section of the Annual Plan 2022/23 covers the prospective financial statements, reserve funds, key changes to rates for 2022/23, along with a summary of projects that vary from the Long Term Plan 2021-2031 by over \$50,000 or have been bought forward. The key assumptions that are published in the Long Term Plan 2021-2031 have been reviewed and updates are noted in the first part of this chapter.

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Changes to the Strategic Assumptions Ngā panoni i ngā whakaaro rautaki

The Strategic Assumptions are the Council's 'best guess' at how the future may look. They form the basis for planning and are developed from a wide range of sources.

When planning for the Long Term Plan (LTP) 2021-2031 (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.

During the development of this Annual Plan all the Strategic Assumptions were reviewed and either updated or reconfirmed. The Strategic Assumptions that required updating are provided on pages 17 to 21. All other assumptions in the LTP remain as published on pages 39 to 62 in the 'Strategic Assumptions' section in Chapter Two of the LTP 2021-31.

For the complete list of assumptions see the LTP 2021-2031
www.westernbay.govt.nz/longterm2021-2031

Economic Development

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>The local economy will return to 2019 levels and grow from 2023.</p> <p>At the District and sub-regional wide levels, the economic outlook is fairly positive. Our economy has been cushioned from some of the impacts of Covid-19, due to our diverse economy, strong rural sector (especially horticulture) and low reliance on international tourists.</p> <p>The local economy will have largely recovered from the impacts of Covid-19 by close of 2023 with growth above 2019 levels.</p> <p>On the back of strong and continued population growth, the Western Bay of Plenty's economy is projected to continue to grow. We are part of the Golden Triangle (Auckland / Waikato / Bay of Plenty) and our economic growth is expected to be above the national average.</p> <p>We expect to see an increase in 'sustainable' low waste, low emission business practices as standard.</p> <p>We expect to see:</p> <ul style="list-style-type: none"> • significant growth in the kiwifruit industry • growth in the avocado industry • growth in domestic tourism. 	<p>The kiwifruit industry is a high water user, and its water demand will increase. This may put pressure on resources and infrastructure.</p> <p>Continued economic growth will require provision of business land. Demands for freight movement will need consideration in transport network planning.</p> <p>Growth in tourism means targeted infrastructure investment may be needed (such as toilets in rest areas, upgraded walking tracks). This will require cooperation with central government agencies.</p> <p>There may be increased pressure on the natural environment from increased use.</p> <p>The demands on the capacity of industry to deliver infrastructure projects may mean increased competition, leading to increased prices and possibly time delays.</p>	<p>High</p> <p>Forecasts align with national forecasts for economic growth and local trends, however the impacts of Covid-19 are uncertain.</p>	<p>Moderate</p> <p>The level of economic activity and growth in the District can directly impact ratepayers' ability to pay, whilst also influencing the level of financial contributions collected as development occurs or the level of demand placed on infrastructure.</p> <p>Investment decisions will be made cognisant of this uncertainty.</p>	<p>Continual monitoring of the situation and 'just in time' infrastructure will aid in mitigating some of these issues.</p> <p>Council will continually monitor the District's economic situation and may revise any plans, with consultation through Annual Plans if necessary.</p> <p>Council will continue to provide funding for organisations such as Priority One, Tourism BOP, Te Puke EDG, and Katch Katikati.</p>

2. Legislative

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>We expect to see continued focus on the way Council delivers its core services and provides infrastructure for growth.</p> <p>Central Government direction on Three Waters Reform and Resource Management Act reform has provided some level of certainty. However, the actual structures and content of legislation has not been determined yet.</p> <p>There is likely to be increased regulation aimed at delivering higher public health and environmental standards.</p> <p>Legislative reforms are likely to continue to focus on alternative ways to deliver public services. For example the review of Three Waters and joint Council-controlled organisations for providing services. Similarly the Future for Local Government Review and the Resource Management Act reform will have impacts.</p> <p>It is prudent to plan on a business as usual approach to service delivery, but with an allowance for staff time for the initial phases as indicated by Central Government.</p>	<p>Council will need to be involved in any national conversations about service delivery, to ensure we are ready to adapt to any changes that are made at the national level.</p> <p>Costs associated with the impact of legislative changes may be recovered from Central Government in some circumstances, especially the cost of Three Waters transition. These may be substantial.</p> <p>Individual activities of Council may need to make specific assumptions.</p>	<p>Moderate</p> <p>Legislative change and national direction is highly dependent on the political direction and priorities at the time.</p>	<p>High</p> <p>Some changes to the delivery of services could significantly alter how Council functions, however the generally lengthy development process of legislation and implementation phases will allow for suitable planning and may require community consultation.</p> <p>Changes to the delivery of Three Waters could significantly impact Council's financial position, depending on how this is structured. This could impact the Council's levels of debt, forecast capital and operational expenditure and income. The actual impact can not be quantified at this point.</p>	<p>Continue to watch and input into legislative developments, to ensure a Western Bay of Plenty voice is heard and Council is prepared for any changes.</p>

3. Covid-19

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>Disruptive events, such as Covid-19, have significant potential to cause shocks to international, national and local systems.</p> <p>Implications for the District are wide ranging and depend on the level of domestic infection rates, vaccine rates, new variants, national and international responses.</p> <p>Impacts on the economy and population growth are expected to be greatest, but possibly short term. International tourism is expected to be significantly impacted.</p> <p>Currently we are expecting economic impacts across the 2020-2022 years and for these to be largely recovered by the close of the 2023 year.</p> <p>We assume that our projects and works will be completed on time, as planned in the LTP, and there will be no significant delays caused directly or indirectly by Covid-19.</p>	<p>Council may need to be in a position to respond to emerging events. Council may consider bringing forward some infrastructure projects in order to help maintain economic activity in the District and support impacted workers.</p> <p>Alternatively, Council may look to defer projects in order to limit additional economic stresses.</p> <p>Council may need to change the way we work and how we use our public spaces to limit infection.</p> <p>Council may need to reschedule timing of projects and works or reconsider budgets, due to Covid-19.</p>	<p>High</p> <p>The future situation is uncertain and very difficult to predict.</p>	<p>High</p> <p>Implications for Council’s growth and financial models and work programmes could be extensive. Council will have to be flexible in its response.</p> <p>The key impact of any lockdown affecting our District or material/ contractor availability, would be potential delays in Council project delivery and associated expenditure.</p>	<p>Council will continue to monitor the situation and may revise any plans, with consultation through Annual Plans if necessary.</p>

4. Inflation rates

Assumption	Implication	Level of uncertainty	Impact	Mitigation																														
<p>Costs are assumed to increase due to inflation.</p> <p>Financial projections for the 2022/23 year have been adjusted inline with indices prepared by BERL (October 2021), which deal specifically with the costs local government deal with. The indices are applied according to the types of expenditure that makes up each activity.</p> <p>For the 2021/22 year, there has been an observed price inflation for Local Government, particularly in contractor costs. The expectation is that these will remain for the medium to long-term.</p> <p>For the Uniform Targeted Rates (UTR) (stormwater, water and wastewater) the inflation rate is defined by Council and is generally based on historic and projected financial information: 2022: 3% 2023-2031: 1%</p>	<p>Inflation rates impact the expected costs of our services in the future.</p> <p>These vary by activity as the type of goods purchased differ.</p>	<p>Moderate</p> <p>The level of uncertainty for this assumption is moderate. It is difficult to predict inflation over a 10 year period, therefore actual results are likely to vary from these indices, particularly from 2024 onwards.</p>	<p>Moderate</p> <p>If inflation is under-estimated and actual cost increases are materially higher than forecast, budgets for the first year of the LTP may be too low to complete the work scheduled for the year. In such cases the work would be re-scheduled.</p> <p>If inflation is less than forecast, some work may be brought forward from later years of the plan or surplus revenue held over</p>	<p>Inflation assumptions are reviewed each year as part of the annual budgeting process.</p>																														
<p>Projected indexed prices from a 1,000 base in September 2021</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Roading</td> <td>1000</td> <td>1024</td> <td>1048</td> <td>1072</td> </tr> <tr> <td>Planning and regulation</td> <td>1000</td> <td>1031</td> <td>1055</td> <td>1081</td> </tr> <tr> <td>Water and environment</td> <td>1000</td> <td>1032</td> <td>1058</td> <td>1083</td> </tr> <tr> <td>Community activity</td> <td>1000</td> <td>1020</td> <td>1041</td> <td>1064</td> </tr> <tr> <td>Transport</td> <td>1000</td> <td>1026</td> <td>1051</td> <td>1076</td> </tr> </tbody> </table>					Year	2021	2022	2023	2024	Roading	1000	1024	1048	1072	Planning and regulation	1000	1031	1055	1081	Water and environment	1000	1032	1058	1083	Community activity	1000	1020	1041	1064	Transport	1000	1026	1051	1076
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5. Interest rates

Assumption	Implication	Level of uncertainty	Impact	Mitigation
Interest rates will fluctuate over the course of the LTP. Council's interest rate assumption for 2022/23 is 4.25%.	Interest rates govern the cost of borrowing. Whilst borrowing is beneficial in spreading the cost of infrastructure across all generations that benefit from it, fluctuating interest rates can impact how much we pay.	<p>Low</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 from New Zealand Treasury experts.</p>	<p>Moderate</p> <p>If interest rate assumptions were too low, it would result in borrowing costs being higher than forecast.</p> <p>If interest rate assumptions were too high, borrowing costs would be lower than forecast. A 0.5% movement on \$150m of debt equates to a \$750k movement in interest expense.</p>	Interest rate assumptions are reviewed each year as part of the annual budgeting process.

Changes to projects

Ngā panoni ā mahi

There are some changes to specific project timing to better align with actual progress. These are not considered material.

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.

Planning for the future

Project Number	Project Name	Long Term Plan 2023 \$	This Plan \$	Difference \$	Explanation
294208	Resource Management - Ōmokoroa Structure Plan Stage 3	-	150,000	150,000	New project

Communities

Project Number	Project Name	Long Term Plan 2023 \$	This Plan \$	Difference \$	Explanation
280001	Property - elder housing capital	693,900	1,830,000	1,136,100	Timing changes

Wastewater

Project Number	Project Name	Long Term Plan 2023 \$	This Plan \$	Difference \$	Explanation
168603	Waihi Beach wastewater treatment	129,642	400,000	270,359	Timing changes
225632	Te Puke wastewater treatment plant upgrade	4,699,117	4,549,000	(150,117)	Timing changes
225635	Rangiuru Business Park share of contribution towards treatment plant upgrades	1,033,000	-	(1,033,000)	Timing changes
225724	Wastewater - Katikati treatment plant emergency storage	695,209	-	(695,209)	Timing changes
225744	Katikati wastewater treatment plant upgrades	154,950	1,200,000	1,045,050	Cost escalations
317301	Ōmokoroa Structure Plan - Wastewater	5,042,490	81,404	(4,961,086)	Timing changes
319502	Waihi Beach infiltration investigation and remedial work	72,310	-	(72,310)	Timing changes
323402	Katikati infiltration investigation	51,650	-	(51,650)	Savings
340501	Wastewater - District Wide reticulation modelling	10,330	70,000	59,670	Cost escalations

Stormwater

Project Number	Project Name	Long Term Plan 2023 \$	This Plan \$	Difference \$	Explanation
226361	Stormwater - Waihi Beach Pio Shores	475,180	50,000	(425,180)	Timing changes
226353	Waihi Beach 2 Mile Creek West Bank	2,892,400	1,300,000	(1,592,400)	Timing changes
226636	Te Puke Upgrades - Princess Street, Saunders Place	340,890	165,000	(175,890)	Timing Changes
226655	Te Puke upgrades Galway Place	\$61,980	-	(61,980)	Timing changes
317201	Ōmokoroa Structure Plan - Stormwater Industrial	3,739,511	3,627,096	(112,415)	Timing changes
322401	Minden Stormwater Investigation	\$51,650	-	(51,650)	Timing changes
322621	Kauri Point Upgrades	\$154,950	-	(154,950)	Timing changes
331501	Waihi Beach Otawhiwhi Marae Stormwater Drain	-	50,000	50,000	Timing changes
340101	Stormwater - District Wide Modelling	\$103,300	50,000	(53,300)	Timing changes
344801	Ōmokoroa Upgrades Myrtle Drive, Gerald Place	361,550	25,000	(336,550)	Timing changes

Water supply

Project Number	Project Name	Long Term Plan 2023 \$	This Plan \$	Difference \$	Explanation
243002	Water - Eastern Reticulation Improvements	986,515	717,000	(269,515)	Timing changes
243029	Water - Eastern Treatment Plant Renewals and Improvements	220,907	113,850	(107,057)	Timing changes
243033	Eastern water consents and compliance renewals	77,475	-	(77,475)	Timing changes
243034	Water - Muttons treatment plant - renewal	516,500	-	(516,500)	Timing changes
243307	Water - Ōmokoroa Structure Plan	1,056,010	1,608,503	552,493	Cost escalations
243320	Water - Central additional bore	309,900	788,000	478,100	Timing changes
243335	Water - Central Additional Reservoir	1,136,300	500,000	(636,300)	Timing changes
243340	Water - Central site security and electrical intruder alarms	193,171	1,145,000	951,829	Cost escalations
243619	Water - Western Reticulation Capital Improvements	371,880	285,000	(86,880)	Savings
243623	Waihi Beach Structure Plan - Water	136,873	-	(136,873)	Timing changes
287112	Water - Eastern alternative supply	1,136,300	600,000	(536,300)	Timing changes
287118	Water - Eastern Structure Plan implementation	136,356	85,115	(51,241)	Savings
350026	Water - Eastern supply to Ranguru Business Park	413,200	-	(413,200)	Savings

Transportation

Project Number	Project Name	Long Term Plan 2023 \$	This Plan \$	Difference \$	Explanation
210413	Transportation - Minor Capital Roding Improvements	2,889,600	3,096,000	206,400	Timing changes
283423	Transportation - One Network Maintenance Contract Pavement Surfacing (Reseals)	1,774,442	2,187,242	412,800	Timing changes
283429	Transportation - One Network Maintenance Contract Pavement	1,862,332	2,275,289	412,957	Timing changes
293201	Network Upgrades - JOG	206,400	-	(206,400)	Timing changes
302801	Waihi Beach roading Structure Plan	887,592	-	(887,592)	Timing changes
302901	Transportation - Katikati Structure Plan	1,758,417	1,225,000	(533,417)	Timing changes
302902	Transportation - Katikati Structure Plan funding	620,683	450,000	(170,683)	Timing changes
303001	Ōmokoroa Roding Structure Plan - Catchment	425,332	3,778,217	3,352,885	Cost escalations
303003	Ōmokoroa Roding Structure Plan - Rural	-	55,500	55,500	Cost escalations
303004	Ōmokoroa Roding Structure Plan - Strategic	-	249,750	249,750	Cost escalations
303005	Ōmokoroa Roding Structure Plan - Rates	-	138,750	138,750	Timing changes
303012	CIP1A - Ōmokoroa Structure Plan - Prole Road Urbanisation	2,980,208	1,300,000	(1,680,208)	Timing changes
303013	CIP1B - Ōmokoroa Structure Plan - Prole Road - Hamurana Road to end	2,071,953	-	(2,071,953)	Timing changes
303015	CIP2B - Hamurana Rd Urbanisation Gane Place to NE Western Ave	454,080	80,000	(374,080)	Timing changes
303016	CIP3A - Omokoroa SP - Sthn Industrial Rd - Design	1,032,000	600,000	(432,000)	Timing changes
303019	CIP4B - Omokoroa SP - Omokoroa Road Urbanisation - Margaret Drive to Tralee Street	1,229,938	500,000	(729,938)	Timing changes
303022	CIP5C - Ōmokoroa Structure Plan - Ōmokoroa Road Urbanisation - Prole Road to Neil Group	1,444,800	1,000,000	(444,800)	Timing changes
303023	CIP5D - Ōmokoroa Structure Plan - Ōmokoroa Road - Neil Group Roundabout	1,341,600	900,000	(441,600)	Timing changes
303024	CIP5D - Ōmokoroa Structure Plan - Ōmokoroa Road Urbanisation - Neil Group to Railway Line	1,100,973	700,000	(400,973)	Timing changes
353901	Transportation - Public Transport Infrastructure (UFTI commitment)	103,200	-	(103,200)	Timing changes

Finances at a glance 2022-23

He tirohanga i ngā pūtea 2022-23

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 1.50%. Inflation is estimated at 2.90%.

The figures below exclude a 2% bad debt provision on all rates, or GST. From 2022/23 Western Bay of Plenty District Council no longer collects rates on behalf of Bay of Plenty Regional Council.

2021/2022		2022/23
Budget	Rate	Budget
\$		\$
27,853,562	General Rate	28,595,005
2,614,667	Library Rate	2,718,435
30,468,229	Subtotal	31,313,440
14,694,738	Roading Rate	16,445,645
1,474,000	Environmental Protection Rate	1,474,000
46,636,967	Total	49,233,094



Funding Impact Statements and other rating information Ngā taukī tuku pūtea me ētahi pārongo rēti

This statement shows the rate charges for 2022-23, as well as the basis for the charges.

What rates are used for he aha nga reiti e whakamahia ana

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 fund particular activities or group of activities where the Council does not consider it appropriate to charge all ratepayers. 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 Roothing Rate is used to fund the building and maintenance of the roading network within the District.

To see what Council's rating approach could mean for your rates, on pages 48 and 49 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/Waihī Beach Ward
- Kaimai Ward
- Maketu/Te Puke Ward

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.

Please note that these examples do not include GST. From 2022/23, Western Bay of Plenty District Council no longer collects rates on behalf of Bay of Plenty Regional Council.

Area of Benefit for halls (map)

To view the Area of Benefit for halls view www.westernbay.govt.nz/area-of-benefit-halls

Funding Impact Statement - Rates

Rate Funding Mechanisms 2022/23

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.

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.

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	2021/22 Annual Plan Revenue (\$)	General Rate in the dollar of capital value	2022/23 Annual Plan Revenue (\$)
General rate	Residential zoned areas	Zone	Capital value	7,172,174	0.0009169	7,586,466
	Rural zoned areas	Zone	Capital value	15,779,466	0.0009169	16,690,947
	Commercial/industrial zoned area/post-harvest zoned areas	Zone	Capital value	798,175	0.0009169	844,280
	Forestry	Zone	Capital value	109,596	0.0009169	115,926
Total General Rates				23,859,411		25,237,620

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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
UAGC	-	-	Fixed amount per rating unit	4,796,400	210	4,869,480

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.

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

Source	Differential categories / Categories	Matters	Factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Roothing rate	1. Residential and Rural zoned	Land use	Land value	9,594,254	0.000740	10,737,434
	1. Forestry zoned	Land use	Land value	73,846	0.000740	82,645
	1. Commercial/Industrial or Post-harvest zoned	Land use	Land value	489,397	0.001481	547,710
	2. Roothing rate (District-wide)	All rateable land within the local authority district	Fixed amount per rating unit	1,796,388	86.70	2,010,432
	3. Roothing rate (Rural-zoned)	Land use	Fixed amount per rating unit	3,034,748	328.18	3,396,347
Total Roothing targeted rates				14,988,633		16,774,567

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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Community Boards	Waihi Beach	Location	Fixed amount per rating unit	83,017	26.68	83,017
	Katikati	Location	Fixed amount per rating unit	100,239	21.86	100,239
	Ōmokoroa	Location	Fixed amount per rating unit	76,845	38.38	76,845
	Te Puke	Location	Fixed amount per rating unit	121,811	29.84	121,811
	Maketu	Location	Fixed amount per rating unit	80,507	137.62	80,507
Total Community Board targeted rates				462,419		462,419

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 open space.

Source	Differential categories	Matters	factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Environmental Protection Rate	-	All rateable land within the District	Fixed amount per rating unit	1,503,480	64.84	1,503,480

Funding Impact Statement - Rates

Solid Waste Targeted Rates

The solid waste rate is a targeted rate 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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Solid waste	Western	Location - Katikati/Waihi Beach ward	Fixed amount per rating unit	647,089	86.37	678,748
	Eastern	Location - Te Puke/Maketu ward	Fixed amount per rating unit	380,150	53.53	391,097
Total Solid Waste targeted rates				1,027,239		1,069,844

Ōmokoroa Greenwaste

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

Source	Differential categories	Matters	Factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Ōmokoroa greenwaste		Location - Ōmokoroa	Fixed amount per rating unit	110,748	54.88	128,529

Kerbside Collection

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

Source	Categories	Matters	Factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Rural Kerbside Collection	Rural service area	Service Provision	Extent of service provision (partial service)	501,264	85.22	522,143
Urban Kerbside Collection	Urban service area	Service Provision	Extent of service provision (full service)	1,462,327	129.57	1,517,265
Total Waste & Recycling Initiatives targeted rates				1,963,591		2,039,408

Funding Impact Statement - Rates

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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Library Services	District-wide	All rateable land within the District	Fixed amount per rating unit	2,655,740	119.10	2,761,584
Te Puna Library rate		Location - Te Puna area of benefit	Fixed amount per rating unit	11,220	7.23	11,220
Library Services rate				2,666,960		2,772,804

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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Western water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Per connection	2,619,304	371.24	2,670,329
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Per connection	27,037	96.06	26,513
	Metered connection (25mm)	Location of land and provision or availability of service	Per connection	4,323	207.89	4,366
	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	3,308	1,113.72	3,341
	Metered connection (50mm)	Location of land and provision or availability of service	Per connection	13,508	1,949.01	13,643
	Metered connection (100mm)	Location of land and provision or availability of service	Per connection	8,822	8,909.76	8,910
	Metered connection (150mm)	Location of land and provision or availability of service	Per connection	-	20,511.01	-
	Unmetered connection	Location of land and provision or availability of service	Per connection	-	483.32	-
	Availability charge	Location of land and availability of service	Per rating unit	54,034	185.62	54,201
	Consumption charge	Location of land and provision or availability of service	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	Per rating unit	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	Per rating unit	32,640	2,877.23	25,895
Total western water rates				2,765,085		2,809,307

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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Central water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Per connection	1,549,675	371.24	1,625,660
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Per connection	24,686	96.06	24,207
	Metered connection (25mm)	Location of land and provision or availability of service	Per connection	5,763	207.89	5,821,
	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	-	1,113.72	-
	Metered connection (50mm)	Location of land and provision or availability of service	Per connection	15,438	1,949.01	15,592
	Metered connection (100mm)	Location of land and provision or availability of service	Per connection	-	8,909.76	-
	Metered connection (150mm)	Location of land and provision or availability of service	Per connection	-	20,511.01	-
	Unmetered connection	Location of land and provision or availability of service	Per connection	957.06	483.32	966.64
	Availability charge	Location of land and availability of service	Per rating unit	48,888	185.62	49,375
	Consumption charge	Location of land and availability of service	A fixed amount per cubic metre of water consumption	-	1.24	
Total central water rates				1,645,408		1,721,622

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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Eastern water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Per connection	1,987,819	371.24	2,000,984
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Per connection	15,772	96.06	15,466
	Metered connection (25mm)	Location of land and provision or availability of service	Per connection	6,999	207.89	7,068
	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	5,514	1,113.72	5,569
	Metered connection (50mm)	Location of land and provision or availability of service	Per connection	28,946	1,949.01	29,235
	Metered connection (100mm)	Location of land and provision or availability of service	Per connection	26,465	8,909.76	26,729
	Metered connection (150mm)	Location of land and provision or availability of service	Per connection	20,308	20,511.01	20,511
	Unmetered connection	Location of land and provision or availability of service	Per connection	1,436	483.32	1,450
	Availability charge	Location of land and availability of service	Per rating unit	53,850	185.62	48,632
	Consumption charge	Location of land and provision or availability of service	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	Per rating unit	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	Per rating unit	-	2,789.44	-
	Gibraltar water scheme	Location of land in defined area of benefit and provision or availability of service	Per rating unit	2,900	100	2,900
Total eastern water rates				2,152,053		2,160,589

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. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged. A rating unit used primarily as a residence is deemed to only have one toilet.

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

Source	Differential categories	Matters	factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Waihi Beach wastewater	Availability charge	Location of land and provision or availability of service	Per rating unit	74,584	476.77	72,469
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	2,621,738	953.53	2,671,791
	Multiple pan charge	Location of land and provision or availability of service	Per water closet or urinal after the first	308,080	799.90	311,161
	Waihi Beach School	Location of land and provision or availability of service	Per rating unit	8,085	8,085	8,085
Total Waihi Beach wastewater				3,012,487		3,063,506

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. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged. A rating unit used primarily as a residence is deemed to only have one toilet.

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

Source	Differential categories	Matters	factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Katikati wastewater	Availability charge	Location of land and provision or availability of service	Per rating unit	72,696	476.77	52,921
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	2,175,183	953.53	2,271,308
	Multiple pan charge	Location of land and provision or availability of service	Per water closet or urinal after the first	281,945	799.90	284,764
	Katikati College	Location of land and provision or availability of service	Per rating unit	22,993	22,993	22,993
	Katikati Primary	Location of land and provision or availability of service	Per rating unit	14,722	14,722	14,722
Total Katikati wastewater				2,567,539		2,646,709

Funding Impact Statement - Rates

Ōmokoroa Wastewater

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

The Ōmokoroa wastewater targeted rate part funds the Ōmokoroa 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 Ōmokoroa wastewater area. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged. A rating unit used primarily as a residence is deemed to only have one toilet.

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

Source	Differential categories	Matters	factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Ōmokoroa wastewater	Availability charge	Location of land and provision or availability of service	Per rating unit	74,584	476.77	97,261
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	1,873,075	953.53	2,102,534
	Multiple pan charge	Location of land and provision or availability of service	Per water closet or urinal after the first	183,739	799.90	185,577
	Ōmokoroa Point School	Location of land and provision or availability of service	Per rating unit	6,813	6,813	6,813
	Astelia Place	Location of land in Astelia Place and availability of service	Per rating unit	1,187	593.64	1,187
Total Ōmokoroa wastewater				2,139,398		2,393,372

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 provision or availability of wastewater services provided by Council. The targeted rates are on all properties in the Ongare Point wastewater area. The different categories of land and rates are outlined in the table below.

Source	Differential categories	Matters	factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Ongare Point Wastewater	Availability charge	Location of land and provision or availability of service	Per rating unit	-	476.77	954
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	44,372	953.53	51,491
	Multiple pan charge	Location of land and provision or availability of service	Per water closet or urinal after the first	-	799.90	-
Total Ongare Point wastewater				44,372		52,444

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. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged. A rating unit used primarily as a residence is deemed to only have one toilet.

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

Source	Differential categories	Matters	factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Te Puke wastewater	Availability charge	Location of land and provision or availability of service	Per rating unit	32,571	476.77	44,340
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	2,667,998	953.53	2,708,979
	Multiple pan charge	Location of land and provision or availability of service	Per water closet or urinal after the first	586,857	799.90	592,726
	Te Puke High School	Location of land and provision or availability of service	Per rating unit	12,657	12,657	12,657
	Te Puke Intermediate School	Location of land and provision or availability of service	Per rating unit	13,692	13,692	13,692
	Te Puke Primary School	Location of land and provision or availability of service	Per rating unit	12,867	12,867	12,867
	Fairhaven Primary School	Location of land and provision or availability of service	Per rating unit	11,560	11,560	11,560
	Te Timatanga Hou Kohanga Reo	Location of land and provision or availability of service	Per rating unit	236	236	236
Total Te Puke wastewater				3,338,439		3,397,056

Funding Impact Statement - Rates

Maketu / Little Waihi 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. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged. A rating unit used primarily as a residence is deemed to only have one toilet.

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

Source	Differential categories	Matters	factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Maketu / Little Waihi Wastewater	Availability charge	Location of land and provision or availability of service	Per rating unit	50,981	476.77	28,606
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	439,002	953.53	437,670
	Multiple pan charge	Location of land and provision or availability of service	Per water closet or urinal after the first	35,639	799.90	35,996
	Maketu / Little Waihi Wastewater School	Location of land and provision or availability of service	Per rating unit	2,912	2,912	2,912
Total Maketu / Little Waihi Wastewater				528,534		505,184

Funding Impact Statement - Rates

Waihi Beach Coastal Protection

The Waihi Beach Coastal Protection rates are targeted rates set under sections 16 and 17 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. The different categories of land and rates are outlined in the table below.

Source	Differential categories	Matters	factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Waihi Beach Coastal Protection	Rock revetment area of benefit - Operational	Location of land and provision or availability of service	Per rating unit	9,174	173.09	9,174
	Rock revetment area of benefit - Capital	Location of land and provision or availability of service	Per rating unit	34,194	1,486.69	34,194
	Rock revetment area of benefit capital lump sum (optional)*	Location of land and provision or availability of service	Per rating unit	-	14,924	-
	- Ward area	Location of land and provision or availability of service	Per rating unit	43,879	14.10	44,584
	- Dunes northern end area of benefit	Location of land and provision or availability of service	Per rating unit	14,367	624.66	14,367
	- Dunes Glen Isla Place area of benefit	Location of land and provision or availability of service	Per rating unit	4,504	643.41	4,504
	Total Waihi Beach Coastal Protection				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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Stormwater	Kauri Point	Location of land and provision or availability of service	Fixed amount per rating unit	14,295	176.08	14,439
	Tanners Point	Location of land and provision or availability of service	Fixed amount per rating unit	19,351	176.08	19,545
	Te Puna	Location of land and provision or availability of service	Fixed amount per rating unit	23,709	176.08	24,123
	Pukehina	Location of land and provision or availability of service	Fixed amount per rating unit	111,920	176.08	113,043
	Waihi Beach	Location of land and provision or availability of service	Fixed amount per rating unit	1,269,489	409.12	1,293,637
	Katikati	Location of land and provision or availability of service	Fixed amount per rating unit	882,648	409.12	911,519
	Ōmokoroa	Location of land and provision or availability of service	Fixed amount per rating unit	879,812	409.12	953,659
	Ongare Point	Location of land and provision or availability of service	Fixed amount per rating unit	18,653	176.08	10,389
	Tuapiro Point	Location of land and provision or availability of service	Fixed amount per rating unit	4,358	176.08	4,402
	Te Puke	Location of land and provision or availability of service	Fixed amount per rating unit	1,218,045	409.12	1,240,861
	Paengaroa	Location of land and provision or availability of service	Fixed amount per rating unit	52,299	176.08	53,000
	Maketu	Location of land and provision or availability of service	Fixed amount per rating unit	89,606	176.08	81,701
	Minden	Location of land and provision or availability of service	Fixed amount per rating unit	-	-	-
Total Stormwater				4,584,185		4,720,318

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 the Waihi Estuary catchment area as defined by the area of benefit for the Waihi Drainage Society. 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	Differential categories	Matters	factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 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	183,573	48.45	203,732
	Land Drainage - drains class B	Location of land and provision or availability of service	Per hectare of each rating unit	2,137	24.48	2,570
	Land Drainage - pumps class A	Location of land and provision or availability of service	Per hectare of each rating unit	363,390	214.20	403,767
	Land Drainage - pumps class B	Location of land and provision or availability of service	Per hectare of each rating unit	8,617	153.00	9,792
	Land Drainage - pumps class C	Location of land and provision or availability of service	Per hectare of each rating unit	11,047	107.10	12,209
Total Land Drainage				568,764		632,071

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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Community Halls	Katikati War Memorial Hall	Location of land	Fixed amount per rating unit	78,222	17	79,871
	Te Puna War Memorial Hall	Location of land	Fixed amount per rating unit	9,072	6	9,312
	Te Puna Community Centre	Location of land	Fixed amount per rating unit	61,992	41	63,632
	Paengaroa Hall	Location of land	Fixed amount per rating unit	12,810	17.50	12,618
	Pukehina Beach Community Centre	Location of land	Fixed amount per rating unit	5,330	6.50	5,889
	Pukehina Hall	Location of land	Fixed amount per rating unit	-	30	27,180
	Oropi War Memorial Hall	Location of land	Fixed amount per rating unit	26,496	40.45	25,687
	Kaimai Hall	Location of land	Fixed amount per rating unit	8,772	21.50	9,052
	Omanawa Hall	Location of land	Fixed amount per rating unit	9,608	22.50	9,495
	Te Ranga Hall	Location of land	Fixed amount per rating unit	6,500	25	6,525
	Te Puke War Memorial and Settlers Hall	Location of land	Fixed amount per rating unit	145,152	32	146,016
	Ōmokoroa Settlers Hall	Location of land	Fixed amount per rating unit	28,348	11.50	31,096
	Ohauti Hall	Location of land	Fixed amount per rating unit	13,083	49	13,279
	Waihi Beach Community Centre	Location of land	Fixed amount per rating unit	46,875	15	47,430
	Whakamarama Hall	Location of land	Fixed amount per rating unit	13,959	27	13,716
	Pyes Pa Hall	Location of land	Fixed amount per rating unit	23,099	43.50	21,620
Total Community Halls				489,317		522,417

Funding Impact Statement - Rates

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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Waihi Beach Events and Promotions - Residential	Waihi Beach community board area	Location - Waihi Beach community board area (all land other than commercial/industrial)	Fixed amount per rating unit	38,250	12.10	38,250
Waihi Beach Events and Promotions - Commercial	Commercial/industrial zoned area	Location of land and land use	Fixed amount per rating unit	12,750	209.02	12,750
Katikati Promotion	Katikati Town Centre	Location of land - Katikati	Fixed amount per rating unit	91,820	20	91,820
Katikati Promotion	Katikati Ward promotion	Location of land - Katikati (all land other than commercial/ industrial)	Fixed amount per rating unit	34,071	7.42	34,071
Katikati Promotion	Commercial/industrial zoned area	Location of land and land use	Fixed amount per rating unit	43,361	309.72	43,361
Ōmokoroa Promotion	Ōmokoroa Town Centre	Location of land - Ōmokoroa	Fixed amount per rating unit	-	-	-
Te Puke Promotion	Te Puke promotion	Location of land - Te Puke (all land other than commercial/ industrial)	Fixed amount per rating unit	48,136	11.80	48,136
Te Puke Promotion	Te Puke promotion	Location of land - Maketu (all land other than commercial/ industrial)	Fixed amount per rating unit	18,239	5.61	18,239
Te Puke Promotion	Commercial/industrial zoned area	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

Funding Impact Statement - Rates

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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Pukehina development rate	Residential	Land use	Fixed amount per rating unit	12,640	0	-

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.

Source	Differential categories	Matters	factor	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 Annual Plan Revenue (\$)
Pukehina beach protection	Coastal	Location	Fixed amount per rating unit	12,240	118.48	31,514
Pukehina beach protection	Inland	Location	Fixed amount per rating unit	3,060	8.23	3,060
Total Pukehina Beach Protection				15,300		34,574

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	2021/22 Annual Plan Revenue (\$)	Amount (\$)	2022/23 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	Katikati	Location - Katikati community board area	Fixed amount per rating unit	-	-	-
Heritage Museum	District-wide	All rateable land within the District	Fixed amount per rating unit	71,400	3.08	71,400
Total Community Development and grants				101,081		101,081

Early Payment of Rates for Subsequent Years

Rates eligible for early repayment, under the Early Repayment of Rates for Subsequent Years Policy are:

- Te Puna West Wastewater Capital Targeted Rate.
- Ongare Point Wastewater Capital Targeted Rate.
- Woodland Road Rural Water Supply Targeted Rate.
- Black Road Rural Water Supply Targeted Rate.

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	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Number of rating units for Western Bay of Plenty District Council	23,861	24,246	24,631	24,942	25,253	25,564	25,875	26,186	26,441	26,697	26,952

What it means for your property

The Financial Strategy in Chapter Two page 69 from the Long Term Plan 2021-2031 sets out rates increases for each of the 10 years of the LTP.

For 2022-23, rates are proposed to increase on average by 3.92%. This is consistent with the limit of 4% average rates increase for 2022/23, set in our Financial Strategy.

An extra
\$1.61 pw
per ave. median property

Urban Residential	
Median	2.65% ▲
Capital value:	\$615,000
Average annual charge:	\$3,246
Higher quartile	3.07% ▲
Capital value:	\$815,000
Average annual charge:	\$3,537
Lower quartile	2.42% ▲
Capital value:	\$480,000
Average annual charge:	\$3,082
Average median rates segmentation	
General Rate:	4% ▲
Roading Rate:	11% ▲
Water:	1% ▲
Wastewater:	1% ▲
Other Targeted Rate:	1% ▲

An extra
\$2.71 pw
per ave. median property

Lifestyle Block	
Median	5.72% ▲
Capital value:	\$920,000
Average annual charge:	\$2,604
Higher quartile	5.84% ▲
Capital value:	\$1,249,000
Average annual charge:	\$2,963
Lower quartile	5.30% ▲
Capital value:	\$682,000
Average annual charge:	\$2,229
Average median rates segmentation	
General Rate:	5% ▲
Roading Rate:	11% ▲
Water:	1% ▲
Wastewater:	0%
Other Targeted Rate:	1% ▲

An extra
\$2.71 pw
per ave. median property

Commercial/Industrial	
Median	3.65% ▲
Capital value:	\$808,000
Average annual charge:	\$4,011
Higher quartile	4.73% ▲
Capital value:	\$1,257,000
Average annual charge:	\$5,012
Lower quartile	3.22% ▲
Capital value:	\$486,250
Average annual charge:	\$3,590
Average median rates segmentation	
General Rate:	4% ▲
Roading Rate:	12% ▲
Water:	1% ▲
Wastewater:	1% ▲
Other Targeted Rate:	1% ▲

An extra
\$2.89 pw
per ave. median property

Rural	
Median	5.06% ▲
Capital value:	\$1,055,000
Average annual charge:	\$3,132
Higher quartile	5.59% ▲
Capital value:	\$1,685,000
Average annual charge:	\$3,969
Lower quartile	4.68% ▲
Capital value:	\$730,000
Average annual charge:	\$2,708
Average median rates segmentation	
General Rate:	5% ▲
Roading Rate:	11% ▲
Water:	1% ▲
Wastewater:	0%
Other Targeted Rate:	1% ▲

An extra
\$7.05 pw
per ave. median property

Rural Dairy	
Median	7.22% ▲
Capital value:	\$2,913,750
Average annual charge:	\$5,459
Higher quartile	7.57% ▲
Capital value:	\$5,026,650
Average annual charge:	\$8,685
Lower quartile	6.92% ▲
Capital value:	\$1,606,000
Average annual charge:	\$3,595
Average median rates segmentation	
General Rate:	5% ▲
Roading Rate:	12% ▲
Water:	0%
Wastewater:	0%
Other Targeted Rate:	1% ▲

An extra
\$4.87 pw
per ave. median property

Rural Orchard	
Median	6.69% ▲
Capital value:	\$2,452,500
Average annual charge:	\$4,040
Higher quartile	6.76% ▲
Capital value:	\$3,536,250
Average annual charge:	\$5,293
Lower quartile	6.59% ▲
Capital value:	\$1,710,000
Average annual charge:	\$3,969
Average median rates segmentation	
General Rate:	5% ▲
Roading Rate:	11% ▲
Water:	0%
Wastewater:	0%
Other Targeted Rate:	1% ▲



Prospective Financial Statements Taukī haurapa pūtea

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 over the financial year ended 30 June 2023 and to provide a broad accountability mechanism of the Council to the community. Refer to page 14 for details of underlying assumptions.

Prospective statement of financial position 2022/23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Current assets				
Cash and cash equivalents	25,706	26,634	39,176	39,091
Receivables	12,883	13,426	16,371	16,371
Prepayments and accrued income	828	940	1,008	1,008
Non current assets held for sale	-	1,214	1,250	1,250
Other financial assets	-	-	-	-
Total current assets	39,417	42,214	57,805	57,719
Non-current assets				
Investment in CCOs and other similar entities	3,027	3,181	4,131	3,346
Other financial assets	12,380	11,519	11,519	11,519
Investment in associates	231	212	212	212
Property, plant & equipment	1,510,097	1,631,599	1,703,163	1,652,118
Intangible assets	4,262	6,540	8,013	7,613
Forestry assets	10,490	11,287	11,626	11,626
Total non-current assets	1,540,487	1,664,338	1,738,664	1,686,435
Total assets	1,579,904	1,706,552	1,796,469	1,744,154
Current liabilities				
Creditors and other payables	23,544	23,589	32,664	32,664
Borrowings	10,000	10,000	15,000	15,000
Employee entitlements	2,975	3,573	3,699	3,699
Provisions	313	696	696	696
Derivative Financial Instruments	422	-	-	-
Total current liabilities	37,254	37,858	52,059	52,059
Non-current liabilities				
Borrowings	80,000	93,400	126,400	95,000
Provisions	280	313	313	313
Derivative financial instruments	7,144	12,632	12,632	12,632
Employee Entitlements	20	-	-	-
Total non-current liabilities	87,444	106,345	139,345	107,945
Total liabilities	124,698	144,203	191,404	160,004
Net assets	1,455,206	1,562,349	1,605,065	1,584,150
Equity				
Accumulated funds	929,626	954,642	974,592	955,372
Other reserves	525,579	607,707	630,473	628,778
Total equity	1,455,205	1,562,349	1,605,065	1,584,150

Prospective statement of comprehensive revenue and expense 2022/23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Revenue from non-exchange transactions				
Fees and Charges	10,305	7,641	7,935	8,238
Rates	74,827	83,374	87,645	87,387
Fines	202	211	219	219
Vested assets	6,216	2,240	2,313	2,313
Financial Contributions	7,572	11,221	14,035	14,035
Subsidies and Grants	14,879	16,982	18,524	15,232
Other revenue	515	400	412	412
Fair value movement in derivative financial instruments	5,448	-	-	-
Gains	413	489	464	464
Total revenue from non-exchange transactions	120,377	122,558	131,547	128,259
Revenue from exchange transactions				
Finance income	845	263	270	270
Dividends	270	-	-	-
Rental income	898	746	766	766
Other exchange revenue	1,747	1,773	1,644	1,782
Revenue from exchange transactions	3,760	2,782	2,680	2,819
Total revenue	124,137	125,340	134,227	131,077
Expenditure				
Other Expenses	48,783	52,881	56,386	55,395
Personnel costs	23,444	26,369	27,292	27,944
Depreciation	23,079	23,560	24,857	24,844
Amortisation	347	347	287	287
Impairment expense	-	-	-	-
Finance costs	4,593	3,675	4,651	4,006
Total Operating Expenditure	100,246	106,832	113,473	112,475
Share of associate's surplus / (deficit)	19	-	-	-
Operating surplus / (deficit)	23,911	18,508	20,755	18,602
Gain / (Loss) on property, plant & equipment revaluations	61,781	30,284	21,961	21,965
Reversal of impairment	-	-	-	-
Other assets at fair value through other comprehensive income	98	-	-	-
Total other comprehensive revenue and expenses	61,696	30,284	21,961	21,965
Total comprehensive revenue and expense / (deficit) for the year attributable to Council	85,879	48,792	42,716	40,567

Prospective statement of changes in net assets/equity 2022/23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Equity balance at 30 June				
Equity balance at 1 July	1,369,298	1,513,557	1,562,349	1,543,939
Comprehensive income for year	85,909	48,792	42,716	40,567
Equity balance at 30 June	1,455,206	1,562,349	1,605,065	1,584,150
Components of equity				
Retained earnings at 1 July	905,715	936,747	954,642	936,092
Net surplus/(deficit)	23,910	17,895	19,950	19,280
Retained earnings 30 June	929,625	954,642	974,592	955,372
Revaluation reserves at 1 July	431,251	547,669	577,953	577,953
Revaluation gains	61,871	30,284	21,961	21,965
Revaluation Reserves 30 June	493,122	577,953	599,914	599,918
Council created Reserves at 1 July	32,332	29,141	29,754	29,540
Transfers to / (from) Reserves	126	613	805	(678)
Council created Reserves 30 June	32,458	29,754	30,559	28,862
Components of equity	1,455,205	1,562,349	1,605,065	1,584,150

Forecast depreciation and amortisation by activity

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Representation	20	6	8	8
Communities	639	635	671	671
Recreation and Open Space	1,802	1,929	2,028	2,028
Regulatory Services	86	69	77	77
Stormwater	1,611	1,589	1,613	1,612
Transportation	10,586	10,623	11,350	11,347
Water Supply	4,023	4,090	4,263	4,258
Wastewater	3,719	3,711	3,818	3,818
Solid Waste	30	41	44	44
Total depreciation and amortisation by activity	22,516	22,693	23,872	23,858
Depreciation and amortisation related to support services	909	1,215	1,273	1,273
Total depreciation and amortisation expense	23,425	23,908	25,144	25,130
Made up of:				
Depreciation	23,079	23,561	24,857	24,843
Amortisation	347	347	287	287

Prospective statement of cash flows

For the years ended 30 June	Actuals	Annual Plan	LTP	Annual Plan
	\$'000	\$'000	Forecast	\$'000
	2021	2022	2023	2023
Cashflow operating activities				
Cash was provided from:				
Rates revenue	75,285	82,623	86,467	87,347
Interest received	5,494	263	270	270
Other revenue	42,939	27,090	28,459	27,252
Financial contributions	270	11,221	14,035	14,035
Cash was provided from:	123,988	121,197	129,231	128,904
Cash was applied to:				
Payments to suppliers and employees	74,830	76,439	79,821	83,651
Interest paid	4,593	3,675	4,651	4,006
Cash was applied to:	79,423	80,114	84,472	87,657
Net cashflow from operating activities	44,565	41,083	44,759	41,247
Cashflow investment activities				
Cash was provided from:				
Proceeds from sale of property, plant & equipment	3,505	-	-	-
Proceeds from sale of investments	-	-	-	-
Cash was provided from:	3,505	-	-	-
Cash was applied to:				
Purchase of property, plant & equipment	36,853	47,296	68,582	69,213
Purchase of investments	-	335	950	788
Cash was applied to:	36,853	47,631	70,217	70,001
Net cashflow from investment activities	(33,348)	(47,631)	(70,217)	(70,001)
Cashflow finance activities				
Cash was provided from:				
Proceeds from borrowings	-	23,400	53,000	56,500
Cash was provided from:	-	23,400	53,000	56,500
Cash was applied to:				
Repayment of borrowings	20,000	10,000	15,000	15,000
Cash was applied to:	20,000	10,000	15,000	15,000
Net cashflow from finance activities	(20,000)	13,400	38,000	41,500
Cash balance				
Cash balance				
Net increase/(decrease) in cash held	(8,783)	6,852	12,542	12,746
Total cash resources at beginning of the year	34,489	19,782	26,634	26,344
Cash balance	25,706	26,634	39,176	39,090

Reconciliation of Summary Funding Impact Statement to Prospective Statement of Comprehensive Revenue and Expense 2022/23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Revenue				
Prospective Statement of Comprehensive Revenue Expenditure				
Total Operating Revenue	117,507	125,340	134,227	131,077
Total Revenue	117,507	125,340	134,227	131,077
Summary Funding Impact Statement				
Sources of operating funding				
Total sources of operating funding	97,644	105,394	110,341	110,728
Sources of operating funding	97,644	105,394	110,341	110,728
Add sources of capital funding				
Development and financial contributions	7,572	11,221	14,035	14,035
Gain disposal of assets	-	(388)	(401)	-
Subsidies and grants for capital expenditure	6,844	6,874	7,939	4,000
Vested assets	-	2,240	2,313	2,313
Fair Value movements in derivative financial instruments	5,448	-	-	-
Revaluation adjustments	(118)	-	-	-
Other assets of fair value through other comprehensive revenue and expense	98	-	-	-
Share of associate surplus (deficit)	19	-	-	-
Add sources of capital funding	19,863	19,947	23,886	20,348
Total Revenue	117,507	125,341	134,227	131,077
Expenditure				
Prospective Statement of Comprehensive Revenue Expenditure				
Total Operating Expenditure	95,297	106,832	113,472	112,475
Total Expenditure	95,297	106,832	113,472	112,475
Summary Funding Impact Statement				
Application of operating fund				
Total application of operating funding	76,702	82,925	88,329	87,657
Application of operating fund	76,702	82,925	88,329	87,657
Add application of capital funding				
Depreciation and amortisation expense	11,827	23,907	25,144	24,819
Increase/(decrease) in provisions	-	-	-	-
Loss on changes in fair value of investment property and evaluation of financial assets	-	-	-	-
Loss on disposal of asset	-	-	-	-
Add application of capital funding	11,827	23,907	25,144	24,819
Total Expenditure	88,529	106,832	113,473	112,475





Reserve Funds Pūtea tāpui

This statement shows the opening balances of Council's reserves at 1 July 2022, and the proposed deposits, withdrawals and closing balances as at 30 June 2023.

Reserve Funds

Reserve name	Purpose	Activity	Interest bearing	Opening balance 1 July 2022	Expected deposits to fund to 30 June 2023	Expected withdrawals from fund to 30 June 2023	Closing balance 30 June 2023
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 Open Space	Yes	44,495	1,468	-	45,963
I'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Open Space	Yes	25,490	-	-	25,490
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	204,215	6,739	(12,336)	198,618
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Open Space	Yes	15,918	525	-	16,443
Total Restricted Reserves				290,118	8,732.00	(12,336.00)	286,514.00
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	(1,876,146)	485,004	(1,435,784)	(2,826,926)
Coastal Marine		Recreation and Open Space	No	(1,586,798)	927,704	(1,499,498)	(2,158,592)
District Reserves		Support Services	No	2,302,818	75,993	(1,164,472)	1,214,339
Huharua Sub Regional Park		Recreation and Open Space	No	252,548	15,387	-	267,935
TECT All Terrain Park		Recreation and Open Space	No	1,197,519	108,773	(82,261)	1,224,031
Asset Replacement - office buildings		Recreation and Open Space	Yes	627,304	451,410	(509,481)	569,233
Asset Replacement - vehicles		Support Services	Yes	(628,877)	526,047	(634,038)	(736,868)
Asset Replacement - civil defence - vehicle		Communities	Yes	135,040	5,490	-	140,530

Reserve name	Purpose	Activity	Interest bearing	Opening balance 1 July 2022	Expected deposits to fund to 30 June 2023	Expected withdrawals from fund to 30 June 2023	Closing balance 30 June 2023
Asset Replacement Reserves							
Asset Replacement - telemetry		Communities	Yes	97,661	3,223	-	100,884
Asset Replacement - swimming pool		Recreation and Open space	Yes	383,665	57,894	-	441,559
Asset Replacement - library books		Communities	Yes	2,100,348	296,237	(395,482)	2,001,103
Asset Replacement - cemetery		Communities	Yes	334,702	63,121	-	397,823
Total Asset Replacement Reserves				3,339,784.00	3,016,283.00	(5,721,016.38)	635,050.62

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	236,900	-	-	236,900
Katikati Community Board		Communities	No	75,424	-	-	75,424
Ōmokoroa Community Board		Communities	No	244,834	-	-	244,834
Te Puke Community Board		Communities	No	146,019	-	-	146,019
Maketu Community Board		Communities	No	175,082	-	-	175,082
Total Community Board Reserves				878,259.00	-	-	878,259.00

Reserve name	Purpose	Activity	Interest bearing	Opening balance 1 July 2022	Expected deposits to fund to 30 June 2023	Expected withdrawals from fund to 30 June 2023	Closing balance 30 June 2023
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	15,685	-	-	15,685
Waihi Beach Town Centre Development	For town centre development.	Economic Development	Yes	78,821	2,601	(51,400)	30,022
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic Development	Yes	211,428	6,977	(102,800)	115,605
Ōmokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic Development	Yes	740,435	24,434	-	764,869
Te Puke Town Centre Development	For town centre development.	Economic Development	Yes	112,015	3,697	-	115,712
Pukehina Beach Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a potential future sewerage scheme for the area.	Planning for the future	Yes	528,789	30,050	-	558,839
Pukehina Beach Protect Reserve	Beach nourishment and protection.	Planning for the future	No	292,759	-	(25,825)	266,934
Total Other Community Reserves				1,979,932.00	67,759.00	(180,025.00)	1,867,666.00

Reserve name	Purpose	Activity	Interest bearing	Opening balance 1 July 2022	Expected deposits to fund to 30 June 2023	Expected withdrawals from fund to 30 June 2023	Closing balance 30 June 2023
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 and Sustainable Living	No	306,176	-	-	306,176
Ecological financial contributions - operational	As above	Natural Environment and Sustainable Living	No	240,662	14,457	(98,135)	156,984
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Open Space	No	4,586,717	3,303,640	(900,684)	6,989,673
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	311,375	10,275	-	321,650
Total Financial Contribution Reserves				5,494,904.00	3,328,372.00	(998,819.00)	7,824,457.00
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	5,338,410	-	(61,740)	5,201,095
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	1,370,637	-	(221,575)	1,149,062
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	117,404	-	-	117,404
Total General Reserves				6,840,836.80	-	(283,315.00)	6,481,946.80

Reserve name	Purpose	Activity	Interest bearing	Opening balance 1 July 2022	Expected deposits to fund to 30 June 2023	Expected withdrawals from fund to 30 June 2023	Closing balance 30 June 2023
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	9,902,215	326,773	-	10,228,988
Corporate Property and Assets	For any surplus arising from the corporate property/land purchase account.	Support Services	No	(189,945)	-	(85,145)	(275,090)
Weathertight Homes	To settle potential weathertightness claims that may arise.	Regulatory	No	252,279	8,325	-	260,604
Panepane Point		Reserves	No	376,928	12,439	(102,800)	286,567
Te Tawa ki Tahataharoa Reserve		Reserves	Yes	374,204	12,349	-	386,553
Total Special Reserves				10,715,681	359,886.00	(187,945.00)	10,887,622.00
Total All Council Created Reserves				29,539,514.80	6,781,032.00	(7,383,456.38)	28,861,515.42



Chapter Two

Wahanga Tuarua

Policies and Statements

Ngā Kaupapa here me ngā korero

This chapter provides an overview of Council's key policies for the Annual Plan. Also covered in this chapter are Council's prudential benchmarks, activity funding impact statements.

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Overall Revenue and Financing Policy Nga mahere pūtea

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

Introduction

We have considered the distribution and timing of benefits, rating efficiency and transparency, community preferences and the overall impact on the economic, cultural, social and environmental wellbeing of our District. In particular, we have considered the impacts of our rating proposals on a range of representative properties.

Our Revenue and Financing Policy for each group of activities can be found from page 396 of the Long Term Plan 2021-2031 and when read in conjunction with the Funding Impact Statements from page 88, this policy links the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive.

Council's funding philosophy

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

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

Fees

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

Targeted rates

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

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

Financial contributions

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

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

Our District Plan provides that waivers and reductions to financial contributions levied under the Resource Management Act 1991 are agreed through our Annual Plan process.

Debt financing

As we have no significant reserves, we rely on loans to finance infrastructure development, for example wastewater schemes. The portion of interest and loan repayments relating to growth is generally funded through financial contributions, however in periods of low growth they may be funded from rates. This is detailed in our Financial Strategy from the Informing our Planning section on page 76 of the LTP 2021-31. The remaining interest and loan repayments are funded by annual rates or charges. We acknowledge that the interest on loans increases the overall cost of services but we believe that this disadvantage is offset by the advantages of a more equitable allocation of cost between existing and future ratepayers. As our rating base increases with new development there are more ratepayers to meet the cost of interest and loan repayments.

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

The overall use of debt financing is limited by the extent of our indebtedness and the principles of prudent financial management. Our Financial Strategy in the Informing our Planning section in the Long Term Plan 2021-2031 (from page 76) proposes a limit on debt and our Treasury Policy in the Long Term Plan 2021-2031 (page 449) contains limits on debt and interest payments in relation to our assets and revenue. The term of our debt is related to the useful life of the asset financed but does not generally exceed 30 years. This ensures that the people benefiting from the asset repay the loan before the asset's life is over.

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

Depreciation funding and current account deficit funding

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

1. Pay as you go

- Capital funded annually by rating existing ratepayers to cover the expenses incurred in that year.

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

2. Saving for asset replacement

(charge rates over the life of the asset – spend later)

- Ratepayers are rated annually to fund depreciation which builds up in a reserve account to fund future replacements of assets.

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

3. Borrowing to fund asset replacement

(spend now – charge rates over the life of the asset)

- Ratepayers are rated annually to fund interest and capital repayments on loans matched to the life of the asset. In the future, replacement of the asset would be financed in the same way.

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

There is no legal requirement for councils to accumulate dedicated depreciation reserves, however the Local Government Act 2002 (LGA) requires that councils have a balanced budget, which means that revenue must be greater than operating expenditure (which includes depreciation). As the balanced budget test is conducted at the local authority level it is considered acceptable and within the bounds of

prudence to run an operating deficit on one activity and a surplus on another. This means that we are not required to retain revenue on an annual basis in dedicated depreciation reserves if we can show through our financial strategy that future rates revenue is adequate to fund infrastructure renewals when they are needed.

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

Rating policy

1. Rating unit

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

2. Rating basis

The Local Government (Rating) Act 2002 allows us to choose from three rating systems - the land value rating system, the capital value rating system and the annual value rating system. There is no legislation prescribing the best type of rating system for each council.

We will assess the General Rate and all other property value-based rates (except the roading rate) on capital value. The roading rate will be assessed on land value.

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

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

3. General rates

General Rates consist of a rate in the dollar charged on capital value and a Uniform Annual General Charge (UAGC) which is a flat amount levied on each rating unit. The size of the UAGC is set each year by Council and is used as a

levelling tool in the collection of General Rates. If the Uniform Annual General Charge (UAGC) were set at zero the effect would be to increase the amount of General Rates assessed on capital value which would increase the share levied on properties with higher capital values and decrease the share levied on lower capital values.

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

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

4. Differential general rate

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

Our current policy for differentials on General Rates:

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

5. Multiple dwelling differentials

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

6. Environmental protection rate

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

7. Rooding rates

There are three rooding rates:

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

We use the rural works charge and the 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, from page 88. These rates may be collected on a uniform (fixed) basis per property or on the capital value of each property.

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

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

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

Where meters are in use charges are as follows:

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

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

10. Wastewater

Our policy on wastewater charges is:

10.1 Uniform Targeted Rate

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

10.2 Multiple connection charges

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

- Each residential household will pay one standard connection charge to the wastewater scheme regardless of the number of toilets in the dwelling. This charge covers fixed and variable costs.
- For non-residential properties with more than one toilet in Katikati, Ōmokoroa, Te Puke and 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.

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

11. Schools

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

The Revenue and Financing Policies can be viewed Council's website www.westernbay.govt.nz/longtermplan2021-2031

Summary of Specific Rates Policies

Whakarāpopoto o ētahi Kaupapa here Tautuhi Rēti

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

Council's specific rates policies

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

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



Significant Accounting Policies Kaupapa here nui - mahi kaute

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.

Contents

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.

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Prospective Statement of Comprehensive Revenue and Expense

The Prospective Statement of Comprehensive Revenue and Expense shows all of Council's prospective revenue earned and expenses incurred for the years ended 30 June 2023. Revenue includes revenue received from rates and other revenue such as investment revenue, rent and fees while expenses paid includes costs such as operating costs, interest payments and depreciation.

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

Prospective Statement of Changes in Equity.

This Prospective Statement provides information about the nature of changes in Council's equity for the years ended 30 June 2023.

Prospective Statement of Financial Position

The Prospective Statement of Financial Position shows the assets and liabilities of the Council as at 30 June 2023.

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

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

Prospective Statement of Cash Flows

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

Prospective Proposed Statement of Accounting Policies

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

Prospective Funding Impact Statement

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

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

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

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

Proposed Statement of Accounting Policies for Prospective Financial Statements

Reporting entity

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

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

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

The prospective financial statements of Western Bay Council are for the period ending 30 June 2023. The financial statements of Western Bay Council for each year within the Long Term Plan are to be authorised for issue by Council. These prospective financial statements were authorised for issue by the Western Bay Council.

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 2023. Estimates have been restated accordingly if required. No actual financial results have been incorporated within the prospective financial statements.

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

Council, who are authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, have adopted the Consultation Document and have approved it for distribution on 29 June 2022.

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

Statement of compliance

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

Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP) R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

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

These prospective financial statements comply with PBE Standards.

Measurement base

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

Presentation currency and rounding

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

Critical accounting estimates and assumptions

In preparing these prospective financial statements, Council has made estimates and assumptions concerning the future, these are outlined in the Informing our Planning section from page 16. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Cautionary note

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

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

Standards issued and not yet effective and not yet adopted

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

Financial instruments

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

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

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

Service Performance Reporting

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

Cashflow Statements

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

Changes in accounting policies

There have been no other changes in accounting policy.

Assumption underlying prospective financial information

The financial information contained within these policies and statements is prospective information and has been prepared in compliance with PBE FRS 42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Western Bay of Plenty District Council over the financial year from 1 July 2022 to 30 June 2023 and to provide a broad accountability mechanism of the Council to the community.

Significant accounting policies

Associate entities

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

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

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

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

Revenue

Revenue is measured at fair value.

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Western Bay Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue

- Rates arising from late payment penalties are recognised as revenue when rates become overdue
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis
- Rates remissions are recognised as a reduction of rates revenue when Western Bay Council has received an application that satisfies its rates remission policy

Financial contributions

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

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

Waka Kotahi NZ Transport Agency roading subsidies

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

Other grants received

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

Building and resource consent revenue

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

Entrance fees

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

Sales of goods

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

Infringement fees and fines

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

Vested or donated physical assets

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

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

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

Donated and bequeathed financial assets

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

Interest and dividends

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

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

Construction contracts

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

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

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

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

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

Borrowing costs

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

Grant expenditure

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

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

Foreign currency transactions

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

Income tax

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

Leases

Finance leases

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

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

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Council does not currently have any finance leases.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

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

Assets

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

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

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

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

Rates are "written-off":

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

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

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to foreign exchange arising from Western Bay Council's operational activities and interest rate risks arising from Council's financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged. The Council and group have elected to not adopt the new hedge accounting requirements of PBE IPSAS 41 as permitted under the transitional provisions of PBE IPSAS 41.

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

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

Other financial assets

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

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

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

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

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

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

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

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

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

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

Subsequent measurement of financial assets at amortised cost

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

Subsequent measurement of financial assets at FVTOCRE

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

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

Subsequent measurement of financial assets at FVTSD

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

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

Instruments in this category include the Council and group's investment fund portfolio

(comprising of listed shares, bonds, and units in investment funds) and LGFA borrower notes.

Expected credit loss allowance (ECL)

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

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

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

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

Financial assets at fair value through surplus or deficit

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

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair value

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. Council includes in this category:

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

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit

Impairment of financial assets

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

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that Council and group will not be able to collect amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

Property, plant and equipment

Property, plant, and equipment consist of:

Operational assets

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

Restricted assets

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

Infrastructure assets

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

Revaluation

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

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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

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

Transportation assets including roads, bridges and footpaths were revalued at depreciated replacement cost at 1 July 2020 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 2020 and certified by Aecom New Zealand Limited.

Land and buildings, except land under roads, were revalued at fair value at 1 July 2020 by Opteon. Library books were revalued at fair value by Aecom at 1 July 2020 and Marine assets were revalued at fair value by Tonkin and Taylor at 1 July 2020.

All other asset classes are carried at depreciated historical cost.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

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

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

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

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

Disposals

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

Depreciation

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

Buildings		
· Concrete	30 to 100 years	Straight line
· Wooden	30 to 100 years	Straight line
· Improvements	10 years	Straight line
Land		Not depreciated
Other plant and equipment	10 years	Diminishing value
Office equipment and furnishings	10 years	Diminishing value
Computer systems	5 years	Diminishing value
Motor vehicles	5 years	Diminishing value
Library books	10-15 years	Straight line
Infrastructural assets		
Roading network		
· Pavements (base course)	25 to 75 years	Straight line
· Seal	5 to 60 years	Straight line
· Unsealed	3 to 5 years	Straight line
· Other	5 to 70 years	Straight line
· Formation (not depreciated)		
Bridges		
· Concrete	100 years	Straight line
· Steel	50 years	Straight line
Reticulation		
· Water	20 to 60 years	Straight line
· Sewerage	60 to 100 years	Straight line
· Stormwater	80 to 120 years	Straight line
· Treatment plant and equipment	25 to 50 years	Straight line
Other structures		
· Wooden reservoirs	80 years	Straight line
· Concrete reservoirs	100 years	Straight line
· Dams	100 years	Straight line
· Bores	100 years	Straight line
· Coastal Structures	5 to 75 years	Straight line

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

Impairment of property, plant, and equipment and intangible assets

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

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

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

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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

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

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

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

Easements

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

Carbon credits

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

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

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

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

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Payables

Short-term payables are recorded at the amount payable.

Borrowings

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

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retirement gratuity and long-service leave expected to be settled within 12 months and sick leave. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be

settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Provisions

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

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

Landfill post-closure provision

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

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

Financial guarantee contracts

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

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

Financial guarantees are subsequently measured at the higher of:

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

Equity

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

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

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

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

Also included in restricted reserves are reserves restricted by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Property revaluation reserve

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

Fair value through other comprehensive revenue and expense reserve

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

Council created reserves

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

Goods and Service Tax (GST)

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

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

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

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

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

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

Impact of Covid-19

Western Bay Council has assessed the impacts of Covid-19 on its position as at 29 June 2022, and its key accounting estimates and its assumptions looking forward.

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

Three Waters Reform

The Government is implementing a package of reforms to the three waters regulatory system, which are designed to:

- Improve national-level leadership, oversight and support relating to the three waters - through the creation of Taumata Arowai, a new, dedicated Water Services Regulator from 1 March 2021.
- Significantly strengthen compliance, monitoring and enforcement relating to drinking water regulation - through the passing of the Water Services Act 2021 and revised Drinking Water Standards of New Zealand.
- Manage risks to drinking water safety and ensure sources of drinking water are protected.
- Improve the environmental performance and transparency of wastewater and stormwater networks.

We expect that the regulatory reform and the establishment of Taumata Arowai will change the way we need to demonstrate regulatory compliance, assess risk relating to source and treated water quality and require licencing and authorisation of water supplier entities and individuals involved in providing three water services.

In addition to regulatory reform, Government has initiated a reform process for service delivery of three waters. The Water Services Entities Bill was introduced to Parliament in 2022 which sets out the proposed governance and operation structures for future water delivery services.

We have signed a Memorandum of Understanding (MoU) with Government to join the first phase of the Government's three waters reform. The MoU commits us to a collaborative process with Government to explore structural reform in the waters sector, particularly a multi-regional approach to three waters management and delivery of better health, economic, cultural and environmental outcomes.







Activity Funding Impact Statements

Nga taukī tuku pūtea

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

Capital expenditure classifications

Growth is used to describe new projects identified in structure plans for the urban growth areas, and funded (either wholly or partially) from financial contributions.

Level of service (LOS) is used to describe projects that deliver on Council's adopted level of service, and are not growth related or renewals. It is not about new levels of service or any specific change in levels of service.

Renewals are used to describe projects that replace or upgrade existing assets.

Whole of Council - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	51,357	43,265	32,962	32,303
Targeted rates	23,470	40,109	52,150	55,044
Subsidies and grants for operating purposes	8,035	10,108	10,585	11,178
Fees and charges and other revenue	10,305	8,418	8,658	8,749
Interest and dividends from interest	270	263	270	270
Local authority and fuel tax, fines, infringement fees, and other receipts	4,207	3,230	3,183	3,184
Total operating funding (A)	97,644	105,393	107,809	110,728
Applications of operating funding				
Payments to staff and suppliers	67,534	79,250	83,678	83,651
Finance costs	4,593	3,675	4,651	4,006
Other operating funding applications	4,575	-	-	-
Total applications of operating funding (B)	76,702	82,925	88,329	87,657
Operating funding - surplus/(deficit) (A-B)	20,942	23,469	43,247	23,072
Sources of capital funding				
Subsidies and grants for capital expenditure	6,844	6,874	7,939	4,053
Development and financial contributions	7,572	11,221	14,035	14,035
Increase/(decrease) in debt	(7,164)	13,400	40,531	31,500
Gross proceeds from sale of assets	4,575	-	-	-
Lump sum contributions	-	2,240	2,313	2,313
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	11,827	33,735	64,818	51,901
Applications of capital funding				
Capital expenditure				
• to meet additional demand	11,707	35,506	37,528	27,949
• to improve the level of service	11,361	11,112	15,398	26,855
• to replace existing assets	9,985	11,451	25,603	14,474
Increase/(decrease) in reserves	(265)	(5,047)	1,638	2,349
Increase/(decrease) in investments	(19)	3,181	4,131	3,346
Total applications of capital funding (D)	32,769	56,203	84,298	74,972
Capital funding - surplus/(deficit) (C-D)	(20,942)	(23,469)	(43,247)	(23,072)
Funding balance ((A-B) + (C-D))	-	-	-	-

Representation - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	3,176	3,093	2,779	3,462
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges and other revenue	2	-	-	-
Internal charges and overheads recovered	718	1,052	1,068	904
Local authority and fuel tax, fines, infringement fees, and other receipts	1	-	77	77
Total operating funding (A)	3,897	4,145	3,924	4,443
Applications of operating funding				
Payments to staff and suppliers	1,732	2,035	1,730	2,078
Finance costs	-	-	-	-
Internal charges and overheads applied	2,092	2,083	2,149	2,321
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	3,824	4,118	3,879	4,399
Operating funding - surplus/(deficit) (A-B)	73	27	45	44
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	20	36	36
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	73	6	8	8
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	73	26	44	44
Capital funding - surplus/(deficit) (C-D)	(73)	(26)	(44)	(44)
Funding balance ((A-B) + (C-D))	-	1	1	-

Planning for the Future - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	2,834	3,873	4,180	4,466
Targeted rates	13	13	13	13
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges and other revenue	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	(A) 2,847	3,886	4,193	4,479
Applications of operating funding				
Payments to staff and suppliers	1,781	2,933	3,193	3,450
Finance costs	(16)	-	-	-
Internal charges and overheads applied	958	939	987	1,016
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 2,723	3,872	4,180	4,466
Operating funding - surplus/(deficit)	(A-B) 124	14	13	13
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) -	-	-	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	-	-	-
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	124	13	13	13
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 124	13	13	13
Capital funding - surplus/(deficit)	(C-D) (124)	(13)	(13)	(13)
Funding balance	((A-B) + (C-D)) -	1	-	-

Communities - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	4,666	5,754	5,811	5,929
Targeted rates	2,179	3,123	3,245	3,283
Subsidies and grants for operating purposes	160	-	-	-
Fees and charges and other revenue	110	80	82	82
Internal charges and overheads recovered	1,059	502	481	487
Local authority and fuel tax, fines, infringement fees, and other receipts	536	502	518	518
Total operating funding	(A) 8,710	9,961	10,137	10,299
Applications of operating funding				
Payments to staff and suppliers	4,939	6,488	6,358	6,543
Finance costs	26	-	-	-
Internal charges and overheads applied	3,070	3,253	3,417	3,358
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 8,035	9,741	9,775	9,902
Operating funding - surplus/(deficit)	(A-B) 675	220	362	397
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	105	161	(229)	(224)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 105	161	(229)	(224)
Applications of capital funding				
Capital expenditure				
• to meet additional demand	330	320	53	53
• to improve the level of service	-	85	51	51
• to replace existing assets	372	676	1,049	3,185
Increase/(decrease) in reserves	78	(700)	(1,020)	(3,117)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 780	381	133	172
Capital funding - surplus/(deficit)	(C-D) (675)	(220)	(362)	(397)
Funding balance	((A-B) + (C-D)) -	-	-	-

Recreation and Open Space - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	7,079	7,691	8,100	8,455
Targeted rates	-	215	432	432
Subsidies and grants for operating purposes	566	-	82	(144)
Fees and charges and other revenue	10	20	21	21
Internal charges and overheads recovered	1,482	1,779	1,858	1,783
Local authority and fuel tax, fines, infringement fees, and other receipts	1,273	1,339	1,166	1,166
Total operating funding	(A) 10,410	11,044	11,659	11,713
Applications of operating funding				
Payments to staff and suppliers	6,584	6,017	6,387	6,548
Finance costs	(327)	-	-	-
Internal charges and overheads applied	2,537	2,941	3,075	2,978
Other operating funding applications	183	-	-	-
Total applications of operating funding	(B) 8,977	8,958	9,462	9,526
Operating funding - surplus/(deficit)	(A-B) 1,433	2,086	2,197	2,186
Sources of capital funding				
Subsidies and grants for capital expenditure	-	919	1,122	711
Development and financial contributions	1,885	2,576	4,613	4,613
Increase/(decrease) in debt	2,958	552	1,600	1,602
Gross proceeds from sale of assets	183	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 5,026	4,047	7,335	6,926
Applications of capital funding				
Capital expenditure				
• to meet additional demand	4,124	2,309	2,303	2,282
• to improve the level of service	541	1,879	2,855	2,884
• to replace existing assets	727	1,788	4,379	4,379
Increase/(decrease) in reserves	1,067	158	(6)	(433)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 6,459	6,134	9,531	9,113
Capital funding - surplus/(deficit)	(C-D) (1,433)	(2,087)	(2,196)	(2,186)
Funding balance	((A-B) + (C-D)) -	-	-	-

Regulatory Services - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	3,185	4,496	4,866	5,079
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges and other revenue	7,103	7,224	7,424	7,853
Internal charges and overheads recovered	773	1,058	1,218	1,155
Local authority and fuel tax, fines, infringement fees, and other receipts	925	274	280	280
Total operating funding (A)	11,986	13,052	13,788	14,367
Applications of operating funding				
Payments to staff and suppliers	8,006	8,437	8,778	9,399
Finance costs	(8)	-	-	-
Internal charges and overheads applied	3,895	4,603	4,913	4,792
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	11,893	13,040	13,691	14,191
Operating funding - surplus/(deficit) (A-B)	93	12	97	176
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	-	31	31
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	93	12	67	145
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	93	12	98	176
Capital funding - surplus/(deficit) (C-D)	(93)	(12)	(98)	(176)
Funding balance ((A-B) + (C-D))	-	-	(1)	-

Stormwater - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	983	700	718	718
Targeted rates	4,391	4,619	4,765	4,765
Subsidies and grants for operating purposes	568	-	-	-
Fees and charges and other revenue	3	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts	2	-	-	-
Total operating funding	(A) 5,947	5,319	5,483	5,484
Applications of operating funding				
Payments to staff and suppliers	826	1,197	1,259	1,256
Finance costs	779	-	-	-
Internal charges and overheads applied	695	771	804	694
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 2,300	1,968	2,063	1,950
Operating funding - surplus/(deficit)	(A-B) 3,647	3,351	3,420	3,533
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	613	1,600	1,676	1,676
Increase/(decrease) in debt	(2,180)	2,649	6,409	4,226
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	300	310	310
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) (1,567)	4,549	8,395	6,212
Applications of capital funding				
Capital expenditure				
• to meet additional demand	1,080	3,251	4,132	3,682
• to improve the level of service	725	310	1,337	869
• to replace existing assets	275	417	3,643	1,630
Increase/(decrease) in reserves	-	3,923	2,702	3,564
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 2,080	7,901	11,814	9,745
Capital funding - surplus/(deficit)	(C-D) (3,647)	(3,352)	(3,419)	(3,533)
Funding balance	((A-B) + (C-D)) -	-	-	-

Transportation - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	-	50	52	52
Targeted rates	13,215	14,695	16,072	16,446
Subsidies and grants for operating purposes	5,229	9,935	10,324	11,143
Fees and charges and other revenue	2,342	10	10	10
Internal charges and overheads recovered	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts	9	262	270	270
Total operating funding	(A) 20,795	24,952	26,728	27,921
Applications of operating funding				
Payments to staff and suppliers	10,233	11,260	13,395	13,118
Finance costs	22	-	-	-
Internal charges and overheads applied	1,537	1,351	1,415	1,443
Other operating funding applications	502	-	-	-
Total applications of operating funding	(B) 12,294	12,611	14,810	14,562
Operating funding - surplus/(deficit)	(A-B) 8,501	12,341	11,918	13,359
Sources of capital funding				
Subsidies and grants for capital expenditure	6,844	5,655	4,334	2,361
Development and financial contributions	2,581	3,089	3,663	3,663
Increase/(decrease) in debt	(3,401)	50	1,697	1,698
Gross proceeds from sale of assets	502	-	-	-
Lump sum contributions	-	1,400	1,445	1,445
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 6,526	10,194	11,139	9,167
Applications of capital funding				
Capital expenditure				
• to meet additional demand	4,541	19,095	19,033	16,657
• to improve the level of service	8,415	6,725	8,469	12,017
• to replace existing assets	1,739	3,205	4,294	-
Increase/(decrease) in reserves	332	(6,491)	(8,738)	(6,148)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 15,027	22,534	23,058	22,526
Capital funding - surplus/(deficit)	(C-D) (8,501)	(12,340)	(11,919)	(13,359)
Funding balance	((A-B) + (C-D)) -	-	-	-

Water Supply - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	-	-	-	-
Targeted rates	12,768	11,750	12,041	12,041
Subsidies and grants for operating purposes	627	-	-	-
Fees and charges and other revenue	138	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts	72	47	42	42
Total operating funding	(A) 13,605	11,797	12,083	12,082
Applications of operating funding				
Payments to staff and suppliers	6,392	6,313	6,775	6,693
Finance costs	1,008	-	-	-
Internal charges and overheads applied	2,251	2,392	2,478	2,280
Other operating funding applications	3,451	-	-	-
Total applications of operating funding	(B) 13,102	8,705	9,253	8,973
Operating funding - surplus/(deficit)	(A-B) 503	3,092	2,830	3,109
Sources of capital funding				
Subsidies and grants for capital expenditure	-	100	468	-
Development and financial contributions	1,111	2,045	2,122	2,122
Increase/(decrease) in debt	(816)	4,865	3,881	2,977
Gross proceeds from sale of assets	3,451	-	-	-
Lump sum contributions	-	200	207	207
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 3,746	7,210	6,678	5,306
Applications of capital funding				
Capital expenditure				
• to meet additional demand	761	5,787	4,726	3,969
• to improve the level of service	614	995	805	1,782
• to replace existing assets	2,874	2,052	2,961	1,954
Increase/(decrease) in reserves	-	1,468	1,016	709
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 4,249	10,302	9,508	8,414
Capital funding - surplus/(deficit)	(C-D) (503)	(3,092)	(2,830)	(3,109)
Funding balance	((A-B) + (C-D)) -	-	-	-

Natural Environment and Sustainable Living - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	197	358	382	142
Targeted rates	559	573	592	592
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges and other revenue	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	(A) 756	931	974	734
Applications of operating funding				
Payments to staff and suppliers	944	1,154	1,204	1199
Finance costs	(96)	-	-	-
Internal charges and overheads applied	81	76	80	80
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 929	1,230	1,284	1279
Operating funding - surplus/(deficit)	(A-B) (173)	(299)	(310)	(545)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	119	-	-	-
Increase/(decrease) in debt	19	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 138	-	-	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	-	-	-
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	(35)	(300)	(310)	(545)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) (35)	(300)	(310)	(545)
Capital funding - surplus/(deficit)	(C-D) 173	300	310	545
Funding balance	((A-B) + (C-D)) -	1	-	-

Wastewater - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	-	-	-	-
Targeted rates	12,499	11,681	12,041	12,041
Subsidies and grants for operating purposes	665	2	2	-
Fees and charges and other revenue	206	-	-	2
Internal charges and overheads recovered	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts	45	48	49	49
Total operating funding	(A) 13,415	11,731	12,092	12,092
Applications of operating funding				
Payments to staff and suppliers	4,736	5,744	5,885	5,923
Finance costs	1,889	-	-	-
Internal charges and overheads applied	1,957	2,131	2,207	2,024
Other operating funding applications	560	-	-	-
Total applications of operating funding	(B) 9,142	7,875	8,092	7,948
Operating funding - surplus/(deficit)	(A-B) 4,273	3,856	4,000	4,145
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	1,033	-
Development and financial contributions	1,264	1,911	1,960	1,960
Increase/(decrease) in debt	(3,140)	2,422	5,475	542
Gross proceeds from sale of assets	560	-	-	-
Lump sum contributions	-	340	351	351
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) (1,316)	4,673	8,819	2,854
Applications of capital funding				
Capital expenditure				
• to meet additional demand	190	3,810	6,577	601
• to improve the level of service	340	100	10	6,124
• to replace existing assets	2,414	2,025	7,178	1,627
Increase/(decrease) in reserves	13	2,595	(946)	(1,354)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 2,957	8,530	12,819	6,998
Capital funding - surplus/(deficit)	(C-D) (4,273)	(3,857)	(4,000)	(4,145)
Funding balance	((A-B) + (C-D)) -	-	-	-

Solid Waste - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	554	122	134	134
Targeted rates	1,291	3,350	3,629	3,579
Subsidies and grants for operating purposes	220	173	179	179
Fees and charges and other revenue	133	771	798	461
Internal charges and overheads recovered	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts	59	36	37	37
Total operating funding	(A) 2,257	4,452	4,777	4,390
Applications of operating funding				
Payments to staff and suppliers	1,432	4,494	4,816	4,878
Finance costs	(50)	-	-	-
Internal charges and overheads applied	479	648	670	639
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 1,861	5,142	5,486	5,516
Operating funding - surplus/(deficit)	(A-B) 396	(690)	(709)	(1,126)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	200	981	981
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(396)	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) (396)	200	981	981
Applications of capital funding				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	200	981	981
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	-	(689)	(708)	(1,126)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) -	(489)	273	(145)
Capital funding - surplus/(deficit)	(C-D) (396)	689	708	1,126
Funding balance	((A-B) + (C-D)) -	-	-	-

Economic Development - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	489	736	753	770
Targeted rates	321	367	379	379
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges and other revenue	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	(A) 810	1,103	1,132	1,149
Applications of operating funding				
Payments to staff and suppliers	689	744	760	758
Finance costs	(54)	-	-	-
Internal charges and overheads applied	93	56	59	88
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 728	800	819	845
Operating funding - surplus/(deficit)	(A-B) 82	303	313	304
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	6	564	479	479
• to improve the level of service	-	-	-	-
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	95	(260)	(164)	(175)
Increase/(decrease) in investments	(19)	-	-	-
Total applications of capital funding	(D) 82	304	315	304
Capital funding - surplus/(deficit)	(C-D) (82)	(304)	(315)	(304)
Funding balance	((A-B) + (C-D)) -	(1)	(2)	-

Corporate Services - Funding Impact Statement 2022-23

For the years ended 30 June	Actuals \$'000	Annual Plan \$'000	LTP Forecast \$'000	Annual Plan \$'000
	2021	2022	2023	2023
Sources of operating funding				
General rates, uniform annual charges, rates penalties	3,498	4,642	5,187	3,096
Targeted rates	930	1,474	1,474	1,474
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges and other revenue	259	311	320	320
Internal charges and overheads recovered	18,452	19,870	20,796	20,553
Local authority and fuel tax, fines, infringement fees, and other receipts	1,552	986	1,014	1,014
Total operating funding	(A) 24,691	27,283	28,791	26,458
Applications of operating funding				
Payments to staff and suppliers	19,240	22,437	23,139	21,807
Finance costs	1,418	3,675	4,651	4,006
Internal charges and overheads applied	2,840	3,015	3,167	3,168
Other operating funding applications	(121)	-	-	-
Total applications of operating funding	(B) 23,377	29,127	30,957	28,981
Operating funding - surplus/(deficit)	(A-B) 1,314	(1,844)	(2,166)	(2,523)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(313)	2,701	19,167	20,680
Gross proceeds from sale of assets	(121)	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) (434)	2,701	19,167	20,680
Applications of capital funding				
Capital expenditure				
• to meet additional demand	675	369	225	225
• to improve the level of service	726	799	822	2,079
• to replace existing assets	1,584	1,289	2,099	1,699
Increase/(decrease) in reserves	(2,105)	(4,781)	9,725	10,808
Increase/(decrease) in investments	-	3,181	4,131	3,346
Total applications of capital funding	(D) 880	857	17,002	18,157
Capital funding - surplus/(deficit)	(C-D) (1,314)	1,844	2,165	2,523
Funding balance	((A-B) + (C-D)) -	-	(1)	-

Annual Plan disclosure statement for the period commencing 1 July 2022

Kōrero puakanga o te Mahere ā tau, mō te wahanga i timata mai i a 1 July 2022

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		2022-23 Annual Plan	Met
Rates			
Income	Rates will be less than 80% of total income.	76%	Yes
Increases	Total rates revenue will not increase by more than 4% before growth.	3.3%	Yes
Debt affordability benchmark	300% of revenue	62%	Yes
Balanced budget benchmark	100%	102%	Yes
Essential services benchmark	100%	242%	Yes
Debt servicing benchmark	15%	4.6%	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 80% 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 2021-2031 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.