

It's steady as we grow

Annual Plan 2019-2020



Western Bay of Plenty
District Council



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Introduction and Overview

A photograph of a man wearing a cap and a sweater, sitting on a chair and looking at a large document or map. The image is overlaid with a green tint and a white border.

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MESSAGE FROM THE MAYOR



Welcome to this 2019/20 Annual Plan.

It is pleasing to present a work programme and budget that reflects a Council in control of its spending and ensures borrowing headroom for unexpected events.

To achieve this we reviewed planned capital expenditure and reduced the general rate contribution to servicing debt (interest and repayments) from \$1million in 2018/19 to \$750,000 for 2019/20. We also reduced targeted rates for water, wastewater and stormwater from 3 per cent to 2 per cent.

This work has resulted in an average rates increase of 3.1 per cent for 2019/20, slightly less than the 3.6 per cent increase in 2018/19.

The increase, of which inflation accounts for 2.2 per cent maintains Council's Long Term Plan (2018-2028) commitment to keep total rate increases below four per cent (excluding population growth) for existing ratepayers over the 10 years of the LTP.

During the term of this Plan Council will collect \$64.34m in total rates.

This amount is made up of District rates (\$39.71m); community board rates (\$428k); water treatment and supply (\$6.52m); wastewater (\$10.89m); stormwater (\$4.36m) and other targeted rates (\$2.44m).

Significant items in the 2018/19 Plan include:

Kerbside rubbish collection service

This year Council will spend \$100,000 to procure services in preparation for the implementation of the Council-contracted rubbish collection service due to start in 2021.

Rural drop-off depots

Council will spend \$93,000 to set up one trial location in the eastern end of the District to assess people's interest in using such facilities in more remote locations where there is not a kerbside collection service.

Debt management

Reduce ratepayers' contribution to Council's interest/debt repayment to \$750,000 from \$1 million for 2019/20. This reflects Council's lower trending debt profile while recognising a certain level of debt is appropriate for 'intergenerational equity' in funding key assets. This debt repayment is reviewed annually.

Targeted rates for wastewater, stormwater and water

The targeted rates increase for wastewater, stormwater and water will be reduced from 3% to 2%. This results in a reduction in the rates requirement of \$208,955 in the 2019/20 Annual Plan and the benefit will be spread across all ratepayers connected to these services.

Targeted Rates

Council is introducing some new targeted rates for wastewater schemes in Ongare Point and Te Puna West and for water supply in Black Road and Woodlands Road where the network has been extended to service properties. These rates will cover the funding and affect only those connected to the scheme.

KiwiCamp

Council will set aside \$90,000 for the required consents and connection services for this facility. Council has an agreement with the Ministry of Business, Innovation and Enterprise to install a KiwiCamp facility in Waihi Beach for the 2019/20 summer holiday season.

No 1 Road walkway/cycleway

Council has approved \$600,000 funding for a 3.2km gravel walkway up No 1 Road to Trevelyan's pack house. This is deemed as necessary safety work due to the high number of seasonal workers employed by the pack house. Council will fund \$294,000 from the existing district walking and cycling budget and loan fund the project over 10 years at \$40,760 a year, with a contribution sought from other sources. NZTA subsidy contributes \$306,000.

Sapphire Springs urupa/cemetery

Funding \$60,000 in 2019/20 and \$60,000 in 2020/21 for design work and consenting to operate a public cemetery/urupa on reserve land on Sapphire Springs Road.

Freedom camping

Council will add \$26,000 to its budget for freedom camping monitoring, taking the total up to \$50,000 over the summer period.

We will build on this work by continuing our pragmatic and inclusive approach to take the Western Bay forward.

A handwritten signature in black ink that reads "Garry Webber".

Garry Webber
Mayor
Western Bay of Plenty District

GUIDE TO THIS PLAN

The Annual Plan 2019/20 is divided into an introduction and overview section and two chapters.

INTRODUCTION AND OVERVIEW

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

CHAPTER 1 - FINANCES

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

The main areas of focus are changes to the rates funding impact statements, prospective statements of financial position, changes in equity and reserve funds. Changes in projects are also detailed on pages 18 to 19.

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

CHAPTER 2 - POLICIES AND STATEMENTS

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



OUR DISTRICT



OUR HISTORY

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

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



OUR PEOPLE

Western Bay of Plenty District is one of the faster growing areas in New Zealand with its current estimated population of approximately 50,500 people. The population is expected to reach around 58,500 by 2033. Between the 2006 and 2013 censuses, the population of the District grew by 4.5%; it is estimated that the population will grow by 6.5% in the next five years. Most of this growth has come from migration from other parts of New Zealand.

AT A GLANCE

- Of the District's population 18% identify themselves as Māori, which is higher than the national average of 15%.
- 19% of residents in the District are over 65 years old, higher than the national average of 14%.
- Unlike the rest of New Zealand the most common family type in the District is couples without children (50%), reflecting the older age structure of the population.
- The average household size in the District is slightly lower at 2.6 than the national average of 2.7.
- In 2013 there were 16,941 occupied dwellings in the Western Bay of Plenty District, an increase of 1,284 dwellings or 8% compared with the 2006 Census.
- Overall the District has a lower level of socio-economic deprivation than the country as a whole.
- District residents had a lower than the national average personal income of \$26,300, compared to the national average income of \$28,500 in 2013.
- 70% of the District's residents own their own home, compared with 65% nationally.



OUR ENVIRONMENT

The Western Bay of Plenty District surrounds Tauranga, a fast-growing city of 115,000 people. The District covers 212,000 hectares of coastal, rural and urban areas. Almost half of the District is covered by forest, both planted (12.8%) and indigenous (35.4%) and a further 40% is pastoral land. Less than 1% of the total area of the District is urban and includes the townships of Waihi Beach, Katikati, Omokoroa, Te Puna, Te Puke and Maketu. Smaller rural settlements are at Paengaroa, Pongakawa and Pukehina in the east and at Kauri Point, Tanners Point, Ongare Point, Tuapiro and Athenree in the western part of the District.

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

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

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

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



OUR ECONOMY

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

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

OUR COUNCILLORS

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TE ARA MUA - THE PATHWAY FORWARD

Developing Māori capacity to contribute to decision-making

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

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

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

Partnership Forum

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

Te Ara Mua

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

Our Takawaenga Māori team

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

Tangata Whenua engagement guidelines

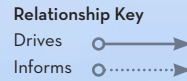
Our Tangata Whenua engagement guidelines have been developed to assist staff in engaging with Tangata Whenua.

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



LINKAGES TO COUNCIL'S 2018-2028 LONG TERM PLAN

OUR PLANNING LINKAGES



*Built Environment Strategy provides more detail

The Long Term Plan

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

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

Each year Council produces an Annual Plan (this document)

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

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

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

The 2019/20 work programme is based on the Long Term Plan 2018-2028. The Annual Plan discloses differences to the Long Term Plan.

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

Each year an Annual Report is published

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

THE ANNUAL PLAN CONSULTATION PROCESS AND CONSULTATION DOCUMENT

Effective community consultation is at the heart of Council's annual plan process.

From 18 March to 18 April Council sought community input to its proposed plans for the 2019/20 year.

A range of print and online channels were used to raise awareness about Council's proposals and a series of community 'Have your say' open days that were held across the District during the consultation period.

Our consultation document provided a sound platform for community discussion, input during the open days and subsequent submissions.

Council received significant feedback on options for alternative rubbish and recycling collection, as part of an amendment to the Long Term Plan. We also received feedback on matters relating to how we manage debt, rates affordability and some new targeted rates for users of particular water and wastewater projects.

For further information on the decisions made please view our key decisions document via our website www.westernbay.govt.nz/annual-plan-2019-2020.

Bringing the planning process together



CHAPTER ONE

01

Financials



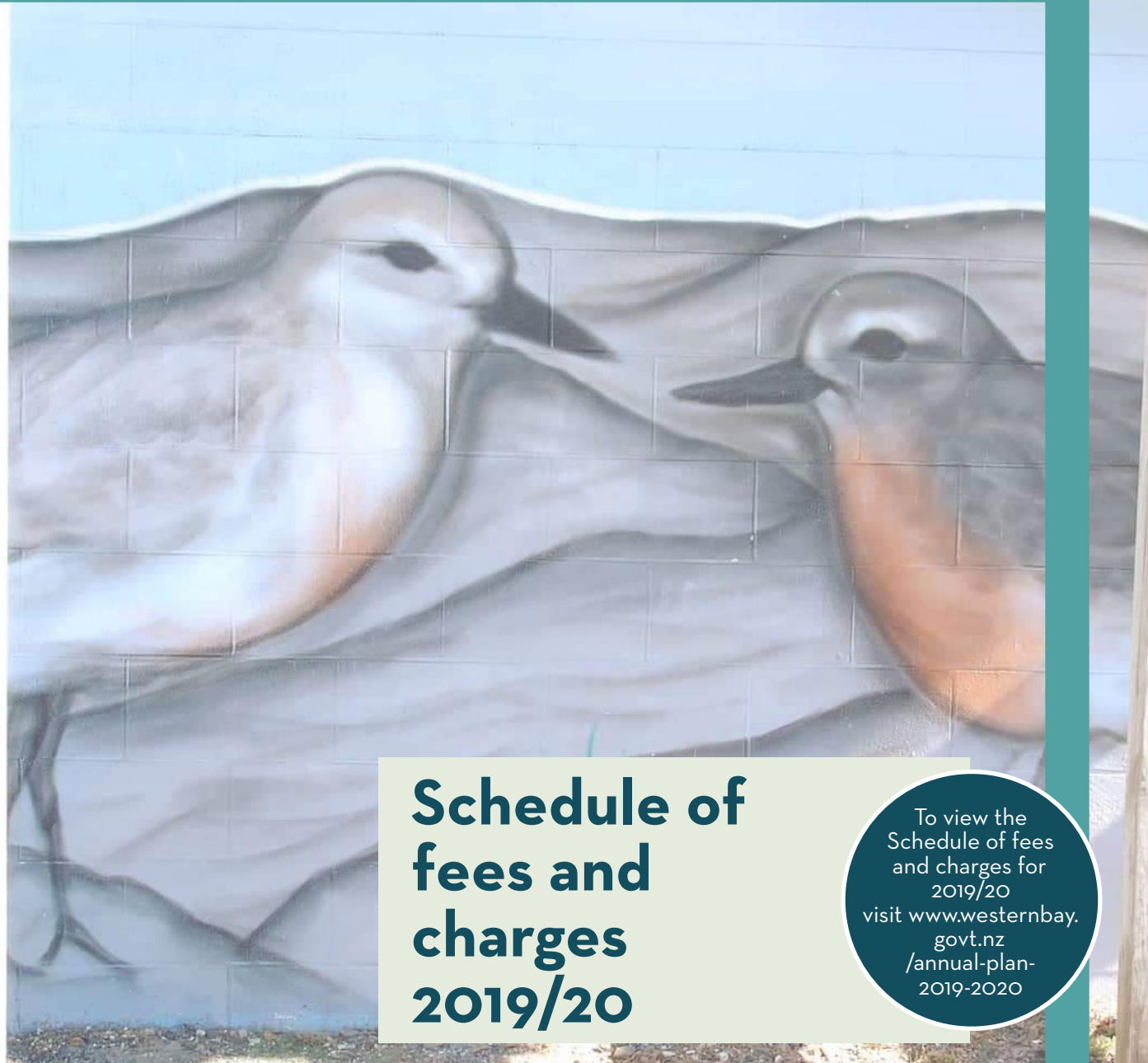
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INTRODUCTION TO OUR FINANCIALS

What is covered in the financial supporting documentation?

This section of the Annual Plan 2019/20 covers the prospective financial statements, reserve funds, key changes to rates for 2019/20, along with a summary of projects that vary from the Long Term Plan 2018-2028 by over \$50,000 or have been bought forward. The key assumptions that are published in the Long Term Plan 2018-2028 have been reviewed and updates are noted in the first part of this chapter.



**Schedule of
fees and
charges
2019/20**

To view the
Schedule of fees
and charges for
2019/20
visit www.westernbay.govt.nz/annual-plan-2019-2020

KEY ASSUMPTIONS

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

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

POPULATION GROWTH

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

Year end 30 June	New lots created	Growth rate	Total dwellings	District Population
2020 (LTP 2018-2028 Projection)	287	1.25%	22,890	50,639
2021 (LTP 2018-2028 Projection)	297	1.28%	23,288	51,316
2028 (LTP 2018-2028 Projection)	274	1.06%	25,907	55,863
2048 (30 year Projection)	105	0.35%	29,777	61,729

FINANCIAL ASSUMPTIONS

Key assumptions	Description	Risk
Inflation	<p>Inflation for 2019/20 remains at 2.2%, this is consistent with the published Long Term Plan 2018-2028.</p> <ul style="list-style-type: none"> • 2020-2026: 3% • 2027-2028: 1% 	<p>The level of uncertainty for this assumption is moderate.</p> <p>Inflation assumptions are reviewed each year as part of the annual planning process.</p>
Interest rates	<p>The interest rate for 2019/20 remains at 6%, this is consistent with the published Long Term Plan 2018-2028.</p>	<p>The level of uncertainty for this assumption is low. Council has a high level of confidence in these assumptions, which are based on cost, market information and hedges on existing borrowings through interest rate swaps, in conjunction with advice sought from Council's treasury advisors.</p> <p>Interest rate assumptions are reviewed each year as part of the annual planning process.</p>
External funding for projects	<p>Council and the community often rely on external funding sources to help deliver projects. Council is aware of approximately \$5 million of community and recreation facility projects that the community is wanting to deliver during 2019/20.</p> <p>Council is able to access central government funds in some situations (e.g Housing Infrastructure Fund) to assist with delivery of projects. It is assumed these projects will not be delivered unless there is certainty of funds from central government.</p>	<p>The level of uncertainty for this assumption is high. It is difficult to predict whether community groups and Council for that matter will be successful in obtaining external funding for projects. If the project is unable to secure funds then Council may be approached to meet any shortfall. If this is the case, this request will be considered through the annual budget process. If the project does not proceed, Council will remove the funding contribution (if applicable) from the budget.</p>

your
**DISTRICT
-COUNCIL-**



Western Bay of Plenty
District Council



Driver	Key considerations	Risk
Depreciation of coastal structures	<p>Council funds 50% of depreciation for coastal structure renewals.</p> <p>Annual condition assessments will provide an overview of the asset condition and likely implications in terms of the renewals profile once the Coastal Erosion Responses Policy (2017) has been applied.</p>	<p>The level of uncertainty is low. Based on the asset management plan, there is no identified funding or asset risk to warrant this approach changing over the next two years.</p>
Date of Assumption	<p>The assumptions underlying this prospective financial information are at 26 June 2019. The financial information contained within this Annual Plan may not be appropriate for purposes other than those described. Actual results to 30 June 2018 have been incorporated in this prospective information.</p>	



KEY STRATEGIC ASSUMPTIONS

To view all the assumptions for the 2018-2028 LTP visit www.westernbay.govt.nz/council/plans-and-strategies/long-term-plans/longtermplan2018-2028

CHANGES TO PROJECTS

For our 2019/20 Annual Plan we continue our 'steady as we grow' approach to the capital projects and financial goals we set out in the 2018 - 2028 Long Term Plan.

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

COMMUNITIES

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
318501	Radio Frequency Identification Technology for the District libraries	-	60,000	60,000	Now installing at Omokoroa Library.
264315	Cemetery land purchase & development - west	-	60,000	60,000	Changes to capital work programme.
299602	Maketu cemetery berms & rock wall	20,400	120,000	99,600	Timing changes.
280829	Te Puna Hall	-	300,000	300,000	Larger, more fit-for-purpose facility than NTZA committed option.
280831	Te Puke War Memorial Hall health and safety remediation	-	220,000	220,000	New project.

RECREATION AND LEISURE

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
212910	Moore Park Katikati - capital development	51,000	-	(51,000)	Timing of new clubrooms/pavillion.
212912	Moore Park Katikati - toilet	122,400	-	(122,400)	Timing of new clubrooms/pavillion.
212914	Moore Park Katikati - Council funded project	-	550,000	550,000	Timing changes.
244004	Paengaroa - playground upgrade/walkway	-	80,000	80,000	Timing changes.
244912	General reserve acquisition	204,000	804,000	600,000	Increase in reserve acquisitions.
260306	Kauri Point - car park	81,600	-	(81,600)	Timing changes.
260314	Kauri Point - Owarau Pa planting, restoration etc	108,120	-	(108,120)	Timing changes.
320801	District reserves asset renewals	479,400	529,400	50,000	For Katikati area office playground renewals.
322101	Wilson Park	51,000	-	(51,000)	Timing changes to field drainage improvements.
322102	Pohutukawa Reserve - pavement and interpretive panels	-	50,000	50,000	New project.
322301	Waikaraka Drive land purchase and Stopped Road	51,000	-	(51,000)	Timing changes.
348204	Waihi Beach Kiwicamp alternative site	-	90,000	90,000	New project.
348401	Kauri Point Reserve road slip	-	1,279,000	1,279,000	New project.
343802	Waihi Beach Top 10 Holiday Park land slip	-	430,000	430,000	New project.
295203	Omokoroa boat ramp	153,000	400,000	247,000	Timing and work program changes.
295308	Park Road - capital development	-	90,000	90,000	New project.
289850	TECT All Terrain Park - new assets for park	-	900,000	900,000	New project for power and services supply.

See how our plans have changed and per ward

To see the full list of projects per ward visit www.westernbay.govt.nz/annual-plan-2019-2020

TRANSPORTATION

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
302901	Katikati roading structure plan	-	435,023	435,023	Brought forward from 2022.
302902	Katikati roading rates	-	449,860	449,860	Brought forward from 2022.
303001	Omokoroa roading structure plan - catchment	2,175,538	2,275,362	99,824	Increasing costs.
303003	Omokoroa roading structure plan - rural	131,075	311,734	180,659	Increasing costs.
303004	Omokoroa roading structure plan - strategic	589,836	1,402,803	812,967	Increasing costs.
303005	Omokoroa roading structure plan - rates	327,687	779,335	451,648	Increasing costs.
293205	Network upgrades - Katikati aesthetic upgrade - Joint Officials Group (JOG)	-	200,000	200,000	Brought forward from 2022.
293206	Network upgrades - investigate Katikati bypass - Joint Officials Group (JOG)	-	200,000	200,000	New project.
307605	No 1 Road Te Puke walkway and cycleway	-	600,000	600,000	New project.

WATER SUPPLY

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
243619	Western water reticulation renewals	717,500	600,000	(117,500)	Changes to capital work programme.
243623	Waihi Beach structure plan - water	153,750	-	(153,750)	Deferred to 2021 in line with expected growth and roading works.
243307	Central sater supply Omokoroa upgrade	-	120,000	120,000	New project.
243320	Central supply zone construct additional bore	1,332,500	1,200,000	(132,500)	Long Term Plan inflation adjustment not required.
243337	Omokoroa Road water upgrade	-	265,000	265,000	New project Western Avenue to Tralee Street.
340601	Central supply zone water modelling calibration	112,750	60,000	(52,750)	Changes to capital work programme.
243028	Eastern water capital projects	-	630,000	630,000	Brought forward from 2023.
287112	Eastern supply zone alternative water supply	2,255,000	1,200,000	(1,055,000)	Timing changes.
348601	Water SCADA remote management and monitoring project	-	503,000	503,000	New project.

CHANGES TO PROJECTS

For our 2019/20 Annual Plan we continue our 'steady as we grow' approach to the capital projects and financial goals we set out in the 2018 - 2028 Long Term Plan.

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

STORMWATER

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
226353	Waihi Beach 2 Mile Creek West Bank	1,025,000	1,120,000	95,000	Timing changes.
226359	Waihi Beach Broadlands Block - upgrade drains	112,750	60,000	(52,750)	Timing changes.
226523	Omokoroa upgrade Vivian Drive	123,000	-	(123,000)	Timing changes.
226525	Omokoroa Stormwater upgrades, Omokoroa Road	512,500	212,000	(300,500)	Timing changes.
226602	Te Puke Area 3 structure plan	220,375	300,000	79,625	Timing changes.
226633	Te Puke upgrades Lee Street, Harris Street	348,500	30,000	(318,500)	Timing changes.
226636	Te Puke upgrades Princess Street, Saunders Place	328,000	-	(328,000)	Timing changes.
317201	Omokoroa structure plan stormwater	2,767,500	2,380,000	(387,500)	Long Term Plan inflation adjustment not required.
319601	Stormwater network upgrade / comprehensive stormwater consents	369,000	200,000	(169,000)	Timing changes.
331601	Te Puke Ohineangaanga Stream upper catchment screen device	-	420,000	420,000	Timing changes.
332618	Tanners Point upgrades Tanners Point Road West	90,200	8,000	(82,200)	Timing changes.



See how our plans have changed and per ward

To see the full list of projects per ward visit www.westernbay.govt.nz/annual-plan-2019-2020

WASTEWATER

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
226001	Waihi Beach pump station renewals	133,250	30,000	(103,250)	Changes to capital work programme.
317001	Waihi Beach structure plan utilities wastewater	625,250	-	(625,250)	Timing changes.
225724	Katikati wastewater treatment plant renewals	1,096,750	320,000	(776,750)	Timing changes.
317301	Omokoroa structure plan utilities wastewater	3,306,650	100,000	(3,206,650)	Timing changes.
220105	Te Puke wastewater treatment plant inlet grit trap	512,500	-	(512,500)	Project has been delayed by resource consent approval process.
225615	Te Puke Wastewater Pump Station Renewals	128,125	40,000	(88,125)	Changes to capital work programme.
225620	Te Puke Wastewater Treatment Plant renewals of resource consent	56,375	110,000	53,625	Project adjusted for resource consent approval process.
225634	Rangioru Business Park to Te Puke wastewater treatment plant review	-	200,000	200,000	New project.
295702	Te Puke structure Plan (Area 3 Phase 2)	317,750	-	(317,750)	Changes to capital work programme.
295703	Te Puke Structure Plan (Area)	334,150	-	(334,150)	Changes to capital work programme.
335001	Maketu wastewater treatment plant improvements	61,500	-	(61,500)	Changes to capital work programme.
348701	Wastewater remote management and monitoring SCADA project	-	269,000	269,000	New project.

SOLID WASTE

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
253303	District Solid Waste feasibility kerbside collection	-	100,000	100,000	New project.

ECONOMIC

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
313505	Waihi Beach town centre development - capital work program	306,000	-	(306,000)	Timing changes.
326805	Katikati town centre development - capital work program	306,000	-	(306,000)	Timing changes.

FINANCES AT A GLANCE

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

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

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

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

To more fairly compare one year's budget with the next, Council makes an allowance for growth, which this year is 1.25%.

In Council's budget for 2019/20, District rates total \$39.7m, targeted rates total \$24.6m. The total proposed rates revenue of \$64.3m is 4.35% higher than last year. Of this, additional ratepayers will add 1.25% leaving 3.10% to be funded by existing ratepayers. Inflation is estimated at 2.20%, which means a real increase of 0.90% in total rates.

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

2018/2019 Budget \$	Plus allowance for growth (1.25%) \$	Rate	2019/2020 Budget \$
22,939,704	23,226,450	General Rate	24,068,257
1,568,902	1,588,513	Library Rate	1,569,774
24,508,606	24,814,964		25,638,031
12,950,000	13,111,875	Roading Rate	13,150,000
718,000	726,975	Environmental Protection Rate	918,000
38,176,606	38,653,814	Total	39,706,031
Increase in/addition on 2018/2019 Budget			1,529,425
Increase in/addition to growth allowance			477,208

ANNUAL PLAN DISCLOSURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

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	Planned	Met
Rates		
• Income	Rates will be less than 75% of total income.	69% Yes
• Increases	Total rates revenue will not increase by more than 4% before growth.	3.1% Yes
Debt affordability benchmark	180% of revenue	131% Yes
Balanced budget benchmark	100%	98% No - this is due to financial contributions being excluded.
Essential services benchmark	100%	190% Yes
Debt servicing benchmark	15%	9.0% Yes

Notes

1. Rates affordability benchmark

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

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

2. Debt affordability benchmark

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

3. Balanced budget benchmark

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

4. Essential services benchmark

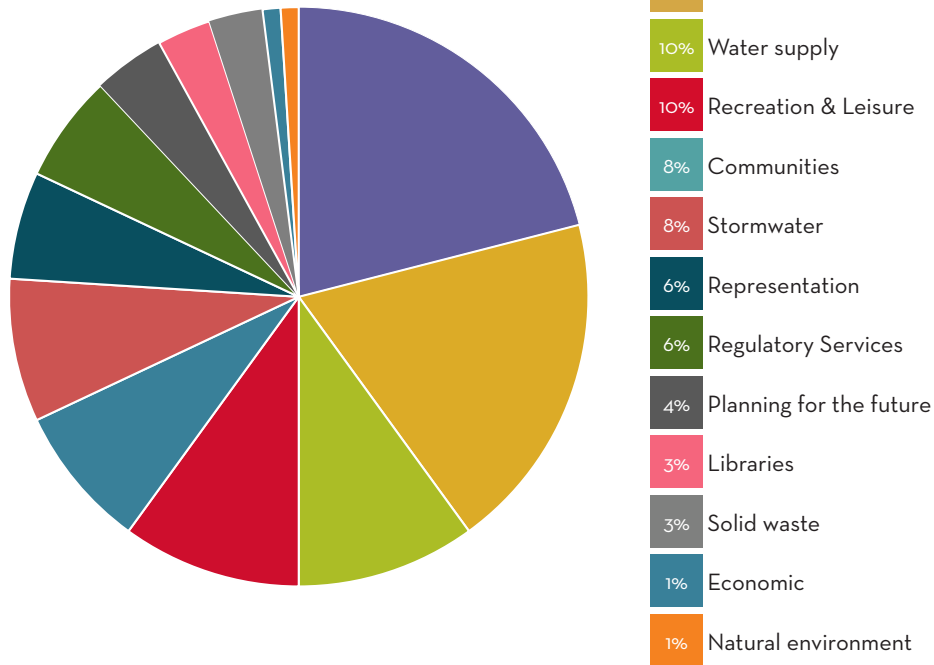
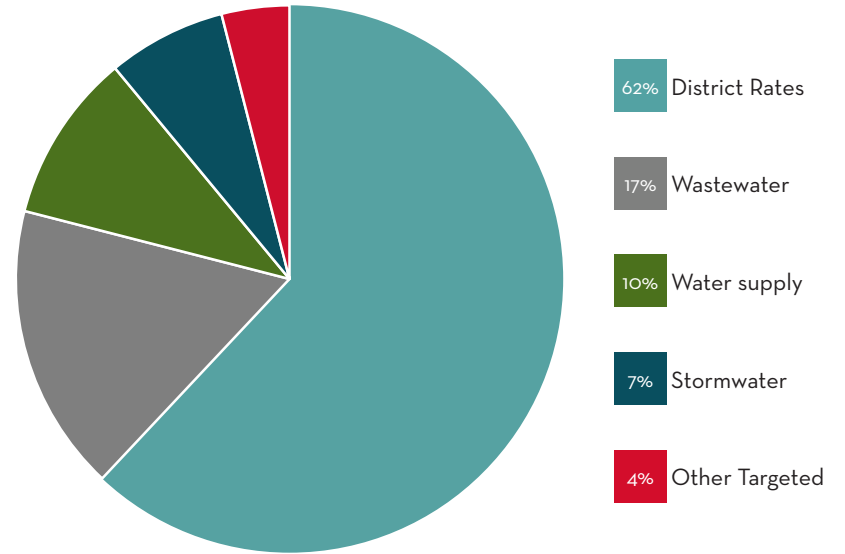
- 4.1 For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- 4.2 The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than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

5. Debt servicing benchmark

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

RATES OVERVIEW 2019/20

Breakdown of total rates by rate type



Activities funded by rates 2019/20

KEY CHANGES TO RATES


Council's total rates are proposed to increase by 3.1 percent for the 2019/20 year. This is less than the average of 3.6 percent forecast for 2019/20 through the LTP.


The rates increase is made up of two key parts:


1. Increased costs - which account for 0.90 percent (these are to deliver projects and meet our levels of service).


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


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


Urban Residential	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$235,000 • Capital Value: \$505,000 <p>2.86% Average Rate Increase</p> <p>Average annual rate charge of \$2,935</p>	

Lifestyle Block	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$410,000 • Capital Value: \$730,000 <p>3.49% Average Rate Increase</p> <p>Average annual rate charge of \$2,200</p>	

Rural Dairy	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$2,040,000 • Capital Value: \$2,625,000 <p>4.06% Average Rate Increase</p> <p>Average annual rate charge of \$5,042</p>	

Rural Orchard	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$810,000 • Capital Value: \$1,830,000 <p>4.20% Average Rate Increase</p> <p>Average annual rate charge of \$3,246</p>	

Rural	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$465,000 • Capital Value: \$830,000 <p>3.26% Average Rate Increase</p> <p>Average annual rate charge of \$2,698</p>	

Commercial/Industrial	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$300,000 • Capital Value: \$563,000 <p>2.89% Average Rate Increase</p> <p>Average annual rate charge of \$3,437</p>	

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

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

The results of these calculations can be found in the Annual Plan 2019/20 on our website. Please see below for the link to view.

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

Rates Graphs for 2019/20

To view the rates increases (in graph form) for each property type/area in the District please visit www.westernbay.govt.nz/annual-plan-2019-2020

WHAT RATES ARE USED FOR

THERE ARE THREE MAIN TYPES OF RATES:

GENERAL RATE

This consists of:

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

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

TARGETED RATES

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

ROADING RATE

This consists of:

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

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



FUNDING IMPACT STATEMENTS AND OTHER RATING INFORMATION

WESTERN BAY OF PLENTY DISTRICT COUNCIL

SUMMARY FUNDING STATEMENT

	FOR THE YEARS ENDED 30 JUNE			
	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
General rates				
General rate	20,209	23,609	24,565	24,763
Community Board rates	442	438	446	437
Targeted rates				
Roading rate	14,151	13,209	13,917	13,413
Environmental protection rate	945	732	956	936
District library rate	1,701	1,600	1,682	1,601
Service charges	22,550	23,018	24,172	23,871
Capital contributions				
Financial contributions	9,506	8,786	9,806	10,498
Subsidies	16,030	9,487	9,207	9,403
Vested assets	10,965	2,240	2,292	2,240
Other revenue				
Fees and charges	9,834	10,656	11,081	5,850
Penalty revenue	1,200	1,000	1,000	1,200
Other revenue	41,448	3,213	3,366	8,089
Total operating revenue	148,981	97,990	102,488	102,301
Other funding sources				
Loans	125,000	120,000	120,000	120,000
Cash reserves and surpluses	(127,593)	(66,058)	(89,241)	(88,024)
Total other funding sources	(2,593)	53,942	30,759	31,976
Total sources of funds	146,389	151,932	133,247	134,278
Less operating expenditure				
Operating costs	54,674	58,823	59,384	62,637
Interest	7,920	8,000	8,000	8,000
Depreciation	19,797	20,807	22,189	20,181
Total operating expenditure	82,392	87,630	89,573	90,818
Other expenditure				
Capital expenditure	38,997	39,301	43,674	43,460
Debt repayment	25,000	25,000	-	-
Total other expenditure	63,997	64,301	43,674	43,460
Total expenditure	146,389	151,932	133,247	134,278
Operating surplus/(deficit)	66,589	10,359	12,915	11,484

WESTERN BAY OF PLENTY DISTRICT COUNCIL

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
Operating funding per funding impact statement	95,833	82,838	85,890	84,960
Add: Subsidies and grants for capital expenditure	-	4,125	4,500	4,603
Swap revaluation movement	-	-	-	-
Financial contributions	9,506	8,786	9,806	10,498
Lump sum contributions	-	-	-	-
Revaluation adjustments	-	-	-	-
Total	105,339	95,750	100,196	100,061
Total revenue per statement of revenue and expense	149,075	97,990	102,488	102,301
Less: Loss on shares adjustment	-	-	-	-
Less: vested assets	10,965	2,240	2,292	2,240
Total	138,110	95,750	100,196	100,061
Variance	(32,770)	-	-	-
Application of operating funding per funding impact statement	63,463	66,823	67,383	70,637
Total expenditure per statement of revenue and expense	82,392	87,630	89,573	90,818
Less: depreciation and amortisation	19,594	20,807	22,189	20,181
Less: other adjustments	(32,766)	-	-	-
Less unrealised hedging movement	(794)	-	-	-
Less asset impairment/loss on sale	125	-	-	-
less other adjustments	-	-	-	-
Total	96,233	66,823	67,383	70,637
Variance	(32,770)	-	-	-
Net variance	-	-	-	-

FUNDING IMPACT STATEMENT - RATES

Rate Funding Mechanisms 2019/2020

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

General Rates

General rates are set under section 13 of the Local Government (Rating) Act 2002 on a differential basis on the capital value of all rateable rating units for the District. General Rates consist of a rate in the dollar charged on capital value and a Uniform Annual General Charge (UAGC) which is a flat amount assessed on each rateable rating unit.

Differential general rate

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

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR OF LIABILITY	2018/19 ANNUAL PLAN REVENUE (\$)	GENERAL RATE IN THE DOLLAR OF CAPITAL VALUE	2019/20 ANNUAL PLAN REVENUE (\$)
General rate	Residential zoned areas	Zone	Capital value	5,699,225	0.0009682	6,047,638
	Rural zoned areas	Zone	Capital value	11,894,569	0.0009682	12,621,723
	Commercial/industrial zoned area/post-harvest zoned areas	Zone	Capital value	576,603	0.0009682	611,852
	Forestry	Zone	Capital value	82,465	0.0009682	87,506
Total general rates				18,252,862		19,368,719

Uniform Annual General Charge (UAGC)

A uniform annual general charge set under section 15 (i) of the Local Government (Rating) Act 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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
UAGC	-	-	Fixed amount per rating unit	5,364,765	245.00	5,393,920

FUNDING IMPACT STATEMENT - RATES

Targeted Rates

We use targeted rates (as defined in the Local Government (Rating) Act 2002) to collect funds over areas of benefit. This rating tool is chosen where the services provided are specific to a particular community or area within our District and it is not considered fair to charge all ratepayers. These rates are collected according to the factors listed below. Area of Benefit maps for the various targeted rates can be viewed on our website at www.westernbay.govt.nz.

Roading rates

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

SOURCE	DIFFERENTIAL CATEGORIES / CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Roading rate (LV)	1. Residential and Rural zoned	Land use	Land value	8,485,200	0.000828	8,616,246
	1. Forestry zoned	Land use	Land value	65,241	0.000828	66,248
	1. Commercial/Industrial or Post-harvest zoned	Land use	Land value	401,034	0.001656	407,228
	2. Roding rate (District-wide)	All rateable land within the local authority district	Fixed amount per rating unit	1,583,099	73.02	1,607,548
	3. Roding rate (Rural)	Land use	Fixed amount per rating unit	2,674,426	263.95	2,715,730
Total roading targeted rates				13,209,000		13,413,000

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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Community Boards	Waihi Beach	Location	Fixed amount per rating unit	80,683	26.47	80,683
	Katikati	Location	Fixed amount per rating unit	92,174	20.70	92,174
	Omokoroa	Location	Fixed amount per rating unit	74,642	43.91	73,112
	Te Duke	Location	Fixed amount per rating unit	112,138	28.22	112,138
	Maketu	Location	Fixed amount per rating unit	78,837	135.46	78,837
Total Community Board targeted rates				438,474		436,944

Environmental Protection Targeted Rate

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Environmental Protection Rate	-	All rateable land within the District	Fixed amount per rating unit	714,000	41.70	918,000

FUNDING IMPACT STATEMENT - RATES

Solid Waste Targeted Rates

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

SOURCE	CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Solid waste	Western	Location - Katikati/Waihi Beach wards	Fixed amount per rating unit	585,431	82.36	618,333
	Eastern	Location - Maketu/Te Puke ward	Fixed amount per rating unit	468,695	68.39	493,463
Total Solid Waste targeted rates				1,054,126		1,111,796

Omokoroa Greenwaste

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Omokoroa greenwaste		Location	Fixed amount per rating unit	78,290	50.49	83,514

Waste & Recycling Initiatives

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

SOURCE	CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Waste & Recycling Initiatives	District-wide	All rateable land within the district	Fixed charge per rating unit	-	3.33	73,359
Total Waste & Recycling Initiatives targeted rates				-	3.33	73,359

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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Library Services	Library rate	All rateable land within the District	Fixed amount per rating unit	1,589,060	72.22	1,589,949
Te Puna Library rate	Te Puna Library rate	Location	Fixed amount per rating unit	11,220	7.75	\$11,220
Library Services rate				1,600,280		1,601,169

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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Western water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	2,481,740	389.77	2,662,909
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	23,067	100.86	25,921
	Metered connection (25mm)	Location of land and provision or availability of service	Nature and number of connections	4,493	218.27	4,584
	Metered connection (32mm)	Location of land and provision or availability of service	Nature and number of connections	-	421.71	-
	Metered connection (40mm)	Location of land and provision or availability of service	Nature and number of connections	3,439	1,169.31	3,508
	Metered connection (50mm)	Location of land and provision or availability of service	Nature and number of connections	14,042	2,046.29	14,324
	Metered connection (100mm)	Location of land and provision or availability of service	Nature and number of connections	9,170	9,354.48	9,354
	Metered connection (150mm)	Location of land and provision or availability of service	Nature and number of connections	-	21,534.79	-
	Unmetered connection	Location of land and provision or availability of service	Nature and number of connections	118,405	\$512.41	-
	Availability charge	Location of land and availability of service	Extent of provision of service	73,554	194.89	69,381
	Consumption charge		A fixed amount per cubic meter of water consumption	-	1.13	-
	Woodland Road water supply extension (capital repayment over time through rate)	Location of land in defined area of benefit and provision or availability of service	Service provision	-	527.37	2,109
	Woodland Road water supply extension (one-off capital repayment)	Location of land in defined area of benefit and provision or availability of service	Service provision	-	3,923.00	35,307
Total western water rates				2,727,911		2,827,397

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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Central water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	1,329,708	389.77	1,433,964
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	20,196	100.86	18,155
	Metered connection (25mm)	Location of land and provision or availability of service	Nature and number of connections	5,563	218.27	5,893
	Metered connection (32mm)	Location of land and provision or availability of service	Nature and number of connections	-	421.71	-
	Metered connection (40mm)	Location of land and provision or availability of service	Nature and number of connections	-	1,169.31	-
	Metered connection (50mm)	Location of land and provision or availability of service	Nature and number of connections	16,048	2,046.29	14,324
	Metered connection (100mm)	Location of land and provision or availability of service	Nature and number of connections	-	9,354.48	-
	Metered connection (150mm)	Location of land and provision or availability of service	Nature and number of connections	-	21,534.79	-
	Unmetered connection	Location of land and provision or availability of service	Nature and number of connections	995	512.41	1,025
	Availability charge	Location of land and availability of service	Extent of provision of service	50,437	194.89	48,528
	Consumption charge		A fixed amount per cubic meter of water consumption	-	1.13	
Total central water rates				1,422,948		1,521,888

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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Eastern water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	1,981,953	389.77	2,034,989
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	15,939	100.86	16,238
	Metered connection (25mm)	Location of land and provision or availability of service	Nature and number of connections	7,703	218.27	7,421
	Metered connection (32mm)	Location of land and provision or availability of service	Nature and number of connections	-	421.71	-
	Metered connection (40mm)	Location of land and provision or availability of service	Nature and number of connections	5,732	1,169.31	5,847
	Metered connection (50mm)	Location of land and provision or availability of service	Nature and number of connections	30,090	2,046.29	30,694
	Metered connection (100mm)	Location of land and provision or availability of service	Nature and number of connections	18,341	9,354.48	28,063
	Metered connection (150mm)	Location of land and provision or availability of service	Nature and number of connections	21,111	21,534.79	21,535
	Unmetered connection	Location of land and provision or availability of service	Nature and number of connections	995	512.41	1,537
	Availability charge	Location of land and availability of service	Extent of provision of service	61,709	194.89	64,703
	Consumption charge		A fixed amount per cubic meter of water consumption	-	1.13	
	Black Road water supply extension (capital repayment over time through rate)	Location of land in defined area of benefit and provision or availability of service	Service provision	-	511.27	2,045
	Black Road water supply extension (one-off capital repayment)	Location of land in defined area of benefit and provision or availability of service	Service provision	-	3,803.25	-
	Gibraltar water scheme	Location of land in defined area of benefit and provision or availability of service	Service provision	2,900	100.00	2,900
Total eastern water rates				2,146,473		2,215,972

FUNDING IMPACT STATEMENT - RATES

Waihi Beach Wastewater

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

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Waihi Beach wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	85,752	462.79	74,972
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	2,429,190	925.58	2,506,471
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	284,696	776.39	293,475
	Waihi Beach School	Location of land and provision or availability of service	Nature and number of connections	7,768	7,922.00	7,922
Total Waihi Beach wastewater				2,807,407		2,882,840

FUNDING IMPACT STATEMENT - RATES

Katikati Wastewater

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

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Katikati wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	73,048	462.79	49,519
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	1,926,474	925.58	2,049,234
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	247,397	776.39	266,302
	Katikati College	Location of land and provision or availability of service	Nature and number of connections	22,093	22,529.00	22,529
	Katikati Primary	Location of land and provision or availability of service	Nature and number of connections	14,146	14,425.00	14,425
Total Katikati wastewater				2,283,158		2,402,008

FUNDING IMPACT STATEMENT - RATES

Omokoroa Wastewater

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

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

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Omokoroa wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	71,687	462.79	73,121
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	1,371,127	925.58	1,581,816
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	176,603	776.39	180,122
	Omokoroa Point School	Location of land and provision or availability of service	Nature and number of connections	6,546	6,676.00	6,676
	Astelia Place	Location of land in Astelia Place and availability of service	Nature and number of connections	1,164	582.00	1,164
Total Omokoroa wastewater				1,627,127		1,842,900

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Ongare Point Wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	-	462.79	-
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	-	925.58	54,609
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	-	776.39	-
Total Ongare Point wastewater				-		54,609

FUNDING IMPACT STATEMENT - RATES

Te Puke Wastewater

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

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Te Puke wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	31,306	462.79	31,933
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	2,491,803	925.58	2,564,782
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	564,064	776.39	575,305
	Te Puke High School	Location of land and provision or availability of service	Nature and number of connections	12,161	12,402.00	12,402
	Te Puke Intermediate School	Location of land and provision or availability of service	Nature and number of connections	13,156	13,416.00	13,416
	Te Puke Primary School	Location of land and provision or availability of service	Nature and number of connections	12,363	12,607.00	12,607
	Fairhaven Primary School	Location of land and provision or availability of service	Nature and number of connections	11,108	11,327.00	11,327
	Te Timatanga Hou Kohanga Reo	Location of land and provision or availability of service	Nature and number of connections	227	232.00	232
Total Te Puke wastewater				3,136,188		3,222,004

FUNDING IMPACT STATEMENT - RATES

Maketu / Little Waihi Wastewater Wastewater

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

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Maketu / Little Waihi Wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	49,001	462.79	49,981
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	400,177	925.58	425,767
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	-	776.39	776
	Maketu / Little Waihi Wastewater High School	Location of land and provision or availability of service	Nature and number of connections	7,316	2,854.00	2,854
Total Maketu / Little Waihi Wastewater				456,494		479,379

FUNDING IMPACT STATEMENT - RATES

Waihi Beach Coastal Protection

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Waihi Beach Coastal Protection	Rock revetment area of benefit - Operational	Location of land and provision or availability of service	Extent of service provision	8,818	166.37	8,818
	Rock revetment area of benefit - Capital	Location of land and provision or availability of service	Extent of service provision	30,213	1,313.60	27,586
	Rock revetment area of benefit capital lump sum (optional)*				16,048.00	
	- Ward area	Location of land and provision or availability of service	Extent of service provision	42,878	14.10	42,977
	- Dunes northern end area of benefit	Location of land and provision or availability of service	Extent of service provision	13,946	606.34	13,946
	- Dunes Glen Isla Place area of benefit	Location of land and provision or availability of service	Extent of service provision	4,372	624.53	4,372
Total Waihi Beach Coastal Protection				100,226		97,698

*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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Stormwater	Kauri Point	Location of land and provision or availability of service	Fixed amount per rating unit	13,441	170.91	13,844
	Tanners Point	Location of land and provision or availability of service	Fixed amount per rating unit	18,253	170.91	18,800
	Te Puna	Location of land and provision or availability of service	Fixed amount per rating unit	23,066	170.91	23,073
	Pukehina	Location of land and provision or availability of service	Fixed amount per rating unit	106,202	170.91	109,724
	Waihi Beach	Location of land and provision or availability of service	Fixed amount per rating unit	1,183,983	397.13	1,214,026
	Katikati	Location of land and provision or availability of service	Fixed amount per rating unit	789,192	397.13	842,313
	Omokoroa	Location of land and provision or availability of service	Fixed amount per rating unit	615,936	397.13	685,844
	Ongare Point	Location of land and provision or availability of service	Fixed amount per rating unit	9,127	170.91	10,084
	Tuapiro Point	Location of land and provision or availability of service	Fixed amount per rating unit	4,149	170.91	4,273
	Te Puke	Location of land and provision or availability of service	Fixed amount per rating unit	1,121,299	397.13	1,161,208
	Paengaroa	Location of land and provision or availability of service	Fixed amount per rating unit	50,778	170.91	51,102
	Maketu	Location of land and provision or availability of service	Fixed amount per rating unit	80,647	170.91	87,506
	Minden	Location of land and provision or availability of service	Fixed amount per rating unit	-	-	-
Total Stormwater				4,016,072		4,221,796

FUNDING IMPACT STATEMENT - RATES

Land Drainage

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

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

SOURCE	CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 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	138,485	38.22	158,697
	Land Drainage - drains class B	Location of land and provision or availability of service	Per hectare of each rating unit	1,481	15.99	1,631
	Land Drainage - pumps class A	Location of land and provision or availability of service	Per hectare of each rating unit	268,860	139.65	268,678
	Land Drainage - pumps class B	Location of land and provision or availability of service	Per hectare of each rating unit	9,771	73.75	6,858
	Land Drainage - pumps class C	Location of land and provision or availability of service	Per hectare of each rating unit	9,474	66.20	8,539
Total Land Drainage				428,071		444,404

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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Community Halls	Katikati War Memorial Hall	Location of land and provision or availability of service	Fixed amount per rating unit	30,989	10.00	44,600
	Te Puna War Memorial Hall	Location of land and provision or availability of service	Fixed amount per rating unit	-	28.73	41,575
	Te Puna Community Centre	Location of land and provision or availability of service	Fixed amount per rating unit	30,865	12.89	18,646
	Paengaroa Hall	Location of land and provision or availability of service	Fixed amount per rating unit	31,136	12.10	8,361
	Pukehina Beach Community Centre	Location of land and provision or availability of service	Fixed amount per rating unit	4,590	15.84	13,005
	Pukehina Hall	Location of land and provision or availability of service	Fixed amount per rating unit	-	-	-
	Oropi War Memorial Hall	Location of land and provision or availability of service	Fixed amount per rating unit	24,945	44.62	24,945
	Kaimai Hall	Location of land and provision or availability of service	Fixed amount per rating unit	5,304	4.49	1,836
	Omanawa Hall	Location of land and provision or availability of service	Fixed amount per rating unit	15,300	20.00	8,500
	Te Ranga Hall	Location of land and provision or availability of service	Fixed amount per rating unit	5,998	14.68	2,040
	Te Puke War Memorial and Settlers Hall	Location of land and provision or availability of service	Fixed amount per rating unit	114,336	37.04	147,206
	Omokoroa Settlers Hall	Location of land and provision or availability of service	Fixed amount per rating unit	2,677	1.35	2,719
	Ohauiti Hall	Location of land and provision or availability of service	Fixed amount per rating unit	15,810	47.60	12,852

FUNDING IMPACT STATEMENT - RATES

SOURCE	CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Community Halls (continued)	Waihi Beach Community Centre	Location of land and provision or availability of service	Fixed amount per rating unit	30,410	10.00	30,480
	Whakamarama Hall	Location of land and provision or availability of service	Fixed amount per rating unit	10,240	20.00	10,240
	Pyes Pa Hall	Location of land and provision or availability of service	Fixed amount per rating unit	4,641	8.29	4,437
Total Community Halls				327,240		371,442

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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Waihi Beach Events and Promotions	Waihi Beach promotion charge	Location - Waihi Beach community board area (all land other than commercial/industrial)	Fixed amount per rating unit	39,015	12.55	38,250
Waihi Beach Events and Promotions	Commercial/industrial zoned area rate	Location of land and land use	Fixed amount per rating unit	13,005	219.83	12,750
Katikati Promotion	Katikati Ward charge	Location of land - Katikati	Fixed amount per rating unit	88,540	20.00	91,140
Katikati Promotion	Katikati Ward promotion charge	Location of land - Katikati (all land other than commercial/industrial)	Fixed amount per rating unit	35,416	7.95	35,448
Katikati Promotion	Commercial/industrial zoned area rate	Location of land and land use	Fixed amount per rating unit	42,780	326.91	45,113
Omokoroa Promotion	Omokoroa Town Centre rate	Location of land - Omokoroa	Fixed amount per rating unit	-	-	-
Te Puke Promotion	Te Puke promotion charge	Location of land - Te Puke (all land other than commercial/industrial)	Fixed amount per rating unit	49,099	12.36	49,099

FUNDING IMPACT STATEMENT - RATES

SOURCE	DIFFERENTIAL CATEGORIES / CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Te Puke Promotion (continued)	Te Puke promotion charge	Location of land - Maketu	Fixed amount per rating unit	18,604	5.74	18,604
Te Puke Promotion	Commercial/industrial zoned area rate	Location of land and land use	Fixed amount per rating unit	37,725	173.85	37,725
Total Town Centre promotion rates				324,184		328,130

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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Pukehina development rate	Residential	Land use	Fixed amount per rating unit	12,640	20.00	12,640

Pukehina Beach Protection Rate

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

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

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

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Pukehina beach protection	Coastal	Location	Fixed amount per rating unit	12,240	47.45	12,623
Pukehina beach protection	Inland	Location	Fixed amount per rating unit	3,060	8.18	3,060
Total Pukehina Beach Protection				15,300		15,683

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	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Katikati resource centre	Katikati	Location - Katikati community board area	Fixed amount per rating unit	22,261	4.99	22,261
Katikati resource centre	Waihi Beach	Location - Waihi Beach community board area	Fixed amount per rating unit	7,420	2.43	7,420
Heritage Museum	District-wide	All rateable land within the District	Fixed amount per rating unit	71,400	3.24	71,400
Total Community Development and grants				101,081		101,081

RATING UNITS

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

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



PROSPECTIVE FINANCIAL STATEMENTS

CAUTIONARY NOTE

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

ASSUMPTIONS UNDERLYING PROSPECTIVE FINANCIAL INFORMATION

The financial information contained within these policies and statements is prospective information and has been prepared in compliance with PBE FRS 42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Western Bay of Plenty District Council for the financial year ended 30 June 2019 and to provide a broad accountability mechanism of the Council to the community. Refer to Chapter One page 15 for details of underlying assumptions.

WESTERN BAY OF PLENTY DISTRICT COUNCIL PROSPECTIVE STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
Current assets				
Cash and cash equivalents	11,750	5,283	2,076	3,915
Trade and other receivables	30,004	25,233	11,516	25,791
Total current assets	41,753	30,515	13,591	29,706
Non-current assets				
Property, plant and equipment	1,374,476	1,419,634	1,405,250	1,477,516
Intangible assets	3,265	2,821	2,172	2,617
Investments	22,992	23,279	10,559	11,422
Total non-current assets	1,400,733	1,445,734	1,417,981	1,491,555
Total assets	1,442,486	1,476,250	1,431,572	1,521,261
Current liabilities				
Trade and other payables	17,580	15,218	14,353	15,590
Employee accruals	2,479	2,575	2,575	2,575
Other current liabilities	465	465	9,655	465
Provisions	313	313	312	313
Borrowings	25,000	-	-	-
Total current liabilities	45,837	18,571	26,896	18,943
Non-current liabilities				
Borrowings	100,000	120,000	120,000	120,000
Employee benefit liabilities	15	150	150	150
Provisions	322	350	342	342
Other non-current liabilities	8,397	8,376	-	8,376
Total non-current liabilities	108,734	128,876	120,492	128,868
Total liabilities	154,571	147,447	147,388	147,811
Net assets	1,287,915	1,328,803	1,284,185	1,373,450
Represented by				
Retained earnings	849,971	860,607	826,894	874,598
Restricted reserves	271	271	266	271
Council-created reserves	30,434	30,366	26,952	27,912
Asset revaluation reserve	407,239	437,558	430,073	470,669
Total public equity	1,287,915	1,328,803	1,284,185	1,373,450

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
Revenue from non-exchange transactions				
Fees and charges from activities	9,131	6,160	6,501	6,271
Rate income	65,044	67,986	71,273	70,885
Fines	177	222	283	189
Vested assets	10,965	2,240	2,292	2,240
Financial contributions	9,506	8,786	9,806	10,498
Subsidies and grants	15,994	9,514	9,207	9,433
Other revenue	503	360	368	400
Fair value movement in derivative financial instruments	794	-	-	-
Gains	33,055	-	-	-
Total revenue from non-exchange transactions	145,169	95,268	99,728	99,916
Revenue from exchange transactions				
Finance income	1,468	779	792	792
Dividends	132	-	-	-
Rental Income	1,001	858	885	873
Other exchange revenue	1,227	1,058	1,082	748
Total operating revenue	148,997	97,963	102,488	102,329
Expenditure				
Other expenses	36,290	38,149	38,249	40,205
Personnel costs	18,588	20,662	21,135	22,407
Depreciation	18,678	19,960	21,763	19,755
Amortisation	916	432	426	426
Impairment expense	-	-	-	-
Finance costs	7,920	8,000	8,000	8,000
Total operating expenditure	82,392	87,203	89,573	90,793
Share of associates retained surplus	(16)	-	-	-
Net surplus / (deficit)	66,589	10,761	12,915	11,537
Gains/(losses) on asset revaluations	65,960	30,319	33,580	33,580
Other assets at fair value through other comprehensive income	78	-	-	-
Total other comprehensive income for the year	66,040	30,319	33,580	33,580
Total comprehensive income for the year	132,629	41,080	46,494	45,116

WESTERN BAY OF PLENTY DISTRICT COUNCIL PROSPECTIVE STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
Cash flow from operating activities				
Cash will be provided from:				
Rates and services charges	65,544	72,938	66,478	70,565
Other revenue	2,511	1,896	2,059	2,230
Financial contributions	9,506	8,786	9,806	10,498
Sundry revenue	598	360	368	400
User fees	9,834	6,402	11,081	5,850
Subsidies and grants	10,494	9,514	9,207	9,433
Interest revenue - external	1,824	413	413	413
Regional Council rates	5,865	6,094	6,708	6,252
Total operating cash provided	106,177	106,402	106,120	105,642
Cash was applied to:				
Suppliers and employees	53,329	61,307	59,325	62,240
Interest on public debt	7,920	8,000	8,000	8,000
Regional Council rates	5,865	6,094	6,708	6,252
Total operating cash applied	67,114	75,401	74,034	76,492
Net cashflows from operating activities	39,063	31,001	32,086	29,150
Cash flow from investing activities				
Cash will be provided from:				
Proceeds from sale of property, plant and equipment	1,654	85	87	85
Proceeds from sale of investments	20,017	80	11,857	11,857
Total investing cash provided	21,671	165	11,944	11,942
Cash will be spent on:				
Purchase of property, plant and equipment	38,763	32,632	43,674	42,460
Purchase of investments	-	-	-	-
Total investing cash applied	38,763	32,632	43,674	42,460
Net cashflows from investing activities	(17,092)	(32,467)	(31,731)	(30,518)
Cash flow from financing activities				
Cash will be provided from:				
Loans raised	-	20,000	-	-
Total financing cash provided	-	20,000	-	-
Cash will be spent on:				
Repayment of public debt	25,000	25,000	-	-
Total financing cash applied	25,000	25,000	-	-
Net cashflows from financing activities	(25,000)	(5,000)	-	-
Net increase/(decrease) in cash held	(3,029)	(6,466)	356	(1,368)
Plus opening cash balance	14,779	11,749	1,720	5,283
Closing cash position	11,750	5,283	2,075	3,915

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
Accumulated funds at the start of the year	784,185	849,971	814,328	860,607
Net surplus for the year	65,786	10,636	12,566	13,991
Accumulated funds at the end of the year	849,971	860,607	826,894	874,598
Asset revaluation reserves at the start of the year	341,279	407,239	396,492	437,559
Revaluation of infrastructural assets	65,960	30,319	33,581	33,111
Asset revaluation reserves at the end of the year	407,239	437,559	430,073	470,669
Council reserves at the start of the year	29,822	30,705	26,869	30,637
Movements during the year	883	(68)	349	(2,454)
Council reserves at the end of the year	30,705	30,637	27,218	28,183
Equity at the end of the year	1,287,915	1,328,803	1,284,184	1,373,450

WESTERN BAY OF PLENTY DISTRICT COUNCIL

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Total operating revenue				
Activity summary financial forecast statements				
Representation	436	430	514	503
Planning for the future	13	13	13	13
Communities	5,400	2,390	2,455	2,536
Recreation and leisure	21,715	3,234	3,125	3,533
Regulatory services	5,499	5,982	6,260	5,732
Transportation	38,635	25,040	26,850	26,815
Water supply	14,209	11,891	12,721	12,567
Stormwater	9,316	5,686	6,123	6,120
Natural environment	566	645	687	667
Wastewater	16,829	13,313	13,124	13,209
Solid waste	1,699	1,407	1,502	1,572
Economic	292	324	332	330
Support services	13,574	4,133	4,030	4,176
Total operating revenue	128,183	74,539	77,737	77,773
Total operating revenue per prospective statement of comprehensive revenue and expense	149,075	97,963	102,488	102,329
Variance	(20,892)	(23,459)	(24,751)	(24,556)
General rate allocated to activities	(20,021)	(22,270)	(23,517)	(23,417)
Environmental protection rate allocated to activities	(872)	(1,190)	(1,234)	(1,139)
Total allocations	(20,892)	(23,459)	(24,751)	(24,556)
Total operating expenditure				
Activity summary financial forecast statements				
Representation	2,635	3,773	3,491	3,816
Planning for the future	2,237	2,479	2,395	2,701
Communities	6,163	7,297	7,419	7,794
Recreation and leisure	6,788	7,179	7,832	7,211
Regulatory services	8,048	8,670	8,880	9,457
Transportation	19,853	19,365	19,999	20,024
Water supply	11,131	12,416	12,851	12,448
Stormwater	4,072	4,358	4,524	4,719
Natural environment	717	900	909	921
Wastewater	12,899	12,998	13,180	13,402
Solid waste	1,889	1,919	2,127	2,107
Economic	626	708	733	724
Support services	5,350	5,114	5,232	5,468
Total operating expenditure	82,408	87,203	89,573	90,793
Total operating expenditure per prospective statement of comprehensive revenue and expense	82,408	87,203	89,573	90,793
Variance	-	-	-	-
Net surplus per prospective statement of comprehensive revenue and expense	66,667	10,761	12,915	11,537
Other comprehensive revenue and expense				
Gains/(losses) on asset revaluation	65,960	30,319	33,580	33,580
Total other comprehensive revenue and expense for the year	65,960	30,319	33,580	33,580
Total comprehensive revenue and expense for the year	132,627	41,080	46,494	45,116

RESERVE FUNDS

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Restricted Reserves							
Restricted Reserves - general approach	Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor						
Hunter Estate	Established from bequest made in the late 1980s. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and Leisure	Yes	37,391	4,216	-	41,607
I'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Leisure	Yes	9,510	1,335	-	10,845
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	207,745	25,192	(24,000)	208,937
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Leisure	Yes	16,008	1,959	-	17,967
Total Restricted Reserves				270,653	32,702	(24,000)	279,355
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	697,186	1,019,223	(1,860,000)	(143,591)
Coastal Marine		Recreation and Leisure	No	(348,670)	590,925	(638,000)	(395,745)
District Reserves		Support Services	No	2,672,730	1,310,618	(1,472,488)	2,510,860
Huharua Sub Regional Park		Recreation and Leisure	No	178,173	48,527	-	226,700
TECT All Terrain Park		Recreation and Leisure	No	775,194	287,354	(118,022)	944,526
Asset Replacement - office buildings		Recreation and Leisure	Yes	1,182,350	864,755	(1,948,120)	98,985
Asset Replacement - vehicles		Support Services	Yes	(93,711)	733,968	(997,994)	(357,737)
Asset Replacement - civil defence		Communities	Yes	131,507	1,569	-	133,076

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Asset Replacement Reserves							
Asset Replacement - telemetry		Communities	Yes	81,667	4,470	-	86,137
Asset Replacement - swimming pool		Recreation and Leisure	Yes	251,632	96,044	-	347,676
Asset Replacement - library books		Communities	Yes	2,290,325	370,579	(606,210)	2,054,694
Asset Replacement - Cemetery		Communities	Yes	226,426	46,672	-	273,098
Total Asset Replacement Reserves				8,044,808	5,374,704	(7,640,834)	5,778,678
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	278,331	-	-	278,331
Katikati Community Board		Communities	No	126,207	-	-	126,207
Omokoroa Community Board		Communities	No	246,441	-	-	246,441
Te Puke Community Board		Communities	No	118,612	-	(14,999)	103,613
Maketu Community Board		Communities	No	158,857	-	-	158,857
Total Community Board Reserves				928,448	-	(14,999)	913,449

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Other Community Reserves							
Other community reserves – general approach	These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates						
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements as well as encourage business development in Katikati	Planning for the future	Yes	14,092	771	-	14,863
Waihi Beach Town Centre Development	For town centre development	Economic	Yes	436,212	26,907	-	463,119
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise	Economic	Yes	256,644	35,562	(190,000)	102,206
Omokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise	Economic	Yes	216,033	15,712	-	231,745
Te Puke Town Centre Development	For town centre development	Economic	Yes	709,109	84,105	-	793,214
Pukehina Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area	Planning for the future	Yes	665,101	102,379	-	767,480
Total Other Community Reserves				2,297,191	265,436	(190,000)	2,372,627

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Financial Contributions Reserves							
Financial contributions reserves - general	These are specific reserves that must be applied for a particular purpose and under specific criteria or qualifying conditions. These reserves are not cash reserves.						
Ecological financial contributions - capital	Financial contributions split into capital and operational components that are to be spent based on Council's annually approved ecological education programme. Capital expenditure must be by Council resolution and satisfy criteria for privately owned land. Operational expenditure is based on the prior year's closing operations balance available.	Natural Environment	No	306,176	-	-	306,176
Ecological financial contributions - operational	As above	Natural Environment	No	386,479	406,366	(389,080)	403,765
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	No	656,368	4,729,583	(3,118,754)	2,267,197
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	348,467	-	-	348,467
Total Financial Contribution Reserves				1,747,464	5,135,949	(3,507,834)	3,375,579
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	4,035,773	568,141	(2,046,764)	2,557,150
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	2,073,418	127,158	(1,171,082)	1,029,494
Traffic and parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980s. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	No	186,095	22,023	-	208,118
Total General Reserves				6,981,493	717,322	(3,217,846)	3,809,148

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Special Reserves							
Disaster Contingency	Council's infrastructure self-insurance fund provided from the sale of power company shares in the 1990s. Council's policy is to self insure based on the premise that commercial infrastructure insurance is not available. Major infrastructure, apart from district roading is geographically dispersed throughout our District (primarily stand-alone sewerage and water schemes) and the likelihood of failure of this entire infrastructure at once is assessed as very low.	Communities	Yes	8,778,882	791,978	-	9,570,860
Re-budget Reserve	To allow for the adjustment of timing and cost to Council's capital work program.	All	No	671,821	-	(44,000)	627,821
Matakana Island Trust	Reserves accumulated several years ago from the appeal against the Katikati Reserve extension across to Matakana Island. The funds are available to be used for improvements to the Matakana Island community.	Planning for the Future	No	258,803	-	-	258,803
Corporate Property and Assets	For any surplus arising from the corporate property/land purchase account.	Support Services	No	743,224	74,881	(287,286)	530,819
Weathertight Homes	To settle potential weathertightness claims that may arise.	Regulatory	No	212,000	13,483	-	225,483
Panepane Point		Reserves	No	442,033	28,113	(30,000)	440,146
Total Special Reserves				11,106,763	908,455	(361,286)	11,653,932
Total All Council Created Reserves				30,705,000	12,434,568	(14,956,799)	28,182,769

CHAPTER TWO

02

Policies and Statements



CHAPTER TWO

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OVERALL REVENUE AND FINANCING POLICY

INTRODUCTION

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

This policy deals with the revenue and financing decisions taken at a “whole of Council” level. It documents our high level rating philosophy and summarises the rationale for the rating decisions taken. We have considered the distribution and timing of benefits, rating efficiency and transparency, community preferences and the overall impact on the economic, cultural, social and environmental well-being of our District. In particular, we have considered the impacts of our rating proposals on a range of representative properties; these can be found on our website www.westernbay.govt.nz/annual-plan-2019-2020.

When read in conjunction with the Funding Impact Statement, in chapter one on pages 27- 47, this Policy links the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive.

COUNCIL'S FUNDING PHILOSOPHY

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

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

FEES

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

TARGETED RATES

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

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

FINANCIAL CONTRIBUTIONS

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

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

After April 2022, financial contributions will not be available as a funding source. Within the next two years, Council intends to establish a Development Contributions Policy to replace financial contributions as a funding source, to the extent permitted by legislation. The Development Contributions Policy is expected to be operative by the time the final 2021-2031 Long Term Plan is adopted.

Our District Plan provides that waivers and reductions to financial contributions levied under the Resource Management Act 1991 are agreed through our Annual Plan process. The Long Term Plan 2018-2028 is also our Annual Plan for 2018/2019.

DEBT FINANCING

As we have no significant reserves, we rely on loans to finance infrastructure development, for example wastewater schemes. The portion of interest and loan repayments relating to growth is generally funded through financial contributions, however in periods of low growth they may be funded from rates. This is detailed in our Financial Strategy in chapter two on page 54 in our Long Term Plan 2018-2028. The remaining interest and loan repayments are funded by annual rates or charges. We acknowledge that the interest on loans increases the overall cost of services but we believe that this disadvantage is offset by the advantages a more equitable allocation of cost between existing and future ratepayers. As our rating base increases with new development there are more ratepayers to meet the cost of interest and loan repayments.

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

The overall use of debt financing is limited by the extent of our indebtedness and the principles of prudent financial management. Our Financial Strategy in Chapter Two, page 39 in the Long Term Plan 2018-2028 proposes a limit on debt and our Treasury Policy, page 447 in the Long Term Plan 2018-2028 contains limits on debt and interest payments in relation to our assets and revenue. The term of our debt is related to the useful life of the asset financed but does not generally exceed 30 years. This ensures that the people benefiting from the asset repay the loan before the asset's life is over.

For several activities we operate a current account funding programme to smooth rates increases over time and to ensure renewals are adequately provided for. The level of rates in year one of the Long Term Plan 2018-2028 is set such that once inflation is added to each of the ten years of the Plan, the projected current account balance in years 10 and 30 is adequate to meet the balanced budget test. The current account balance reflects all revenue and expenditure (including operating and capital costs) and all funding requirements (including loans, financial contributions and other revenue).

DEPRECIATION FUNDING AND CURRENT ACCOUNT DEFICIT FUNDING

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

1. Pay as you go

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

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

2. Saving for asset replacement

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

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

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

3. Borrowing to fund asset replacement

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

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

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

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

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

RATING POLICY

1. Rating unit

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

2. Rating basis

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

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

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

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

3. General rates

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

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

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

4. Differential general rate

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

Our current differential rates policy is:

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

These differentials apply only to the General Rate.

5. Multiple dwelling differentials

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

6. Environmental protection rate

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

7. Roothing rates

There are three rooding rates:

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

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

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

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

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

8. Targeted rates

We use targeted rates (as defined in the Local Government (Rating) Act 2002) to collect funds over areas of benefit. This rating tool is chosen where the services provided are specific to a particular community or area within our District and it is not considered fair to charge all ratepayers, e.g. charges for town centre promotion and community halls. Details of these rates are shown in the Funding Impact Statement, chapter one from pages 27 to 47. These rates may be collected on a uniform (fixed) basis per property or on the capital value of each property.

9. Water

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

Our policy for water supply is that all properties connected to Council's water supply should be metered. In June 2018, Council completed a ten-year project to install meters to all connected properties in the District. In establishing the criteria for water metering we have recognised the environmental benefits that would result from water conservation if all users were metered and balanced that against the cost of installing meters on all properties and the affordability of such a strategy. This has improved Council's ability to measure and manage water usage and reduce losses within the District.

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

Where meters are in use charges are as follows:

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

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

10. Wastewater

Our policy on wastewater charges is:

10.1 Uniform Targeted Rate

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

10.2 Multiple connection charges

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

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

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

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

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

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

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

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

11. Schools

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

Revenue and Financing Policies

To view all the revenue and financing policies visit www.westernbay.govt.nz/council/plans-and-strategies/long-term-plans/longtermplan2018-2028

SUMMARY OF SPECIFIC RATES POLICIES

In addition to Council's overall rating policies, specific policies have also been established over time to accommodate individual ratepayer circumstances that have been identified as requiring a specific approach. By having these specific policies available Council considers it provides a more equitable and fair rating system. These policies can viewed in the Long Term Plan 2018-2028 in Chapter five from page 420.

Council's specific rates policies:

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

SPECIFIC RATES POLICIES

To view all the rates policies visit www.westernbay.govt.nz/council/plans-and-strategies/long-term-plans/longtermplan2018-2028

SIGNIFICANT ACCOUNTING POLICIES

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This section includes financial statements and information. The Local Government Act 2002 requires Council to include forecast financial statements for the local authority within the Annual Plan. The main purpose of providing prospective financial statements is to enable stakeholders (residents and ratepayers, other local authorities, business community groups and government regulatory bodies etc.) to make decisions regarding Council and how it conducts its business. This prospective financial information includes the Prospective Statement of Comprehensive Revenue and Expense, the Prospective Statement of Financial Position, the Prospective Statement of Changes in Equity, the Prospective Statement of Cash Flows, and the accompanying Prospective Statement of Accounting Policies and Notes to the Financial Statements. This information must be prepared according to generally accepted accounting practice (GAAP) and recognised accounting standards.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The Prospective Statement of Comprehensive Revenue and Expense shows all of Council's prospective revenue earned and expenses incurred for the year ended 30 June 2019. Revenue includes revenue received from rates and other revenue such as investment revenue, rent and fees while expenses paid includes costs such as operating costs, interest payments and depreciation.

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

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

This Prospective Statement provides information about the nature of changes in Council's equity for the year ended 30 June 2019.

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

The Prospective Statement of Financial Position shows the assets and liabilities of the Council as at 30 June 2019

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

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

PROSPECTIVE STATEMENT OF CASH FLOWS

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

PROSPECTIVE STATEMENT OF ACCOUNTING POLICIES

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

PROSPECTIVE FUNDING IMPACT STATEMENTS

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

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

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

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

STATEMENT OF ACCOUNTING POLICIES FOR PROSPECTIVE FINANCIAL STATEMENTS

REPORTING ENTITY

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

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

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

BASIS OF PREPARATION

These set of prospective financial statements have been prepared in accordance with NZ generally accepted accounting practice (GAAP) and opening balances for the year ended 30 June 2018. Estimates have been restated accordingly if required. No actual financial results have been incorporated within the prospective financial statements.

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

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

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

STATEMENT OF COMPLIANCE

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

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

These prospective financial statements comply with PBE Standards.

MEASUREMENT BASE

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

PRESENTATION CURRENCY AND ROUNDING

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these prospective financial statements, Council has made estimates and assumptions concerning the future, these are outlined in Chapter One from page 15 to 17. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

CAUTIONARY NOTE

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

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

STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT YET ADOPTED

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

Interests in other entities

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

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Financial instruments

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

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

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

Employee benefits

In May 2017, the XRB issued PBE IPSAS 39 Employee Benefits. PBE IPSAS 39 replaces PBE IPSAS 25 Employee benefits. PBE IPSAS 39 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted. The Council plans to apply the new standard in preparing the 30 June 2020 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. The 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.

CHANGES IN ACCOUNTING POLICIES

There have been no other changes in accounting policy.

ASSUMPTIONS UNDERLYING PROSPECTIVE FINANCIAL INFORMATION

The financial information contained within these policies and statements is prospective information and has been prepared in compliance with PBE FRS 42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Western Bay of Plenty District Council over the financial years from 1 July 2018 - 30 June 2019, and to provide a broad accountability mechanism of the Council to the community.

SIGNIFICANT ACCOUNTING POLICIES

ASSOCIATE ENTITIES

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

The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or

deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

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

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

REVENUE

Revenue is measured at fair value.

Rates revenue

The following policies for rates have been applied:

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

Financial contributions

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

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

New Zealand Transport Agency roading subsidies

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

Other grants received

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

Building and resource consent revenue

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

Entrance fees

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

Sales of goods

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

Infringement fees and fines

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

Vested or donated physical assets

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

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

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

Donated and bequeathed financial assets

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

Interest and dividends

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

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

Construction contracts

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

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

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

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

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

BORROWING COSTS

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

GRANT EXPENDITURE

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

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

FOREIGN CURRENCY TRANSACTIONS

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

INCOME TAX

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

LEASES

Finance leases

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

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

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

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

Western Bay Council does not currently have any finance leases.

Operating leases

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

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

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

ASSETS

Cash and cash equivalents

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

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

Receivables

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

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

present value of the amount expected to be collected.

Derivative financial instruments and hedge accounting

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

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

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

Western Bay Council has elected not to hedge account.

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

OTHER FINANCIAL ASSETS

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

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

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

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

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

Financial assets at fair value through surplus or deficit

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

Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

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

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

Loans and receivables

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

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

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

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

FAIR VALUE

Fair value through other comprehensive revenue and expense

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

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

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

IMPAIRMENT OF FINANCIAL ASSETS

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

Loans and receivables, and held-to-maturity investments

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

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

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Non-current assets held for sale

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

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

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

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

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of:

(a) Operational assets

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

(b) Restricted assets

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

(c) Infrastructure assets

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

Revaluation

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

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

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

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

Transportation assets including roads, bridges and footpaths were revalued at depreciated replacement cost at 1 July 2014 and certified by Opus International Consultants Limited.

Water, wastewater and stormwater assets including reticulation, treatment plants, reservoirs and bores were revalued at depreciated replacement cost at 1 July 2014 and certified by Aecom New Zealand Limited.

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

All other asset classes are carried at depreciated historical cost.

Additions

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

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

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

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

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

Disposals

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

Depreciation

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

BUILDINGS		
• Concrete	100 years	Straight line
• Wooden	40 years	Straight line
• Improvements	10 years	Straight line
Land		Not depreciated
Other plant and equipment	10 years	Diminishing value
Office equipment and furnishings	10 years	Diminishing value
Computer systems	5 years	Diminishing value
Motor vehicles	5 years	Diminishing value
Library books	10-15 years	Straight line
Infrastructural assets		
Roading network		
• Pavements (base course)	25 to 75 years	Straight line
• Seal	12 years	Straight line
• Unsealed	3 to 5 years	Straight line
• Other	5 to 70 years	Straight line
• Formation (not depreciated)		
BRIDGES		
• Concrete	100 years	Straight line
• Steel	50 years	Straight line
RETICULATION		
• Water	20 to 60 years	Straight line
• Sewerage	60 to 100 years	Straight line
• Stormwater	80 to 120 years	Straight line
• Treatment plant and equipment	25 to 50 years	Straight line
OTHER STRUCTURES		
• Wooden reservoirs	80 years	Straight line
• Concrete reservoirs	100 years	Straight line
• Dams	100 years	Straight line
• Bores	100 years	Straight line

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

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

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

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

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

Easements

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

Carbon credits

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

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

Amortisation

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

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

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

Impairment of intangible assets

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

Forestry assets

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

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

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

Investment property

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

Investment property is measured initially at its cost, including transaction costs.

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

Payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

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

EMPLOYEE ENTITLEMENTS

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

PROVISIONS

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

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

Landfill post-closure provision

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

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

FINANCIAL GUARANTEE CONTRACTS

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

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

Financial guarantees are subsequently measured at the higher of:

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

EQUITY

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

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

Restricted reserves

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

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

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

Property revaluation reserve

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

Fair value through other comprehensive revenue and expense reserve

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

Council created reserves

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

GOODS AND SERVICES TAX (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The 2018 budget figures are those approved by the Council in its 2017-18 annual plan which have subsequently been revised due to the shift in opening balances arising from the 2016-17 Annual Report. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

COST ALLOCATION

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

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

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



ACTIVITY FUNDING IMPACT STATEMENTS

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WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 (WHOLE OF COUNCIL)

FOR THE YEARS ENDED 30 JUNE		ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
		\$'000	\$'000	\$'000	\$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		22,140	25,556	26,507	48,689
Targeted rates		38,865	42,425	44,750	26,519
Subsidies and grants for operating purposes		16,030	5,362	4,706	4,800
Fees and charges		9,788	6,470	6,708	1,530
Interest and dividends from investments		132	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		8,878	3,025	3,219	3,422
Total operating funding	(A)	95,833	82,838	85,890	84,960
Applications of operating funding					
Payments to staff and suppliers		54,573	58,416	59,383	62,637
Finance costs		8,788	8,000	8,000	8,000
Other operating funding applications		101	408	-	-
Total applications of operating funding	(B)	63,463	66,823	67,383	70,637
Operating funding - surplus/(deficit)	(A-B)	32,370	16,015	18,507	14,323
Sources of capital funding					
Subsidies and grants for capital expenditure		-	4,125	4,500	4,603
Development and financial contributions		9,506	8,786	9,806	10,498
Increase/(decrease) in debt		(1,642)	10,138	11,124	11,496
Gross proceeds from sale of assets		(384)	85	87	85
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	7,480	23,135	25,517	26,683
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		14,202	17,444	20,913	16,575
• to improve the level of service		15,827	9,112	9,428	14,515
• to replace existing assets.		8,968	12,746	13,333	12,370
Increase/(decrease) in reserves		839	(152)	349	(2,454)
Increase/(decrease) in investments		16	-	-	-
Total applications of capital funding	(D)	39,852	39,150	44,023	41,006
Capital funding - surplus/(deficit)	(C-D)	(32,370)	(16,015)	(18,507)	(14,323)
Funding balance	((A-B) + (C-D))	-	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	2,700	3,773	3,415	3,741
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads costs recovered	590	821	849	786
Local authority fuel tax, fines, infringement fees and other receipts	3	-	77	75
Total operating funding (A)	3,293	4,593	4,340	4,602
Applications of operating funding				
Payments to staff and suppliers	1,387	2,027	2,105	2,226
Finance costs	(58)	-	-	-
Internal charges and overheads applied	1,785	2,153	2,222	2,369
Other operating funding applications	101	408	-	-
Total applications of operating funding (B)	3,215	4,587	4,328	4,595
Operating funding - surplus/(deficit) (A-B)	79	6	12	7
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	79	6	12	7
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	79	6	12	7
Capital funding - surplus/(deficit) (C-D)	(79)	(6)	(12)	(7)
Funding balance ((A-B) + (C-D))	-	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	2,296	2,642	2,567	2,744
Targeted rates	13	13	13	13
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	(A) 2,309	2,655	2,580	2,757
Applications of operating funding				
Payments to staff and suppliers	1,501	1,853	1,754	1,822
Finance costs	(37)	(163)	(172)	(43)
Internal charges and overheads applied	770	784	809	920
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 2,235	2,473	2,391	2,699
Operating funding - surplus/(deficit)	(A-B) 74	181	189	58
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	74	181	189	58
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 74	181	189	58
Capital funding - surplus/(deficit)	(C-D) (74)	(181)	(189)	(58)
Funding balance	((A-B) + (C-D)) -	-	-	-

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

FOR THE YEARS ENDED 30 JUNE		ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
		\$'000	\$'000	\$'000	\$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		3,589	4,704	4,790	4,676
Targeted rates		1,929	1,838	1,879	1,973
Subsidies and grants for operating purposes		437	-	-	-
Fees and charges		83	75	77	75
Internal charges and overheads costs recovered		793	860	901	982
Local authority fuel tax, fines, infringement fees and other receipts		594	477	499	487
Total operating funding (A)		7,424	7,954	8,146	8,194
Applications of operating funding					
Payments to staff and suppliers		4,360	4,793	4,733	5,565
Finance costs		(119)	50	54	87
Internal charges and overheads applied		2,331	2,708	2,864	2,799
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		6,572	7,552	7,650	8,451
Operating funding - surplus/(deficit) (A-B)		852	402	496	(257)
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		2,956	215	73	692
Gross proceeds from sale of assets		(3)	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding (C)		2,953	215	73	692
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		4,133	169	79	324
• to improve the level of service		4	-	-	-
• to replace existing assets		932	361	377	369
Increase/(decrease) in reserves		(1,263)	87	113	(257)
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding (D)		3,806	617	569	436
Capital funding - surplus/(deficit) (C-D)		(852)	(402)	(496)	257
Funding balance ((A-B) + (C-D))		-	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	5,423	6,155	6,784	6,339
Targeted rates	25	20	23	-
Subsidies and grants for operating purposes	104	367	153	163
Fees and charges	-	24	24	20
Internal charges and overheads costs recovered	1,258	1,383	1,421	1,455
Local authority fuel tax, fines, infringement fees and other receipts	1,006	692	752	747
Total operating funding (A)	7,817	8,641	9,157	8,724
Applications of operating funding				
Payments to staff and suppliers	4,588	4,430	4,516	4,695
Finance costs	(267)	(193)	(134)	(247)
Internal charges and overheads applied	2,199	2,472	2,556	2,393
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	6,520	6,709	6,938	6,840
Operating funding - surplus/(deficit) (A-B)	1,296	1,933	2,219	1,884
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	2,313	2,130	2,173	2,599
Increase/(decrease) in debt	(101)	1,221	591	2,061
Gross proceeds from sale of assets	45	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	2,257	3,351	2,763	4,660
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	511	3,032	2,168	4,096
• to improve the level of service	(101)	445	378	496
• to replace existing assets	1,141	1,384	1,471	3,441
Increase/(decrease) in reserves	2,002	423	966	(1,489)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	3,554	5,284	4,983	6,544
Capital funding - surplus/(deficit) (C-D)	(1,296)	(1,933)	(2,219)	(1,884)
Funding balance ((A-B) + (C-D))	-	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	2,529	2,688	2,621	3,690
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	5,404	5,945	6,170	5,644
Internal charges and overheads costs recovered	-	-	-	726
Local authority fuel tax, fines, infringement fees and other receipts	94	88	90	88
Total operating funding	(A) 8,027	8,721	8,881	10,147
Applications of operating funding				
Payments to staff and suppliers	5,422	5,991	6,045	6,710
Finance costs	(23)	(10)	(11)	(25)
Internal charges and overheads applied	2,578	2,640	2,767	3,428
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 7,978	8,621	8,801	10,113
Operating funding - surplus/(deficit)	(A-B) 50	100	80	35
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	10	10
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) -	-	10	10
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	-	-	-
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	50	100	91	45
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 50	100	91	45
Capital funding - surplus/(deficit)	(C-D) (50)	(100)	(80)	(35)
Funding balance	((A-B) + (C-D)) -	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	-	-	-	-
Targeted rates	13,926	13,000	13,695	13,201
Subsidies and grants for operating purposes	14,265	4,180	4,327	4,426
Fees and charges	17	10	10	15
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	3,655	262	267	262
Total operating funding	(A)	31,863	17,452	18,300
Applications of operating funding				
Payments to staff and suppliers	9,582	8,950	9,157	9,454
Finance costs	851	866	1,052	479
Internal charges and overheads applied	1,253	1,437	1,474	1,458
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B)	11,686	11,253	11,392
Operating funding - surplus/(deficit)	(A-B)	20,177	6,199	6,512
Sources of capital funding				
Subsidies and grants for capital expenditure	-	4,125	4,500	4,603
Development and financial contributions	2,659	2,113	2,671	2,959
Increase/(decrease) in debt	(6,094)	4,479	1,490	4,230
Gross proceeds from sale of assets	(73)	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C)	(3,508)	10,717	11,793
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	4,573	9,103	5,970	6,058
• to improve the level of service	10,548	3,385	4,379	10,778
• to replace existing assets	1,597	4,407	4,898	1,447
Increase/(decrease) in reserves	(48)	21	30	21
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D)	16,669	16,916	18,305
Capital funding - surplus/(deficit)	(C-D)	(20,177)	(6,199)	(6,512)
Funding balance	((A-B) + (C-D))	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	-	-	-	10,844
Targeted rates	6,445	10,488	10,950	4,321
Subsidies and grants for operating purposes	-	-	62	-
Fees and charges	4,134	-	-	(4,321)
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	11	-	-	-
Total operating funding	(A) 10,590	10,488	11,012	10,844
Applications of operating funding				
Payments to staff and suppliers	4,713	5,223	5,311	5,223
Finance costs	1,498	1,652	1,773	1,581
Internal charges and overheads applied	1,525	1,986	2,037	2,124
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 7,735	8,861	9,121	8,928
Operating funding - surplus/(deficit)	(A-B) 2,855	1,627	1,891	1,915
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	1,534	1,203	1,505	1,524
Increase/(decrease) in debt	1,111	1,973	3,676	3,701
Gross proceeds from sale of assets	(7)	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 2,637	3,176	5,181	5,225
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	1,877	1,562	3,971	2,786
• to improve the level of service	1,248	360	149	765
• to replace existing assets	2,367	2,881	2,951	3,589
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 5,492	4,803	7,071	7,140
Capital funding - surplus/(deficit)	(C-D) (2,855)	(1,627)	(1,891)	(1,915)
Funding balance	((A-B) + (C-D)) -	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000 2018	ANNUAL PLAN \$'000 2019	LTP FORECAST \$'000 2020	ANNUAL PLAN \$'000 2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	1,629	995	1,372	1,018
Targeted rates	3,929	4,104	4,321	4,152
Subsidies and grants for operating purposes	-	38	38	38
Fees and charges	-	-	-	-
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	6	-	-	-
Total operating funding (A)	5,564	5,137	5,731	5,207
Applications of operating funding				
Payments to staff and suppliers	749	977	961	1,005
Finance costs	1,546	1,246	1,344	1,453
Internal charges and overheads applied	424	535	549	677
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,719	2,758	2,854	3,134
Operating funding - surplus/(deficit) (A-B)	2,845	2,378	2,877	2,073
Sources of capital funding				
Subsidies and grants for capital expenditure	-	1,140	1,351	-
Development and financial contributions	622	1,524	2,324	1,421
Increase/(decrease) in debt	(905)	-	-	1,886
Gross proceeds from sale of assets	9	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	(274)	2,664	3,676	3,307
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	1,486	2,000	3,008	2,700
• to improve the level of service	73	2,577	2,858	1,190
• to replace existing assets	1,013	465	687	1,490
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2,572	5,042	6,553	5,380
Capital funding - surplus/(deficit) (C-D)	(2,845)	(2,378)	(2,877)	(2,073)
Funding balance ((A-B) + (C-D))	-	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	246	224	238	264
Targeted rates	346	455	466	451
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	(A) 592	679	704	715
Applications of operating funding				
Payments to staff and suppliers	651	843	852	847
Finance costs	(4)	(27)	(27)	(3)
Internal charges and overheads applied	67	76	79	75
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 713	893	904	919
Operating funding - surplus/(deficit)	(A-B) (121)	(214)	(200)	(204)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	219	191	221	216
Increase/(decrease) in debt	(7)	17	18	20
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 213	208	239	236
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	-	-	-
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	92	(6)	40	32
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 92	(6)	40	32
Capital funding - surplus/(deficit)	(C-D) 121	214	200	204
Funding balance	((A-B) + (C-D)) -	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	1,912	1,292	1,965	12,036
Targeted rates	9,964	10,358	10,888	-
Subsidies and grants for operating purposes	1,045	604	-	-
Fees and charges	57	2	2	2
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	64	-	-	200
Total operating funding	(A) 13,042	12,255	12,855	12,238
Applications of operating funding				
Payments to staff and suppliers	4,678	4,294	4,371	4,774
Finance costs	3,403	3,160	3,104	3,316
Internal charges and overheads applied	1,658	1,988	2,037	2,089
Other operating funding applications	-	-	-	-
Total applications of operating funding	(B) 9,739	9,442	9,512	10,178
Operating funding - surplus/(deficit)	(A-B) 3,303	2,813	3,344	2,060
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	2,160	2,010	1,885	1,779
Increase/(decrease) in debt	635	(1,116)	1,860	(2,483)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding	(C) 2,794	894	3,745	(704)
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	1,215	280	4,584	100
• to improve the level of service	3,999	1,321	625	269
• to replace existing assets	883	2,126	1,931	1,036
Increase/(decrease) in reserves	-	(20)	(51)	(49)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	(D) 6,097	3,707	7,089	1,356
Capital funding - surplus/(deficit)	(C-D) (3,303)	(2,813)	(3,344)	(2,060)
Funding balance	((A-B) + (C-D)) -	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000 2018	ANNUAL PLAN \$'000 2019	LTP FORECAST \$'000 2020	ANNUAL PLAN \$'000 2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	415	708	708	831
Targeted rates	1,053	1,110	1,247	1,162
Subsidies and grants for operating purposes	179	173	126	173
Fees and charges	92	90	94	93
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	121	33	34	33
Total operating funding (A)	1,860	2,115	2,209	2,293
Applications of operating funding				
Payments to staff and suppliers	1,155	1,315	1,524	1,699
Finance costs	4	(8)	(18)	(22)
Internal charges and overheads applied	510	584	597	442
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,668	1,892	2,103	2,119
Operating funding - surplus/(deficit) (A-B)	192	223	107	174
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(190)	(215)	(5)	(80)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	(190)	(215)	(5)	(80)
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	-	-	95	-
• to improve the level of service	-	-	-	93
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	2	9	6	1
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2	9	101	94
Capital funding - surplus/(deficit) (C-D)	(192)	(223)	(107)	(174)
Funding balance ((A-B) + (C-D))	-	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	675	754	782	776
Targeted rates	290	322	329	328
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	2	2	2	2
Total operating funding (A)	967	1,078	1,114	1,106
Applications of operating funding				
Payments to staff and suppliers	621	666	693	723
Finance costs	(88)	(87)	(92)	(132)
Internal charges and overheads applied	93	102	104	112
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	626	681	706	703
Operating funding - surplus/(deficit) (A-B)	341	397	408	403
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	(29)	(30)	(29)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	-	(29)	(30)	(29)
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	-	460	929	311
• to improve the level of service	-	-	-	-
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	325	(91)	(551)	63
Increase/(decrease) in investments	16	-	-	-
Total applications of capital funding (D)	341	368	378	374
Capital funding - surplus/(deficit) (C-D)	(341)	(397)	(408)	(403)
Funding balance ((A-B) + (C-D))	-	-	-	-

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	726	1,621	1,265	1,729
Targeted rates	945	718	937	918
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	324	330	1
Internal charges and overheads costs recovered	14,683	16,776	17,404	17,570
Local authority fuel tax, fines, infringement fees and other receipts	3,453	1,471	1,498	1,528
Total operating funding (A)	19,808	20,910	21,434	21,746
Applications of operating funding				
Payments to staff and suppliers	15,166	17,052	17,361	17,896
Finance costs	2,082	1,513	1,126	1,558
Internal charges and overheads applied	2,132	2,375	2,482	2,631
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	19,380	20,940	20,969	22,084
Operating funding - surplus/(deficit) (A-B)	427	(31)	465	(339)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	953	2,069	1,118	1,488
Gross proceeds from sale of assets	(355)	85	87	85
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	598	2,154	1,205	1,573
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	407	838	204	200
• to improve the level of service	56	1,024	943	924
• to replace existing assets	1,035	1,123	1,018	998
Increase/(decrease) in reserves	(472)	(861)	(496)	(887)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,025	2,124	1,670	1,235
Capital funding - surplus/(deficit) (C-D)	(427)	31	(465)	339
Funding balance ((A-B) + (C-D))	-	-	-	-