



# **Annual Plan 2025/26**

## ***Te Mahere ā-tau 2025/26***

**whakatane.govt.nz**







# He mihi - welcome

Ka pō, ka pō, ka ao, ka ao,  
E ao ki tūāpae,  
Ka ao, ka ao, ka awatea.  
E mihi ana ki ngā maunga whakahī o te rohe nei,  
Ki ngā awa e rere nei,  
Ki ngā wai pūngarungaru o Te Moana nui a Toi,  
He taonga tuku iho ngā tongarerewa ngaruru o tō tātau rohe.  
Tirohia te pae tawhiti,  
Ki te tau e heke mai nei,  
Ki ngā piki me ngā heke o tēnei ao pāhekeheke,  
Whakamaheretia ngā rā e tatū iho nei,  
Kia ita, kia ū, kia pūkeke,  
Mō nāianei, otirā mō te āpōpō.

‘Tis dark, ‘tis dark, ‘tis light, ‘tis light  
There is light on the horizon  
‘Tis light, ‘tis light, daylight has arrived.  
We acknowledge the majestic mountains of the district,  
To the flowing rivers,  
To the rippling ocean of Te Moana nui a Toi,  
The abundant treasures of our district are a gift handed down to us.  
Look to the future,  
To the year ahead,  
To the peaks and troughs of this uncertain world,  
Plan for the days ahead,  
So that we are fixed, resolute, and steadfast,  
For now and in the future.



## MESSAGE FROM THE MAYOR

### *He kupu nā te Koromatua*

Tēnā tātau katoa,

I think it is true to say that in the development of a Long Term Plan or Annual Plan no one gets everything they want. It involves significant negotiation and compromise. Plans are not set in stone; they are developed in a particular context and when the data and facts change so should the plans. We get a chance to adapt every year through the Annual Plan process.

As Mayor of the Whakatāne District, I am under no illusion that an average rates increase of 11.7% will be welcomed with open arms. Frankly, it is more than I - and probably much of the community would welcome. Consumer Price Index inflation peaked in Quarter 2 of 2022 at 7.3 % which was only a few months before I was elected, and the geopolitical situation has deteriorated. This inflation rate is lower than what councils face because councils buy different things to the average consumer. This has been the reality the Council has had to face — the outcome of an increasingly complex balancing act between financial responsibility, service delivery, and long-term investment in our district.

The district was not alone in fronting these challenges and we landed on rates for Year 1 of Long Term Plan 2024-34 that were about average over the country.

When Council adopted the Long Term Plan last year, the economic environment was unstable and still highly unpredictable, and it remains that way. I highlighted the situation in my expectations document, stressed the issue of affordability and called for moderation in spending and a freeze on staff hiring.

#### **Read the Mayor's Expectations for LTP 2024-2034**

Since the peak of inflation in Quarter 2 of 2022, we've seen inflation and interest rates ease, giving us a narrow but important opportunity to revisit our numbers. Staff were directed — rightly — to find savings without compromising the future. And they have delivered, with a 2.2% reduction in proposed operating expenditure compared to the Long Term Plan forecast for 2025/26.

This has enabled us to bring the projected rates increase down from 12.7% to 11.7%, while also making meaningful strides to reduce our operating deficit and future borrowing costs. It's not the ideal outcome — in my opinion it's the compromise we could land on. Following robust debate the Council chose to strike a balance: some relief for ratepayers now, with a quicker pathway to balancing the books. Call it the art of compromise.

I am pleased that no new staff will be added in Year 2 of the Long Term Plan— something I have consistently pushed for — and the number of planned new full-time equivalents over the full term of the plan has been reduced from 32 to 26. As I said in one of our public meetings 'it is not ideal, but we are heading in the right direction'. I believe our new Chief Executive shares the view that more can and should be done.

This year's Annual Plan does not contain significant changes to our agreed work programme, and so, after careful consideration, the Council is proposing not to undertake formal consultation. We will, however, ensure our community understands the decisions being made and why — and we remain open to feedback, as always.

I won't pretend this budget is cause for celebration. But it is a pragmatic and necessary response to the situation before us. We are still investing in our future, keeping our district moving forward — and doing it with fewer resources than originally planned.

We can't borrow our way out of this. We can't spend without discipline. And we can't ignore the very real pressures our residents are facing. This plan reflects that reality — as uncomfortable as it may be for some — and keeps us on a path toward a more financially resilient Whakatāne District.

Ngā manaakitanga,  
Dr Victor Luca  
Mayor/Koromatua of Whakatāne District



## MESSAGE FROM THE CHIEF EXECUTIVE *He kupu nā te Toihautū*

E ngā hapori o te rohe nei, tēnā tātau.

The 2025/26 Annual Plan is the first I have overseen as Chief Executive of Whakatāne District Council.

Councillors remain conscious of the impacts that the 'inflationary hangover' has had on households and the preparations for the Annual Plan budget, which the Executive team started in October 2024, was predicated on cost management. I've committed to shifting the focus of the organisation to be more cost sensitive while maintaining the balance of prudence with the ability to deliver committed levels of service to our communities.

I'm really pleased that my Executive team and all staff involved in the budgeting process quickly rallied to find 2.2% of savings given the volume of new costs the Council will have to absorb over the next year, such as a fee for the government's new water regulator. These savings allowed us to present to the Council a draft Annual Plan that gave our Elected Members options; to apply some, or all, of the savings to reduce the forecast rates increase; or allocate a portion of savings to reducing our operating deficit quicker.

It's always good to have options.

Our savings in this Annual Plan were achieved through mandatory reductions from the NZ Transport Agency Waka Kotahi in transport funding, changes to requirements for waste collection from central government and lower than forecast interest rates. Additional to this staff found savings from line by line reductions of non-essential operating expenditure, we slowed some projects down and I proposed zero additional full-time equivalents in Year 2.

Overall, I would describe this Annual Plan as a tightening of the belt with limited impact on the services that the Council delivers to the community.

Looking ahead, I'm confident that with continued collaboration between governors and staff, we can navigate the continuing financial challenges while still delivering quality services. I'd like to thank our Mayor and Councillors for their thoughtful deliberations and steady leadership through this process. Together, I believe, we are building a more resilient organisation—one that is not only responsive to current pressures but also better positioned to support the long-term wellbeing and prosperity of the Whakatāne District.

Ngā mihi,  
Steven Perdia  
Chief Executive/Toihautū



# Contents

## Rārangi upoko

Mihi .....	3
Message from the Mayor .....	4
Message from the Chief Executive .....	5
Welcome to our Annual Plan 2025/26 .....	7
Planning cycle .....	7
<b>PART ONE: YOUR COUNCIL .....</b>	<b>8</b>
Your Councillors .....	9
Your Māori ward Councillors .....	10
Your Community Boards .....	11
District at a glance .....	12
The Council's vision and priorities .....	13
The Council's strategic priorities .....	14
What work does Council Do? .....	15
<b>PART TWO: OUR 2025/26 ANNUAL PLAN .....</b>	<b>16</b>
The Annual Plan process this year .....	17
Considerations for our Annual Plan 2025/26 .....	17
What does this mean for 2025/26? .....	19
Changes and adjustments from our Long Term Plan .....	20
Key projects and priorities for 2025/26 .....	21
Key changes in capital expenditure .....	24
Key changes in operating expenditure .....	26
<b>PART THREE: WHAT OUR 2025/26 PLAN WILL COST .....</b>	<b>27</b>
Funding Impact Statement – Whole of Council .....	28
<b>PART FOUR: RATES FOR 2025/26 .....</b>	<b>30</b>
Funding Impact Statement – Rating .....	34
<b>ANNUAL BUDGET IN DETAIL .....</b>	<b>42</b>
Prospective Financial Statements .....	43
Notes to the Prospective Financial Statements .....	50
Summary of significant accounting policies .....	55
Intangible assets .....	62
Annual Plan Disclosure Statement .....	66



# WELCOME TO OUR ANNUAL PLAN 2025/26

## *Nau mai ki te Mahere ā-tau 2025/26*

This document outlines the budget and work plans for the year starting 1 July 2025 and identifies how these have changed from the proposals for Year 2 of our 2024-34 Long Term Plan. Essentially, it sets our direction for the year ahead and provides transparency and accountability to our communities. Our Annual Plan for 2025/26 does not significantly differ from what was proposed in the budget and key projects planned for Year 2 of the Long Term Plan. The decision to make only minor changes in our 2025/26 Annual Plan means we have not undertaken a formal consultation process.

The main difference is that approximately \$1.5 million of direct operational cost savings have been identified as part of the development of the annual plan budget, such as a drop in inflation and interest rates, adjustment to waste disposal contracts, and adjustments to costs such as insurance and electricity.

## PLANNING CYCLE

### *Te mahi whakamahere*

#### Long Term Plan

##### *Te Mahere Pae Tawhiti*

A long term plan is one of the Council's most important documents. It outlines what we plan to do over a ten-year period, why we plan to do it, how much it will cost, and how it will be funded. It explains how the Council intends to contribute to community wellbeing and how progress will be monitored. A long term plan is required by law and is prepared every three years in consultation with the community.

#### Annual Plan

##### *Te Mahere ā-Tau*

Annual plans are required in the years between long term plans. An annual plan provides an opportunity to make any necessary refinements to what we had planned in the long term plan for that year.

#### Annual Report

##### *Te Pūrongo ā-Tau*

Annual reports are produced at the end of each financial year. They report back on how we performed against what we set out in our long term plan and annual plan.



## PART ONE: YOUR COUNCIL

### *Te Kaunihera*





# YOUR COUNCILLORS

## Ngā Kaikaunihera

**We are your elected representatives for the 2022–2025 term, made up of the Mayor (elected at large) and 10 Councillors elected from six wards: Rangitāiki General, Rangitāiki Māori, Whakatāne-Ōhope General, Kapu te rangi Māori, Te Urewera General, and Toi ki Uta Māori.**

Council and its committees meet regularly to provide thought leadership, strategic direction, and decision-making. We're passionate about the future of the district and want to see all communities flourishing, fulfilling their potential, and living life to the full. Most meetings are open to the public, and information about agendas and minutes is available on our website:

[Meetings and Agendas | Whakatāne District Council](#)



**Dr Victor Luca**  
*Mayor*



**Lesley Immink**  
*Deputy Mayor*



**Toni Boynton**  
*Councillor, Kāpū-te-rangi  
Māori Ward*



**Gavin Dennis**  
*Councillor - Rangitāiki  
General Ward*



**Andrew Iles**  
*Councillor - Te Urewera  
General Ward*



**Wilson James**  
*Councillor - Rangitāiki  
General Ward*



**Julie Jukes**  
*Councillor, Whakatāne-  
Ōhope General Ward*



**Tu O'Brien**  
*Councillor  
Rangitāiki Māori Ward*



**John Pullar**  
*Councillor, Whakatāne-  
Ōhope General Ward*



**Ngapera Rangiaho**  
*Councillor, Toi ki Uta  
Māori Ward*



**Nándor Tánzos**  
*Councillor, Whakatāne-  
Ōhope General Ward*

# YOUR MĀORI WARD COUNCILLORS

## *Ngā Kaikaunihera Takiwā Māori*

The Council's Māori ward councillors are:

- Toni Boyton - Kāpū-te-rangi Māori ward
- Ngapera Rangiaho - Toi ki Uta Māori ward
- Tu O'Brien – Rangitāiki Māori ward

The purpose of Māori wards is to better enable Māori community voice and provide assurance that issues of priority for Māori are brought to Council. This can promote confidence in local government decision-making processes, particularly where there are implications for Māori communities. Voting for Māori ward representatives is for those enrolled on the Māori electoral role.

In August 2024, Council unanimously decided to retain Māori wards for the 2025 triennial elections. Due to central government legislative changes, voters will be asked to vote on the retention or disestablishment of Māori wards for the 2028-31 triennium through a binding poll.





## YOUR COMMUNITY BOARDS

### *Ngā Poari Hapori*

As of June 2025 the Council has four Community Boards covering the district. Each board is made up of members elected from within the four wards and an appointed Councillor from the same area. Community Boards provide an important link between the Council and the community. Community Boards meet every seven weeks in an open meeting that you are welcome to attend. Contact information for your Community Board representatives and more details on meeting dates and venues are available on our website.



#### **Whakatāne-Ōhope Community Board**

This Board covers the Whakatāne-Ōhope General Ward and Kāpū-te-rangi Māori Ward areas including the communities of Ōhope, Whakatāne and Coastlands.

##### **Members**

Carolyn Hamill  
(Chairperson)  
Christopher Howard  
Douglas McLean  
Linda Bonne  
(Deputy Chairperson)  
Mark Inman  
Ozgür Jahn  
Councillor Toni Boynton



#### **Tāneatua Community Board**

This Board covers Te Urewera General Ward and Toi ki Uta Māori Ward areas including the communities of Tāneatua, Rūātoki, Waimana, Nukuhou and Cheddar Valley.

##### **Members**

Honey Thrupp  
Luke Ruiterman  
Talei Bryant  
(Deputy Chairperson)  
Tash George  
Moana Stensness  
(Chairperson)  
Michael Tuwairua  
Councillor Andrew Iles



#### **Rangitāiki Community Board**

This Board covers the Rangitāiki General Ward and Rangitāiki Māori Ward areas including the communities of Edgecumbe, Matatā, Te Teko, Awakeri and Te Mahoe.

##### **Members**

Clive McIndoe  
Heemi Brown  
Leeann Waaka (Chairperson)  
Peter Falwasser  
Peter Flowerday  
Ross Gardiner (Deputy  
Chairperson)  
Councillor Gavin Dennis



#### **Murupara Community Board**

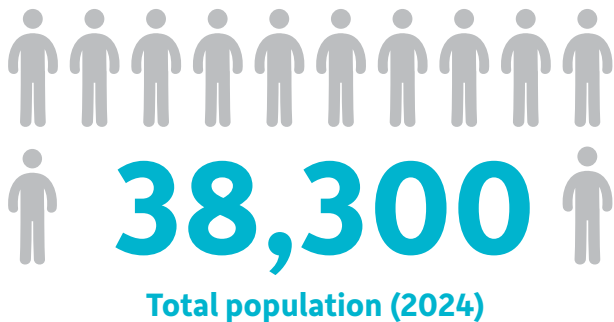
This Board covers Te Urewera General Ward and the Toi ki Uta Māori Ward areas including the communities of Waiōhau, Galatea, Murupara, Te Whāiti, Minginui and Ruatāhuna.

##### **Members**

Mere Honeycombe  
(Chairperson)  
Sheena Jones  
Irma Prentice  
Alison Silcock  
Jess Morgan-Ranui  
Councillor Ngapera Rangiaho  
Mansahn Weku Kereopa

## DISTRICT AT A GLANCE – *He kōrewaha ki te rohe*

### The population

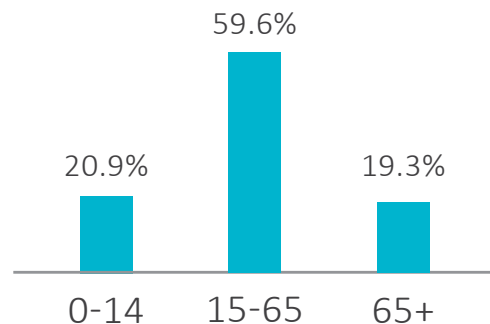


**46,020**

Total estimated population by 2053

### Age structure

40.2 years old (median age)



**44%** of the wider Bay of Plenty population under 15 is Māori

### People in the District identify themselves as

**62.3% EUROPEAN**

**48.6% MĀORI**

**3.85% PACIFIC**

**4.28% ASIAN**

**0.48% MIDDLE EASTERN,  
LATIN AMERICAN, AFRICAN**

**1.04% OTHER ETHNICITY**

### Eight settled iwi in the Whakatāne District

- NGĀTI AWA
- NGĀTI MĀKINO
- NGĀTI MANAWA
- NGĀTI RANGITIHI
- NGĀI TŪHOE
- NGĀTI TŪWHARETOA KI KAWERAU
- NGĀTI WHARE
- TE WHAKATŌHEA

**81**  
HAPŪ



**72**  
MARAE

**\$8.6 billion**  
Value of the Māori economy



# THE COUNCIL'S VISION AND PRIORITIES

## *Te matakītenga me ngā whakaarotau o te Kaunihera*

The Council set its vision and community outcomes through the 2024-34 Long Term Plan process. These articulate the high-level direction and goals the Council will work towards to support and enhance social, cultural, economic and environmental wellbeing in the Whakatāne District.

An important focus of the Council is to prioritise lifting the cultural capability of Council staff to ensure better engagement and a deeper understanding of te ao Māori. Te Toi Waka Whakarej, the Council's Māori Relationship Strategy, aims to guide Council in improving its operations and achieving its Long Term Plan priority of strengthening relationships with iwi, hapū and whānau. Specifically, the strategy focuses on four main objectives: building meaningful and trusted relationships, upholding our Treaty-based agreements, improving the participation of Māori in democracy, and partnering on critical projects, programmes and services. Outside of its legislative responsibilities, the Council commits to engaging in good faith with iwi, hapū and whānau.

## THE COUNCIL'S VISION – *Tō mātau matakītenga*

Our vision of 'more life in life' is for communities to flourish, fulfil their potential and live life to its fullest. It recognises that the Whakatāne District offers a great quality of life – that this district is a great place to live, work, play, raise a family and do business.

### More life in life

*Working together to make living better for our communities, now and in the future*





## THE COUNCIL'S STRATEGIC PRIORITIES *Ngā rautaki matua*

Five strategic priorities intertwine to foster a strong resilient Council organisation, focused on continuous improvement for our community. Our strategic priorities are the actions we will undertake to let our vision 'More life in life' flourish.



**Enhancing the safety, wellbeing and vibrancy of communities**  
*Me mātua whakanui i te marutau, te oranga, me te wana o ngā hapori*



**Strengthening relationships with iwi, hapū and whānau**  
*Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki*



**Shaping a green district**  
*Kia toitū te rohe*



**Building climate change and natural hazard resilience, including our infrastructure**  
*Me mātua whakakaha i te aumangea ki te huringa āhuarangi me ngā matepā taiao tae ana ki te hangaroto*



**Facilitating economic regeneration and responding to development pressures**  
*Me mātua whakahaere i te tipuranga o te taiōhanga me ngā tonotono whare*



# WHAT WORK DOES COUNCIL DO?

## *He aha te mahi a te Kaunihera?*

The Council plays a vital role in supporting our everyday lives by providing and maintaining the spaces and services we all use. Every year, the Council delivers 36 different services and facilities across the district.

### Our work *Ā mātau mahi*





## PART TWO: OUR 2025/26 ANNUAL PLAN

### *Te Mahere ā-tau 2025/26*



# THE ANNUAL PLAN PROCESS THIS YEAR

## *Te Hātepe Mahere ā-tau*

### No significant changes from the Long Term Plan

### *Kāore he panonitanga matua i te Mahere Pae Tawhiti*

The Local Government Act 2002 was updated in 2014 by central government to allow councils to focus limited resources on long-term planning. The changes require councils to follow a special consultative procedure for annual plan processes only where significant changes are proposed since the previous long-term plan. As there are no significant changes proposed in the 2025/26 Annual Plan, full public consultation is not required. In the plan development process, however, Councillors do consider previous submissions and sentiments reflected by those they represent, alongside other shifts in the environment such as inflation, legislative changes and borrowing costs.

## CONSIDERATIONS FOR OUR ANNUAL PLAN 2025/26

### *Ngā whaiwhakaaro o te Mahere ā-tau 2025/26*

The Annual Plan provides the opportunity to consider the Council's current situation by reviewing costs, adjusting funding, and responding to what's happening in the world around us. Throughout the development of the Annual Plan, the Mayor and Councillors acknowledged the difficulty in making the decision between reducing rates and reducing our operating deficit. Factors that have influenced this Annual Plan are outlined below.

#### **Balancing affordability now and considering impacts of delaying cost increases**

The Council recognises the ongoing economic challenge impacting ratepayers and we remain committed to providing high levels of service for the community. At the same time, we have needed to ensure our decisions now also consider the flow-on effect for future years and ratepayers.

#### **Inflation and interest rates have decreased**

Like many councils across Aotearoa, the Council is facing ongoing financial pressures. The impacts continue to be felt as the economy slowly begins to recover after a period of high inflation and interest rates.

Inflation has eased to around 4%, down from a peak of 7.3% in mid-2022. This drop is due to more stable global supply chains, falling fuel and food prices, and the Reserve Bank's efforts to reduce spending by keeping the Official Cash Rate high. The flow on effect means that local government costs are now expected to increase at a lower rate than what was anticipated when developing the Long Term Plan 2024-34.

Many of our projects benefit future communities as well as current ratepayers. To make sure the costs of these projects are spread fairly, we often use long term loans to pay for them. Our budgets need to factor in paying interest on these loans. Recently, interest rates have started to decrease after a period of being much higher than at the time the loan was taken out.

## **NZ Transport Agency Waka Kotahi funding impact on the Council's transport work programme**

A large proportion of the transport budget for Year 2 of the Long Term Plan was going to be funded with subsidies from NZ Transport Agency Waka Kotahi. However, central government's decision to withdraw funding has affected the Council's ability to carry out transport projects planned for 2024–2027.

## **Continued navigation of central government reforms**

The substantial reform programme led by central government will continue to affect a wide range of functions at a local government level. The two most significant reforms are 'Local Water Done Well' (the future management of drinking water, wastewater, and stormwater) and the Resource Management Act reform. As we learn more about what these reforms mean for us, we may need to adjust our budgets in order to provide the appropriate time and resource into responding. This will ensure that our response to the reforms places our communities in a better position for the future.

## **Roading valuation**

A roading asset revaluation has been carried out following accordance with the standard three-year review cycle. This valuation is a required process to accurately reflect the impacts of inflation and asset additions when reporting financials. The revaluation of roading assets involves updating the asset value on the Council's balance sheet – typically based on optimised depreciated replacement cost.

The Long Term Plan 2024-34 indicated the value of roading assets would increase by between \$50-\$60 million when revalued in the 2024-25 financial year for Year 1 of the Long Term Plan. The Finance team allowed for this level of change in the draft budget. However, the valuation dated 30 April 2025, which is currently under peer review, is now approximately \$250 million higher than the previous value, an additional \$200 million higher than expected in the Long Term Plan. If the valuation is confirmed then depreciation on roading assets is likely to increase from approximately \$10 million to \$16 million per annum commencing 1 July 2025.



# WHAT DOES THIS MEAN FOR 2025/26?

## *Ka aha i te tau 2025/26?*

### Identification of savings

Approximately \$1.5 million of direct operational cost savings were identified as part of the 2025/26 Annual Plan process. After factoring in necessary adjustments the proposed budget for the 25/26 year now has lower expenditure than the Year 2 budget set out in the Long Term Plan. Following guidance from Council, it proposes a reduction to both the operating deficit and proposed rates increases budgeted in the Long Term Plan 2024-34.

### Projected rate rise for 2025/26

Rates make up the Council's biggest portion of funds toward delivering services to the communities in the Whakatāne District. As much as possible, we aim to get funds from other revenue streams such as subsidies, grants, government partnerships, and user fees and charges to reduce the cost to ratepayers.

The Long Term Plan 2024-34 had set the intention for 12.7% average rates increase for the 2025/26 financial year. On Thursday, 20 March 2025, Elected Members provisionally approved a reduction of 1% to the projected Year 2 rates increase, provided existing levels of service could be maintained. The resulting 11.7% average rates increase corresponds to the below approximate weekly increases, compared with the current 2024/25 rating year:

Area	Average property cost increase per week (including GST) (\$)
Whakatāne urban	11.42
Ōhope urban	11.98
Murupara	6.42
Edgecumbe	8.02
Te Teko	6.68
Whakatāne Commercial	33.77
Rural Horticultural	18.34

### Closing the operating deficit

On Thursday, 20 March 2025, Council agreed to apply the remainder of the \$1.5 million savings to reducing the Council's operating deficit. The 'Fund the Gap' loans that cover the operating deficit currently total \$59.3 million, which includes the \$50 million set out in the Long Term Plan. The Council originally planned to pay off the deficit over 25 years but now plans to repay it over a 10 year period. Repayment costs over 25 years at an interest rate of 5% would be \$104 million. Shortening this term to 10 years reduces the total cost of the loan to approximately \$75 million, saving around \$29 million in interest payments. We've also reduced the amount we need to borrow – the 'Fund the Gap' loans are now almost \$10 million lower than expected.





# CHANGES AND ADJUSTMENTS FROM OUR LONG TERM PLAN

## *Ngā panonitanga nō te Mahere Pae Tawhiti 2024-34*

Through the development of this Annual Plan, we have identified some updates to our 2025/26 capital projects signalled in our Long Term Plan.

### **Deferred projects and reduction of budget for others**

The decision by central government to withdraw NZ Transport Agency Waka Kotahi funding has affected the Council's ability to carry out some transport projects planned for 2025/26. This has resulted in some transport projects being deferred and others continuing with a reduced budget. These projects include:

- Deferred work:
  - » Keepa Road improvements
  - » Active Whakatāne implementation
  - » Special purpose road improvements
  - » Low-cost low risk: Resilience and safety
- Continuation at a reduced budget:
  - » Road renewals and maintenance for special purpose roads
  - » Repairs to cycle paths (minimal and reactive work)
  - » Footpath renewals and cleaning (minimal and reactive work)

### **User fees and charges 2025/26**

As signalled in the Long Term Plan 2024-34, user fees and charges are adjusted annually to keep up with inflation.

The full fees and charges schedule for 2025/26 is available on our website.

### **New and rephased capital expenditure projects**

There are several water and resilience projects that were unbudgeted in the Long Term Plan that are now planned for 2025/26. These include:

- Water renewals in Murupara requiring a support structure to hold the pipe that crosses over the Rangitāiki River
- Maintenance works at the Ōhope wastewater treatment plant
- Rewatu Road underslip
- Tāneatua Road flood resilience project

Additional funds are also required for upgrades to 266 The Strand, known locally as the 'Wally Sutherland' building to ready it for rental purposes.

Budget to replace the cremator, originally planned for 2031, has been brought forward to 2025/26. The recent changes to the Air Quality Plan Change 13 within the Bay of Plenty Regional Resources Plan in 2024 required a new consent for the cremator. The requirement to receive a new consent and meet changes from an annual inspection raised concerns of the expenditure required. With the current age (15 years) and function of the existing cremator already planned to be replaced, the responsible decision was to bring the replacement forward to meet compliance.

# KEY PROJECTS AND PRIORITIES FOR 2025/26

## *Ngā waitara me ngā whakaarotau matua 2025/26*

In 2025/26 we will continue to deliver day-to-day services and facilities that are critical to the wellbeing of the Whakatāne District and its people. Our Annual Plan for 2025/26 includes key projects and priorities which are listed below aimed to make the district an even better place to live, work, and play. Other projects outlined for the year coming can be found within the Long Term Plan.

### **Local Water Done Well**

Under the Local Government (Water Services) Bill all councils are required to separate Three Waters delivery from Council balance sheets and Long Term Plans. By 3 September 2025 Councillors will be required to determine how waters will be delivered in the future (ring fenced in-house model or separate Council Controlled Organisation with other councils and present a Water Services Delivery Plan to the Department of Internal Affairs for approval by the Minister of Local Government. Council is on track to meet this statutory deadline and have provisioned in the budget \$200,000 to cover the early-stage costs of implementing the Water Services Delivery Plan.

### **Te Toi Whakareī (Māori Relationship Strategy)**

Implementing Te Toi Waka Whakareī (the Council's Māori Relationship Strategy), is designed to strengthen partnerships with iwi, hapū, and whānau and support better Māori participation in decision-making. It focuses on building trusted relationships, upholding Treaty commitments, partnering on key initiatives, and enhancing the Council's cultural capability.

### **Regional deal**

The Council submitted a joint Expression of Interest to the Department of Internal Affairs along with Kawerau District Council, Ōpōtiki District Council, and Toi Moana Bay of Plenty Regional Council. The Department of Internal Affairs has requested that these Expression of Interest remain in public excluded while they process them, but in essence the Expression of Interest described growth potential, barriers to growth and the type of support required from government to accelerate growth in the Eastern Bay.

We expect to receive notification in the next financial year on if the Expression of Interest will move to the business case stage.

### **Whakatāne District Growth Strategy**

The Our Places – Eastern Bay Spatial Plan and the Regional Economic Development Strategy contain some big ideas and have now reached key milestones. Both are moving into their next phase — implementation. Here in the Whakatāne District, this means developing a new Local Growth Strategy. This strategy will guide planning for greenfield growth areas and the infrastructure needed to support future housing and business development. Taking a localised approach will create more meaningful opportunities for community input. It helps ensure that future development — including housing, infrastructure, and business land — supports balanced growth and reflects the unique character of our district.

### **District Plan review**

A review of the Whakatāne District Plan is commencing as required under the Resource Management Act 1991. A key issue involves the need to provide for growth in those areas identified in the Spatial Plan and Local Growth Strategy. We also need to ensure risks from natural hazards, such as flooding and landslides, are appropriately considered in our land use and subdivision planning rules. Given the resource management reforms that are underway, the focus of the District Plan review in 2025/26 will be on identifying what are the key issues that the future District Plan should address and the options for addressing those issues. This will include engagement with iwi/hapū and the community, supported by technical work to ensure we are well grounded in how we manage those issues. The future District Plan will be developed either under the Resource Management Act or future replacement legislation, so we will be carefully following the resource management reforms and retaining flexibility in how we prepare to respond to these issues.

## **Mā Koutou, Mā Tātau - Our People, Our Spaces**

The Rex Morpeth Park and War Memorial Hall redevelopment programme is a 10-year plus project.

In the first four years of the Long Term Plan there are three work streams. The first is to prioritise health and safety and undertake functionality focused upgrades on the building and the wider park. The second is to finalise the Rex Morpeth Master Plan and the third is to develop an External Funding Plan to match fund the commitment the Council has budgeted for in the Long Term Plan 2024-34 (which starts from 2028).

## **Internal enterprise resource planning**

An enterprise resource planning system is software that will integrate and manage key Council functions such as finance, data storage, regulatory and customer management. In December 2024, after a robust procurement process, Council approved a Business Case to implement of a new enterprise resource planning system, 'Datascape'. It replaces the current 18-year-old system with a single platform over a two-year staged rollout period to minimise disruption. The new system will support more efficient operations, enhance data reporting for decision-making, provide a more secure and stable platform for core Council functions, reduce organisational risk, and improve the customer experience for our communities.

## **Improving the Council's health and safety system**

An independent review in late 2024 found that our current health and safety system is outdated and highlighted areas for improvement to better protect our staff.

While we have a strong safety culture, we know some of our people work in high-risk environments – operating heavy machinery, working on roads, managing water treatment plants, entering confined spaces, managing swimming pools, and handling hazardous chemicals.

No one wants to see a colleague or contractor harmed at work. That's why we're now developing a modern health and safety system that not only meets legal requirements but supports a safer workplace for all. Together with our team's positive safety attitude, this updated system will help ensure everyone goes home safe at the end of the day.

## **Te Rāhui Herenga Waka (Whakatāne Boat Harbour Development)**

Te Rāhui Herenga Waka Whakatāne is a collaborative development between Whakatāne District Council, Te Rāhui Lands Limited Partnership, and the Crown via Crown Regional Holdings Limited (the 'Limited Partners') to construct a commercial boat harbour on land leased from Te Rāhui Lands Trust at 2 Keepa Road, Whakatāne. The Council committed \$9.8 million to the project in its 2021-31 Long Term Plan. The Council has introduced \$5.7 million to date, funded by a loan against the Harbour Endowment Fund. In May 2025, the Limited Partners instructed Te Rāhui Herenga Waka Whakatāne Board to unwind the project and dissolve the legal entities associated with it. The decision to not proceed was made on the basis of concerns with a number of changes necessitated by the project rescope, including the significant reduction in size of the land remediation component; and substantial changes to the broader project scope which diminished the economic and community benefits that underpinned the original business case. The Board is working through a process that will identify what has been spent to date and what may be available for redistribution to the Council and other partners.



## Water consents

Resource consents for some of our three waters infrastructure (water takes, wastewater treatment plants, and stormwater discharges) are set to expire on 1 October 2026 and need to be replaced to continue operating lawfully. All eight water take consents requiring replacement now have planners assigned to progress technical work and prepare consent applications or strategies. These applications will be staggered based on complexity and/or contractor availability, but the majority of the work is expected to be completed over the next 12 months. Work on the wastewater discharge consents is in the early stages, with co-design groups being established to help guide the future management and treatment of wastewater. Stormwater consent replacements are being progressed through business as usual processes, with the first comprehensive stormwater consent currently being processed by the Bay of Plenty Regional Council.

## Te Niaotanga ō Mataatua ō Te Arawa Matatā Wastewater

Finding a long-term wastewater solution for Matatā has been a key focus for the Council over the past three years. Following extensive research, planning, and community collaboration, the technical investigation phase is now complete. Work continues to identify a preferred option that will deliver a sustainable and effective system for Matatā and the wider district. The project is now shifting focus while we await several key national and local planning decisions that will influence next steps. These include the Local Government Water Services Bill, Our Places – Eastern Bay of Plenty Spatial Plan, the Whakatāne District Waters Strategy, and the Whakatāne District Growth Strategy. The project team will work to align the proposed wastewater solution with these strategic directions, particularly regarding future growth and infrastructure needs.

## Roads and maintenance

There are two key projects planned for the coming year. The first is the Tāneatua resilience work, which is currently in the concept design phase. Some minor construction is expected during the 2025/26 summer, with the majority of work scheduled for the 2026/27 summer. The second project is the Rewatu Road under slip repair. This is currently in detailed design, with consenting set to begin soon. Major construction works are anticipated to start in the 2025/26 summer.

## Floodwall integration programme

Project Futureproof is a significant project led by Bay of Plenty Regional Council, that Council is supporting. The project is focused on improving flood protection in the Whakatāne town centre, with new floodwalls and infrastructure being built now and more upgrades planned from 2026. The Council recognised that as a result of the floodwall upgrades through the project, integration was needed to enhance public access and amenities along the riverfront. A variation request was submitted to Kānoa (previously Provincial Growth Fund) awaiting a Cabinet response to redirect part of the funds from the original Provincial Growth Fund funding toward the riverfront promenade.

# KEY CHANGES IN CAPITAL EXPENDITURE

## Ngā panonitanga matua i te whakapaunga utu rawa

The Annual Plan includes an overall reduction of \$7.7 million in capital expenditure compared with the Long Term Plan. This includes \$2.3 million of inflationary adjustments. Other net decreases of \$5.4 million are a result of removing or rephasing capital projects out to future year delivery. A high overview of these key changes is included in the table below, noting ( ) brackets denotes a budget reduction. The most notable difference is a reduction in transport's capital projects. With the reduction of NZ Transport Agency Waka Kotahi subsidies, we have deferred unsubsidised work until at least 2027.

### Key project capital expenditure changes - Annual Plan 2025/26

CAPITAL PROJECTS - NEW OR ADDITIONAL OR REVISED BUDGET				
Area	LTP 2025/26 \$000	AP 2025/26 \$000	Variance to LTP 2025/26 \$000	Key project drivers
Economic Development	19	70	51	Harbour Owned Community Buildings; Additional for development (ex Wally Sutherland Building)
Wastewater	624	999	375	Ōhope Wastewater Treatment Plant; unbudgeted in Long Term Plan; works required at Ōhope Wastewater Treatment Plant
Water Supply	229	430	201	Murupara Network Renewals; unbudgeted in Long Term Plan; new pipe over Rangitāiki River and associated piperwork
Parks and Reserves	81	-	(81)	Walking and Cycling Projects; project removed, no subsidy identified
	-	33	33	Stopbank Encroachment
	7	804	797	Cremator Renewal; bought forward from 2031 Long Term Plan due to consent requirements
Transport Connections	463	-	(463)	Active Whakatāne; deferred works due to subsidy reduction/removal
	548	284	(264)	Footpath Renewal; deferred works due to subsidy reduction/removal
	4,067	1,029	(3,038)	Keepa Road Improvements; deferred works due to subsidy reduction/removal
	1,863	105	(1,758)	Low Cost Low Risk - Safety; deferred works due to subsidy reduction/removal
	2,288	535	(1,753)	Low Cost Low Risk - Resilience; deferred works due to subsidy reduction/removal
	-	620	620	Rewatu Road Underslip; unbudgeted in Long Term Plan

# CAPITAL PROJECTS - NEW OR ADDITIONAL OR REVISED BUDGET

Area	LTP 2025/26 \$000	AP 2025/26 \$000	Variance to LTP 2025/26 \$000	Key project drivers
Transport	-	1,600	1,600	Tāneatua Road Flood Resilience; unbudgeted in Long Term Plan
Connections	381	-	(381)	Special Purpose Roads Improvements; deferred works due to subsidy reduction/removal
Waste Management	855	-	(855)	Refuse Bins Fortnightly Service; project removed
Corporate Services	1,000	538	(462)	Corporate Fleet; reduction of replacement requirements versus Long Term Plan
	<b>12,425</b>	<b>7,047</b>	<b>(5,379)</b>	

The Annual Plan includes an overall reduction of \$7.7 million decrease in capital expenditure compared with the Long Term Plan. This includes (\$2.3) million of inflationary adjustments.

Other net decreases of \$5.4 million are a result of the key projects outlined in the table, noting ( ) brackets denotes a budget reduction.





## KEY CHANGES IN OPERATING EXPENDITURE

### *Ngā panonitanga matua i te whakapaunga utu mahi*

The 2024/25 Long Term Plan approved an additional 16.25 full-time equivalent employees in Year 2 (2025/26). This number has been revised down from the original proposal and amended to zero new full-time equivalent employees for Year 2 (2025/26). This has been another means to reduce the planned rates increase and the current operating deficit. Management will be monitoring the potential impact(s) on work programmes and levels of service. Areas that will be monitored include community regulation (compliance team), waters, finance and legal support. There will be an opportunity to review full-time equivalent employees again through the development of next year's Annual Plan 2026/27 (Year 3 of the Long Term Plan 2024-34).

Proposed new full-time equivalent for Year 2 of the 2024/34 Long Term Plan 2025/26	Actual new Year 2 full-time equivalent (2025/26)
16.25 FTE	0 FTE

Other key changes to operational expenditure are outlined in the table below.

Activity group	Activity	Indicative variance (\$)
Democracy	Local Elections 2025 increased costs	150,000
Economic development	Reduced funding towards external agencies (Toi EDA \$227,000) (TBOP \$50,000)	(\$277,000)
	Demolition of Council owned building at 2 The Strand to complete floodwall	150,000
	Additional river crossing business case	100,000
Transport connections	Annual levies payable by council based on population to Water Services Authority (Taumata Arowai - \$153,000) and the Commerce Commission (\$48,000) as per the legislative requirement under the Local Government (Water Services) Bill.	202,000
Stormwater/Wastewater/ Water supply	Local Water Done Well implementation. Loan funded. Required to meet our obligations.	200,000

**PART THREE:**  
**WHAT OUR 2025/26 PLAN WILL COST**  
*Te utu o te mahere 2025/26*





# FUNDING IMPACT STATEMENT

## – WHOLE OF COUNCIL

### *Tirohanga whānui ki ngā utu - Te Kaunihera katoa*

This Funding Impact Statement provides an overview of what it costs to provide Council services and activities and how they will be funded. The Funding Impact Statement breaks down costs and funds at ‘operational’ and ‘capital’ levels. Operational costs include the ongoing maintenance and delivery of our services, while capital costs relate to constructing new assets or extending or renewing existing assets. Capital expenditure is generally ‘one-off’ in nature, whereas operational costs are ongoing. The Funding Impact Statement shows how much will be received, how much will be spent, and whether we will have a surplus or deficit at the end of the year. An explanation of the categories in the Funding Impact Statement can be found in the Long Term Plan 2024-34.

AP 2024/25 \$000		LTP 2025/26 \$000	AP 2025/26 \$000	VARIANCE 2025/26 \$000
<b>OPERATIONAL</b>				
<b>Sources of operating funding</b>				
33,296	General rates, uniform annual general charges, rates penalties	37,183	37,742	559
37,402	Targeted Rates	43,430	42,156	(1,274)
7,751	Subsidies and grants for operating purposes	7,205	6,340	(865)
11,181	Fees and Charges	11,620	11,029	(591)
60	Interest and dividends from investments	61	60	(1)
2,599	Local authorities fuel tax, fines, infringement fees, and other	2,659	2,828	169
<b>92,288</b>	<b>Total Sources of operating funding (A)</b>	<b>102,158</b>	<b>100,154</b>	<b>(2,004)</b>
<b>Applications of operating funding</b>				
77,252	Payments to staff and suppliers	81,786	80,002	(1,785)
7,906	Finance costs	9,330	8,667	(663)
2,288	Other operating funding applications	2,314	1,830	(484)
<b>87,446</b>	<b>Total Applications of operating funding (B)</b>	<b>93,431</b>	<b>90,498</b>	<b>(2,932)</b>
<b>4,842</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>8,728</b>	<b>9,656</b>	<b>928</b>



AP 2024/25 \$000		LTP 2025/26 \$000	AP 2025/26 \$000	VARIANCE 2025/26 \$000
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
13,053	Subsidies and grants for capital expenditure	14,562	10,282	(4,280)
1,431	Development and financial contributions	1,461	691	(770)
32,000	Increase (decrease) in debt	42,000	38,700	(3,301)
1,015	Gross proceeds from sale of assets	1,065	1,065	-
-	Lump Sum Contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>47,499</b>	<b>Total Sources of capital funding (C)</b>	<b>59,088</b>	<b>50,738</b>	<b>(8,351)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
2,053	- to meet additional demand	3,484	1,832	(1,652)
25,728	- to improve level of service	34,391	29,221	(5,169)
27,212	- to replace existing assets	27,142	26,322	(820)
(2,652)	Increase (decrease) in reserves	(1,301)	3,019	4,319
-	Increase (decrease) of investments	4,100	-	(4,100)
<b>52,341</b>	<b>Total Applications of capital funding (D)</b>	<b>67,816</b>	<b>60,394</b>	<b>(7,422)</b>
<b>(4,842)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(8,728)</b>	<b>(9,656)</b>	<b>(928)</b>
-	<b>Funding Balance ((A-B) + (C-D))</b>	-	-	-



## PART FOUR: RATES FOR 2025/26

### *Ngā Tāke Kaunihera 2025/26*





## Rateable properties in the district

### *Ngā rawa tāke kaunihera i te rohe*

The Council's rating requirement (the amount we need to collect from rates) is divided among the available 'rateable properties' in the district plus a notional allowance for growth. Certain types of properties, like schools, churches, and recreation reserves are not rateable. The table below shows the number of rateable properties in the district as at May 2025. Properties are valued every three years by an independent valuer and were last valued in 2022. The next review will take place in August 2025.

	Number of rateable units	Rateable capital value \$000
Whakatāne Commercial	525	1,348,140
Edgecumbe	641	362,307
Matatā	333	177,450
Murupara	772	144,903
Ōhope	1,895	2,527,244
Ōtarawairere	38	60,560
Rural	5,318	6,749,176
Tāneatua	287	100,937
Te Teko	277	88,035
Whakatāne Urban	6,218	4,555,762
<b>TOTAL</b>	<b>16,304</b>	<b>16,114,514</b>





## The impact of revaluations on rates

### *Te whakaaweawenga o ngā wāriu anō ki ngā tāke kaunihera*

Rates are partially influenced by a valuation of your property. The Council contracts an independent valuer to perform three yearly property revaluations to reflect changing market values. The most recent valuations were a snapshot of the market as of 1 September 2022 and came into effect from the 2023/24 financial year. This will be carried out again for the district in 2025, with market valuations as of 1 August 2025, which will come into effect in the 2026/27 financial year.

If your property value increases proportionally more than others, it means you will pay proportionally more rates. It is also important to note revaluations do not change the total amount of rates that are collected, just how they are divided up amongst ratepayers.

### *Rates due dates*

Instalment	Due Date	Penalty
1	Friday, 22 August 2025	Wednesday, 27 August 2025
2	Friday, 21 November 2025	Wednesday, 26 November 2025
3	Friday, 20 February 2026	Wednesday, 25 February 2026
4	Friday, 22 May 2026	Wednesday, 27 May 2026

### *Water rates due dates*

Instalment	Due Date	Penalty	Scheme
1	Friday, 24 October 2025	Wednesday, 29 October 2025	Plains
2	Friday 23 January 2026	Wednesday, 28 January 2026	All metered schemes
3	Friday 24 April 2026	Wednesday, 29 April 2026	Plains
4	Friday 24 July 2026	Wednesday, 29 July 2026	All metered schemes

## How to pay your rates

Property and water rates can be paid in a variety of ways:

- **Direct debit** - weekly, fortnightly, monthly, quarterly, and annual payment options available. For more information visit [whakatane.govt.nz/direct-debit](https://www.whakatane.govt.nz/direct-debit)
- **Automatic payments**
- **Do it online** - pay by credit card or account-to-account transfer with no additional fees.
- **Cash, EFTPOS or credit card** - at Council service centres
- **Internet and phone banking**

## Discounts for prompt payments

The Council offers a discount for ratepayers who pay their total annual rates assessment by the due date for the first instalment. The discount rate for 2025/26 is 2.5%.

## Payment penalties

A 10% penalty will apply if any rates payments remain outstanding after each of the instalment due dates. A further 10% penalty will be added on 1 October 2025 to any rates that were set prior to 1 July 2025 which are unpaid at 1 July 2025 and which remain unpaid at 30 September 2025, as provided in Section 58(1)(b)(i) of the Local Government (Rating) Act 2002. A 10% penalty will apply if any water rates payments remain outstanding after each of the above water rates due dates.

## Rates relief in special circumstances

The Council provides for the remission and postponement of rates in some special circumstances. Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance but delayed for a certain time, or until certain events occur.

Details on what circumstances may allow you to qualify for a rates remission can be found in the Council's Rates Remission and Postponement Policies. These are available from Council offices or [whakatane.govt.nz](https://www.whakatane.govt.nz).

Types of rates remissions available are highlighted below:

- Remission Extreme Financial Hardship
- Remission for a Unit Affected by Natural Calamity
- Remission of Uniform Annual General Charge
- Remission of Māori Freehold Land
- Remission of rates penalties
- Remission of water rates for leakage
- Remission for community, sporting, and other organisations

## Rates rebates

A rates rebate is a partial rebate for eligible, low-income ratepayers who pay rates on their home to the Council. This is a government scheme run by the Department of Internal Affairs. People who are eligible for a rates rebate will pay less in rates to the Council.

More information about rates rebates, including a link to a rates rebate eligibility calculator, and the required application form, can be found at the Council's website, [whakatane.govt.nz/rates-rebate](https://www.whakatane.govt.nz/rates-rebate). Hard copies of application forms are also available from the Council.

# FUNDING IMPACT STATEMENT – RATING

## *Tirohanga whānui ki ngā utu – tāke kaunihera*

The 'Funding Impact Statement - Rating' sets out the detail behind each of the various rating categories. You will find that this information is very similar to that which appears on the back of your rates invoice. Rating units defined as 'Commercial and Industrial' are any properties zoned or used for commercial industrial purposes. Rating units defined as 'Residential' are any properties zoned or used for residential purposes. 'Rural' is defined as all rural zoned land, except commercial and industrial properties as defined above. Note: All figures in this table are GST exclusive. GST will apply at the current rate of 15%.

GENERAL RATES			\$
<b>Total amount required</b>			<b>36,816,295</b>
The Council sets a general rate on the capital value (CV) of each applicable rating unit in the district on a stepped differential basis (per CV\$).			
In addition the Council sets a Uniform Annual General Charge on all applicable rating units in the district as a fixed amount per rating unit.			
	Rate \$	\$ per CV\$	
District wide rateable properties capital value up to \$30 million (step 1)		0.00151886	23,725,330
District wide rateable properties capital value portion greater than \$30 million (step 2)*		0.00113915	562,784
Uniform Annual General Charge (UAGC) on all rating units in the district	807.85		12,528,182
* Council uses a differential for the capital value portion greater than \$30 million to reduce the total rate those 16 rating units are charged.			

DISTRICT GROWTH RATES			\$
<b>Total amount required</b>			<b>1,475,679</b>
The District Growth rates fund a portion of Economic Development and Events and Tourism activities (including marketing)			
	Rate \$		
The Council sets a fixed targeted rate per rating unit for all commercial and industrial rating units within the district.	606.78		368,920
Total amount required from CV\$	Differential	\$ per CV\$	1,106,759
The Council sets a targeted rate on the capital value for all commercial and industrial rating units <b>within</b> the Whakatāne residential area (per CV\$).	2.0	0.00136327	921,392
The Council sets a targeted rate on the capital value for all commercial and industrial rating units <b>outside</b> the Whakatāne residential area (per CV\$).	1.0	0.00068163	185,367



## EPIC RATE \$

**Total amount required** **84,132**

A targeted rate has been set to fund EPIC (Events Promotions Initiatives Community). This rate is based on the capital value of the rateable units identified as the Whakatāne Central Business District in the Whakatāne District Plan.

Number of rateable properties 103

\$ per CV\$ 0.00060408

## COMMUNITY BOARD RATES \$

**Total amount required** **435,619**

The Community Board Rates fund the democracy activity and are set to fund the costs of the four Community Boards. Council sets the targeted rates as a fixed amount per rating unit on rating units within each of the following locations.

	Rate \$	
Whakatāne/Ōhope Community Board Area	24.50	212,054
Rangitāiki Community Board Area	21.16	90,115
Tāneatua Community Board Area	44.95	59,473
Murupara Community Board Area	58.16	73,976

## ROADING RATES \$

**Total amount required** **9,757,582**

The Council sets targeted rates to fund the transportation connections activity as a fixed amount on applicable rating units and a rate on the capital value as follows:

	Rate \$	\$ per CV\$	
District wide rating units (per CV\$)		0.00054496	8,781,823
Fixed targeted rate on all rating units in the district	62.92		975,758

## STORMWATER RATES \$

**Total amount required** **5,684,668**

The stormwater rates fund the stormwater activity including drainage and disaster mitigation (excluding Matatā). The Council sets for each stormwater scheme a fixed targeted rate and a rate on the capital value on properties connected to a scheme or located in that scheme area, as follows (differentially for Whakatāne).

	Fixed targeted rate per rateable unit \$	Differential	\$ per CV\$	
Whakatāne	162.32	1.0	0.00051048	3,427,903
Whakatāne Commercial and Industrial*	162.32	2.2	0.00112305	913,706
Matatā	95.61	1.0	0.00051048	112,818

Ōhope	97.79	1.0	0.00021642	743,168
Edgecumbe	153.59	1.0	0.00060310	387,038
Tāneatua	42.86	1.0	0.00034649	46,632
Murupara	8.84	1.0	0.00015074	25,740
Te Mahoe Land Drainage	126.03	1.0	0.00127806	12,099
Te Teko Land Drainage	30.64	1.0	0.00042365	15,565

\*A differential targeted rate calculated on capital value is charged for Whakatāne Commercial and Industrial rating units, due to the greater level of impermeable surfaces putting greater pressure on stormwater systems.

## WASTEWATER RATES (SEWAGE DISPOSAL)

\$

### Total amount required

**7,421,154**

The Council sets sewage disposal rates for each scheme on land use and provision of service to fund sewage disposal. Land use is residential, rural or commercial / industrial.

For residential and rural rating units, the Council sets fixed targeted rates per separately used or inhabited part of a rating unit\*.

Commercial / industrial properties are charged per pan.

Connected - any rating unit that is connected directly or indirectly to a public sewerage drain.

Available - any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.

	Differential	Rate \$	
Available - all schemes** (excluding Murupara)	0.5	300.74	96,837
Connected - all schemes (excluding Murupara)	1	601.47	7,007,730
Available - Murupara	0.5	205.58	16,035
Connected - Murupara	1	411.15	300,552

\* Any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.

\*\* Whakatāne, Ōhope, Edgecumbe, Tāneatua, Te Mahoe

## WATER SUPPLY RATES

\$

### Total amount required

11,490,206

The water supply rates fund the water supply activity including associated maintenance. The Council sets water rates for each scheme on a differential based on provision of service. The targeted rates are set as a fixed amount per connection for connected properties and per rating unit for properties for which the service is available. Targeted rates are also set based on the volume of water supplied at a rate per m<sup>3</sup>.

The differential categories of service for the targeted rate for water supply are:

Connected - any rating unit that is connected directly or indirectly to a Council operated waterworks.

Available - any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks

**Note: All water by meter consumption invoiced during the current rating year will be calculated on the charges detailed below.**

	Per connection \$	Rate \$	Total \$
<b>Plains and Awakeri Extension</b>			
Connected - metered	380.86		736,961
Water by meter		0.75	862,441
Excess water by meter*		0.90	243,000
<b>Murupara</b>			
Connected - metered	307.92		11,701
Connected - non metered	735.90		491,582
Available - not connected	307.92		29,560
Water by meter		1.86	84,532
<b>All Other Schemes**</b>			
Connected - metered	294.60		2,994,282
Connected - non metered	883.99		520,673
Available - not connected	294.60		97,217
Water by meter		2.56	5,418,257

\*The Council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each rating unit connected to the Plains and Awakeri Extension water supply scheme. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement of \$0.90 per cubic metre.

**Note: Where rating units meet the definition of being contiguous either under legislation or Council Policy, the entitlements for such properties will be aggregated prior to an imposition of the overuse penalty.**

\*\* Whakatāne, Ōhope, Edgecumbe, Matatā, Tāneatua, Rūātoki, Waimana, Te Mahoe



## REFUSE REMOVAL RATES

\$

### Total amount required

5,807,135

The Refuse Removal rates fund the waste management group of activities. The Council sets targeted rates to fund the collection and disposal of Council approved refuse and recycling bins. The targeted rates are set as a fixed amount where a service is supplied to the rating unit. Where a residential service is available to a Residentially zoned unit, they will be charged a minimum of one service. A rating unit can apply for more than one service and will be charged accordingly. The service applicable to each category is: residential - refuse, recycling and green waste; rural and commercial - refuse and recycling.

	Rate \$	
Residential - per service (excluding Ōhope)	410.93	3,521,219
Rural/commercial - per service (excluding Ōhope)	362.55	1,519,436
Ōhope residential* - per service	413.61	748,219
Ōhope commercial - per service	365.23	18,262

\* The Council provides an additional three recycling collections during the summer holiday period for Ōhope.

## PERCENTAGE OF RATES THAT ARE FIXED CHARGES

\$ EXCL. GST

Under the Local Government Rating Act (LGRA), a maximum of 30% of total rates income can come from fixed rates, such as targeted rates or uniform annual charges. The following table shows the fixed rates set by the Council for the 2025/26 financial year and the percentage of the total rates that these represent.

Report on 30% Cap (Section 21 LGRA)	\$ Excl. GST
<b>Targeted rates that are set on a uniform basis and calculated in accordance with section 18(2) or clause 7 of Schedule 3</b>	
Uniform Annual General Charge	12,528,182
Roading	975,758
Community Boards	435,619
Stormwater	1,421,167
District Growth	368,920
<b>Total Uniform Annual General Charge and targeted rates</b>	<b>15,729,646</b>
<b>Total rates excluding GST</b>	<b>78,972,470</b>
<b>Uniform rates as a percentage of total rates</b>	<b>20%</b>
<b>Targeted rates than are set on a differential uniform basis, not included in the 30% cap</b>	
Refuse Removal Rate	5,807,135

## Indicative Property Rates

2025/26 PROPOSED RATES		RATING CATEGORIES (GST EXCLUSIVE)										GST INCLUSIVE				
Indicative Property Types	Capital value (\$)	General Rate	UAGC	District Growth	Events / Tourism EPIC	Community Board	Roading	Stormwater	Wastewater	Water Supply	Refuse Removal	Total 2025/26	Total 2024/25	Increase (\$)	Increase (%)	Increase (\$ per week)
<b>Whatāne Residential</b>																
Low (1%)	290,000	440.47	807.85			24.50	220.96	310.35	601.47	883.99	410.93	4,255.61	3,808.93	446.68	11.73%	8.59
Lower Quartile (25%)	550,000	835.37	807.85			24.50	362.65	443.08	601.47	883.99	410.93	5,025.32	4,478.10	547.22	12.22%	10.52
Median (50%)	670,000	1,017.64	807.85			24.50	428.05	504.34	601.47	883.99	410.93	5,380.58	4,786.95	593.63	12.40%	11.42
Upper Quartile (75%)	830,000	1,260.65	807.85			24.50	515.24	586.01	601.47	883.99	410.93	5,854.25	5,198.75	655.50	12.61%	12.61
High (99%)	1,730,000	2,627.63	807.85			24.50	1,005.71	1,045.44	601.47	883.99	410.93	8,518.65	7,515.12	1,003.53	13.35%	19.30
<b>Ōhope Residential</b>																
Low (1%)	430,000	653.11	807.85			24.50	297.25	190.85	601.47	883.99	413.61	4,453.53	4,037.25	416.28	10.31%	8.01
Lower Quartile (25%)	950,000	1,442.92	807.85			24.50	580.64	303.39	601.47	883.99	413.61	5,817.12	5,257.41	559.71	10.65%	10.76
Median (50%)	1,180,000	1,792.26	807.85			24.50	705.98	353.16	601.47	883.99	413.61	6,420.25	5,797.10	623.15	10.75%	11.98
Upper Quartile (75%)	1,500,000	2,278.29	807.85			24.50	880.37	422.42	601.47	883.99	413.61	7,259.38	6,547.97	711.41	10.86%	13.68
High (99%)	2,780,000	4,222.43	807.85			24.50	1,577.92	699.44	601.47	883.99	413.61	10,615.90	9,551.44	1,064.46	11.14%	20.47
<b>Other Residential</b>																
Edgecumbe Median (50%)	540,000	820.18	807.85			21.16	357.20	479.26	601.47	883.99	410.93	5,039.36	4,622.33	417.03	9.02%	8.02
Matatā Median (50%)	590,000	896.13	807.85			21.16	384.45	396.79	-	883.99	410.93	4,371.50	3,927.25	444.25	11.31%	8.54
Murupara Median (50%)	170,000	258.21	807.85			58.16	155.56	34.46	411.15	735.90	410.93	3,303.06	2,969.44	333.62	11.24%	6.42
Tāneatua Median (50%)	310,000	470.85	807.85			44.95	231.86	150.27	601.47	883.99	410.93	4,142.50	3,743.30	399.20	10.66%	7.68
Te Teko Median (50%)	210,000	318.96	807.85			21.16	177.36	119.61	-	552.64	410.93	2,769.79	2,422.51	347.28	14.34%	6.68
Rural Residential Median (50%)	240,000	364.53	807.85			21.16	193.71	-	-	883.99	362.55	3,028.87	2,738.07	290.80	10.62%	5.59
Lifestyle Median (50%)	1,210,000	1,837.82	807.85			21.16	722.33	-	-	-	362.55	4,314.47	3,843.76	470.71	12.25%	9.05

## Indicative Property Rates

2025/26 PROPOSED RATES		RATING CATEGORIES (GST EXCLUSIVE)										GST INCLUSIVE				
Indicative Property Types	Capital value (\$)	General Rate	UAGC	District Growth	Events / Tourism EPIC	Community Board	Roading	Stormwater	Wastewater	Water Supply	Refuse Removal	Total 2025/26	Total 2024/25	Increase (\$)	Increase (%)	Increase (\$ per week)
<b>Commercial</b>																
Low (1%) 1 pan	900,000	1,366.97	807.85	1,833.72	543.67	24.50	553.39	1,173.06	601.47	883.99	362.55	9,373.86	8,519.09	854.77	10.03%	16.44
Lower Quartile (25%) 3 pans	1,160,000	1,761.88	807.85	2,188.17	700.73	24.50	695.08	1,465.06	1,804.41	883.99	362.55	12,298.35	11,120.30	1,178.05	10.59%	22.65
Median (50%) 6 pans	1,720,000	2,612.44	807.85	2,951.60	1,039.02	24.50	1,000.26	2,093.96	3,608.82	883.99	362.55	17,692.74	15,936.93	1,755.81	11.02%	33.77
Upper Quartile (75%) 8 pans	2,790,000	4,237.62	807.85	4,410.30	1,685.38	24.50	1,583.37	3,295.63	4,811.76	883.99	362.55	25,418.40	22,896.96	2,521.44	11.01%	48.49
High (99%) 10 pans	23,000,000	34,933.80	807.85	31,961.96	13,893.83	24.50	12,597.08	25,992.50	6,014.70	883.99	362.55	146,593.70	132,854.18	13,739.52	10.34%	264.22
<b>Industrial</b>																
Low (1%) 1 pan	900,000	1,366.97	807.85	1,220.25		24.50	553.39	1,173.06	601.47	883.99	362.55	8,043.14	7,205.06	838.08	11.63%	16.12
Lower Quartile (25%) 2 pans	1,000,000	1,518.86	807.85	1,288.41		24.50	607.88	1,285.37	1,202.94	883.99	362.55	9,179.71	8,198.22	981.49	11.97%	18.87
Median (50%) 3 pans	1,400,000	2,126.41	807.85	1,561.06		24.50	825.87	1,734.59	1,804.41	883.99	362.55	11,650.92	10,367.76	1,283.16	12.38%	24.68
Upper Quartile (75%) 5 pans	1,950,000	2,961.78	807.85	1,935.96		24.50	1,125.60	2,352.27	3,007.35	883.99	362.55	15,481.13	13,726.52	1,754.61	12.78%	33.74
High (99%) 25 pans	36,800,000	53,312.02	807.85	25,690.92		24.50	20,117.58	41,490.61	15,036.76	883.99	362.55	181,385.81	159,784.13	21,601.68	13.52%	415.42



## Indicative Property Rates

2025/26 PROPOSED RATES		RATING CATEGORIES (GST EXCLUSIVE)										GST INCLUSIVE				
Indicative Property Types	Capital value (\$)	General Rate	UAGC	District Growth	Events / Tourism EPIC	Community Board	Roading	Stormwater	Wastewater	Water Supply	Refuse Removal	Total 2025/26	Total 2024/25	Increase (\$)	Increase (%)	Increase (\$ per week)
<b>Farming - Dairy</b>																
Low (1%)	900,000	1,366.97	807.85			21.16	553.39					3,161.79	2,790.70	371.09	13.30%	7.14
Lower Quartile (25%)	1,710,000	2,597.25	807.85			21.16	994.81					5,084.24	4,480.66	603.58	13.47%	11.61
Median (50%)	2,790,000	4,237.62	807.85			21.16	1,583.37					7,647.51	6,733.95	913.56	13.57%	17.57
Upper Quartile (75%)	4,400,000	6,682.99	807.85			21.16	2,460.76					11,468.68	10,093.01	1,375.67	13.63%	26.46
High (99%)	17,750,000	26,959.78	807.85			21.16	9,736.02					43,153.55	37,946.11	5,207.44	13.72%	100.14
<b>Horticulture</b>																
Low (1%)	950,000	1,442.92	807.85			21.16	580.64					3,280.46	2,895.02	385.44	13.31%	7.41
Lower Quartile (25%)	1,840,000	2,794.70	807.85			21.16	1,065.65					5,392.78	4,751.89	640.89	13.49%	12.32
Median (50%)	2,930,000	4,450.26	807.85			21.16	1,659.66					7,979.78	7,026.04	953.74	13.57%	18.34
Upper Quartile (75%)	7,020,000	10,662.40	807.85			21.16	3,888.56					17,686.98	15,559.31	2,127.67	13.67%	40.92
High (99%)	33,170,000	49,176.92	807.85			21.16	18,139.36					78,367.10	68,897.61	9,469.49	13.74%	182.11
<b>Farming and Horticulture - Other</b>																
Farming - Pastoral Median (50%)	2,030,000	3,083.29	807.85			21.16	1,169.20					5,843.73	5,148.30	695.43	13.51%	13.37
Farming - Other Median (50%)	1,540,000	2,339.05	807.85			21.16	902.16					4,680.76	4,125.98	554.78	13.45%	10.67



## ANNUAL BUDGET IN DETAIL

### *Ngā Taipitopito o te Mahere Pūtea ā-tau*





# PROSPECTIVE FINANCIAL STATEMENTS

## Ngā matapae whakapuakanga ahumoni

The following Prospective Financial Statements are provided to give you an indication of the Council's predicted financial position during the 2025/26 year.

Please note: reference to a single year indicates the end of the Council's financial year (e.g. '2025' refers to the period from 1 July 2024 to 30 June 2025).

Fitch Ratings reviewed the Council's credit rating on 16 June affirming a credit rating of 'AA-'.  
Fitch Ratings Stated the following;

*"Fitch Ratings has affirmed New Zealand's Whakatane District Council's Long-Term Local-Currency Issuer Default Rating (IDR) at 'AA-' with a Stable Outlook, and its Short-Term Local-Currency IDR at 'F1+'.*

*Whakatane District Council's Long-Term IDR reflects its 'aa-' Standalone Credit Profile (SCP), which is based on a 'High Midrange' risk profile and a debt sustainability score in the 'aa' category. There are no asymmetric risks or extraordinary support factors from upper-tier governments that affect the rating".*

### Prospective Statement of Comprehensive Revenue and Expense

AP 2024 \$000	ACTUAL 2024 \$000	LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
<b>REVENUE</b>						
60,260	59,049	70,044	Rates	79,859	79,144	(715)
33,613	27,982	21,308	Subsidies and Grants	22,282	17,345	(4,937)
426	198	1,431	Development and Financial Contributions	1,461	691	(770)
9,290	8,969	9,493	Fees and Charges	9,895	9,341	(554)
47	1,127	51	Interest Revenue	52	50	(2)
3,773	3,780	3,791	Other Revenue	3,880	3,801	(79)
5,544	272	-	Gains	-	1,695	1,695
<b>112,953</b>	<b>101,377</b>	<b>106,117</b>	<b>Total Revenue</b>	<b>117,429</b>	<b>112,067</b>	<b>(5,362)</b>
<b>EXPENSES</b>						
26,207	26,885	29,359	Personnel Costs	31,954	32,867	913
27,896	26,392	26,616	Depreciation and Amortisation Expense	27,654	33,310	5,656
8,281	7,798	7,906	Finance Costs	9,330	8,667	(663)
41,910	43,375	49,527	Other Expenses	51,393	48,188	(3,205)
888	-	-	Future loss on sale - investment property	-	-	-
-	1,974	-	Revaluation Losses	-	-	-
<b>105,182</b>	<b>106,423</b>	<b>113,408</b>	<b>Total Expenses</b>	<b>120,332</b>	<b>123,031</b>	<b>2,700</b>
(450)	(213)	(766)	Gains (Loss) on Share of Joint Venture/ Associates equity	(675)	(344)	331
<b>7,321</b>	<b>(5,260)</b>	<b>(8,057)</b>	<b>Surplus (Deficit) Before Tax</b>	<b>(3,579)</b>	<b>(11,309)</b>	<b>(7,732)</b>
-	17	-	Income Tax Expense (Benefit)	-	17	17



## Prospective Statement of Comprehensive Revenue and Expense continued

AP 2024 \$000	ACTUAL 2024 \$000	LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
7,321	(5,277)	(8,057)	<b>Surplus (Deficit) After Tax</b>	<b>(3,579)</b>	<b>(11,326)</b>	<b>(7,749)</b>
-	-	-	Other Comprehensive Revenue and Expense of Joint Ventures / Associates	-	-	-
59,862	12,320	39,785	Gains (Loss) on Property, Plant and Equipment Revaluations	29,646	39,922	10,276
-	17	-	Deferred Tax on Revaluations		17	17
<b>59,862</b>	<b>12,337</b>	<b>39,785</b>	<b>Other Comprehensive Revenue and Expense</b>	<b>29,646</b>	<b>39,939</b>	<b>10,293</b>
<b>67,183</b>	<b>7,060</b>	<b>31,728</b>	<b>Total Comprehensive Revenue and Expense</b>	<b>26,067</b>	<b>28,613</b>	<b>2,544</b>



## Prospective Statement of Changes in Equity

AP 2024 \$000	ACTUAL 2024 \$000	LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
491,958	464,861	461,902	Accumulated Funds at the start of the year	453,845	446,367	(7,478)
7,321	(5,260)	(8,057)	Net Surplus for the year	(3,579)	(11,309)	(7,730)
<b>499,278</b>	<b>459,601</b>	<b>453,845</b>	<b>Accumulated Funds at the end of the year</b>	<b>450,266</b>	<b>435,058</b>	<b>(15,208)</b>
755,897	728,546	776,584	Asset Revaluation Reserve at the start of the year	816,369	986,560	170,191
59,862	12,320	39,785	Revaluation of Assets	29,646	39,922	10,276
<b>815,760</b>	<b>740,866</b>	<b>816,369</b>	<b>Asset Revaluation Reserve at the end of the year</b>	<b>846,015</b>	<b>1,026,482</b>	<b>180,467</b>
<b>1,315,038</b>	<b>1,200,467</b>	<b>1,270,214</b>	<b>Equity at the end of the year</b>	<b>1,296,281</b>	<b>1,461,540</b>	<b>165,259</b>

## Net investment in Council Controlled Organisations

AP 2024 \$000	ACTUAL 2024 \$000	LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
50	50	50	Shares - Civic Financial Services Ltd	50	50	-
9	9	9	Shares - Bay of Plenty Local Authority Shared Services Ltd	9	9	-
100	100	100	Shares - Local Government Funding Agency	100	100	-
4,148	3,373	3,245	Borrower Notes - Local Government Funding Agency	4,295	7,917	3,622
7,224	6,576	5,566	Whakatāne Airport	4,336	6,436	2,100
350	350	350	Loan to Air Chathams	350	350	-
9,588	5,857	5,500	Contribution to Boat Harbour	9,800	-	(9,800)
<b>21,469</b>	<b>16,315</b>	<b>14,820</b>		<b>18,940</b>	<b>14,862</b>	<b>(4,079)</b>

## Prospective Statement of Financial Position

AP 2024 \$000	ACTUAL 2024 \$000	LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
<b>EQUITY</b>						
490,455	442,241	427,310	Accumulated Funds	427,376	417,652	(9,724)
(1,276)	2,172	11,695	Council Created Operating Reserves	9,042	5,105	(3,937)
10,099	15,188	14,839	Restricted Equity	13,848	12,301	(1,547)
815,760	740,866	816,369	Asset Revaluation Reserves	846,015	1,026,482	180,467
<b>1,315,038</b>	<b>1,200,467</b>	<b>1,270,214</b>	<b>TOTAL EQUITY</b>	<b>1,296,281</b>	<b>1,461,540</b>	<b>165,259</b>
<b>ASSETS</b>						
<b>Current Assets</b>						
4,812	17,623	5,074	Cash and Cash Equivalents	3,997	241	(3,756)
16,216	20,296	19,369	Receivables	19,609	23,314	3,705
296	462	303	Other Current Assets	309	462	153
<b>21,324</b>	<b>38,381</b>	<b>24,746</b>	<b>Total Current Assets</b>	<b>23,915</b>	<b>24,017</b>	<b>102</b>
<b>Non-Current Assets</b>						
16,696	9,551	10,051	Non-current Assets Held for Sale	10,051	10,162	111
1,652	1,652	1,692	Other non current assets	1,727	1,652	(75)
21,469	16,315	14,820	Investment in CCOs and other similar entities	18,940	14,862	(4,078)
136,617	114,462	121,634	Operational Assets	126,463	117,564	(8,899)
1,179,757	1,080,317	1,187,562	Infrastructural Assets	1,241,353	1,428,571	187,218
2,549	860	2,903	Intangible Assets	3,236	1,655	(1,581)
333	286	333	Forestry Assets	333	298	(35)
49,583	43,226	50,908	Investment Property	53,042	45,992	(7,050)
53,136	62,875	54,358	Restricted Assets	55,391	61,224	5,833
35,667	18,080	12,222	Work in Progress	16,045	11,266	(4,779)
<b>1,497,459</b>	<b>1,347,622</b>	<b>1,456,483</b>	<b>Total Non-Current Assets</b>	<b>1,526,581</b>	<b>1,693,247</b>	<b>166,666</b>
<b>1,518,783</b>	<b>1,386,003</b>	<b>1,481,229</b>	<b>TOTAL ASSETS</b>	<b>1,550,497</b>	<b>1,717,264</b>	<b>166,768</b>



## Prospective Statement of Financial Position

AP 2024 \$000	ACTUAL 2024 \$000	LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
18,903	20,499	27,961	Trade and Other Payables	28,953	31,935	2,982
18,300	22,000	32,000	Borrowings - Current	32,500	32,500	-
1,031	3,755	3,064	Short Term Employee Entitlements	3,103	4,022	919
705	1,245	722	Other current liabilities	737	1,334	597
<b>38,938</b>	<b>47,499</b>	<b>63,747</b>	<b>Total Current Liabilities</b>	<b>65,293</b>	<b>69,791</b>	<b>4,498</b>
<b>Non-Current Liabilities</b>						
162,500	132,500	141,800	Borrowings – Non Current	183,300	180,000	(3,300)
527	570	573	Long Term Employee Entitlements	626	611	(15)
1,780	4,968	4,895	Provisions - Long Term	4,998	5,322	324
<b>164,807</b>	<b>138,038</b>	<b>147,268</b>	<b>Total Non-Current Liabilities</b>	<b>188,923</b>	<b>185,932</b>	<b>(2,992)</b>
<b>203,745</b>	<b>185,537</b>	<b>211,015</b>	<b>TOTAL LIABILITIES</b>	<b>254,216</b>	<b>255,724</b>	<b>1,507</b>
<b>1,315,038</b>	<b>1,200,467</b>	<b>1,270,214</b>	<b>NET ASSETS (Assets minus Liabilities)</b>	<b>1,296,281</b>	<b>1,461,540</b>	<b>165,261</b>

## Prospective Statement of Cash Flows

AP 2024 \$000	ACTUAL 2024 \$000	LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
60,260	56,782	68,467	Receipts from Rates Revenue	78,066	79,144	1,078
35,630	26,202	21,636	Subsidies and Grants Received	22,214	17,345	(4,869)
8,826	12,916	16,174	Fees and Charges and Other Revenue received	15,259	13,142	(2,117)
48	1,176	51	Interest Received	52	50	(2)
-	-	-	Dividends Received	-	7	7
(63,349)	(67,363)	(76,619)	Payments to Suppliers & Employees	(81,393)	(89,850)	(8,457)
-	(132)	-	Payments to Agencies	-	-	-
(8,281)	(7,518)	(7,906)	Interest paid	(9,330)	(8,667)	663
-	(580)	-	GST (Net)	-	(600)	(600)
<b>33,132</b>	<b>21,483</b>	<b>21,802</b>	<b>Net Cash Flow from Operating Activities</b>	<b>24,868</b>	<b>10,572</b>	<b>(14,296)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
500	1,270	1,015	Receipts from Sale of Property, Plant and Equipment	1,065	1,500	435
(81,505)	(45,257)	(54,796)	Purchase of Property, Plant and Equipment	(64,215)	(46,352)	17,863
(5,815)	(1,388)	(780)	Acquisition of Investments	(4,795)	-	4,795
<b>(86,820)</b>	<b>(45,375)</b>	<b>(54,562)</b>	<b>Net Cash Flow from Investing Activities</b>	<b>(67,945)</b>	<b>(44,852)</b>	<b>23,093</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
63,500	50,000	49,000	Proceeds from Borrowings	75,000	66,000	(9,000)
(10,000)	(12,300)	(17,000)	Repayment of Borrowings	(33,000)	(32,000)	1,000
<b>53,500</b>	<b>37,700</b>	<b>32,000</b>	<b>Net Cash Flow from Financing Activities</b>	<b>42,000</b>	<b>34,000</b>	<b>(8,000)</b>
(188)	13,808	(760)	Net increase / decrease in Cash	(1,077)	(280)	797
5,000	3,815	5,834	Cash at beginning of year	5,074	521	(4,553)
<b>4,812</b>	<b>17,623</b>	<b>5,074</b>	<b>Cash, Cash Equivalents and Bank Overdrafts at the End of the Year</b>	<b>3,997</b>	<b>241</b>	<b>(3,756)</b>
<b>Represented by:</b>						
<b>4,812</b>	<b>17,623</b>	<b>5,074</b>	<b>Cash, Cash Equivalents and Bank Overdrafts at the End of the Year</b>	<b>3,997</b>	<b>241</b>	<b>(3,756)</b>

			NON-CASH CHANGES		
	2025 \$000	CASHFLOWS \$000	ACQUISITION	NEW LEASES	2026
Reconciliation of Liabilities Arising from Financing Activities					
Long Term Borrowings	177,500	34,000	-	-	211,500
Deposits Held	1,000		-	-	1,000
Long Term Debt	178,500	34,000	-	-	212,500





# NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

## *Ngā kupu āpiti ki ngā Matapae Whakapuakanga Ahumoni*

### **Note 1 - General rates by activity**

LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
<b>NOTE 1 - GENERAL RATES BY ACTIVITY</b>				
3,609	Democracy	3,881	4,103	222
4,213	Arts and Culture	4,512	4,558	45
3,098	District Partnerships	3,803	3,518	(285)
2,782	Aquatic Centres	3,347	3,334	(13)
933	Events and Tourism	1,009	975	(34)
944	Economic Development	1,385	1,573	188
774	Climate Change and Resilience	900	1,368	468
342	Stormwater	337	335	(2)
175	Wastewater	172	172	-
-	Water Supply	-	-	-
-	Ports and Harbours	-	-	-
5,011	Parks and Reserves	5,259	5,758	499
-	Holiday Park	-	-	-
(43)	Transportation Connections	(43)	(42)	1
4,495	Building and Resource Management	4,780	5,118	338
2,779	Waste Management	2,872	2,400	(473)
1,822	Community Regulation	2,135	2,121	(14)
1,379	Community Facilities	1,783	1,645	(139)
84	Corporate Services	88	98	10
(29)	Other	14	(216)	(230)
<b>32,367</b>	<b>Total General Rates</b>	<b>36,235</b>	<b>36,816</b>	<b>582</b>
929	Add Rate Penalties	949	925	(23)
(655)	Less Rates Remissions	(754)	(754)	-
<b>32,641</b>	<b>General Rates Levied</b>	<b>36,430</b>	<b>36,988</b>	<b>558</b>

## Note 2 - Targeted rates by activity

LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
<b>NOTE 2 - TARGETED RATES BY ACTIVITY</b>				
425	Democracy	441	436	(5)
-	- Arts and Culture	-	-	-
-	- District Partnerships	-	-	-
-	- Aquatic Centres	-	-	-
1,307	Events and Tourism	1,438	1,357	(81)
224	Economic Development	234	202	(31)
-	- Climate Change and Resilience	-	-	-
4,982	Stormwater	5,764	5,685	(80)
6,428	Wastewater	7,162	7,421	259
3,942	Water Supply (Fixed Charge)	5,075	4,596	(479)
5,913	Volumetric Water Supply	7,613	6,894	(719)
-	- Ports and Harbours	-	-	-
-	- Parks and Reserves	-	-	-
-	- Holiday Park	-	-	-
8,463	Transportation Connections	9,204	9,758	554
-	- Building and Resource Management	-	-	-
5,717	Waste Management	6,499	5,807	(692)
-	- Community Regulation	-	-	-
-	- Community Facilities	-	-	-
-	- Corporate Services	-	-	-
<b>37,402</b>	<b>Total Targeted Rates</b>	<b>43,430</b>	<b>42,156</b>	<b>(1,274)</b>

### Note 3 - Depreciation and amortisation

LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
<b>NOTE 3 - DEPRECIATION AND AMORTISATION</b>				
-	Democracy	-	-	-
478	Arts and Culture	487	487	-
6	District Partnerships	5	5	-
450	Aquatic Centres	463	463	-
29	Events and Tourism	29	29	-
267	Economic Development	383	383	-
2	Climate Change and Resilience	51	51	-
1,956	Stormwater	2,115	2,115	-
3,020	Wastewater	3,163	3,163	-
4,763	Water Supply	5,090	5,090	-
472	Ports and Harbours	519	519	-
1,442	Parks and Reserves	1,586	1,586	-
119	Holiday Park	136	136	-
11,001	Transportation Connections	10,974	16,266	5,292
-	Building and Resource Management	-	-	-
62	Waste Management	83	83	-
4	Community Regulation	4	4	-
687	Community Facilities	712	712	-
1,841	Corporate Services	1,839	2,202	363
17	Other	17	17	-
<b>26,616</b>	<b>Total Depreciation and Amortisation</b>	<b>27,654</b>	<b>33,310</b>	<b>5,655</b>



## Note 4 - Reserve funds

The Council maintains reserve funds as a part of its equity. The Local Government Act 2022 Schedule 10 Clause 21 requires certain information to be included in the Council's Annual Plan pertaining to these reserve funds. The following presents a summary of reserve funds followed by a breakdown into the various reserves explaining types of funds under each category and a table giving the opening balances, movements and closing balances.

### 4. Reserves

#### Council created operating reserves

##### 4.1 General Operating Reserves

These are set aside to fund short-term operational matters, such as some loan repayments, or to hold short-term surpluses arising from operations. If not required they can be transferred to renewal reserves.

##### 4.2 Renewal / Depreciation Operating Reserves

These are set aside to fund short to medium term timing variations in the future capital expenditure associated renewal of assets from Council activities, such as water, wastewater, stormwater, roads and footpath, facilities, property plant and equipment.

LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
<b>4.1 OPERATING RESERVES</b>				
8,942	<b>Forecast Opening Balances</b>	6,006	4,897	(1,109)
2,645	Transfers into reserves	3,809	4,518	709
(5,581)	Transfer out of reserves	(4,539)	(3,318)	1,221
<b>6,006</b>	<b>Forecast Closing Balances General Operating Reserves</b>	<b>5,276</b>	<b>6,097</b>	<b>821</b>
<b>4.2 RENEWAL / DEPRECIATION OPERATING RESERVES</b>				
6,177	<b>Forecast Opening Balances</b>	5,689	1,047	(4,642)
15,262	Transfers into reserves	15,791	15,688	(103)
(15,750)	Transfer out of reserves	(17,713)	(17,727)	(14)
<b>5,689</b>	<b>Forecast Closing Balances Renewal / General Operating Reserves</b>	<b>3,767</b>	<b>(992)</b>	<b>(4,759)</b>
<b>11,695</b>	<b>Total Council Created Operating Reserves</b>	<b>9,043</b>	<b>5,105</b>	<b>(3,938)</b>

## Restricted reserves

### 4.3 Development contribution reserves

These include development and financial contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure in the infrastructural asset activities of roads, Water Supply, Wastewater Management, Stormwater Drainage, Waste Management and Disposal, Parks and Reserves, Facilities, Carparks and Subdivisions within communities.

### 4.4 Other restricted reserves

These are funds subject to specific conditions accepted as binding by the Council, such as bequests or operations in trust under specific Acts, and which may not be revised by the Council without reference to the courts or third party. These include the Harbour Capital Fund and Harbour Land Sales.

LTP 2025 \$000		LTP 2026 \$000	AP 2026 \$000	VARIANCE 2026 \$000
<b>4.3 DEVELOPMENT CONTRIBUTION RESERVES</b>				
(310)	<b>Forecast Opening Balances</b>	482	(1,130)	(1,612)
1,594	Transfers into reserves	1,637	796	(841)
(802)	Transfer out of reserves	(1,833)	(1,232)	601
<b>482</b>	<b>Forecast Closing Balances Development Contribution Reserves</b>	<b>286</b>	<b>(1,566)</b>	<b>(1,852)</b>
<b>4.4 OTHER RESTRICTED RESERVES</b>				
15,007	<b>Forecast Opening Balances</b>	14,357	14,835	478
2,524	Transfers into reserves	2,587	2,439	(148)
(3,174)	Transfer out of reserves	(3,383)	(3,407)	(24)
<b>14,357</b>	<b>Forecast Closing Balances Other Restricted Reserves</b>	<b>13,561</b>	<b>13,867</b>	<b>306</b>
<b>14,839</b>	<b>Total Council Created Operating Reserves</b>	<b>13,847</b>	<b>12,301</b>	<b>(1,546)</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## *Whakarāpopototanga o ngā kaupapa here pūtea matua*

### **Basis of consolidation**

The financial statements are no longer consolidated line by line with the Council investment in Whakatāne Airport.

### **Joint venture**

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity. For jointly controlled operations, the Council recognises its investment in Whakatāne Airport as an investment but no longer consolidates 50% of the income and expenses of the venture.

### **Revenue**

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below:

#### **Rates revenue**

The following policies 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. The 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 the 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 the Council has received an application that satisfies its rates remission policy.

### **Development and financial contributions**

Development and financial contributions are recognised as revenue when the 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 the Council provides, or is able to provide, the service.

### **NZ Transport Agency Waka Kotahi roading subsidies**

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

### **Other grants received**

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met.

If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when the 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 the Councils local facilities, such as pools, museum, and gallery. Revenue from entrance fees is recognised upon entry to such facilities.

### **Landfill fees**

Any fees for disposal of waste are recognised at the time the waste is disposed of by users.

### **Provision of commercially based services**

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date.

### **Rendering of services**

Revenue derived through rendering of services is recognised when the service is provided to the customer.

### **Sales of goods**

Revenue from sales 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 tickets are paid.

### **Vested or donated physical assets**

For assets received for no or nominal consideration, the asset is recognised at its fair value when the 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), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the 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 on an accrual basis. Dividends are recognised when the right to receive payment has been established.

### **Salaries and wages**

Salaries and wages are recognised as an expense as employees provide services.

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

### **Foreign currency transactions**

Foreign currency transactions 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 are recognised in the surplus or deficit.



## Income tax

Income tax expense includes components relating to both current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any

adjustments to income tax payable in respect of prior years. Current tax is calculated using tax

rates (and tax laws) that have been enacted or substantively enacted at balance date. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit. Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

## Leases

### Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not the title is eventually transferred. At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the 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 the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within current liabilities in the statement of financial position.

## Receivables

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

## Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The associated gains or losses of these derivatives 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 the 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 the 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
- fair value through other comprehensive revenue and expense.

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

## Financial assets at fair value through surplus or deficit

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

## Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans to community organisations made at nil or below market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense. The loans are subsequently measured at amortised cost using the effective interest method.

## Held-to-maturity investments

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

## Fair value through other comprehensive revenue and expense

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

The Council includes in this category:

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

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

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

## Impairment of financial assets

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

## Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are 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 instruments 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 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.

## Inventory

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost using the First-In-First-Out (FIFO) method, adjusted, when applicable, for any loss of service potential. Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value. The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down. When land held for development and future resale is transferred from investment property, or property, plant, and equipment

to inventory, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

### **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 are not depreciated or amortised while they are classified as held for sale.

## **Property, plant and equipment**

Property, plant and equipment consists of:

### **Operational assets**

These include land, buildings, furniture and fittings, library books, plant and equipment, the museum collection and motor vehicles.

### **Restricted assets**

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

### **Infrastructural assets**

Infrastructural assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

### **Measurement**

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation.

All other asset classes are measured at cost less accumulated depreciation and impairment losses.

## **Revaluation**

Land, buildings (operational and restricted), museum, library books, and infrastructural assets (except land under roads) are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. The Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets fair values. If there is a material difference, then the off-cycle asset classes are re-valued. Revaluations of property 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.

Investment property, property intended for sale and forestry revaluation gains and losses are recognised directly into comprehensive revenue and expense and do not go to a revaluation reserve.

## **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

## **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in 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.



## Subsequent costs

Costs incurred after 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 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.

## Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Roothing is valued on a regular basis and each asset is assigned a base life (estimate of total useful life), which is converted to a preliminary estimate of physical life by adjusting for age. An initial assessment of remaining life is then calculated as the difference between expected life and age of asset. Where information is available further adjustments are then made to the useful life estimate to take into account condition and use of the asset. The three water assets are regularly valued with the economic life of an asset being the period of time it is economically worthwhile to replace rather than to continue to repair or maintain. The economic life varies for each asset. Assets lives are modified if local knowledge and experience suggests this is appropriate. The useful lives and associated depreciation rates of major classes of assets have been estimated in the table on the right.

## Infrastructural and operational asset years

(Approximate average over all assets in that category.)

Asset	Years
Land	Not depreciated
<b>Roothing</b>	
Land, formation and unsealed pavement	Not depreciated
Other roading assets	2-44 years
<b>Water</b>	
Linear assets	8-69 years
Other assets	1-42 years
<b>Stormwater</b>	
Linear assets	32-76 years
Other assets	14-62 years
<b>Wastewater</b>	
Linear assets	30-89 years
Other assets	1-93 years
<b>Parks</b>	
Land	Not depreciated
Park assets	11 years
<b>Harbour assets</b>	
Harbour assets	15-30 years
<b>Operational Assets</b>	
Museum assets	Not depreciated
Land	Not depreciated
Buildings	8-60 years
Vehicles	3-10 years
Plant and equipment	3-33 years
Furniture and fittings	5-50 years
Library collections	2-10 years
Office equipment	3-12 years

*The Asset years in the above table are based on the 2024 Annual Report.*

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

# INTANGIBLE ASSETS

## *Ngā rawa henumi*

### **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. 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.

### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software 4 - 5 years 20% - 25%

### **Software as a service (SaaS)**

Two IFRIC (IFRS Interpretations Committee) agenda decisions were released in 2019 and 2021. The 2019 agenda decision dealt with whether fees paid in exchange for access to the suppliers application software in a SaaS arrangement gives rise to an intangible asset or is a service contract. The 2021 agenda decision dealt with the accounting treatment of the costs an entity incurs in customising or configuring the suppliers application software in a SaaS arrangement.

While the decisions of the committee do not directly impact PBE standards, which are mainly based on IPSAS1, given that NZIAS 38 Intangible Assets and PBE IPSAS 31 are similar, IFRIC's conclusions are authoritative

support and may be considered under GAAP. As a result, the agenda decisions were applied in Council's accounting policy and became effective from the reporting year ended 30 June 2022.

As at 30 June 2025, no intangible assets held by Council were impacted by this change in accounting policy. There has been no other change to accounting requirements in relation to software development other than those addressed in the 2019 and 2021 IFRIC agenda decisions in respect of SaaS.

### **Impairment of intangible assets**

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

### **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, 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.

## Forestry assets

Standing forestry assets are generally independently revalued annually at fair value less estimated costs to sell for one growth cycle. Valuations are carried out annually at the end of each financial year. 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 and 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 when incurred. 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, the Council measures all investment property 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 on normal commercial terms are initially recognised at the amount borrowed plus transaction costs (borrower notes). Interest due on the borrowings is subsequently accrued and added to the finance costs. 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, and sick leave. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent it will be used by staff to cover those future absences. A liability and an expense are recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

### Long-term employee entitlements

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

The calculations are based on:

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

### Presentation of employee entitlements

Sick leave and long service leave are valued on an actuarial basis. The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Three key assumptions used in calculating this liability include the discount rate, salary escalation rates and resignation rates. Any changes in these assumptions will affect the carrying amount of the liability. Projected cashflows are discounted back to the valuation date at the valuation discount rates. The discount rates have been chosen in accordance with PBE IPSAS 25 and the valuation method is a refinement of that set out by Treasury in its paper entitled 'Guidance on accounting for sick leave under NZ IAS 19 employee benefits'.

Sick leave and long service leave are classified as both current and long term liabilities depending on predicted settlement. If the payment is likely to be made within 12 months of balance date the entitlement is classified as current. The balance of the valuation is classified as long term.

## **Superannuation scheme**

### **Defined contribution schemes**

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

### **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 expense.

### **Equity**

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

- Accumulated funds.
- Operational reserves.
- Restricted reserves.
- Asset revaluation reserve.

### **Operational reserves**

These are set aside to fund short to medium term timing variations in the future capital expenditure associated renewal of assets from Council activities, such as water, wastewater, stormwater, roads and footpath, facilities, property plant and equipment.

They also include car park development, museum collections, Galatea reserve development, roading capital contributions, roading storm damage, Te Mahoe water, general disaster, asset divestment, sale of Bennett Block, leaky homes, community boards, Whakatāne Holiday Park, Whakaari eruption in 2019, parks and reserves financial contributions.

### **Restricted reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council. Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

### **Asset revaluation reserve**

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

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



## **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 budget figures are those approved by the Council in its Long Term Plan 2024-34. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted 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.

## **Critical accounting estimates and assumptions**

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

## **Asset valuations and fair value assumption**

At the end of the 2024-25 year, independent fair value assessments were carried out on land, buildings, restricted assets, parks, harbour and three waters. A full valuation was carried out on forestry, investment property, property held for sale and roading.

All assets have been valued on the fair value assumption and is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## **Landfill aftercare provision**

Estimates and assumptions are reviewed annually for the landfill aftercare provision.

## **Critical judgements in applying accounting policies**

Management has exercised no critical judgements in applying accounting policies for the year ended 30 June 2026.

# ANNUAL PLAN DISCLOSURE STATEMENT

## Te Puakanga Mahere ā-tau

### For the year ended 30 June 2026

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 revenue, 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	AP 2026	MET	LTP 2026
<b>RATES AFFORDABILITY – INCOME</b>			
Total rates revenue for each year will be limited to <b>80%</b> of operating revenue	72%	Yes	69%
<b>RATES AFFORDABILITY – INCREASES</b>			
Total rates revenue* will increase by no more than <b>14%</b> for the 2026 financial year as per the 2024-34 Long Term Plan (Vol. 3, page 39) <b>Note: this compares the Annual Plan 26 to the Long Term Plan 25 rates</b>	13%	Yes	14%
<b>DEBT AFFORDABILITY</b>			
The limit on Net External Debt as a percentage of Total Annual Income will not exceed <b>250%</b> – as quantified in the Council's 2024-34 Long Term Plan (Vol. 3, page 40)	194%	Yes	186%
<b>BALANCED BUDGET</b>			
The planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment) <b>equals 96% of its planned operating expenses</b> as per the 2024-34 Long Term Plan (Vol. 3, page 42).	89%	No	96%
<b>ESSENTIAL SERVICES</b>			
The planned capital expenditure on network services is equal to or greater than the expected depreciation on network services (i.e. <b>&gt;100%</b> )	156%	Yes	227%
<b>DEBT SERVICES</b>			
The Council's planned borrowing costs are <b>equal or are less than 8%</b> of its planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as per the 2024-34 Long Term Plan (Vol.3 Page 42)	8%	Yes	8%



## WHAKATĀNE DISTRICT COUNCIL

14 Commerce Street, Whakatāne 3120  
Private Bag 1002, Whakatāne 3158

**Email:** [info@whakatane.govt.nz](mailto:info@whakatane.govt.nz)

**Phone:** 07 306 0500

**Website:** [whakatane.govt.nz](http://whakatane.govt.nz)

## SERVICE CENTRE MURUPARA

Pine Drive, Murupara  
**Phone:** 07 366 5896

**[whakatane.govt.nz/annualplan](http://whakatane.govt.nz/annualplan)**

