



OUR COSTS IN DETAIL

Ngā Utu Whānui

Supporting the Long Term Plan 2015-25
Consultation Document

2015-25

Financial Statements

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Financial Statements

Prospective Statement of Comprehensive Income

AP		LTP									
2015		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$000											
INCOME											
10,051	Revenue from activities	9,152	9,515	9,688	10,002	10,365	10,701	11,306	11,747	12,068	12,497
11,160	Subsidies and Grants	12,271	9,431	10,867	12,281	10,777	8,398	8,027	9,757	8,454	9,197
16,219	General Rates ^{Note 1}	17,406	18,229	18,549	18,959	19,692	20,206	20,464	20,931	21,461	21,998
23,075	Targeted Rates ^{Note 2}	23,198	23,859	25,086	25,619	26,396	27,534	27,931	28,543	29,658	30,830
290	Vested Assets	231	233	236	238	241	244	247	250	253	257
1,068	Gains on revaluation of Investment property	443	448	464	481	500	520	542	565	591	619
465	Development and Financial Contributions	87	97	100	583	106	110	114	119	123	128
15	Finance Income*	40	40	40	40	40	40	40	40	40	40
62,344	Total Income	62,827	61,852	65,030	68,202	68,117	67,754	68,671	71,952	72,648	75,565
Expenditure											
26,509	Other Expenses	26,702	28,088	27,549	28,113	29,209	30,300	31,036	32,265	33,274	34,283
12,563	Personnel Costs	13,282	13,664	14,058	14,403	14,781	15,185	15,616	16,078	16,577	17,118
16,257	Depreciation and Amortisation ^{Note 3}	14,918	15,990	17,100	18,269	19,181	19,632	20,492	21,485	22,579	23,725
2,470	Finance Costs*	3,279	3,628	3,707	3,707	3,688	3,653	3,509	3,322	3,241	3,229
57,799	Total Expenditure	58,181	61,370	62,414	64,492	66,859	68,770	70,653	73,150	75,671	78,355
4,545	Net Surplus (Deficit)	4,646	482	2,616	3,710	1,258	(1,016)	(1,982)	(1,198)	(3,023)	(2,790)
Other Comprehensive Income											
2,500	Gains on asset revaluation	7,067	6,307	7,201	7,863	8,271	8,982	9,518	10,196	10,778	11,597
7,045	Total comprehensive income for the year	11,713	6,789	9,817	11,574	9,530	7,966	7,536	8,998	7,755	8,807

*Excludes Internal Borrowing Interest.

Notes to the Prospective Statement of Comprehensive Income

ANNUAL PLAN		LTP									
2015		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$000		\$000									
Note 1: General Rates by Activity											
2,412	Leadership	2,442	2,667	2,723	2,692	2,900	2,888	2,956	3,116	3,147	3,208
1,522	Community Safety	1,794	1,845	1,772	1,854	1,886	1,975	1,998	2,097	2,142	2,243
1,155	Environmental Sustainability	1,737	1,942	1,786	1,806	1,856	1,902	1,944	1,988	2,055	2,031
630	District Growth	781	782	830	820	883	915	921	939	977	1,013
9,157	Recreation and Community Facilities	9,007	9,266	9,500	9,839	10,176	10,582	10,811	11,113	11,428	11,764
1,422	Waste	993	971	997	1,007	1,033	1,064	1,090	1,119	1,150	1,176
(15)	Roads and Footpaths	(14)	(14)	(15)	(15)	(15)	(16)	(16)	(15)	(16)	(16)
342	Stormwater Drainage	340	395	448	435	448	464	482	501	519	539
19	Sewerage Treatment and Disposal	12	13	13	14	14	15	15	16	17	17
-	Reportable Council-controlled Organisations	132	142	156.00	170	175	200	206	212	219	226
(425)	Corporate and District Activities Funds Applied	182	219	339	337	337	217	57	(155)	(178)	(204)
-	Add operating reserve balances repaid	-	-	-	-	-	-	-	-	-	-
16,219	Total General Rates per Funding Impact Statement - Whole of Council	17,406	18,229	18,549	18,959	19,692	20,206	20,464	20,931	21,461	21,998
600	Less Rates Penalties	660	677	694	713	734	756	779	805	832	862
15,619	General Rates Levied per Funding Impact Statement - Rating	16,746	17,552	17,855	18,246	18,959	19,451	19,685	20,127	20,629	21,136

ANNUAL PLAN		LTP									
2015		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$000		\$000									
Note 2: Targeted Rates by Activity											
284	Leadership	300	326	332	341	362	362	373	397	398	413
406	District Growth	556	571	587	604	617	635	653	673	698	720
35	Recreation and Community Facilities	15	16	18	19	20	21	21	21	23	23
3,734	Waste	4,229	4,302	4,412	4,494	4,620	4,733	4,849	4,993	5,138	5,293
7,793	Roads and Footpaths	7,494	7,617	7,738	7,887	8,083	8,355	8,122	8,440	8,819	9,120
5,252	Water Supply*	4,968	5,219	5,267	5,355	5,486	5,748	5,898	6,132	6,298	6,591
2,411	Stormwater Drainage	2,922	2,952	2,897	2,922	3,092	3,325	3,427	3,470	3,544	3,602
2,363	Sewerage Treatment and Disposal	2,714	2,855	3,834	3,997	4,117	4,355	4,588	4,416	4,741	5,068
796	Add operating reserve balances repaid	-	-	-	-	-	-	-	-	-	-
23,075	Total Targeted Rates per Funding Impact Statements - Whole of Council and Rating	23,198	23,859	25,086	25,619	26,396	27,534	27,931	28,543	29,658	30,830
3,175	* metered water supply	2,981	3,131	3,160	3,213	3,292	3,448	3,538	3,679	3,778	3,955

ANNUAL PLAN		LTP									
2015		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$000		\$000									
Note 3: Depreciation and Amortisation											
34	Community Safety	-	-	-	1	-	1	-	-	1	-
140	District Growth	89	98	106	113	111	122	132	141	149	155
2,572	Recreation and Community Facilities	1,884	2,059	2,234	2,422	2,576	2,782	3,039	3,233	3,436	3,623
60	Waste	49	51	55	57	60	62	66	68	71	73
6,784	Roads and Footpaths	6,930	7,247	7,630	8,026	8,414	8,885	9,347	9,913	10,454	11,069
1,944	Water Supply	2,035	2,087	2,126	2,195	2,304	2,349	2,364	2,411	2,491	2,574
944	Stormwater Drainage	1,096	1,114	1,143	1,193	1,276	1,338	1,359	1,382	1,428	1,459
1,505	Sewerage Treatment and Disposal	1,450	1,604	1,927	2,157	2,175	2,220	2,359	2,494	2,714	2,907
51	Reportable Council-controlled organisations	53	61	82	87	107	116	127	131	135	140
2,221	Corporate & District Activities Funds Applied	1,332	1,669	1,797	2,018	2,158	1,757	1,699	1,712	1,700	1,725
16,256	Total Depreciation and Amortisation	14,918	15,990	17,100	18,269	19,181	19,632	20,492	21,485	22,579	23,725

Reconciliation of Funding Impact Statement to Prospective Statement of Comprehensive Income

ANNUAL PLAN		LTP									
2015		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$000		\$000									
TOTAL OPERATING INCOME											
Per Activity Funding Impact Statement:											
2,718	Leadership	2,744	3,057	3,057	3,035	3,331	3,252	3,331	3,590	3,549	3,625
3,206	Community Safety	3,324	3,421	3,389	3,514	3,595	3,735	3,812	3,972	4,079	4,250
1,531	Environmental Sustainability	2,113	2,328	2,181	2,212	2,274	2,333	2,388	2,446	2,529	2,522
3,519	District Growth	3,854	3,965	4,107	4,242	4,424	4,566	4,941	5,091	5,272	5,459
11,755	Recreation and Community Facilities	10,980	11,241	11,531	11,922	12,318	12,880	13,172	13,545	13,943	14,363
6,736	Waste	6,122	6,196	6,355	6,473	6,653	6,827	7,001	7,209	7,422	7,645
11,189	Roads and Footpaths	11,427	11,622	11,813	11,891	12,144	12,488	12,359	12,769	13,245	13,653
5,613	Water Supply	5,250	5,512	5,568	5,666	5,807	6,081	6,243	6,490	6,670	6,978
3,176	Stormwater Drainage	3,455	3,547	3,551	3,570	3,760	4,017	4,145	4,216	4,318	4,407
2,644	Sewerage Treatment and Disposal	3,048	3,202	4,191	4,366	4,498	4,750	4,997	4,841	5,183	5,528
227	Reportable Council-controlled Organisations	276	288	298	316	322	346	355	362	371	377
247	Corporate & District Activities	856	905	1,042	1,058	1,074	975	839	652	655	659
52,561	Total Operating Income	53,448	55,286	57,084	58,264	60,198	62,251	63,583	65,184	67,235	69,466
62,344	Total Income per proposed Statement of Prospective Income:	62,827	61,852	65,030	68,202	68,117	67,754	68,671	71,952	72,648	75,565
(9,782)	Variance	(9,379)	(6,566)	(7,946)	(9,938)	(7,919)	(5,503)	(5,088)	(6,768)	(5,412)	(6,099)
Made up of:											
1,068	Gains on revaluation of Investment property	443	448	464	481	500	520	542	565	591	619
290	Vested Assets	231	233	236	238	241	244	247	250	253	257
7,957	Subsidies and Grants for capital expenditure	8,620	5,790	7,144	8,637	7,073	4,628	4,185	5,834	4,445	5,093
465	Development and Financial Contributions	87	97	100	583	106	110	114	119	123	128
9,780		9,381	6,568	7,944	9,939	7,920	5,502	5,088	6,768	5,412	6,097
TOTAL OPERATING EXPENDITURE											
Per Activity Funding Impact Statement:											
1,709	Leadership	1,796	2,078	2,044	1,988	2,248	2,137	2,185	2,406	2,320	2,359
2,030	Community Safety	2,037	2,114	2,046	2,130	2,162	2,257	2,296	2,404	2,452	2,575
1,368	Environmental Sustainability	1,198	1,376	1,187	1,182	1,200	1,214	1,231	1,242	1,266	1,281
1,059	Arts and Culture	1,344	1,370	1,394	1,442	1,472	1,527	1,561	1,624	1,666	1,739
7,814	Recreation and Community Facilities	7,296	7,333	7,505	7,725	7,977	8,364	8,595	8,835	9,060	9,311
5,239	Waste	5,157	5,224	5,340	5,464	5,602	5,752	5,912	6,088	6,276	6,485
6,283	Roads and Footpaths	6,932	7,032	7,155	7,169	7,324	7,521	7,736	7,992	8,260	8,559
2,086	Water Supply	2,165	2,269	2,251	2,371	2,501	2,611	2,651	2,756	2,768	2,920
2,674	Stormwater Drainage	2,994	3,123	3,149	3,218	3,379	3,568	3,662	3,709	3,787	3,858
1,304	Sewerage Treatment and Disposal	1,392	1,698	1,822	1,892	1,926	2,052	2,161	2,285	2,485	2,663
236	Reportable Council-controlled Organisations	210	225	246	262	268	309	314	320	326	333
10,939	Corporate & District Activities	12,070	12,611	12,100	12,314	12,624	12,977	13,123	13,422	13,896	14,098
42,742	Total Operating Expenditure	44,591	46,453	46,239	47,157	48,683	50,289	51,427	53,083	54,562	56,181
57,799	Total Expenditure per proposed Statement of Prospective Income:	58,181	61,370	62,414	64,492	66,859	68,770	70,653	73,150	75,671	78,355
(15,057)	Variance	(13,590)	(14,917)	(16,175)	(17,335)	(18,176)	(18,481)	(19,226)	(20,067)	(21,109)	(22,174)
Made up of:											
(1,200)	Cost of Internal Borrowing	(1,328)	(1,069)	(951)	(989)	(1,115)	(1,249)	(1,386)	(1,568)	(1,681)	(1,793)
16,257	Depreciation	14,918	15,990	17,100	18,269	19,181	19,632	20,492	21,485	22,579	23,725
-	Inflation difference between overheads and recoveries	-	(4)	26	55	110	98	120	150	211	242
15,057		13,590	14,917	16,175	17,335	18,176	18,481	19,226	20,067	21,109	22,174
Other Comprehensive Income											
2,500	Gains on asset revaluation	7,067	6,307	7,201	7,863	8,271	8,982	9,518	10,196	10,778	11,597
7,045	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	11,713	6,789	9,817	11,574	9,530	7,966	7,536	8,998	7,755	8,807

Prspective Statement of Changes in Equity

ANNUAL PLAN		LTP									
2015		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$000		\$000									
442,958	Accumulated Funds at the start of the year	442,497	447,143	447,625	450,242	453,952	455,210	454,195	452,213	451,015	447,991
4,545	Net Surplus for the year	4,646	482	2,616	3,710	1,258	(1,016)	(1,982)	(1,198)	(3,023)	(2,790)
447,503	Accumulated Funds at the end of the year	447,143	447,625	450,242	453,952	455,210	454,195	452,213	451,015	447,991	445,202
179,283	Asset Revaluation Reserves at the start of the year	175,145	182,212	188,519	195,720	203,583	211,854	220,836	230,354	240,550	251,329
2,500	Revaluation of Assets	7,067	6,307	7,201	7,863	8,271	8,982	9,518	10,196	10,778	11,597
181,783	Asset Revaluation Reserves at the end of the year	182,212	188,519	195,720	203,583	211,854	220,836	230,354	240,550	251,329	262,925
629,286	Equity at the end of the year	629,355	636,144	645,961	657,535	667,064	675,031	682,567	691,565	699,320	708,127

Prospective Statement of Financial Position

ANNUAL PLAN		LTP									
2015		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$000		\$000									
Public Equity											
430,353	Retained Earnings	429,908	432,027	434,079	436,972	437,735	435,774	432,156	429,193	424,387	419,562
17,150	Restricted Equity	17,235	15,599	16,162	16,980	17,475	18,420	20,057	21,822	23,605	25,639
181,783	Asset Revaluation Reserves	182,212	188,519	195,720	203,583	211,854	220,836	230,354	240,550	251,329	262,925
629,286	Total Public Equity	629,355	636,144	645,961	657,535	667,064	675,031	682,567	691,565	699,320	708,127
Current Assets											
34	Cash and Cash Equivalents	6,911	6,087	3,558	1,844	1,780	2,917	5,734	9,228	10,853	12,349
90	Other Current Assets	90	92	95	97	100	103	106	110	113	118
7,500	Trade and other Receivables	8,696	8,558	9,001	9,442	9,427	9,373	9,498	9,954	10,047	10,451
200	Assets Held for Sale	200	205	216	233	259	296	350	426	537	702
7,824	Total Current Assets	15,897	14,943	12,868	11,616	11,566	12,689	15,688	19,718	21,551	23,619
Non Current Assets											
45,000	Investment Property	43,741	44,189	44,653	45,134	45,634	46,154	46,696	47,261	47,852	48,471
629,992	Property, Plant and Equipment	619,653	628,117	639,584	651,918	655,974	662,156	666,554	671,988	681,128	687,309
10,000	Work in Progress	8,000	5,125	5,259	5,401	5,557	5,724	5,901	6,096	6,303	6,530
500	Other Non-Current Assets	1,936	2,657	2,036	2,091	8,263	7,182	6,071	4,927	3,746	2,528
685,492	Total Non Current Assets	673,330	680,089	691,531	704,544	715,427	721,216	725,222	730,271	739,028	744,838
693,316	Total Assets	689,227	695,032	704,400	716,160	726,994	733,905	740,910	749,989	760,579	768,457
Current Liabilities											
8,500	Trade and Other Payables	9,025	9,352	9,509	9,895	9,887	9,414	9,356	9,800	10,588	10,597
1,430	Employee Benefit Liabilities	1,700	1,743	1,788	1,836	1,889	1,946	2,006	2,072	2,143	2,220
10,000	Borrowings	5,000	13,000	14,000	5,000	26,000	5,000	17,000	13,000	5,000	18,000
19,930	Total Current Liabilities	15,725	24,094	25,296	16,731	37,776	16,360	28,363	24,872	17,731	30,817
Non Current Liabilities											
500	Provisions	500	513	526	540	556	572	590	610	630	653
42,000	Borrowings	42,300	32,900	31,200	39,900	20,100	40,400	27,800	31,300	41,200	27,100
1,600	Other Non-Current Liabilities	1,347	1,381	1,417	1,455	1,497	1,542	1,590	1,642	1,698	1,759
44,100	Total Non-Current Liabilities	44,147	34,793	33,142	41,895	22,153	42,514	29,980	33,552	43,528	29,512
64,030	Total Liabilities	59,872	58,888	58,439	58,626	59,929	58,874	58,343	58,424	61,259	60,329
629,286	Net Assets	629,355	636,144	645,961	657,535	667,064	675,031	682,567	691,565	699,320	708,127

Notes to the Prospective Statement of Financial Position

ANNUAL PLAN		LTP									
2015		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$000		\$000									
Net Investment in Council Controlled Organisations											
750	Whakatane Airport	1,039	1,246	1,883	1,936	2,331	2,426	2,541	2,541	2,541	2,541
448	Local Government Funding Agency	448	448	448	448	448	448	448	448	448	448
1,198	Net Investment	1,487	1,694	2,331	2,384	2,779	2,874	2,989	2,989	2,989	2,989

Prospective Statement of Cash Flows

ANNUAL PLAN		LTP									
2015		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$000		\$000									
Cash Flow from Operating Activities											
Cash will be provided from:											
38,293	Rates and Service Charges	39,408	42,225	43,193	44,136	46,103	47,795	48,270	49,018	51,025	52,424
465	Development Contributions	87	97	100	583	106	110	114	119	123	128
2,226	Sundry Income	2,226	2,342	2,329	2,394	2,514	2,522	2,621	2,784	2,801	2,903
6,225	User Fees	6,926	7,173	7,359	7,608	7,851	8,179	8,685	8,963	9,267	9,594
10,160	Subsidies & Grants	12,271	9,431	10,867	12,281	10,777	8,398	8,027	9,757	8,454	9,197
15	Interest Income - External	40	40	40	40	40	40	40	40	40	40
7,200	Regional Council Rates	8,670	9,290	9,502	9,710	10,143	10,515	10,619	10,784	11,226	11,533
64,585	Total Operating Cash Provided	69,627	70,598	73,390	76,751	77,534	77,559	78,377	81,465	82,935	85,818
Cash will be applied to:											
34,822	Suppliers and Employees	38,589	40,538	40,546	41,207	43,054	44,993	45,722	46,886	48,024	50,325
2,470	Interest on Public Debt	3,279	3,628	3,707	3,707	3,688	3,653	3,509	3,322	3,241	3,229
7,200	Regional Council Rates	8,670	9,290	9,502	9,710	10,143	10,515	10,619	10,784	11,226	11,533
44,492	Total Operating Cash Applied	50,537	53,456	53,756	54,624	56,884	59,161	59,850	60,993	62,491	65,087
20,093	Net Cashflows from Operating Activities	19,089	17,142	19,635	22,128	20,650	18,398	18,527	20,473	20,445	20,732
Cash Flow from Investing Activities											
Cash will be provided from:											
600	Proceeds from sale of property, plant and equipment	625	640	656	673	1,111	1,145	1,180	1,219	1,261	1,306
600	Total Investing Cash Provided	625	640	656	673	1,111	1,145	1,180	1,219	1,261	1,306
Cash will be spent on:											
19,999	Purchase of property, plant and equipment	21,054	21,481	22,687	24,372	22,868	18,240	16,712	18,003	21,774	20,315
7,000	Change in Work in Progress	(2,000)	(2,875)	134	142	157	167	178	195	207	227
-	Purchase of investments	-	-	-	-	-	-	-	-	-	-
26,999	Total Investing Cash Applied	19,054	18,606	22,821	24,514	23,025	18,407	16,890	18,198	21,981	20,542
(26,399)	Net Cashflows from Investing Activities	(18,429)	(17,966)	(22,165)	(23,841)	(21,914)	(17,262)	(15,710)	(16,979)	(20,720)	(19,236)
Cash Flow from financing activities											
Cash will be provided from:											
14,000	Loans raised	4,600				1,200				1,900	
14,000	Total Financing Cash Provided	4,600	1,400	700	300	1,200	700	600	500	1,900	1,100
Cash will be spent on:											
7,700	Repayment of public debt		1,400	700	300		700	600	500		1,100
7,700	Total Financing Cash Applied	0	1,400	700	300	0	700	600	500	0	1,100
6,300	Net Cashflows from financing activities	4,600	0	0	0	1,200	0	0	0	1,900	0
(6)	Net increase (decrease) in cash held	5,260	(824)	(2,530)	(1,713)	(64)	1,137	2,817	3,494	1,625	1,496
40	Plus opening cash balance	1,651	6,911	6,087	3,558	1,844	1,780	2,917	5,734	9,228	10,853
34	Closing Cash Position	6,911	6,087	3,558	1,844	1,780	2,917	5,734	9,228	10,853	12,349

Reserve Balances

COUNCIL RESERVES

GENERAL OPERATING RESERVES	ACTIVITY	PURPOSE
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits
Roading Rate	Roads and Footpaths	For Rooding Rate funded Surpluses or Deficits
Refuse Collection rate	Waste	For Refuse Collection Rate funded Surpluses or Deficits
Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits (excluding Matatā and Murupara schemes)
Wastewater - Matatā 1	Sewage Treatment and Disposal	For Matatā Wastewater operational Surpluses or Deficits
Wastewater - Murupara	Sewage Treatment and Disposal	For Murupara Wastewater Rate funded Surpluses or Deficits
Water	Water	For Water Rate funded Surpluses or Deficits (excluding Murupara, Plains and Ruatahuna schemes)
Water - Murupara	Water	For Murupara Water Rate funded Surpluses or Deficits
Water - Plains	Water	For Plains Water Rate funded Surpluses or Deficits
Water - Ruatahuna	Water	For Ruatahuna Water Rate funded Surpluses or Deficits
Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits
Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits
Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits
Airport Whakatāne	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits
Whakatāne Stormwater	Stormwater	For Whakatāne Stormwater Rate funded Surpluses or Deficits
Ōhope Stormwater	Stormwater	For Ōhope Stormwater Rate funded Surpluses or Deficits
Edgecumbe Stormwater	Stormwater	For Edgecumbe Stormwater Rate funded Surpluses or Deficits
Matatā Stormwater	Stormwater	For Matatā Stormwater Rate funded Surpluses or Deficits
Murupara Stormwater	Stormwater	For Murupara Stormwater Rate funded Surpluses or Deficits
Tāneatua Stormwater	Stormwater	For Tāneatua Stormwater Rate funded Surpluses or Deficits
Te Teko Stormwater	Stormwater	For Te Teko Stormwater Rate funded Surpluses or Deficits
Te Mahoe Stormwater	Stormwater	For Te Mahoe Stormwater Rate funded Surpluses or Deficits
Disaster Mitigation	Stormwater	For Disaster Mitigation/Stormwater Rate funded Surpluses or Deficits
Car parks Development	Parking	For the Development of Carparks in the District
Sand mining Royalties	General Council	Income received from sandmining company for access over Council reserve
Museum Collections	Exhibitions, Research, Storage & Archives	For the purchase of Assets for the Museum Collection
Galatea Reserve Development	General Council	For amenities within the Galatea and Murupara areas
Disabled Facilities	Pensioner Housing	For the improvement of Disabled Facilities throughout the District
Te Mahoe Water - special	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets
Leaky Homes Reserve	Building	To fund weather tight claims
Roading Storm Damage Reserve	Roads and Footpaths	To fund costs associated with storm damage to the Councils Rooding network
General Disaster Reserve	General Council	To fund costs associated with a disaster within the District

RESTRICTED RESERVES	ACTIVITY	PURPOSE
Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in the Whakatāne Ward
Subdivision Contributions - Ōhope	General Council	To fund capital expenditure in the Ōhope Ward
Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward
Subdivision Contributions - Matatā	General Council	To fund capital expenditure in the Matatā Ward
Subdivision Contributions - Murupara	General Council	To fund capital expenditure in the Murupara Ward
Subdivision Contributions - Rural	General Council	To fund capital expenditure in the Rural Ward
Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits
Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets
Development Contributions - Stormwater	Stormwater	To fund growth related stormwater capital expenditure
Development Contributions - Water	Water	To fund growth related Water capital expenditure
Development Contributions - Wastewater	Sewage Treatment and Disposal	To fund growth related Wastewater capital expenditure
Development Contributions - Community Infrastructure	Arts & Culture, Recreation & Community Facilities	To fund growth related Community Infrastructure
Development Contributions - Parks, Gardens and Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure
Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure
Development Contributions - Roothing	Roads and Footpaths	To fund growth related Roothing capital expenditure
Capital Contributions - Roothing	Roads and Footpaths	Financial contributions for Roothing capital projects
DEPRECIATION RESERVES	ACTIVITY	PURPOSE
Water	Water	To fund the renewal of Water assets
Wastewater	Sewage Treatment and Disposal	To fund the renewal of Wastewater assets
Stormwater	Stormwater	To fund the renewal of Stormwater assets
Refuse Disposal	Waste	To fund the renewal of Refuse Disposal assets
Libraries	Libraries	To fund the renewal of Library assets
Museum	Exhibitions, Research, Storage & Archives	To fund the renewal of Museum assets
Parks and Gardens & Sportsfields	Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks and Gardens & Sportsfields assets
Cemeteries & Crematoria	Cemeteries & Crematorium	To fund the renewal of Cemeteries & Crematorium assets
Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets
Halls	Halls	To fund the renewal of Halls assets
Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets
Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets
Strategic & Investment Property	Commercial Property	To fund the renewal of Commercial Property assets
Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets
Information Management	Corporate & District Activities	To fund the renewal of Information Management assets
Port	Ports & Harbour	To fund the renewal of Port & Harbour assets
Roothing	Roads and Footpaths	To fund the renewal of Roothing assets
Airport - Whakatāne	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets

Reserve Balance Forecast 2015 - 25

Notes:
 The forecast reserve balances have not been adjusted for inflation. Figures are stated in 2016 dollars
 - depicts an overdrawn reserve balance
 * upon sale of the Pensioner Housing these funds will be transferred to the General Rates and Revenues Reserve

	2015	2016	2016	2016	2017	2017	2017	2018	2018	2018	2019	2019	2019	2020	2020	2020	2021	2021	2021	2022	2022	2022	2023	2023	2023	2024	2024	2024	2025	2025	2025	
	Closing	Transfer	Transfer	Closing	Transfer	Transfer	Closing	Transfer	Transfer	Closing	Transfer	Transfer	Closing	Transfer	Transfer	Closing	Transfer	Transfer	Closing	Transfer	Transfer	Closing	Transfer	Transfer	Closing	Transfer	Transfer	Closing	Transfer	Transfer	Closing	
	Balance	into	out of	Balance	into	out of	Balance	into	out of	Balance	into	out of	Balance	into	out of	Balance	into	out of	Balance	into	out of	Balance	into	out of	Balance	into	out of	Balance	into	out of	Balance	
General Operating Reserves																																
Airport Whakatane	-932	0	-55	-987	0	-58	-1,045	0	-61	-1,106	0	-65	-1,171	0	-68	-1,239	0	-73	-1,312	0	-78	-1,390	0	-83	-1,473	0	-88	-1,561	0	-95	-1,655	
Aquatic Centre	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Disaster Mitigation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dog Control	223	12	-50	185	11	0	196	12	0	207	12	0	220	13	0	233	14	0	247	15	0	262	16	0	278	17	0	295	18	0	313	
Edgecumbe Stormwater	63	4	0	67	4	0	71	4	0	75	5	0	80	5	0	85	5	0	90	5	0	95	6	0	101	6	0	107	7	0	114	
General Rates and Revenues	459	26	-50	435	26	0	461	28	0	489	29	0	518	31	0	549	33	0	582	35	0	617	38	0	655	40	0	695	43	0	738	
Matata Stormwater	-43	0	-3	-45	0	-3	-48	0	-3	-51	0	-3	-54	0	-3	-57	0	-3	-61	0	-4	-64	0	-4	-68	0	-4	-72	0	-4	-77	
Ohope Stormwater	-30	0	-2	-32	0	-2	-34	0	-2	-36	0	-2	-38	0	-2	-41	0	-2	-43	0	-3	-46	0	-3	-48	0	-3	-51	0	-3	-55	
Parking Enforcement	480	49	-101	428	46	-70	405	43	-101	346	39	-70	315	34	-101	248	32	-70	210	30	-101	139	26	-70	95	22	-101	16	20	-71	-35	
Pensioner Housing *	288	15	-52	252	15	0	267	16	0	283	17	0	300	18	0	317	19	0	336	20	0	356	21	0	377	23	0	400	25	0	425	
Refuse Collection rate	138	8	0	146	9	0	155	9	0	164	10	0	174	10	0	184	11	0	195	12	0	207	13	0	220	13	0	233	14	0	248	
Roading Rate	-12	0	-1	-13	0	-1	-14	0	-1	-15	0	-1	-15	0	-1	-16	0	-1	-17	0	-1	-18	0	-1	-19	0	-1	-21	0	-1	-22	
Taneatua Stormwater	-2	0	0	-2	0	0	-2	0	0	-3	0	0	-3	0	0	-3	0	0	-3	0	0	-3	0	0	-3	0	0	-4	0	0	-4	
Te Mahoe Stormwater	1	0	0	1	0	0	1	0	0	1	0	0	1	0	0	1	0	0	1	0	0	2	0	0	2	0	0	2	0	0	2	
Te Teko Stormwater	-1	0	0	-1	0	0	-1	0	0	-1	0	0	-1	0	0	-1	0	0	-1	0	0	-2	0	0	-2	0	0	-2	0	0	-2	
Wastewater	149	7	-61	96	4	-61	39	2	-1	43	3	-1	43	3	-1	45	3	-1	48	3	-1	50	3	-1	53	4	-1	55	4	-1	58	
Wastewater - Matata	-1,521	0	-316	-1,837	1,145	-532	-1,225	245	-66	-1,046	261	-55	-839	280	-42	-601	301	-27	-328	337	-10	0	0	0	0	0	0	0	0	0	0	0
Wastewater - Murupara	-8	0	0	-8	0	0	-9	0	-1	-9	0	-1	-10	0	-1	-10	0	-1	-11	0	-1	-12	0	-1	-12	0	-1	-13	0	-1	-14	
Water	-162	31	-9	-140	31	-8	-117	0	-7	-124	0	-7	-131	0	-8	-139	0	-8	-148	0	-9	-157	0	-10	-166	0	-10	-176	0	-11	-187	
Water - Murupara	-76	0	-5	-80	0	-5	-85	0	-5	-90	0	-5	-95	0	-6	-101	0	-6	-107	0	-6	-114	0	-7	-121	0	-7	-128	0	-8	-136	
Water - Plains	1,315	78	0	1,393	84	0	1,477	89	0	1,565	94	0	1,659	99	0	1,758	106	0	1,863	112	0	1,976	121	0	2,096	127	0	2,223	137	0	2,360	
Water - Ruatahuna	3	0	0	3	0	0	4	0	0	4	0	0	4	0	0	4	0	0	4	0	0	5	0	0	5	0	0	5	0	0	6	
Whakatane Stormwater	-16	0	-1	-17	0	-1	-18	0	-1	-19	0	-1	-20	0	-1	-21	0	-1	-22	0	-1	-23	0	-1	-25	0	-2	-26	0	-2	-28	
General Operating Reserves	317	231	-703	-156	1,375	-741	479	448	-249	678	470	-212	936	492	-233	1,195	524	-194	1,525	569	-214	1,880	244	-181	1,943	252	-218	1,977	267	-197	2,048	
Depreciation Reserves																																
Cemeteries & Crematorium	57	15	-12	60	15	-16	59	14	-18	55	14	-19	50	14	-14	51	14	-28	37	13	-33	17	11	-36	-8	11	-23	-19	11	-3	-11	
Corporate Property	1,359	800	-703	1,456	792	-1,038	1,210	768	-777	1,201	746	-1,778	1,700	720	-1,151	1,261	738	-715	1,230	754	-687	1,172	772	-560	40	785	-769	56	800	-821	35	
Information Management	2,596	456	-778	2,277	444	-580	2,161	433	-690	1,903	420	-600	1,723	412	-470	1,666	409	-500	1,575	406	-440	1,540	404	-460	1,495	404	-350	1,549	410	-310	1,649	
Libraries	40	128	-100	68	129	-100	97	131	-100	128	133	-100	161	135	-100	196	137	-100	234	139	-100	273	142	-100	315	145	-100	360	148	-100	407	
Museum	126	8	0	134	8	0	142	9	0	150	9	0	159	9	0	169	10	0	179	11	0	190	12	0	201	12	0	213	13	0	227	
Parks, Reserves, Recreation & Sports Fields	1,085	493	-204	1,374	506	-396	1,484	501	-768	1,217	490	-609	1,097	481	-625	953	467	-839	581	452	-583	450	445	-579	315	428	-858	-114	422	-413	-105	
Pensioner Housing *	282	17	0	299	18	0	317	19	0	336	20	0	356	21	0	377	23	0	400	24	0	424	26	0	450	27	0	477	29	0	506	
Ports & Harbour	1,918	482	-55	2,346	469	-1,385	1,430	397	-1,923	96	-130	134	373	-138	369	362	-984	-254	358	-1,005	-900	358	-123	-664	358	-108	-414	358	-93	-149		
Public Conveniences	353	18	-24	348	16	-84	281	13	-58	235	12	-16	231	11	-17	225	10	-46	190	7	-93	104	2	-59	47	-1	-59	-13	-2	-38	-53	
Refuse Disposal	168	-4	0	164	-5	-15	144	-6	-25	113	-8	-15	90	-10	-25	55	-11	0	44	-12	-30	2	-14	0	-12	-14	-1	-27	-14	-2	-43	
Roading Depreciation	-109	2,082	-2,073	-100	2,082	-2,515	-532	2,082	-2,480	-930	2,102	-2,028	-857	2,102	-1,991	-746	2,102	-1,968	-612	2,102	-1,979	-489	2,102	-1,945	-332	2,102	-1,882	-112	2,104	-1,818	174	
Stormwater Depreciation	-844	271	-315	-889	266	-93	-716	304	-614	-1,026	272	-77	-831	275	-99	-655	278	-622	-999	281	-122	-840	285	-112	-668	288	-635	-1,014	292	-101	-822	
Strategic & Investment Property	2	0	0	2	0	0	2	0	0	2	0	0	3	0	0	3	0	0	3	0	0	3	0	0	3	0	0	4	0	0	4	
Swimming Pools	312	132	-110	335	136	-32	439	141	-88	492	141	-194	439	139	-132	446	132	-378	200	125	-141	184	126	-75	235	122	-316	41	114	-342	-187	
Wastewater Depreciation	1,399	994	-687	1,706	1,006	-3,112	-400	1,020	-1,944	-1,324	1,009	-1,528	-1,843	1,000	-419	-1,262	1,006	-878	-1,134	1,008	-1,913	-2,039	1,020	-2,136	-3,155	990	-1,927	-4,091	888	-4,097	-7,300	
Water Depreciation	2,548	871	-972	2,446	871	-978	2,340	885	-967	2,258	916	-579	2,595	929	-1,202	2,322	945	-889	2,377	966	-402	2,941	994	-831	3,103	1,010	-835	3,278	1,033	-829	3,482	
Whakatane Airport	-338	98	-24	-264	98	-20																										

Financial Prudence Benchmarks

Long-term plan disclosure statement for period commencing 1 July 2015

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

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

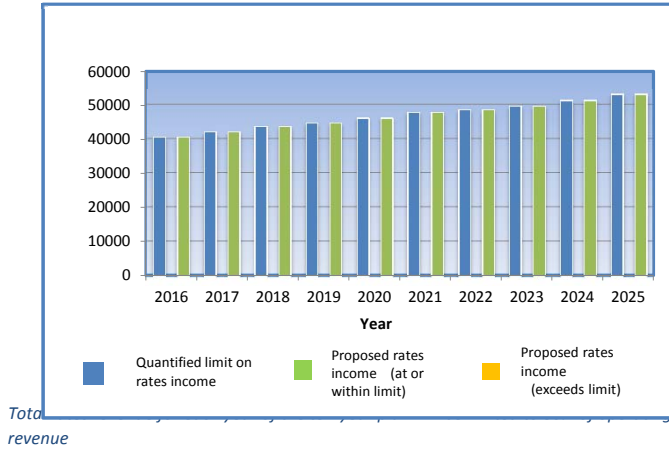
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates Income Affordability

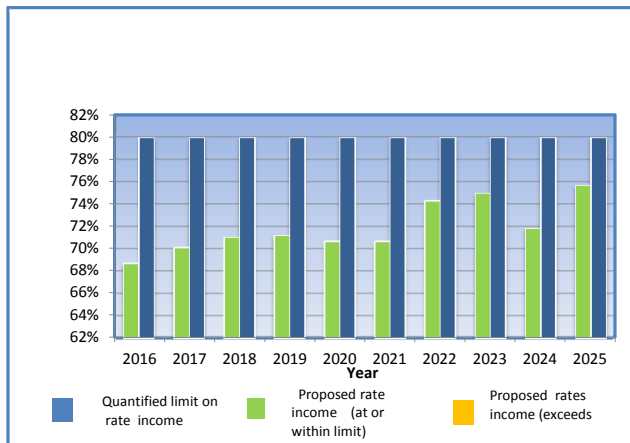
The following graphs compare the council's planned rates with a quantified limits on rates contained in the financial strategy included in this long-term plan.

Quantified Limits on Rates

The proposed rates income will be no more than the total rates requirement for each year of the ten-year plan.



Total revenue

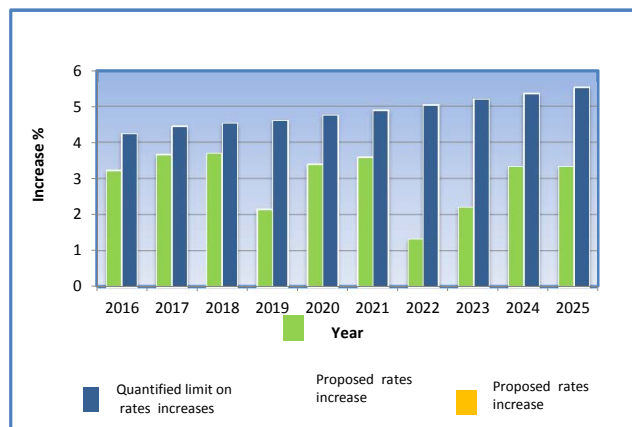


Rates Increases Affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included this long-term plan

Quantified Limit on Rates Increases

- *The annual percentage increase in the Local Government Cost Index**
- *plus two percent*



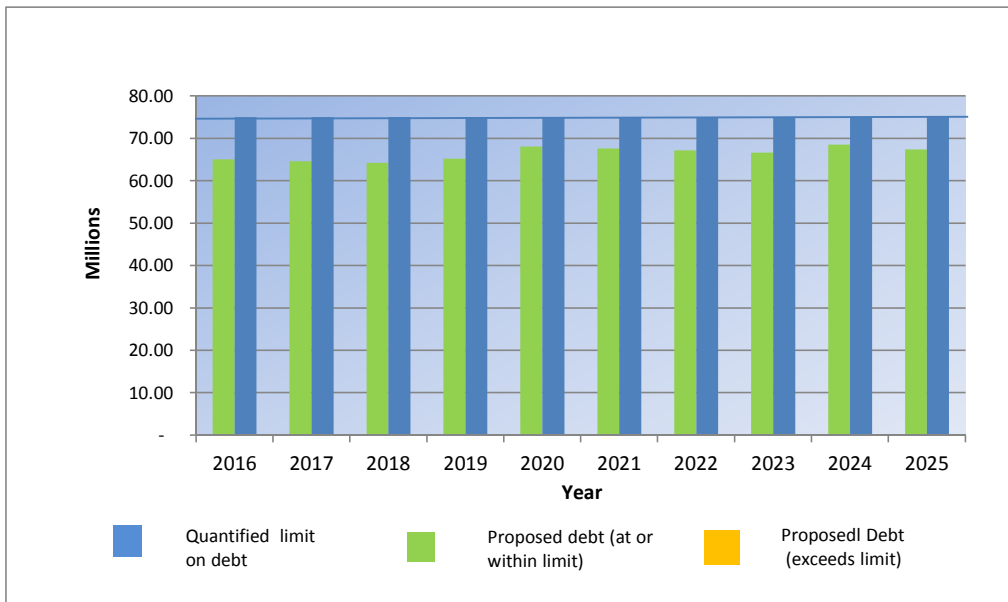
*Using the most recent Local Government Cost Index, published by Berl, available at the time the this ten-year plan was prepared.

Debt Affordability Benchmark

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

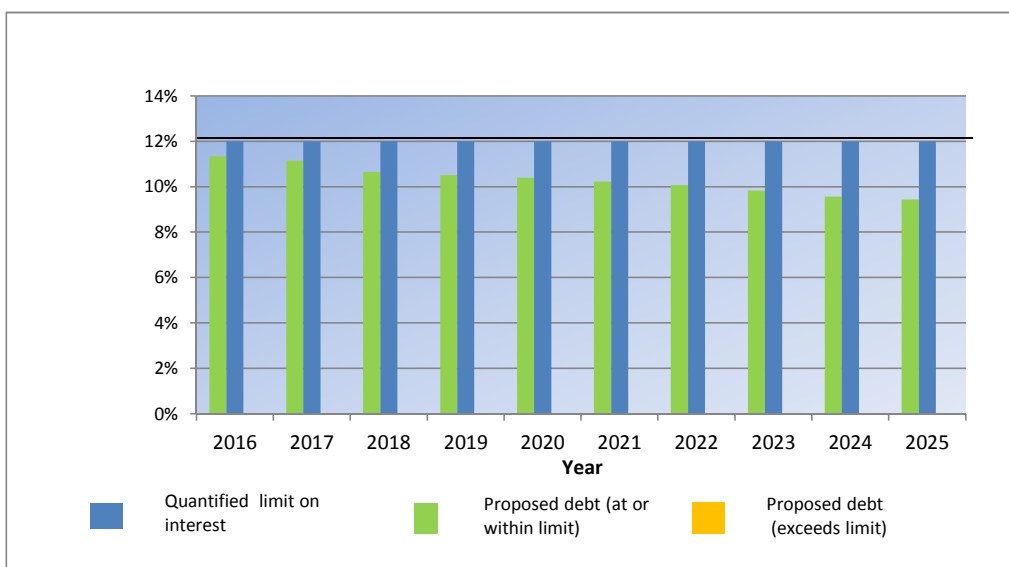
Our Limits for Debt

The following graph compares the council's planned total borrowing with the first quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is for total debt to be capped at \$75 million



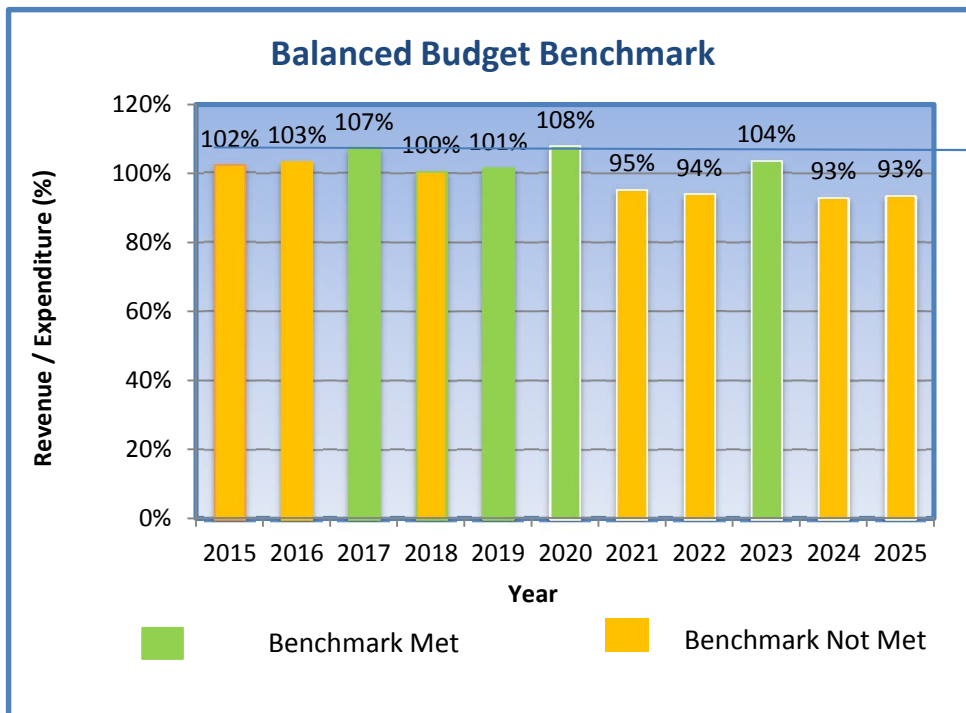
Our Limit on Interest as a Percentage of Total Rates Income

The following graph compares the council's planned interest as a percentage of total rates income with the second quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is 12% of total rates.



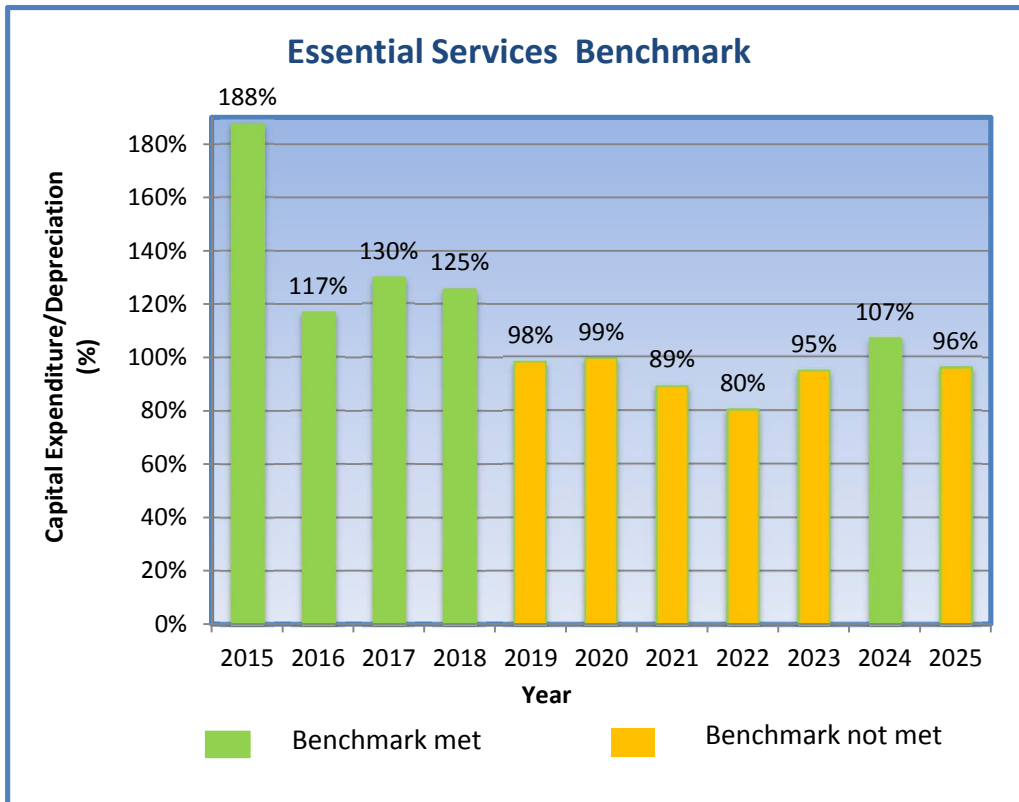
Balanced Budget Benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets the balanced benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential Services Benchmark

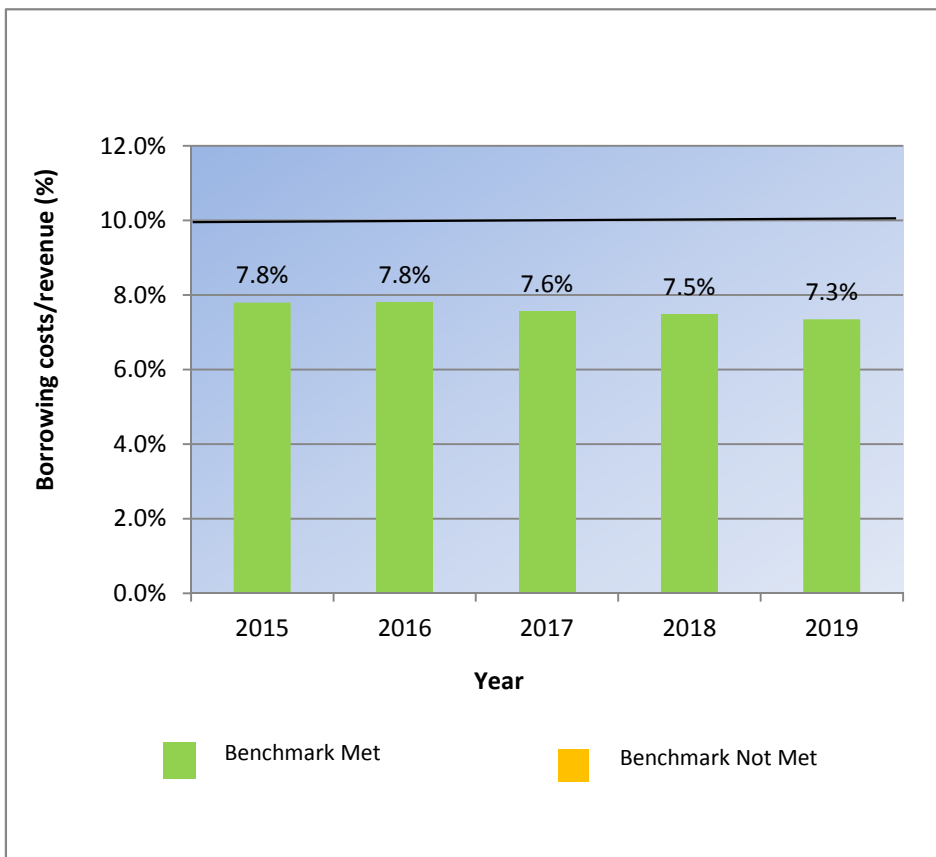
The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment).

Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its planned revenue.



Rateable Properties

Rateable Properties

Council's rating requirement is divided across the rateable properties in our District. Certain types of property are not rateable, such as schools, churches, recreation reserves and national parks. The table below shows the number of rateable properties in our district as at 26 November 2014.

Properties within the District are valued every three years by an independent valuer and were last revalued in September 2013.

	NUMBER OF RATEABLE RATING UNITS	RATEABLE CAPITAL VALUE \$ MILLION
Whakatāne Commercial	518	\$969.76
Edgecumbe	646	\$137.87
Matatā	334	\$73.50
Murupara	777	\$47.59
Ōhope	1,843	\$940.19
Otarawairere	37	\$27.12
Rural	5,273	\$2,901.78
Tāneatua	282	\$31.93
Te Teko	277	\$35.21
Whakatāne Urban	5,745	\$1,771.04
TOTAL	15,732	\$6,935.99

The Council's LTP assumes a 0.5% increase in rating base per annum for the next ten years. However this change is not considered material, and a conservative approach has been taken to rate modelling, assuming the current number of rating units is maintained.

Funding Impact Statement

FUNDING IMPACT STATEMENT (RATING)

The following pages show how the rating system is applied across the community. This information helps illustrate the financial impacts discussed in the 'All about rates' section. You will find that this information is very similar to what appears on the back of your rates invoice.

Rating units are defined as:

Commercial and industrial is defined as any property zoned or used for commercial / industrial 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%.

		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
		\$	\$	\$	\$	\$	\$	\$	\$	\$			
General Rates													
Total Amount Required		16,746,259	17,553,133	17,856,608	18,247,062	18,959,554	19,452,490	19,685,220	20,124,679	20,626,268	21,133,742		
The Council sets a general rate on the capital value (CV) of each applicable rating unit in the District on a stepped differential basis (cents per CV\$).													
	cents per CV\$												
District rateable properties capital value less than \$15 million (step 1)	0.00111149	7,254,706	7,697,500	7,597,208	7,769,992	8,149,565	8,285,625	8,370,682	8,595,552	8,722,241	8,837,274		
District rateable properties capital value greater than \$15 million (step 2)*	0.00055575	227,309	241,182	238,040	243,454	255,347	259,610	262,275	269,321	273,290	276,894		
Uniform Annual General Charge on all rating units in the District	\$ 628.64	9,264,244	9,614,450	10,021,360	10,233,616	10,554,643	10,907,255	11,052,263	11,259,806	11,630,737	12,019,573		
<i>* Council uses a differential capital value for all properties over \$15 million to reduce the total rate those 17 properties are charged.</i>													
Roading Rates													
Total Amount Required		7,508,927	7,632,863	7,755,821	7,906,074	8,102,869	8,376,258	8,142,643	8,461,125	8,842,829	9,142,548		
The Council sets the roading rate on the capital value of each applicable rating unit in the District (cents per CV\$).													
	cents per CV\$												
District rateable properties (cents per CV\$)	0.00097434	6,758,034	6,869,577	6,980,239	7,115,467	7,292,582	7,538,632	7,328,379	7,615,013	7,958,546	8,228,293		
Fixed targeted rate on all rating units in the District	\$ 50.95	750,893	763,286	775,582	790,607	810,287	837,626	814,264	846,113	884,283	914,255		
Community Boards													
Total Amount Required		299,600	325,602	332,542	340,944	361,872	362,023	372,471	397,012	398,646	412,142		
The Community Board rate funds the Governance activity.													
The Community Board rate is set to fund the costs of the five Community Boards.													
The Council sets the targeted rate on rating units within each of the following locations.													
	Rate \$												
Whakatane	14.92	93,092	99,532	102,237	104,882	110,131	111,292	114,588	120,818	122,551	126,793		
Rangitikei	13.28	54,232	59,701	61,368	62,909	66,942	66,809	68,726	73,444	73,568	76,045		
Ohope	36.70	68,552	73,353	74,325	76,217	80,634	80,912	83,265	88,463	89,097	92,134		
Taneatua	31.08	38,972	43,547	44,267	45,347	48,870	48,197	49,536	53,621	53,072	54,811		
Murupara	29.68	44,752	49,471	50,346	51,590	55,294	54,812	56,357	60,667	60,358	62,360		
Stormwater													
Total Amount Required		2,921,658	2,952,257	2,897,485	2,922,311	3,091,536	3,324,850	3,426,618	3,469,501	3,544,140	3,601,555		
The Council sets a differential targeted rate for stormwater on rating units and a rate on the capital value differentially as follows.													
		UAC \$ per											
	Differential	rateable unit	cents per CV\$										
Whakatane Urban	1.0	82.56	0.00057076	1,477,389	1,486,264	1,484,111	1,534,552	1,656,849	1,827,538	1,900,535	1,928,545	1,979,743	2,019,748
Whakatane Commercial and Industrial	2.2	82.56	0.00125568	569,496	572,917	572,087	591,531	638,673	704,469	732,607	743,405	763,140	778,561
Matata	1.0	129.86	0.00172784	169,339	128,349	53,344	41,893	38,328	36,518	32,632	29,706	26,865	23,250
Ohope	1.0	67.59	0.00038890	497,725	555,224	538,620	541,285	536,994	535,528	538,562	542,071	544,319	542,924
Edgecumbe	1.0	73.39	0.00064516	186,122	187,757	189,385	190,950	198,595	198,581	200,205	203,385	207,070	213,997
Taneatua	1.0	5.90	0.00014907	6,347	6,410	24,440	6,567	6,613	6,669	6,692	6,818	7,021	7,112
Murupara	1.0	1.04	0.00006102	3,040	2,968	3,044	2,885	2,782	2,784	2,542	2,504	2,619	2,393
Te Mahoe Land Drainage	1.0	45.44	0.00172547	4,362	4,451	20,922	4,597	4,648	4,710	4,736	4,836	5,000	5,065
Te Teko Land Drainage	1.0	15.43	0.00062892	7,838	7,917	11,531	8,050	8,053	8,054	8,108	8,229	8,364	8,504

* A differential targeted rate is charged for Whakatane Commercial and Industrial properties, due to the greater level of impermeable surfaces, putting greater pressure on stormwater systems.

District Growth

Total Amount Required 556,070 570,539 587,136 603,868 617,207 635,203 653,434 673,169 697,667 720,425

The District Growth rate funds the Economic Development Activity.

The Council sets a fixed targeted rate per rating unit for all commercial and industrial properties within the District

\$ 229.78

The Council sets a targeted rate on the capital value for all commercial and industrial properties outside the Whakatane urban area (cents per CV\$).

1 0.00042420 139,018 153,487 170,084 186,816 200,156 218,152 236,382 256,117 280,615 303,373

The Council sets a targeted rate on the capital value for all commercial and industrial properties within the Whakatane urban area (cents per CV\$).

2 0.00084839 417,053 417,053 417,053 417,053 417,053 417,053 417,053 417,053 417,053 417,053

Refuse Removal Rate

Total Amount Required \$ 4,228,948 4,301,693 4,412,393 4,493,876 4,620,257 4,733,193 4,848,534 4,992,581 5,138,426 5,293,497

The Refuse Removal rate funds the Waste Group of Activities.

The Council sets a targeted rate to fund the collection and disposal of the Council approved refuse and recycling bins. This targeted rate is set as a fixed amount per bin for which the Council is providing a weekly service.

Residential 334.41 2,673,908 2,717,600 2,784,088 2,833,028 2,908,935 2,976,766 3,046,041 3,132,558 3,220,155 3,313,293

Rural/commercial 271.43 970,625 990,165 1,019,900 1,041,787 1,075,734 1,106,070 1,137,051 1,175,744 1,214,919 1,256,573

Ohope residential * 337.12 573,449 582,744 596,888 607,299 623,447 637,877 652,614 671,019 689,653 709,467

Ohope commercial 274.15 10,966 11,184 11,517 11,762 12,142 12,481 12,827 13,260 13,698 14,164

*The Council provides an additional three collections during the summer holiday period for Ohope.

Water

Total Amount Required 4,967,888 5,218,947 5,266,811 5,355,096 5,486,480 5,747,762 5,897,646 6,131,998 6,297,961 6,591,356

The Council sets water rates on a differential based on provision of service, land use and location.

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 that is invoiced during the current rating year will be calculated on the charges detailed below.

	Per connection \$	Rate \$	Total \$	Total \$								
Ruatahuna												
Connected	26.92		215	224	230	238	246	254	263	273	284	297
Connected - commercial	67.31		135	140	144	148	153	159	165	171	178	185
Plains and Awakeri Extension												
Plains connected - metered	120.00		166,639	174,737	180,019	186,146	192,494	200,261	207,608	214,407	223,622	232,431
Plains water by meter		0.27	238,919	250,530	258,103	266,888	275,990	287,125	297,660	307,408	320,619	333,250
Plains excess water by meter*		0.90	247,296	259,313	267,152	276,245	285,666	297,192	308,096	318,186	331,860	344,933
Awakeri connected - metered	120.00		46,302	48,552	50,020	51,722	53,486	55,644	57,686	59,575	62,135	64,583
Awakeri water by meter		0.27	52,801	55,367	57,040	58,982	60,993	63,454	65,782	67,937	70,856	73,648
Excess water by meter*		0.90	38,049	39,898	41,104	42,503	43,952	45,726	47,403	48,956	51,060	53,071
Murupara												
Connected - metered	68.60		2,538	2,749	2,716	2,824	2,974	3,146	3,431	3,663	3,692	3,818
Connected - non metered	170.23		115,419	125,018	123,497	128,395	135,240	143,064	156,018	166,573	167,896	173,591
Available - not connected	68.60		7,066	7,654	7,561	7,861	8,280	8,759	9,552	10,198	10,279	10,628
Water by meter		0.46	15,271	16,541	16,340	16,988	17,894	18,929	20,643	22,040	22,215	22,968
All Other Schemes												
Connected - metered	149.02		1,359,927	1,427,629	1,435,936	1,453,880	1,485,191	1,557,592	1,591,037	1,654,794	1,695,435	1,777,857
Connected - non metered	414.59		513,677	539,250	542,387	549,165	560,992	588,340	600,973	625,055	640,406	671,539
Available - not connected	149.02		70,336	73,838	74,267	75,195	76,815	80,559	82,289	85,587	87,689	91,951
Water by meter		1.21	2,093,298	2,197,509	2,210,295	2,237,916	2,286,113	2,397,557	2,449,039	2,547,177	2,609,735	2,736,605

*The council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each property connection to these water supplies. An overuse targeted rate is set for the excess volume consumed over

Note: Where properties 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.

Sewerage

Total Amount Required 2,714,111 2,855,293 3,833,847 3,997,060 4,116,798 4,354,890 4,587,846 4,415,732 4,740,903 5,068,066

The Council sets sewerage rates on land use and provision of service. Land use is residential, rural or commercial / industrial.

For residential and rural properties, the Council sets fixed targeted rates per separately used or inhabited part of a rating unit* to fund sewage disposal.

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.

Rate \$

Available - all schemes excluding Murupara	114.81	40,183	42,299	57,488	59,962	61,733	65,206	67,737	62,847	66,710	71,482
Connected - all schemes excluding Murupara	229.62	2,536,840	2,670,395	3,629,285	3,785,487	3,897,285	4,116,536	4,276,362	3,967,600	4,211,521	4,512,763
Available - Murupara	87.32	7,684	7,993	8,244	8,498	8,844	9,705	13,662	21,596	25,933	27,119
Connected - Murupara	174.63	129,404	134,607	138,830	143,113	148,936	163,443	230,085	363,689	436,739	456,702

* 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.

PERCENTAGE OF RATES THAT ARE FIXED CHARGES

Under the Local Government Rating Act (LGRA) the Council may only set a maximum of 30% of the total rates income to come from fixed rates such as targeted rates or uniform annual charges. The following table shows an analysis of these charges and shows the percentage of the Council's total rates.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST
Report on 30% Cap (Section 21 LGRA)										
Targeted rates that are set on a uniform basis and calculated in accordance with section 18(2) or clause 7 of Schedule 3										
Uniform Annual General Charge	9,264,244	9,614,450	10,021,360	10,233,616	10,554,643	10,907,255	11,052,263	11,259,806	11,630,737	12,019,573
Roading	750,893	763,286	775,582	790,607	810,287	837,626	814,264	846,113	884,283	914,255
Community Boards	299,600	325,604	332,543	340,945	361,871	362,022	372,472	397,013	398,646	412,143
Stormwater	730,415	738,064	724,371	730,578	772,884	831,213	856,655	867,375	886,035	900,389
District Growth	139,018	153,487	170,084	186,816	200,156	218,152	236,382	256,117	280,615	303,373
Total Uniform Annual General Charge and Targeted Rates	11,184,169	11,594,891	12,023,940	12,282,561	12,699,840	13,156,267	13,332,035	13,626,424	14,080,315	14,549,732
Total Rates Excluding GST	39,943,461	41,410,326	42,942,643	43,866,291	45,356,571	46,986,667	47,614,412	48,665,799	50,286,841	51,963,330
Uniform Rates as a Percentage of Total Rates	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Targeted rates that are set on a differential uniform basis, not included in the 30% cap										
Refuse Removal Rate	4,228,948	4,301,693	4,412,393	4,493,876	4,620,257	4,733,193	4,848,534	4,992,581	5,138,426	5,293,497

Indicative Rating Examples for 2015/16

	Whakatane Urban Low	Whakatane Urban Average	Whakatane Urban high	Whakatane Commercial (less than \$10m) Low	Whakatane Commercial (less than \$10m) average	Edgecumbe Average	Matata Average	Matata High	Murupara Urban
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Capital Value	128,000	298,000	900,000	335,000	640,000	205,000	226,000	485,000	53,000
2015/16 Indication of Rates									
General Rate	142.27	331.22	1,000.34	372.35	711.36	227.86	251.20	539.07	58.91
Uniform Annual General Charge	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64
Roading CV	124.72	290.35	876.91	326.40	623.58	199.74	220.20	472.56	51.64
Roading Fixed Targeted Rate	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95
Community Boards	14.92	14.92	14.92	14.92	14.92	13.28	13.28	13.28	29.68
Stormwater Fixed Targeted Rate	82.56	82.56	82.56	82.56	82.56	73.39	129.86	129.86	1.04
Stormwater CV	73.06	170.09	513.69	420.65	803.64	132.26	390.49	838.00	3.23
District Growth	-	-	-	513.99	772.75	-	-	-	-
Refuse Removal	334.41	334.41	334.41	271.43	271.43	334.41	334.41	334.41	334.41
Water	414.59	414.59	414.59	414.59	414.59	414.59	414.59	414.59	170.23
Sewerage	229.62	229.62	229.62	229.62	229.62	229.62	-	-	174.63
Total	2,095.74	2,547.35	4,146.63	3,326.10	4,604.04	2,304.74	2,433.62	3,421.36	1,503.36
Plus GST at 15%	314.36	382.10	621.99	498.92	690.61	345.71	365.04	513.20	225.50
2015/16 Total indicative rates including GST	\$ 2,410.10	\$ 2,929.45	\$ 4,768.62	\$ 3,825.02	\$ 5,294.65	\$ 2,650.45	\$ 2,798.66	\$ 3,934.56	\$ 1,728.86

2014/15 Rates were

General Rate	129.28	300.99	909.02	338.36	646.41	207.05	228.26	489.86	53.53
Uniform Annual General Charge	600.69	600.69	600.69	600.69	600.69	600.69	600.69	600.69	600.69
Roading Fixed Targeted Rate	132.02	307.36	928.27	345.52	660.10	211.44	233.10	500.24	54.66
Roading UAC	53.83	53.83	53.83	53.83	53.83	53.83	53.83	53.83	53.83
Community Boards	14.53	14.53	14.53	14.53	14.53	12.76	12.76	12.76	29.22
Stormwater Fixed Targeted Rate	74.43	74.43	74.43	74.43	74.43	80.14	138.27	138.27	2.34
Stormwater CV	65.92	153.47	463.51	379.56	725.14	144.47	415.05	890.71	7.34
Promotion and Economic Development	-	-	-	539.98	648.16	-	-	-	-
Refuse Removal	329.72	329.72	329.72	266.78	266.78	329.72	329.72	329.72	329.72
Water	439.94	439.94	439.94	439.94	439.94	439.94	439.94	439.94	286.75
Sewerage	196.45	196.45	196.45	196.45	196.45	196.45	-	-	201.98
Total	2,036.81	2,471.41	4,010.39	3,250.07	4,326.46	2,276.49	2,451.62	3,456.02	1,620.06
Plus GST at 15%	305.52	370.71	601.56	487.51	648.97	341.47	367.74	518.40	243.01
2014/15 Total indicative rates including GST	\$ 2,342.33	\$ 2,842.12	\$ 4,611.95	\$ 3,737.58	\$ 4,975.43	\$ 2,617.96	\$ 2,819.36	\$ 3,974.42	\$ 1,863.07

Changes - 2015/16 vs 2014/15

\$ increase (decrease) incl. GST	67.77	87.33	156.68	87.43	319.22	32.49	(20.70)	(39.86)	(134.21)
% increase (decrease) incl. GST	2.89%	3.07%	3.40%	2.34%	6.42%	1.24%	(%0.73)	(%1.00)	(%7.20)

Murupara Lifestyle	Te Teko	Otarawairere	Ohope Low	Ohope Average	Ohope High	Taneatua	Rural Low	Rural average	Rural high	District Wide - Commercial/ Industrial \$10m Plus (six pans)
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180,000	101,000	720,000	375,000	490,000	935,000	112,000	55,000	865,000	2,370,000	11,131,175
200.07	112.26	800.27	416.81	544.63	1,039.25	124.49	61.13	961.44	2,634.24	12,372.22
628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64
175.38	98.41	701.53	365.38	477.43	911.01	109.13	53.59	842.80	2,309.19	10,845.55
50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95
29.68	13.28	36.70	36.70	36.70	36.70	31.08	13.28	13.28	13.28	14.92
-	15.43	67.59	67.59	67.59	67.59	5.90	-	-	-	82.56
63.52	-	280.01	145.84	190.56	363.62	16.70	-	-	-	13,977.20
-	-	-	-	-	-	-	-	-	-	9,673.40
271.43	334.41	337.12	337.12	337.12	337.12	334.41	271.43	271.43	271.43	271.43
-	120.00	414.59	414.59	414.59	414.59	414.59	120.00	120.00	120.00	414.59
-	-	229.62	229.62	229.62	229.62	229.62	-	-	-	1,377.72
1,356.15	1,436.90	3,547.02	2,693.24	2,977.83	4,079.09	1,945.51	1,199.02	2,888.54	6,027.73	49,709.18
203.42	215.54	532.05	403.99	446.67	611.86	291.83	179.85	433.28	904.16	7,456.38
\$ 1,559.57	\$ 1,652.44	\$ 4,079.07	\$ 3,097.23	\$ 3,424.50	\$ 4,690.95	\$ 2,237.34	\$ 1,378.87	\$ 3,321.82	\$ 6,931.89	\$ 57,165.56

181.80	102.01	727.21	378.76	494.91	944.37	113.12	55.55	873.67	2393.75	11242.72
600.69	600.69	600.69	600.69	600.69	600.69	600.69	600.69	600.69	600.69	600.69
185.65	104.17	742.62	386.78	505.39	964.37	115.52	56.73	892.17	2444.45	11480.85
53.83	53.83	53.83	53.83	53.83	53.83	53.83	53.83	53.83	53.83	53.83
29.22	12.76	31.47	31.47	31.47	31.47	31.25	12.76	12.76	12.76	14.53
-	16.25	52.51	52.51	52.51	52.51	6.29	-	-	-	74.43
-	66.88	217.69	113.38	148.15	282.69	17.76	-	-	-	12611.94
-	-	-	-	-	-	-	-	-	-	4369.35
266.78	329.72	332.44	332.44	332.44	332.44	329.72	266.78	266.78	266.78	266.78
-	120.00	439.94	439.94	439.94	439.94	439.94	120.00	120.00	120.00	439.94
-	-	196.45	196.45	196.45	196.45	196.45	-	-	-	1,178.67
1,317.97	1,406.31	3,394.85	2,586.25	2,855.78	3,898.76	1,904.57	1,166.34	2,819.90	5,892.26	42,333.73
197.70	210.95	509.23	387.94	428.37	584.81	285.69	174.95	422.99	883.84	6,350.06
\$ 1,515.67	\$ 1,617.26	\$ 3,904.08	\$ 2,974.19	\$ 3,284.15	\$ 4,483.57	\$ 2,190.26	\$ 1,341.29	\$ 3,242.89	\$ 6,776.10	\$ 48,683.79

43.91	35.18	175.00	123.04	140.36	207.38	47.08	37.58	78.94	155.79	8,481.77
2.90%	2.18%	4.48%	4.14%	4.27%	4.63%	2.15%	2.80%	2.43%	2.30%	17.42%

Capital Expenditure Table

Proposed Capital Expenditure 2015 - 25 Long Term Plan

The following table sets out the key capital projects which are planned for the period of the LTP. This table provides a complete list of capital projects, however a number of projects have been consolidated for readability. All figures are not inflation adjusted.

Description	Year	Total (\$)	Funding Source
Roads and Footpaths			
Unsealed Road Metalling - Financially Assisted Renewals	2015 - 25	4,612,500	Renewal 47% Subsidy 53%
Sealed Road Resurfacing - Financially Assisted Renewals	2015 - 25	19,270,000	Renewal 47% Subsidy 53%
Drainage Renewals - Financially Assisted Renewals	2015 - 25	4,612,500	Renewal 47% Subsidy 53%
Pavement Rehabilitation - Financially Assisted Renewals	2015 - 25	7,544,000	Renewal 47% Subsidy 53%
Structure Component Replacement - Financially Assisted Renewals	2015 - 25	1,332,500	Renewal 47% Subsidy 53%
Traffic Service Renewals - Financially Assisted Renewals	2015 - 25	4,162,500	Renewal 47% Subsidy 53%
Road Improvements - Financially Assisted Renewals (Landing Road)	2018/19	691,875	Loan 47% Subsidy 53%
Resilience Improvements - Financially Assisted Renewals (Reid Road Route Security)	2022/23	512,500	Loan 47% Subsidy 53%
Resilience Improvements - Financially Assisted Renewals (Rewatu Road Route Security)	2024/25	1,025,000	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted Renewals (Wainui Road/Burma Road)	2020/21	666,250	Loan 47% Subsidy 53%
Resilience Improvements - Hillcrest Slumps, Financially Assisted	2015/16	510,450	Loan 47% Subsidy 53%
Resilience Improvements - Tāneatua Route Security, Financially Assisted	2020/21	768,750	Loan 47% Subsidy 53%
Minor Improvements Local Roads - Financially Assisted	2015 - 25	14,663,250	Loan 42.2% Subsidy 53% Development Contribution 4.8%
Unsealed Road Metalling - Special Purpose Roads	2015 - 25	4,746,056	Subsidy 100%
Sealed Road Resurfacing - Special Purpose Roads	2015 - 25	974,775	Subsidy 100%
Drainage Renewals - Special Purpose Roads	2015 - 25	1,004,500	Subsidy 100%
Structure Component Replacement - Special Purpose Roads	2015 - 25	625,250	Subsidy 100%
Traffic Service Renewals - Special Purpose Roads	2016 - 25	305,625	Subsidy 100%
Special Purpose Roads - Resilience Improvements	2015 - 2018	4,150,000	Subsidy 100%
Bridge Renewals - Special Purpose Roads (Mimiha Stream, Ruatāhuna Road)	2022/23	987,075	Subsidy 100%
Renewals - Non Financially Assisted	2015 - 25	2,030,000	Renewal 100%
New Kerbing & Drainage - Non Financially Assisted	2015 - 25	205,000	Loan 100%
New Amenity Lighting, Xmas Lights - Non Financially Assisted	2015 - 25	251,125	Loan 100%
New Stock Signs - Non Financially Assisted	2015 - 25	51,250	Fees & Charges 100%
New Footpaths - Non Financially Assisted	2015 - 25	500,000	Development Contribution 100%
Road Reserve Purchase - Non Financially Assisted	2015 - 25	512,500	Targeted Rate 100%
Parking Renewals - Non Financially Assisted	2015 - 25	256,250	Operating Reserve 100%
Total Roads and Footpaths		76,971,481	
Water Supply			
Whakatāne Sludge Treatment	2022 - 24	800,000	Loan 100%
Whakatāne Water Storage	2017 - 20	3,060,000	Loan 93.1% Development Contribution 6.9%
Coastlands Main Link	2016 - 18	500,000	Development Contribution 98% Loan 2%
Huna Road Development - Extension of Water Main	2015 - 17	300,000	Development Contribution 98% Loan 2%
Whakatāne Treatment Plant Filter Covering	2015/16	70,000	Loan 100%
Upgrade Pipes Harbour Road	2024/25	650,000	Loan 100%
Murupara Water - Install Chlorination Unit	2020/21	200,000	Loan 100%
Water Supply Renewals	2015 - 25	8,228,000	Renewal 100%
Total Water Supply		13,808,000	

Sewerage Treatment and Disposal			
Mill Road Development	2015/16	800,000	Development Contribution 70% Loan 30%
Huna Road Development	2015/17	550,000	Development Contribution 98% Loan 2%
Emergency Storage McAlister Pump Station	2023/24	1,500,000	Loan 93.2% Development Contribution 6.8%
Upgrade Whakatāne Treatment Plant	2015 - 25	4,160,000	Development Contribution 70% Loan 30%
Upgrade Ōhope Treatment Plant & Pump Replacements	2015 - 25	990,000	Loan 67.9% Renewal 25% Development Contribution 7.1%
Upgrade and Additional Storage Edgecumbe Treatment Plant	2015 - 18	4,050,000	Loan 30% Renewal 30% Subsidy 40%
Matatā Treatment Plant & Reticulation Construction	2015/16	751,300	Loan 44.13% Subsidy 55.87%
Murupara Treatment Plant Upgrade	2019 - 23	3,350,000	Loan 70% Renewal 30%
Tāneatua Treatment Plant Upgrade	2019 - 23	2,600,000	Loan 30% Renewal 70%
Sewerage Treatment and Disposal Renewals	2015 - 25	10,955,000	Renewal 100%
Total Sewerage Treatment and Disposal		29,706,300	
Stormwater Drainage			
Wainui Te Whara - Flood Mitigation	2015/16	1,100,000	Loan 100%
Hinemoa Pump Station & Pipes	2017 - 21	3,600,000	Loan 93.2% Development Contribution 6.8%
Henderson Street Stormwater Improvements	2018 - 20	800,000	Loan 100%
St Joseph Pumpstation and Drainage Upgrades	2018 - 21	1,050,000	Loan 93.2% Development Contribution 6.8%
Huna Road Development Upgrades	2015 - 17	900,000	Development Contribution 98% Loan 2%
Ōhope Stormwater Upgrade - Millers Stream	2015/16	150,000	Loan 100%
Ōhope Stormwater Upgrade - Pohutukawa/Harbour Road	2015/16	500,000	Loan 50% Renewal 50%
Stormwater Replacements	2015 - 25	132,000	Renewal 100%
Edgecumbe Stormwater Study	2024/25	75,000	Loan 100%
Whakatāne Stormwater Minor Works	2015 - 25	200,000	Targeted Rate 100%
Whakatāne Stormwater Pipe Upgrades	2016 - 2024	2,400,000	Loan 30% Renewal 70%
Total Stormwater Drainage		10,907,000	
Solid Waste			
Ongoing Minor Works	2015 - 25	60,000	Loan 50% Targeted Rate 50%
Murupara Transfer Station - Weighbridge & Kiosk	2015/16	40,000	Loan 100%
Renewals	2015 - 25	110,000	Renewal 100%
Total Waste		210,000	
Community Safety			
Sound Level Meter	2016	19,000	General Rate 100%
Total Community Safety		19,000	
District Growth			
Port Ōhope Concept Plan -Site Development	2016 - 21	1,685,000	Restricted Reserve 100 %
Strategic Property Renewals	2015 - 25	1,101,860	Restricted Reserve 45.07% General Rate 54.93%
Visitor Information Centre - Viewing Deck	2016/17	100,000	Restricted Reserve 100%
Total District Growth		2,886,860	

Recreation & Community Services			
Library Mixed Collection Renewal	2015 - 25	1,000,000	Renewal 100%
Re-fit of exhibition displays including exhibition furniture	2018 - 22	40,000	General Rate 100%
	2016/17 2018/19 2020/21	82,500	Loan 100%
Matatā Coastal Reserve Access Development			
Ōhope Playground Development; Maraetōtara	2019/20	20,000	Restricted Reserves 100%
Coastal Land Acquisition	2015 - 25	1,000,000	Loan 95.2% Development Contribution 4.8%
Harbour Beautification	2015 - 25	500,000	Restricted Reserves 95.2% Development Contribution 4.8%
Sullivan Lake Footpath & Retaining Walls	2015 - 2017	64,000	Restricted Reserves 100%
Significant Sites - Whakatāne Toi's Track	2018/19	50,000	Renewal 45.2% Subsidy 50% Development Contribution 4.8%
Walking and Cycling Projects	2015 - 25	750,000	Restricted Reserves 100%
Port Ōhope Recreation Reserve	2015 - 2017	30,000	Loan 95.2% Development Contribution 4.8%
Beach Access Upgrades	2015 - 2017	60,000	Loan 95.2% Development Contribution 4.8%
Reserves Renewals	2015 - 25	4,434,839	Renewal 100%
Dog Park	2015/16	50,000	Restricted Reserves 100%
Sportsfields Facilities - Renewals	2015 - 25	1,411,048	Renewal 100%
	2017/18 2018/19	214,033	Loan 94% Development Contribution 6%
Whakatāne Cemetery Expansion			
Whakatāne Cemetery Berms	2015 - 25	100,000	Fees and Charges 89% Development Contribution 11%
Cemeteries & Crematorium Renewals	2015 - 25	198,617	Renewal 100%
Public Conveniences - Mitchell Park, Tāneatua	2016/17	135,000	Loan 100%
Public Conveniences - Renewals	2015 - 25	491,199	Renewal 100%
Whakatāne Aquatic Centre - Pool Solar Heating	2015/16	200,000	Loan 50% Subsidy 50%
Aquatic Centres - Renewals	2015 - 25	1,803,175	Renewal 100%
	2017/18 2018/19 2019/20	10,597,000	Loan 19% Subsidy 66.8% Renewal 9.4% Development Contribution 4.8%
Multi Sports Event Centre			
Halls - Renewals	2015 - 25	2,449,445	Renewal 100%
Port Ōhope Wharf Structural Repairs and Strengthening	2017/18	550,000	Renewal 100%
Quay Street Wharf Construction	2015/16	1,250,000	Restricted Reserve 100%
Whakatāne Harbour Eastern Wall Strengthening	2016/17	500,000	Restricted Reserve 100%
Ports and Harbour Renewals	2015 - 25	5,264,228	Renewal 100%
	2016/17 2018/19 2021/22	300,000	Subsidy 70% Renewal 30%
CCTV Phase 2 - Expansion of camera network and renewals			
Total Recreation and Community Facilities		33,545,084	

Corporate and District Activities			
Information Systems Infrastructure - Renewals	2015 - 25	5,145,000	Renewal 100%
Infrastructure Improvements - Videoconferencing	2015/16	30,000	Loan 100%
Operations Business Unit - Renewals	2015 - 25	252,000	Renewal 100%
Vehicle Replacement	2015 - 25	1,906,256	Renewal 100%
Corporate Property - Renewals	2015 - 25	1,730,744	Renewal 100%
Civic Centre Earthquake Strengthening investigations and works	2016 - 2019	2,100,000	Loan 50% Renewal 50%
Museum Redevelopment	2015/16	3,500,000	Subsidy 85.71% Loan 10% Renewal 4.29%
Total Corporate Activities		14,664,000	
Reportable Council Controlled Organisations			
Runway Lighting and Navigational Aids Upgrade	2017/18 2019/20	600,000	Loan 50% Operating Reserve 50%
Pavement Resurfacing	2017 - 22	550,000	Renewal 50% Operating Reserve 50%
Runway Lighting and Navigational Aids Renewal	2015 - 17	16,000	Renewal 50% Operating Reserve 50%
Reseal Airport Carpark	2019/20	275,000	Renewal 100%
Aerodrome Certification - Upgrades	2015 - 18	500,000	Loan 100%
Airport Terminal Building - New Building	2015/16	150,000	Loan 50% Operating Reserve 50%
LED Lighting Upgrade at Whakatane Airport Carpark and Apron Lighting	2015/16	25,000	Loan 100%
Airport Hanger Building	2015/16	10,000	Loan 100%
Airport Renewals	2015 - 25	55,000	Renewal 100%
Total Reportable Council Controlled Organisations		2,181,000	
Total Council		184,898,725	

Statement of Accounting Policies

Statement of Accounting Policies

These statements provide the principles that we have applied in preparing our prospective financial statements. They are designed to help you understand the detail behind our calculations and forecasts.

REPORTING ENTITY

Whakatāne District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand. The principal accounting policies adopted in the preparation of this financial report are set out below. The financial report consists of the prospective financial statements of Whakatāne District Council (the Council) and includes the Whakatāne Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself a Tier 1 public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The prospective financial statements of the Council are for the ten years ended 30 June 20125. The financial statements were authorised for issue on 25 June 2015 by Council resolution. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The financial statements have been prepared in accordance with Tier 1 PBE Standards and comply with PBE FRS 42 Prospective Financial Statements. The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Measurement base

The financial statements use closing balances from the period ending 30 June 2014; estimates have been restated accordingly if required. These financial statements have been prepared on a historical basis, modified by the estimated revaluation of land and buildings, certain infrastructural assets, financial instruments (including derivative instruments) investment property, and forestry assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data. The functional currency of the Council is New Zealand dollars.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

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

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Joint ventures and associates

For jointly controlled assets Council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and income from the sale or use of its share of the output of the joint venture.

Significant Accounting Policies

REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received.

Rates

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as the Council is acting as an agent for BOPRC. Rates collected on behalf of the BOPRC are not included in the Prospective Statement of Comprehensive Income as it does not belong to the Council. It is however, included as a receipt and payment in the Prospective Statement of Cash Flows.

Revenue from water rates by meter is recognised on an accrual basis.

Licences and permits

Revenue derived from licences and permits is recognised on application.

Development contributions

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise financial contributions are transferred to reserves until such time the Council provides, or is able to provide, the service.

Sales of goods

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

Provision of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Rental revenue

Rental revenue is recognised in the period that it relates to.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in the Council are recognised as income when control over the asset is obtained.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are paid.

Grants and subsidies

Grants and subsidies are recognised when the conditions of the grant or subsidy have been met.

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 a successful applicant has been notified of the Council's decision.

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

FINANCE COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred, regardless of how the borrowings are applied.

INCOME TAX

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

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.

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 financial statements and the corresponding tax bases used in the computation of taxable profit.

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.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with 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 statement of financial performance 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 financial institutions, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the prospective statement of financial position.

TRADE AND OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

Impairment of a receivable is established when there is objective 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 considered indicators that the debt 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. The carrying amount of the asset is reduced through the use of an additional 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 cost of receivables. Overdue receivables that have not been renegotiated are reclassified as current (that is, not past due).

INVENTORIES

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost.

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 and group 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 and group has transferred substantially all the risks and rewards of ownership.

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

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

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 remeasurement recognised in the surplus or deficit.

Loans and receivables

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

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

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 loans are subsequently measured at amortised cost using the effective interest method. 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.

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 income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council and group 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 income, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the prospective statement of comprehensive income.

DERIVATIVE FINANCIAL INSTRUMENTS

The Council uses derivative financial instruments (interest rate swaps) to hedge exposure to interest rate risks arising from 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 remeasured at their fair value at each balance date.

The associated gains or losses of these derivatives are recognised in the prospective statement of comprehensive income.

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 prospective statement of comprehensive income. 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, library books, plant and equipment, museum collection and motor vehicles.

Restricted assets

Restricted assets are parks, reserves and harbour assets owned by the Council which 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 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.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings (operational and restricted), 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. All other asset classes are carried at depreciated historical cost.

On transition to NZ IFRS, Whakatāne District Council elected to use the fair value of land under roads as at 1 July 2006 as deemed cost. Land under roads is no longer revalued.

The Council assesses the carrying values of its re-valued 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.

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the prospective statement of comprehensive income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of comprehensive income will be recognised first in the prospective statement of comprehensive income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

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. In most

instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, 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 the prospective statement of comprehensive income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all buildings, bridges and other structures and diminishing value for motor vehicles, plant and equipment, office equipment and furnishings. Land is non depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

The expected lives, in years, of major classes of fixed assets are as follows:

INFRASTRUCTURE ASSETS	YEARS
Roading	
Land - Road reserve	N/A
Road formation	N/A
Pavement Basecourse	22-90
Sealed Pavement surface	2-20
Unsealed roads	2-7
Traffic control device	50
Road signs and markers	7-15
Kerbs and channels and cesspits	40-60
Surface water Channel	15-50
Street Railings	10-20
Traffic Islands	50
Street lighting	10-50
Footpaths	20-50
Bridges – concrete	100
Bridges – wooden	30
Car-parks	50
Water	
Treatment plant – structure	70-90
Treatment plant – contents	15-50
Pump stations – structure	80-100
Pump stations – contents	10-50
Reservoirs – concrete and wooden	70-90
Water lines and service lines	50-80
Valves and hydrants	30-65
Water meters	15-25
Wharves	

Wharves (concrete) 50

Stormwater

Stormwater lines 80
Manholes 70-80
Open drains and channels 50-90
Pump stations – structure 80-100
Pump station – contents 12-40
Retention dams 80-90
Floodgates 50

Sewerage

Sewer lines and service lines 60-80
Manholes 70-80
Pump station – structure 60-70
Pump station – contents 12-25
Ponds – structure 60
Ponds – plant and equipment 15-25

Refuse

Whakatāne landfill 8.5
Murupara landfill 2
Solid Waste 25

OPERATIONAL ASSETS

YEARS

Museum assets N/A
Land N/A
Buildings 8-55
Vehicles 5-8
Plant and Equipment 4-33
Furniture and fittings 5-10
Library books 2-15
Office equipment 5-10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

INTANGIBLE ASSETS

Software acquisition and development

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

Cost associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Easements

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

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 prospective statement of comprehensive income.

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

Computer software 4 - 5 years 25% - 20%

IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive income.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the prospective statement of comprehensive income.

The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in prospective statement of comprehensive income, a reversal of the impairment loss is also recognised in the prospective statement of comprehensive income.

For assets not carried at a re-valued amount the reversal of an impairment loss is recognised in the prospective statement of comprehensive income.

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 as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the prospective statement of comprehensive income.

FOREST ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax 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 biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the Prospective Statement of Comprehensive Income.

The costs to maintain forestry assets are included in the Prospective Statement of Comprehensive Income.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

PROVISIONS

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

EMPLOYEE BENEFITS

Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values 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, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Council recognises a liability for sick leave 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 that the Council anticipates it will be used by staff to cover those future absences.

Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave 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.
- The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation scheme

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

PUBLIC EQUITY

Public 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 a number of reserves. Reserves are a component of equity generally representing a particular use for which various parts of equity have been assigned.

The components of equity are:

- Retained earnings;
- Restricted reserves;
- Asset revaluation reserve.

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 Council.

Restricted reserves are those subject to specific conditions accepted as binding by 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.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of prospective financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

We have assumed interest rates between 5.95% and 6.61%. We use best estimates to predict what things will cost in the future, including inflation expectations. There is a risk that future interest rates and prices of actual inputs and outputs will not increase at the rate assumed. Population growth across our District is expected to reflect the population projections provided by the National Institute of Demographic and Economic Analysis (NIDEA), The University of Waikato (33,940 by 2025). If growth were to differ substantially from the assumption, growth related projects and work programmes will need to be adjusted.

GOODS AND SERVICES TAX

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the prospective 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 prospective statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

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 the 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 using appropriate cost drivers such as usage, staff numbers, and floor area.