

SOUTH TARANAKI DISTRICT COUNCIL'S ANNUAL PLAN 2019/20

MAKING SOUTH TARANAKI

THE MOST
liveable
DISTRICT IN NZ



Ko Taranaki kei runga.
Ko Aotea, ko Kurahaupo e urunga mai ki uta.
Ko Turi, ko Ruatea ngā tūpuna,
Tihei mauri tū ki runga!

Mai i Okurukuru ki Rāwa o Turi,
Rāwa o Turi ki Waingongoro,
Waingōngoro ki Whenuakura,
Whenuakura ki Waitōtara.

Ko wai tērā, ko Taranaki ki te Tonga.

E ngā tini wairua, kua whetūrangihia, koutou e
korowaitia ana te tauheke rā, ko Pukehaupapa, ko
Pukeonaki, e moe. Haere I raro I te kahu kōrako ki tua
whakarere. Ki te kāinga o tāua te tangata.

Hoki atu rā koutou ki Hawaiki nui, Hawaiki roa,
Hawaiki pāmamao.

Ki a tātou ngā uri o Tiki, ki ngā kanohi kitea. Tātou mā
e kawea nei ngā kete matauranga o te ao tūroa, o te
ao hurihuri. Tihei mouri ora.

Ko te kaupapa e anga atu nei, ko te Hōtaka o te wā,
hei tirohanga ki mua mā tātou ki te Tonga. Kia whai
nei I ngā wawata kia pākari ai te rohe.

Kāti rā, ki a koutou, ki a tātou, rire, rire Hau Pai
marire!

*So stands Taranaki above
Aotea and Kurahaupo are anchored ashore,
Turi and Ruatea are our ancestors.
So, we share the breath of life!*

*From Okurukuru to Rāwa o Turi,
From Rāwa o Turi to the Waingongoro River,
From the Waingōngoro to the Whenuakura River,
From the Whenuakura to the Waitōtara River.*

Who are we, South Taranaki.

*To those spirits, who have passed beyond, you who
cloak our mountain, Pukehaupapa, Pukeonaki, rest in
peace. Go beyond the veil with the protection of peace.
To the ancestral home of us, the people.*

*Return to Hawaiki nui, Hawaiki roa and Hawaiki
pāmamao.*

*To those of us who remain, the descendants of Tiki,
the living. We, the bearers of the baskets of knowledge
from the past and present. So, the breath of life.*

*So, the focus for this is the Long Term Plan, to look
forward for us the people of South Taranaki. To achieve
the hopes and dreams to enhance our region.*

In conclusion, to you and us all, Peace flow across us!





CONTENTS

2	Mihi
3	Contents
4	Mayor and Chief Executive's Message
5	Mission & Vision, Your Councillors
6	About the LTP, Annual Plan and Annual Report cycle
8	Community Outcomes
10	Our Priorities for 2019/20
13	Changes From the LTP
14	What We Do
15	Capital Works Programme
18	All About Rates
20	Rating Examples
21	Financial Commentary
24	Financial Prudence Benchmarks
26	Statement of Accounting Policies
35	Funding Impact Statements
66	Funding Impact Statements - Rating
76	Prospective Financial Statements
84	Statement of Special Reserves Funds

MAYOR & CE'S MESSAGE

TE REO MAIOHA TĀ TE KOROMATUA ME TE TUMU PAETAKI

MAKING SOUTH TARANAKI THE MOST LIVEABLE DISTRICT IN NEW ZEALAND KIA EKE A TARANAKI KI TE TONGA HEI TE TAKIWĀ HĪHIRI I AOTEAROA

Kia ora koutou, welcome to our 2019/20 Annual Plan. This Plan represents Year 2 of our Council's 2018 – 2028 Long Term Plan (LTP). Apart from some additions and refinements to the budget and work programme there are no significant changes in the Annual Plan from what was outlined in our Long Term Plan.

Our focus for the next year continues to be on the revitalisation of the Hāwera Central Business District, (primarily the development of Te Ramanui o Ruapūtahanga – Library, Culture and Arts Centre), development of town centre strategies for Eltham, Manaia, Ōpūnake, Pātea and Waverley, implementation of the District Pathways Programme and further improvements to our water and wastewater infrastructure.

The main change from what was identified in our LTP has been the decision by all three Taranaki district councils to accept an offer from Midwest Disposals Limited to transport solid waste out of the region to the Bonny Glen Landfill near Marton and to suspend further development of the Central Landfill near Eltham. The 35-year agreement saves money, reduces risk, delivers long-term certainty and provides a real incentive to minimise waste. Consequently we have been able to maintain our kerbside collection targeted rate at existing levels with no change to the levels of service for solid waste for our communities.

We have also re-prioritised and deferred some of our capital works projects in the water supply and wastewater areas to better reflect our capacity to complete these projects. The result of this is that we have reduced the amount of money we need to borrow in 2019/20 by approximately \$10 million, which in turn has reduced our debt servicing and debt profile.

Our total operational expenditure across all activities in 2019/20 is \$64.2 million and capital expenditure of \$16.17 million. Of this we will spend approximately \$24 million on our district roads activity, including around \$665,000 on footpaths. In addition the Council will bring our Road Network Professional Services contract back in-house. This will achieve both improved customer service delivery and cost savings to the ratepayer in future years.

As a result of the measures mentioned above, we have been able to reduce our total rates increase from the 3.47% signalled in the LTP to 2.98%. The effect on individual properties will vary due to the District wide property revaluation which took place in 2018, where commercial and residential properties saw a significant increase in value compared to rural properties which saw a more modest increase.

Other notable projects that we are working on in 2019/20 include design of a new community facility in Manaia, upgrades to the Manaia Swimming Pool, earthquake strengthening of the Hunter Shaw Building in Pātea, a feasibility study for an industrial park, development of a district digital strategy and the Nukumaru Station Road extension south of Waverley. Local Body elections are also being held in October 2019.

The Council is in a sound financial position, has a clear vision for the District and a focused programme of work to achieve that vision.



ROSS DUNLOP
South Taranaki Mayor



WAID CROCKETT
STDC Chief Executive

VISION & MISSION

COUNCIL WILL LEAD WITH FAIRNESS AND INTEGRITY, AND WORK TO INSPIRE A VIBRANT AND CARING SPIRIT OF COMMUNITY, WHILE REMAINING AN EFFICIENT AND SENSITIVE PROVIDER OF SERVICES AND FACILITIES.

SOUTH TARANAKI IS THE MOST LIVEABLE DISTRICT IN NZ; WITH AN ATTRACTIVE AND AFFORDABLE LIFESTYLE, CONNECTED PEOPLE, IN SUSTAINABLE AND VIBRANT COMMUNITIES

YOUR COUNCILLORS

Ō KOUTOU KAİKAUNIHĒRA



MAYOR ROSS DUNLOP
South Taranaki District



ANDY BECCARD



BONITA BIGHAM



KIRSTY BOURKE



GARY BROWN



CLEM COXHEAD



GORDON LAWSON



STEFFY MACKAY



PHIL NIXON



ROBERT NORTHCOTT



JACK RANGIWAHIA

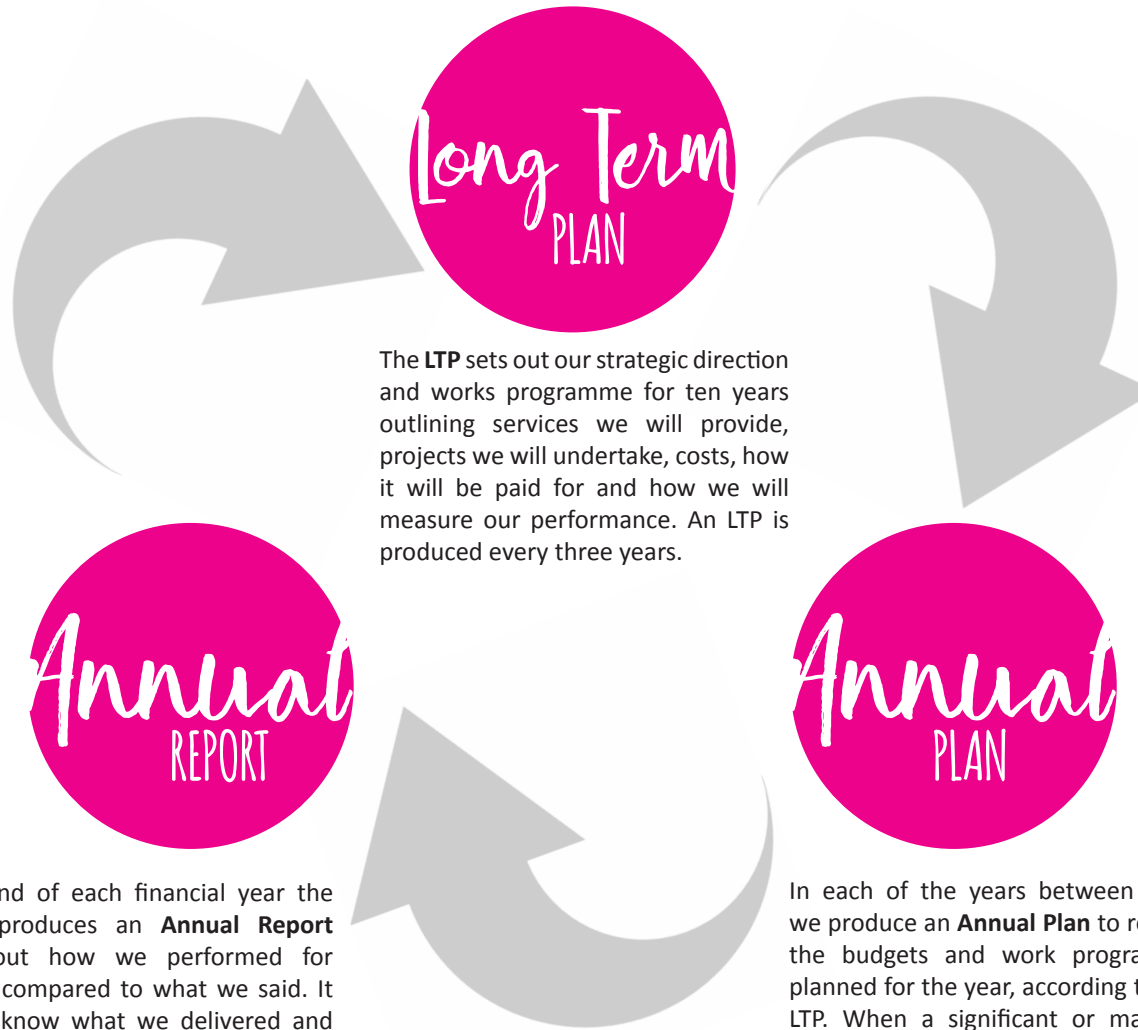


BRYAN ROACH



IAN WARDS

ABOUT THE LTP, ANNUAL PLAN & ANNUAL REPORT



The **LTP** sets out our strategic direction and works programme for ten years outlining services we will provide, projects we will undertake, costs, how it will be paid for and how we will measure our performance. An LTP is produced every three years.

The Annual Plan for 2019/20 represents Year 2 of the Council's Long Term Plan 2018-28 (LTP). It is our opportunity to adjust what we had planned to deliver when we set our budgets through the 2018-28 LTP. It is an exceptions document i.e. it only details changes to the LTP. To fully understand the Annual Plan, you may find it helpful to read it alongside the LTP which contains much more detail.

At the end of each financial year the Council produces an **Annual Report** setting out how we performed for the year compared to what we said. It lets you know what we delivered and analyses whether we met our budgets and performance targets.

This is a working document prepared for Councillors information.

In each of the years between LTPs, we produce an **Annual Plan** to review the budgets and work programme planned for the year, according to the LTP. When a significant or material change from the LTP is proposed, the community will be consulted.

COMMUNITY OUTCOMES



COMMUNITY OUTCOMES

The purpose of local government as outlined in the Local Government Act 2002 is to meet the current and future needs of communities for good quality local infrastructure, local public services and the performance of regulatory functions in a way that is most cost effective for households and businesses.

The South Taranaki District Council works towards this purpose through our Mission Statement and Community Outcomes and uses these to guide us when making decisions, developing policies, strategies or determining priorities regarding the activities and services we provide.

These outcomes fall under four main headings:



A District that provides a high quality and diverse cultural and recreational experience and encourages independence and creativity.



A District that leads with care, works together, advocates for its people and enables people to have a strong and distinctive sense of identity.



A District that boasts a sustainable, resilient and innovative economy, has accessible and integrated infrastructure, community services and open space that prosper within the natural and social environment.



A District that appreciates its natural environment and its physical and human resources in planning, delivery and protection.

WHAKATAUNGA HAPORI

Vibrant SOUTH TARANAKI

The elements of a **Vibrant South Taranaki** are:

1. People have access to and are encouraged to participate in a wide range of high quality recreational, sport, leisure, art and cultural activities.
2. The District has high-quality public amenities and facilities that all people have access to.
3. Individual responsibility, independence and creativity are encouraged.
4. A supportive and responsive learning environment exists where people are encouraged to participate and success is celebrated.
5. High quality education and training opportunities exist with strong links between businesses, schools and training institutions and there are excellent pre-schools, primary and secondary education providers.

Together SOUTH TARANAKI

The elements of a **Together South Taranaki** are:

1. All people feel valued and supported within a caring community and have a sense of equality and belonging.
2. A cohesive, united community exists based on strong relationships between people from different cultures, communities and organisations. Multi-ethnic diversity is celebrated and different cultural values are respected.
3. The place of Māori is recognised and respected. Relationships that are mutually beneficial are built between Māori and the wider community.
4. People from all sectors of the community are able and encouraged to contribute to their communities and opportunities to participate are enhanced.
5. South Taranaki people have a strong sense of place. The special significance of Mount Taranaki to the people of South Taranaki and its role in South Taranaki's identity is recognised and provided for.

Prosperous SOUTH TARANAKI

The elements of a **Prosperous South Taranaki** are:

1. South Taranaki is an attractive place to work, do business and to visit where the workforce has the skills to meet the needs of the District's employers.
2. The District is a birthplace of innovation, ideas and training opportunities, where technological developments and opportunities for added value are capitalised on.
3. South Taranaki's strengths are recognised and diversification of business and industry is valued and encouraged.
4. There is a high level of employment and adequate incomes where learning and the creation of knowledge is valued.
5. Development and population growth in the District is encouraged but managed in a manner that does not compromise our natural or social environment.
6. People are confident and are happy to invest in the future.
7. Effective, efficient, safe and reliable infrastructure is provided and maintained.

Sustainable SOUTH TARANAKI

The elements of a **Sustainable South Taranaki** are:

1. There is sustainable use, development and protection of resources. South Taranaki's land and soil, water, air and coast, its biodiversity and its natural features and landscapes are understood, valued, maintained and enhanced for future generations.
2. South Taranaki's historic heritage is identified, recognised and protected.
3. Built environments and environmental amenities are of a high standard and contribute significantly to the wellbeing of people and communities.
4. People are valued and their contribution to the economic, social, cultural and environmental wellbeing of the District is recognised and supported.

OUR PRIORITIES FOR 2019/20

OUR VISION



WITH AN ATTRACTIVE AND AFFORDABLE
LIFESTYLE, CONNECTED PEOPLE IN
SUSTAINABLE AND VIBRANT COMMUNITIES



KEY PROJECTS & PRIORITIES TO SUPPORT OUR VISION

- Extend the **District Pathways Programme** to integrate with others in the region (\$500,000).
- Purchase 4 mobile, fully contained ablution pods to be sited at Freedom Camping and Visitor Spots in South Taranaki. For 2019 two of the pods will be located at **Waihi Beach Reserve and Halse Place, Ōpūnake**. The locations for the other two pods are yet to be decided. (\$125,000 Council contribution 2019).

Ō MĀTOU TINO PŪTAKE



KEY PROJECTS & PRIORITIES TO SUPPORT OUR VISION

- Continue to work on the [Hāwera Town Centre Strategy](#).
- Continue with [Community Vision project](#).
- Develop [Town Centre Strategies](#).
- [Local government elections](#) 12 October 2019.
- Continue with Stage 2 of the District's [Bylaw Review](#) and also consult on a [Reserves General Policies Document](#) before developing Reserve Management Plans.
- Undertake earthquake strengthening of the [Hunter Shaw Building in Pātea](#) (estimated to cost approximately \$600,000).
- Upgrade the [Pātea Pool](#) with tiered seating and sunshade.
- Budgeted (up to \$1 million) to go towards replacing the [Manaia Town Hall with a new Community Facility](#) (2019/20 - design facility with work starting 2020/21).
- Continue to upgrade the [Manaia Swimming Pool](#) (year 2 of a 3 year programme) (\$623,000).
- Review the [Earthquake-prone Buildings Assistance Package](#) after hearing from owners of potential earthquake-prone buildings during a public consultation process.



Te Ramanui o Ruapūtahanga is the Council's principal project within the Hāwera Town Centre Strategy and will bring much needed foot traffic, visitors and vibrancy to the town centre. The \$8 million facility will transform the Town Centre. The modern, multi-functional, community facility will provide residents and visitors with a wide-range of services, information, cultural and educational resources right in the heart of Hāwera. These include a library, community meeting rooms, art gallery, i-SITE visitor information centre, café and public toilets.

We have budgeted \$4.8 million towards Te Ramanui, with the remaining \$3.2 million being sought from external funding sources. The Council's Long Term Investment Fund (LTIF) will be used to repay the Council's loan over a number of years so there is no impact on rates to fund this development. Once all funding has been secured we intend to begin demolition in late 2019, construction early 2020, with a planned opening date for the facility of 1 July 2021.



Community Vision Project and Town Centre Strategies

Council will continue the development of their vision, mission statement and community outcomes based on feedback from our communities gained during the Community Vision project "Think outside the Box". We will also continue with developing Town Centre Strategies for Eltham, Manaia, Ōpūnake, Pātea and Waverley.



OUR PRIORITIES FOR 2019/20



KEY PROJECTS & PRIORITIES TO SUPPORT OUR VISION

- Implement Council's **Waste Management and Minimisation Plan**.
- Transport solid waste to **Bonny Glen Landfill**.
- Install new **Automated Remote Water Reading Equipment** for rural water connections to allow better management of water consumption and to minimise waste.
- Capital Works spending of just over \$1 million on District Water Infrastructure improvements as well as improvement of \$480,000 on **Stormwater** and \$1.3 million on **Wastewater**.
- Continue with carry-over projects including the **Wai-inu Beach Wastewater Plant**, the **Waverley Water Treatment Plant** and pipe replacements for the **Eltham Water Treatment Plant**.
- Re-prioritise and defer some of our capital works projects in the water supply and waste water areas to better reflect our capacity to complete these projects.



KEY PROJECTS & PRIORITIES TO SUPPORT OUR VISION

- Development of a **Digital Strategy** with the goal of supporting initiatives that improve broadband accessibility and cellphone coverage.
- Undertake a feasibility study to investigate the need for and location of a district **Industrial/Business Park**.
- Spend approximately \$24 million (operational and capital expenditure) on our **District's Road Network**, including \$655,000 on **footpaths**.
- Continue with land acquisition in order to complete the tender process and appointment of a contract or contractor for the **Nukumaru Station Road Extension**.
- Bring our **Roading Network professional services** back in-house.
- Continue to upgrade our **Pensioner Housing stock** (\$220,000 approx)



KEY PROJECTS & PRIORITIES TO SUPPORT OUR VISION

- Reduce the average rate increase from 3.47% to 3.02%.
- Use **debt to fund key infrastructural projects**.
- **Subsidise rates** by \$6.1 million using earnings from the Long Term Investment Fund.
- **Reduce our debt servicing and debt profile by borrowing \$10 million** less in 2019/20 as a result of a reduction in capital works.

CHANGES FROM LONG TERM PLAN 2018-28

The South Taranaki District Council contributes to the community through the activities and services we deliver. The activities are organised into 14 groups. More information about each activity is set out in the 'Our Activities' chapter on pages 62-154 of the Long Term Plan 2018-28. This includes what the activity delivers, why we do it, how we measure performance, and what our key projects are.

In 2019/20, for most of our activities, we are on track to deliver what we said we would in the LTP. While there have been some minor changes to respond to since we adopted the LTP, and some additions and refinements have been made to our work programme and budget, none of these changes are 'significant' or 'material' according to our Significance and Engagement Policy. For that reason, a formal consultation process was not required for this Annual Plan, and we could rely on the feedback we received through the consultation on the Long Term Plan 2018-28.

Solid Waste

The main change to the LTP has been the decision by all three Taranaki district councils to accept an offer from Midwest Disposals Limited to transport solid waste out of the region to the Bonny Glen landfill near Marton and to suspend further development of the Central Landfill near Eltham and bank it for future use.

After careful consideration and a detailed feasibility study all councils identified that it was more economical to do so, saving Taranaki ratepayers up to \$25 million over 35 years even after taking into account the development costs to date (approximately \$7.5 million). It was just too good an offer to ignore and enables the councils to focus on becoming a Zero Waste region without raising the residential waste disposal costs, as no minimum tonnage is required and we will only pay for what we send.

The 35-year agreement saves money, reduces risk, delivers long-term certainty and provides real incentive to minimise waste (in comparison, the Central Landfill would need more waste sent to it to keep fixed costs down which is actually a disincentive to focus on reducing waste). The agreement also allows the councils to exit at any stage if they are unhappy. The three councils will begin taking the region's waste to Bonny Glen in the second half of 2019, around the same time as New Plymouth's Colson Road Landfill is set to close. There will be no change to the levels of service for solid waste for our communities.

Key Refinements

This Annual Plan provides an opportunity to refine the budget for, and timing of, projects that were signalled in the Long Term Plan 2018-28.

In order to catch up on outstanding projects which have not been completed and improve our delivery of future capital works, we have re-prioritised our current capital works programme so that it better reflects our capacity and resources available (both internally and externally). A consequence of this is that we have reduced the amount of money we need to borrow in 2019/20 by approximately \$10 million.

The main projects that we have deferred or adjusted in 2019/20 include:

- Construction of the second \$2.1 million Waimate West reservoir has been pushed out to 2020/21
- Approximately \$2.7 million of water pipe renewal projects for the urban and Waimate West rural water schemes have been deferred while other pipe renewal projects are finished.
- The budget for Te Ramanui o Ruapūtahanga (Library,

Culture and Arts Centre) has been split over two years to better reflect the projects work programme. The original \$5.5 million which was budgeted for 2019/20 in the LTP has now been divided into \$1.65 million (2019/20) and \$3.85 million (2020/21).

Fees and Charges Schedule 2019-20

Most of the fees and charges remain the same as those set out in the LTP 2018-28. There have been some changes and additions and these are explained below.

New Charges

We have added a couple of new charges, for example; at the Hāwera Aquatic Centre we now offer a 'preschooler 11 swim ticket' in response to public demand. Similarly we now offer a new home delivery courier service to able bodied people who choose to have books couriered to their homes. The largest fee/charge increases are in the Building Control activity where a Building Certificate of Acceptance (CoA) has increased from \$668 to \$1,000. This increase reflects the actual time spent on the consent had it been applied for in the first instance. A CoA for minor works of \$750 is a new fee for minor works such as logfires which don't take as many hours to process. Building Inspections will continue to be charged as usual.

Hall Hire

Fees and charges for hall hire have been reduced for hourly rates over 12 hours as these were incorrectly calculated in the LTP and resulted in large increases for hall hire which was not intended. In order to be consistent throughout the District, the Eltham Town Hall now includes a performing arts and school hourly rate and a rehearsal/set up fee.

WHAT WE DO / Ā MĀTOU MAHI

We do all of this in a District with a population of approximately **28,000** (around 14,800 rateable properties) in **7 small towns** spread over a large geographic area (**362,000 hectares**).



¹plus financial support to 34 rural halls

²support financially

³have a partnership with

⁴and nine Tennant Contribution units

⁵roads we construct and maintain(81% sealed)

CAPITAL PROJECTS PROGRAMME

The table on the following pages sets out the Capital Projects Programme planned for the period of this Annual Plan. This may include portions of projects which span multiple years. For more information on project timing and total costs, refer to Capital Projects List in the Long Term Plan 2018-28.



CAPITAL PROJECTS PROGRAMME

CAPITAL PROJECTS PROGRAMME / TE IHIRANGI TAKE WHAIRAWA

ACTIVITY	LTP 2019/20	Revised Annual Plan 2019/20	Comments
Democratic Process	-	24,879	iPads for Community Boards added
Cemeteries	115,218	107,397	As planned
Library Plus	279,186	279,555	As planned
Halls	286,976	212,202	As planned - two less projects and one reduced scope
Parks and Reserves	272,994	281,531	As planned - plus one new project
Rural Pools	368,010	367,740	As planned
TSB Hub	51,900	51,969	As planned
Hāwera Cinemas	215,375	215,659	As planned
Economic Development	7,015,630	3,165,652	Te Ramanui Project split over two years
Pensioner Housing	223,836	224,133	As planned
Support Services	277,241	373,333	As planned - one project deferred
Licensing	2,084	2,132	As planned
Animal Services	37,000	37,851	As planned
Urban Water Supply	2,606,100	906,870	Re-prioritising Capital Work Programme due to carry-overs
Waimate West Water Supply	3,828,300	176,581	Re-prioritising Capital Work Programme due to carry-overs
Stormwater	486,633	487,871	As planned
Solid Waste Disposal	105,000	105,267	As planned
Wastewater	1,996,680	1,353,173	Re-prioritising Capital Work Programme due to carry-overs



TE IHIRANGI TAKE WHAIRAWA

CAPITAL PROJECTS PROGRAMME / TE IHIRANGI TAKE WHAIRAWA

ACTIVITY	LTP 2019/20	Revised Annual Plan 2019/20	Comments
Campgrounds	71,318	31,953	As planned - two projects deferred
Aquatic Centre	79,293	79,397	As planned
Coastal Structures	157,500	0	Project deferred
Corporate Property	120,704	138,965	As planned - increased budget for fencing
Civil Defence	0	25,000	Emergency Operation Centre - Laptops, Large Screens etc
Roading	7,941,163	8,328,527	As planned - increased budget for Sealed Road Resurfacing
Carry-overs from 2016/17	884,346	884,346	N/A
Total	27,422,487	17,861,983	

ALL ABOUT RATES / NGĀ TAKE KAUNIHERA KATOĀ

HOW RATES WORK

This section of the Annual Budget Update provides a brief overview of how our rating system works and examples of what your rates might look like for the 2019/20 year. The Funding Impact Statement - includes more information about rates including due dates and rate examples. This lets you see how we calculate your rates, and the services that you might be paying for in 2019/20. It sets out the total rating impacts of the work programme contained in this Annual Budget Update. Your rates are determined by a number of key factors, which are set out here.

OUR BUDGET SETTING PROCESS IMPACTS RATES AFFORDABILITY

As we developed the LTP and subsequently refined the budget through this Annual Budget Update, we made choices about the projects and services that will be delivered. The amount that we spend and how we spread these costs over time (such as through loan funding) has a direct impact on rates.

THE AMOUNT OF FUNDING WE ARE ABLE TO GET FROM OTHER SOURCES IMPACTS RATES AFFORDABILITY

Not all of Council's spending is paid for by rates. In fact, 40% will come from other sources in the 2019/20 year such as the subsidy from the Council's Long Term Investment Fund, New Zealand Transport Agency, User Fees and Charges, local partnerships and other grants and subsidies.

OUR SYSTEM OF RATING IMPACTS RATES AFFORDABILITY

There are 14,165 rateable properties in our District. Certain types of properties like schools, churches and recreation reserves are not rateable, but do pay service charges. Our total rates requirement is divided amongst these properties. The amount of rates charged differs from one to the next. These differences are based on a balance between the capital value of each property, and the services property owners can access or are likely to benefit from. Our rating philosophy and system determines that balance, and is set out in our Revenue and Financing Policy.

OUR DAY TO DAY FINANCIAL MANAGEMENT IMPACTS RATES AFFORDABILITY

Staying within the budgets that have been set for any given year is a key part of rates affordability. This is because cost overruns in one year can cause a rating deficit which would need to be recovered in the following year or years.

DISTRICT REVALUATIONS

The rates you pay vary from property to property around the District depending on the services you receive and the value of your property. Every three years all the properties within the District are valued by Quotable Value New Zealand to reflect market movements and capital improvements undertaken by property owners. Council has no control or influence on this revaluation process.

The latest valuation was done late last year and the new capital values will be used for calculating a portion of the 2019/20 rates. Last year the District had an average increase in property value of 6.5%. The increase was largely driven by the residential and commercial sectors - the average residential property value increase across the District was 17.9%, commercial sector 18.7%, industrial sector 11.3% and lifestyle blocks 14.2%. The rural sector's increases in property value were more modest, with dairy farming having an average increase of 3.3%. This was almost a complete reversal of the previous district revaluation in 2015 when the rural sector had the biggest increases.

If your property's valuation increased more than the District average increase (6.5%) then you will pay a bit more than the 3.02% rate increase explained in this Plan. Consequently if

your property's capital value did not increase as much as the District's average movement then your rates will not increase as much as indicated and may even decrease.

Also, just because your property rating value may have increased/decreased by a certain amount, doesn't mean that your rates will change proportionately. Property rating values are just one component which is used to determine the share of the total rates paid. In our District it is only the general and roading portion of your rates that are based on your property's capital value. All the other rates are uniform (the same) for all properties for the services being delivered e.g. water, wastewater, kerbside collection. The total amount of rates collected does not change as a result of the increased value of properties in the District.

For example, if a property previously valued at \$100,000 had increased in value by 18% (which is the average increase for residential properties) to now be worth \$118,000, the rate increase will be 3.50%, not 18%.

Check out the examples we have provided on page 19 as a guide to see how the change in property valuations may impact on your property.

ALL ABOUT RATES / NGĀ TĀKE KAUNIHERA KATOĀ

ONE YEAR PROJECTION FOR GENERAL AND TARGETED RATES (INCLUDES AN ALLOWANCE OF INFLATION)

<i>For the year ended 30 June</i>	2018/19	2019/20	Revised Annual Plan 2019/20 (\$,000)
RATE			
District Rate*	2.95%	3.63%	3.02%
General Rate – Cents per \$	0.08716	0.09101	0.08503
Roading Rate – Cents per \$	0.07449	0.07635	0.07129
UAGC	\$586	\$609	\$605
TARGETED RATES**			
Water Targeted Rate	\$610	\$624	\$624
Wastewater Targeted Rate	\$656	\$696	\$679
Kerbside Collection Rate	\$265	\$270	\$265
Water meter only charge <= 32mm	\$150	\$150	\$150
Water meter and backflow charge <= 32mm	\$260	\$260	\$260
Water meter only <= 40mm	\$175	\$175	\$175
Water meter and backflow charge <= 40mm	\$325	\$325	\$325
Water meter and backflow charge <= 50mm	\$460	\$460	\$460
Water meter and backflow charge >50mm	\$630	\$630	\$630
WATER BY METER RATES PER CUBIC METRE			
Town	\$2.58	\$2.67	\$2.62
Urban Water High User	\$2.70	\$2.76	\$2.76
Urban Water Extra High User	\$2.74	\$2.84	\$2.84
Waimate West	\$1.05	\$1.08	\$1.08
Inaha Water	Now included in Waimate West		

* The District rate includes the UAGC, general rate and roading rate. The general and roading rates are calculated on the capital value of the property, so each property pays a different amount.

**Targeted rates are uniform charges (every property pays the same amount) with the exception of the water by meter charges which are volumetric (you pay for what you use).

RATING EXAMPLES

RATING EXAMPLES (INCLUDING GST)

On this page there are property examples to show the impact of the rates increases for 2019/20.



HĀWERA COMMERCIAL/INDUSTRIAL 2019/20 PROPERTY VALUES PROJECTED USING AVERAGE INCREASE (18.7%)

Capital Value	\$500,160	\$593,690
	2018/19	2019/20
General	\$435.93	\$504.80
Roading	\$372.55	\$423.24
UAGC	\$586.10	\$605.39
Water	\$609.50	\$624.45
Wastewater	\$655.50	\$678.50
Hāwera Business Rate	\$540.54	\$543.44
Total Rates	\$3,200.11	\$3,379.83
Increase each year		\$179.71
% increase		5.62%
Weekly increase		\$3.46



URBAN - 2019/20 PROPERTY VALUES PROJECTED USING AVERAGE INCREASE (17.9%)

Capital Value	\$101,200	\$119,315	\$161,920	\$190,904	\$242,880	\$286,356	\$404,800	\$477,259
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
General	\$88.20	\$101.45	\$141.13	\$162.32	\$211.69	\$243.48	\$352.81	\$405.80
Roading	\$75.38	\$85.06	\$120.61	\$136.09	\$180.91	\$204.14	\$301.52	\$340.24
UAGC	\$586.10	\$605.39	\$586.10	\$605.39	\$586.10	\$605.39	\$586.10	\$605.39
Water	\$609.50	\$624.45	\$609.50	\$624.45	\$609.50	\$624.45	\$609.50	\$624.45
Wastewater	\$655.50	\$678.50	\$655.50	\$678.50	\$655.50	\$678.50	\$655.50	\$678.50
Kerbside Collection	\$264.50	\$264.50	\$264.50	\$264.50	\$264.50	\$264.50	\$264.50	\$264.50
Total Rates	\$2,279.18	\$2,359.35	\$2,377.33	\$2,471.26	\$2,508.20	\$2,620.47	\$2,769.93	\$2,918.88
Increase each year		\$80.17		\$93.92		\$112.27		\$148.95
% increase		3.52%		3.95%		4.48%		5.38%
Weekly increase		\$1.54		\$1.81		\$2.16		\$2.86

This does not include all rate examples so if you require further explanation please feel free to contact the Rates Department.



RURAL - 2019/20 PROPERTY VALUES PROJECTED USING AVERAGE INCREASE (3.3%)

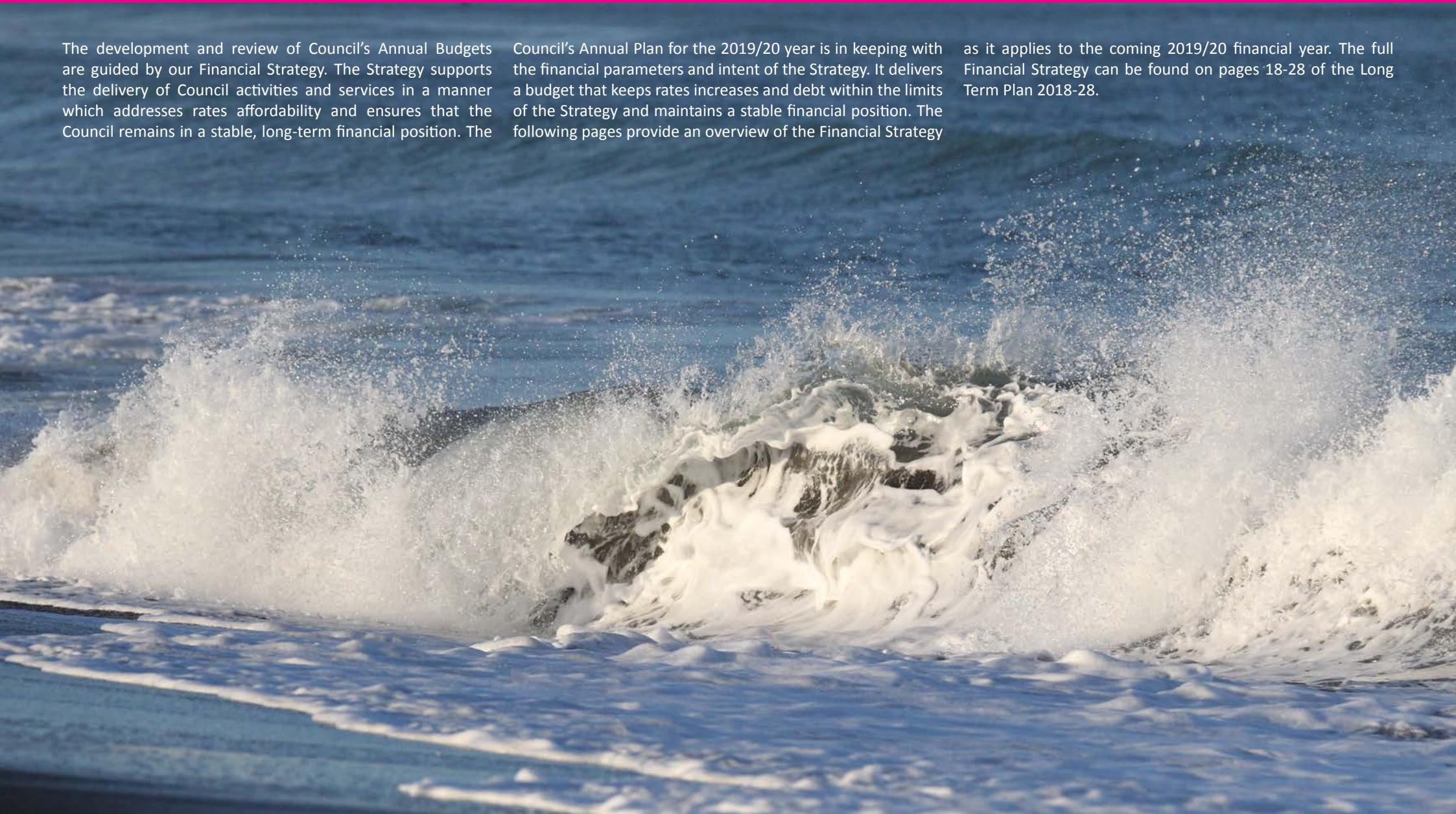
Capital Value	\$5,164,000	\$5,334,412	\$7,746,000	\$8,001,618
	2018/19	2019/20	2018/19	2019/20
General	\$4,500.81	\$4,535.71	\$6,751.22	\$6,803.57
Roading	\$3,846.46	\$3,802.88	\$5,769.69	\$5,704.32
UAGC	\$586.10	\$605.39	\$586.10	\$605.39
Total Rates	\$8,933.37	\$8,943.99	\$13,107.00	\$13,113.28
Increase each year		\$10.62		\$6.27
% increase		0.12%		0.05%
Weekly increase		\$0.20		\$0.12

FINANCIAL COMMENTARY

The development and review of Council's Annual Budgets are guided by our Financial Strategy. The Strategy supports the delivery of Council activities and services in a manner which addresses rates affordability and ensures that the Council remains in a stable, long-term financial position. The

Council's Annual Plan for the 2019/20 year is in keeping with the financial parameters and intent of the Strategy. It delivers a budget that keeps rates increases and debt within the limits of the Strategy and maintains a stable financial position. The following pages provide an overview of the Financial Strategy

as it applies to the coming 2019/20 financial year. The full Financial Strategy can be found on pages 18-28 of the Long Term Plan 2018-28.



FINANCIAL COMMENTARY

BALANCED BUDGET

Under Section 100 of the Local Government Act 2002 (LGA02), a Council is required to deliver a balanced budget and to explain those areas where projected operating expenditure needs are not met from operating revenues.

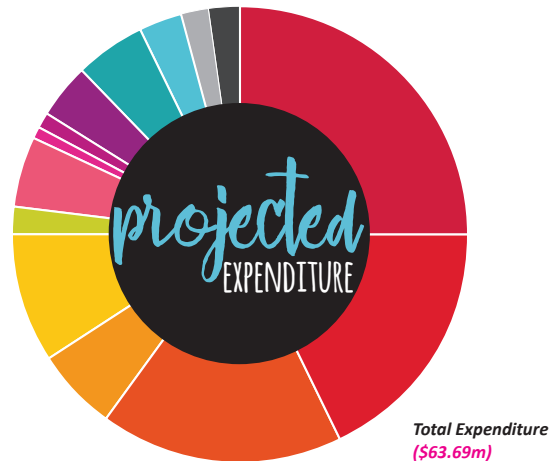
The Council's policy for the funding of depreciation for its non-strategic assets is that rather than fund the depreciation for the replacement of the non-strategic assets, the Council will fund a proportion that allows for the renewals of components.

The Council has this policy as it does not consider it prudent to build up reserves (by increasing rates from current ratepayers) for the future replacement of these assets, when it is unknown what will be wanted or needed. The Council has taken into account the current global economic climate and the Council's significant debt programme when considering the funding of depreciation.

COUNCIL'S FORECAST FINANCIAL POSITION

The projected financial position shows what the Council owns (Assets) and what it owes (Liabilities) and the difference between (Equity) is effectively the net value belonging to the Council. In 2019/20 it is forecast that the Council's equity will grow to \$917 million. The projected increase in the value of the Council's fixed assets, predominantly the water, wastewater, stormwater and roading assets clearly reflects the revaluation and investment made in prior years.

COUNCIL'S FORECAST EXPENDITURE AND INCOME



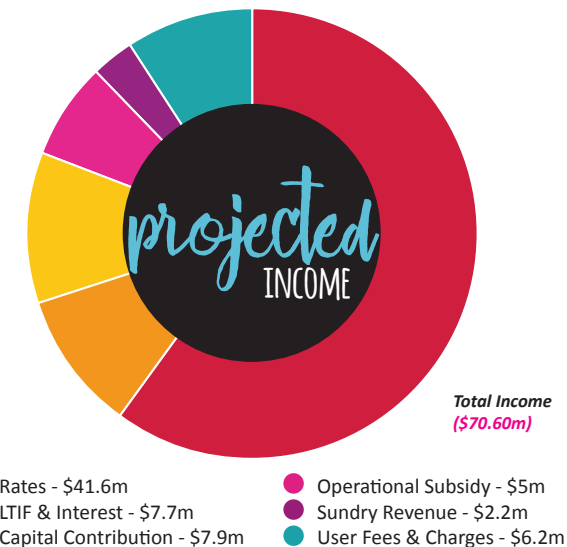
- Roothing - \$15.5m
- Water - \$11.8m
- Community Facilities - \$11.1m
- Solid Waste - \$3.6m
- Wastewater - \$5.9m
- Community Development - \$1.1m
- Arts & Culture - \$3.3m
- Coastal Structures - \$0.3m
- Environmental Sustainability - \$1m
- Regulatory Services - \$2.7m
- Democracy and Leadership - \$3.1m
- Economic Development - \$2.0m
- Stormwater - \$1.1m
- Other - \$1.2m

The projected expenditure of the Council shows what Council intends to spend on each group of activities. Total expenditure including overheads, depreciation and financing costs is increasing by \$66,000 (\$995,000 predicted in the LTP) to \$63.69 million.

Direct Costs – Increase by \$595,000 compared to an increase of \$389,000 projected in the LTP.

Finance costs – Decrease by \$872,000 compared to an increase of \$260,000 projected in the LTP. The forecast debt has been revised to reflect updated actual debt as adjusted for expected project costs for the 2018/19 and 2019/20 financial years. Finance costs are calculated at a weighted average rate of 4.90% for external debt.

Depreciation – Total depreciation increases by \$363,000 compared to \$347,000 projected in the LTP.



- Rates - \$41.6m
- LTIF & Interest - \$7.7m
- Capital Contribution - \$7.9m
- Operational Subsidy - \$5m
- Sundry Revenue - \$2.2m
- User Fees & Charges - \$6.2m

Our total revenue from rates is projected to increase by \$1,281,000 which is lower than the \$1,411,000 predicted in the LTP. The balance of our income is projected to increase by \$3,834,000 compared to \$3,383,000 increase predicted in the LTP. This is mainly due to increases in operational and capital grants and subsidies.

PŪRONGO PŪTEA

COUNCIL DEBT AND LONG TERM INVESTMENT FUND (LTIF)

The Council's debt is projected to rise to \$138.36 million (including internal borrowings of \$18.25 million) by the end of 2019/20. This is a result of the Council projecting to spend \$17.86 million on capital projects in the coming year. This includes \$0.88 million carry-overs from 2016/17. The Council has projected loan repayments of \$4.5 million (including repayments on internal borrowings) for 2019/20. The Council believes the forecast debt levels are sustainable as they are within the Council's Liability Management Policy limits. The Council's Policy limits are set on net debt levels as the net debt level ratio is considered to be a sector norm.

The LTIF is projected to be at \$144.62 million (including internal borrowings of \$18.25 million). The projected return on the LTIF is \$8.40 million (excluding \$0.90 million interest on internal borrowings) at 6.10% return for 2019/20. It is prudent to highlight the risk associated with the LTIF and as a result the net debt position can go up or down depending on the performance of the LTIF. The LTIF is subject to market movements so there is a potential risk (albeit low) that the Fund could suffer erosion in value. To manage this risk, the Council's Audit and Risk Committee meets on a six-weekly basis to review and monitor the performance of the Strategy. The projected LTIF returns are subject to market conditions and depending on economic climate at the time, this can have positive and negative impacts on the investment returns. The Fund has performed particularly well in the last few years. The LTIF is however a perpetual fund and the Council is confident its Investment Strategy is prudent, sustainable and appropriate for the long term.

RATES FOR 2019/20

Our total rates income will increase to \$41.63 million compared to \$41.74 million in the LTP.

District Rates - (General Rate, UAGC and Rooding Rate)

In 2019/20 the District Rate will increase by 3.45%. The increase mainly reflects inflation and increased costs related to some activities.

Targeted Rates

The wastewater targeted rate will increase by 3.51%. The major drivers of the increase are increased costs as a result of inflation, loan repayments and depreciation.

The kerbside collection rate will remain the same.

The urban water targeted rate increases by 2.45%. Several years ago, the Council introduced different Urban Water Supply rates for various metered water users to help smooth the increases. For 'extra high users', the cubic metre rate will increase by 3.78%. For 'high users' the cubic metre rate will increase by 2.13%. For all other users the cubic metre rate will increase by 1.79%. There will be a time in the future where the extra high and high users per cubic metre rate will align better with other users.

Limits on Rates and Rate Increases

The Council is required by legislation to include a statement on quantified limits on rates. In preparing the Annual Plan, the Council has considered costs to the ratepayers through efficiency gains and increasing revenue from other sources to reduce dependence on rate income.

The Council's projected income for 2019/20 comprises rates 60%, investment income 10% and the remaining 30% comes from subsidies, capital contributions, sundry revenue and user fees and charges.

The Council is endeavouring to ensure its income from rates stays within 65% of total projected revenue while continuing to operate within its Revenue and Financing Policy.

The Council provides services to many diverse communities in the District and uses a number of rating tools to reflect the cost of providing these services. The Council endeavours to ensure that its rate increases in any year are no more than the forecast % increase of the Local Government Cost Index (LGCI) plus 1%.

	LTP 2019/20	Annual Plan 2019/20
Total Rate Cap	3.65%	3.65%
Average Rate Increases	3.47%	3.02%
Difference	0.18%	0.63%

Explanation:

Total Rates - The total limits on the overall rate collection is on average 3.65% for 2019/20. The Council's rate increases for 2019/20 is 3.02% on average.

FINANCIAL PRUDENCE BENCHMARKS

ANNUAL PLAN DISCLOSURE STATEMENT

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

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

Benchmark	Limit	Planned	Met
Rates Affordability	Rate Income – \$42.7 million	\$42.6 million	Yes
	Rate Increase – 3.47%	3.02%	Yes
Debt Affordability – Net Debt	150% of Revenue	(21%)	Yes
Debt Affordability – Net Interest Expense	15% of Annual Income	(1%)	Yes
Debt Affordability – Net Interest Expense	25% of Annual Rates Income	(2%)	Yes
Debt Affordability – Net debt per capita	\$2,000	(\$532)	Yes
Balance Budget	Planned Revenue equals or is greater than its planned expenses	111%	Yes
Essential Services*	Planned Expenditure on network services is equal or greater than expected depreciation on network services	92%	No
Debt Servicing	10% of Revenue	8.60%	Yes

* The planned capital expenditure is less than budgeted depreciation on network services mainly due to Council's approach to complete its capital works programme in line with capacity and resources available both internally and externally. Over the years, the Council has recognised challenges in completing its planned capital works programme and in light of this fact, the Council has re-prioritised and adjusted its current work programme to match the available capacity and to catch up previous years carry-overs in order to better deliver future planned capital works on time.

STATEMENT OF ACCOUNTING POLICIES



STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

South Taranaki District Council (the Council) is a territorial local authority governed by the Local Government Act 2002. 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 public benefit entity. The prospective financial statements are for the Council as a separate legal entity. Consolidated prospective statements comprising the Council and its subsidiaries have not been prepared.

BASIS OF PREPARATION

The Council, which is authorised to do so and believes that the assumptions underlying these prospective financial statements are appropriate, has adopted the financial statements within the Annual Plan on 20 May 2019. The Council and Management of South Taranaki District Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual financial results have been incorporated within the prospective financial statement. The financial information contained within this Annual Plan may not be appropriate for purposes other than those described.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The prospective financial statements of South Taranaki have been prepared in accordance with the requirements of Section

95 of the Local Government Act 2002 and Financial Reporting Standards 42 (PBE FRS 42). The Council is a public benefit entity (PBE) and complies with the Accounting Standards Tier 1 issued by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to section 24(1)(a) of the Financial Reporting Act 1993.

MEASUREMENT BASE

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain infrastructure assets, investment property, biological assets and certain financial instruments (including derivative instruments). These financial statements are rounded to the nearest thousand dollars (\$000) and as a result some rounding errors may occur in the financial statements. The Financial Statements are presented in New Zealand dollars.

STANDARDS ISSUED AND NOT YET EFFECTIVE AND BEEN EARLY ADOPTED

Standards and amendments issued but not yet effective that have been early adopted are:

2016 Omnibus Amendments – Service concession assets

In January 2017, the External Reporting Board (XRB) issued the 2016 Omnibus Amendments to PBE Standards, which incorporates a range of amendments to the PBE Standards. A relevant amendment for the Council is to PBE IPSAS 32 Service Concession Arrangements: Grantor. This amendment requires that service concession assets be grouped with similar property, plant and equipment assets for the purpose of subsequent measurement and disclosure under PBE IPSAS 17 Property, Plant and Equipment.

The Council has early adopted this amendment in preparing its 30 June 2017 financial statements. There is no effect in applying these amendments.

Impairment of Revalued Assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now scopes in revalued property, plant and equipment into the impairment accounting standards. Previously, only property, plant and equipment assets measured at cost were scoped into the impairment accounting standards.

The Council has early adopted this amendment in preparing its 30 June 2017 financial statements. From the 30 June 2017 year onwards, the Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The Council can therefore impair a revalued asset without having to revalue the entire class-of-asset to which the asset belongs.

Other changes in accounting policies

There have been no other changes in accounting policies.

TE KAUPAPA HERE O NGĀ TAUĀKI PŪTEA

STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

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

Interest in other entities

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

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of these new standards.

Financial instruments

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

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

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

All other standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to the council or are not expected to have a material impact on the financial statements of the council and, therefore, have not been disclosed.

SIGNIFICANT ACCOUNTING POLICIES

1. SUBSIDIARY ENTITY

The Council has a subsidiary company Novus Contracting Limited (100% owned) and the company is inactive. The impact of any transactions with this entity on the Council's financial position is minimal.

For the purposes of this Annual Plan, only the operations of the parent entity, the Council, have been presented in these financial forecasts.

2. REVENUE

Revenue comprises rates, revenue from operating activities (fees and charges), investment revenue, grants and subsidies, capital contributions, gains, bequests and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from exchange and non-exchange transactions.

Exchange Transactions

An exchange transaction is where the Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

Non-Exchange Transactions

A non-exchange transaction is where the Council receives value from another party without giving approximately equal value in exchange.

An inflow of resources from non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

STATEMENT OF ACCOUNTING POLICIES

A. 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 revenue collected on behalf of the Taranaki Regional Council is not recognised in the financial statements, apart from the statement of cash flows, as South Taranaki is acting as an agent for the Regional Council.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rate revenue is classified as non-exchange except for metered water rates which are classed as exchange revenue.

B. GOVERNMENT GRANTS AND SUBSIDIES

Government grants and subsidies are recognised upon entitlement at their fair value, which is when conditions pertaining to eligible expenditure have been fulfilled. The Council receives government grants from the New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure. Grants and Subsidies are classified as non-exchange revenue.

C. FEES AND CHARGES AND SALE OF GOODS

Revenue from fees and charges is recognised from the rendering of services (e.g. building consent fees) where the transaction is based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Within rendering of

services most activities are partially funded by rates and therefore classified as non-exchange revenue.

Sale of goods is recognised when goods are delivered and is classified as exchange revenue.

D. INVESTMENT REVENUE

Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. Interest revenue is classified as exchange revenue.

Dividends are recognised when the shareholders' rights to receive payment have been established and are recognised, net of imputation credits. Dividends are classified as exchange revenue.

E. OTHER GRANTS, BEQUESTS AND VESTED ASSETS

Other grants, bequests and assets vested in the Council are recognised when control over the asset is obtained. Vested assets are recognised as revenue at the fair value of the assets at the time of vesting. The above revenue is classified as non-exchange revenue.

F. CAPITAL CONTRIBUTIONS

Capital contributions for assets are recognised as revenue when received and is classified as non-exchange revenue.

G. GAINS

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities. Gains are classified as exchange revenue.

H. FOREIGN CURRENCY - EXCHANGE DIFFERENCES

Foreign currency transactions have been converted into New Zealand dollars at the rate of exchange at the date of the transaction. Gains or losses on exchange have been recognised in the Surplus/Deficit. Gains on foreign currency exchange are classified as exchange revenue.

1. EXPENSES

Specific accounting policies for major categories of expenditures are outlined below:

A. GRANTS AND SPONSORSHIPS

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources to another party in return for compliance with certain conditions relating to the operating activities of that party. It includes any expenditure arising from a funding arrangement with another party that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specific criteria have been fulfilled.

B. FINANCE EXPENSES - INTEREST

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress, which represents a departure from the treatment required under PBE IPSAS 5: Borrowing Costs.

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C. DEPRECIATION AND AMORTISATION

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

2. TAXATION

A. GOODS AND SERVICES TAX (GST)

GST has been excluded from all items in the financial statements except accounts receivable and accounts payable. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

B. INCOME TAX

Income tax expense is charged in the Statement of Financial Performance in respect of the current year's surplus after allowance for permanent differences.

Deferred taxation is the amount of income taxes payable (or receivable) in future years in respect of temporary differences (ie where the accounting treatment differs from the Inland Revenue Department's requirements). Deferred taxation is determined using the full provision method. Deferred tax assets are only recognised when recovery is probable.

3. FINANCIAL INSTRUMENTS

South Taranaki undertakes financial instrument arrangements as part of normal operations. These financial instruments include cash and bank balances, investments, receivables, payables and borrowings. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in

relation to financial instruments are recognised in the Surplus/Deficit. Interest rate swaps are entered into to hedge against and manage its exposure to risk on debt.

A. FINANCIAL ASSETS

Financial Assets are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Surplus/Deficit.

Purchases and sales of investments are recognised on trade-date, the date on which there is a commitment to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the transfer of substantial risks and rewards is completed.

Fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. A variety of methods and assumptions are used based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments.

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that the Council and group will not be able to

collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivable or liquidation and default in payments are indicators that the asset is impaired.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

Financial assets are classified into four categories:

Financial assets at fair value through profit or loss:

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Surplus/Deficit.

Loans and receivables:

These are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the Surplus/Deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Held to maturity investments:

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the

STATEMENT OF ACCOUNTING POLICIES

Council has the positive intention and ability to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest rate method. Gains and losses when the asset is impaired or de-recognised are recognised in the Surplus/Deficit.

Investments in this category include term deposits, investments in local authority and government stock.

Financial assets at fair value through equity:

Financial asset at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other three categories above. This category includes investments that are held long-term but which may be realised before maturity; and shareholdings that are held for strategic purposes. Investments in its subsidiary are not included in this category as they are held at cost. Gains and losses are recognised directly in equity except for impairment, which are recognised in the Surplus/Deficit. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the Surplus/Deficit even though the asset has not been de-recognised. On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the Surplus/Deficit.

4. FINANCIAL LIABILITIES

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities (creditors, income in advance, loans, bonds and deposits) are initially recognised at fair value. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value. On disposal any gains or losses are recognised within surplus or deficit.

A. IMPAIRMENT OF FINANCIAL ASSETS

At each balance 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 Surplus/Deficit.

B. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Council uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financing and investment activities. In accordance with the treasury policies of the respective group entities, the Council does not hold or issue derivative financial instruments for trading purposes. However, derivatives are accounted for as trading instruments. Derivative financial instruments are recognised initially at fair value and subsequently at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Surplus/Deficit. The fair value of interest rate swaps is the estimated amount that would be received or would pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counter-parties.

5. CASH AND CASH EQUIVALENTS

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

or less. It includes all funds held for the day-to-day management of the Council and does not include funds set aside for specific purposes (e.g. Reserve Funds).

6. ACCOUNTS RECEIVABLE

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of accounts receivable is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the agreement. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

7. INVENTORIES

Inventories are valued at the lower of cost (determined on a first-in first-out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete inventories.

TE KAUPAPA HERE O NGĀ TAUĀKI PŪTEA

8. INVESTMENTS

Investments in bank deposits are recognised at cost plus accrued interest. This is considered fair value. Long term receivables and advances are recognised at cost plus accrued interest. Investments in associates are recognised at cost.

Investments and other shares are valued at fair value. Where there is an active market, fair value is determined by reference to published prices. Otherwise fair value is determined by using a variety of valuation techniques. Movements in fair value will be taken through equity.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of operational assets, restricted assets and infrastructure assets.

All assets are recorded at cost/valuation less accumulated depreciation (with the exception of land which is not depreciated).

All property, plant and equipment is classified as non-cash generating as these assets are not held with a primary objective of generating commercial return.

For those assets that are re-valued, the change in valuation is credited or debited to the 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 Statement of Financial Performance. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation

reserve for that class of asset. Additions subsequent to revaluations are recorded at cost.

Disposals

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

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

Operational Assets

These include land, building, motor vehicles, plant and equipment and library books.

Land and buildings are valued at fair value, as determined from market based evidence, by the Registered Valuers, as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Motor vehicles, library books and plant and equipment are valued at cost less accumulated depreciation.

Restricted Assets

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

Land and buildings are valued at fair value, as determined from market based evidence, by the Registered Valuers, as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Parks and Recreation Assets were valued at fair value by the Registered Valuers, as at 30 June 2017. Valuations are carried out on a three-yearly cycle.

Heritage and Cultural Assets were valued at fair value by Registered Valuer as at 1 July 2001. This is considered deemed cost.

Infrastructural Assets

These are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function.

Sewerage, water, drainage, and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method.

These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.

STATEMENT OF ACCOUNTING POLICIES

- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or-under-estimating the annual depreciation charge recognised as a n expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

Infrastructural assets (excluding land) have all been valued at optimised depreciated replacement cost by the Registered Valuers as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Infrastructural land under Roads was valued at market value by the Registered Valuers, as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Certain infrastructural assets and land have been vested in the Council as part of the sub-divisional consent process. The vested asset has been valued at the latest appropriately certified government valuation or at a mutually agreed market value or at a value determined

through arbitration. Vested infrastructural assets have been based on the actual quantities of infrastructural components vested and current “in the ground” cost of providing identical services.

All other assets are valued at historical cost less accumulated depreciation.

10. DEPRECIATION

Depreciation rates for fixed assets are as follows:

Operational Assets

Depreciation rates for operational assets are based on a straight line basis.

Buildings	1.11% - 6.67%
Motor Vehicles	12.50% - 20.00%
Plant and Equipment	6.67% - 20.00%
Information Systems Equipment	25.00%
Library Books	10.00% - 20.00%
Furniture and Fittings	5.00 - 20.00%
Office Equipment	10.00% - 33.33%

Infrastructural Assets

Roading

Provision has been made for depreciation of those significant components of the roading asset, based on their remaining lives.

The significant component depreciation rates are as follows:

Traffic Facilities, Signs and Markings	7 - 60 yrs	1.60% - 15.00%
Bridges	50 - 100 yrs	1.00% - 2.00%
Footpaths	5 - 50 yrs	2.00% - 20.00%
Pavement Surfacing	8 - 16 yrs	6.25% - 12.50%
Drainage and Culverts	40 - 100 yrs	1.00% - 2.50%
Roading Base-course	30 - 80 yrs	1.25% - 3.33%
Berms, Markings, Shoulder & Formation	Not depreciated	

Water, Sewerage and Stormwater Reticulation Systems
Provision has been made for depreciation of components of the assets based on their remaining life.

Water Reticulation	35 - 100 yrs	1.00% - 2.90%
Water Treatment Plants	10 - 100 yrs	1.00% - 10.00%
Sewerage Reticulation	50 - 100 yrs	1.00% - 2.00%
Sewerage Treatment Plants	10 - 100 yrs	1.00% - 10.00%
Stormwater Pipes	50 - 100yrs	1.00% - 2.00%

Restricted Assets

Heritage and Cultural Assets

Provision has been made for depreciation of components of the assets based on their remaining life.

	5 - 250 yrs	0.40% - 20.00%
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TE KAUPAPA HERE O NGĀ TAUĀKI PŪTEA

Parks and recreation assets

Provision has been made for depreciation of components of the assets based on their remaining life.

2 - 100 yrs	1.00% - 50.00%
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Assets under Construction

Assets under construction are not depreciated. All costs are initially capitalised as work in progress. On completion, the cost is transferred to the relevant asset class and is then depreciated.

11. INTANGIBLE ASSETS

The Council has entered into an agreement with Fonterra for the disposal of effluent via the company's outfall. This has been recorded at cost and is amortised on a straight line basis over the life of the agreement (16 years).

Software licences are recognised at cost and amortised on a straight line basis over the life of the licence (two to five years).

12. IMPAIRMENT OF ASSETS

At each balance date the Council assesses whether there is any objective evidence that any asset has been impaired. Any impairment losses are recognised in the Surplus/Deficit.

13. EMPLOYEE ENTITLEMENTS

Provision is made for employee benefits accumulating as a result of services rendered.

Provision is made in respect of the Council's liability for annual leave and sick leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay, while other provisions have been calculated on an actuarial basis at current rates of pay.

14. LANDFILL POST-CLOSURE COSTS

As operator of the District landfills, the Council has a legal obligation to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

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

Amounts provided for landfill post-disclosure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The time needed for post-closure care is as per the resource consents issued by TRC.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the Council.

15. COMMUNITY LOANS

The Council has acted as guarantor for a number of sports clubs. These are valued in the Council's financial

statements at fair value, taking into account the likelihood of the Council being required to make payment on these loans.

16. PUBLIC EQUITY

Public equity is the community's interest in the Council, as measured by the value of total assets less total liabilities. Equity is dis-aggregated and classified to enable a clearer identification of the various components. Accumulated balances comprise accumulated surpluses over the years.

Restricted and Statutory Reserves are those funds subject to external restrictions accepted as binding by the Council, which may not be revised by the Council without reference to the courts or a third party. Investment Revaluation Reserves comprise accumulated valuation increments.

17. LEASES

Leases where the lessor substantially retains all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period the Council is expected to benefit from their use.

STATEMENT OF ACCOUNTING POLICIES

18. STATEMENT OF CASH FLOWS

Cash means cash balances on hand, held in bank accounts, deposits on demand and other highly liquid investments in which the Council invests as part of its day-to-day cash management.

Operating Activities include cash received from all income sources and record the payments made for the supply of goods and services. Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.

Investing Activities are those activities relating to the acquisition and disposal of non-current assets.

Financing Activities comprise activities that change the equity and debt capital structure of the Council.

19. ALLOCATION OF OVERHEADS

All support centre costs are passed onto activity centres as overheads. The basis of recovery is usage based on the step method.

20. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

the circumstances. These estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below.

Infrastructural assets

There are a number of assumptions and estimates used when performing the depreciated replacement cost valuation. These include:

- > The physical deterioration and condition of an asset. This is mainly for the assets that are not visible (eg underground utilities). There are on-going physical inspections and condition modelling assessments to improve information on these assets. Estimating any obsolescence or surplus capacity of any asset.
- > Estimates are made determining the remaining useful lives over which the assets will be depreciated. Published guidelines, component design lives and local conditions have been used to assist with the estimation of the remaining useful lives.

Critical judgements in applying accounting policies

Management has consistently applied the Council's accounting policies for the period ended 30 June 2020 and has not been required to exercise critical judgement in implementing these policies beyond what would be expected on a normal day to day basis.

21. BORROWING COSTS

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

FUNDING IMPACT STATEMENTS

The 'Indicative Funding Impact Statement' (FIS) table on the next pages provides an overview of what it costs to provide Council services and activities and how they will be funded. The FIS breaks down costs and funds at 'operational' and 'capital' levels. Operational costs include the ongoing maintenance and delivery of our services, while capital costs relate to constructing new assets or extending or renewing existing assets. Capital expenditure is generally 'one-off' in nature, whereas operational costs are ongoing. Taking all this information into account, we can then see how much will be received, how much will be spent, and whether or not we will have a surplus or deficit at the end of the year.



FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - DEMOCRACY & LEADERSHIP / TE POUMANUKURA

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	2,374	2,453	2,577
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	576	519	550
Total operating funding (A)	2,950	2,972	3,128
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,009	1,016	1,054
Finance Costs	0	0	3
Internal Charges and Overheads applied	1,935	1,949	2,062
Operating funding applications	0	0	0
Total applications of operating funding (B)	2,943	2,965	3,118
Surplus (deficit) of operating funding (A-B)	7	7	10
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	22
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	22

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - DEMOCRACY & LEADERSHIP / TE POUMANUKURA

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	25
- To replace existing assets	0	0	0
Increase (decrease) in reserves	7	7	7
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	7	7	31
Surplus (deficit) of capital funding (C - D)	-7	-7	-10
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	7	7	10

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - WATER SUPPLY / NGĀ PUNA WAI

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted Rates	12,832	13,150	13,138
Subsidies and grants for operating purposes	0	0	0
Fees and charges	83	85	87
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	375	384	390
Total operating funding (A)	13,290	13,619	13,615
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	3,170	3,281	3,287
Finance Costs	2,799	2,828	2,458
Internal Charges and Overheads applied	2,097	2,101	1,774
Operating funding applications	0	0	0
Total applications of operating funding (B)	8,066	8,211	7,520
Surplus (deficit) of operating funding (A-B)	5,224	5,408	6,095
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	2,436	-392	-1,190
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	2,436	-392	-1,190

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - WATER SUPPLY / NGĀ PUNA WAI

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	217	2,311	45
- To improve the level of service	3,055	632	232
- To replace existing assets	3,918	3,591	907
Increase (decrease) in reserves	470	-1,518	3,722
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	7,660	5,016	4,905
Surplus (deficit) of capital funding (C - D)	-5,224	-5,408	-6,095
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	4,611	4,699	4,935

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - STORMWATER / TE WAI ĀWHIOWHIO ME ŌNA RĪTENGA

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	900	945	887
Targeted Rates	8	8	8
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	174	179	171
Total operating funding (A)	1,081	1,132	1,066
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	218	232	241
Finance Costs	196	208	198
Internal Charges and Overheads applied	388	391	341
Operating funding applications	0	0	0
Total applications of operating funding (B)	803	831	780
Surplus (deficit) of operating funding (A-B)	279	301	286
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	302	186	202
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	302	186	202

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - STORMWATER / TE WAI ĀWHIOWHIO ME ŌNA RĪTENGA

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	248	400	401
- To replace existing assets	332	87	87
Increase (decrease) in reserves	1	0	0
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	581	487	488
Surplus (deficit) of capital funding (C - D)	-279	-301	-286
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	463	463	440

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - WASTEWATER / NGĀ PARAPARA

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted Rates	4,595	4,877	4,770
Subsidies and grants for operating purposes	0	0	0
Fees and charges	903	1,057	1,060
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	5,498	5,934	5,830
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,428	2,647	2,657
Finance Costs	1,554	1,614	1,539
Internal Charges and Overheads applied	623	627	738
Operating funding applications	0	0	0
Total applications of operating funding (B)	4,605	4,888	4,933
Surplus (deficit) of operating funding (A-B)	893	1,046	897
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,602	1,421	886
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	1,602	1,421	886

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - WASTEWATER / NGĀ PARAPARA

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	143	0	0
- To improve the level of service	317	916	552
- To replace existing assets	2,323	1,864	1,586
Increase (decrease) in reserves	-289	-313	-354
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	2,495	2,467	1,783
Surplus (deficit) of capital funding (C - D)	-893	-1,046	-897
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	1,355	1,365	1,429

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - SOLID WASTE / TE TUKUHANGA O NGĀ PARAPARA

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	729	680	636
Targeted Rates	1,909	1,950	1,924
Subsidies and grants for operating purposes	0	0	0
Fees and charges	729	776	669
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	671	430	693
Total operating funding (A)	4,037	3,837	3,923
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,959	2,666	2,984
Finance Costs	273	268	181
Internal Charges and Overheads applied	523	525	458
Operating funding applications	0	0	0
Total applications of operating funding (B)	3,755	3,460	3,623
Surplus (deficit) of operating funding (A-B)	283	377	300
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	-136	-114	-73
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	-136	-114	-73

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - SOLID WASTE / TE TUKUHANGA O NGĀ PARAPARA

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	31	32	32
- To replace existing assets	51	74	74
Increase (decrease) in reserves	65	158	121
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	147	263	227
Surplus (deficit) of capital funding (C - D)	-283	-377	-300
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	45	45	49

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - ROADING & FOOTPATHS (INCL ROAD SAFETY & PATHWAYS)/NGĀ HUARAHI ARA RAU

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	43	42	39
Targeted Rates	6,649	6,815	6,801
Subsidies and grants for operating purposes	4,457	4,596	4,907
Fees and charges	108	109	112
Internal Charge and Overheads Recovered	0	0	743
Local authorities fuel tax, fines, infringement fees and other receipts	1,675	1,658	1,273
Total operating funding (A)	12,932	13,220	13,875
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	8,699	8,910	9,147
Finance Costs	278	270	233
Internal Charges and Overheads applied	300	299	519
Operating funding applications	0	0	0
Total applications of operating funding (B)	9,277	9,479	9,899
Surplus (deficit) of operating funding (A-B)	3,655	3,741	3,976
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	3,926	4,085	4,599
Development and financial contributions	0	0	0
Increase (decrease) in debt	-70	-172	97
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	3,856	3,913	4,696

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - ROADING & FOOTPATHS (INCL ROAD SAFETY & PATHWAYS)/NGĀ HUARAHI ARA RAU

	2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	1,204	1,376	2,127
- To replace existing assets	6,424	6,565	6,202
Increase (decrease) in reserves	-117	-287	343
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	7,512	7,654	8,672
Surplus (deficit) of capital funding (C - D)	-3,655	-3,741	-3,976
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	6,515	6,534	6,438

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - COMMUNITY FACILITIES / NGĀ WHARE-Ā-HAPORI

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	5,233	5,372	5,301
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	23	23	21
Fees and charges	1,956	2,012	2,034
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	3,102	3,101	3,051
Total operating funding (A)	10,313	10,508	10,407
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	5,894	5,805	5,843
Finance Costs	1,578	1,595	1,516
Internal Charges and Overheads applied	1,195	1,200	1,214
Operating funding applications	0	0	40
Total applications of operating funding (B)	8,667	8,600	8,613
Surplus (deficit) of operating funding (A-B)	1,647	1,908	1,794
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	125	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	464	-44	-93
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	43	13	10
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	632	-31	-83

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - COMMUNITY FACILITIES / NGĀ WHARE-Ā-HAPORI

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	929	416	428
- To replace existing assets	1,200	1,389	1,283
Increase (decrease) in reserves	150	72	0
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	2,279	1,877	1,711
Surplus (deficit) of capital funding (C - D)	-1,647	-1,908	-1,794
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	2,840	3,034	2,902

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - ARTS & CULTURE / NGĀ MAHI Ā-TOI ME RĒHIA

<i>For the years ended 30 June</i>	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	2,409	2,505	2,550
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	41	42	42
Fees and charges	38	39	34
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	535	544	571
Total operating funding (A)	3,023	3,130	3,197
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,848	1,896	1,970
Finance Costs	47	53	53
Internal Charges and Overheads applied	795	804	814
Operating funding applications	0	0	0
Total applications of operating funding (B)	2,690	2,753	2,837
Surplus (deficit) of operating funding (A-B)	332	376	360
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	266	-49	-44
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	266	-49	-44

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - ARTS & CULTURE / NGĀ MAHI Ā-TOI ME RĒHIA

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	572	279	280
Increase (decrease) in reserves	26	48	36
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	598	327	316
Surplus (deficit) of capital funding (C - D)	-332	-376	-360
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	455	484	453

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - DISTRICT ECONOMY / WHAKATIPURANGA O TE ROHE

<i>For the years ended 30 June</i>	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	820	843	929
Targeted Rates	164	167	166
Subsidies and grants for operating purposes	63	13	13
Fees and charges	168	208	242
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	894	985	693
Total operating funding (A)	2,109	2,216	2,043
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,053	1,012	1,025
Finance Costs	355	462	347
Internal Charges and Overheads applied	224	225	247
Operating funding applications	284	287	287
Total applications of operating funding (B)	1,916	1,986	1,906
Surplus (deficit) of operating funding (A-B)	192	230	137
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	389	3,644	-115
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	3,334	3,339
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	389	6,978	3,224

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - DISTRICT ECONOMY / WHAKATIPURANGA O TE ROHE

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	500	7,016	3,166
- To replace existing assets	0	0	0
Increase (decrease) in reserves	81	193	195
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	581	7,208	3,361
Surplus (deficit) of capital funding (C - D)	-192	-230	-137
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	177	188	105

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - COMMUNITY DEVELOPMENT / WHAKAWHANAKE HAPORI

<i>For the years ended 30 June</i>	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	872	885	921
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	245	245	250
Total operating funding (A)	1,117	1,129	1,171
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	361	367	269
Finance Costs	64	63	63
Internal Charges and Overheads applied	208	211	242
Operating funding applications	525	575	575
Total applications of operating funding (B)	1,158	1,216	1,149
Surplus (deficit) of operating funding (A-B)	-41	-87	22
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	-22	-25	-28
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	-22	-25	-28

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - COMMUNITY DEVELOPMENT / WHAKAWHANAKE HAPORI

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	0	0	0
Increase (decrease) in reserves	-64	-112	-6
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	-64	-112	-6
Surplus (deficit) of capital funding (C - D)	41	87	-22
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	2	2	2

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - ENVIRONMENTAL SUSTAINABILITY / TOITŪ TE TAI AO

<i>For the years ended 30 June</i>	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	632	790	742
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	162	165	166
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	222	254	247
Total operating funding (A)	1,016	1,209	1,156
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	635	725	669
Finance Costs	0	0	0
Internal Charges and Overheads applied	281	283	286
Operating funding applications	0	0	0
Total applications of operating funding (B)	916	1,008	955
Surplus (deficit) of operating funding (A-B)	100	201	201
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - ENVIRONMENTAL SUSTAINABILITY / TOITŪ TE TAI AO

	2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	0	6	0
- To replace existing assets	0	0	0
Increase (decrease) in reserves	100	195	201
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	100	201	201
Surplus (deficit) of capital funding (C - D)	-100	-201	-201
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	1	1	1

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - REGULATORY SERVICES / RATONGA WHAKATURE

<i>For the years ended 30 June</i>	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	797	769	837
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,582	1,617	1,656
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	162	154	167
Total operating funding (A)	2,541	2,540	2,660
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,676	1,675	1,771
Finance Costs	8	8	19
Internal Charges and Overheads applied	813	823	825
Operating funding applications	0	0	0
Total applications of operating funding (B)	2,497	2,506	2,615
Surplus (deficit) of operating funding (A-B)	44	34	46
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	-8	20	48
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	-8	20	48

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - REGULATORY SERVICES / RATONGA WHAKATURE

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	0	6	31
- To replace existing assets	6	33	34
Increase (decrease) in reserves	30	15	28
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	36	54	93
Surplus (deficit) of capital funding (C - D)	-44	-34	-46
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	56	46	46

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - COASTAL STRUCTURES / NGĀ MOMO HANGA KI TAI

<i>For the years ended 30 June</i>	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	96	104	54
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal Charge and Overheads Recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	10
Total operating funding (A)	96	104	64
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	22	22	22
Finance Costs	26	28	27
Internal Charges and Overheads applied	32	32	0
Operating funding applications	0	0	0
Total applications of operating funding (B)	79	82	49
Surplus (deficit) of operating funding (A-B)	16	21	15
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	124	-16	-57
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	124	-16	-57

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - COASTAL STRUCTURES / NGĀ MOMO HANGA KI TAI

	2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	154	158	0
- To replace existing assets	140	0	0
Increase (decrease) in reserves	-154	-152	-42
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	140	5	-42
Surplus (deficit) of capital funding (C - D)	-16	-21	-15
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	283	290	296

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - CORPORATE ACTIVITIES / NGĀ MAHINGA MATAKITE Ā ROHE

<i>For the years ended 30 June</i>	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	168	298	187
Targeted Rates	209	209	280
Subsidies and grants for operating purposes	0	0	0
Fees and charges	81	87	90
Internal Charge and Overheads Recovered	13,507	13,599	13,685
Local authorities fuel tax, fines, infringement fees and other receipts	2,928	2,667	2,727
Total operating funding (A)	16,893	16,859	16,969
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	10,505	10,506	11,017
Finance Costs	399	387	338
Internal Charges and Overheads applied	3,218	3,321	3,069
Operating funding applications	0	0	0
Total applications of operating funding (B)	14,121	14,214	14,424
Surplus (deficit) of operating funding (A-B)	2,771	2,645	2,545
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	-377	-388	-342
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	-377	-388	-342

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - CORPORATE ACTIVITIES / NGĀ MAHINGA MATAKITE Ā ROHE

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	0	0	0
- To improve the level of service	53	107	261
- To replace existing assets	246	171	113
Increase (decrease) in reserves	2,095	1,980	1,829
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	2,394	2,258	2,203
Surplus (deficit) of capital funding (C - D)	-2,771	-2,645	-2,545
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	566	564	632

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	14,836	15,449	15,423
Targeted Rates	25,493	26,291	26,204
Subsidies and grants for operating purposes	4,584	4,675	4,984
Fees and charges	5,811	6,156	6,150
Interest and dividends from investments	8,436	8,333	7,692
Local authorities fuel tax, fines, infringement fees and other receipts	2,491	2,203	2,200
Total operating funding (A)	61,651	63,106	62,653
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	38,496	38,833	38,998
Finance Costs	6,943	7,204	6,072
Operating funding applications	809	811	901
Total applications of operating funding (B)	46,249	46,898	45,971
Surplus (deficit) of operating funding (A-B)	15,403	16,208	16,682
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	4,051	4,085	4,599
Development and financial contributions	0	0	0
Increase (decrease) in debt	5,948	5,048	471
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	43	3,348	3,349
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	10,042	12,481	8,419

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the years ended 30 June</i>			
APPLICATIONS OF CAPITAL FUNDING			
- To meet additional demand	360	2,311	45
- To improve the level of service	6,490	11,058	7,253
- To replace existing assets	15,213	14,053	10,564
Increase (decrease) in reserves	3,381	1,267	7,239
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	25,444	28,689	25,101
Surplus (deficit) of capital funding (C - D)	-15,403	-16,208	-16,682
Funding Balance ((A - B) + (C - D))	0	0	0
Excludes depreciation of:	17,375	17,722	17,738

FUNDING IMPACT STATEMENT - RATING

FUNDING IMPACT STATEMENT - RATING

				18/19 (\$,000)	19/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)	
				For the years ended 30 June			
RATE				Rating Amount 2019/20 (inclusive of GST)	(exclusive of GST)		
General rates	Capital Value Rating			0.08503c per \$ of capital value	7,780	8,123	8,112
Uniform Annual General Charge (UAGC)	A fixed amount per separately used or inhabited part (SUIP) of a rating unit - <i>see definition below</i>			\$605.39 per SUIP of rating unit	7,125	7,397	7,383
Total General & Uniform Annual General Charge Rates					14,905	15,520	15,495
TARGETED RATE	Rating Matter (Schedule 2)	Rating Factor (Schedule 3)					
Roading	All rating units	Capital Value		0.07129c per \$ of capital value	6,649	6,815	6,801
Total Roading Targeted Rate					6,649	6,815	6,801
Total General, UAGC and Roading Rates					21,553	22,335	22,296
URBAN WATER							
Connected rating unit	All properties connected to Council's water supply	A fixed amount per SUIP		\$624.45 on each SUIP* of a rating unit	4,208	4,311	4,309
Water meter charge up to <=32mm connection	All properties connected to Council's water supply and where land is situated	The number and nature of connections from the land within each rating unit to the Council's water scheme		\$150 per connection	59	62	62
Water meter charge up to <=32mm connection with backflow				\$260 per connection	132	79	79
Water meter charge up to <=40mm connection				\$175 per connection	1	3	3
Water meter charge up to <=40mm connection with backflow				\$325 per connection	12	5	5
Water meter charge up to <=50mm connection with backflow				\$460 per connection	7	9	9
Water meter charge up to > 50mm connection with backflow				\$630 per connection	10	10	10

PŪRONGO PŪTEA WHAKAPĀNGA – TĀKE KAUNIHERA

FUNDING IMPACT STATEMENT - RATING

				18/19 (\$,000)	19/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
				<i>For the years ended 30 June</i>		
Serviceable rating unit	All properties that have a connection available to Council's water supply	A fixed amount per SUIP	\$312.23 per serviceable SUIP* of a rating unit	76	78	78
Metered consumers - Town	Not required		\$2.62 per m ³	560	580	570
Metered consumers - High User			\$2.76 per m ³	1,528	1,560	1,560
Metered consumers - Extra High User			\$2.84 per m ³	1,547	1,606	1,606
Total Urban Water Rates				8,141	8,302	8,291
OTHER WATER SCHEMES						
Waimate West Metered Consumers	Not required		\$1.08 per m ³	4,454	4,611	4,611
Water meter charge up to <=32mm connection	All properties connected to Council's water supply and where land is situated	The number and nature of connections from the land within each rating unit to the Council's water scheme	\$150 per connection	2	2	2
Water meter charge up to <=32mm connection with backflow			\$260 per connection	189	189	189
Water meter charge up to <=40mm connection			\$175 per connection	0	0	0
Water meter charge up to <=40mm connection with backflow			\$325 per connection	37	37	37
Water meter charge up to <=50mm connection with backflow			\$460 per connection	2	2	2
Water meter charge up to >50mm connection with backflow			\$630 per connection	7	7	7
Inaha Metered Consumers	Not required			Now included in Waimate West		
Total Water				12,832	13,150	13,138

FUNDING IMPACT STATEMENT - RATING

FUNDING IMPACT STATEMENT - RATING

				18/19 (\$,000)	19/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
				For the years ended 30 June		
WASTEWATER						
Connected rating unit	All properties connected to Council's wastewater supply	A fixed amount per SUIP	\$678.50 on each SUIP* of a rating unit	4,512	4,789	4,683
Serviceable rating unit	All properties that have a connection available to Council's wastewater supply	A fixed amount per SUIP	\$339.25 per serviceable SUIP* of a rating unit	83	88	88
Total Wastewater Rates				4,595	4,877	4,771
Kerbside Collection Targeted Rate - Urban	Where the service is available and where land is situated	The number of bins provided to the property (extent of provision of service)	\$264.50 per set of bins per rating unit	1,627	1,662	1,635
Kerbside Collection Targeted Rate - Rural	Where the service is available and where land is situated	The number of bins provided to the property (extent of provision of service)	\$264.50 per set of bins per rating unit	282	288	289
Eltham Drainage Rate	Class A Land	Land Value	0.01079c per \$ of land value	5	6	6
	Class B Land	Land Value	0.00702c per \$ of land value	1	1	1
	Class C Land	Land Value	0.00376c per \$ of land value	1	1	1
Hāwera Business Rate	Rating Units with defined area in Hawera and use to which land is put	Capital Value	0.09154c per \$ of capital value	164	167	166

PŪRONGO PŪTEA WHAKAPĀNGA – TĀKE KAUNIHERA

FUNDING IMPACT STATEMENT - RATING

<i>For the years ended 30 June</i>				18/19 <i>(\$,000)</i>	19/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
Warmer Homes Scheme Rate	All properties that have a warmer homes scheme funding	The value of the service provided	VTR - 15% of the service amount	209	209	280
Total Targeted Rates				19,719	20,363	20,288
Total Rates Levied				41,272	42,698	42,584

OTHER FUNDING MECHANISMS

<i>For the years ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
User fees and charges	5,811	6,156	6,150
General Interest	317	286	190
Earnings Long Term Investment Fund	8,752	8,630	8,404
Less: Interest on Internal Borrowings	(633)	(583)	(902)
Operational grants and subsidies	4,584	4,675	4,984
Capital contributions, grants and subsidies	4,094	7,433	7,949
Sundry Revenue	2,491	2,203	2,200
Loans Raised	9,407	8,751	3,849
Number of Rating Units	14,197	14,207	14,165

*SUIP - Separately used or uninhabited part of a rating unit

*As at 30 June of the preceding year, e.g. 2019/20 = as at 30 June 2019.

FUNDING IMPACT STATEMENT - RATING

GENERAL RATES

The Council will set a general rate based on the capital value rating system. The capital value rating system for general rates was preferred by the Council over land value and more targeted rates because of its greater tendency to match the “ability to pay”.

UNIFORM ANNUAL GENERAL CHARGE

The Council will set a uniform annual general charge (UAGC) which is a fixed amount assessed on every separately used or inhabited part (SUIP) of a rating unit in the district. It is calculated according to the judgement of the Council on what is the proper balance between the fixed and variable parts of the general rate, and any consequential impacts on individuals and groups of ratepayers.

ROADING RATE

The Council has a roading rate based on capital value. It is assessed on all rateable rating units in the District to fund maintenance and development of roading network.

TARGETED RATES

The Council will charge the following targeted rates:

- > Water (not-metered and metered)
- > Wastewater
- > Kerbside collection services
- > Hāwera Business Rate for town promotion
- > Eltham Drainage Rate
- > Warmer Homes Scheme

WATER SUPPLY

The water supply rate funds treatment and distribution of water supply.

*The Council has the following mechanism of payment for water supply:

NOT METERED

- > A fixed charge being a uniform targeted rate for each SUIP which is not metered and connected to an urban water supply.

WATER DIFFERENTIALS

The differential categories for the uniform water supply rate are:

- > Connected – any rating unit that is connected to a Council operated waterworks
- > Serviceable – any rating unit that is not connected to a Council operated waterworks, but is within 100 metres of such waterworks. For serviceable rating unit, a half charge of the connected water supply is assessed.

METERED

- > A rate per cubic metre of water supplied to each rating unit which is metered and connected to an urban or rural water supply; and
- > An amount per connection, based on connection size and backflow availability.

WATER BY METER RATE – URBAN WATER SUPPLY

In 2011/12, the Council proposed that the urban water per cubic metre rate go up by 25% per annum. The majority of urban residents who pay the urban water per cubic metre rate do not use large amounts of water, so the increase was not excessive. However bulk water users on the urban water metered system faced a major cost increase at the time.

For this reason, and based on feedback received during the 2011/12 Annual Plan consultation phase, the Council decided to introduce three urban water per cubic metre rate categories. Customers using less than 4 cubic metres per day would be on a town rate, customers using more than 4 cubic metres of water a day would be on a high user rate and the districts two largest water consumers, Silver Fern Farms and Riverlands would be on an extra high user rate.

The Council identified different types of users at the time and wrote to each customer who was affected by these different categories. In that letter the Council explained its intention to smooth the rate by charging 10% per annum for the high and extra high users until the rates are all the same, which would then be called the town rate.

The categories only apply to the customers who the Council identified in 2011/12. Any new connections which may fall within these different categories after 2011/12 would be automatically on the town rate.

PŪRONGO PŪTEA WHAKAPĀNGA – TĀKE KAUNIHERA

WASTEWATER

The wastewater rate funds treatment and disposal of wastewater as a fixed amount per separately used or inhabited part of a rating unit.

WASTEWATER DIFFERENTIALS

The differential categories for the wastewater disposal rate are:

- > Connected – any rating unit that is connected to a public wastewater drain
- > Serviceable – any rating unit that is not connected to a public wastewater drain, but is within 30 metres of such a drain. For serviceable rating unit, a half charge of the connected wastewater is assessed.

KERBSIDE COLLECTION SERVICES

The kerbside collection targeted rate is charged for the number of sets of bins each rating unit uses ie if a property has two sets of bins (for refuse and recycling) then it will be charged two targeted kerbside collection rates.

A targeted rate for kerbside collection is based on the following:

- > Urban - \$264.50 for each set of bins (refuse and recycling) on every rating unit situated within the urban areas of Pungarehu, Rahotu, Ōpūnake, Kaponga, Eltham, Manaia, Ōhawe, Hāwera, Normanby, Pātea, Waverley and Waverley Beach where the service is available.
- > Rural - \$264.50 for each set of bins (refuse and recycling) on every rating unit situated within the rural area where the service is available and to which the Council is prepared to provide the service.

HĀWERA BUSINESS RATE

The Hāwera business differential has been applied to properties used for commercial and industrial purposes within a defined area of Hāwera and including areas of the former Hāwera County that are located within 1,500 metres of the former Hāwera Borough boundary. The rate is an amount per dollar of capital value.

ELTHAM DRAINAGE RATE

The Council has a targeted rate for drainage maintenance work in Eltham on differing classes of land as follows:

- > Class A Land Swamp land within 600m of an improved main drain.
- > Class B Land Swamp land between 600m and 1000m of an improved main drain.

Swamp land within 400m of a main drain not improved in this scheme but maintained by the Board.

Where foreign waters (i.e. from catchments outside the drainage district) are discharged into main drains via subsidiary drains, a strip 200m wide through the “C” land zone is to be placed in Class “B” land.

- > Class C Land Swamp land over 1000m from and draining into a main drain.

Hill country that drains into a main drain provided that the area of hill country in “C” does not exceed three times the area of swamp in “A”, “B” and “C” on the property.

FUNDING IMPACT STATEMENT - RATING

VOLUNTARY TARGETED RATE - WARMER HOMES SCHEME

Warmer Homes Scheme rate is a targeted rate set on properties that have benefited from the installation of insulation and approved heating products provided by the South Taranaki District Council in respect of the property. The rate is calculated as a percentage of the service amount (the cost of the installation) until the service amount and the costs of servicing the service amount are recovered.

LUMP SUM CONTRIBUTIONS

The Council may accept lump sum contributions in respect of any targeted rates.

DEFINITION OF SUIP:

A SUIP is defined as a separately used or inhabited part of a rating unit and includes any part of a rating unit that is used or inhabited by any person, other than the ratepayer or any part or parts of a rating unit that are used or inhabited by the ratepayer for more than one single use.

GUIDELINES

Any part of a rating unit means:

- > A residential property that contains two or more separately inhabited units/flats/houses would be each separately assessed for uniform charges;
- > A rural property/farm with multiple dwellings (e.g. a house is used by a farm worker) would be each separately assessed for uniform charges;
- > Where a number of different businesses are located in one rating unit (e.g. two retail shops) then each separate business would be assessed for uniform charges.

An exception is made for motels/hotels as these are treated as one business even if each accommodation unit may be capable of separate habitation.

EXAMPLES OF RATING IMPACT

The examples on page 20 show the impact of the rating proposals on low, medium and high valued urban and rural properties as well as one example of commercial property in Hāwera. They are required to be provided under clause 15(5) of Schedule 10 of the Local Government Act 2002 and are indicative only. The examples exclude water by meter rates and Warmer Homes Scheme rates.

PŪRONGO PŪTEA WHAKAPĀNGA – TĀKE KAUNIHERA

RATING BASE INFORMATION

	2019/20
The projected number of rating units	14,165
The projected total capital value rating units	\$10,962,000,000
The projected land value rating units	\$7,497,000,000

RATES DUE DATES

There will be four equal rates instalments for the 2019/20 rating year. The due dates are as follows:

Instalment	Due Date
Instalment 1	28 August 2019
Instalment 2	27 November 2019
Instalment 3	26 February 2020
Instalment 4	27 May 2020

A 10% instalment penalty will be charged on any instalment which remains unpaid after the due date, to be added at the following dates:

Instalment	
Instalment 1	29 August 2019
Instalment 2	28 November 2019
Instalment 3	27 February 2020
Instalment 4	28 May 2020

WATER RATES DUE DATES

The following are the due dates for water by meter (and water meter Servicing) rates invoices:

Invoice Month	Due Date
July 2019	20 August 2019
August 2019	20 September 2019
September 2019	21 October 2019
October 2019	20 November 2019
November 2019	20 December 2019
December 2019	20 January 2020
January 2020	20 February 2020
February 2020	20 March 2020
March 2020	20 April 2020
April 2020	20 May 2020
May 2020	22 June 2020
June 2020	20 July 2020

If an invoice includes consumption over the period spanning two financial years this will be pro-rated (i.e. per cubic meter rate will be charged at the relevant year's applicable rate).

FUNDING IMPACT STATEMENT - RATING

PAYMENTS

Rates are payable at the following locations:

	Address
Eltham LibraryPlus	High Street, Eltham
Hāwera Administration Building	Albion Street, Hāwera
Hāwera LibraryPlus	High Street, Hāwera
Kaponga LibraryPlus	Egmont Street, Kaponga
Manaia LibraryPlus	South Road, Manaia
Ōpūnake LibraryPlus	Napier Street, Ōpūnake
Pātea LibraryPlus	Egmont Street, Pātea
Waverley Libraryplus	Weraroa Road, Waverley

The payment facilities available at the Council offices include cash, cheque and EFTPOS. The Council also accepts payment of rates by credit card via our online facility. Alternatively, the Council offers the option of paying rates by direct debit, on a weekly, fortnightly, monthly, quarterly, or annual basis. Rates can also be paid by phone or internet banking and automatic payments. Please contact Customer Services on 06 278 0555 or 0800 111 323 for further information, or refer to www.southtaranaki.com.

DISCOUNTS FOR PROMPT PAYMENTS

The Council offers a discount for ratepayers who pay their total annual rates assessment by the due date for the first instalment. The discount rate for 2019/20 is 3%.

RATES RELIEF IN SPECIAL CIRCUMSTANCES

The Council provides for the remission and postponement of rates in some special circumstances, as defined in our Rates Remissions and Postponement Policies (available from the Council offices or online at www.southtaranaki.com).

PROSPECTIVE FINANCIAL STATEMENTS



PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE / TE TAUĀKI PŪTEA TAWHITIROA

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the year ended 30 June</i>			
REVENUE			
Revenue from exchange transactions			
- Water by meter rate	8,634	8,846	8,207
- LTIF Income	8,119	8,047	7,502
- Interest Income	317	286	190
Revenue from non-exchange transactions			
- Rates	31,695	32,894	33,420
- Fees and charges	5,811	6,156	6,150
- Sundry revenue	2,491	2,203	2,200
- Operational grants and subsidies	4,584	4,675	4,984
- Capital Contributions, grants and subsidies	4,094	7,433	7,949
Total Revenue	65,745	70,539	70,602
EXPENDITURE			
Community Development	1,158	1,216	1,151
Arts and Culture	3,121	3,214	3,268
Democracy and Leadership	2,950	2,972	3,128
District Economy	2,085	2,165	2,002
Environmental Sustainability	917	1,009	956
Regulatory Services	2,553	2,552	2,660
Community Facilities	11,056	11,191	11,072
Roading and Footpaths	15,652	15,878	15,464
Solid Waste	3,729	3,437	3,605
Stormwater	1,135	1,168	1,097

TE TAUĀKI PŪTEA TAWHITIROA

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE / TE TAUĀKI PŪTEA TAWHITIROA

	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
<i>For the year ended 30 June</i>			
Wastewater	5,653	5,958	5,927
Waster Supply Services	12,110	12,343	11,795
Coastal Structures	362	372	344
Corporate Actlvities	1,141	1,141	1,239
Total Expenditure	63,622	64,617	63,708
Net cost of services - Surplus/(Deficit)	2,123	5,922	6,894
Taxation	0	0	0
Surplus/(Deficit) after taxation	2,123	5,922	6,894
Disclosures			
Total expenditure includes:			
Direct Costs	39,303	39,692	39,898
Interest	6,944	7,204	6,072
Amortisation and Depreciation	17,375	17,722	17,738

*The Council surplus represents the capital contributions, grants, roading subsidies and LTIF income and contributions towards loans and to pay for capital expenditure. All other expenditure includes a management fee on the LTIF and is funded by income from the LTIF.

PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

<i>For the year ended 30 June</i>	2018/19 (\$,000)	2019/20 (\$,000)	Revised Annual Plan 2019/20 (\$,000)
REVENUE			
Revenue from exchange transactions			
- Water by meter rate	8,634	8,846	8,207
- LTIF Income	8,119	8,047	7,502
- Interest Income	317	286	190
Revenue form non-exchange transactions			
- Rates	31,695	32,894	33,420
- Fees and charges	5,811	6,156	6,150
- Sundry revenue	2,491	2,203	2,200
- Operational grants and subsidies	4,584	4,675	4,984
- Capital Contributions, grants and subsidies	4,094	7,433	7,949
Total Revenue	65,745	70,539	70,602
EXPENDITURE			
Other costs	39,303	39,692	39,898
Interests	6,944	7,204	6,072
Depreciation	17,375	17,722	17,738
Total Expenditure	63,622	64,617	63,708
Net cost of service - Surplus (Deficit)	2,123	5,922	6,894
Gains on assets revaluations	-	51,120	56,572
Total comprehensive income for the year	2,123	57,041	63,466

TE TAUĀKI PŪTEA TAWHITIROA

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

<i>For the year ended 30 June</i>	<i>2018/19 (\$,000)</i>	<i>2019/20 (\$,000)</i>	<i>Revised Annual Plan 2019/20 (\$,000)</i>
EQUITY AT THE START OF THE YEAR	851,458	853,581	853,140
Gain on asset revaluations		51,120	56,572
Net income recognised directly in equity			
Surplus/(Deficit) for the year	2,123	5,922	6,894
Total recognised income and expenses	2,123	5,922	6,894
EQUITY AT THE END OF THE YEAR	853,581	910,623	916,606

PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

<i>For the year ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
CURRENT ASSETS			
Cash and cash equivalents	5,688	3,788	6,957
Accounts Receivable	9,647	10,351	12,000
Stocks	168	188	160
Prepayments	641	641	3,318
Long Term Investment Fund	105,531	107,744	101,100
Total Current Assets	121,676	122,712	123,535
NON CURRENT ASSETS			
Long Term Investment Fund	26,383	26,936	25,275
Intangible Assets	611	511	511
Property, Plant and Equipment	853,939	914,859	907,732
Other Investments	7,722	7,667	3,150
Other Assets	171	171	0
Total Non Current Assets	888,825	950,144	936,668
Total Assets	1,010,502	1,072,855	1,060,203
CURRENT LIABILITIES			
Other Current Liabilities	932	982	1,111
Accounts Payable	9,841	9,995	9,729
Income Received in Advance	1,066	1,126	864
Current Portion of Term Liabilities	93	93	20,098
Total Current Liabilities	11,932	12,196	31,802

TE TAUĀKI PŪTEA TAWHITIROA

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

<i>For the year ended 30 June</i>	<i>2018/19 (\$,000)</i>	<i>2019/20 (\$,000)</i>	<i>Revised Annual Plan 2019/20 (\$,000)</i>
NON CURRENT LIABILITIES			
Term Liabilities	136,820	141,868	101,481
Landfill Aftercare Provision & Other Liabilities	8,168	8,168	10,314
Total Non Current Liabilities	144,988	150,036	111,795
Total Liabilities	156,920	162,232	143,597
Net Assets	853,582	910,623	916,606
REPRESENTED BY:			
Accumulated Balances	418,641	422,962	425,737
Restricted and Statutory Reserves	1,275	1,360	1,617
Investment Revaluation Reserves	120	120	196
Separate Operating Reserves	4,629	2,941	8,682
Capital Replacement Reserves	234	295	622
Council Created Reserves	132,369	135,512	126,867
Asset Revaluation Reserves	296,314	347,433	352,885
Total Equity	853,582	910,623	916,606

PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF CASH FLOWS

<i>For the year ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	Revised Annual Plan 2019/20 <i>(\$,000)</i>
CASH FLOW FROM OPERATING ACTIVITIES			
Cash will be provided from:			
Rates	40,452	40,957	40,673
Dividends	30	0	0
Interest on Investments	2,103	2,056	1,841
Other Revenue	16,950	20,466	21,283
Regional Council Rates	2,200	2,250	2,250
	61,735	65,729	66,047
Cash will be applied to			
Payments to Suppliers & Employees	38,563	38,873	39,622
Agency Rates paid over	2,200	2,250	2,250
Interest Paid on Loans	6,944	7,204	6,072
	47,706	48,327	47,944
Net Cash from Operating Activities	14,029	17,402	18,103
Cash will be provided from:			
Net cash inflow from Investments	2,869	3,072	6,891
Total Investing cash provided	2,869	3,072	6,891
Cash will be applied to:			
Purchase and Development of Fixed Assets	22,063	27,422	17,862
Purchase of Investments	0	0	0
Total Investing Cash Applied	22,063	27,422	17,862
Net Cash From Investing Activities	(19,195)	(24,351)	(10,971)

TE TAUĀKI PŪTEA TAWHITIROA

PROSPECTIVE STATEMENT OF CASH FLOWS

<i>For the year ended 30 June</i>	2018/19 <i>(\$,000)</i>	2019/20 <i>(\$,000)</i>	2020/21 <i>(\$,000)</i>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash will be provided from:			
Loans Raised	9,407	8,751	3,849
Loans Raised - Current Portion	0	0	25,000
Total Financing Cash Provided	9,407	8,751	28,849
Cash will be applied to:			
Repayment of Loans	3,459	3,703	7,878
Repayment of Loans - Current Portion	0	0	25,000
Total Financing Cash Applied	3,459	3,703	32,878
Net Cash from Financing Activities	5,948	5,048	(4,029)
Net Increase/(Decrease) in Cash Held	782	(1,900)	3,102
Total Cash Resources at 1 July	4,906	5,688	3,855
Total Cash Resources at 30 June	5,688	3,788	6,957

STATEMENT OF SPECIAL RESERVES FUNDS

The following Statement of Special Reserves Funds concerns the Council's created reserves component of Council's equity. The Council has an obligation to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community, and to act in the best interest of its ratepayer as a whole and in part.

The Council has several types of Council created reserves, which are monies set aside by the Council for a specific purpose, and these are disaggregated into the following categories:

- > Separate Rate Reserves
- > Statutory Reserves; and
- > Restricted Reserves.

SEPARATE RATE RESERVES

Separate Rate Reserves are maintained for targeted rates charged for a specific purpose. A Separate Rate Reserves is maintained for each targeted rate to ensure that the funds are held and used for the specific purpose intended.

SEPARATE OPERATING RESERVES

	Opening balance	Income	Expenditure	Other Adj	Closing balance	Purpose of funds
Roading	(28,352.87)	17,806,481.35	(16,119,353.97)	(1,721,121.92)	(62,347.41)	To keep surpluses/deficits in each activity separate from other activities.
Regional Road Safety	33,987.21	260,861.00	(261,160.00)	0.00	33,688.21	To keep surpluses/deficits in each activity separate from other activities.
Water Supply Urban	702,765.24	8,551,325.34	(8,030,753.70)	955,786.48	2,179,123.36	To keep surpluses/deficits in each activity separate from other activities.
Wastewater	210,280.10	5,830,190.56	(6,362,809.85)	1,273.58	(321,065.61)	To keep surpluses/deficits in each activity separate from other activities.
Eltham Drainage	21,309.01	8,240.77	(7,848.56)	0.00	21,701.22	To keep surpluses/deficits in each activity separate from other activities.
Water Supply Waimate West/Inaha	3,171,146.61	5,057,263.09	(4,333,177.52)	1,519,930.37	5,415,162.55	To keep surpluses/deficits in each activity separate from other activities.
Solid Waste Collection	1,234,913.15	2,156,360.60	(2,035,028.92)	40,986.08	1,397,230.91	To keep surpluses/deficits in each activity separate from other activities.
Nukumarū	(16,528.39)	0.00	0.00	16,528.39	0.00	To keep surpluses/deficits in each activity separate from other activities.
Hāwera Town Co-ordinator	18,741.36	166,384.76	(166,384.76)	0.00	18,741.36	To keep surpluses/deficits in each activity separate from other activities.
	5,348,261.42	39,837,107.47	(37,316,517.28)	813,382.98	8,682,234.59	

The other adjustment 2018-28 column includes capital expenditure, loan repayments, new loans and depreciation.

TE PŪTEA PENAPENA MOTUHAKA

COUNCIL CREATED RESERVES

	Opening balance	Income	Expenditure	Other Adj	Closing balance	Purpose of funds
Safer Communities	15,500.46	465.01	0.00		15,965.47	To manage the balance of funds from Safer Community grants to be used on youth programmes.
Economic Development Fund	183,111.11	5,493.33	0.00		188,604.45	The purpose of the reserve is to enable the Council to strategically intervene when required by practically supporting new business.
Forestry	69,838.84	2,095.17	0.00		71,934.01	To manage income and expenditure relating the to joint venture forestry investment.
Okotuku Domain	21,619.67	4,911.59	0.00		26,531.26	To manage revenue from the leasing of Crown land which has been vested in the Council on behalf of the Okotuku Domain committee.
Centennial Close 1% Contribution	3,096.23	2,972.14	0.00		6,068.37	To manage the 1% contribution for the first 15 years from the deposit held for Centennial Close flats for the purpose of upgrading the units when they are vacated.
Long Term Investment Fund	127,826,507.55	9,561,016.00	(11,012,326.00)		126,375,197.55	To manage funds derived from the sale of the Council's shareholding in Egmont Electricity and to provide a rates subsidy.
Planting Reserve	36,086.84	268,461.37	(174,749.00)		129,799.21	To fund riparian planting throughout the District.
Riparian/Indigenous	51,040.85	(34,989.77)	36,521.00		52,572.07	To fund riparian planting throughout the District.
	128,206,801.55	9,810,424.83	(11,150,554.00)	0.00	126,866,672.38	

* Excludes internal borrowing

CAPITAL REPLACEMENT RESERVES

	Opening balance	Income	Expenditure	Other Adj	Closing balance	Purpose of funds
	489,615.09	0.00	0.00	132,829.65	622,444.74	To manage funds derived from funded depreciation for funding of capital expenditure on selective activities.

STATEMENT OF SPECIAL RESERVES FUNDS

RESTRICTED RESERVES

	Opening balance	Income	Expenditure	Other Adj	Closing balance	Purpose of funds
Eltham Property	15,031.19	450.94	0.00	0.00	15,482.13	To hold funds from property sold in the Eltham ward for funding of various projects in the Eltham ward.
Pool Plant	35,381.76	1,061.45	0.00	0.00	36,443.21	To provide funds for district pools.
Larcom Bequest - Turuturu Mokai	96,574.29	2,897.23	0.00	0.00	99,471.52	To manage a bequest from Samuel Larcom which was divided into four parts, 1/4 for Parks and Reserves, 1/4 for Turuturu Mokai Reserve, 1/4 for Egmont A & P Association and 1/4 for the Pukeiti Rhododendron Trust.
Pātea Property	11,005.96	330.18	0.00	0.00	11,336.14	To hold funds from property sold in the Pātea ward for funding of various projects in the Pātea ward.
Wairoa Recreation Reserve	498,285.51	15,398.57	0.00	30,000.00	543,684.07	To manage revenue from the leasing of Crown land which has been vested in the Council and fees/charges from the campground for capital works on the Wairoa Recreation Reserve.
Harbour Endowment	189,922.27	6,120.35	0.00	28,178.86	224,221.48	To manage lease income from land formerly owned by the Pātea Harbour Board to be used for the following; (a) maintenance and improvement of endowment properties (b) maintenance and improvement of Harbour facilities, including harbour walls, and (c) on recreational and cultural facilities with the Pātea ward.
Centennial Bursary	67,271.16	3,604.00		(3,604.00)	67,271.16	To provide grants of up to \$400 towards tertiary education for eligible applicants. Only interest income from the fund may be used.
Kaupokonui Beach	33,904.30	987.13		(2,000.00)	32,891.43	To manage lease income from Crown land vested in the Council for capital works requested by the Kaupokonui Beach Society.
	947,376.44	30,849.84	0.00	52,574.86	1,030,801.14	

TE PŪTEA PENAPENA MOTUHAKA

STATUTORY RESERVES

	Opening balance	Income	Expenditure	Other Adj	Closing balance	Purpose of funds
Eltham Reserve Contributions	43,539.78	1,306.19	0.00	0.00	44,845.97	To manage reserve contributions collected under the RMA to be used for acquisition or development of reserves in the Eltham ward.
District Reserve Contributions	298,300.26	7,254.01	0.00	(113,000.00)	192,544.26	To manage reserve contributions collected under the RMA to be used for acquisition or development of reserves in the District.
Waimate Development Levy	281,334.20	14,000.00	0.00	(14,000.00)	281,334.20	To hold funds derived from a levy on Kapuni Petrochemical Development for the funding of projects on public assets which are located on council owed property or reserves located within the boundaries of the old Waimate Plains County Council. The principle fund to remain at no less than \$260,000.00.
Ōpūnake Reserve Contributions	22,513.38	675.40	0.00	0.00	23,188.78	To manage reserve contributions collected under the RMA to be used for acquisition or development of reserves in the Ōpūnake ward.
Manaia Reserve Contributions	42,779.15	1,283.37	0.00	0.00	44,062.53	To manage reserve contributions collected under the RMA to be used for acquisition or development of reserves in the Manaia ward.
	688,466.77	24,518.98	0.00	(127,000.00)	585,985.75	