



**I, Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer, hereby
give notice that
Finance, Audit & Risk Committee Meeting will be held on:**

Date: Tuesday, 13 April 2021
Time: 11.00am
Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa

AGENDA

Finance, Audit & Risk Committee Meeting

13 April 2021

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz

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- 1 KARAKIA**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF CONFLICT OF INTEREST**
- 4 CHAIRPERSON'S ANNOUNCEMENTS**
- 5 LATE ITEMS OF URGENT BUSINESS**
- 6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 15.1 requests to speak must be made to the Chief Executive Officer at least one clear day before the meeting; however this requirement may be waived by the Chairperson. Requests should also outline the matters that will be addressed by the speaker(s).

7 MINUTES OF THE PREVIOUS MEETING

Ordinary Meeting - 2 March 2021

**MINUTES OF WAIROA DISTRICT COUNCIL
FINANCE, AUDIT & RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA
ON TUESDAY, 2 MARCH 2021 AT 1.30PM**

PRESENT: Cr Jeremy Harker, Cr Denise Eaglesome-Karekare, Mr Philip Jones (via Zoom), Cr Danika Goldsack

IN ATTENDANCE: **Kitea Tipuna** (Tumu Whakarae Taupua Interim Chief Executive), **Kimberley Tuapawa** (Pouwhakarae – Pārongo/Wheako Kiritaki Group Manager Information and Customer Experience), **Gary Borg** (via Zoom) (Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), **Stephen Heath** (Pouwhakarae-Hua Pumau Hapori/Ratonga/Group Manager Community Assets and Services), **Simon Mutohori** (Pouwhakarae-Whakamahere me te Waeture/Group Manager-Planning & Regulatory), **Kevin Stevenson** (Kaiurungi Hauora-Haumaruru | Zero Harm & Health & Safety Officer), **Courtney Hayward** (Kaiurungi Matua Kaupapa Here me te Mana Ārahi | Senior Policy and Governance Advisor), **Gay Waikawa** (Kaiurungi Mana Arahi/Governance Officer)

1 KARAKIA

Karakia was given by the Interim Chief Executive Officer, Kitea Tipuna

2 APOLOGY FOR ABSENCE

APOLOGY

COMMITTEE RESOLUTION 2021/135

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That the apology received from His Worship the Mayor, Craig Little be accepted and leave of absence granted.

CARRIED

3 DECLARATION OF CONFLICT OF INTEREST

Nil

4 CHAIRPERSON'S ANNOUNCEMENTS

The Chairman welcomed everyone to the meeting.

5 LATE ITEMS OF URGENT BUSINESS

The Interim Chief Executive Officer advised Policies and bylaws

Pulic Excluded - Update on Lone worker

6 PUBLIC PARTICIPATION

Nil.

7 MINUTES OF THE PREVIOUS MEETING

COMMITTEE RESOLUTION 2021/136

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Danika Goldsack

That the minutes of the Ordinary Meeting held on 10 November 2020 and the Extraordinary Meeting held on 19 January 2021 be confirmed.

CARRIED

DISCUSSION – FAaR COMMITTEE WORK PLAN – 02 MARCH 2021

No	ACTION TO BE TAKEN	RESPONSIBLE	CLOSED/OPEN
1	Establish an outstanding report to management register with a regular update.		Ongoing
2	Full draft Annual report NLT 29 Sept 2020 to be reviewed by FAR before submitting to Auditors	Finance and Corporate Support Department	Closed
3	Interim report on risk against Council risk policy – update on progress Present a report on risk at next FAaR Committee.	Interim Chief Executive	Ongoing
4	Provide an update where Council is at with all policies and bylaws.	Pouwhakarae – Pārongo/Wheako Kiritaki Group Manager Information and Customer Experience	Open
Kaiurungi Matua Kaupapa Here me te Mana Ārahi Senior Policy and Governance Advisor provided a table of Council policies that need refreshing, amending, updating, consulting, reviewing and developing. An update of Council bylaws will be presented at the next FAaR Committee.			
5	Capitalisation policy	Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), and (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services	Open
Capitalisation policy to be presented at next FAaR meeting.			
6	Gap analysis of renewals	Pouwhakarae – Pūtea/Tautāwhi Rangapū	

	programme	Group Manager Finance and Corporate Support), and (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services	Open
Requires further discussion.			
7	Depreciation of gap and level of service – renewals programme – Report on where Council is at.	Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), and (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services	Open
Requires further discussion.			
8	Provide update on lone worker – health & safety	Kaiurungi Kore Whakawhara Zero Harm Officer	Open
Update on lone worker-health and safety will be presented in public excluded as it has not been through internal process.			
9	Provide update – Forecast procedure – half yearly and March of every year.	Finance and Corporate Support Department	Open
Being managed and forecast more practically.			
10	Provide capital expenditure	Kaikaute Putea Financial Accountant	Open

8 GENERAL ITEMS

8.1 HEALTH & SAFETY UPDATE

COMMITTEE RESOLUTION 2021/137

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Danika Goldsack

That Committee receive the report.

CARRIED

The Kaiurungi Kore Whakawhara Zero Harm Officer updated the Committee. The updates covered are hazard identification/register/accident or near miss reports being staff abuse of a minor nature and electrical fault.

COVID 19 has had little effect on Council's day to day operation. New signage and hand sanitiser are provided at reception for customers and visitors to Council.

The Committee was also updated on staff training for First Aid and Health, Safety Committee, Safety Audits Summary and Collaborative Health and Safety Project.

The Committee discussed:

- Jumping of alert levels for COVID and readiness for all levels.
- Near miss reporting and severity.

8.2 FINANCIAL PERFORMANCE TO 31 JANUARY 2021

COMMITTEE RESOLUTION 2021/138

Moved: Cr Jeremy Harker

Seconded: Mr Philip Jones

That Committee receive the report.

CARRIED

The Kaikaute Putea Financial Accountant presented Council's operating financial performance for the 7 months to 31 January 2021 and forecast to 30 June 2021.

The report also provides an update on Council's progress against objectives established and decisions previously made in the Annual Plan 2020-21 and Long-term Plan 2018-28.

Variance explanations (underlying actual YTD and underlying forecast compared to annual plan) were presented for Statement of Comprehensive Revenue and Expense for the period ended January 2021 and Statement of Financial Position as at 31 January 2021.

The Committee discussed:

- External funding.
- Depreciation gaps.
- Spend money by.
- Being able to deliver on some projects and how well the project is going.
- Project risks.

The Kaiurungi Matua Kaupapa Here me te Mana Ārahi | Senior Policy and Governance Advisor presented a table of the Council policies requiring refreshing, under review, amending, updating, and developing.

9. PUBLIC EXCLUDED ITEMS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION 2021/139

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Danika Goldsack

That the public be excluded from the following parts of the proceedings of this meeting at 2.16pm.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<p>6.1 – Draft Working Alone Policy</p>	<p>s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p>CARRIED</p>		

COMMITTEE RESOLUTION 2021/140

Moved: Cr Jeremy Harker

Seconded: Cr Danika Goldsack

That Council moves out of Closed Council into Open Council at 2.29pm.

CARRIED

The Meeting closed at 2.30pm with a karakia by the Interim Chief Executive Officer, Kitea Tipuna.

The minutes of this meeting were confirmed at the Finance, Audit & Risk Committee Meeting held on 13 April 2021.

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CHAIRPERSON

8 GENERAL ITEMS

8.1 FINANCIAL STRATEGY

Author: Gary Borg, Chief Financial Officer

Authoriser: Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer

Appendices: 1. Financial Strategy 2021-31 [↓](#)

1. PURPOSE

1.1 This report presents the draft Financial Strategy 2021-31

RECOMMENDATION

The Chief Financial Officer RECOMMENDS that Committee receives and endorses the draft Financial Strategy, attached as **Appendix 1**, to Council for inclusion in the draft Long-term Plan 2021-31, subject to completion of audit.

EXECUTIVE SUMMARY

2. BACKGROUND

- 2.1 Council is in the process of creating its Long-term Plan (LTP) 2021-31.
- 2.2 The Financial Strategy is a statutory component of a LTP.
- 2.3 The draft strategy is attached as **Appendix 1**.
- 2.4 The limits on rates and debt are consistent with those contained in the Financial Strategy for the LTP 2018-28

3. OPTIONS

- 3.1 The options identified are:
 - a. Adopt the draft strategy
 - b. Adopt a modified strategy
- 3.2 a. The draft strategy attached as **Appendix 1** complete in respect of the statutory requirements and has been prepared with reference to the draft Infrastructure Strategy, proposed budgets, current funding and rating policies, and independent reports on demographic and economic indicators. It sets out the funding requirements for Council to deliver sustainable levels of service as described in the draft LTP, and the proposed approach to dealing with the inherent challenges.
- 3.3 b. The Committee may wish to edit some of the narrative, or consider alternative parameters.
- 3.4 The preferred option is *a) Endorse the draft strategy*, this contributes to the following community outcomes:

Economic wellbeing	Social and Cultural Wellbeing	Environmental Wellbeing
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1. A strong prosperous and thriving economy	4. Safe and accessible recreational facilities	7. A safe and secure community
2. A safe and integrated infrastructure	6. Strong district leadership and a sense of belonging	8. A lifetime of good health, education and well-being
		9. An environment that is appreciated, protected and sustained for future generations

4. CORPORATE CONSIDERATIONS

What is the change?

- 4.1 The draft strategy is consistent with Council's current practices, no significant changes are anticipated.

Compliance with legislation and Council Policy

- 4.2 The final strategy will be incorporated in the adopted LTP.
- 4.3 The Financial Strategy as presented references is prepared with reference to Council's Liability Management Policy and its updated Revenue and Financing Policy.
- 4.4 S101A of the Local Government Act 2002 stipulates that a local authority must, as part of its long-term plan, prepare and adopt a financial strategy for all the consecutive financial years covered by the long-term plan.

What are the key benefits?

- 4.5 The Financial Strategy provides a framework to enable Council exercise financial prudence in managing its activities and to provide a financial context to the community when projects and levels of service are considered.

What is the cost?

- 4.6 Nil

What is the saving?

- 4.7 Nil

Service delivery review

This decision will not initiate a Service Delivery Review. The financial parameters proposed by the strategy reflect the cost of service levels that were determined following LTP Pre-Engagement.

Māori Standing Committee

- 4.8 This matter has not been referred to the MSC because the LTP affects the community as a whole.

5. SIGNIFICANCE

- 5.1 Impact: The Financial Strategy has no direct implications for specific individuals or groups, but the resultant budgets will affect everyone in the community.
- 5.2 There is moderate public interest in the financial strategy, but potentially very high interest in the LTP.
- 5.3 The Financial Strategy provides parameters for Council's budgets and financial capacity, and so potentially for service levels.
- 5.4 The decision can be modified following consultation.
- 5.5 The Financial Strategy includes information regarding funding the renewal of strategic assets and is written with reference to the Infrastructure Strategy.
- 5.6 This decision does not affect the way any significant activities are delivered.
- 5.7 The endorsement of a Financial Strategy is administrative and of low significance. However, in the wider context the decisions reflected in a Long-term Plan, of which this strategy is part, are of higher significance.

6. RISK MANAGEMENT

- 6.1 The risk assessment below refers to the decisions associated with the Financial Strategy and its impact on the LTP. The strategy itself contains a risk assessment of the key elements that will affect the achievement of Council's financial objectives.
- 6.2 In accordance with the Council's Risk Management Policy the inherent risks associated with this matter are:

Human	Financial	Regulatory
Low	High	Low
Operations	Employees	Image & Reputation
Considerable	Low	High

6.3 A Financial Strategy mitigates financial risk by setting parameters for funding and financial management.

Who has been consulted?

A summary of the financial strategy will be included in the LTP Consultation Document and the full strategy will be made available throughout the consultation period.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
<p>Author Gary Borg</p>	<p>Approved by Kitea Tipuna</p>

FINANCIAL STRATEGY

2021-2031

DRAFT: MARCH 2021



TE WAIROA
WAIROA DISTRICT

WAIROA

RAUTAKI AHUPŪTEA - FINANCIAL STRATEGY

FINANCIAL STRATEGY 2021

WAIROA

INTRODUCTION

This Financial Strategy sets out how Council intends to fund its activities and projects, in order to deliver sustainable service levels and achieve the community objectives contained in its Long-term Plan (LTP) 2021-31 and the corresponding 10 years of its infrastructure strategy.

Over the next 10 years, Council forecasts that a total of over \$334 million in operating costs and nearly \$136 million in capital expenditure will be required in order to meet these objectives.

This strategy will guide Council on the use of appropriate funding tools to pay for this expenditure, so that it can continue to deliver effective and affordable services to the community now and into the future.

This strategy examines the key drivers that will affect Council's funding and expenditure, the risks associated with the assumptions it has made, and the use of available tools to deliver its outcomes and allow for changing circumstances.

Council faces significant challenges to deliver desired levels of service within an affordable funding envelope. We will continue to strive to deliver effective services at an affordable cost. Despite this we also need a reset, to respond to events of the past 3 years and reposition the Council to a sustainable financial footing.

Over recent years Council has been able to keep rates increases below its prescribed limit of 5%. It has achieved this primarily by not rating for depreciation, selling surplus assets and deferring expenditure. These measures can only work in the short term and we have to do something about it. Council still sees a rates increase threshold of 5% as desirable, but for the next few years it will not be achievable unless we have a serious look at levels of service.

FINANCIAL STRATEGY 2021

BACKGROUND

What hasn't changed....

Wairoa's low population density and the large remote expanse of land over which Council delivers infrastructure and services present continuing affordability challenges. Our remoteness and landscape, whilst presenting wonderful lifestyle benefits, adds to this.

The costs of meeting increasing compliance requirements and the community's desired levels of service in all areas will continue to rise.

Council is heavily dependent on Waka Kotahi subsidies to maintain its roading network and, at 75%, receives the highest funding assistance rate in the country.

In the LTP 2018-28 we forecast that Council would become more reliant on borrowing to undertake essential upgrades to infrastructure and facilities. This has begun and the trend will continue for at least four years.

What has changed

COVID-19 has made everyone rethink how they do business and although Wairoa and the Hawke's Bay Region generally proved it's resilience with a strong primary economy, we are mindful that the pandemic continues to have a global impact and the ripples will be felt everywhere.

The 3 Waters Reform Programme and Review conducted by the Department of Internal Affairs (DIA) signalled the prospect of a significant overhaul to the way water services may be delivered throughout New Zealand. As part of the Hawke's Bay Group of Councils we were ahead of the game, having started a regional review in 2019, and we will continue to strive for the best outcome for our community. At this stage the outcome is uncertain and this LTP has been prepared on the basis that the delivery model will not change in the foreseeable future.

Council outperformed the sector by securing significant investment from the Provincial Growth Fund (PGF) and the DIA 3 Waters Reform Stimulus Package.

We have a new rating model and Revenue and Financing Policy.

WAIROA

OUR FINANCIAL OBJECTIVES

During 2020/21 Council conducted a rating review seeking an approach that is Simple, Affordable and Appropriate. This ethos is embedded in our updated Revenue and Financing Policy and will underpin our approach to funding throughout this plan.

Our mission in this strategy is financial sustainability, our financial objectives are:

OBJECTIVE	SIMPLE	AFFORDABLE	APPROPRIATE
Certainty of Rates Increases		✓	✓
Optimise External Revenue	✓	✓	✓
Value for Money		✓	✓
Intergenerational Equity	✓	✓	✓
Debt Remains Manageable	✓	✓	✓

These objectives are not a means to themselves, they are the pillars upon which we will seek to build a financial framework to enable us to deliver effective services and infrastructure now and into the future, as economically as possible. We may not achieve them all at the same time and sometimes they will conflict. There will need to be a balance. It's a long road with many turns ahead.

Council has adopted a range of benchmarks to assess how we are progressing. These are illustrated throughout this strategy.

ASSUMPTIONS – WHAT WE ARE PLANNING FOR

POPULATION

Wairoa's population has been growing steadily since 2014 and is forecast to exceed 9,000 by 2031 for the first time since 2003. While this is very encouraging, and great news for our social wellbeing outcomes, it will do little to spread the load on a small ratepayer base. It would take eight new rating units to reduce the Uniform Annual General Charge by \$1.

¹ Wairoa District Council: Long Term District Planning Demographic and Economic Growth Directions 2021-2051

It is hoped that this population growth will stimulate economic growth that will improve household incomes and make Council activities, as part of the general cost of living, more affordable.

It is forecast that between 2021 and 2031 the total population will increase by 300, and thus an increase in households of 120, based on extrapolating reported growth in the last two years¹. This average increase of 10 per year is consistent with our own observations; over the past two years Council has seen a net increase of 18 dwellings in its Rating Information Database and issued 17 residential building consents between 2018 and 2019.

Council's Infrastructure Strategy advises that there is sufficient capacity in its existing infrastructure to accommodate this growth, noting that seasonal swells are likely to continue to increase, and that existing plans will accommodate upgrades to Council's infrastructure in response to the needs of an aging population. Consequently the only provision of note is a \$0.5 million investment in the Māhia stormwater system, as the area is predicted to become more urbanised and a significant upgrade will be required. This will be funded by borrowing.

Therefore the main challenge that Wairoa's population presents to achieving these financial objectives remains spreading the cost over a small base.

Wairoa's population is expected to remain approximately 2/3 Māori. This presents no particular implications for Council's financial strategy, but alongside its new Revenue and Financing Policy Council has adopted updated Rates Remission and Postponement policies, with particular attention to the prospective growth of Papakāinga and the progression of the Local Government (Rating of Whenua Māori) Amendment Bill.

IMPLICATIONS FOR STRATEGIC OBJECTIVES	POPULATION	
	RISK	OPPORTUNITY
Certainty of Rates Increases	High	Low
Optimise External Revenue	Low	High
Value for Money	High	Medium
Intergenerational Equity	Low	High
Debt Remains Manageable	Medium	Low

WAIROA

ECONOMIC FACTORS

THE LOCAL ECONOMY

Wairoa has a strong primary industry and low dependency on tourism which saw it weather the COVID-19 storm better than most. Local GDP and employment are trending modestly upwards, but below regional and national averages.

There is a concentration of employment around the Wairoa township, with the largest single employer accounting for the equivalent of approximately 12% of the town's population and making a significant contribution to export GDP. The three largest employers combined make up roughly 16%.

The rural economy has traditionally been dominated by pastoral farming, which also makes a substantial contribution to export GDP, but there is a concern that substitution into forestry will dilute this and the wealth retained in the district.

Other short-term threats include the closure of local bank branches and the difficulties this may present to residents and businesses in transitioning to alternative transaction methods.

Longer-term opportunities relate to tourism and hospitality, with regular launches by RocketLab in Māhia becoming a draw. As long as the district maintains its robust core industries this will be a valuable addition for growth and diversification.

House values are increasing at among the highest rates in the country, with many whānau returning from other regions and abroad, along with increasing demand in Māhia. It is unclear whether this can be expected to deliver wider economic benefit, since much of this relates to properties used for holiday homes and retirement investments. However it can be expected that there will be an increase in holiday lettings which may provide stimulus. As noted previously, the number of new builds is modest, this may increase as vacant properties become occupied and the prices of established properties catch up with the cost of building.

FINANCIAL STRATEGY 2021

MACRONOMICS

Challenge 1 – Ability to Borrow

To meet its capital works programme Council will need to borrow, on average, nearly \$3 million extra every year, with \$5 million required in 2021/22 and \$5.5 in 2024/25. At 1 July 2021 Council's total external borrowing is expected to be \$14.5 million and by 2030/31 gross debt is forecast to be \$42 million, which equates to 100% of total revenue. These amounts are manageable, but debt levels will be much higher than was anticipated in the LTP 2018-28. Considering that only a few years ago Council's only external debt was \$5 million in connection with the Māhia and Ōpoutama wastewater scheme, they are significant. As a member of the Local Government Funding Agency (LGFA) Council could borrow up to 175% of its revenue. However, this would be extremely risky and Council views 100% of revenue as an important affordability threshold for its community. This is reflected in our Liability Management Policy.

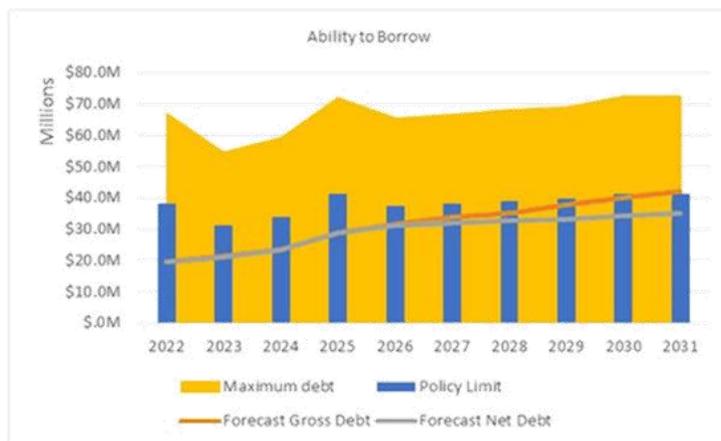
At the same time, Council's \$4 million of investments will mature over the next 4 years and the income from these, which has been offset against rates, will need to be replaced. Council's revenue will not be sufficient to reinvest in the medium term.

OUR RESPONSE

Borrowing is an appropriate funding tool for long-term assets. Council will use borrowing prudently to fund the infrastructure that delivers core services now and into the future, without creating an unmanageable affordability challenge.

In order to fund improvements in infrastructure sustainably and maintain levels of service, Council will borrow up to the levels that it considers prudent - 100% of revenue. It will rate for the repayment of this debt over the life of the corresponding assets, in lieu of rating for depreciation. This will ensure that each year the community that benefits from this infrastructure pays its share, and from 2026 it will enable Council repay some of this debt and create sufficient capacity for future borrowing requirements, as shown in the graph below:

WAIROA



Challenge 2 - Cost of Borrowing

The other half of the borrowing equation is the cost of borrowing. Interest rates have been low for many years and Council has made use of this to borrow for essential capital works at competitive rates. There is a risk that rates will increase in the future due to an increase in global and national appetite for borrowing. We are in the same waka as every other council, with a large works programme to catch up on and limited reserves available to pay for them.

As previously stated, Council's membership with the LGFA enables us to borrow at competitive rates. Our financial forecasts assume that these rates will be available throughout the life of this strategy. However, we also recognise the risk that economic pressures will cause interest rates to rise in the future. An increase of 1% in interest rates is almost the equivalent of 1% in council rates.

OUR RESPONSE

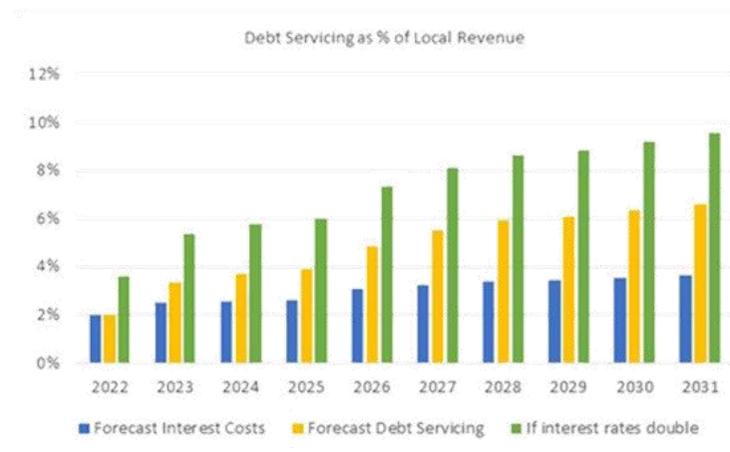
FINANCIAL STRATEGY 2021

The Financial Prudence Regulations prescribe a basic benchmark that borrowing costs should not exceed 10% of total revenue. Even without repaying any debt, Council would be comfortably within this threshold at 2%, and if interest rates doubled it would be 4%.

For the purposes of this strategy Council has considered a tighter assessment, taking into account the following:

- The ability to service debt also includes the ability to meet repayments
- Total revenue includes subsidies, primarily from Waka Kotahi which are specifically intended for the purposes of maintaining and improving our roads. This revenue is not to be used to cover interest and debt repayments.

Therefore Council has modelled its own debt servicing measure to ensure that the scale of borrowing will continue to be affordable. In the graph below, Debt Servicing includes interest expenses and the amount required to be rated for loan repayments and is expressed as a percentage of revenue excluding subsidies. This is the annual cost that the community will bear. Council will maintain a limit of 10%, but it will be based on this adjusted revenue figure. This shows that debt remains affordable throughout the plan.



Challenge 3 - Inflation

WAIROA

In our financial forecasts we have applied the nationally recognised inflation rates provided by Business and Economic Research Ltd (BERL) based on their assessment of a 'mid-scenario'.

Year to 30 June	% change on previous year				
	Planning & Regulation	Roading	Transport	Community	Water & Environment
2022*	2.7	3.3	2.9	3.2	6.0
2023	2.5	3.1	2.6	2.7	3.5
2024	2.3	3.0	2.4	2.5	2.6
2025	2.2	2.9	2.4	2.4	2.7
2026	2.2	2.9	2.4	2.5	2.9
2027	2.2	2.9	2.4	2.4	2.8
2028	2.2	2.9	2.4	2.5	3.2
2029	2.2	2.9	2.4	2.6	3.3
2030	2.2	2.9	2.4	2.6	3.4
2031	2.2	2.9	2.4	2.4	3.1
20 year average %pa	2.0	2.5	2.2	2.1	2.5

*For the year ended 30 June 2022 we have applied known contract rates. Prices rarely decrease and in the public sector they often go up more than normal. In Wairoa we have the added challenge of remoteness and size, making the local market less competitive due to the small number of suppliers. Noting that these are averages applied across the entire country, the Wairoa experience may be quite different.

Council rates for approximately 60% of its operating costs, which means a 1% variation in inflation would increase rates by 0.6%. However, this assumes that nothing else will change. In the LTP 2018-28 we applied the corresponding rates in our forecasts. Since then major contracts for roading and water utilities have been tendered and prices were significantly higher than inflation adjustments. As well as the factors peculiar to Wairoa, increasing requirements for safety and regulatory compliance continue to affect the cost of provision. Furthermore, the economic stimulus packages have been beneficial to the local and national economy, but there is a real prospect of the demand from this causing upward price pressure in the market, placing Wairoa at a potential disadvantage.

FINANCIAL STRATEGY 2021

Furthermore, due to its high dependency on subsidies from Waka Kotahi, significant price changes may limit the amount of work that can be completed without additional input from Council.

OUR RESPONSE

Council's ability to insulate itself against future price increases is restricted to developing smart collaborative procurement techniques, careful contract management and disciplined budgeting.

Costs are far more likely to increase due to changes in the safety, regulatory and compliance areas for all activities. If these activities become unaffordable Council will need to review its levels of service with the community.

IMPLICATIONS FOR STRATEGIC OBJECTIVES	ECONOMIC FACTORS	
	RISK	OPPORTUNITY
Certainty of Rates Increases	Medium	Low
Optimise External Revenue	Low	Medium
Value for Money	Medium	Low
Intergenerational Equity	Low	High
Debt Remains Manageable	Low	Medium

LAND USE

WAIROA

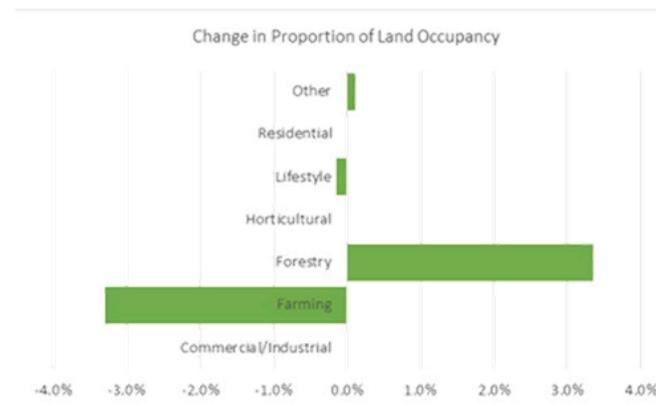
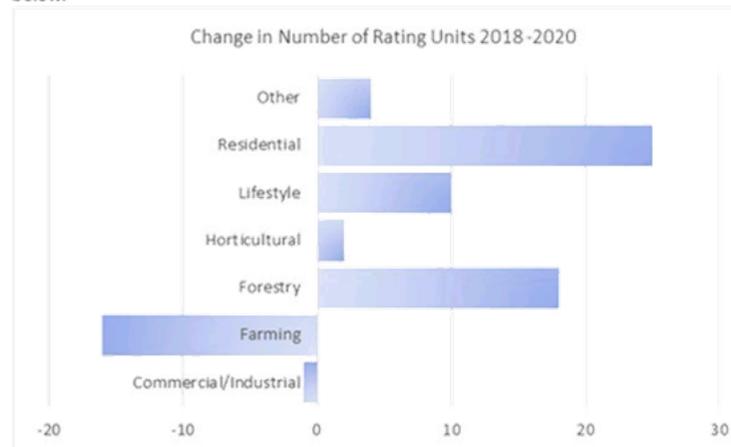
Council's Infrastructure Strategy makes reference to:

- Anticipated transfer of land use from farming to forestry and horticulture;
- Expected increase in RocketLab operations and tourism possibilities;
- Increase in residential building in Māhia and Wairoa.

The first two items will specifically affect the consumption and cost of maintaining and improving the roading network.

With regards to residential growth, improvements to the stormwater network are specifically anticipated, particularly in Māhia

These trends have been observed since the last update to the LTP, as shown in the graphs below:



OUR RESPONSE

Due to financial constraints and the total amount of approved funding we are likely to receive from Waka Kotahi, there is limited capacity to augment the land transport management programme. It is more likely that work will need to be prioritised to meet this change in demand. In 2019 Council received approval from the PGF for \$2.2 million towards a bridge strengthening programme for high productivity motor vehicle upgrades.

As mentioned earlier, Council will invest \$0.5 million in improvements to the Māhia stormwater reticulation.

In the future Council will need to maintain these assets to a higher standard so that they remain serviceable to the users.

Our main lever is therefore seeking to ensure an appropriate distribution of funding needs, primarily through rates. In 2018, Council applied a differential factor of five to the roading rate for the forestry sector, reflecting the comparative cost of maintaining the network. In January 2021 Council completed its rating review and adopted an updated methodology. Specific features that address the impact of land use include:

- Transitioning to a general rate assessed on capital value, partly on the basis that development drives the cost of infrastructure;

WAIROA

- Incorporating the forestry roading differential factor into the streamlined capital value rating system and applying a differential factor of four overall to reflect the relative impact on community wellbeing outcomes;
- Moving 10% of the rates for all water activities to the general rate, recognising that there is benefit to the entire community from healthy water systems.

IMPLICATIONS FOR STRATEGIC OBJECTIVES	LAND USE	
	RISK	OPPORTUNITY
Certainty of Rates Increases	Medium	Medium
Optimise External Revenue	Low	Medium
Value for Money	Medium	Medium
Intergenerational Equity	Medium	Medium
Debt Remains Manageable	Low	Low

MAINTAINING LEVELS OF SERVICE THROUGH INFRASTRUCTURE

Council delivers much of its core services through infrastructure. As at 30 June 2020 Council owned assets valued at \$290 million (based on age and condition), of which \$256 million was network infrastructure, i.e. roads and water utilities. These assets have serviceable lives ranging from 10 years to 120 years. Council maintains activity management plans to ensure these assets achieve their service potential and are renewed or replaced at the optimum time. These assets are significant investments and the renewal expenditure tends to happen in large chunks. This requires prudent financial planning and funding principles.

Council generally rates for depreciation on assets that it expects to replace or renew in the future, where no preferable alternative funding source exists. This ensures that current users pay for their share of the consumption of assets. The money collected for depreciation accumulates in reserves that Council will use to fund the future renewals, and ensures that the assets are capable of delivering the same levels of service to the next generation. This creates intergenerational equity.

As at 30 June 2020, Council's balance sheet included \$14 million of reserves held for future asset purchases and around \$10 million of this is for network assets. Of the total, investments and cash deposits represent \$6 million, with the remainder in the form of internal loans. Internal loans arise when future funds accumulated in one activity are

used for a project in another; and subsequently recovered over time through rates applied through the relevant activity. This reduces the requirement for external debt and preserves stakeholder equity by ensuring that users pay for what they get, and get what they pay for. Council believes that rating for depreciation is the most prudent way of funding infrastructure renewals because:

- It is more predictable and steady than future capital forecasts which tend to happen in peaks and troughs and are dependent on changing predictive models
- It is less expensive and less risky than financing all expenditure through borrowings
- Council's infrastructure assets are revalued every three years and these regular updates enable Council to keep pace with cost escalations and charge an appropriate depreciation rate.

The following information examines the expenditure required on infrastructure to maintain existing levels of service, and how Council intends to fund these renewal programmes. It is a convention of prudence that depreciation is used as a benchmark to assess whether this expenditure is sufficient to maintain levels of service in the long-term. The charts that follow show the amount of capital expenditure required through the 10 years of the plan, and the funding sources that will be used.

ROADS

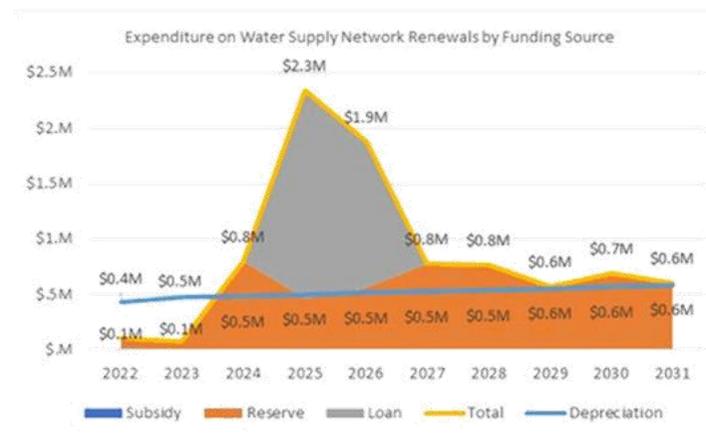
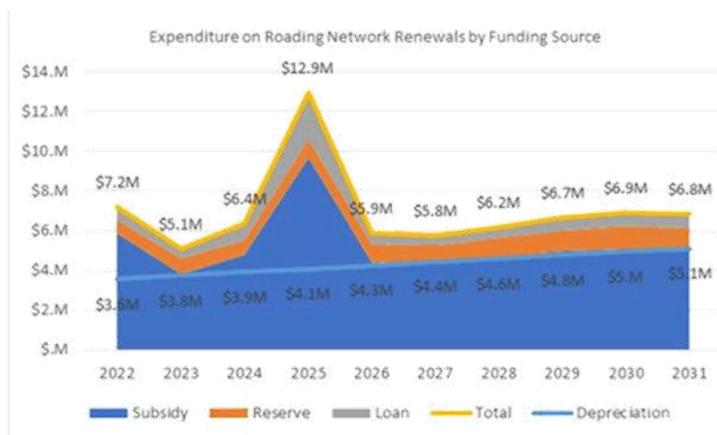
In order to maintain levels of service on the roading network Council must spend \$59 million more than the annual depreciation charge due to deferred renewals in the past, diversion of resources to reinstatements following emergency events and the availability of funding.

Emergency events are becoming more frequent and climate change considerations put more of our network at risk.

The following graph not only emphasises Council's reliance on Waka Kotahi subsidies, but also the importance of rating for sufficient depreciation to pay for Council's share.

Council receives one the highest Funding Assistance Rates in the country, at 75%. We have assumed this will continue, although we are aware that the total amount that Waka Kotahi will be able to contribute is likely to reduce. Council will need to assess whether it is necessary to increase the local contribution in order to maintain levels of service.

WAIROA



WATER SUPPLY

The graph below shows forecast expenditure on water supply network assets by funding source compared to the annual depreciation expense.

Council punched well above its weight in securing \$11.04 million from the 3 Waters Reform Stimulus Package. Half of this money will be invested by 30 June 2020, with the remainder to be utilised against capital expenditure in the first year of this LTP.

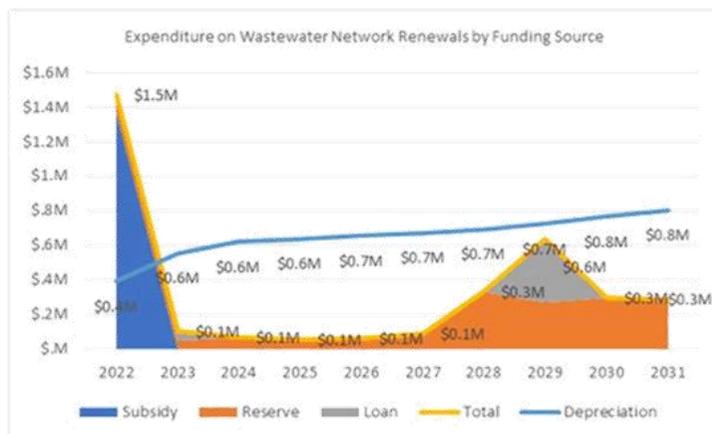
Of the \$5.5 million utilised in the current year, over \$1 million will be allocated to water main replacements, meaning a reduced renewals programme will be followed in 2021/22 while Council completes the installation of water meters.

Despite this investment, Council will still need to spend more than the annual depreciation charge in order to maintain levels of service over the next 10 years. In particular there is a spike in 2025 and 2026 when Council expects to spend \$3.2 million on replacing pumping mains and intakes. These will be funded by loans because Council will not have sufficient cash reserves.

WASTEWATER

Council will use money from the 3 Waters Reform Stimulus Package to augment its pipe lining programme and catch up with renewals. This will enable us to reduce the required expenditure on reticulation renewals over the next 10 years. The graph that follows shows that the necessary expenditure to maintain levels of service in the network will be \$3.4 million, just over half the total depreciation expense of \$6.5 million.

WAIROA



This presents an opportunity to reduce the amount we rate for depreciation, but we still have to take a long-term view. Furthermore, this analysis concentrates on network assets. Council is currently working through its wastewater discharge consent renewal. In the LTP 2018-28 the estimate total cost of plant upgrades was \$9.5 million.

STORMWATER

Council is currently working through a programme of piping open drains. Where possible this has been included in Waka Kotahi-supported programme in the roading activity due to its contribution to road safety and currently in the 3 Waters stimulus package. This will be an improvement in the level of service. Therefore remaining renewal expenditure in this activity is expected to be minimal at \$1.2 million over the next 10 years, compared to a total depreciation expense of \$3 million. This expenditure will be funded from depreciation reserves and borrowing where improvements are concerned.

OUR RESPONSE

Recent announcements concerning the overall funding package available from Waka Kotahi are a risk to future levels of service. In order to protect the community from a major downturn or a sudden spike in funding requirements we must continue to rate for an appropriate portion of depreciation and use reserves when available.

FINANCIAL STRATEGY 2021

Similarly, there is no reason to assume with confidence that further tranches of stimulus funding will be available for water services. The 3 Waters Reform Review will continue and we must carry on providing safe and compliant services supported by well maintained and effective infrastructure.

In recent years Council has exercised judgement in the amount of depreciation that it rated for and it will continue to do so without compromising these fundamental conditions.

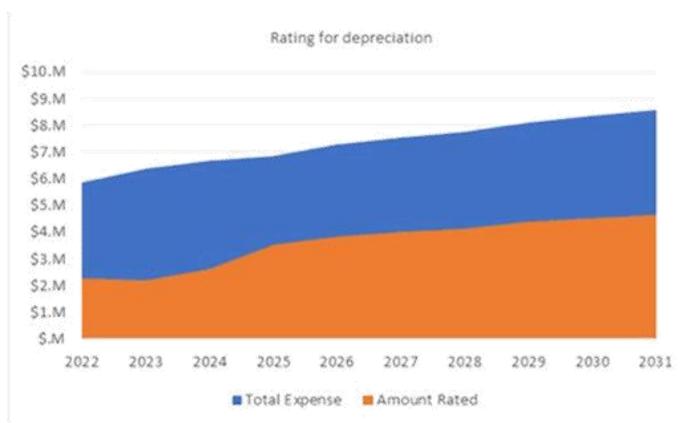
In the Economic Factors section above, we considered that underlying inflation should not present a significant challenge to maintaining affordable levels of service. However, we also pointed out that recent tenders for major roading and water utilities contracts resulted in prices significantly higher than inflation adjustments. Council's infrastructure assets were last revalued as at June 2020. The resultant annual depreciation expense was 17% higher than previous, almost double the economic forecasts. Even taking into account that Council only rates for the part of roading that is not subsidized by Waka Kotahi, this cost increase still amounts to the equivalent of a 3.1% increase in rates.

Therefore Council has adopted a funding approach that it considers prudent and sustainable. We will not rate for depreciation where other funding sources are available but we must maintain the serviceability of core assets, and still be able to pay the bills!

IMPLICATIONS FOR STRATEGIC OBJECTIVES	FUNDING INFRASTRUCTURE	
	RISK	OPPORTUNITY
Certainty of Rates Increases	Medium	Medium
Optimise External Revenue	Medium	High
Value for Money	Medium	High
Intergenerational Equity	Medium	High
Debt Remains Manageable	Low	Low

The graph below shows the total depreciation for all activities and the amount to be rated. These adjustments primarily relate to infrastructure, but in the first 3 years we have also reduced the amount to be rated for all assets, including buildings equipment and plant.

WAIROA



LEVELS OF SERVICE – AFFORDABILITY AND BALANCING THE BOOKS

During pre-engagement for this LTP the community told us that current levels of service were about right, so we've prepared a plan around how we can continue to deliver these levels of service sustainably and consistently.

Maintaining levels of service poses challenges for funding:

- If we do nothing different, the costs will still increase and in some areas this will exceed inflation.
- We need a reset. As described in the introduction, our immediate funding challenges are not new, but we now have to do something about it.

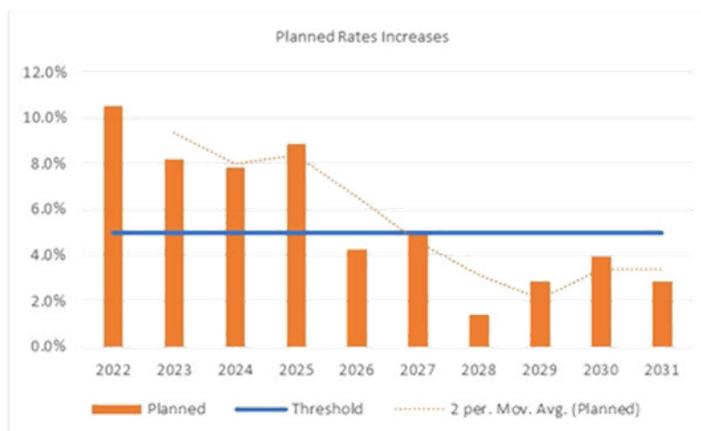
We will do everything we can to secure alternative revenue sources, but rates make up half of the total amount.

RATES

The new rating system addresses the issues of consistency that we saw in the previous system, but it's still about the distribution of rates, not the total amount.

Council will retain its objective of keeping rates increases below 5%, but this must be seen as a long-term objective. In order to catch up and keep up, rates increases will need to be higher for the next four years:

WAIROA



OTHER POLICY CONDITIONS

BORROWING

Council's primary security for borrowing is its ability to set rates. We do not currently offer assets as security but will consider alternatives if it is prudent to do so. This may require an update to our Liability Management Policy.

INVESTMENTS

Council will not speculate on the securities or other financial markets, but will invest where there is clear economic benefit to the district, where the risk is within the parameters of the investment policy and where such investment contributes to the achievement of community outcomes.

Council owns 100% of the equity in Quality Roading and Services (Wairoa) Ltd (QRS). The main purpose of this investment is to maintain and enhance competition for local infrastructure contracts issued by Council. QRS is a significant employer in the district and its presence in Wairoa also ensures resources are available to respond to emergencies. QRS distributes a percentage of its profit to Council as subventions and dividends. The targets for QRS are set out in the company's Statement of Intent that is agreed with Council annually.

Council's portfolio of bonds and other liquid investments is held to:

- Provide emergency funds
- Represent reserves accumulated for asset renewals
- Earn a return on surpluses, windfalls and deposits.

Our current average return on these investments is 4%. We have maintained this in our financial forecasts, although since they will be expended by 2024 this is of limited relevance. As a minimum, we expect a return of 0.75% above our cost of borrowing, which is currently 2.5%

Council owns a minority shareholding in Civic Financial Services Ltd. The sole purpose of this is by virtue of Council's membership of the mutual insurance funds that the company administers. No return is anticipated on this investment.

WAIROA

OVERALL ASSESSMENT

POPULATION

	RISK	OPPORTUNITY
Certainty of Rates Increases	High – small population and large geographical spread provides a small funding base for escalating costs	Low – growth would need to be high percentages to make a significant difference to spreading the load
Optimise External Revenue	Low – our diversity is a strength and does attract external funding	High – our community was an important factor in the amount of PGF funding we were able to attract
Value for Money	High – cost increases always likely to exceed rate of population growth	Medium – cost of service discussion with an engaged community improves transparency
Intergenerational Equity	Low – shared objectives with regards to future generations	High – involving the community in future planning helps preserve sustainable services
Debt Remains Manageable	Medium – must maintain borrowing within prudent limits so that debt servicing does not become a large part of day to day expense	Low – limited scope for targeted rates for specific projects

ECONOMIC FACTORS

	RISK	OPPORTUNITY
Certainty of Rates Increases	Medium – population size presents an exposure to extreme changes in inflation or interest rates	Low – limited investment holdings and modest returns
Optimise External Revenue	Low – subsidies set at co-contribution rates, some exposure on what can be delivered	Medium – strong relationships with funders have seen Wairoa achieve above average investment
Value for Money	Medium – some revenue lines may not increase at the same rate as costs	Low – already benefiting from low interest rates
Intergenerational Equity	Low – funding plans in place to deliver the same levels of service in the future	High – economic recovery stimulus packages have delivered improvements to long-term infrastructure and facilities
Debt Remains Manageable	Low – debt used as part of a balanced funding approach and repayments included in funding plans	Medium – capacity built in to take advantage of refinancing options

WAIROA

LAND USE

	RISK	OPPORTUNITY
Certainty of Rates Increases	Medium – significant changes may affect demand and cost effectiveness of services	Medium – new rating policy enables Council to repond with greater agility and consistency
Optimise External Revenue	Low – observed trends in land use are more likely to justify continuation of high subsidy rates	Medium – link to economic development, options to explore financial contributions may arise
Value for Money	Medium – changes in land use may affect demand for Council activities which are planned over the long-term	Medium – new development may create sufficient demand to increase fees and charges
Intergenerational Equity	Medium – rapid change may create redundancy or deficiencies in infrastructure	Medium – co-design with community partners to support sustainable outcomes
Debt Remains Manageable	Low – the only risk would be redundant capacity and a need to finance significant unexpected changes to assets	Low – unlikely that co-funding opportunities would supersede existing arrangements

FUNDING INFRASTRUCTURE

	RISK	OPPORTUNITY
Certainty of Rates Increases	Medium – impact of cost escalations on future renewals and depreciation	Medium – continuous monitoring of capital programmes against funding plans will provide greater certainty
Optimise External Revenue	Medium – dependency on Waka Kotahi subsidies, risk increases in the longer term	High – strong partnerships with funders and leading participation in reform reviews, stimulus packages, tourism
Value for Money	Medium – inability to continue funding may lead to greater deterioration in service	High – Waka Kotahi and PGF, regional partnering
Intergenerational Equity	Medium – risk level is determined by level of rating for depreciation	High – future economies from continuous improvement in optimisation and investment, e.g. smart meters, pipe lining
Debt Remains Manageable	Low – balanced funding approach, appropriate to the nature of the expenditure	Low – can only be achieved by rating for loan repayments

8.2 DRAFT FINANCIAL FORECASTS FOR THE LONG-TERM PLAN 2021-31**Author:** Gary Borg, Chief Financial Officer**Authoriser:** Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer

Appendices:

1. **Forecast Financial Statements** [↓](#)
2. **Funding Impact Statements** [↓](#)
3. **Prudence Benchmarks** [↓](#)
4. **Reserve Funds** [↓](#)
5. **Capital Expenditure Programme** [↓](#)
6. **Funding Impact Statement - Rating Information** [↓](#)

1. PURPOSE

- 1.1 This report presents the draft Financial Forecasts for the 10-year period from 1 July 2021 to 30 June 2031

RECOMMENDATION

The Chief Financial Officer RECOMMENDS that

1. Committee receives and endorses the draft Financial Forecasts attached as **Appendices**, to Council for inclusion in the draft Long-term Plan 2021-31, subject to completion of audit.
2. Acknowledges that these forecasts effectively represent a balanced budget.

EXECUTIVE SUMMARY**2. BACKGROUND**

- 2.1 Council is in the process of creating its Long-term Plan (LTP) 2021-31.
- 2.2 The Financial Forecasts are a statutory component of a LTP, detailing the proposed budgets for the 10-year period and include the following elements:
 - 2.2.1. Forecast Financial Statements [**Appendix 1**]
 - 2.2.1.1. Comprehensive Revenue and Expense
 - 2.2.1.2. Financial Position
 - 2.2.1.3. Changes in Equity
 - 2.2.1.4. Cashflow
 - 2.2.2. Funding Impact Statements for Whole of Council as well as Groups of Activities [**Appendix 2**]
 - 2.2.3. Financial Prudence Benchmarks [**Appendix 3**]
 - 2.2.4. Reserve Funds [**Appendix 4**]
 - 2.2.5. Capital Expenditure Programme [**Appendix 5**]
- 2.3 For completeness, the Rating part of the Funding Impact Statement is also included as **Appendix 6**, since this document translates the rates revenue determined by the financial forecasts into rates to be assessed, with reference to Council's Revenue and Financing Policy.

- 2.4 The draft Financial Forecasts have been calculated from activity budgets and guided by the Financial Strategy.

3. OPTIONS

- 3.1 The options identified are:
 - a. Endorse the draft Financial Forecasts
 - b. Recommend amendments
- 3.2 a. The draft financial forecasts attached as **Appendices** are complete in respect of the statutory requirements, including format. They have been prepared with reference to the draft Infrastructure Strategy, proposed budgets, and the draft Financial Strategy. The forecasts reflect the costs and financial commitments of service provision and maintaining infrastructure at the proposed levels of service.
- 3.3 b. The Committee may wish to propose changes to budgets or the inclusion of supplementary information.
- 3.4 The preferred option is *a) Endorse the draft Financial Forecasts*, this contributes to the following community outcomes:

Economic wellbeing	Social and Cultural Wellbeing	Environmental Wellbeing
1. A strong prosperous and thriving economy 2. A safe and integrated infrastructure	4. Safe and accessible recreational facilities 6. Strong district leadership and a sense of belonging	7. A safe and secure community 8. A lifetime of good health, education and well-being 9. An environment that is appreciated, protected and sustained for future generations

4. CORPORATE CONSIDERATIONS

What is the change?

- 4.1 The production of financial forecasts for an LTP is normal business.

Compliance with legislation and Council Policy

- 4.2 The final forecasts will be incorporated into the adopted LTP.
- 4.3 They have been prepared in accordance with the requirements of
 - 4.3.1. the Local Government Act 2002, particularly s12 – 15 and 16 of Schedule 10
 - 4.3.2. Local Government Financial Reporting and Prudence) Regulations 2014
 - 4.3.3. the relevant treatments and disclosures prescribed by IPSAS PBE

What are the key benefits?

- 4.4 The Financial Forecasts provide a roadmap against which Council will set budgets and funding for at least the next 3 years, and against which it will measure its financial performance.

What is the cost?

- 4.5 Nil

What is the saving?

- 4.6 Nil

Service delivery review

This decision will not initiate a Service Delivery Review. The financial forecasts proposed reflect the cost of service levels that were determined following LTP Pre-Engagement.

Māori Standing Committee

- 4.7 This matter has not been referred to the MSC because the LTP affects the community as a whole.

5. SIGNIFICANCE

- 5.1 Impact: The final budgets that are adopted as part of the LTP will affect everyone in the community.
- 5.2 There is high public interest in Council's budgets especially the impact on rates.
- 5.3 The final budgets determine financial capacity, and so potentially continuing service levels.
- 5.4 The decision can be modified following consultation, and potentially LTP amendment.
- 5.5 These forecasts include information regarding funding the renewal of strategic assets and are prepared with reference to the Infrastructure Strategy.
- 5.6 This decision does not affect the way any significant activities are delivered, since no significant changes are currently proposed in the Activity Management Plans or the LTP Consultation Documents.
- 5.7 The endorsement of a Financial Forecasts is administrative and of low significance. However, in the wider context the decisions reflected in a Long-term Plan, of which this is part, are of higher significance.

6. RISK MANAGEMENT

- 6.1 The risk assessment below refers to the decisions associated with the Financial Forecasts and their impact on the LTP.
- 6.2 In accordance with the Council's Risk Management Policy the inherent risks associated with this matter are:

Human	Financial	Regulatory
Low	High	Low

Operations	Employees	Image & Reputation
Considerable	Low	High

Who has been consulted?

These Financial Forecasts reflect budgets that were prepared following Pre-Engagement which focused on levels of service. They will be provided as supporting information to the LTP Consultation Document and will be available throughout the consultation period.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
Author Gary Borg	Approved by Kitea Tipuna

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	Annual Plan 2020/21 \$000	LTP 30-Jun-22 \$000	LTP 30-Jun-23 \$000	LTP 30-Jun-24 \$000	LTP 30-Jun-25 \$000	LTP 30-Jun-26 \$000	LTP 30-Jun-27 \$000	LTP 30-Jun-28 \$000	LTP 30-Jun-29 \$000	LTP 30-Jun-30 \$000	LTP 30-Jun-31 \$000
Revenue											
Rates	13,987	15,459	16,726	18,037	19,637	20,478	21,485	21,784	22,405	23,295	23,965
Subsidies and grants	20,211	19,890	11,707	12,978	18,671	14,061	13,700	14,132	13,959	14,904	14,100
Petrol tax	88	85	87	90	92	94	96	98	101	103	105
Fees and charges	2,096	2,357	2,296	2,360	2,447	2,479	2,536	2,626	2,659	2,722	2,813
Investment income	1,154	471	563	594	576	604	611	650	687	731	769
Miscellaneous income	-	-	-	-	-	-	-	-	-	-	-
Total revenue	37,536	38,262	31,379	34,059	41,423	37,716	38,428	39,290	39,811	41,755	41,752
Expense											
Water supply	1,731	2,222	2,333	2,430	2,471	2,591	2,704	2,668	2,756	2,908	2,903
Stormwater	507	572	629	636	638	668	682	696	696	735	737
Wastewater	1,739	2,116	2,451	2,514	2,561	2,644	2,729	2,701	2,782	2,921	3,243
Solid waste	1,915	2,306	2,536	2,882	3,047	3,040	3,165	3,341	3,453	3,546	3,675
Transport	13,277	12,291	12,975	13,527	14,892	15,350	15,777	16,340	16,438	17,118	17,126
Community facilities	2,525	2,372	2,404	2,484	2,607	2,684	2,758	2,800	2,873	2,943	3,023
Planning and regulatory	2,696	2,094	2,191	2,221	2,044	2,114	2,138	2,116	2,229	2,200	2,233
Leadership and governance	3,538	3,561	3,692	3,810	3,616	3,816	3,841	3,906	3,992	4,028	4,130
Corporate expense	1,021	1,383	1,038	1,093	1,065	1,104	1,298	1,259	1,271	1,391	1,471
Total expense	28,949	28,917	30,249	31,597	32,941	34,011	35,092	35,827	36,490	37,790	38,541
Net surplus (deficit) on operations	8,587	9,345	1,130	2,462	8,482	3,705	3,336	3,463	3,321	3,965	3,211
Subvention income	-	250	125	100	100	100	100	100	100	100	100
Net surplus / (deficit) for the year	8,587	9,595	1,255	2,562	8,582	3,805	3,436	3,563	3,421	4,065	3,311
Other comprehensive revenue and expense											
Fair value movement – property, plant and equipment	-	-	20,613	-	-	28,725	-	-	33,374	-	-
Fair value movement - other	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive revenue and expense for the period	8,587	9,595	21,868	2,562	8,582	32,530	3,436	3,563	36,795	4,065	3,311

STATEMENT OF FINANCIAL POSITION	Annual Plan 2020/21 \$000	LTP 30-Jun-22 \$000	LTP 30-Jun-23 \$000	LTP 30-Jun-24 \$000	LTP 30-Jun-25 \$000	LTP 30-Jun-26 \$000	LTP 30-Jun-27 \$000	LTP 30-Jun-28 \$000	LTP 30-Jun-29 \$000	LTP 30-Jun-30 \$000	LTP 30-Jun-31 \$000
Current Assets											
Cash and cash equivalents	1,972	1,270	2,782	1,963	3,270	5,406	5,995	6,667	9,048	10,184	11,515
Inventories	58	78	81	85	92	101	112	126	142	160	181
Trade and other receivables	3,120	3,902	2,982	3,217	4,435	3,307	3,191	3,029	2,829	2,864	2,522
Financial assets at fair value	-	1,831	395	-	276	-	-	-	-	-	-
Total current assets	5,150	7,081	6,240	5,265	8,073	8,814	9,298	9,822	12,019	13,208	14,218
Current liabilities											
Trade and other payables	9,782	6,016	4,889	5,416	6,612	5,946	5,797	5,871	5,996	6,350	6,336
Advance funding - PGF	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	1,500	3,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total current liabilities	9,782	7,516	8,389	7,416	8,612	7,946	7,797	7,871	7,996	8,350	8,336
Working Capital	(4,632)	(435)	(2,149)	(2,151)	(539)	868	1,501	1,951	4,023	4,858	5,882
Non current assets											
Property, plant and equipment	279,284	296,930	331,720	334,802	340,554	380,742	386,899	390,559	427,178	430,685	435,058
Work in progress	20,604	20,574	9,776	12,630	19,956	13,699	11,411	11,369	11,882	12,963	12,099
Investment in subsidiary	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Investment property	-	-	-	-	-	-	-	-	-	-	-
Biological asset - forestry	260	115	115	115	115	115	115	115	115	115	115
Available for sale financial assets	23	23	23	23	23	23	23	23	23	23	23
Intangible assets	198	12	12	12	12	12	12	12	12	12	12
Financial assets at fair value	8,256	1,161	859	887	338	338	338	338	338	338	338
Total non current assets	309,875	320,065	343,755	349,719	362,248	396,179	400,048	403,666	440,798	445,386	448,895
Non current liabilities											
Employee entitlements	112	66	71	72	72	60	61	60	60	-	-
Landfill aftercare	730	1,281	1,317	1,347	1,378	1,408	1,439	1,471	1,504	1,538	1,569
Borrowings	10,901	18,015	18,082	21,451	26,979	29,769	30,803	31,277	33,653	35,037	36,228
Total non current liabilities	11,743	19,362	19,470	22,870	28,429	31,237	32,303	32,808	35,217	36,575	37,797
Net assets	293,500	300,268	322,136	324,698	333,280	365,810	369,246	372,809	409,604	413,669	416,980
Represented by											
Equity	293,500	300,268	322,136	324,698	333,280	365,810	369,246	372,809	409,604	413,669	416,980

STATEMENT OF CHANGES IN EQUITY

	Annual Plan 2020/21 \$000	30-Jun-22 \$000	30-Jun-23 \$000	30-Jun-24 \$000	30-Jun-25 \$000	30-Jun-26 \$000	30-Jun-27 \$000	30-Jun-28 \$000	30-Jun-29 \$000	30-Jun-30 \$000	30-Jun-31 \$000
Total equity - opening balance	284,913	290,673	300,268	322,136	324,698	333,280	365,810	369,246	372,809	409,604	413,669
Net surplus (deficit) for period	8,587	9,595	1,255	2,562	8,582	3,805	3,436	3,563	3,421	4,065	3,311
Other comprehensive income	-	-	20,613	-	-	28,725	-	-	33,374	-	-
Total comprehensive income	8,587	9,595	21,868	2,562	8,582	32,530	3,436	3,563	36,795	4,065	3,311
Total equity - closing balance	293,500	300,268	322,136	324,698	333,280	365,810	369,246	372,809	409,604	413,669	416,980
Components of equity											
Ratepayer's equity											
Ratepayer's equity - opening balance	137,936	160,014	162,127	177,140	173,717	174,146	190,312	185,328	180,473	196,307	191,720
Net surplus/(deficit) for period	8,587	9,595	1,255	2,562	8,582	3,805	3,436	3,563	3,421	4,065	3,311
Transfers from restricted reserves	4,250	-	13,758	-	-	12,361	-	-	12,413	-	-
Transfers to restricted reserves	(2,196)	(7,482)	-	(5,985)	(8,153)	-	(8,420)	(8,418)	-	(8,652)	(9,069)
Transfer from revaluation reserve	-	-	-	-	-	-	-	-	-	-	-
Ratepayer's equity - closing balance	148,577	162,127	177,140	173,717	174,146	190,312	185,328	180,473	196,307	191,720	185,962
Special funds											
Special funds - opening balance	20,003	14,853	22,335	8,577	14,562	22,715	10,354	18,774	27,192	14,779	23,431
Transfer from ratepayer's equity	2,196	7,482	-	5,985	8,153	-	8,420	8,418	-	8,652	9,069
Transfer to ratepayer's equity	(4,250)	-	(13,758)	-	-	(12,361)	-	-	(12,413)	-	-
Special funds - closing balance	17,949	22,335	8,577	14,562	22,715	10,354	18,774	27,192	14,779	23,431	32,500
Revaluation reserves											
Revaluation reserves - opening balance	126,974	115,806	115,806	136,419	136,419	136,419	165,144	165,144	165,144	198,518	198,518
Net transfer to ratepayer's equity	-	-	-	-	-	-	-	-	-	-	-
Revaluation recognised in other comprehensive revenue a	-	-	20,613	-	-	28,725	-	-	33,374	-	-
Revaluation reserves - closing balance	126,974	115,806	136,419	136,419	136,419	165,144	165,144	165,144	198,518	198,518	198,518
Total equity - closing balance	293,500	300,268	322,136	324,698	333,280	365,810	369,246	372,809	409,604	413,669	416,980

STATEMENT OF CASH FLOWS

	Annual Plan										
	2020/21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30	30-Jun-31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities											
Rates received	14,737	18,596	17,578	18,134	19,394	21,088	21,762	22,013	22,688	23,489	24,310
Other revenue	22,752	19,162	14,122	15,049	20,128	17,124	16,107	16,675	16,621	17,446	16,907
Investment income	1,154	471	563	594	576	604	611	650	687	731	769
Subvention income	-	250	125	100	100	100	100	100	100	100	100
Payments to suppliers and employee:	(19,129)	(25,985)	(25,433)	(24,538)	(24,408)	(26,856)	(27,060)	(27,273)	(27,583)	(28,364)	(29,085)
Interest paid	(1,186)	(368)	(495)	(547)	(593)	(731)	(801)	(852)	(888)	(973)	(1,058)
Net cash flows from operating activities	18,328	12,126	6,460	8,792	15,197	11,329	10,719	11,313	11,625	12,429	11,943
Cash flows from investing activities											
Sale of property, plant and equipment	16	61	37	47	107	28	65	112	16	55	107
Sale of financial assets	-	1,026	1,739	367	273	276	-	-	-	-	-
Purchase of financial assets	(2,115)	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	(20,604)	(19,987)	(8,791)	(11,893)	(19,798)	(12,287)	(11,229)	(11,227)	(11,636)	(12,732)	(11,910)
Net cash flows used in investing activities	(22,703)	(18,900)	(7,015)	(11,479)	(19,418)	(11,983)	(11,164)	(11,115)	(11,620)	(12,677)	(11,803)
Cash flows from financing activities											
Loans raised	2,702	4,949	3,567	5,369	7,528	4,790	4,034	4,474	6,376	6,384	7,191
Borrowings repaid	-	-	(1,500)	(3,500)	(2,000)	(2,000)	(3,000)	(4,000)	(4,000)	(5,000)	(6,000)
Net cash flows from financing activities	2,702	4,949	2,067	1,869	5,528	2,790	1,034	474	2,376	1,384	1,191
Net increase/(decrease) in cash and cash equivalent:	(1,673)	(1,825)	1,512	(818)	1,307	2,136	589	672	2,381	1,136	1,331
Cash and cash equivalents at beginning of yea	3,645	3,095	1,270	2,782	1,963	3,270	5,406	5,995	6,667	9,048	10,184
Cash and cash equivalents at end of year	1,972	1,270	2,782	1,964	3,270	5,406	5,995	6,667	9,048	10,184	11,515
Made up of:											
Cash	50	11	178	417	714	1,134	689	325	1,007	764	582
Short term deposits	1,922	1,259	2,604	1,547	2,556	4,272	5,306	6,342	8,041	9,420	10,933
Cash and cash equivalents at end of year	1,972	1,270	2,782	1,964	3,270	5,406	5,995	6,667	9,048	10,184	11,515

	AP 20/21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30	30-Jun-31
	S000										
FUNDING IMPACT STATEMENT - WATER SUPPLY											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	170	188	195	195	202	220	216	223	247	244
Targeted rates (other than a targeted rate for water supply)	1,295	1,531	1,693	1,754	1,752	1,816	1,983	1,945	2,006	2,222	2,196
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	307	465	357	366	376	386	395	406	418	430	440
Internal charges and overheads recovered	436	-	-	-	-	-	-	-	-	-	-
Internal interest income	124	122	131	126	111	112	112	109	104	101	100
Interest and dividends from Investments	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	2,163	2,288	2,369	2,441	2,434	2,516	2,710	2,676	2,751	3,000	2,980
Applications of operating funding											
Payments to staff and suppliers	781	1,202	1,182	1,223	1,228	1,236	1,307	1,264	1,292	1,414	1,396
Finance costs	-	54	55	57	112	150	149	148	164	162	161
Internal charges and overheads applied	827	328	413	449	445	466	490	478	481	510	507
Internal interest charged	83	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,693	1,584	1,650	1,729	1,785	1,852	1,946	1,890	1,937	2,086	2,064
Surplus (deficit) of operating funding (A - B)	470	704	719	712	649	664	764	786	814	914	916
Sources of capital funding											
Subsidies and grants for capital expenditure	-	1,425	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	140	(674)	(688)	(669)	1,230	648	(765)	(786)	(208)	(914)	(916)
Gross proceeds from sale of assets	-	-	-	-	31	-	-	-	-	16	19
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	140	751	(688)	(669)	1,261	648	(765)	(786)	(208)	(898)	(897)
Application of capital funding											
Capital expenditure	-	30	31	-	-	-	-	-	-	-	-
- to meet additional demand	-	30	31	-	-	-	-	-	-	-	-
- to improve the level of service	20	1,410	528	53	11	11	11	12	627	12	13
- to replace existing assets	1,155	188	140	849	2,510	1,930	830	824	787	805	732
Increase (decrease) in reserves	(565)	(173)	(668)	(859)	(611)	(629)	(842)	(836)	(808)	(801)	(726)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	610	1,455	31	43	1,910	1,312	(1)	-	606	16	19
Surplus (deficit) of capital funding (C-D)	(470)	(704)	(719)	(712)	(649)	(664)	(764)	(786)	(814)	(914)	(916)
Funding balance ((A-B) + (C-D))	-										

	AP 20/21 \$000	30-Jun-22 \$000	30-Jun-23 \$000	30-Jun-24 \$000	30-Jun-25 \$000	30-Jun-26 \$000	30-Jun-27 \$000	30-Jun-28 \$000	30-Jun-29 \$000	30-Jun-30 \$000	30-Jun-31 \$000
FUNDING IMPACT STATEMENT - WASTEWATER											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	183	218	226	233	245	257	255	263	281	313
Targeted rates (other than a targeted rate for water supply)	1,513	1,651	1,965	2,038	2,099	2,205	2,316	2,295	2,370	2,529	2,817
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	105	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Internal interest income	67	26	33	43	19	29	43	51	52	61	67
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	1,686	1,860	2,216	2,307	2,351	2,479	2,616	2,601	2,685	2,871	3,197
Applications of operating funding											
Payments to staff and suppliers	999	1,293	1,334	1,297	1,330	1,379	1,429	1,390	1,428	1,479	1,738
Finance costs	-	154	200	200	199	198	197	197	204	226	247
Internal charges and overheads applied	295	242	312	340	337	352	371	361	363	385	383
Internal interest charged	179	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,473	1,689	1,846	1,837	1,866	1,929	1,997	1,948	1,995	2,090	2,368
Surplus (deficit) of operating funding (A - B)	213	171	370	470	485	550	619	653	690	781	829
Sources of capital funding											
Subsidies and grants for capital expenditure	-	3,630	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,545	2,307	50	(367)	(389)	(483)	(530)	(553)	(327)	90	64
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,545	5,937	50	(367)	(389)	(483)	(530)	(553)	(327)	90	64
Application of capital funding											
Capital expenditure											
- to meet additional demand	-	100	259	-	-	-	-	-	-	871	893
- to improve the level of service	-	3,588	109	1,429	96	67	71	100	-	-	-
- to replace existing assets	2,691	2,525	104	80	54	61	281	506	635	311	287
Increase (decrease) in reserves	(933)	(105)	(52)	(1,406)	(54)	(61)	(263)	(506)	(272)	(311)	(287)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,758	6,108	420	103	96	67	89	100	363	871	893
Surplus (deficit) of capital funding (C-D)	(213)	(171)	(370)	(470)	(485)	(550)	(619)	(653)	(690)	(781)	(829)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

	AP 20/21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30	30-Jun-31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
FUNDING IMPACT STATEMENT - STORMWATER											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	52	57	58	68	70	75	75	73	79	77
Targeted rates (other than a targeted rate for water supply)	373	464	513	523	609	628	678	673	655	709	696
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Internal interest income	95	66	70	71	70	77	80	87	94	101	107
Interest and dividends from Investments	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	468	582	640	652	747	775	833	835	822	889	880
Applications of operating funding											
Payments to staff and suppliers	117	136	141	122	114	128	126	135	126	142	133
Finance costs	-	50	57	59	60	59	59	59	58	58	57
Internal charges and overheads applied	153	133	161	176	174	182	192	188	189	199	199
Internal interest charged	106	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	376	319	359	357	348	369	377	382	373	399	389
Surplus (deficit) of operating funding (A - B)	92	263	281	295	399	406	456	453	449	490	491
Sources of capital funding											
Subsidies and grants for capital expenditure	-	42	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	8	237	(281)	(242)	(345)	(406)	(456)	(453)	(449)	(490)	(491)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	8	279	(281)	(242)	(345)	(406)	(456)	(453)	(449)	(490)	(491)
Application of capital funding											
Capital expenditure	-	500	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	42	-	-	-	-	-	-	-	-	-
- to improve the level of service	100	-	-	53	54	279	-	-	-	153	156
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	(279)	-	-	-	(153)	(156)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	100	542	-	53	54	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	(92)	(263)	(281)	(295)	(399)	(406)	(456)	(453)	(449)	(490)	(491)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

	AP 20/21 \$000	30-Jun-22 \$000	30-Jun-23 \$000	30-Jun-24 \$000	30-Jun-25 \$000	30-Jun-26 \$000	30-Jun-27 \$000	30-Jun-28 \$000	30-Jun-29 \$000	30-Jun-30 \$000	30-Jun-31 \$000
FUNDING IMPACT STATEMENT - WASTE MANAGEMENT											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	124	143	160	167	161	177	190	195	197	202
Targeted rates (other than a targeted rate for water supply)	1,260	1,118	1,284	1,437	1,500	1,452	1,589	1,706	1,756	1,769	1,818
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	635	673	711	758	806	826	845	864	884	904	924
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Internal interest income	-	18	16	15	19	23	25	31	34	37	42
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	1,897	1,933	2,154	2,370	2,492	2,462	2,636	2,791	2,869	2,907	2,986
Applications of operating funding											
Payments to staff and suppliers	1,512	1,578	1,605	1,875	1,994	1,803	1,829	1,962	2,035	2,053	2,127
Finance costs	-	57	83	84	83	113	125	122	118	114	108
Internal charges and overheads applied	216	179	228	248	246	257	271	264	266	281	280
Internal interest charged	61	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,790	1,814	1,916	2,207	2,323	2,173	2,225	2,348	2,419	2,448	2,515
Surplus (deficit) of operating funding (A - B)	107	119	238	163	169	289	411	443	450	459	471
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(107)	(104)	297	69	(169)	820	164	(435)	(450)	(459)	(471)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(107)	(104)	297	69	(169)	820	164	(435)	(450)	(459)	(471)
Application of capital funding											
Capital expenditure	-	-	309	-	-	1,109	568	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	15	-	-	-	-	7	8	-	-	-
- to replace existing assets	-	90	252	380	168	111	34	52	36	67	37
Increase (decrease) in reserves	-	(90)	(26)	(148)	(168)	(111)	(34)	(52)	(36)	(67)	(37)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	-	15	535	232	-	1,109	575	8	-	-	-
Surplus (deficit) of capital funding (C-D)	(107)	(119)	(238)	(163)	(169)	(289)	(411)	(443)	(450)	(459)	(471)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

	AP 20/21 \$000	30-Jun-22 \$000	30-Jun-23 \$000	30-Jun-24 \$000	30-Jun-25 \$000	30-Jun-26 \$000	30-Jun-27 \$000	30-Jun-28 \$000	30-Jun-29 \$000	30-Jun-30 \$000	30-Jun-31 \$000
FUNDING IMPACT STATEMENT - TRANSPORT											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	101	4,065	4,514	4,797	5,055	5,279	5,646	5,773	5,844	6,299	6,281
Targeted rates (other than a targeted rate for water supply)	3,594	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	7,887	5,719	5,785	5,949	6,636	6,804	6,888	7,212	7,106	7,354	7,269
Fees and charges	52	42	43	54	56	57	58	60	61	63	64
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Internal interest income	-	32	38	45	51	58	73	83	97	114	131
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	11,635	9,858	10,380	10,845	11,798	12,198	12,665	13,128	13,108	13,830	13,745
Applications of operating funding											
Payments to staff and suppliers	8,526	7,387	7,414	7,609	8,752	8,883	9,005	9,448	9,322	9,666	9,527
Finance costs	-	18	65	105	197	234	266	296	324	357	382
Internal charges and overheads applied	1,562	1,243	1,655	1,805	1,790	1,875	1,972	1,908	1,924	2,045	2,031
Internal interest charged	39	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	10,127	8,648	9,134	9,519	10,739	10,992	11,243	11,652	11,570	12,068	11,940
Surplus (deficit) of operating funding (A - B)	1,508	1,210	1,246	1,326	1,059	1,206	1,422	1,476	1,538	1,762	1,805
Sources of capital funding											
Subsidies and grants for capital expenditure	11,568	8,524	5,843	6,895	12,001	7,230	6,784	6,892	6,825	7,521	6,802
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(1,508)	18	(205)	78	2,190	259	(115)	(170)	(282)	(289)	(572)
Gross proceeds from sale of assets	-	9	9	-	19	-	-	21	-	-	22
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	10,060	8,551	5,647	6,973	14,210	7,489	6,669	6,743	6,543	7,232	6,252
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	6,362	6,912	4,254	5,635	12,287	5,827	5,322	5,111	4,879	5,707	4,646
- to replace existing assets	7,120	3,643	3,400	3,493	3,976	3,899	3,782	4,171	4,245	4,471	4,526
Increase (decrease) in reserves	(1,914)	(794)	(761)	(829)	(994)	(1,031)	(1,013)	(1,063)	(1,043)	(1,184)	(1,115)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	11,568	9,761	6,893	8,299	15,269	8,695	8,091	8,219	8,081	8,994	8,057
Surplus (deficit) of capital funding (C-D)	(1,508)	(1,210)	(1,246)	(1,326)	(1,059)	(1,206)	(1,422)	(1,476)	(1,538)	(1,762)	(1,805)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

	AP 20/21 \$000	30-Jun-22 \$000	30-Jun-23 \$000	30-Jun-24 \$000	30-Jun-25 \$000	30-Jun-26 \$000	30-Jun-27 \$000	30-Jun-28 \$000	30-Jun-29 \$000	30-Jun-30 \$000	30-Jun-31 \$000
FUNDING IMPACT STATEMENT - COMMUNITY FACILITIES											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	786	3,167	3,302	3,428	3,274	3,393	3,512	3,604	3,723	3,855	3,985
Targeted rates (other than a targeted rate for water supply)	1,256	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	39	73	25	26	26	27	27	28	29	29	30
Fees and charges	70	70	72	73	75	77	79	80	82	84	86
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Internal interest income	-	12	11	11	12	15	15	20	23	26	27
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	2,151	3,322	3,410	3,538	3,387	3,512	3,633	3,732	3,857	3,994	4,128
Applications of operating funding											
Payments to staff and suppliers	1,908	2,599	2,574	2,635	2,540	2,609	2,663	2,714	2,774	2,827	2,909
Finance costs	-	41	47	47	53	53	53	54	56	55	54
Internal charges and overheads applied	290	297	349	379	375	392	413	407	408	430	429
Internal interest charged	69	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,267	2,937	2,970	3,061	2,968	3,054	3,129	3,175	3,238	3,312	3,392
Surplus (deficit) of operating funding (A - B)	(116)	385	440	477	419	458	504	557	619	682	736
Sources of capital funding											
Subsidies and grants for capital expenditure	600	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	627	(101)	(405)	(442)	(176)	(420)	(446)	(497)	(473)	(641)	(695)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,227	(101)	(405)	(442)	(176)	(420)	(446)	(497)	(473)	(641)	(695)
Application of capital funding											
Capital expenditure											
- to meet additional demand	-	85	-	-	167	-	21	22	18	-	-
- to improve the level of service	1,546	70	26	26	67	28	28	29	118	30	31
- to replace existing assets	78	336	188	204	110	111	115	115	163	122	254
Increase (decrease) in reserves	(513)	(207)	(179)	(195)	(101)	(101)	(106)	(106)	(153)	(111)	(244)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,111	284	35	35	243	38	58	60	146	41	41
Surplus (deficit) of capital funding (C-D)	116	(385)	(440)	(477)	(419)	(458)	(504)	(557)	(619)	(682)	(736)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

	AP 20/21 \$000	30-Jun-22 \$000	30-Jun-23 \$000	30-Jun-24 \$000	30-Jun-25 \$000	30-Jun-26 \$000	30-Jun-27 \$000	30-Jun-28 \$000	30-Jun-29 \$000	30-Jun-30 \$000	30-Jun-31 \$000
FUNDING IMPACT STATEMENT - LEADERSHIP & GOVERNANCE											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,603	2,730	2,923	2,995	2,975	3,152	3,231	3,334	3,418	3,466	3,504
Targeted rates (other than a targeted rate for water supply)	540	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	115	53	54	56	8	-	-	-	-	-	-
Fees and charges	302	261	244	249	254	233	237	273	250	255	291
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	3,561	3,044	3,221	3,300	3,237	3,385	3,468	3,607	3,668	3,721	3,795
Applications of operating funding											
Payments to staff and suppliers	1,971	1,173	1,245	1,209	1,226	1,336	1,261	1,296	1,368	1,330	1,408
Finance costs	1	12	12	12	12	12	12	12	12	12	12
Internal charges and overheads applied	1,644	1,667	1,706	1,839	1,818	1,893	1,996	2,024	2,026	2,097	2,103
Internal interest charged	31	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,647	2,852	2,963	3,060	3,056	3,241	3,269	3,332	3,406	3,439	3,523
Surplus (deficit) of operating funding (A - B)	(86)	192	258	240	181	144	199	275	262	282	272
Sources of capital funding											
Subsidies and grants for capital expenditure	-	28	-	53	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	86	(192)	(258)	(240)	(181)	(144)	(200)	(275)	(262)	(282)	(272)
Gross proceeds from sale of assets	-	-	-	21	-	-	9	15	-	9	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	86	(164)	(258)	(166)	(181)	(144)	(191)	(260)	(262)	(273)	(272)
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	28	-	53	-	-	-	-	-	-	-
- to replace existing assets	-	-	18	77	7	19	35	56	20	38	8
Increase (decrease) in reserves	-	-	(18)	(56)	(7)	(19)	(27)	(41)	(20)	(29)	(8)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	-	28	-	74	-	-	8	15	-	9	-
Surplus (deficit) of capital funding (C-D)	86	(192)	(258)	(240)	(181)	(144)	(199)	(275)	(262)	(282)	(272)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

	AP 20/21 \$000	30-Jun-22 \$000	30-Jun-23 \$000	30-Jun-24 \$000	30-Jun-25 \$000	30-Jun-26 \$000	30-Jun-27 \$000	30-Jun-28 \$000	30-Jun-29 \$000	30-Jun-30 \$000	30-Jun-31 \$000
FUNDING IMPACT STATEMENT - PLANNING AND REGULATORY											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	193	1,482	1,479	1,517	1,577	1,608	1,693	1,715	1,791	1,782	1,859
Targeted rates (other than a targeted rate for water supply)	1,219	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	631	754	775	762	780	800	816	835	856	875	893
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	2,043	2,236	2,254	2,279	2,357	2,408	2,509	2,550	2,647	2,657	2,752
Applications of operating funding											
Payments to staff and suppliers	2,015	1,428	1,476	1,483	1,324	1,328	1,338	1,322	1,379	1,360	1,420
Finance costs	-	12	12	12	12	12	12	12	13	13	13
Internal charges and overheads applied	598	639	650	684	697	720	743	770	779	779	787
Internal interest charged	7	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,620	2,079	2,138	2,179	2,033	2,060	2,093	2,104	2,171	2,152	2,220
Surplus (deficit) of operating funding (A - B)	(577)	157	116	100	324	348	416	446	476	505	532
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	650	(158)	(116)	(100)	(324)	(348)	(416)	(446)	(476)	(505)	(532)
Gross proceeds from sale of assets	-	53	14	25	57	15	27	61	16	29	65
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	650	(105)	(102)	(75)	(267)	(333)	(389)	(385)	(460)	(476)	(467)
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	243	46	84	196	52	108	210	54	99	225
Increase (decrease) in reserves	73	(191)	(32)	(59)	(139)	(37)	(81)	(149)	(38)	(70)	(160)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	73	52	14	25	57	15	27	61	16	29	65
Surplus (deficit) of capital funding (C-D)	577	(157)	(116)	(100)	(324)	(348)	(416)	(446)	(476)	(505)	(532)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

	AP 20/21 \$000	30-Jun-22 \$000	30-Jun-23 \$000	30-Jun-24 \$000	30-Jun-25 \$000	30-Jun-26 \$000	30-Jun-27 \$000	30-Jun-28 \$000	30-Jun-29 \$000	30-Jun-30 \$000	30-Jun-31 \$000
FUNDING IMPACT STATEMENT - CORPORATE FUNCTIONS											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	(160)	(236)	(160)	(152)	(228)	(311)	(197)	(259)	(289)	(217)	(163)
Targeted rates (other than a targeted rate for water supply)	(586)	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	397	-	-	-	-	-	-	-	-	-
Fees and charges	171	170	175	179	183	188	192	196	201	205	210
Internal charges and overheads recovered	5,314	4,971	5,712	6,168	6,133	6,398	6,715	6,693	6,737	7,011	7,007
Internal interest income	1,295	96	84	84	81	78	83	91	98	106	113
Interest and dividends from investments	761	758	701	698	704	700	677	684	691	698	705
Local authorities fuel tax, fines, infringement fees, and other receipts	88	85	87	90	92	94	96	98	101	103	105
Total operating funding (A)	6,885	6,241	6,599	7,067	6,965	7,147	7,566	7,503	7,539	7,906	7,977
Applications of operating funding											
Payments to staff and suppliers	5,385	5,335	5,647	6,098	6,012	6,187	6,609	6,454	6,431	6,774	6,787
Finance costs	201	648	792	862	929	1,078	1,161	1,216	1,262	1,334	1,403
Internal charges and overheads applied	166	243	239	248	253	261	267	294	301	283	288
Internal interest charged	1,006	371	382	391	364	396	431	469	503	546	586
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,759	6,597	7,060	7,599	7,558	7,922	8,468	8,433	8,497	8,937	9,064
Surplus (deficit) of operating funding (A - B)	126	(356)	(461)	(532)	(593)	(775)	(902)	(930)	(958)	(1,031)	(1,087)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,261	771	466	532	599	775	908	929	964	1,031	1,112
Gross proceeds from sale of assets	16	-	14	-	-	13	29	16	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,277	771	480	532	599	788	937	945	964	1,031	1,112
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,336	250	-	-	-	-	-	-	-	-	19
- to replace existing assets	195	520	112	214	252	195	197	152	301	277	273
Increase (decrease) in reserves	(127)	(355)	(93)	(214)	(246)	(182)	(162)	(137)	(295)	(277)	(267)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,403	415	19	-	6	13	35	15	6	-	25
Surplus (deficit) of capital funding (C-D)	(126)	356	461	532	593	775	902	930	958	1,031	1,087
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

	AP 20/21 \$000	30-Jun-22 \$000	30-Jun-23 \$000	30-Jun-24 \$000	30-Jun-25 \$000	30-Jun-26 \$000	30-Jun-27 \$000	30-Jun-28 \$000	30-Jun-29 \$000	30-Jun-30 \$000	30-Jun-31 \$000
FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	3,523	11,739	12,665	13,225	13,315	13,799	14,615	14,903	15,240	15,989	16,303
Targeted rates (other than a targeted rate for water supply)	10,464	4,764	5,456	5,752	5,959	6,101	6,566	6,620	6,787	7,229	7,527
Subsidies and grants for operating purposes	8,041	6,241	5,864	6,030	6,670	6,831	6,916	7,240	7,134	7,383	7,299
Fees and charges	2,273	2,436	2,377	2,441	2,532	2,564	2,624	2,715	2,752	2,815	2,907
Interest and dividends from investments	761	758	701	698	704	700	677	684	691	698	705
Local authorities fuel tax, fines, infringement fees, and other receipts	88	85	87	90	92	94	96	98	101	103	105
Total operating funding (A)	25,151	26,023	27,150	28,236	29,272	30,089	31,494	32,260	32,705	34,217	34,846
Applications of operating funding											
Payments to staff and suppliers	23,213	22,132	22,619	23,551	24,519	24,889	25,568	25,984	26,153	27,045	27,445
Finance costs	202	1,046	1,324	1,436	1,658	1,910	2,035	2,115	2,211	2,330	2,437
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	23,416	23,178	23,943	24,987	26,177	26,799	27,603	28,099	28,364	29,375	29,882
Surplus (deficit) of operating funding (A - B)	1,736	2,845	3,207	3,249	3,095	3,290	3,891	4,161	4,341	4,842	4,964
Sources of capital funding											
Subsidies and grants for capital expenditure	12,168	13,649	5,843	6,948	12,001	7,230	6,784	6,892	6,825	7,521	6,802
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	2,702	2,105	(1,140)	(1,380)	2,434	700	(1,857)	(2,686)	(1,964)	(2,458)	(2,773)
Gross proceeds from sale of assets	16	61	37	47	107	28	65	112	16	55	107
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	14,886	15,815	4,740	5,615	14,542	7,958	4,992	4,318	4,877	5,118	4,136
Application of capital funding											
Capital expenditure	-	715	599	-	167	1,109	589	22	18	871	893
- to meet additional demand	-	715	599	-	167	1,109	589	22	18	871	893
- to improve the level of service	9,364	12,315	4,917	7,196	12,462	5,933	5,440	5,259	5,624	5,902	4,864
- to replace existing assets	11,239	7,544	4,260	5,434	7,328	6,657	5,382	6,088	6,241	6,190	6,343
Increase (decrease) in reserves	(3,980)	(1,914)	(1,829)	(3,766)	(2,320)	(2,451)	(2,528)	(2,890)	(2,665)	(3,003)	(3,000)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	16,623	18,660	7,947	8,864	17,637	11,248	8,883	8,479	9,218	9,960	9,100
Surplus (deficit) of capital funding (C-D)	(1,736)	(2,845)	(3,207)	(3,249)	(3,095)	(3,290)	(3,891)	(4,161)	(4,341)	(4,842)	(4,964)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-	-

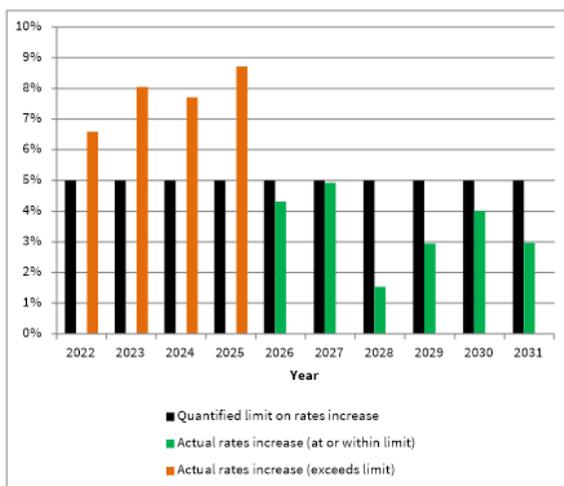
Rates increases (%)

The maximum annual total rates increase shall not exceed 5%.

In 2020 this was clarified as being total rates levied (not net rates income).

Graph data:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Quantified limit on rates increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Actual rates increase	6.6%	8.1%	7.7%	8.7%	4.3%	4.9%	1.5%	2.9%	4.0%	3.0%
Actual rates increase (at or within limit)					4.3%	4.9%	1.5%	2.9%	4.0%	3.0%
Actual rates increase (exceeds limit)	6.6%	8.1%	7.7%	8.7%						

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Gross rates levied	15,175,446	16,176,116	17,478,647	18,827,404	20,467,127	21,349,328	22,400,346	22,744,362	23,414,252	24,354,141	25,076,687
Actual rates increase		6.6%	8.1%	7.7%	8.7%	4.3%	4.9%	1.5%	2.9%	4.0%	3.0%



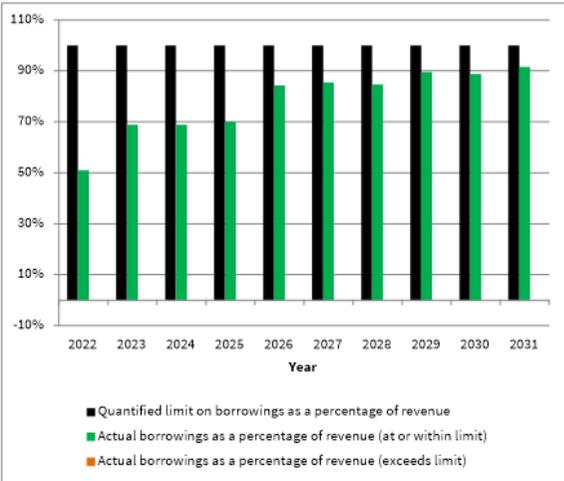
DEBT AFFORDABILITY BENCHMARK

Borrowings as a percentage of revenue (%)

Total borrowings will not exceed annual revenue

Graph data:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Quantified limit on borrowings as a percentage of revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Actual borrowings as a percentage of revenue	51%	69%	69%	70%	84%	85%	85%	90%	89%	92%
Actual borrowings as a percentage of revenue (at or within limit)	51%	69%	69%	70%	84%	85%	85%	90%	89%	92%
Actual borrowings as a percentage of revenue (exceeds limit)										

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total revenue	38,262,120	31,379,590	34,058,911	41,422,547	37,715,672	38,428,921	39,289,697	39,811,071	41,755,372	41,751,531
Total borrowings	19,514,870	21,581,938	23,451,017	28,979,037	31,769,491	32,803,149	33,276,894	35,653,370	37,037,342	38,228,379



BALANCED BUDGET BENCHMARK

Revenue/expenditure (%)

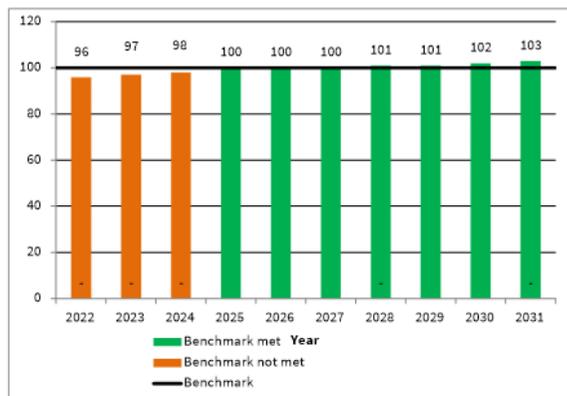
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets this benchmark if its revenue equals or is greater than its operating expenses.

Graph data:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Benchmark	100	100	100	100	100	100	100	100	100	100
Actual index	96	97	98	99	100	100	101	101	102	103
Benchmark met				100	100	100	101	101	102	103
Benchmark not met	96	97	98							

0	100
1	100

Working:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Operating Revenue	38,262,120	51,992,500	34,058,911	41,422,547	66,440,873	38,428,921	39,289,697	73,184,799	41,755,372	41,751,531
Development Contributions	-	-	-	-	-	-	-	-	-	-
Financial Contributions	13,649,098	5,842,677	6,948,008	12,000,794	7,230,052	6,784,352	6,892,165	6,824,537	7,521,385	6,801,504
Vested assets	-	-	-	-	-	-	-	-	-	-
Gains on Derivative Financial Instruments	-	-	-	-	-	-	-	-	-	-
Gains on PPE	-	20,612,910	-	-	28,725,202	-	-	33,373,728	-	-
Total	24,613,021	25,536,913	27,110,903	29,421,752	30,485,620	31,644,569	32,397,532	32,986,534	34,233,987	34,950,027
Operating Expenditure	28,915,829	30,248,239	31,595,244	32,941,969	34,010,802	35,091,943	35,827,061	36,492,092	37,789,196	38,540,960
Add back: depreciation not funded	- 3,590,440	- 4,219,456	- 4,061,498	- 3,368,463	- 3,457,497	- 3,546,030	- 3,636,041	- 3,726,294	- 3,838,710	- 3,951,521
Less Fair Value movement of Derivative	-	-	-	-	-	-	-	-	-	-
Losses on Revaluation of PPE	-	-	-	-	-	-	-	-	-	-
Losses on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Total	25,325,389	26,028,782	27,533,746	29,573,506	30,553,305	31,545,914	32,191,020	32,765,798	33,950,486	34,589,439



The Local Government Act 2002 (LGA) requires the Council to budget each year for operating revenue at a level sufficient to meeting the operating expenses budgeted for that year. This is known as the "balanced budget" requirement. The LGA does allow the Council to budget for a deficit, if it resolves that it is financially prudent to do so. The Council acknowledges that it runs deficits from a balanced budget perspective because it does not fully rate fund depreciation. For this reason the Council has defined its balanced budget target as the Local Government (Financial Reporting and Prudence) Regulations 2014 definition modified to exclude costs and gains from asset sales and the NZTA capital subsidies from the calculation of revenue, offset by the depreciation not funded. If the capital subsidies and full depreciation were included, then the budget would be balanced in all years. Using the modified definition, the Council expects to show a balanced budget by 2029, through increased efficiencies and increasing rate funding for depreciation of assets that the Council pays to replace.

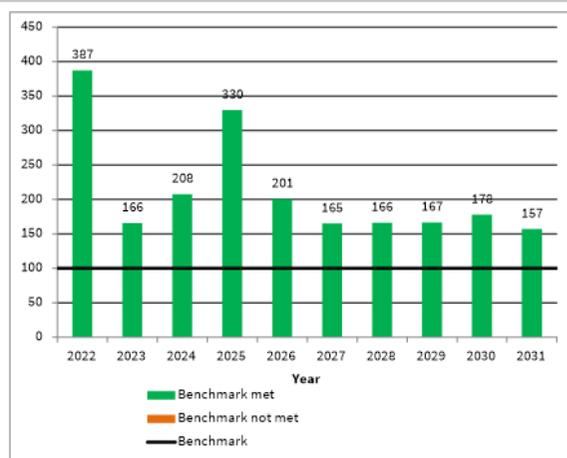
ESSENTIAL SERVICES BENCHMARK
Capital expenditure/ depreciation (%)

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

Graph data:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Benchmark	100	100	100	100	100	100	100	100	100	100
Actual index	387	166	208	330	201	165	166	167	178	157
Benchmark met	387	166	208	330	201	165	166	167	178	157
Benchmark not met										

Essential services	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Depreciation - from below	4,888,619	5,325,369	5,582,740	5,760,386	6,021,172	6,239,649	6,462,815	6,703,539	6,942,350	7,172,228
Capital expenditure - From 'Application of Capital Funding' at end of FIS										
Water Supply	1,628,000	698,625	901,850	2,521,270	1,940,872	841,575	835,670	1,413,280	817,472	744,475
Wastewater	6,212,550	471,287	1,508,583	150,634	128,623	351,458	606,155	635,250	1,181,800	1,179,375
Storm water	542,000	0	53,050	54,400	279,250	0	0	0	152,598	156,400
Roads and footpaths and bridges	10,555,220	7,654,557	9,128,078	16,263,073	9,726,050	9,103,781	9,282,149	9,124,619	10,177,858	9,171,181
Total capital expenditure	18,937,770	8,824,469	11,591,561	18,989,377	12,074,795	10,296,814	10,723,974	11,173,149	12,329,728	11,251,431
%	387%	166%	208%	330%	201%	165%	166%	167%	178%	157%

Depreciation by activity	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
WT/WR	636,784	682,111	700,831	685,992	738,722	757,239	778,402	818,528	821,039	838,649
SG	426,127	605,020	677,405	695,354	713,888	731,783	754,082	787,774	831,575	875,056
SD	252,729	268,913	279,420	290,477	298,219	305,695	314,238	323,049	335,923	348,282
RS/RN	3,572,979	3,769,326	3,925,084	4,088,564	4,270,343	4,444,932	4,616,093	4,774,189	4,953,813	5,110,240



DEBT SERVICING BENCHMARK

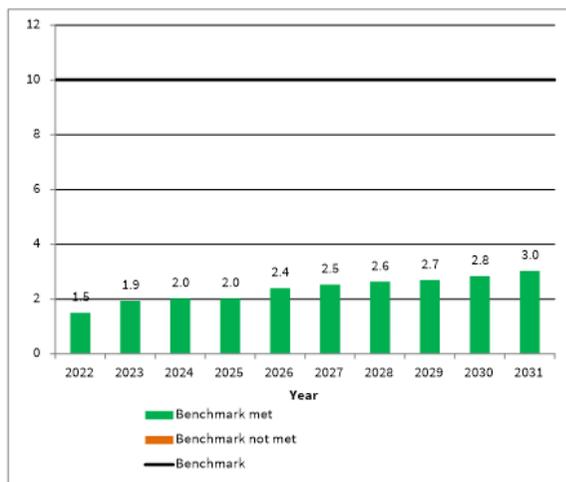
Borrowing costs/revenue (%)

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

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

Graph data:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Benchmark	10	10	10	10	10	10	10	10	10	10
Actual index	1.49	1.94	2.02	2.02	2.40	2.53	2.63	2.69	2.84	3.03
Benchmark met	1.5	1.9	2.0	2.0	2.4	2.5	2.6	2.7	2.8	3.0
Benchmark not met										

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenue per definition	24,613,021	25,536,913	27,110,903	29,421,752	30,485,620	31,644,569	32,397,532	32,986,534	34,233,987	34,950,027
Finance Costs	367,812	495,072	546,598	593,175	731,226	800,837	851,529	888,222	973,086	1,058,252

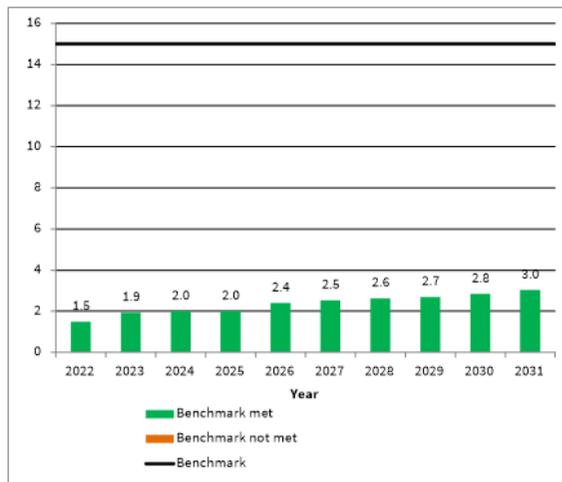


Borrowing costs/rates revenue (%)

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is Annual interest costs and loan repayments (debt servicing) shall not exceed 15% of rates revenue

Graph data:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Benchmark	15	15	15	15	15	15	15	15	15	15
Actual index	2.39	2.97	3.04	3.03	3.59	3.74	3.92	3.98	4.19	4.43
Benchmark met	2.4	3.0	3.0	3.0	3.6	3.7	3.9	4.0	4.2	4.4
Benchmark not met										

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rates Revenue	15,459,200	16,725,885	18,037,004	19,637,207	20,477,912	21,485,360	21,783,627	22,405,480	23,294,929	23,964,515
Capital contributions - rates	78,583	80,426	82,838	76,458	88,332	80,056	82,458	84,932	87,480	84,735
Finance Costs	367,812	495,072	546,598	593,175	731,226	800,837	851,529	888,222	973,086	1,058,252
Net loan repayment	0	-	0	0	-	-	-	-	-	-



Movement in Reserves

AP 2020/21 \$000	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	
	LTP Budget \$000											
Reserves held for Emergency Purposes												
769	Opening Balance	785	800	816	833	849	866	884	901	919	938	956
-	Transfers to Reserves	16	16	16	17	17	17	18	18	18	19	19
-	Transfer from Reserves	-	-	-	-	-	-	-	-	-	-	-
769	Closing Balance	800	816	833	849	866	884	901	919	938	956	976
Reserves for Future Asset Purchases												
13,427	Opening Balance	11,312	12,034	12,991	12,477	14,200	16,039	18,004	19,762	22,215	24,439	26,851
5,135	Transfers to Reserves	2,543	2,713	3,194	3,895	4,225	4,424	4,584	4,885	5,116	5,292	5,559
-	Transfer from Reserves	-	-	-	-	-	-	-	-	-	-	-
7,361	Transfer from Reserves	-	-	-	-	-	-	-	-	-	-	-
11,200	Closing Balance	12,034	12,991	12,477	14,200	16,039	18,004	19,762	22,215	24,439	26,851	29,899
Reserves held for Future Operational Costs												
1,873	Opening Balance	2,756	2,924	2,927	2,945	3,047	3,275	3,508	3,757	3,867	4,090	4,310
182	Transfers to Reserves	261	75	77	250	292	302	314	344	333	341	376
-	Transfer from Reserves	-	-	-	-	-	-	-	-	-	-	-
10	Transfer from Reserves	-	-	-	-	-	-	-	-	-	-	-
2,045	Closing Balance	2,924	2,927	2,945	3,047	3,275	3,508	3,757	3,867	4,090	4,310	4,615

Reserve Funds		Balance as at	Interest	Fund from Reserve	Xfr to Reserve	Balance as at
		01/07/2021				30/06/2031
		\$000	\$000	\$000	\$000	\$000
Emergency	Disaster Recovery Reserve	785	172	-	-	957
Asset	Water Production	3,504	648 -	5,917	4,271	2,506
Asset	Sewerage	1,038	390 -	3,318	5,759	3,869
Asset	Stormwater	2,670	717 -	588	2,379	5,178
Asset	Waste	645	224	-	1,179	2,048
Asset	Roading	1,328	623 -	9,278	14,043	6,716
Asset	Library Books	210	44 -	206	183	231
Asset	Parks and Reserves	46	61 -	1,165	1,886	828
Asset	Information Systems	498	122 -	672	902	850
Asset	Pensioner Housing	167	39 -	242	289	253
Asset	Asset and Vehicle	1,206	401 -	3,946	6,711	4,372
Future OP Costs	Water Production	1,350	347 -	1,034	1,844	2,507
Future OP Costs	Reserves Tuai	182	47	-	83	312
Future OP Costs	Wairoa Urban Fund	280	61	-	-	341
Future OP Costs	General Purpose Fund	572	125	-	-	697
Future OP Costs	District Development Reserve	268	59	-	-	327
Future OP Costs	Retirement & Restructuring Reserve	103	23	-	-	126
		14,852	4,103 -	26,366	39,529	32,118

Movement in Loans

Annual plan 2020/21 \$000		2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31
		LTP									
		Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000	Budget 2028/29 \$000	Budget 2029/30 \$000	Budget 2030/31 \$000
Water Supply											
2,062	Opening Balance	2,243	1,764	1,429	1,087	2,389	3,076	2,432	1,756	1,635	891
41	Interest	45	35	29	22	48	62	49	35	33	18
- 470	Surplus (Deficit) of operating funding	554	401	413	599	673	706	724	762	776	791
610	AMP Loan funded	30	31	42	1,880	1,312	-	-	605	-	-
2,243	Closing Balance	1,764	1,429	1,087	2,389	3,076	2,432	1,756	1,635	891	117
Wastewater											
5,199	Opening Balance	6,848	9,184	9,275	8,975	8,645	8,258	7,870	7,465	7,283	7,578
104	Interest	137	184	185	180	173	165	157	149	146	152
- 213	Surplus (Deficit) of operating funding	278	513	588	607	627	642	662	694	721	752
1,757	AMP Loan funded	2,478	420	103	96	67	88	100	363	871	893
6,848	Closing Balance	9,184	9,275	8,975	8,645	8,258	7,870	7,465	7,283	7,578	7,870
Stormwater											
1,777	Opening Balance	1,821	2,205	2,242	2,329	2,140	1,885	1,618	1,338	1,042	728
36	Interest	36	44	45	47	43	38	32	27	21	15
- 92	Surplus (Deficit) of operating funding	152	7	11	290	297	305	313	322	335	347
100	AMP Loan funded	500	-	53	54	-	-	-	-	-	-
1,821	Closing Balance	2,205	2,242	2,329	2,140	1,885	1,618	1,338	1,042	728	396
Waste Management											
1,383	Opening Balance	1,304	1,359	1,957	2,091	1,981	2,974	3,376	3,178	2,966	2,746
28	Interest	26	27	39	42	40	59	68	64	59	55
- 107	Surplus (Deficit) of operating funding	14	35	137	152	155	233	273	276	279	284
-	AMP Loan funded	15	536	232	-	1,109	575	8	-	-	-
1,304	Closing Balance	1,359	1,957	2,091	1,981	2,974	3,376	3,178	2,966	2,746	2,517

Annual plan 2020/21 \$000		2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31	2021-31
		LTP Budget 2021/22 \$000	LTP Budget 2022/23 \$000	LTP Budget 2023/24 \$000	LTP Budget 2024/25 \$000	LTP Budget 2025/26 \$000	LTP Budget 2026/27 \$000	LTP Budget 2027/28 \$000	LTP Budget 2028/29 \$000	LTP Budget 2029/30 \$000	LTP Budget 2030/31 \$000
Transport											
- 420	Opening Balance	- 1,936 -	1,666 -	1,601 -	1,325	448	283 -	186 -	797 -	1,590 -	2,326
- 8	Interest	- 39 -	33 -	32 -	27	9	6 -	4 -	16 -	32 -	47
- 1,508	Surplus (Deficit) of operating funding	- 920 -	943 -	1,096 -	1,449 -	1,640 -	1,780 -	1,913 -	2,035 -	2,177 -	2,301
-	AMP Loan funded	1,229	1,042	1,403	3,249	1,465	1,306	1,306	1,257	1,473	1,232
- 1,936	Closing Balance	- 1,666 -	1,601 -	1,325	448	283 -	186 -	797 -	1,590 -	2,326 -	3,442
Community Facilities											
1,567	Opening Balance	2,225	2,305	2,144	1,954	1,949	1,719	1,494	1,253	1,068	753
31	Interest	45	46	43	39	39	34	30	25	21	15
116	Surplus (Deficit) of operating funding	- 248 -	241 -	268 -	287 -	306 -	319 -	331 -	356 -	377 -	391
511	AMP Loan funded	283	34	35	243	37	59	60	145	40	41
2,225	Closing Balance	2,305	2,144	1,954	1,949	1,719	1,494	1,253	1,068	753	418
Leadership & Governance											
397	Opening Balance	491	427	352	271	222	180	150	124	93	70
8	Interest	10	9	7	5	4	4	3	2	2	1
86	Surplus (Deficit) of operating funding	- 74 -	83 -	88 -	54 -	47 -	34 -	28 -	33 -	25 -	35
-	AMP Loan funded	-	-	-	-	-	-	-	-	-	-
491	Closing Balance	427	352	271	222	180	150	124	93	70	37
Planning & Regulatory											
- 186	Opening Balance	460	778	1,073	1,364	1,429	1,452	1,442	1,465	1,441	1,428
- 4	Interest	9	16	21	27	29	29	29	29	29	29
577	Surplus (Deficit) of operating funding	309	279	270	37 -	5 -	39 -	7 -	53 -	42 -	7
73	AMP Loan funded	-	-	-	-	-	-	-	-	-	-
460	Closing Balance	778	1,073	1,364	1,429	1,452	1,442	1,465	1,441	1,428	1,450
Support Services											
- 11,779	Opening Balance	- 10,754 -	10,450 -	10,591 -	10,781 -	11,048 -	11,387 -	11,747 -	12,152 -	12,578 -	13,017
- 236	Interest	- 215 -	209 -	212 -	216 -	221 -	228 -	235 -	243 -	252 -	260
- 126	Surplus (Deficit) of operating funding	- 104 -	63 -	23 -	57 -	118 -	138 -	170 -	188 -	188 -	191
1,387	AMP Loan funded	415	5	-	5	-	6	-	6	-	25
- 10,754	Closing Balance	- 10,450 -	10,591 -	10,781 -	11,048 -	11,387 -	11,747 -	12,152 -	12,578 -	13,017 -	13,443

ProjectName	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate Functions										
Purchase Office Equipment	0	9,484	9,505	9,525	9,536	9,522	9,517	11,910	12,200	12,470
Install Disaster Recovery VM Ware Servers	0	0	0	2,164	0	0	0	0	2,440	0
Refurbish Old Linux Server	0	0	0	18,935	0	0	0	0	21,350	0
HP G7 Backup Server	0	0	0	6,492	0	0	0	0	7,320	0
Wi-Fi Hardware Access Points	0	0	0	21,640	0	0	0	0	24,400	0
Purchase Computer Hardware	0	0	3,168	0	0	0	3,489	0	0	0
Laptops and Screens	0	0	0	7,574	0	0	0	8,337	0	0
Desktops and Screens	0	0	0	5,410	0	0	0	5,955	0	0
Hardware Replacement (Desktop PC's and Laptops)	0	0	0	77,417	79,349	0	0	85,216	87,291	0
Re Wiring and new Cabinets for Server Room	0	0	0	0	0	0	0	7,146	0	0
Replacement Laptops	0	0	26,400	0	0	0	29,075	0	0	0
Mobile Phones	0	0	10,982	0	0	11,804	0	0	12,688	0
HP P2000 SAN	0	0	0	32,460	0	0	0	0	36,600	0
Tape Drive Replacement	0	0	0	10,820	0	0	0	0	12,200	0
Foyer Display	0	0	0	0	6,654	0	0	0	0	7,482
5 Adobe Acrobat Pro Licences	0	0	0	0	0	0	0	0	0	0
Purchase Record Management Software	0	0	0	0	0	0	0	0	0	0
MagiQ Enterprise Software v4	0	0	0	0	0	0	0	0	0	0
Replacement Virtual WDCLinux Server	0	0	0	0	0	0	0	0	0	0
Business Skype & Dropbox - (Cloud Data Share Services)	0	0	0	0	0	0	0	0	0	0
Mitel or MS Teams	0	0	0	0	0	0	0	0	0	18,705
SSS It Security Specialists Software	0	0	0	0	0	0	0	0	0	0
Managed Mobile System Service	0	0	0	0	0	0	0	0	0	0
Office Upgrade	25,000	0	0	0	0	0	0	0	0	0
Replace vehicles	0	46,350	0	0	0	51,075	52,335	0	0	0
Replace vehicles	0	0	0	0	0	45,400	0	0	0	0
Replace vehicles	0	0	0	0	44,360	0	0	0	0	0
Future Capital Requirements	5,000	5,150	5,280	5,410	5,545	5,675	5,815	5,955	6,100	6,235
Painting exterior block of flats	0	0	0	0	0	0	0	0	0	0
Painting exterior block of flats	0	0	0	0	0	0	0	0	0	0
Livingstone flat roofing	0	0	0	0	0	17,025	0	0	0	0
Painting exterior block of flats	0	0	0	0	0	0	0	0	0	0
Instillation of insulation	0	0	0	0	0	0	0	0	0	0
HP**** renewal following vacation	15,000	15,450	15,840	16,230	16,635	17,025	17,445	17,865	18,300	18,705
Replacement of AC units	0	15,450	3,168	0	0	0	0	17,865	0	4,988
Library building renewals	35,000	0	0	0	0	0	0	0	0	0
AIR CONDITIONER COMPUTER ROOM	15,000	15,450	79,200	16,230	16,635	17,025	17,445	17,865	18,300	18,705
Security Cameras Main Office	0	0	0	0	0	0	0	0	0	0
Renex Roof	0	0	47,520	0	0	0	0	0	0	0
Renex Toilets	0	0	0	0	0	0	0	0	0	0
development work on office space	140,000	0	0	0	0	0	0	0	0	0
Exchange Building Fitout Costs	0	0	0	0	0	0	0	0	0	0
Council Entry surfacing (Hotmix)	0	0	0	0	0	0	0	0	0	87,290
Total	235,000	107,334	201,063	230,307	178,714	174,551	135,121	178,114	259,189	174,580

	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Community Facilities										
RenEx - Community Center Remedial Works	35,000	15,405	15,780	16,140	16,515	16,875	17,250	17,640	18,030	18,390
Relocate Gym Upstairs	0	0	0	0	0	0	0	0	0	0
Renewals Pool	0	0	0	0	0	0	0	0	0	0
Storage facility	250,000	0	0	0	0	0	0	0	0	0
CapEx - Stormwater	0	25,875	0	0	0	0	0	0	0	0
Building Renewals	10,000	0	0	0	0	0	0	0	0	0
New Beams	0	0	0	166,780	0	21,272	21,746	17,640	0	0
Nuhaka developments	85,000	0	0	0	0	0	0	0	0	0
Renewal Projects	165,000	5,135	0	5,380	0	5,625	0	5,880	0	6,130
Digital Hub Project	28,118	0	52,600	0	0	0	0	0	0	0
Purchase Computer Equipment	0	6,419	6,575	6,725	6,881	7,031	7,188	7,350	7,513	7,663
Book Purchases	36,478	37,566	38,585	39,573	40,603	41,600	42,640	43,721	44,808	45,825
Renew Alarm System	0	0	0	0	0	0	0	0	0	0
LIBRARY SHELVES	4,000	0	4,208	0	4,404	0	4,600	0	4,808	0
Purchase Cannon Pixma Printer	0	0	0	0	0	0	0	0	0	0
HP ProBook 650 Laptop	0	6,162	0	6,456	0	6,750	0	7,056	0	7,356
TUAI HALL REWIRING PROJECT	0	0	0	0	0	0	0	0	0	98,080
WAR MEMORIAL HALL ROOF	0	0	0	0	0	0	0	117,600	0	0
War Memorial Hall Improvements	120,000	0	0	0	0	0	0	0	0	0
Enhancement of CBD - Stage 1	0	0	0	0	0	0	0	0	0	0
Toilet renewals	50,022	51,300	52,503	53,586	54,652	55,695	56,722	58,800	60,100	61,300
Public Space Enhancement	15,000	15,405	15,780	16,140	16,515	16,875	17,250	17,640	18,030	18,390
PLAYGROUND RENEWALS	50,000	51,350	52,600	10,760	11,010	11,250	11,500	11,760	12,020	12,260
PICNIC TABLES	10,000	10,270	10,520	10,760	11,010	11,250	11,500	11,760	12,020	12,260
Lighthouse retrofit	0	0	52,600	0	0	0	0	0	0	0
SKATEPARK UPGRADE	120,000	0	0	0	0	0	0	0	0	0
IMPLEMENT OPOUTAMA RMP	0	0	0	0	0	0	0	0	0	0
Picnic Tables	0	0	0	0	0	0	0	0	0	0
Improve Boat Ramp	0	0	0	0	0	0	0	11,760	0	0
Mokotahi Picnic Area Enhancement	0	0	0	0	0	0	0	0	0	0
Lambton square buildings	0	0	0	0	0	0	0	0	0	0
Clyde domain pavillion renewals	0	0	0	0	0	0	0	0	0	0
Whangawehi Toilets	0	0	0	0	0	0	0	0	0	0
WILDING PINE CLEARANCE	0	0	0	0	0	0	0	0	0	0
Whakamahi Beach Project	0	0	0	40,595	0	0	0	0	0	0
Main Street Toilets Project	0	0	0	0	0	0	0	0	0	0
Playground equipment	0	0	0	0	0	0	0	0	0	0
New Playground Equipment	0	0	0	0	0	0	0	58,800	0	0
Resiting playground	30,000	0	0	0	0	0	0	0	0	0
Camera Installation	45,000	0	0	0	0	0	0	29,400	0	0
Coronation square pavement and kerb renewals	0	0	0	0	0	0	0	0	0	122,600
Mountain bike park	0	0	0	0	0	0	0	11,760	0	0
Basketball court-adjacent community centre	0	0	0	0	0	0	0	0	0	0
Total	1,053,618	224,887	301,751	372,895	161,590	194,223	190,396	428,567	177,329	410,254

	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leadership and Governance										
Councillors Tablets	0	10,815	0	0	11,645	0	0	12,506	0	0
Purchase Mayoral Vehicle	0	0	44,352	0	0	0	48,846	0	0	0
Mayoral iPhone	0	515	0	0	555	0	0	596	0	0
Vehicle	0	0	26,400	0	0	28,375	0	0	30,500	0
Purchase MSC Apple iPads	0	0	0	0	0	0	0	0	0	0
Total	0	11,330	70,752	0	12,200	28,375	48,846	13,102	30,500	0
Planning and Regulatory										
Repalcement of vehicle- 4x4 ute	90,000	46,350	0	97,380	49,905	0	104,670	53,595	0	112,230
Mobile Data devices	6,000	0	0	6,420	0	0	6,816	0	0	7,212
Replacement of vehicle- 4x4 ute	0	0	0	0	0	0	0	0	0	0
Replacement of sound level meter	0	0	0	0	0	17,025	0	0	0	0
Replacement of vehicle	45,000	0	0	48,690	0	0	52,335	0	0	56,115
Lone Worker	2,000	0	0	0	2,184	0	0	0	1,770	0
Pound Extension	60,000	0	0	0	0	0	0	0	0	0
Replacement of 2 vehicles - 2x4 utes	40,000	0	84,480	43,280	0	90,800	46,520	0	97,600	49,880
Total	243,000	46,350	84,480	195,770	52,089	107,825	210,341	53,595	99,370	225,437
Waste Management										
LANDFILL ROAD SEALING	40,000	0	0	0	77,630	0	0	0	0	0
RTS LANDSCAPING/TREES	15,000	0	0	0	0	7,411	7,594	0	0	0
Recycling Centre renewals	40,000	0	137,280	129,840	22,180	22,700	23,260	23,820	24,400	24,940
Rural recycling establishment	0	226,600	232,320	0	0	0	0	0	0	0
Compactor renewals	10,000	25,750	10,560	37,870	11,090	11,350	29,075	11,910	42,700	12,470
Construction of new cell	0	309,000	0	0	1,109,000	567,500	0	0	0	0
Landfill Diversion Infrastructure	0	0	0	0	0	0	0	0	0	0
Recycling Centre Mahia	0	0	0	0	0	0	0	0	0	0
Total	105,000	561,350	380,160	167,710	1,219,900	608,961	59,929	35,730	67,100	37,410
Stormwater										
WAIROA PIPELINES RENEWALS	0	0	0	0	279,250	0	0	0	0	0
CCTV	0	0	53,050	54,400	0	0	0	0	0	0
MAHIA BCH PIPELINES RENEWALS	500,000	0	0	0	0	0	0	0	0	0
Piping open drains - Kitchener St (Clyde to Hospital) contribution	42,000	0	0	0	0	0	0	0	0	0
PIPING OPEN DRAINS - WAIROA	0	0	0	0	0	0	0	0	152,598	156,400
Total	542,000	0	53,050	54,400	279,250	0	0	0	152,598	156,400

	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Transportation										
PURCHASE OF SURVEYING EQUIPMENT	0	1,030	0	10,820	65,363	34,050	1,163	0	0	1,247
PURCHASE OF VEHICLES	29,804	30,900	0	64,920	0	0	69,780	0	0	74,820
PURCHASE OFFICE FURNITURE	993	1,022	1,048	1,071	1,095	1,118	1,142	1,191	1,220	1,247
PURCHASE COMPUTER EQUIPMENT	2,484	5,112	2,619	5,353	2,738	5,591	2,856	5,955	6,100	6,235
Reseal car parks	16,632	17,032	17,059	16,350	16,785	17,220	17,655	18,090	18,525	18,960
New Carparks/Renewals	0	0	0	0	0	0	0	0	123,500	0
UPGRADE CROSSINGS	0	0	0	0	0	0	0	0	0	0
Pavement Rehabilitation	305,000	305,000	305,000	332,450	341,295	350,140	358,985	367,830	376,675	385,520
Heavy Metalling	951,905	933,510	892,330	1,121,005	1,171,806	1,147,518	1,224,827	1,261,247	1,260,898	1,194,859
NEW FOOTPATHS	54,000	54,000	54,000	32,700	33,570	34,440	35,310	36,180	37,050	37,920
Sealed Road Resurfacing	1,242,965	899,634	925,488	1,207,830	1,239,965	1,084,353	1,372,175	1,447,200	1,482,000	1,516,800
Drainage Renewals	665,000	661,900	658,900	833,850	856,035	878,220	900,405	922,590	944,775	966,960
Structures Components Replacements	520,000	732,732	731,232	751,318	771,307	791,296	811,285	831,275	851,264	871,253
Traffic Services Renewals	175,000	173,760	172,560	234,350	240,585	246,820	253,055	259,290	265,525	271,760
Minor Improvements	1,206,563	1,158,750	1,130,625	1,872,075	2,383,470	2,023,350	1,809,638	1,311,525	1,898,813	1,118,640
Minor Improvements	578,438	586,795	730,835	624,025	794,490	674,450	603,213	437,175	632,938	372,880
BRIDGE STRENGTHENING	635,000	0	0	0	0	0	0	0	0	0
MAHIA EAST COAST ROAD TRACTION SEALING	0	0	0	0	0	0	0	0	0	0
Emergency Reinst. - Renewal	1,000,000	1,031,000	2,334,200	8,143,477	949,915	948,760	946,141	1,206,000	1,235,000	1,264,000
Emergency Reinst. - New	486,436	490,055	492,607	493,728	493,956	493,355	491,994	627,120	642,200	657,280
Emerg Wk 2018-19 Event 1.9.18	2,000,000	0	0	0	0	0	0	0	0	0
ROAD 38 UNSEALED RD METALLING	120,000	120,000	120,000	130,800	134,280	137,760	141,240	144,720	148,200	151,680
ROAD 38 DRAINAGE RENEWALS	50,000	50,000	50,000	54,500	55,950	57,400	58,850	60,300	61,750	63,200
ROAD 38-TRAFFIC SVCES RENEWAL	5,000	5,000	5,000	5,450	5,595	5,740	5,885	6,030	6,175	6,320
ROAD 38 - RENEWAL STRUCTURES	0	0	0	0	0	0	0	0	0	0
ROAD 38 STRUCTURES COPONENTS RENEWALS	0	0	0	0	0	0	0	0	0	0
ROAD 38 MINOR IMPROVEMENTS	232,500	232,500	232,500	61,313	62,944	64,575	66,206	67,838	69,469	71,100
ROAD 38 MINOR IMPROVEMENTS	77,500	77,500	77,500	20,438	20,981	21,525	22,069	22,613	23,156	23,700
ROAD 38 ASSOCIATED IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0
ROAD 38 EMERGENCY REINST - NEW	75,000	77,325	79,575	81,750	83,925	86,100	88,275	90,450	92,625	94,800
ROAD 38 Sealed Resurfacing	40,000	10,000	10,000	0	0	0	0	0	0	0
RenEx - Runway Lighting	50,000	0	105,000	0	0	0	0	0	0	0
Building renewals	35,000	0	0	0	0	0	0	0	0	0
Resurfacing Runway	0	0	0	0	0	0	0	0	0	0
Re-surfacing aprons	0	0	0	163,500	0	0	0	0	0	0
Interior mens toilets	0	0	0	0	0	0	0	0	0	0
Total	10,555,220	7,654,557	9,128,078	16,263,073	9,726,050	9,103,781	9,282,149	9,124,619	10,177,858	9,171,181

	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Wastewater										
TELEMETRY BASESETS	0	0	0	0	0	0	0	0	0	0
Infiltration Study - Night Time Flow	0	0	0	0	0	0	0	0	0	0
Riparian Planting	200,000	51,750	42,440	32,640	0	0	0	0	0	0
Project Management - Technical Coordination	0	0	0	0	0	0	0	0	0	0
Outfall - (Low Environmental SG4026xx)	2,027,550	0	0	0	0	0	0	0	0	0
Storage - (Low Environmental SG4026xx)	0	0	1,326,250	0	0	0	0	0	0	0
Catchment - (Low Environmental SG4026xx)	150,000	57,287	60,318	63,594	67,188	70,933	76,505	0	0	0
Magnaflux Transducers	0	0	0	0	0	5,725	0	0	0	0
CCTV Infiltration Investigation	0	0	0	0	0	171,750	176,550	0	0	0
Infiltration Tests	0	0	0	0	0	0	0	0	0	0
Data verification/condition reporting	0	0	0	0	0	0	0	0	0	0
Consultancy for Wairoa ww consent	0	0	0	0	0	0	0	0	0	0
Construction of Plant for new Wairoa consent	0	0	0	0	0	0	0	0	0	0
BUILDING UPGRADES	5,000	0	5,305	0	5,585	0	5,885	0	6,220	0
Wairoa Consent application-Consultation and legal costs	0	0	0	0	0	0	0	0	0	0
Step Filter	0	0	0	0	0	11,450	0	0	0	0
Pump station renewals	100,000	51,750	53,050	54,400	55,850	68,700	0	0	0	0
Tuai Sand Filters	0	0	0	0	0	0	0	0	0	0
METALLING OF KINIKINI ACCESS ROAD	0	51,750	0	0	0	0	0	363,000	0	0
Flow Meters	0	0	0	0	0	0	23,540	0	0	0
Fitzroy Plant	0	0	0	0	0	0	0	0	0	0
MBCSS - EXPANSION	0	0	0	0	0	0	0	0	870,800	0
MBCSS - IRRIGATION REPLACEMENT	0	0	0	0	0	0	0	0	0	892,500
SCADA	0	0	10,610	0	0	11,450	0	0	12,440	0
PUMP OVERHAULS	0	0	10,610	0	0	11,450	29,425	30,250	43,540	31,875
Dedicated Generators in each pump station	0	0	0	0	0	0	0	0	0	0
WASTEWATER EXPANSION - NORTH CLYDE	100,000	258,750	0	0	0	0	0	0	0	0
New rising main from Kopu to pilot Hill	0	0	0	0	0	0	0	0	0	0
WWTP UPGRADE - BNRAS	400,000	0	0	0	0	0	0	0	0	0
WWTP UPGRADE - FILTRATION/UV	410,000	0	0	0	0	0	0	0	0	0
MAHIA SEWER RISINH MAIN RESILIENCE	100,000	0	0	0	0	0	0	0	0	0
SCOTT STREET SEWER	200,000	0	0	0	0	0	0	0	0	0
WWTP UPGRADE - IRRIGATION	240,000	0	0	0	0	0	0	0	0	0
RELINING	740,000	0	0	0	0	0	0	0	0	0
PUMP STATION GENERATORS	270,000	0	0	0	0	0	0	0	0	0
TELEMETRY BASESETS / PUMP STATION RENEWALS	330,000	0	0	0	0	0	0	0	0	0
Dia T1 Opoutama / Bluebay Stage 1	190,000	0	0	0	0	0	0	0	0	0
Dia T1 Opoutama / Bluebay Stage 2	750,000	0	0	0	0	0	0	0	0	0
WAIROA RETICULATION - RENEWALS	0	0	0	0	0	0	294,250	242,000	248,800	255,000
Total	6,212,550	471,287	1,508,583	150,634	128,623	351,458	606,155	635,250	1,181,800	1,179,375

	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Water Supply										
WAIROA PIPELINES RENEWALS	0	0	636,600	380,800	390,950	687,000	588,500	484,000	497,600	510,000
Water Main Replacement - Cemetery / Kitchener St	25,000	0	0	0	0	0	0	0	0	0
Intake to Plant	0	0	0	0	1,312,001	0	0	0	0	0
WAIROA METERS - NEW	0	0	0	0	0	0	0	0	0	0
AC Pumping Main	0	0	0	1,879,920	0	0	0	0	0	0
BOOSTER PUMP STATIONS	0	0	31,830	0	0	0	0	0	0	0
VALVE REPLACEMENTS	0	77,625	79,575	81,600	83,775	85,875	88,275	90,750	93,300	95,625
Wairoa Reservoir Renewals	80,000	0	84,880	0	89,360	0	94,160	0	99,520	0
Asset Management Modelling Design	0	0	0	0	0	0	0	0	0	0
Renewals modelling	0	0	0	0	0	0	0	0	0	0
Replacement reservoir -construction	0	0	0	0	0	0	0	0	0	0
Tuai retic	0	517,500	0	0	0	0	0	0	0	0
New Water Bore Take for Bluebay and new supply line	0	0	0	0	0	0	0	0	0	0
BOOSTER PUMP STATIONS	30,000	0	0	0	0	0	0	0	0	0
BOOSTER PUMP STATIONS	0	31,050	0	0	0	0	0	0	0	0
Dia T1 Smart Meters	1,325,000	0	0	0	0	0	0	0	0	0
Ferry Hotel Water main resilience	0	0	0	0	0	0	0	0	0	0
Mahanga Water Supply Upgrade	75,000	0	0	0	0	0	0	0	0	0
Install WAN at Intake	0	0	0	0	0	0	0	9,680	0	0
Replacement Chemical dosing plant batching compressor	0	5,175	0	0	0	0	0	0	0	0
RENEWAL EXPENDITURE	25,000	25,875	26,525	27,200	27,925	28,625	29,425	30,250	31,100	31,875
Replacement of Filter inlet valves	35,000	0	0	0	0	0	0	0	0	0
Reseal WTP entry driveway	0	0	0	10,880	0	0	0	0	0	0
RENEW BACKWASH VALVES & CONTROL	0	0	0	0	0	0	0	0	0	0
Laptop Managers or operators	3,000	0	0	0	3,351	0	0	0	3,732	0
Vehicle	0	0	0	48,690	0	0	0	0	54,900	0
Boundary Valves - Pump Station	10,000	10,350	10,610	10,880	11,170	11,450	11,770	12,100	12,440	12,750
Safety Improvement	10,000	10,350	10,610	10,880	11,170	11,450	11,770	12,100	12,440	12,750
Cleaning Inspection Reservoir	0	0	0	0	0	0	0	0	0	0
Replacement of Intake Valves	0	0	0	0	0	0	0	0	0	0
Resilience Earthquake Valves and Bore Investigations	0	0	0	0	0	0	0	0	0	0
Fire alarm System for Boundary Station	0	0	10,610	0	0	0	0	0	0	0
Flood Control Protect at intake	0	0	0	0	0	0	0	0	0	0
Pipemain Condition Sampling	0	0	0	0	0	0	0	0	0	0
Re paint Boundary Station Building generator shed	0	0	0	0	0	0	0	0	0	0
Mahanga treatment upgrade	0	0	0	0	0	0	0	0	0	0
Sheetpile protection of intake	0	0	0	0	0	0	0	121,000	0	0
Switchboards replacement	0	0	0	0	0	0	0	0	0	0
Bluebay bore rehabilitation	0	0	0	0	0	0	0	0	0	0
Chlorine Analyser	0	0	0	0	0	0	0	0	0	0
Replace lifting vinyl flooring at WTP	0	0	0	0	0	0	0	30,250	0	0
Re Roof Boundary generator room	0	0	0	0	0	0	0	0	0	0
Install new chlorine gas leak wind socks at WTP/Tawhara	0	0	0	0	0	0	0	0	0	0
Bluebay telemetry SCADA upgrade	0	0	0	0	0	0	0	0	0	0
Blue Bay water treatment upgrade includes WSP and consent	0	0	0	0	0	0	0	0	0	0
Install chlorination and monitoring of the Tuai water supply	0	0	0	0	0	0	0	0	0	0
Replace failing filter inlet valves	0	0	0	0	0	0	0	0	0	0
Replace failing Water treatment Plant septic tank system	0	0	0	0	0	0	0	0	0	0
WTP Major Valve replacement 2 of	0	15,525	0	16,320	0	17,175	0	18,150	0	19,125
Boundary Major Valve replacement 2 of for Affco	10,000	0	10,610	0	11,170	0	11,770	0	12,440	0
Vehicle replacement	0	0	0	54,100	0	0	0	0	0	62,350
Replace air-con unit	0	5,175	0	0	0	0	0	0	0	0
Mobile Water Treatment Plant	0	0	0	0	0	0	0	605,000	0	0
Total	1,628,000	698,625	901,850	2,521,270	1,940,872	841,575	835,670	1,413,280	817,472	744,475

	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Grand Total	20,574,388	9,775,720	12,629,767	19,956,059	13,699,288	11,410,749	11,368,607	11,882,257	12,963,216	12,099,112
Funded by:										
Sales Of Assets	61,441	37,080	46,570	107,118	28,280	64,695	112,346	16,079	54,900	106,619
Subsidies	13,649,098	5,842,677	6,948,008	12,000,794	7,230,052	6,784,352	6,892,165	6,824,537	7,521,385	6,801,504
Reserves	1,914,459	1,828,895	3,766,110	2,320,128	2,450,502	2,528,045	2,890,351	2,665,166	3,002,960	2,999,952
Loans	4,949,390	2,067,069	1,869,079	5,528,019	3,990,455	2,033,658	1,473,745	2,376,476	2,383,972	2,191,038

WHAKAAWEAWE PŪTEA - FUNDING IMPACT STATEMENT

Council adopted a change to its Rating System in January 2021 and updated its Revenue and Financing Policy in March 2021. This Funding Impact Statement reflects those changes and provides information about Council sources of Revenue from Rates, how these are calculated and where the liability will be applied.

Various sections of the Local Government (Rating) Act 2002 ("Rating Act") and the Local Government Act 2002 that the Council sets its rates under, require particular information to be identified in Council's Funding Impact Statement. This includes the following:

- The basis for setting the general rate, i.e. land, annual or capital value (Rating Act, section 13).
- Any category or categories that will be used for setting the general rate differentially (Rating Act, section 14).
- The activity or activities for which a targeted rate will be set (Rating Act, section 16).
- The category or categories that will be used to establish rateable land for a targeted rate (Rating Act, section 17).
- For each category, any factor that will be used to calculate liability for a targeted rate (Rating Act, section 18).
- Council's intention to set a targeted rate for the quantity of water supplied (Rating Act, section 19).
- If the targeted rate is set differentially, the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land for each category (Local Government Act 2002, Sch 10, cl 15(4)(d)).
- Whether lump sum contributions will be invited in respect of the targeted rate (Local Government Act 2002, Sch 10, cl 15(4)(e)).

- Examples of the impact of the general rate and targeted rate rating proposals on the rates assessed on different categories of rateable land with a range of property values for the first year of the plan (Local Government Act 2002, Sch 10, cl 15(5)).

DIFFERENTIAL RATING FACTORS

The Local Government (Rating) Act 2002 provides for rates being charged at different rates in the dollar for different categories of rateable land. The categories must be defined using the factors in Schedule 2 of the Act.

Council can use these provisions to set rates on a differential basis to recognise the different rateable value of land, the uses of land within the district, and the differing provision and consumption of Council services relative to other categories of ratepayers in the district.

For the year ending 30 June 2022, and the remaining years of the Long-term Plan 2021-31, Council will utilise a General Rate assessed on the Capital Value of rateable land, applying Differential Factors to rating categories determined by designated land use. This determination will be guided by property category codes contained in the Rating Valuation Rules. Council will also utilise a Uniform Annual General Charge (UAGC) which will be assessed as a fixed amount per Separately Used or Inhabited Part (SUIP) of a Rating Unit.

The Land Use Categories for Rating Purposes and the differential factors to be applied to the General Rate (Capital Value) for the year commencing 1 July 2021 are detailed in the table below.

The nominal allocation of land use and property codes to rating categories is detailed in **Appendix 1**.

Targeted Rates assessed on a fixed amount per Rating Unit, SUIP or connection will be applied for water utilities and waste management and where applicable will be assessed by location. Water by meter rates will apply where metered water is supplied.

DIFFERENTIAL CATEGORIES

For the year 1 July 2021 to 30 June 2022 the following Land Use Categories and Differential Factors will apply to the General Rate assessed by Capital Value

	CATEGORY	DIFFERENTIAL FACTOR
i.	<p>COMMERCIAL</p> <p>The reason for this differential is to reflect the additional consumption of Council services and amenities that this land use attracts through a concentration of visitors and local patrons, and the advantage of the formal ability to derive revenue from the land.</p>	1.6
ii.	<p>FORESTRY</p> <p>The rationale for this differential is a combination of the following:</p> <ul style="list-style-type: none"> • The incremental cost that Council incurs in its roading activity due to the impacts of this land use • The limited contribution to social and economic wellbeing within the district relative to other land uses • The comparatively negative environmental impacts of this land use 	4.0
iii.	<p>RESIDENTIAL A - Capital Value less than \$400,000</p> <p>This is the baseline differential that assumes that Council activities for which revenue is collected through the general rate are available to the entire community. At this threshold, the allocation of the revenue requirement is considered proportionate to ability to pay.</p>	1.0
iv.	<p>RESIDENTIAL B - Capital Value greater than or equal to \$400,000 and less than \$600,000</p> <p>This differential seeks to establish a balance between affordability and distribution of benefit, noting that the incidence of rates assessed on capital value can become disproportionate where the primary purpose of the land use is for homes.</p>	0.8
v.	<p>RESIDENTIAL C - Capital Value greater than \$600,000</p> <p>This differential category recognises the relatively disproportionate allocation of rates assessed on capital value to higher value rating units that are homes, and that at higher values the correlation to consumption of activities and ability to pay is lower.</p>	0.7
vi.	<p>RURAL</p> <p>In setting this differential the following considerations are applied:</p> <ul style="list-style-type: none"> • Lifestyle blocks are similar in nature to residential rating units, but with less convenient access to some Council activities • Horticulture and farming contribute significantly to the economic well-being of the district, but the former is penalised by the inclusion of crop and licenses in its capital value, while the latter has a lower output intensity per capital value than other productive land uses 	0.7

Rates per unit in the following paragraphs are per \$000's of rateable value unless otherwise stated. Amounts shown are inclusive of GST at 15%. Since Council has adopted a new rating method, comparatives to the year ending 30 June 2022 would not have been relevant in a rate-by-rate analysis.

GENERAL RATE

Council will assess a general rate based on the capital value of all rateable land in the district, set differentially according to the use to which the land is put and the capital value of the land.

The rates (per dollars (\$000's) of capital value) for 2021/22 are:

	DIFFERENTIAL CATEGORY	RATE PER \$1,000 OF CAPITAL VALUE (INCL. GST) (\$)	REVENUE GENERATED (INCL. GST) (\$)
i.	COMMERCIAL	7.2664	912,834
ii.	FORESTRY	18.1661	2,799,468
iii.	RESIDENTIAL A - Capital Value less than \$400,000	4.5415	1,880,521
iv.	RESIDENTIAL B - Capital Value greater than or equal to \$400,000 and less than \$600,000	3.6332	323,211
v.	RESIDENTIAL C - Capital Value greater than \$600,000	3.1791	242,417
vi.	RURAL	3.1791	4,241,151

The general rate will raise \$ 10,399,601 (including GST) in 2021/2022

Revenue from the General Rate will be used to fund the following Groups of Activities:

GROUP OF ACTIVITIES	REVENUE GENERATED (INCL. GST) (\$)
COMMUNITY FACILITIES	\$2,285,988
CORPORATE FUNCTIONS	-\$476,235*
LEADERSHIP AND GOVERNANCE	\$2,449,894
PLANNING & REGULATORY	\$1,183,622
STORMWATER	\$47,146
TRANSPORTATION	\$4,399,360
WASTE MANAGEMENT	\$129,373
WASTEWATER	\$214,890
WATER SUPPLY	\$165,563

*Most of the Corporate Functions Group is recovered via internal overhead and internal rent from other activities. The remaining credit relates to investment revenue that remains attributable to this Group. This is offset against general rates.

UNIFORM ANNUAL GENERAL CHARGE

Council will assess a uniform annual general charge (UAGC) as a fixed amount per separately used or inhabited part of a rating unit within the district.

The total amount of the UAGC is determined by the rates allocated to specific activities. Certain activities are funded partially by the UAGC and partially by the General Rate assessed by Capital Value. In doing so Council seeks to establish an appropriate allocation such that all ratepayers make a minimum contribution to these activities that are provided to benefit the whole community. These activities and the amount to be rated via the UAGC in 2021/22 are detailed in the table below:

ACTIVITY	PROPORTION ALLOCATED THROUGH UAGC *	REVENUE GENERATED (INCL. GST) (\$)
COMMERCIAL PROPERTY	50%	\$47,367
ENTERPRISE BUILDING	50%	\$21,513
COUNCIL ADMINISTRATION AND DEMOCRACY SERVICES	50%	\$1,326,260
MAORI RELATIONSHIPS	50%	\$127,040
VISITOR INFORMATION CENTRE	50%	\$35,158
ECONOMIC DEVELOPMENT	15%	\$131,990
GAIETY THEATRE	15%	\$6,379
DIGITAL HUB	15%	\$2,343
COMMUNITY CENTRE	15%	\$74,031
COMMUNITY SUPPORT	50%	\$139,333
LIBRARY	25%	\$341,212

The UAGC for 2021/22 is \$440.10 (incl. GST), raising \$2,252,627 (incl. GST).

TARGETED RATE – WATER SUPPLY (FIXED CHARGE)

Council will assess a targeted rate to fund water supply, set differentially according to where land is situated and the provision, or availability to the land of a service provided by, or on behalf of Council as a fixed amount per separately used or inhabited part of a rating unit. These amounts represent 90% of the total amount for Water Supply to be funded by rates. The remaining 10% is allocated to the General Rate, assessed by Capital Value. This allocation reflects that while there is primarily a private benefit derived from this activity, there is benefit to the whole community in providing clean safe drinking water.

The rates for 2021/2022 are:

	DIFFERENTIAL CATEGORY	BASIS FOR LIABILITY	CHARGE (INCL. GST) (\$)	REVENUE GENERATED (INCL. GST) (\$)
i.	WAIROA TOWNSHIP/WAIROA WARD SUPPLY AREA (including Frasertown and Wairoa Environs): CONNECTED Water Charge Wairoa Frasertown Water Supply Peri Urban Water Supply	Per separately used or inhabited part of a rating unit	671.30	1,261,998 121,638 45,614
ii.	WAIROA TOWNSHIP SUPPLY AREA (including Frasertown and Wairoa Environs): NOT CONNECTED BUT AVAILABLE <i>being a property to which water can be supplied but is not supplied (being a property within 100 metres of any part of the water reticulation system)</i>		335.60	
iii.	MAHANGA SUPPLY AREA (Mahanga water supply): CONNECTED		494.50	30,410
iv. v.	MAHANGA SUPPLY AREA: NOT CONNECTED BUT AVAILABLE <i>being a property to which water can be supplied but is not supplied (being a property within 100 metres of any part of the water reticulation system)</i>		247.20	
	TUAI SUPPLY AREA: CONNECTED		547.90	30,410
vi.	TUAI SUPPLY AREA: NOT CONNECTED BUT AVAILABLE <i>being a property to which water can be supplied but is not supplied (being a property within 100 metres of any part of the water reticulation system)</i>		274.00	

The water supply (fixed amount) targeted rate will raise \$1,490,070 in the year ending 30 June 2022. The water supply rates will be used to fund the water supply activities in the Wairoa Township, Frasertown and Wairoa Environs, Mahanga, and Tuai.

TARGETED RATE – WATER SUPPLY (WATER METER)

Council will assess a targeted rate to fund water supply, set as based on the volume of water consumed or supplied, for all rating units fitted with a meter and metered exclusively for ordinary supply or metered for extraordinary supply.

The rates for the year ending 30 June 2022 are:

	AREA	BASIS FOR LIABILITY	CHARGE PER M ³ (INCL GST) (¢)
i.	WAIROA TOWNSHIP RETICULATION AREA	All rating units fitted with a meter and metered exclusively for ordinary supply or metered for extraordinary supply	0.61
ii.	WAIROA ENVIRONS AREA (not including rating units in (i), (iii) and (iv))		0.61
iii.	FRASERTOWN RETICULATION AREA		0.61
iv.	TUAI RETICULATION AREA		0.61
v.	LAND USED FOR MEAT PROCESSING IN WAIROA		0.34

The water supply metered rates will be used to fund the water supply activities in the Wairoa Township, Frasertown and Wairoa Environs, Mahanga and Tuai.

TARGETED RATE – SEWERAGE DISPOSAL

Council will assess a targeted rate in respect of sewerage disposal, set differentially according to where land is situated and the provision, or availability to the land of a service provided by, or on behalf of, Council. The rates for 2021/22 are:

	DIFFERENTIAL CATEGORY ¹	BASIS FOR LIABILITY	CHARGE (INCL. GST) (€)	REVENUE GENERATED (INCL. GST) (€)
i.	WAIROA WARD (not temporary accommodation businesses): CONNECTED	Per water closet or urinal connected (for up to the first five)	668.3	1,358,242
ii.	WAIROA WARD (not temporary accommodation businesses): CONNECTED	Per water closet or urinal connected (for six to up to and including 15)	467.8	
iii.	WAIROA WARD (not temporary accommodation businesses): CONNECTED	Per water closet or urinal connected (for 16 or more)	334.2	
iv.	WAIROA WARD (temporary accommodation businesses): CONNECTED	Per water closet or urinal connected (for up to the first five)	668.3	
v.	WAIROA WARD (temporary accommodation businesses): CONNECTED	Per water closet or urinal connected (for six or more)	467.8	
vi.	WAIROA WARD: NOT CONNECTED BUT AVAILABLE <i>where a property is situated within 30 metres of a public sewerage drain to which it is capable of being connected, either directly or through a public drain.</i>	Per rating unit	334.2	
vii.	TUAI VILLAGE: CONNECTED¹	Per water closet or urinal connected	668.3	155,107
viii.	TUAI VILLAGE: NOT CONNECTED BUT AVAILABLE <i>where a property is situated within 30 metres of a public sewerage drain to which it is capable of being connected, either directly or through a public drain.</i>	Per rating unit	334.2	
ix.	MĀHIA: CONNECTED or required to be connected under the Trade Waste and Wastewater bylaw 2012.	Per number or nature of connections from the land within each rating unit to the reticulation system	668.3	258,311
x.	MĀHIA: NOT CONNECTED or required to be connected under the Trade Waste and Wastewater bylaw 2012 where a property is situated within 30 metres of a public sewerage system to which it is capable of being connected, either directly or through a public drain.	Per rating unit	334.2	
xi.	ŌPOUTAMA & BLUE BAY: CONNECTED or required to be connected under the Trade Waste and Wastewater bylaw 2012	Per number or nature of connections from the land within each rating unit to the reticulation system	668.3	53,132

¹ For the purposes of this rate, a rating unit used primarily as a residence for one household must not be treated as having more than one water closet or urinal.

	DIFFERENTIAL CATEGORY ¹	BASIS FOR LIABILITY	CHARGE (INCL. GST) (€)	REVENUE GENERATED (INCL. GST) (€)
xii.	ŌPOUTAMA & BLUE BAY: NOT CONNECTED or required to be connected under the Trade Waste and Wastewater bylaw 2012 where a property is situated within 30 metres of a public sewerage system to which it is capable of being connected, either directly or through a public drain.	Per number or nature of connections from the land within each rating unit to the reticulation system	334.2	
xi.	RURAL WASTEWATER: all land that is not connected or able to connect to Council wastewater reticulation, but to which a council operated wastewater treatment facility is available. This rate funds the treatment of wastewater from septic tanks.	Per separately used inhabited part of a rating unit described as 'Flat, Dwelling, Bach, Cottage, Cafeteria, Accommodation, Building, Cabin, Camping Ground, Tavern, Hall, Office, Hotel, Sleepout, Orchard or Shop' in Council's Rating Information Database.	55.9	109,435

The sewerage disposal targeted rate will raise \$1,934,227 (including GST) in the year ending 30 June 2022. These amounts represent 90% of the total amount for the Wastewater activity to be funded by rates. The remaining 10% is allocated to the General Rate, assessed by Capital Value. This allocation reflects that while there is primarily a private benefit derived from this activity, there is benefit to the whole community in ensuring wastewater is managed safely throughout the district.

TARGETED RATE – WASTEWATER SCHEMES

Council will assess a targeted rate pursuant to the provision or availability to the land of a service provided by, or on behalf of, the local authority by the Māhia and Ōpoutama wastewater schemes. The rates for 2021/2022 are:

	DIFFERENTIAL CATEGORY	BASIS FOR LIABILITY	REVENUE GENERATED (INCL. GST) (\$)
i.	MĀHIA WASTEWATER SCHEME capital repayment and finance costs associated with the scheme over 10 years. <i>In accordance with the Capital Funding Plan.</i>	The extent of provision of the services provided by the Māhia Wastewater Scheme including the infrastructure, costs connection costs (if any), and finance costs, relating to that property.	4,817
iii.	MĀHIA WASTEWATER SCHEME capital repayment and finance costs associated with the scheme over 20 years. <i>In accordance with the Capital Funding Plan.</i>		86,302
iv.	MĀHIA WASTEWATER SCHEME capital repayment and finance costs associated with the scheme over 30 years. <i>In accordance with the Capital Funding Plan.</i>		5,307
v.	ŌPOUTAMA WASTEWATER SCHEME capital repayment and finance costs associated with the scheme over 10 years. <i>In accordance with the Capital Funding Plan.</i>		4,054
vii.	ŌPOUTAMA WASTEWATER SCHEME capital repayment and finance costs associated with the scheme over 20 years. <i>In accordance with the Capital Funding Plan.</i>	The extent of provision of the services provided by the Ōpoutama Wastewater Scheme including the infrastructure costs, connection costs (if any), and finance costs, relating to that property.	9,311
viii.	ŌPOUTAMA WASTEWATER SCHEME capital repayment and finance costs associated with the scheme over 30 years. <i>In accordance with the Capital Funding Plan.</i>		3,092

TARGETED RATE – WASTE MANAGEMENT

Council will assess a targeted rate in respect of waste management, set differentially according to where land is situated and the provision, or availability to the land of a service provided by, or on behalf of, Council. The rate is set as a fixed amount per separately used or inhabited part of a rating unit in the Wairoa Township Area and the Wairoa Rural Area. The rates for 2021/2022 are:

	DIFFERENTIAL CATEGORY	BASIS FOR LIABILITY	CHARGE (INCL. GST) (*)	REVENUE GENERATED (INCL. GST) (*)
i.	WAIROA TOWNSHIP AREA	Per separately used or inhabited part of a rating unit	252.4	489,032
ii.	RURAL AREAS	Per separately used or inhabited part of a rating unit	210.6	675,329

The waste management targeted rate will raise \$1,164,361 (incl. GST) the year ending 30 June 2022. The waste management rate will be used to fund the waste management activity. These amounts represent 90% of the total amount for the Waste Management activity to be funded by rates. The remaining 10% is allocated to the General Rate, assessed by Capital Value. This allocation reflects that while there is primarily a private benefit derived from this activity, there is benefit to the whole community in ensuring rubbish is managed safely throughout the district.

TARGETED RATE – DRAINAGE

Council will assess a targeted rate in respect of drainage set differentially according to where land is situated and the provision, or availability to the land of a service provided by, or on behalf of, Council. The rate is set as a fixed amount per separately used or inhabited part of a rating unit in the Wairoa Urban and the Māhia Township Areas. The rates for 2021/2022 are:

	DIFFERENTIAL CATEGORY	BASIS FOR LIABILITY	CHARGE (INCL. GST) (€)	REVENUE GENERATED (INCL. GST) (€)
i.	WAIROA URBAN AREA	Per separately used or inhabited part of a rating unit	197.9	360,665
ii.	MĀHIA TOWNSHIP AREA	Per separately used or inhabited part of a rating unit	134.1	63,647

The drainage targeted rate will raise \$424,312 (including GST) in the year ending 30 June 2022. These amounts represent 90% of the total amount for the Stormwater activity to be funded by rates. The remaining 10% is allocated to the General Rate, assessed by Capital Value. This allocation reflects that while there is primarily a private benefit derived from this activity, there is benefit to the whole community in ensuring stormwater is managed safely throughout the district.

DEFINITION OF SEPARATELY USED OR INHABITED PARTS OF A RATING UNIT

A fixed amount charged to each separately used or inhabited part of a rating unit.

DEFINITION OF A SEPARATELY USED OR INHABITED PART OF A RATING UNIT

Any part of a rating unit used for a different purpose or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

Interpretation rules that form part of the definition of 'separately used or inhabited part':

- A. Each separate shop or business activity on a rating unit is a separate use, for which a separate UAGC is payable. (See Guidance Note 1.)
- B. Each dwelling, flat, or additional rentable unit (attached or not attached) on a residential property which is let (or capable of being let) for a substantial part of the year to persons other than immediate family members is a separately inhabited part of a property, and separate UAGCs are payable. (See Guidance Note 2.)
- C. Each residential rating unit which has, in addition to a family dwelling unit, one or more non-residential uses (i.e. home occupation units) will be charged an extra UAGC for each additional use. (See Guidance Note 3.)
- D. Each non-residential activity which has, in addition to its business or commercial function, co-sited residential units which are not a prerequisite part of the business or commercial function, will be liable for additional UAGCs for each residential unit. (See Guidance Note 4.)
- E. Individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land are separately inhabited parts, and will each be liable for a separate UAGC. (See Guidance Note 5.)
- F. Each title on a multiple-managed forestry holding (that is, where the forest is broken into several individual small titles) is a separately used part except when one or more titles are adjacent and under the same ownership, in which case the rules of contiguity apply.
- G. Each block of land for which a separate title has been issued is liable to pay a UAGC, even if that land is vacant. NOTE: Two or more adjacent blocks of vacant land are

not eligible for remission under "contiguity" (S.20 of LG(R)A 02) because they are not "used for the same purpose" (i.e. they are not used at all).

- H. Each dwelling, flat, or additional rentable unit (attached or not attached) on a pastoral, horticultural or forestry property which is let (or capable of being let) for a substantial part of the year to persons other than immediate family members is a separately inhabited part of a property, and separate UAGCs are payable. (See Guidance Note 6.)
- I. A substantial part of the year is considered to be three months or more (this total period may be fragmented, and may occur at any part of the rating year).
- J. Each dwelling on a lifestyle block whether tenanted or not.

GUIDANCE NOTES

The following notes are not rules, but are intended to aid officers in the interpretation of the rules.

1. Commercial Properties

- A single building on one title with 24 separate 'shops' would pay 24 UAGCs.
- A motel with an attached dwelling would pay only one UAGC. This is because the attached dwelling is essential to the running of the motel. This is similar to a pastoral property with one dwelling (See rule D above)
- A motel with an attached restaurant which is available to the wider public has two separately used parts and would pay two UAGCs. Likewise, a motel with an attached conference facility would pay an additional UAGC.
- A business which makes part of its income through leasing part of its space to semi-passive uses such as billboards, or money machines, is not regarded as having a separately used or inhabited part and would not be charged a separate UAGC.

2. Residential Properties

- The rule will apply to properties identified as "flats" on the valuation record (administered by Council's Valuation Service Provider, Quotable Value Limited). Sleep-outs and granny flats will generally be identified as "sleep-out" on the valuation record and will not normally incur additional UAGCs.

- If a property is identified on the valuation record as having flats, but these in fact are used only for family members or for others for very short periods, the additional UAGCs may be remitted on Council receiving proof of their use, including a signed declaration from the property owner (see remission policy for dwellings used for family use). A property owner who actively advertises the flats for accommodation will not qualify for the remission.

3. Residential with Non-Residential Part

- A residence with a separately accessible "office" (which may be used for surveyor, architect, or medical services) will pay an additional UAGC for the office. This is because it is a separately used part which generates additional use of roads, services, planning resources and democratic processes.
- A residence with a "Home Occupation" (commonly called a "hobby business") will not generally be charged a separate UAGC unless the intensity of operation is high. For example, a resident who occasionally manufactures boat trailers in his garage on the weekends would not incur an additional UAGC, but someone who works for most of the week panel beating or painting, particularly if the activity is accompanied by advertising, clearly has a separately used or inhabited part of the rating unit, and would incur an additional UAGC.
- A residential property, part of which is used continually for storage of large industrial machinery, has a separately used part, and would incur an additional UAGC.

4. Non-Residential Activity with Co-sited Dwelling

- A fish and chip shop, with a separately used flat above which can be accessed without passing through the shop, does have a separately used part, and would normally incur an additional UAGC charge.

- A dairy which has the operator's integral dwelling attached, would not incur an additional UAGC because the home is an integral part of the operation of the dairy similar to a pastoral property or motel.
- Certain Government agencies, churches, marae, and the like are automatically rate exempt (except for service charges such as water and wastewater). They may be charged rates and additional UAGCs for each separately used or inhabited part of the rating unit, however, if these organisations undertake accommodation or business activities which are not related to their core function.

5. Individually Tenanted Flats

- Each flat, apartment, or retirement or disability home, and each property under a "licence to occupy", is a separately used or inhabited part of a rating unit. This is regardless of the number of people who may be living in the unit. Each will be required to pay an additional UAGC charge.

6. Pastoral Properties

- Each dwelling, tenanted or untenanted, is a separately used or inhabited part of a rating unit. Each additional dwelling will incur an additional UAGC charge.
- Shearer's quarters that are untenanted, and used as a shearers quarters, will not be treated as a separately used or inhabited part of a rating unit. Shearer's quarters which are tenanted will be a separately used or inhabited part of a rating unit and incur an additional UAGC charge.
- A pastoral property with one dwelling would pay only one UAGC. This is because the attached dwelling is essential to the running of the pastoral property.
- Untenanted farm dwellings and cottages in addition to the main 'farm house' will be charged additional UAGCs.

RATING BASE

The total projected rateable units within the district at the end of the financial year 2021/22 were 6,835. This is projected to increase at an average of 10 rating units per year over the 10 years of the Long-term Plan.

INDICATIVE RATING SAMPLES

Area	New Differential Sector	Rated LV	Rated CV	Actual rates 2020/21	Proposed rates 2021/22	Proposed rates 2030/31
Wairoa	Commercial	17,000.00	185,000.00	\$ 3,008	\$ 3,574	\$ 5,515
Wairoa	Commercial	60,000.00	550,000.00	\$ 6,137	\$ 7,563	\$ 11,924
Kotemaori	Forestry	20,700,000.00	22,500,000.00	\$ 285,606	\$ 409,444	\$ 658,704
Opoutama	Residential A	35,000.00	80,000.00	\$ 904	\$ 1,014	\$ 1,476
Frasertown	Residential A	13,000.00	215,000.00	\$ 2,016	\$ 2,354	\$ 3,564
Wairoa	Residential A	52,000.00	310,000.00	\$ 3,059	\$ 3,638	\$ 5,617
Wairoa	Residential B	28,000.00	555,000.00	\$ 3,470	\$ 3,634	\$ 5,615
Mohaka	Residential B	110,000.00	450,000.00	\$ 1,902	\$ 1,901	\$ 3,068
Mahia	Residential B	350,000.00	510,000.00	\$ 2,494	\$ 2,559	\$ 3,962
Mahia	Residential C	495,000.00	820,000.00	\$ 4,204	\$ 4,060	\$ 6,366
Mahia	Residential C	415,000.00	1,400,000.00	\$ 5,696	\$ 5,157	\$ 8,143
Wairoa	Residential C	96,000.00	740,000.00	\$ 26,105	\$ 29,195	\$ 43,813
Ohuka	Rural	3,430,000.00	4,060,000.00	\$ 15,927	\$ 14,320	\$ 22,731
Putorino	Rural	9,200,000.00	10,100,000.00	\$ 38,319	\$ 34,228	\$ 54,610
Wairoa	Rural	690,000.00	1,000,000.00	\$ 4,841	\$ 4,557	\$ 7,109

APPENDIX 1 – ALLOCATION OF LAND USE CODES TO RATING CATEGORIES

CATEGORY CODE	CATEGORY DESCRIPTION	RATING CATEGORY
AI	Land which has irrigation available	Rural
AN	Land which has no irrigation available	Rural
CA	Accommodation such as motels	Commercial
CC	Cinema, theatre	Commercial
CE	Elderly rest homes	Commercial
CH	Health Operations of a small scale	Commercial
CK	Educational type uses including pre-school, primary, secondary	Commercial
CL	Liquor outlets including taverns	Commercial
CM	Motor vehicle sales or service	Commercial
CO	Office type uses	Commercial
CP	Parking buildings, and unit titles car parks which are likely to sell for commercial use	Commercial
CR	Retailing use	Commercial
CS	Service stations	Commercial
CT	Tourist type attractions as well as other amenities with an emphasis on leisure of a non-sporting type	Commercial
CV	Vacant land, or land with low value of improvements, which when developed is likely to have a commercial use	Commercial
CX	Other commercial uses or where there are multiple uses	Commercial
D	Milk is supplied for milk products	Rural
FE	Exotic forests	Forestry
FI	Indigenous forests	Commercial
FP	Protected forests of any type	Rural
FV	Vacant land suitable for planting	Rural
HB	Berry fruits	Rural
HC	Citrus	Rural
HF	Flowers	Rural
HG	Glasshouses	Rural
HK	Kiwifruit	Rural
HM	Market garden	Rural
HP	Pip fruit	Rural
HS	Stone fruit	Rural
HV	Vineyard	Rural
HX	Other horticultural uses or where there is more than one use and no use is predominant	Rural
IF	Food processing or specialised food storage	Commercial

CATEGORY CODE	CATEGORY DESCRIPTION	RATING CATEGORY
IH	Heavy, large-scale manufacturing, including vehicle manufacturing, aluminium and steel production	Commercial
IL	Light Manufacturing	Commercial
IN	Noxious or dangerous industrial uses such as oil refinery and natural gas conversion type industries and fuel tank farms would be included	Commercial
IS	Services that usually have an interface with the general public as direct clients	Commercial
IV	Vacant land, or land with low value of improvements, which when developed will have an industrial type use	Commercial
IW	Warehousing with or without associated retailing	Commercial
IX	Other industrial uses or where there are multiple uses	Commercial
LB	Bare or substantially unimproved land, which is likely to be subdivided into smaller lifestyle lots	Rural
LI	Improved to the extent that there is some residential accommodation sited on the land	Rural
LV	Vacant or substantially unimproved land without immediate subdivision potential	Rural
MC	Coal fields	Commercial
MG	Gas	Commercial
ML	Limestone quarries	Commercial
MO	Oilfields	Commercial
MP	Precious metal mining sites	Commercial
MR	Rock, shingle, or sand pits extraction	Commercial
MX	Multiple mining activities or not otherwise specified	Commercial
OA	Assembly Halls	Residential
OE	Educational type uses including pre-school, primary, secondary, and tertiary	Commercial
OH	Health and other public medical uses of large a large scale, including hospitals	Commercial
OM	Māori sites including marae and other meeting houses and including Māori burial sites	Rural or Residential
OP	Passive reserves including wilderness and conservation reserves as well as regional and national parks	Rural
OR	religious uses including places of worship	Commercial
OS	Sports grounds including racecourses, golf courses, ski fields, squash courts	Commercial
OV	Vacant land without obvious use	Rural or Residential
OX	Other uses or where there are multiple uses	Commercial
PF	Finishing land suitable for livestock, and breeding	Rural
PG	Grazing land for livestock	Rural
PR	High country runs	Rural
PS	Stud properties where the principal use is the breeding of stud stock for sale	Rural
RA	Apartments which are in multi-story buildings	Residential or

CATEGORY CODE	CATEGORY DESCRIPTION	RATING CATEGORY
		Commercial
RB	Bare or substantially unimproved land, which is likely to be subdivided into dwelling house sites	Residential
RC	Converted dwelling houses which are now used as rental flats and have two or more units of use	Residential
RD	Dwelling houses of a fully detached or semidetached style situated on their own clearly defined piece of land	Residential
RF	Ownership home units which do not have the appearance of dwelling houses	Residential
RH	Home and income. The dwelling is the predominant use and there is an additional unit of use attached to, or associated with, the dwelling house which can be used to produce income	Residential
RM	Vacant or substantially unimproved land on which it is likely that multiple housing units will be built	Residential
RN	There is more than one principal dwelling house	Residential
RP	Unit-titled car park which is likely to sell for residential use	Residential
RR	Rental flats which have been purpose-built for rental purposes and have two or more units of use	Residential
RV	Vacant or substantially unimproved land on which it is likely that a single dwelling house will be built	Residential
SA	Aquaculture, including all types of fish farming	Rural
SD	Deer farming	Rural
SH	Horse studs and training operations	Rural
SP	Poultry	Rural
SS	Pigs	Rural
SX	All other specialist livestock	Rural
UC	Civic, including storm water, sewerage, and water reticulation	Commercial
UE	Energy, including electricity and gas distribution networks and supporting facilities	Commercial
UG	Generating and processing sites or plants that support utility networks	Commercial
UP	Post boxes	Commercial
UR	Rail network corridors	Commercial
UT	Telecommunication networks and supporting facilities	Commercial

8.3 FINANCIAL PERFORMANCE TO 28 FEBRUARY 2021

Author: Lauren Jones, Kaikaute Putea Financial Accountant

Authoriser: Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer

Appendices: 1. February 2021 Monthly Report [↓](#)

1. PURPOSE

1.1 This summary report provides information on Council's operating financial performance for the 8 months to 28 February 2021 and forecast to 30 June 2020. No decisions are required by Committee at this stage.

1.2 This is an information report-only report because it provides an update on Council's progress against objectives established and decisions previously made in the Annual Plan 2020-21 and Long-term Plan 2018-28.

1.3 The full half year performance report was presented to Council at its meeting on 09 February 2021.

RECOMMENDATION

The Kaikaute Putea Financial Accountant RECOMMENDS that Committee receive the report.

EXECUTIVE SUMMARY

[\[Type here\]](#)

1. BACKGROUND

2.1 Council's minimum statutory obligations regarding reporting, public accountability and financial management are contained in Part 6 of the Local Government Act 2002. Monitoring financial performance on Council's behalf is included in the Committee's Terms of Reference.

2.2 Beyond this, regular performance reporting is good practice, keeping Council and the community informed of its financial performance and position.

2.3 In addition, reporting during the year provides an indication of full year outcomes and informs the decision-making process for each subsequent Annual Plan and Long-term Plan.

2.4 The financial performance report, attached as **Appendix 1**, sets out the financial results.

References (to or from other Committees)

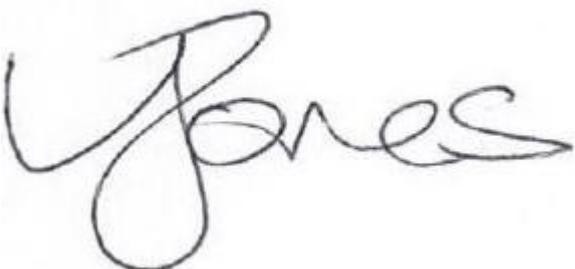
Financial Performance reports are delivered to the Finance, Audit and Risk Committee every month.

Full Performance reports are delivered to Council every quarter. Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
Author Lauren Jones	Approved by Kitea Tipuna

MONTHLY REPORT

TO 28 FEBRUARY 2021



WAIROA
DISTRICT COUNCIL

INTRODUCTION

This monthly report covers the period 1 July 2020 to 28 February 2021. PGF and other externally funded projects influence our comparison of actual to budgeted financial performance for the period. These impacts are identified and the underlying performance (removing the impact of one-off externally funded revenue and expenses) is used when assessing variances.

This report also includes the forecast to year end prepared for the half year report to 31 December 2020. The activity managers estimated project and operational costs and revenues to 30 June 2021 to provide forecasted full year financial results and commentary is provided on any significant resultant variances.

FINANCIAL COMMENTARY

At the end of February 2021, Wairoa District Council had an underlying surplus* on operations of \$1.3 million against a YTD budget of \$5.5 million. The variance relates to primarily to \$4.1 million in NZTA general / renewals subsidy revenue that was budgeted for but has not been received YTD.

The forecast to 30 June 2021 results in an underlying surplus* on operations of \$5.53 million against a budget of \$8.59 million. The main cause of this variance is again NZTA subsidies, with the current forecast indicating that \$2.5 million of budgeted subsidies may not be received.

The NZTA subsidies are dependent on phasing of workplans, with PGF projects and subsidies covering a lot of the planned capital work YTD. As NZTA subsidies also relate to capital work, the corresponding reduction in expenditure does not offset in the YTD surplus. Total forecast capital works specified in the funding impact statement for transport exceed budget, demonstrating the impact of PGF funding on improving our roading infrastructure where the budget had relied on NZTA subsidies. Council is better off having a capital project fully funded by PGF rather than partially funded by NZTA and/or reserves.

Confirmation of budgeted maintenance funding from NZTA was received in December 2020. Therefore workplans for the next 5 months include increased focus on NZTA-funded maintenance and capital works, with the intention to utilise and receive all budgeted maintenance and capital contributions from NZTA by year end. The residual subsidy gap forecast to year end relates primarily to budgeted emergency works. This NZTA subsidy is dependent on the frequency and severity of storm events requiring remedial work, with the current financial year not impacted as much to date as previous years therefore resulting in the reduced forecast to year end.

Works budgeted using NZTA funding have a contribution from Council which is either rated for or funded from reserves or loans. Therefore any projects rated for but not completed this financial year will be funded from reserves in future years, meaning there is no duplication in rating. Furthermore, as the Council has not been fully rating for depreciation or recovery of exiting loans in transport there is no risk that funds collected from rates in this activity are duplicated.

*The underlying surplus refers to a adjustment of our actual result for one off project revenues and expenses that come from unbudgeted external funding. Refer to page 5.



**NGĀ TAUĀKĪ
PŪTEA**

**FINANCIAL
STATEMENTS**

HE TAUĀKĪ PŪTEA WHIWHI ME TE PŪTEA WHAKAHAERE

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the period ended 28 February 2021

	YTD				Full year (30 June)			
	Actual \$000	Underlying \$000	AP \$000	2020 \$000	Forecast \$000	Underlying \$000	AP \$000	2020 \$000
Revenue								
Rates	9,325	9,325	9,325	13,215	13,987	13,987	13,987	13,215
Subsidies and grants	15,975	9,268	13,425	18,453	30,096	17,650	20,211	18,453
Petrol tax	51	51	59	75	80	80	88	75
Fees and charges	1,523	1,523	1,450	1,954	2,212	2,212	2,096	1,954
Investment revenue	71	71	620	750	268	268	1,154	750
Miscellaneous revenue	-	-	-	768	-	-	-	768
Total revenue	26,945	20,238	24,879	35,215	46,643	34,197	37,536	35,215
Expense								
Water supply	1,496	1,496	1,220	2,369	2,068	2,068	1,731	2,369
Stormwater	384	384	379	554	561	561	507	554
Wastewater	1,804	1,548	1,164	4,393	2,160	1,874	1,739	4,393
Solid waste	1,085	1,085	1,273	1,900	1,845	1,845	1,915	1,900
Transport	8,859	8,719	9,029	13,862	13,752	13,612	13,277	13,862
Community facilities	1,562	1,562	1,666	2,508	2,435	2,435	2,525	2,508
Planning and regulatory	1,172	1,111	1,774	1,980	1,809	1,748	2,696	1,980
Leadership and governance	3,106	2,244	2,331	3,348	4,737	3,916	3,538	3,348
Corporate	930	846	467	980	1,025	860	1,021	980
Total expense	20,398	18,995	19,303	31,894	30,392	28,919	28,949	31,894
Net surplus (deficit) operations	6,547	1,243	5,576	3,321	16,251	5,278	8,587	3,321
Subvention income	100	100	-	200	250	250	-	200
Taxation	-	-	-	-	-	-	-	-
Net surplus (deficit) for period	6,647	1,343	5,576	3,521	16,501	5,528	8,587	3,521
Other comprehensive revenue and expense								
Fair value movement PP&E	-	-	-	6,050	-	-	-	6,050
Fair value movement in equity investments	-	-	-	(13)	-	-	-	(13)
Total comprehensive revenue and expense for the period	6,647	1,343	5,576	9,558	16,501	5,528	8,587	9,558

	YTD underlying variance		Forecast underlying variance	
	\$000	%	\$000	%
Revenue				
Rates	-	0%	-	0%
Subsidies and grants	(4,157)	-31% A	(2,561)	-13% A
Petrol tax	(8)	-14%	(8)	-8%
Fees and charges	73	5%	116	6%
Investment revenue	(549)	-89% B	(886)	-77% B
Miscellaneous revenue	-	0%	-	0%
Total revenue	(4,641)	-19%	(3,339)	-9%
Expense				
Water supply	276	23% C	337	19% C
Stormwater	5	1%	54	11%
Wastewater	384	33% D	135	8%
Solid waste	(188)	-15% E	(70)	-4%
Transport	(310)	-3%	335	3%
Community facilities	(104)	-6%	(90)	-4%
Planning and regulatory	(663)	-37% F	(948)	-35% F
Leadership and governance	(87)	-4%	378	11%
Corporate	379	81% G	(161)	-16% G
Total expense	(308)	-2%	(30)	0%
Subvention income	100	100% B	250	100% B

Variance explanations (underlying actual YTD and underlying forecast compared to annual plan)

- A** Underlying subsidies and grant income YTD is 31% (\$4.1m) less than budgeted. This amount relates primarily to NZTA subsidies that have not been received due to the phasing of unbudgeted PGF projects ahead of NZTA programs (PGF revenue has been removed in calculating the underlying result). By year end it is expected that some of these NZTA works will have been completed and the subsidies claimed, however the forecast NZTA revenue still has a shortfall of \$2.5 million. This is mostly due to emergency works subsidy, which is dependent on the frequency and severity of storm events requiring remedial work, with the current financial year not impacted as much to date as previous years therefore resulting in the reduced forecast to year end.
- B** Investment income is lower than budgeted both YTD and at forecast year end. \$250k of this relates to the change of income received from the subsidiary QRS Limited - a dividend had been budgeted for the same amount that is now expected to be received by year end as a subvention payment which appears in a different part of this financial statement. The remaining variance relates to budgeted property sales that are no longer expected to be complete by year end (\$245k) and reduced interest revenue and market gain on investments due to the impacts of COVID-19.
- C** Water supply expenses YTD are \$276k (23%) higher than budgeted. By year end it is expected that the variance will have increased to \$337k (19%). The main variances to budget at year end relate to higher than budgeted depreciation on revalued assets along with unbudgeted consultancy and contract management costs.
- D** Wastewater expenses are \$384k (33%) higher than budgeted. YTD there has been \$142k of unbudgeted maintenance on the Māhia and Ōpoutama schemes. Operations and maintenance costs on the Tuai and Wairoa schemes exceed budget by \$183k. Contract management costs are also \$45k higher than budgeted.
- E** Solid waste expenditure YTD is \$188k (15%) below budget due to the timing of levy payment (\$74k less than budgeted YTD), reduced recycling (\$26k) and landfill monitoring (\$39k) costs. These costs are expected to be back on track to budget by year end.
- F** Planning and regulatory costs YTD are 37% (\$663k) lower than budgeted, which is mostly due to unspent YTD budget for the district plan and e plan (\$390k) and a significant reduction in consultant costs (\$74k). These funds are not expected to be spent in the next 6 months, which is the main reason for the favourable variance in forecast expenditure at year end.
- G** Corporate expenses are \$379k (81%) above budget YTD but expected to be \$161k (16%) below budget by year end. Budget phasing has impacted some costs YTD, however the main impact on the year end forecast is multiple small savings in a number of areas such including software and property maintenance, subscriptions, consultancy and staff travel and training.

RECONCILIATION: REVENUE AND EXPENDITURE RELATING TO UNBUDGETED PROJECTS AND GRANTS

The Wairoa District Council has been successful in securing external funding for a number of projects. These grants are primarily recognised as revenue in proportion to the amount of expenditure.

Some expenditure (especially in relation to PGF funding for transport projects) is capital (reflected in the FIS and the increase in assets on the balance sheet) however the revenue from grants received is shown in the statement of comprehensive revenue and expense. Subsidy and grant revenue therefore shows a positive variance to budget.

For projects with operational spend, both the revenue and expenditure is shown in the statement of comprehensive revenue and expense. The operational spend variances are therefore affected by this project expenditure. Below is a breakdown of key project amounts recognised as revenue and operational expenditure:

	YTD	Forecast
	\$000	\$000
REVENUE		
Alternate Nuhaka- Ōpoutama Road investigation	34	140
Māhia East Coast Road traction sealing	2,591	2,910
Nuhaka River road	1,081	925
Pātangata bridge	694	695
Rangatahi dropout	778	1,100
Recovery emergency event costs	57	57
Regional Digital Hub income	87	121
National Library operational subsidy	11	0
Wairoa youth employment subsidy	192	192
Waste management grants & subsidies	124	210
Wairoa CBD upgrade PGF funding	342	424
Three Waters funding	716	5,672
Total unbudgeted revenue	6,707	12,446
OPERATIONAL EXPENSES		
Alternative Route Nuhaka- Ōpoutama Road investigation	140	140
Emergency event costs	61	61
Wairoa youth into employment	192	192
Wairoa CBD upgrade PGF expense	453	475
Project support	120	32
Sewerage resource consent discharge	256	286
Digital Hub expenses	97	122
Three Waters funded operational expenses	84	165
Total unbudgeted operational expenses	1,403	1,473

The statement of comprehensive revenue and expense can therefore be adjusted to show the surplus (deficit) excluding these one-off amounts.

HE TAUĀKĪ TU PŪTEA

STATEMENT OF FINANCIAL POSITION

As at 28 February 2021

	YTD		Full Year			Variance		
	Actual \$000	AP \$000	Forecast \$000	AP \$000	2020 \$000	\$000	%	
Current Assets								
Cash and cash equivalents	11,023	1,926	786	1,972	2,795	9,097	472%	A
Inventories	79	58	53	58	78	21	36%	
Trade and other receivables	3,833	2,332	3,906	3,120	7,305	1,501	64%	B
Financial assets at fair value	-	-	-	-	2,072	-	0%	
Total current assets	14,935	4,316	4,745	5,150	12,250			
Current liabilities								
Trade and other payables	7,264	9,859	6,161	9,782	6,480	(2,595)	-40%	B
Advance funding - PGF	5,372	-	1,500	-	1,508	5,372	100%	C
Borrowings	-	-	-	-	1,000	-	0%	
Total current liabilities	12,636	9,859	7,661	9,782	8,988			
Working Capital	2,299	(5,543)	(2,916)	(4,632)	3,262			
Non-current assets								
Property, plant and equipment	270,926	283,812	269,085	279,284	274,975	(7,122)	-2%	
Work in progress	18,940	13,176	32,763	20,604	5,252			
Investment in subsidiary	1,250	1,250	1,250	1,250	1,250	-	0%	
Investment property	405	405	405	-	383	-	0%	
Biological asset - forestry	115	260	115	260	115	(145)	-56%	D
Available for sale financial assets	21	37	23	23	21	(16)	-43%	
Intangible assets	23	37	25	198	37	(14)	-38%	
Financial assets held to maturity	144	-	144	-	148	(108)	-2%	
Financial assets at fair value	5,874	6,126	5,978	8,256	3,882	550	10%	
Total non-current assets	297,698	305,103	309,788	309,875	286,063			
Non-current liabilities								
Employee entitlements	87	75	112	112	66	12	16%	
Landfill aftercare	1,197	1,054	1,197	730	1,197	143	14%	
Borrowings	12,004	9,100	9,000	10,901	8,000	2,904	32%	E
Total non-current liabilities	13,288	10,229	10,309	11,743	9,263			
Net assets	286,709	289,331	296,563	293,500	280,062			
Represented by								
Equity	286,709	289,331	296,563	293,500	280,062			

Variance explanations (28 February 2021 actual compared to YTD annual plan)

- A** Cash is \$9m greater than budgeted. This is due to receipts from the 3 Waters, which are held in short-term interest bearing accounts until required for capital projects.
- B** Trade and other receivables are \$1.5m higher than budgeted, with trade and other payables \$2.5m less than budgeted. This is due to timing of billing, collections and payment compared to budget.
- C** The variance in advance funding - PGF relates to timing of funding receipts and payments and expenditure.
- D** The valuation received for the Council's forestry asset as at 30 June 2020 was lower than budgeted. The forest is revalued every 3 years and this valuation took a more comprehensive approach resulting in a more accurate however lower than expected value.
- E** Borrowings are \$2.9m higher than budgeted. Borrowings are used to fund capital projects to ensure intergenerational equity. A short term loan was drawn from LFGA in January. It will be repaid in April utilising funds held in cash reserves.

HE TAUĀKĪ MANA TAURITE

STATEMENT OF CHANGES IN EQUITY

For the period ended 28 February 2021

	YTD		Full Year		
	Actual \$000	AP \$000	Forecast \$000	AP \$000	2020 \$000
Total equity - opening balance	280,062	283,755	280,062	284,913	270,504
Net surplus (deficit) for period	6,647	5,576	16,501	8,587	3,521
Other comprehensive income	-	-	-	-	6,037
Total comprehensive income	6,647	5,576	16,501	8,587	9,558
Total equity - closing balance	286,709	289,331	296,563	293,500	280,062
Components of equity					
Ratepayer's equity - opening balance	143,500	143,178	140,139	137,936	135,156
Net surplus/(deficit) for period	6,647	5,576	16,502	8,587	3,521
Transfers from restricted reserves	368	-	368	(2,196)	7,166
Transfers to restricted reserves	(289)	-	(289)	4,250	(5,846)
Transfer from revaluation reserve	(2,534)	-	(2,534)	-	3,503
Ratepayer's equity - closing balance	147,692	148,754	154,186	148,577	143,500
Special funds - opening balance	20,756	20,003	21,375	20,003	22,076
Transfer to ratepayer's equity	289	-	289	(4,250)	5,846
Transfer from ratepayer's equity	(368)	-	(368)	2,196	(7,166)
Special funds - closing balance	20,677	20,003	21,296	17,949	20,756
Revaluation reserves - opening balance	115,806	120,574	118,547	126,974	113,272
Net transfer to ratepayer's equity	2,534	-	2,534	-	(3,503)
Revaluation recognised in other comprehensive revenue and expense	-	-	-	-	6,037
Revaluation reserves - closing balance	118,340	120,574	121,081	126,974	115,806
Total equity - closing balance	286,709	289,331	296,563	293,500	280,062

HE TAUĀKĪ KAPEWHITI

STATEMENT OF CASHFLOWS

For the period ended 28 February 2021

		YTD	Full year		
		Actual	Forecast	AP	2020
		\$000			\$000
Cash flows from operating activities					
<i>Cash was provided from:</i>	Rates received	8,868	13,929	14,737	12,874
	Other revenue	25,342	35,615	22,752	21,468
	Investment income	71	68	1,154	550
		100	200	-	200
<i>Cash was applied to:</i>	Payments to suppliers and employees	(15,422)	(24,200)	(19,129)	(23,369)
	Interest paid	(131)	(90)	(1,186)	(217)
Net cash flows from operating activities		18,828	25,522	18,328	11,506
Cash flows from investing activities					
<i>Cash was provided from:</i>	Sale of property, plant and equipment	-	-	16	1,158
	Insurance proceeds	-	-	-	199
	Sale of financial assets	2,072	2,072	-	1,564
<i>Cash was applied to:</i>	Purchase of financial assets	(1,988)	(2,092)	(2,115)	(1,655)
	Purchase of property, plant and equipment	(13,688)	(27,511)	(20,604)	(16,450)
Net cash flows from investing activities		(13,604)	(27,531)	(22,703)	(15,184)
Cash flows from financing activities					
<i>Cash was provided from:</i>	Loans raised	4,004	4,004	2,702	4,500
<i>Cash was applied to:</i>	Borrowings repaid	(1,000)	(4,004)	-	(500)
Net cash flows from financing activities		3,004	-	2,702	4,000
Net increase/(decrease) in cash and cash equivalents		8,228	(2,009)	(1,673)	322
Cash and cash equivalents at beginning of year		2,795	2,795	3,645	2,473
Cash and cash equivalents at end of period		11,023	786	1,972	2,795
Made up of:					
Cash		(316)	10	50	6
Short term deposits		11,339	776	1,922	2,789
Cash and cash equivalents at end of period		11,023	786	1,972	2,795

The Council's operating activities YTD have resulted in a net cash inflow of \$8m. This includes the first \$5 million of the \$11 million of Three Waters funding. The cash generated by operating activities has been applied to the purchase of property, plant and equipment (\$13.7m) and an increase in cash held in the form of short term deposits (\$11m). As the Three Waters funding is utilised, we expect to see an increase in investment spending, with all of the \$5 million utilised by 30 June 2021 and the next tranche of cash due in the following financial year. Overall there is a healthy cash balance to meet our operational funding requirements.



HE TAUĀKĪ WHAKAAWEAWE PŪTEA

FUNDING IMPACT STATEMENTS

Understanding Funding Impact Statements

These statements set out Council's sources of operating and capital funding to be used for the 2020/21 financial year, and how this funding is to be applied. Council's sources of operating funding include items such as fees and charges, and its applications of operating funding include items such as payments to staff and suppliers. Council's sources of capital funding include items such as subsidies and grants for capital expenditure, and its applications of capital funding include capital expenditure to improve levels of service or replace existing assets. The difference between the value of total capital funding and application of this funding is the amount that Council needs to fund from rating for depreciation, both in the current year and from reserves which have built up over several years. These statements do not include depreciation. This is because it is a non-cash item. The Whole of Council Funding Impact Statement provides combined totals of all Council's sources of operating and capital sources of funding and application, and activity-level funding impact statements which separates this information into Council's key activity groups such as water supply and waste management.

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 28 FEBRUARY 2021 (WHOLE OF COUNCIL)

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	3,590	3,590	3,523	3,523	2,654	2,654
Targeted rates (other than a targeted rate for water supply)	9,023	9,626	10,464	10,464	6,671	6,671
Subsidies and grants for operating purposes	6,804	6,965	8,041	8,666	5,510	4,974
Fees and charges	2,060	2,066	2,273	2,354	1,571	1,586
Interest and dividends from investments	570	750	761	440	428	173
Local authorities fuel tax, fines, infringement fees, and other receipts	87	75	88	81	59	51
Total operating funding (A)	22,134	23,072	25,151	25,528	16,893	16,109
Applications of operating funding						
Payments to staff and suppliers	22,191	24,820	23,213	24,287	15,632	16,238
Finance costs	144	459	202	94	55	177
Internal charges and overheads applied	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	22,336	25,279	23,416	24,381	15,687	16,415
Surplus (deficit) of operating funding (A - B)	(202)	(2,207)	1,736	1,147	1,206	(306)
Sources of capital funding						
Subsidies and grants for capital expenditure	10,029	11,745	12,168	21,427	7,939	10,657
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	1,880	3,781	2,702	104	1,482	1,296
Gross proceeds from sale of assets	31	-	16	-	11	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	11,939	15,526	14,886	21,531	9,432	11,953
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	9,776	7,103	9,364	13,054	3,576	6,511
- to replace existing assets	6,639	9,347	11,239	14,456	9,595	7,178
Increase (decrease) in reserves	(4,678)	(3,131)	(3,980)	(4,832)	(2,533)	(2,042)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	11,737	13,319	16,623	22,678	10,638	11,647
Surplus (deficit) of capital funding (C-D)	202	2,207	(1,736)	(1,147)	(1,206)	306
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(5,806)	(5,317)	(6,062)	(3,545)	(4,044)

Our forecast figures for the year show that we expect a similar surplus on operating funding than budgeted, with the higher than budgeted payments for staff and suppliers covered by the higher than budgeted subsidies and grants.

Capital expenditure for the year is higher than budgeted and funded to a greater extent by grants (whereas the budget was for \$2.7m of capital work to be funded by an increase in loans). This is due to the Three Waters and PGF funding which has enabled work to be brought forward and funded externally, resulting in long-term savings to ratepayers in reduced interest payments on the budgeted loans.

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 28 FEBRUARY 2021 FOR WATER SUPPLY

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,289	1,289	1,295	1,295	953	953
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	309	307	307	306	204	192
Internal charges and overheads recovered	427	535	436	436	291	310
Internal interest income	65	-	124	-	83	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	2,090	2,131	2,163	2,037	1,531	1,455
Applications of operating funding						
Payments to staff and suppliers	1,039	1,315	781	1,019	519	781
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	833	893	827	793	549	565
Internal interest charged	-	186	83	45	56	30
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	1,872	2,394	1,693	1,857	1,124	1,376
Surplus (deficit) of operating funding (A - B)	219	(263)	470	180	407	79
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	2,790	-	39
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	3	274	140	(130)	(1)	386
Gross proceeds from sale of assets	9	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	12	274	140	2,660	(1)	425
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	97	50	20	2,814	33	49
- to replace existing assets	293	239	1,155	348	750	521
Increase (decrease) in reserves	(159)	(278)	(565)	(322)	(377)	(66)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	231	11	610	2,840	406	504
Surplus (deficit) of capital funding (C-D)	(219)	263	(470)	(180)	(407)	(79)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(592)	(572)	(650)	(381)	(433)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 28 FEBRUARY 2021 FOR STORMWATER

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	415	415	373	373	307	307
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	-	2	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	39	-	95	-	63	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	453	417	469	373	370	307
Applications of operating funding						
Payments to staff and suppliers	118	105	117	132	78	90
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	159	133	153	37	101	24
Internal interest charged	55	141	106	141	70	101
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	331	379	377	310	249	215
Surplus (deficit) of operating funding (A - B)	122	38	92	63	121	92
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	231	43	8	34	(54)	(88)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	231	43	8	34	(54)	(88)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	386	81	100	5	-	5
- to replace existing assets	108	58	-	97	67	3
Increase (decrease) in reserves	(140)	(58)	-	(5)	-	(5)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	353	81	100	97	67	3
Surplus (deficit) of capital funding (C-D)	(122)	(38)	(92)	(63)	(121)	(92)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(222)	(192)	(252)	(128)	(168)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 28 FEBRUARY 2021 FOR WASTEWATER

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,163	1,163	1,513	1,513	860	860
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	130	25	105	30	70	24
Internal charges and overheads recovered	1	-	-	-	-	-
Internal interest income	64	-	67	-	45	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	1,358	1,188	1,686	1,543	975	884
Applications of operating funding						
Payments to staff and suppliers	815	3,630	999	1,362	666	1,263
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	307	134	295	96	194	64
Internal interest charged	54	268	179	268	118	190
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	1,177	4,032	1,474	1,726	978	1,517
Surplus (deficit) of operating funding (A - B)	181	(2,844)	213	(183)	(4)	(634)
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	2,717	-	593
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	62	3,053	1,545	364	1,176	678
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	62	3,053	1,545	3,081	1,176	1,271
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	-	217	-	3,457	947	623
- to replace existing assets	798	222	2,691	672	847	482
Increase (decrease) in reserves	(556)	(230)	(933)	(1,230)	(622)	(468)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	243	209	1,757	2,898	1,172	637
Surplus (deficit) of capital funding (C-D)	(181)	2,844	(213)	183	4	634
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(410)	(275)	(435)	(183)	(289)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 28 FEBRUARY 2021 FOR WASTE MANAGEMENT

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	984	984	1,260	1,260	728	728
Subsidies and grants for operating purposes	-	-	-	250	-	269
Fees and charges	641	635	635	653	424	451
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	1,626	1,620	1,897	2,163	1,152	1,448
Applications of operating funding						
Payments to staff and suppliers	1,299	1,511	1,512	1,548	1,017	881
Finance costs	-	21	-	-	-	-
Internal charges and overheads applied	224	52	216	60	142	18
Internal interest charged	58	197	61	196	41	140
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	1,582	1,781	1,790	1,804	1,200	1,039
Surplus (deficit) of operating funding (A - B)	44	(161)	107	359	(48)	409
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	570	473	(107)	61	48	(80)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	570	473	(107)	61	48	(80)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	570	312	-	614	-	542
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	44	-	-	(194)	-	(212)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	614	312	-	420	-	329
Surplus (deficit) of capital funding (C-D)	(44)	161	(107)	(359)	48	(409)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(130)	(107)	(41)	(71)	(46)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 28 FEBRUARY 2021 FOR TRANSPORT

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	62	62	101	101	46	46
Targeted rates (other than a targeted rate for water supply)	3,449	3,449	3,594	3,594	2,550	2,550
Subsidies and grants for operating purposes	6,744	6,429	7,887	6,738	5,407	4,075
Fees and charges	49	54	52	78	35	55
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	10,305	9,994	11,635	10,511	8,038	6,726
Applications of operating funding						
Payments to staff and suppliers	8,747	8,254	8,526	8,685	5,879	5,421
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	1,635	89	1,562	-	1,029	-
Internal interest charged	3	1,412	39	1,403	25	991
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	10,385	9,755	10,127	10,088	6,933	6,412
Surplus (deficit) of operating funding (A - B)	(80)	239	1,509	423	1,104	314
Sources of capital funding						
Subsidies and grants for capital expenditure	10,029	11,694	11,568	15,421	7,889	9,607
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	426	(182)	(1,508)	(423)	(1,104)	(314)
Gross proceeds from sale of assets	8	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	10,463	11,512	10,060	14,998	6,785	9,293
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	7,882	5,248	6,362	4,886	2,125	4,614
- to replace existing assets	4,893	8,456	7,120	13,147	7,117	6,053
Increase (decrease) in reserves	(2,393)	(1,953)	(1,914)	(2,611)	(1,353)	(1,059)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	10,383	11,751	11,568	15,421	7,889	9,607
Surplus (deficit) of capital funding (C-D)	80	(239)	(1,509)	(423)	(1,104)	(314)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(4,185)	(3,142)	(3,659)	(2,095)	(2,444)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 28 FEBRUARY 2021 FOR COMMUNITY FACILITIES

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	767	767	786	786	567	567
Targeted rates (other than a targeted rate for water supply)	1,452	1,452	1,256	1,256	1,073	1,073
Subsidies and grants for operating purposes	60	29	39	51	26	(303)
Fees and charges	48	66	70	80	46	52
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	1	-	1
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	2,327	2,314	2,151	2,174	1,712	1,390
Applications of operating funding						
Payments to staff and suppliers	1,737	1,837	1,908	1,891	1,277	1,200
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	299	142	290	57	191	38
Internal interest charged	23	268	69	269	46	194
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	2,060	2,247	2,268	2,217	1,514	1,432
Surplus (deficit) of operating funding (A - B)	267	67	(116)	(43)	198	(42)
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	600	424	50	345
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	127	51	627	157	(107)	94
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	127	51	1,227	581	(57)	439
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	121	153	1,546	635	163	438
- to replace existing assets	230	58	78	37	58	25
Increase (decrease) in reserves	44	(93)	(513)	(134)	(80)	(66)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	395	118	1,111	538	141	397
Surplus (deficit) of capital funding (C-D)	(267)	(67)	116	43	(198)	42
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(262)	(237)	(218)	(158)	(132)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 28 FEBRUARY 2021 FOR PLANNING AND REGULATORY

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	112	112	193	193	83	83
Targeted rates (other than a targeted rate for water supply)	1,084	1,084	1,219	1,219	801	801
Subsidies and grants for operating purposes	-	12	-	-	-	-
Fees and charges	452	589	631	782	476	571
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	1,648	1,797	2,044	2,194	1,360	1,455
Applications of operating funding						
Payments to staff and suppliers	1,560	1,532	2,015	1,193	1,331	753
Finance costs	18	22	-	5	-	6
Internal charges and overheads applied	336	10	598	6	394	4
Internal interest charged	5	369	7	533	5	363
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	1,919	1,933	2,621	1,737	1,730	1,126
Surplus (deficit) of operating funding (A - B)	(271)	(136)	(577)	457	(370)	329
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	17	136	650	(457)	370	(329)
Gross proceeds from sale of assets	9	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	26	136	650	(457)	370	(329)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	62	73	-	-	-	-
- to replace existing assets	-	38	-	-	-	-
Increase (decrease) in reserves	(307)	(111)	73	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	(245)	-	73	-	-	-
Surplus (deficit) of capital funding (C-D)	271	136	577	(457)	370	(329)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(45)	(74)	(70)	(49)	(45)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 28 FEBRUARY 2021 FOR LEADERSHIP AND GOVERNANCE

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	2,705	2,705	2,603	2,603	2,000	2,000
Targeted rates (other than a targeted rate for water supply)	655	655	540	540	485	485
Subsidies and grants for operating purposes	-	496	115	1,462	77	850
Fees and charges	312	219	302	250	201	126
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	3,672	4,075	3,561	4,855	2,763	3,461
Applications of operating funding						
Payments to staff and suppliers	1,817	1,849	1,971	3,207	1,305	1,943
Finance costs	1	-	1	-	-	1
Internal charges and overheads applied	1,630	12	1,644	3	1,085	3
Internal interest charged	3	1,551	31	1,594	21	1,170
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	3,450	3,412	3,647	4,804	2,411	3,117
Surplus (deficit) of operating funding (A - B)	222	663	(86)	51	352	344
Sources of capital funding						
Subsidies and grants for capital expenditure	-	51	-	76	-	73
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	6	(95)	86	(51)	(352)	(344)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	6	(44)	86	25	(352)	(271)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	11	629	-	76	-	73
- to replace existing assets	11	36	-	-	-	-
Increase (decrease) in reserves	207	(46)	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	228	619	-	76	-	73
Surplus (deficit) of capital funding (C-D)	(222)	(663)	86	(51)	(352)	(344)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(55)	(59)	(76)	(39)	(51)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 28 FEBRUARY 2021 FOR CORPORATE FUNCTIONS

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	(56)	(56)	(160)	(160)	(41)	(41)
Targeted rates (other than a targeted rate for water supply)	(1,469)	(866)	(586)	(586)	(1,086)	(1,086)
Subsidies and grants for operating purposes	-	-	-	165	-	84
Fees and charges	117	168	171	175	114	116
Internal charges and overheads recovered	5,119	4,685	5,314	4,905	3,504	3,503
Internal interest income	265	796	1,295	303	364	179
Interest and dividends from investments	570	750	761	439	428	172
Local authorities fuel tax, fines, infringement fees, and other receipts	87	75	88	81	59	51
Total operating funding (A)	4,634	5,552	6,885	5,322	3,342	2,978
Applications of operating funding						
Payments to staff and suppliers	5,059	4,786	5,385	5,253	3,560	3,906
Finance costs	126	416	201	88	55	170
Internal charges and overheads applied	122	39	166	-	110	-
Internal interest charged	233	120	1,006	143	172	100
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	5,540	5,361	6,759	5,484	3,897	4,176
Surplus (deficit) of operating funding (A - B)	(906)	191	126	(162)	(555)	(1,198)
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	437	28	1,261	549	1,506	1,295
Gross proceeds from sale of assets	5	-	16	-	11	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	442	28	1,277	549	1,517	1,295
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	647	340	1,336	569	308	168
- to replace existing assets	306	240	195	155	756	95
Increase (decrease) in reserves	(1,417)	(361)	(127)	(337)	(102)	(166)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	(464)	219	1,403	387	962	97
Surplus (deficit) of capital funding (C-D)	906	(191)	(126)	162	555	1,198
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(104)	(659)	(662)	(440)	(437)



PROJECT SUMMARY

Each year the Council budgets for a number of projects varying from computer purchases through to infrastructural improvements.

These projects form part of our work in project budget and are funded in one of 3 ways:

Reserve funding: Reserves are built up each year from depreciation (a non-cash charge which forms part of our expense in the statement of comprehensive income) and from retained earnings (when a project was rated for in one year but not completed or deferred – the residual budget that was rated for is transferred to reserves and then this is utilised in future periods to ensure projects are not rated for twice).

Loan funding: Borrowings are used to fund capital projects which exceed reserve amounts, , or for brand new assets for which no alternative funding is available. This ensures intergenerational equity in costs.

Subsidies / grants: Subsidies and/or grants can cover all or part of a project cost. Council has a number of PGF grants which fully cover current projects. NZTA subsidies are received on a cost share basis, ranging from a minimum of 75% of the cost of roading infrastructure that meet the NZTA criteria.

Sale proceeds: For some assets, in particular vehicles, sale proceeds of a fully or partially depreciated asset are utilised in conjunction with the depreciation reserve to fund a replacement purchase. Insurance proceeds are used in the same way when relating to an asset replacement or repair.

PROJECT MONITORING

Project monitoring is achieved through reports to the infrastructural and Economic Development committees on a regular basis. Risks associated with projects are highlighted to the relevant committee. Minutes will be provided to the Finance Audit and Risk Committee for review.

The salient points on projects from the most recent meetings are summarised below:

Infrastructure Committee

Meeting : 23 February 2021

Mahia East Coast Road Traction Sealing – the main physical works have been completed, with the second coat sealing taking place in Feb/Mar 2021. A drive over with all parties will be done to ensure all works are complete. Budgets are tight and there is continual monitoring and pressure being put on contractors to ensure this is delivered within budget availability.

20/06 PGF Bridge Strengthening Package 1 – timing of road closure has caused delay in getting this work completed. Doughboy Bridge to be closed for up to 3 weeks. Communication has gone out and information boards have been put up on the road. UPDATE: Successful bridge closure with no significant issues during this period.

Nuhaka River Road realignment is complete, with an official opening of this scheduled for 6th March 2021 at the newly formed road

Wastewater Consent The Wairoa wastewater hearing closed 1 December 2020. On 29 January 2021 counsel for WDC prepared a response to the Panels direction, essentially providing an interim closing and identifying issues and experts WDC considers appropriate for conferencing. Looking ahead, experts have been instructed to engage and conference on outstanding technical issues by early March 2021. Additional information sought by the panel is due by 30 June 2021. This includes the community's appetite to spend more ratepayer money on changing to a land based discharge.

Project Biological Nutrient Removal & Activated Sludge is showing a forecast overspend of \$45,000.00. This is manageable and will likely be offset by savings in other projects, and current overall forecast expenditure is down based on quotes received to date. More clarity will arise as firm prices are received from suppliers.

Project Smart Meter Installation is experiencing supply problems which may delay the expected start date of March 2021. Our manifold supplier Accuflow have indicated the first shipment will arrive end of February '21, followed by 500 every six weeks. Fulton Hogan have expressed concern that these targets may initially not be met.

Overall 3 Waters Project Risk

Quarterly reporting to the Department of Internal Affairs (DIA) has identified several key risks to the project. The table below is taken from the most recent January quarterly report. The top risk labelled 'mandatory' was also identified by DIA themselves. The tight timeframe is being carefully monitored and constantly reiterated to our suppliers. The risk of delays due to COVID-19 remain high. Several items of equipment have been ordered from Europe with an estimated 6-month lead time. The latest NZ Level 2-3 lockdown (15-18 February 2021) has already potentially delayed the start date for our pond desludging, part of Project Biological Nutrient Removal & Activated Sludge.

Project	Risk	Phase	Financials				Delivery		Commentary
			Budget	Variation Budget	Spent to date	Forecast spend	Outbury date	%	
Smart Meter Installation - Waikato Township	High	Investigative	\$ 2,725,876	\$ -	\$ 2,800	\$ 2,729,676	Mar 22		Smart meters ordered through FH, Manifold & meter stock level low with supplier Accuflow. Real risk of project duration extended beyond required March 2022 completion date, this will be monitored closely.
Water Main Replacement - Achilles Street	High	Design	\$ 1,000,000	\$ 100,000	\$ -	\$ 795,000	Jun 23		Preliminary quote from FH well under budget. Start date May 2021.
Water Main Resilience - River Parade (Pony Hole)	High	Investigative	\$ 180,000	\$ -	\$ 1,000	\$ 180,000	Apr 23		Currently selecting alignment for relocated watermain to suit HBRCC's retaining wall design.
Blue Bay WWTW Upgrade - Stage 1 (Plant / Pump Station)	High	Design	\$ 850,000	\$ -	\$ 88,000	\$ 850,000	Oct 21	90	Design being completed by Parsons & WaterSOLUTIONS. Design to focus on a re-fit of the existing plant footprint. Dedicated underground encased tanks to be installed to retain motorhome dump station compliance.
Blue Bay WWTW Upgrade - Stage 2 (Disposal Field)	High	Investigative	\$ 800,000	\$ -	\$ -	\$ 800,000	Jul 21	5	Reclassification of land adjacent to the existing disposal field is being completed by WSP, to allow disposal to take place. The design of the new field will be based on the original.
CCTV Wastewater Pipe Network - Waikato Township	High	Delivery	\$ 137,850	\$ 50,000	\$ -	\$ 137,850	Mar 21	88	Remaining budget utilised in landfill study to investigate leachate implications for WWTW.
Building Wastewater Pipe Network - Waikato Township	High	Delivery	\$ 1,145,500	\$ -	\$ -	\$ 1,145,500	Feb 22		Work to be completed in April/October 2021, and February 2022. An accelerated programme will allow 5 years worth to be completed in 3 years.
Waikato WWTW Upgrade - Biological Nutrient Removal & Activated Sludge	High	Design	\$ 887,000	\$ -	\$ 795	\$ 882,500	Aug 21	70	Forecasting slightly over budget due to actual quotes exceeding original estimate. Agreement recently signed for supply and installation of an inlet screen currently on order from Europe (\$610,000.00 value).
Dedicated Pump Station Generators - Waikato Township	High	Design	\$ 451,350	\$ -	\$ -	\$ 451,350	May 21	20	Three generators have been ordered (approx. \$80,000.00 value). Scoping is ongoing to determine how best to incorporate these with the existing substation.
Waikato WWTW Upgrade - Disposal to Land / Irrigation (Mucala / Powdrell)	High	Investigative	\$ 306,000	\$ -	\$ -	\$ 306,000	Dec 21	5	Memorandum of Understanding signed with landowners Powdrell and Mucala. Discussing initial feasibility with Lower Environmental this month.
Waikato WWTW Upgrade - Filtration / UV	High	Design	\$ 710,000	\$ -	\$ -	\$ 710,000	Aug 21	5	Working on developing an overall strategy for the WWTW to ensure correct components are installed.
Telemetry Base Sets / Pump Station Renewals - Waikato Township	High	Investigative	\$ 434,825	\$ -	\$ -	\$ 434,825	Nov 21		Scoping in progress.
Atahanga Water Supply Upgrade (Consideration only)	High	Investigative	\$ 430,000	\$ -	\$ -	\$ 430,000	Dec 21	5	Referendum in progress.
Blue Bay Water Supply Upgrade (Consideration only)	High	Investigative	\$ 200,000	\$ -	\$ -	\$ 200,000	Mar 22		Scoping in progress. Feasibility still unknown.
Chorlton Deeping Pumps / Resilience - Kapuanga Water Supply	High	Completed	\$ 12,000	\$ -	\$ 10,430	\$ 12,000	Feb 21	100	Complete.
Hawke's Bay Regional Contribution - Water Safety Plans, etc	High	Investigative	\$ 186,420	\$ -	\$ -	\$ 186,420	Mar 22	15	RFP for private water supplies being developed currently. Other regional projects to follow.
Landfill Leachate Study - Implications to Waikato WWTW	High	Investigative	\$ -	\$ 50,000	\$ -	\$ 50,000	Mar 22	5	Scoping in progress.
Waikato Water Treatment Plant Upgrade/Resilience	High	Design	\$ -	\$ 84,137	\$ -	\$ 84,137	Jul 21		Quote received. Utilising portion of Achilles St watermain budget following lower contractor price.
TOTAL OVERHEAD ALLOCATION			\$ 809,561	\$ -	\$ 80,453	\$ 809,561			Staff wages, including DIA RM costs incurred.
FUNDS COMMITTED TO DATE THROUGH WORK INSTRUCTIONS			\$ -	\$ -	\$ 1,087,768	\$ -			Smart meters contract, Achilles St water main, HBRCC river parade contribution, CCTV wastewater pipes, BNSAS total, regional project contribution, water treatment plant motor resilience.

Economic Development Committee

Meeting : 16 February 2021

Te Wairoa E Whanake

Contact milestones to date have been met. Urban Design plans to be presented to be adopted by Council. Concrete testing completed and concrete is in fit condition for base design.

Digital Hub

Digital Hub official opening was held 4 February.

Centennial Library and Archive Redevelopment

Council's allocated funding is not sufficient to meet the estimated costs of works. A separate funding strategy is recommended.

Regional Riverside Park

Vision Projects has prepared an internal report with a possible solution to align the WDC Urban Design Plan with the Hawkes Bay Regional Park opportunity plan.

8.4 PROGRESS UPDATE ON LONG TERM PLAN 2021-2031

Author: Kimberley Tuapawa, Pouwhakarae – Pārongo / Wheako Kiritaki Group Manager Information and Customer Experience

Authoriser: Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer

Appendices: Nil

1. PURPOSE

- 1.1 This report provides a progress update on the development of Council's Long Term Plan 2021–31 (LTP). No decisions are required by Committee at this stage.
- 1.2 Periodic updates on the LTP's progress are presented to the Finance, Audit and Risk Committee and to Council.

RECOMMENDATION

The Pouwhakarae – Pārongo / Wheako Kiritaki Group Manager Information and Customer Experience RECOMMENDS that the Committee receive the report.

2. BACKGROUND

- 2.1 The Long-Term Plan or LTP is about our future. It sets our direction and our work and describes the outcomes we aim to achieve for our community for the next ten years. Building the 2021-31 Long-Term Plan is a two-year mission. It involves months of planning, design, development and engagement across various activity areas and with different groups of people, including our community.
- 2.2 Council's work in delivering this LTP has been focussed on two key goals, to develop a quality document and to have it come in on time. Council has used a comprehensive project plan to ensure key milestones and deadlines are reached.
- 2.3 This progress update meets the purpose of local government as it supports the delivery of Council's LTP which will help meet the needs of the community by providing a reference for planning, funding decisions and service delivery.

3. WHAT'S IN PROGRESS AND WHAT'S COMING UP?

- 3.1 During the month of May, Council will be consulting with its community on the Long-Term Plan 2021-31. This consultation will focus on **Levels of Service** and what the community expects from Council. People will have the opportunity to tell us how and where Council should spend its money.
- 3.2 Our consultation will take a **Levels of Service** scenario-based approach where members of the community will be able to choose whether to spend more, the same, or less on a service, and see how that decision impacts on cost, rates, risk and debt.
- 3.3 Council's preferred options will be those identified as 'same', since this is what has been planned in order to ensure sustainable, affordable and compliant levels of service. This approach to consultation builds on our 'educate and engage' work in presenting levels of service scenarios during pre-engagement.

- 3.4 In preparation for consultation, Council is developing its Consultation Document (CD). This will support Council to engage with the community on the big issues, including rates, dollars, infrastructure, key projects and levels of service.
- 3.5 It will tell a story about Council's goals for the community, what it does and how it does it, and what that cost and how it's funded. It will explain our big challenges, and how we plan to respond to these, and how, through our levels of service we aim to provide for the wellbeing of our people and district.
- 3.6 In less than 3 months, Council plans to have completed three significant tasks. The CD will be developed, formal consultation will take place, and the Long Term Plan will be built. A tentative timeframe is outlined below:

Develop and review CD	Now – 14 April
Extraordinary meeting to adopt supporting documents	13 April
Audit and hot review of CD	16 – 29 April
Extraordinary to adopt CD	30 April
Formal consultation	1 May – 31 May
Deliberations and hearings	Early June
Development of Long Term Plan	Continuing
Audit of Long Term Plan	June
Adoption of Long Term Plan	30 June

- 3.7 Documents that support the CD are being presented to this Committee for endorsement to Council. These include the Financial Strategy, Infrastructure Strategy and Activity Management Plans, Maori Policy, 10-year Financial Statements, Rating Funding Impact Statement, Levels of Service Scenarios.
- 3.8 We have a number of time-sensitive tasks, which include a number of the above items. The team are reworking timeframes to accommodate the level of work involved in completing these tasks.

Further Information

Further information is available in Council's LTP 2018-28 and Annual Plan 2020/21, which can be found on Council's website: www.wairoadc.govt.nz and from Council's Main Office.

References (to or from other Committees)

Ordinary Council. 9 February, 2021. Progress Update on Development of Long Term Plan and debrief of Pre-engagement.

Extraordinary Finance, Audit and Risk Committee. 19 January, 2021. Progress Update on Development of Long Term Plan 2021-2031.

Finance, Audit and Risk Committee. 10 November, 2020. Progress Update on Development of Long Term Plan 2021-2031.

Ordinary Council. 20 October, 2020. Progress Update on Development of Long Term Plan 2021-2031.

Ordinary Council. 28 July, 2020. Progress Update on Development of Long Term Plan 2021-2031.

Finance, Audit and Risk Committee. 3 March, 2020. Progress Update on Development of Long Term Plan 2021-2031.

Finance, Audit and Risk Committee. 2 July, 2019. Project Plan for Development of Long Term Plan 2021-2031.

Finance, Audit and Risk Committee. 17 September, 2019. Detailed Project Plan for the Development of the Long Term Plan 2021-2031.

Signatories

	
<p>Author Kimberley Tuapawa</p>	<p>Approved by Kitea Tipuna</p>

8.5 LEVELS OF SERVICE SCENARIOS

Author: Kimberley Tuapawa, Pouwhakarae – Pārongo / Wheako Kiritaki Group Manager Information and Customer Experience

Authoriser: Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer

Appendices: 1. Levels of Service Scenarios [↓](#)

1. PURPOSE

- 1.1 This report presents the draft Levels of Service scenarios for inclusion in the 2021-31 Long Term Plan Consultation Document.

RECOMMENDATION

The Pouwhakarae – Pārongo / Wheako Kiritaki Group Manager Information and Customer Experience RECOMMENDS that Committee receives and endorses the draft Levels of Service Scenarios, attached as **Appendix 1**, to Council for inclusion in the Consultation Document.

2. BACKGROUND

- 2.1 Council's consultation process will take a **Levels of Service** scenario-based approach where members of the community will be able to choose whether to spend more, the same, or less on a service, and see how that decision impacts on cost, rates, risk and debt.
- 2.2 Council's preferred options will be those identified as 'same', since this is what has been planned in order to ensure sustainable, affordable and compliant levels of service. This approach builds on the 'levels of service' work carried out during pre-engagement.
- 2.3 The Levels of Service scenarios comprise part of the key items that must be adopted prior to the adoption of the Consultation Document. These are attached as **Appendix 1**.

3. OPTIONS

- 3.1 The options identified are:
- Endorse the Levels of Service scenarios for adoption by Council
 - Do not endorse the Levels of Service scenarios for adoption by Council.
- 3.2 Endorsing and then adopting these scenarios will enable Council to progress with the development of its Consultation Document and submit for audit review. The Committee may wish to edit some of the narrative, or consider alternative parameters.
- 3.3 The preferred option is Option A, to endorse the Levels of Service scenarios for adoption by Council as this contributes to the following community outcomes:

Economic wellbeing	Social and Cultural Wellbeing	Environmental Wellbeing
1. A strong prosperous and thriving economy	3. A community that values and promotes its culture and heritage	7. A safe and secure community
2. A safe and integrated infrastructure	4. Safe and accessible	8. A lifetime of good health, education and well-being

	recreational facilities 5. Supportive, caring and valued communities 6. Strong district leadership and a sense of belonging	9. An environment that is appreciated, protected and sustained for future generations
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4. CORPORATE CONSIDERATIONS

What is the change?

- 4.1 The Levels of Service Scenarios will be added as key consultation items within Council's Long Term Plan Consultation Document.

Compliance with legislation and Council Policy

- 4.2 Endorsing and subsequently adopting these items for inclusion in the Consultation Document supports progress on the development of Council's Long Term Plan.

What are the key benefits?

- 4.3 These scenarios provide members of the community with the opportunity to have their say in regards to Council's levels of service, and choose whether to spend more, the same, or less on a service, and see how that decision impacts on cost, rates, risk and debt.

What is the cost?

- 4.4 There is no cost associated with receiving (and subsequently adopting) these scenarios. The resourcing and administrative costs of reviewing and developing these are budgeted for as part of Council's operational expenditure.

What is the saving?

- 4.5 N/A

Service delivery review

- 4.6 The decision to endorse will not initiate a Service Delivery Review.

Maori Standing Committee

- 4.7 This matter has not been referred to the MSC because the Consultation Document affects the community as a whole.

5. SIGNIFICANCE

- 5.1 There is moderate public interest in Council's levels of service scenarios and high public interest in Council's Levels of Service as stated in the Long Term Plan.
- 5.2 Decisions around levels of service can be modified following consultation.
- 5.3 The endorsement of these scenarios is administrative and of low significance. However, in the wider context the decisions made following consultation are of higher significance.

6. RISK MANAGEMENT

6.1 In accordance with the Council’s Risk Management Policy the inherent risks associated with this matter are:

Human	Financial	Regulatory
Low	Medium	Low
Operations	Employees	Image & Reputation
Medium	Low	High

Who has been consulted?

The Levels of Service Scenarios will be included in the LTP Consultation Document.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
Author Kimberley Tuapawa	Approved by Kitea Tipuna

LEVELS OF SERVICE SCENARIOS

The 2021-31 Long-Term Plan consultation will focus on **Levels of Service**¹ and what the community expects from Council. This is your chance to tell us the standard at which we should deliver our services. We want our community to have meaningful input into the 10 year vision and to help people understand what it takes to run the district, and how, by changing the levels of service, that can affect the cost to Council and the community.

This section takes a **Levels of Service** scenario-based approach where you can choose whether to spend more, the same, or less on a service, and see how that decision impacts on cost, rates, risk and debt. For each of the 9 scenarios below, we invite you to choose a more, same or less option, and record your preference on page XX.

Pop-out: The scenario options that are identified as **same** reflect what Council has planned to deliver over the next 10 years in order to ensure sustainable, affordable and compliant **levels of service**. These are Council's preferred options.

Pop-out: Generally, an increase in service means an increase in cost. If we want higher levels of service, *are we prepared to pay more?* If we want to pay less, *are we prepared to receive less?* The table below explains how the following scenarios work.

Levels of service options	Cost impact	Rates impact	Risk impact	Debt impact
MORE (Option 1) This example provides a higher level of service.	The amount by which the cost below would increase.	The percentage increase in rates.	The level of risk associated to delivering this level of service.	The impact that this option has on debt levels.
SAME (Option 2: Preferred option) Council's preferred levels of service option which balances cost, sustainability and compliance.	Unless otherwise stated, this is the operating cost of this option for the 2021/22 year, in most cases a proportion of the activity budget to which it relates.	The % proportion of total rates that the cost of this option equates to for the 2021/22 year.	The level of risk associated to delivering this level of service.	The impact that this option has on debt levels.
LESS (Option 3) This example provides a lower level of service.	The amount by which the cost above would increase.	The percentage decrease in rates.	The level of risk associated to delivering this level of service.	The impact that this option has on debt levels.

¹ *Levels of service* refers to the standard or level at which our activities are provided to the community. It means *how much* of a service is done, and *what you get* for it.

Scenario 1: Sealed Road Resurfacing**Background**

The roughness of a sealed road is a measure of the ride quality of the road used by Council and Waka Kotahi. The results of these measures provide an indication on the state of our sealed roading network. The level of roughness and ride quality across our network is linked to the amount of resurfacing that gets completed every year. The more we complete, the better ride quality we get.

Levels of service options	Cost impact	Rates impact	Risk impact	Debt impact
MORE (Option 1) 90% of sealed roads are smoother than the specified threshold, 28km of resurfacing	+\$400,000 (WDC share: \$100,000)	0.05% Loan servicing \$7,500	Medium	+\$100,000
SAME (Option 2: Preferred option) 90% of sealed roads are smoother than the specified threshold, 22km of resurfacing	\$1.24m ² (WDC share: \$310,000)	0.2% Loan servicing \$23,306	High	\$310,741
LESS (Option 3) 85% of sealed roads are smoother than the specified threshold, 16km of resurfacing	-\$400,000 (WDC share: -\$100,000)	-0.05% Loan servicing -\$7,500	Very High	-\$100,000

Benefits and consequences**MORE (Option 1):**

This option improves service levels as more roads are resurfaced, resulting in a smoother ride in more areas of the network. This option helps us address the backlog of resurfacing not yet completed. The roads will not need to be maintained as often. This option supports the objective of *roads that support safer travel*, and links positively to a reduction in the number of deaths and serious injuries. There is an increase in cost.

SAME (Preferred Option 2):

This option maintains current levels of service. Ride smoothness levels would remain at the existing standard. This option supports the objective of *roads that support safer travel* and *affordable levels of service*. There would be no progress on clearing the backlog, and delaying this will likely mean we need to spend more at a later date.

LESS (Option 3):

² The sealed road smoothness cost is approximated from the resurfacing budget for 2021/22, which is only a portion of the sealed road network budget.

This option offers a reduction in cost but significant cost implications in the mid-long term. Costly repairs to remedy increased pavement deterioration and damage could create affordability issues for future ratepayers, and safety issues for road users. Serious safety issues would arise due to increased potholes, uneven surfaces and reduced road grip.

Scenario 2: Footpaths

Background

The provision of footpaths contributes to Council's community outcome of *a safe, supported, and well led community*. One of our key measures is that *at least 95% of our footpaths are in above average condition*. This links with the government's goal that more focus be given to alternate modes of transport. We receive many customer service requests to improve our footpaths.

Levels of service options	Cost impact	Rates impact	Risk impact	Debt impact
MORE (Option 1) 100% of footpaths are in average or better condition than the specified threshold	+\$194,000 (WDC share: +\$48,500) \$95,000 operating costs \$99,000 capital costs	0.2% Loan servicing \$23,948	Low	Reduction in reserves \$24,750
SAME (Option 2: Preferred option) 95% of footpaths are in average or better condition than the specified threshold	\$106,000 ³ (WDC share: \$26,500) \$52,000 operating costs \$54,000 capital costs	0.1% Loan servicing \$13,108	Medium	Reduction in reserves \$13,500
LESS (Option 3) Levels of service cannot be reduced due to legislative and regulatory compliance requirements.	N/A	N/A	High	N/A

Benefits and consequences

MORE (Option 1):

With this option, all our footpaths would be in average or better condition. It supports the objective of *roads that support safer travel*, and links positively to a reduction in the number of deaths and serious injuries. There is an increase in cost. This option would increase the level of repair work to fix cracked and uneven surfaces, reduce vegetation encroachment and improve the overall experience. There is an increase in cost.

³ Note: The **standard of footpaths** cost is approximated from the footpath maintenance and renewals budget 2021/22.

SAME (Preferred Option 2):

This option supports the objective of *roads that support safer travel*, and links positively to a reduction in the number of deaths and serious injuries. Levels of service are maintained, however an improvement to our assets is not made to the extent we could, in line with government priorities. This impacts on the experience and safety of footpath users. Small levels of cracking, uneven surfaces and vegetation encroachment will be expected.

LESS (Option 3):N/A

Scenario 3: Unsealed Roads**Background**

Unsealed roads make up 64% of the roads in our district. Since one of Council's community outcomes is *connected communities*, it is important that we keep the unsealed roads at a standard that enables our community to connect in a safe way. With heavy vehicles using the roads more frequently, we need to apply the right amount of aggregate in the right areas to keep our unsealed roads safe and trafficable.

Levels of service options	Cost impact	Rates impact	Risk impact	Debt impact
MORE (Option 1) 15km of unsealed roads heavy metaled	+\$714,000 (WDC share: +\$178,500)	If upgrade: additional depreciation + interest foregone = \$4,463: 0.03% If renewal only, interest foregone = \$893: 0.01%	Medium	Reduction in reserves \$178,500
SAME (Option 2: Preferred option) 8.5km of unsealed roads heavy metaled	\$951,000 (WDC share: \$237,000) Capital cost	If upgrade: additional depreciation + interest foregone = \$5,949: 0.04% If renewal only interest foregone = \$1,190: 0.01%	Medium-High	Reduction in reserves \$237,976
LESS (Option 3) 5km of unsealed roads heavy metaled	-\$396,000 (WDC share: -\$99,000)	If upgrade: additional depreciation + interest foregone = \$2,475: 0.02% If renewal only interest foregone = \$1,190: 0.005%	High	Reduction in reserves \$99,000

Benefits and consequences**MORE (Option 1):**

This option increases the resilience of the roads enough to handle the increased levels of forestry and heavy vehicle use. It supports the objective of *roads that support safer travel*. However, this comes at a significant capital cost. More gravel would increase skid resistance and therefore safety levels. Increased road quality means less ongoing maintenance.

SAME (Preferred Option 2):

This option maintains current levels of service, but does not address issues resulting from increased heavy vehicle use. Levels of service may reduce over time.

LESS (Option 3):

This option offers a reduction in cost but significant cost implications in the mid-long term. Levels of service will continue to decrease. Less aggregate on the roads means that over time maintenance costs will increase.

Scenario 4: Whiteware collection service**Background**

Council has previously provided an annual bulk waste and whiteware collection service across the rural areas of the district. This facilitates the appropriate disposal of these items, avoiding issues such as fly dumping. In the 2019/20 Annual Plan, Council decided to reduce this service to take place every other year, as a cost saving opportunity. In this scenario, the service could be returned on an annual basis, or be removed altogether. This service enables residents to dispose of such items correctly, without incurring the cost of transporting waste into Wairoa or other main centre facilities such as those in Gisborne or Hawke's Bay.

Levels of service options	Cost impact	Rates impact	Risk impact	Debt impact
MORE (Option 1) Return to annual whiteware collection service	+\$20,000 every other year	+0.05% (average over two years)	Low	N/A
SAME (Option 2: Preferred option) Retain biennial whiteware collection service	\$20,000 every other year	0.05% (average over two years)	Low	N/A
LESS (Option 3) Remove biennial whiteware collection service	-\$20,000 every other year	-0.05% (average over two years)	Low	N/A

Benefits and consequences**MORE (Option 1):**

With this option, the service is provided annually (more frequently), reducing the likelihood of illegal dumping and improving the visual impact of areas where these items collect. There is a cost increase with this option.

SAME (Preferred Option 2):

No change in service. Levels of illegal dumping and collections of items are likely to remain the same.

LESS (Option 3):

A removal of the service, with a possible increase in illegal dumping of these items and subsequent damage to the environment. There would be a modest reduction in operational costs.

Scenario 5: Public reserves mowing**Background**

Council maintains 56 hectares of reserves land in the Wairoa town area. This includes 20 hectares of non-public reserve, namely the grounds of the Wairoa Aerodrome and the Waste Water Treatment Plant. These non-public areas are maintained to a good standard for the benefit of contractors and service users. This scenario offers the opportunity to review the mowing and maintenance frequency to either lower or raise the specifications for these sites. Whilst these sites are not directly accessible or visible to the majority of residents, changes to these maintenance specifications may have impact for the specific service users such as pilots and aircraft operators and contractors.

Levels of service options	Cost impact	Rates impact	Risk impact	Debt impact
MORE (Option 1) Increase mowing frequency and maintenance specifications on non-public reserves	+\$20,000	+0.1%	Low	N/A
SAME (Option 2: Preferred option) Retain existing mowing frequency for non-public reserves	\$140,000	1%	Low	N/A
LESS (Option 3) Reduce mowing and maintenance frequency on non-public reserves	-\$8,000	-0.1%	Medium	N/A

Benefits and consequences**MORE (Option 1):**

With this option service levels are increased, with improvements in maintenance standards to that of public reserves. This will incur a higher operational cost.

SAME (Preferred Option 2):

This option retains the existing mowing and maintenance standards which is believed to be fit for purpose for the operation of the treatment plant and aerodrome. Costs would remain the same.

LESS (Option 3):

This option may result in complaints from service users and contractors due to the appearance of the areas and observed safety or operational concerns. The costs of individual maintenance jobs may be higher due to the need to create access to the sites through vegetation. Excessive vegetation growth may cause damage to plant and equipment. Annual reserves maintenance costs would reduce, but additional costs may be incurred on other projects.

Scenario 6: Weekly recycling and wheelie bins**Background**

The waste industry is changing nationally, with an increased focus on the management of environmental impacts. This includes recovery of recyclable material, diversion of waste from landfill and reduction of illegal dumping. The Wairoa district has a variety of waste services that are offered to residents.

This scenario provides the opportunity to increase the service levels for large areas of the district by rolling out a wheelie bin collection. This would be funded through the rates of serviceable properties, rather than a user pays service. Every serviceable property would have access to the same frequency of collection and would not be dependent on visits to a landfill or purchase of refuse bags for the purposes of waste disposal.

Levels of service options	Cost impact	Rates impact	Risk impact	Debt impact
MORE (Option 1) Rollout weekly recycling collection for Wairoa and Frasertown. 3 crates per household. Weekly drop-offs. Rollout 120L wheelie bins to serviceable properties in Wairoa, Frasertown, Mahia, Nuhaka, Raupunga, Tuai, Waihua, Kotemaori and Mohaka.	+\$450k Only serviceable properties pay for wheelie bin	+3.2%	Medium	N/A

<p>SAME (Option 2: Preferred option) Weekly recycling collection for Wairoa and Frasertown. Twice-monthly recycling drop-offs for Mahia and Nuhaka.</p> <p>User pays refuse bags for Wairoa, Frasertown, Mahia, Nuhaka, Raupunga and Mohaka.</p>	\$492,500	3.5%	Low	N/A
<p>LESS (Option 3) Fortnightly recycling collection for Wairoa and Frasertown. Remove recycling drop-off sites for Mahia and Nuhaka and other rural areas</p>	-\$75k	-0.5%	High	N/A

Benefits and consequences

MORE (Option 1):

The delivery of additional recycling crates for the urban area would make sorting and separation of recyclables a lot easier for residents and would likely contribute to greater recycling volumes. The provision of a wheelie bin collection would likely have a positive impact on illegal dumping, which is costly for Council to clean up. A reduction in illegal dumping would have a positive impact on the environment. The establishment of a wheelie bin collection as part of rates would provide a uniform level of service across all serviceable properties.

SAME (Preferred Option 2):

No change in service. Levels of illegal dumping and collections of items are likely to remain the same. Rural areas will continue to have a different level of service across the district.

LESS (Option 3):

With this option, there would be a reduction in the frequency of services. The impact of this may be an increase in illegal dumping due to non-collection as well as larger volumes being received at drop off points or kerbside collections. This could create a "shock-loading" situation on the waste operations which could have an impact on reliability e.g. collection vehicles become over full more quickly. The reduced frequency of collection may result in an increase in illegal dumping, which would incur additional unplanned costs to clear up, as well as having a detrimental impact on the environment.

Scenario 7: Wastewater overflows**Background**

Council operates wastewater systems in Wairoa, Tuai, Mahia and Opoutama. Currently, our contractors are based primarily in Wairoa. This means there can be a significant response time for wastewater overflows if they occur in the more remote locations. Our target one-hour response time may not be possible if contractors are located more than one hour away in another part of the district. This scenario provides the opportunity to establish contractors nearer the wastewater systems outside of the Wairoa township. This would ensure that they would be able to respond within the one-hour time frame, or faster.

Levels of service options	Cost impact	Rates impact	Risk impact	Debt impact
MORE (Option 1) Immediate response to wastewater overflows.	+101K	+0.7%	Low	N/A
SAME (Option 2: Preferred option) One-hour response time to wastewater overflows. Not always achievable.	2.1M	\$2.1M is the total cost of the activity, which equates to 15.1% of rates	Medium	N/A
LESS (Option 3) Levels of service cannot be reduced without creating an environmental or public health risk.	N/A	N/A	N/A	N/A

Benefits and consequences**MORE (Option 1):**

An immediate response to wastewater overflows would ensure that the impact on the environment is kept to a minimum, with resources available in the right locations at the time of request. Whilst this option provides a benefit in terms of environmental impact, there is an increase in cost.

SAME (Preferred Option 2):

Maintaining the current level of service aims provides a balance between service affordability and reliability. As limited contractor resource is available there is a risk that response times are not achievable.

LESS (Option 3):

N/A

Scenario 8: Water Supply resource**Background**

Council operates two compliant schemes, one for Wairoa and Frasertown, and the other for Tuai. While Council's drinking water activities are managed well, there is currently no dedicated resource for water supply compliance management. It is anticipated that upcoming legislative changes will impact on Council's responsibilities around compliance and include more stringent regulation and current resourcing levels may not be sufficient to address this. Additional resourcing in this area would reduce the likelihood of non-compliance and provide greater confidence in Council's capacity to deliver future levels of service.

Levels of service options	Cost impact	Rates impact	Risk impact	Debt impact
MORE (Option 1) With the new water reforms and the increase in compliance a dedicated role to manage these changes. 1 FTE - water safety/compliance officer.	+85K	+ 0.6%	Medium	N/A
SAME (Option 2: Preferred option) Delivering Council's current levels of service to comply with drinking water standards	\$885,000	6.3%	High	N/A
LESS (Option 3) Levels of service cannot be reduced without creating an environmental or public health risk.	N/A	N/A	N/A	N/A

Benefits and consequences**MORE (Option 1):**

Additional resourcing in this area would help ensure that the community's water supplies are maintained in line with the relevant water standards. There would be an increase in costs.

SAME (Preferred Option 2):

The current level of service covers the basic requirements for compliance with existing drinking water standards. With upcoming changes planned, there is a risk that current resourcing levels are not sufficient to enable us to comply with any future changes.

LESS (Option 3):

N/A