

Mahere Pae
Tawhiti
Long Term Plan

2018
-2028

HĀPĀTĪA

uplifting our community



RARĀNGI TAKE – CONTENTS

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WĀHANGA TUATORU - PART THREE

MATAPAE WHAI TIKANGA ME NGĀ TŪRARU - SIGNIFICANT FORECASTING ASSUMPTIONS & RISKS

Schedule 10 (section 17) of the Local Government Act 2002 requires Council to include in its Long-term Plan the disclosure of ‘significant forecasting assumptions’ and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

assumptions do not include statements of fact that fall within the decision-making discretion of the Council, nor do they include reasonably unlikely events or probabilities about which an assumption needs to be made. Such matters are included in the activity statements or description of activity groups in this Long-term Plan and/or its related Asset Management Plans.

Council has made a number of assumptions underlying the financial estimates and forecasts for the ten-year planning term covered by this Long-term Plan. The forecasting

FORECASTING ASSUMPTIONS	RISK	LIKELIHOOD OF OCCURANCE	FINANCIAL MATERIALITY	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
ALL ACTIVITIES				
INFLATION – The financial information is based on costs and income adjusted for inflation. Council has used the BERL forecasts of price level changes to calculate costs and income for years 2-10 of the plan. See below.	That actual inflation will be significantly different from the assumed inflation.	Low Years (1-3) Medium Years (4-10)	Low Years (1-3) Medium Years (4-10)	Inflation is affected by external economic factors. Council’s costs and the income required to fund those costs will increase by the rate of inflation unless efficiency gains can be made.

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FORECASTING ASSUMPTIONS	RISK	LIKELIHOOD OF OCCURANCE	FINANCIAL MATERIALITY	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
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Table 1: LGCI, annual average % change

LABEL	LGCI		
	OPEX	CAPEX	TOTAL
Jun 17	1.5	1.5	1.5
Jun 18	1.8	1.8	1.8
Jun 19	2.0	2.0	2.0
Jun 20	2.2	2.2	2.2
Jun 21	2.2	2.2	2.2
Jun 22	2.2	2.2	2.2
Jun 23	2.3	2.3	2.3
Jun 24	2.3	2.4	2.3
Jun 25	2.4	2.4	2.4
Jun 26	2.5	2.5	2.5
Jun 27	2.5	2.6	2.6
Jun 28	2.6	2.7	2.7
20 year ave % pa	2.4	2.5	2.4

20-year average calculated using 2007 to 2027 actuals and forecasts

Source: BERL

Table 2 : Forecast % per annum change by category

YEAR ENDING	ADJUSTORS				
	PLANNING & REGULATION	ROADING	TRANSPORT	COMMUNITY ACTIVITIES	WATER & ENVIRONMENTAL
Jun 15	1.5	2.3	1.6	1.8	3.2
Jun 16	0.8	1.4	1.1	1.6	2.1
Jun 17	1.4	2.6	1.6	1.8	1.2
Jun 18	1.8	1.9	1.9	1.7	1.8
Jun 19	2.0	2.0	2.0	1.7	2.3
Jun 20	2.1	2.2	2.0	2.0	2.5
Jun 21	2.1	2.2	2.1	2.1	2.3
Jun 22	2.1	2.3	2.2	2.1	2.4
Jun 23	2.2	2.4	2.2	2.2	2.4
Jun 24	2.3	2.4	2.3	2.3	2.5
Jun 25	2.3	2.5	2.4	2.3	2.6
Jun 26	2.4	2.6	2.5	2.4	2.6
Jun 27	2.4	2.7	2.5	2.4	2.7
Jun 28	2.5	2.8	2.7	2.6	2.8
20 year ave % pa	2.3	2.5	2.4	2.3	2.6

20-year average calculated using 2007 to 2027 actuals and forecasts

Source: BERL

FORECASTING ASSUMPTIONS	RISK	LIKELIHOOD OF OCCURANCE	FINANCIAL MATERIALITY	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
NATURAL DISASTERS – There will be no natural disaster requiring emergency work that cannot be funded out of the budgetary provisions.	That there will be natural disaster event(s) requiring emergency work that cannot be funded out of normal budgetary provisions.	Medium	High	Although Council has faced natural disaster events in the past, and coped adequately, climate change predictions are that some events could become more frequent and more intense. The potential effect of a natural disaster on Council’s financial position is dependent upon the scale, duration and location of the event. Central government assistance and insurance contracts would reduce some of the Council financial risk.
FUNDING SOURCES – Sources of funds are as per the revenue and financing policy.	That some revenue sources may not be achievable.	Low	Low	Council has undertaken a review of its revenue and financing policy and the rationales for its funding allocations. NZTA funding assistance rate is confirmed for 5 years. Fees and charges are based on levels regularly achieved, and adjusted for specific initiatives or conditions. Rates are consulted upon and controlled by prudent thresholds.
EXTERNAL FUNDING – Council has assumed that it will continue to receive external funding at current levels from government agencies such as SPARC, MSD, Internal Affairs etc.	That the government agencies will reduce or eliminate funding for various programmes.	Low	Low	Council has received assurances that the programmes will continue.
RETURN ON INVESTMENT – Council has included a projection of dividends from Quality Roading and Services (Wairoa) Ltd. (QRS)	That QRS will not achieve the level of tax-paid profit as estimated in the Long-term Plan.	Low	Moderate	QRS is in a relatively volatile and high-risk business of contracting, and income will fluctuate from year to year. Overall QRS has a reliable track record in achieving dividend payments. The estimates included within the LTP are aligned with the company’s projections.
BANK FUNDING – This plan is based on the continuity of funding from an approved banking institution.	That the bank does not continue to provide finance to fund Council activities.	Low	High	Council believes that the likelihood of the withdrawal of bank funding is low, due to the good credit rating and relatively low risk Council has as a public entity. As a member of the Local Government Funding Agency, Council has an alternative source of debt funding. In addition, Council has the ability to set rates at a level sufficient to cover its costs.

FORECASTING ASSUMPTIONS	RISK	LIKELIHOOD OF OCCURANCE	FINANCIAL MATERIALITY	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
RATING DIFFERENTIALS – The bases for calculating and allocating rates will be appropriate throughout the life of the Long-term Plan.	That groups of ratepayers are significantly affected by rating revaluations or changes to Council activities.	Medium	Medium	Property values could change significantly, and only in certain areas of the district. Differentials are sometimes applied, adjusted or removed to manage the effects. When Council reviewed its revenue and financing policy it consulted with the community on the most appropriate rating methodology.
USEFUL LIVES OF SIGNIFICANT ASSETS – Council has estimated the useful lives of its significant assets as detailed in the Statement of Accounting policies.	Assets will not last as long as forecast and will need to be replaced before funds are available for replacement of these assets.	Medium	Medium	Council has an asset management planning and upgrade programme in place. Asset capacity and condition is monitored, with replacement works being planned in accordance with standard asset management and professional practices.
CURRENCY MOVEMENTS & RELATED ASSET VALUES – It has been assumed that exchange rates will not fluctuate significantly during the ten-year period.	That Council’s costs are adversely affected by foreign exchange movements.	High	Low	Council does not have exposure to currency movement risk in respect of significant assets or liabilities.
CONSENT RENEWALS – Council bases its future projections on the expectation that consents will be renewed for its activities including sewerage, waste management and stormwater.	That approving bodies will fail to authorise any of the consent renewals that Council requires to carry out its activities.	Low	High	Council has no reason to believe that any of the consents that it operates under will not be renewed. Any failure to renew consents could significantly affect the ability of Council to provide an effective service, with a potentially high cost to Council. The renewal of the wastewater consent is specifically addressed in this LTP.
REVALUATION – These projections include a three-yearly estimate to reflect the change in asset valuations.	Infrastructure assets are to be revalued for 2019-20, 2022-23 and 2025-26, which may alter the depreciation expense.	High	Low	Revaluations affect the carrying value of infrastructure assets and the depreciation charge in the year. Financial effect of uncertainty unable to be quantified, however the inflation indices referred to above are applied to the forecast valuation adjustments and hence the depreciation expense.
DEPRECIATION ON PLANNED ASSET ACQUISITIONS – Council has used depreciation rates for planned asset acquisitions.	That more detailed analysis of planned capital works once complete may alter the depreciation expense.	Low	Medium	Council has an asset management planning and upgrade programme in place. Asset capacity and condition is monitored, with replacement works being planned in accordance with standard asset management and professional practices. Depreciation is calculated in accordance with normal accounting and asset management practices and the inflation adjusted rates for the corresponding years are applied.

FORECASTING ASSUMPTIONS	RISK	LIKELIHOOD OF OCCURANCE	FINANCIAL MATERIALITY	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
REPLACEMENT ASSETS – The replacement of existing assets does not mean an increased level of service, unless otherwise stated in the text.	That the replacement of existing assets increases the level of service due to technological changes or through adoption of best practice.	Low	Low	In most cases increased levels of service are associated with construction of new assets. Council’s asset managers have already adopted known best practice techniques.
NEW ASSETS – The construction of new assets increases level of service and/or capacity, unless otherwise stated in the text.	That the construction of new assets does not meet the agreed level of service and/or does not provide adequate capacity.	Low	Medium	For most new assets there are relatively long project planning and design phases. Wherever possible asset managers design and construct new assets with future levels of service and capacity in mind.
RENEWAL & CAPITAL WORK – Programmes are completed on time and on budget.	Delays in completion of a major capital project may delay completion of other projects due to extra pressure on staff and on Council funding.	Medium	Medium	Council regularly manages capital projects that are carried forward from previous accounting periods. Projects with lower priority and that are less time sensitive would be delayed.
CAPITAL WORKS COSTS – On average, costs of major capital works will not vary significantly from costs estimated at the concept stage and adjusted for inflation.	That some project costs turn out greater than estimates, resulting in increased debt levels.	Medium Years (1-3) High Years (4-10)	Medium Medium	Council has a higher level of confidence regarding the costs of capital projects in the short term but less certainty in the longer term due to possible fluctuations in the economy, growth patterns, consent conditions etc. The potential effects of the uncertainty on the financial statements would be difficult to estimate.
BORROWING & EXPECTED INTEREST RATES - We will continue to loan fund at varying rates of interest. Forecast base interest rates are outlined in Table 3.	In the future, interest rates may be higher than forecast.	Medium	Medium	The Council has a Liability Management Policy which contains strategies to protect ratepayers against significant fluctuations. Council can achieve a natural hedge by holding a portfolio of investments and debt instruments.

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FORECASTING ASSUMPTIONS	RISK	LIKELIHOOD OF OCCURANCE	FINANCIAL MATERIALITY	REASONS & FINANCIAL EFFECT OF UNCERTAINTY																								
Table 3: Forecast Interest Rates.																												
<table border="1"> <thead> <tr> <th>YEAR ENDING</th> <th>INTEREST RATES %PA</th> </tr> </thead> <tbody> <tr><td>Jun 18</td><td>1.9</td></tr> <tr><td>Jun 19</td><td>1.9</td></tr> <tr><td>Jun 20</td><td>1.9</td></tr> <tr><td>Jun 21</td><td>1.9</td></tr> <tr><td>Jun 22</td><td>2.0</td></tr> <tr><td>Jun 23</td><td>2.1</td></tr> <tr><td>Jun 24</td><td>2.4</td></tr> <tr><td>Jun 25</td><td>2.6</td></tr> <tr><td>Jun 26</td><td>3.0</td></tr> <tr><td>Jun 27</td><td>3.6</td></tr> <tr><td>Jun 28</td><td>4.3</td></tr> </tbody> </table>					YEAR ENDING	INTEREST RATES %PA	Jun 18	1.9	Jun 19	1.9	Jun 20	1.9	Jun 21	1.9	Jun 22	2.0	Jun 23	2.1	Jun 24	2.4	Jun 25	2.6	Jun 26	3.0	Jun 27	3.6	Jun 28	4.3
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Source: BERL																												
ROADING																												
NEW ZEALAND TRANSPORT AGENCY (NZTA) – Ratepayer contributions provide 25% of the funding towards the land transport system with 75% Government subsidythe financial assistance rate.	Changes in subsidy rate and variation in criteria for inclusion in subsidised works programme.	Low Years (1-3) Medium Years (4-10)	Medium Medium	NZTA funding priorities may change as a result of the Land Transport Management Act 2003. The funding assistance rate is confirmed until 2022.																								
WATER PRODUCTION																												
TAWHARA RESERVOIRS – Council has assumed that the existing Tawhara Reservoirs will not need replacing in the next ten years, however additions and repairs will be made.	That Council is required to replace the Tawhara Reservoirs within the ten years of this plan.	Medium	Medium	Council believes that it has made reasonable assumptions on the likely continuity of the Tawhara Reservoirs, but recognises that there is uncertainty that could result in earlier replacement than anticipated.																								
DEMOGRAPHIC AND POLITICAL																												
POPULATION CHANGE – The population of the district will moderately increase during the period of the plan. <i>Source: Wairoa District Council - Long Term District Planning - Demographic and Economic Growth Directions 2018- 2048; Economic Solutions Ltd.</i>	That population change will be higher than projected, putting increased pressure on Council to provide additional infrastructure	Low	Low/Medium	Population projections are based on demographic assumptions that do not change quickly. Existing infrastructure and service levels are not likely to require increased investment if population is static or has a small increase.																								

FORECASTING ASSUMPTIONS	RISK	LIKELIHOOD OF OCCURANCE	FINANCIAL MATERIALITY	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
	and services, or decline, increasing the residual burden on ratepayers.			A decline in population may not necessarily reduce the cost of delivering Council activities, although if it results in extended asset lives, the annual depreciation expense would be lower.
AGEING POPULATION – The population of the district aged 55 and over is expected to increase during the period of the plan. <i>Source: Wairoa District Council - Long Term District Planning - Demographic and Economic Growth Directions 2018- 2048; Economic Solutions Ltd.</i>	There will be a decline in the ability to pay, with more people on fixed incomes.	High	Medium	Without intervention it is inevitable that increasing costs of Council activities will become an increasing proportion of fixed household income. Council's economic development initiatives will seek to alleviate this.
APPROACH TO POTENTIAL SOCIETAL CHANGES – Council has prepared the Long-term Plan on the basis of best estimates, with a relatively stable society, and little societal change.	That there is significant change in society that impacts negatively on Council.	Low	Medium	Changes of this nature tend to be gradual and incremental. It is considered unlikely that there will be any significant changes that will cause deviations from the LTP.
COUNCIL POLICY – There will be no significant changes to Council policy as summarised in this plan.	New legislation is enacted that requires a significant policy response from Council. Election of a new Council with different objectives to the current Council.	Medium	Low	Changes to Council policy to deal with new legislative and Council requirements are part of normal business. Any significant change to Council policy would be assessed in terms of the impact upon Council's financial position. The Local Government Act 2002 would ensure that changes in policy have to follow due process.
GOVERNANCE – At the time of this plan the structure of the elected representation on Council will change from that adopted for the 2019 elections, with the introduction of Māori wards. There are no other anticipated changes at this time, although a representation review could result in further changes to the governance structure.	There will be applications made to Council for representation reviews.	High	Low	Council is required to complete the review of the number of elected members by August 2018.

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FORECASTING ASSUMPTIONS	RISK	LIKELIHOOD OF OCCURANCE	FINANCIAL MATERIALITY	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
<p>CONTRACTS – There will be no significant variations in terms of price from the re-tendering of operation and maintenance contracts and renewal of service level agreements, other than those variations recognised in this plan.</p>	<p>There is a significant variation in price from re-tendering contracts and renewal of service level agreements.</p>	<p>Medium (Years 1-3)</p> <p>High (Years 4-10)</p>	<p>Medium</p> <p>High</p>	<p>Council has been able to manage contracts within a narrow range of cost variations. If contract prices were to increase significantly then Council would review the amount of work programmed and undertaken. Adjustment for known and projected increases in contracts have been included.</p>
<p>EXTERNAL FACTORS – There will be no unexpected changes to legislation or other external factors that alter the nature of services provided by Council.</p>	<p>There are unexpected changes that alter the services provided by Council.</p>	<p>Medium</p>	<p>Low</p>	<p>Most changes to legislation are programmed and known about in advance. Only in extraordinary circumstances (such as public outcry over a particular incident) would unexpected changes to legislation be promoted. Central government is likely to share part of any cost associated with major legislative changes.</p>

MATAPAE PŪTEA - FINANCIAL FORECAST STATEMENTS

- **MATAPAE PŪTEA WHIWHI ME UTU WHAKAHAERE**
Prospective Statement of Comprehensive Revenue and Expense
- **MATAPAE TINI MANA TAURITE**
Prospective Statement of Changes in Equity
- **MATAPAE TŪ PŪTEA**
Prospective Statement of Financial Position
- **MATAPAE KAPEWHITI**
Prospective Cash Flow Statement
- **MATAPAE PŪTEA PENAPENA**
Prospective Movement of Reserves Statement
- **MATAPAE WHAKAPAUNGA UTU**
Prospective Capital & Project Expenditure
- **NGĀ KAUPAPA HERE MŌ TE KAUTE**
Statement of Accounting Policies
- **MATAPAE PŪTEA**
Financial Prudence Benchmark

MATAPAE PŪTEA WHIWHI ME UTU WHAKAHAERE - PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE
WHOLE OF COUNCIL

2017/18 ANNUAL PLAN		2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
	INCOME										
12,509,912	Rates	12,754,751	13,338,131	13,959,192	14,618,592	15,165,826	15,562,705	15,966,268	16,286,556	16,629,032	17,071,025
4,544,842	Subsidies	4,864,639	5,231,475	5,395,179	5,470,580	5,747,951	6,039,068	6,230,345	6,111,750	6,466,681	6,619,567
4,136,715	Capital Subsidy	4,701,620	5,080,699	5,474,305	4,173,116	4,238,069	3,737,880	3,844,434	3,754,421	4,438,350	4,251,972
68,000	Petrol Tax	85,000	86,700	88,400	90,270	92,310	94,435	96,560	98,855	101,320	103,870
2,300,186	Fees and Charges	1,748,574	1,811,100	1,826,334	1,864,736	1,939,043	1,955,844	2,012,316	2,090,027	2,124,858	2,179,776
895,174	Investment Income	873,166	719,391	618,846	576,797	561,682	513,765	503,034	510,885	457,808	453,180
-	Reserves	-	-	-	-	-	-	-	-	-	-
-	Other Income	-	-	-	-	-	-	-	-	-	-
24,454,829	TOTAL INCOME	25,027,750	26,267,495	27,362,255	26,794,090	27,744,880	27,903,697	28,652,957	28,852,493	30,218,049	30,679,390
	EXPENDITURE										
4,923,388	Employee Benefit Expenses	5,472,049	5,678,600	5,794,817	5,910,857	6,065,421	6,137,841	6,254,762	6,381,905	6,450,749	6,661,541
4,902,814	Depreciation and Amortisation	5,237,615	5,655,483	5,907,821	6,119,712	6,520,700	6,635,706	6,795,896	7,207,608	7,339,213	7,456,752
993,739	Finance Costs	707,449	770,800	854,210	954,939	1,028,443	1,034,805	1,037,469	1,034,356	1,034,463	1,037,407
13,048,789	Other Operating Expense	13,081,303	13,420,514	13,856,030	13,634,315	14,129,101	14,807,875	14,832,246	14,979,156	15,799,882	15,826,208
23,868,730	TOTAL EXPENDITURE	24,498,416	25,525,397	26,412,878	26,619,823	27,743,665	28,616,227	28,920,373	29,603,025	30,624,308	30,981,907
586,099	NET SURPLUS/(DEFICIT) FROM OPERATIONS	529,334	742,098	949,377	174,268	1,215	(712,531)	(267,416)	(750,532)	(406,259)	(302,517)
	PLUS OTHER COMPREHENSIVE INCOME										
-	Revaluation of Property Plant and Equipment	-	15,288,105	-	-	19,267,412	-	-	22,703,214	-	-
586,099	TOTAL COMPREHENSIVE REVENUE	529,334	16,030,203	949,377	174,268	19,268,627	(712,531)	(267,416)	21,952,682	(406,259)	(302,517)

MATAPAE TINI MANA TAURITE - PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

2017/18 ANN PLAN		2018/19 PROJECTED	2019/20 PROJECTED	2020/21 PROJECTED	2021/22 PROJECTED	2022/23 PROJECTED	2023/24 PROJECTED	2024/25 PROJECTED	2025/26 PROJECTED	2026/27 PROJECTED	2027/28 PROJECTED
308,651,303	Opening Equity	272,846,436	273,375,770	289,405,974	290,355,351	290,529,618	309,798,245	309,085,714	308,818,298	330,770,980	330,364,722
586,099	Net Surplus/(Deficit) for period	529,334	742,098	949,377	174,268	1,215	(712,531)	(267,416)	(750,532)	(406,259)	(302,517)
-	Other Comprehensive Income	-	15,288,105	-	-	19,267,412	-	-	22,703,214	-	-
586,099	Total Comprehensive Income	529,334	16,030,203	949,377	174,268	19,268,627	(712,531)	(267,416)	21,952,682	(406,259)	(302,517)
309,237,402	Closing Equity	273,375,770	289,405,974	290,355,351	290,529,618	309,798,245	309,085,714	308,818,298	330,770,980	330,364,722	330,062,205
	Components of Equity										
131,256,009	Ratepayers Equity at the beginning of the year	141,802,222	144,083,888	144,737,372	145,111,661	143,365,797	140,848,549	138,170,818	135,132,820	131,079,111	128,610,693
586,099	Net surplus/(deficit) for period	529,334	742,098	949,377	174,268	1,215	(712,531)	(267,416)	(750,532)	(406,259)	(302,517)
-	Fair Value Asset Adjustments	-	-	-	-	-	-	-	-	-	-
8,091,760	Transfers from restricted reserves	5,425,195	3,914,168	3,628,283	2,392,963	1,959,353	2,638,232	1,964,620	1,660,629	3,048,651	2,015,946
(2,645,031)	Transfers to restricted reserves	(3,672,864)	(4,002,782)	(4,203,371)	(4,313,094)	(4,477,816)	(4,603,432)	(4,735,201)	(4,963,807)	(5,110,810)	(5,196,470)
	Transfer from revaluation reserve on disposal										
137,288,837	Ratepayers Equity at 30 June	144,083,888	144,737,372	145,111,661	143,365,797	140,848,549	138,170,818	135,132,820	131,079,111	128,610,693	125,127,653
20,231,715	Special Funds at the beginning of the year	19,131,214	17,378,883	17,467,497	18,042,585	19,962,717	22,481,180	24,446,381	27,216,962	30,520,139	32,582,298
2,645,031	Transfer from ratepayers equity	3,672,864	4,002,782	4,203,371	4,313,094	4,477,816	4,603,432	4,735,201	4,963,807	5,110,810	5,196,470
(8,091,760)	Transfer to ratepayers equity	(5,425,195)	(3,914,168)	(3,628,283)	(2,392,963)	(1,959,353)	(2,638,232)	(1,964,620)	(1,660,629)	(3,048,651)	(2,015,946)
14,784,986	Special Funds at 30 June	17,378,883	17,467,497	18,042,585	19,962,717	22,481,180	24,446,381	27,216,962	30,520,139	32,582,298	35,762,822
157,163,579	Revaluation reserve infrastructural at the beginning of the year	111,913,000	111,913,000	127,201,105	127,201,105	127,201,105	146,468,516	146,468,516	146,468,516	169,171,730	169,171,730
-	Net transfer from revaluation reserve on disposal	-	-	-	-	-	-	-	-	-	-
-	Transfer to revaluation	-	15,288,105	-	-	19,267,412	-	-	22,703,214	-	-
157,163,579	Revaluation reserve infrastructural at 30 June	111,913,000	127,201,105	127,201,105	127,201,105	146,468,516	146,468,516	146,468,516	169,171,730	169,171,730	169,171,730
309,237,402	Total Closing Equity at 30 June	273,375,770	289,405,974	290,355,351	290,529,618	309,798,245	309,085,714	308,818,298	330,770,980	330,364,722	330,062,205

MATAPAE TŪ PŪTEA - PROSPECTIVE STATEMENT OF FINANCIAL POSITION

2017/18 ANN PLAN		2018/19 PROJECTED	2019/20 PROJECTED	2020/21 PROJECTED	2021/22 PROJECTED	2022/23 PROJECTED	2023/24 PROJECTED	2024/25 PROJECTED	2025/26 PROJECTED	2026/27 PROJECTED	2027/28 PROJECTED
	Assets										
	Current Assets										
438,072	Cash and Cash Equivalents	2,286,580	1,136,924	1,276,806	974,162	216,712	641,756	528,140	591,766	444,959	360,011
3,921	Inventories	58,323	58,323	58,323	58,323	58,323	58,323	58,323	58,323	58,323	58,323
2,254,306	Trade and Other Receivables	3,138,154	3,601,969	3,638,062	3,320,762	3,291,154	2,832,270	2,950,788	2,949,597	3,253,846	3,297,294
2,696,299	Total Current Assets	5,483,057	4,797,215	4,973,190	4,353,247	3,566,188	3,532,348	3,537,251	3,599,685	3,757,128	3,715,628
	Non Current Assets										
-	Reserves	-	-	-	-	-	-	-	-	-	-
294,887,035	Property Plant and Equipment	261,026,448	282,703,749	286,846,696	291,839,151	314,397,468	316,643,334	317,113,679	339,392,573	338,287,454	338,919,815
15,239,982	Work in Progress	12,073,444	10,033,605	11,095,004	9,807,106	8,877,072	7,261,740	6,778,788	6,229,594	8,084,613	7,377,088
60,247	Loans and Other Receivables	247	247	247	247	247	247	247	247	247	247
277,000	Investment Property	-	-	-	-	-	-	-	-	-	-
150,380	Biological Assets	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
1,250,000	Investments in Subsidiary	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
22,992	Available for Sale Financial Assets	22,992	22,992	22,992	22,992	22,992	22,992	22,992	22,992	22,992	22,992
147,109	Intangible Assets	187,930	216,695	199,532	182,369	177,869	173,369	168,869	164,369	159,869	155,369
5,330,701	Financial Assets at Fair Value	9,122,259	7,872,259	5,372,259	4,697,259	4,247,259	3,197,259	2,797,259	2,797,259	1,497,259	1,247,259
317,365,446	Total Non Current Assets	283,943,320	302,359,546	305,046,729	308,059,123	329,232,906	328,808,941	328,391,833	350,117,034	349,562,434	349,232,770
320,061,745	Total Assets	289,426,376	307,156,762	310,019,920	312,412,370	332,799,095	332,341,289	331,929,084	353,716,719	353,319,562	352,948,398
	Liabilities										
	Current Liabilities										
-	Trust Funds and Deposits	250,327	250,327	250,327	250,327	250,327	250,327	250,327	250,327	250,327	250,327
5,225,116	Trade Payables	7,407,801	7,500,931	7,629,458	7,601,930	7,729,009	7,858,730	7,872,675	7,916,799	8,119,416	8,147,038
-	Employee Benefit Liabilities	399,735	407,029	414,462	422,036	429,754	437,619	445,633	453,800	462,122	470,602
-	Contract Retentions	614,852	627,149	639,692	652,486	665,536	678,846	692,423	706,272	720,397	734,805
5,225,116	Total Current Liabilities	8,672,715	8,785,436	8,933,940	8,926,779	9,074,626	9,225,523	9,261,059	9,327,199	9,552,263	9,602,773

WAIROA

2017/18 ANN PLAN		2018/19 PROJECTED	2019/20 PROJECTED	2020/21 PROJECTED	2021/22 PROJECTED	2022/23 PROJECTED	2023/24 PROJECTED	2024/25 PROJECTED	2025/26 PROJECTED	2026/27 PROJECTED	2027/28 PROJECTED
	Non Current Liabilities										
121,063	Employee Benefit Liabilities	112,368	114,708	119,961	123,608	125,720	130,615	136,364	140,436	99,505	94,399
5,000,000	Borrowings	6,535,594	7,498,119	9,234,871	11,432,600	13,027,656	13,101,167	12,888,911	12,626,686	12,423,882	12,281,229
478,126	Landfill Aftercare	729,928	752,524	775,796	799,764	824,448	849,870	876,053	903,018	930,790	959,392
5,599,189	Total Non Current Liabilities	7,377,891	8,365,352	10,130,629	12,355,972	13,977,824	14,081,652	13,901,328	13,670,140	13,454,177	13,335,020
10,824,305	Total Liabilities	16,050,606	17,150,788	19,064,569	21,282,751	23,052,450	23,307,175	23,162,387	22,997,339	23,006,440	22,937,793
	Equity										
	Retained earnings										
293,866,321	Unrestricted Reserves	141,802,222	144,083,888	145,337,372	145,711,661	143,965,797	140,796,949	138,119,218	135,081,220	131,027,511	128,559,093
586,099	Surplus/(Deficit) for the Year	529,334	1,342,098	949,377	174,268	(650,385)	(712,531)	(267,416)	(750,532)	(406,259)	(302,517)
-	Transfers to/From Special Reserves	1,752,331	(88,614)	(575,088)	(1,920,132)	(2,518,463)	(1,965,201)	(2,770,581)	(3,303,177)	(2,062,159)	(3,180,524)
294,452,420	Total Retained earnings	144,083,888	145,337,372	145,711,661	143,965,797	140,796,949	138,119,218	135,081,220	131,027,511	128,559,093	125,076,053
	Other Reserves										
-	Revaluation Reserves	111,913,000	127,201,105	127,201,105	127,201,105	146,468,516	146,468,516	146,468,516	169,171,730	169,171,730	169,171,730
14,785,020	Special Funds	17,378,883	17,467,497	18,042,585	19,962,717	22,481,180	24,446,381	27,216,962	30,520,139	32,582,298	35,762,822
14,785,020	Total Other Reserves	129,291,883	144,668,602	145,243,690	147,163,822	168,949,696	170,914,897	173,685,478	199,691,869	201,754,029	204,934,552
309,237,440	Total Equity	273,375,770	290,005,974	290,955,351	291,129,618	309,746,645	309,034,114	308,766,698	330,719,380	330,313,122	330,010,605
320,061,745	Total Equity and Liabilities	289,426,376	307,156,762	310,019,920	312,412,370	332,799,096	332,341,290	331,929,085	353,716,719	353,319,562	352,948,398

PROJECTED STATEMENT OF FINANCIAL POSITION (SUMMARY) - NET TANGIBLE ASSETS

2017/18 ANN PLAN		2018/19 PROJECTED	2019/20 PROJECTED	2020/21 PROJECTED	2021/22 PROJECTED	2022/23 PROJECTED	2023/24 PROJECTED	2024/25 PROJECTED	2025/26 PROJECTED	2026/27 PROJECTED	2027/28 PROJECTED
	Working Capital										
2,696,299	Total Current Assets	5,483,057	4,797,215	4,973,190	4,353,247	3,566,188	3,532,348	3,537,251	3,599,685	3,757,128	3,715,628
(5,225,116)	Total Current Liabilities	(8,672,715)	(8,785,436)	(8,933,940)	(8,926,779)	(9,074,626)	(9,225,523)	(9,261,059)	(9,327,199)	(9,552,263)	(9,602,773)
(2,528,817)	Net Working Capital	(3,189,658)	(3,988,221)	(3,960,750)	(4,573,532)	(5,508,438)	(5,693,175)	(5,723,808)	(5,727,513)	(5,795,135)	(5,887,145)
	Plus/(Less) Non-Current Items										
317,365,446	Total Non-Current Assets	283,943,320	302,359,546	305,046,729	308,059,123	329,232,906	328,808,941	328,391,833	350,117,034	349,562,434	349,232,770
(5,599,189)	Total Non-Current Liabilities	(7,377,891)	(8,365,352)	(10,130,629)	(12,355,972)	(13,977,824)	(14,081,652)	(13,901,328)	(13,670,140)	(13,454,177)	(13,335,020)
309,237,440	Total Net Tangible Assets	273,375,770	290,005,974	290,955,351	291,129,618	309,746,644	309,034,114	308,766,697	330,719,380	330,313,121	330,010,604
309,237,440	Total Equity	273,375,770	290,005,974	290,955,351	291,129,618	309,746,645	309,034,114	308,766,698	330,719,380	330,313,122	330,010,605

WAIROA

MATAPAE KAPEWHITI - PROSPECTIVE CASH FLOW STATEMENT

2017/18 ANN PLAN		2018/19 PROJECTED	2019/20 PROJECTED	2020/21 PROJECTED	2021/22 PROJECTED	2022/23 PROJECTED	2023/24 PROJECTED	2024/25 PROJECTED	2025/26 PROJECTED	2026/27 PROJECTED	2027/28 PROJECTED
	CASHFLOW FROM OPERATING ACTIVITIES										
	<i>Cash will be provided from:</i>										
11,237,540	Rates	12,327,229	12,162,059	13,177,678	14,155,258	14,385,579	15,190,540	14,995,151	15,418,045	15,436,793	16,115,984
14,223,440	Other Revenue	11,399,833	12,209,974	12,784,218	11,598,702	12,017,372	11,827,227	12,183,655	12,055,053	13,131,209	13,155,186
-	Investment Income	694,524	550,866	444,351	400,468	385,678	343,991	331,718	340,992	288,046	282,507
25,460,980	Total Inflows from Operations	24,421,586	24,922,899	26,406,247	26,154,428	26,788,630	27,361,758	27,510,524	27,814,090	28,856,048	29,553,676
	<i>Cash will be applied to:</i>										
(19,648,223)	Payments to Suppliers and Employees	(14,197,398)	(18,249,201)	(18,728,397)	(18,744,085)	(19,210,024)	(19,933,454)	(20,166,942)	(20,394,182)	(21,150,736)	(21,502,150)
(548,210)	Interest Paid	(528,807)	(602,275)	(679,715)	(778,610)	(852,439)	(865,031)	(866,153)	(864,463)	(864,701)	(866,734)
(20,196,433)	Total Outflows from Operations	(14,726,206)	(18,851,475)	(19,408,113)	(19,522,695)	(20,062,463)	(20,798,485)	(21,033,095)	(21,258,645)	(22,015,437)	(22,368,884)
5,264,547	NET CASH FLOW FROM OPERATIONS	9,695,380	6,071,423	6,998,134	6,631,733	6,726,166	6,563,273	6,477,428	6,555,445	6,840,611	7,184,793
	INVESTING ACTIVITIES										
	<i>Cash will be provided from:</i>										
9,546,838	Sale of Investments	-	1,250,000	2,500,000	675,000	450,000	1,050,000	400,000	-	1,300,000	250,000
9,546,838	Total Inflows from Investing Activities	-	1,250,000	2,500,000	675,000	450,000	1,050,000	400,000	-	1,300,000	250,000
	<i>Cash will be applied to:</i>										
(14,676,717)	Asset purchases and construction	(12,073,444)	(10,033,605)	(11,095,004)	(9,807,106)	(8,877,072)	(7,261,740)	(6,778,788)	(6,229,594)	(8,084,613)	(7,377,088)
-	Investments purchased	(1,975,000)	-	-	-	-	-	-	-	-	-
(14,676,717)	Total Outflows from Investing	(14,048,444)	(10,033,605)	(11,095,004)	(9,807,106)	(8,877,072)	(7,261,740)	(6,778,788)	(6,229,594)	(8,084,613)	(7,377,088)
(5,129,879)	NET CASH FLOWS FROM INVESTING	(14,048,444)	(8,783,605)	(8,595,004)	(9,132,106)	(8,427,072)	(6,211,740)	(6,378,788)	(6,229,594)	(6,784,613)	(7,127,088)
	FINANCING ACTIVITIES										
	<i>Cash will be provided from:</i>										
-	Loans Raised in Year	1,535,594	1,037,228	1,853,183	2,383,500	1,854,437	390,852	115,877	77,994	145,563	214,547
	<i>Cash will be applied to:</i>										
-	Loans Repaid in Year	-	(74,703)	(116,431)	(185,771)	(259,381)	(317,341)	(328,133)	(340,219)	(348,367)	(357,200)
-	NET CASH FLOW FROM FINANCING	1,535,594	962,525	1,736,752	2,197,729	1,595,056	73,511	(212,256)	(262,225)	(202,804)	(142,653)
134,668	Net Increase/(Decrease)	(2,817,470)	(1,749,657)	139,882	(302,644)	(105,850)	425,044	(113,616)	63,626	(146,807)	(84,948)
104,826	Plus Opening Bank Balance	5,104,050	2,286,580	536,924	676,806	374,162	268,312	693,356	579,740	643,366	496,560
239,494	Bank Balance at end of year	2,286,580	536,924	676,806	374,162	268,312	693,356	579,740	643,366	496,560	411,611

MATAPAE PŪTEA PENAPENA - PROSPECTIVE MOVEMENT IN RESERVES STATEMENT

2017/18 ANN PLAN		2018/19 PROJECTED	2019/20 PROJECTED	2020/21 PROJECTED	2021/22 PROJECTED	2022/23 PROJECTED	2023/24 PROJECTED	2024/25 PROJECTED	2025/26 PROJECTED	2026/27 PROJECTED	2027/28 PROJECTED
Reserves held for Emergency Purposes											
713,435	Opening Balance	594,399	607,096	620,896	634,938	648,188	660,410	671,320	681,517	690,813	699,214
10,246	Transfers to Reserves	12,697	13,800	14,042	13,250	12,222	10,910	10,197	9,296	8,401	7,964
-	Transfers from Reserves	-	-	-	-	-	-	-	-	-	-
723,681	Closing balance	607,096	620,896	634,938	648,188	660,410	671,320	681,517	690,813	699,214	707,178
Reserves held for future Asset Purchases											
16,087,126	Opening Balance	15,750,455	13,670,679	13,520,124	13,859,682	15,555,856	17,865,348	19,640,745	22,223,684	25,356,672	27,268,838
2,489,516	Transfers to Reserves	3,301,169	3,678,488	3,864,096	4,414,695	4,596,463	4,411,332	4,978,552	5,091,385	4,974,134	5,513,692
(8,155,054)	Transfers from Reserves	(5,380,944)	(3,829,043)	(3,524,538)	(2,718,522)	(2,286,971)	(2,635,935)	(2,395,614)	(1,958,397)	(3,061,968)	(2,462,837)
10,421,588	Closing balance	13,670,679	13,520,124	13,859,682	15,555,856	17,865,348	19,640,745	22,223,684	25,356,672	27,268,838	30,319,693
Reserves held for future Operational Costs											
3,012,596	Opening Balance	1,184,885	1,210,195	1,237,705	1,265,697	1,292,110	1,316,474	1,338,223	1,358,549	1,377,078	1,393,825
43,264	Transfers to Reserves	25,310	27,510	27,992	26,413	24,364	21,749	20,326	18,529	16,747	15,877
(63,000)	Transfers from Reserves	-	-	-	-	-	-	-	-	-	-
2,992,860	Closing balance	1,210,195	1,237,705	1,265,697	1,292,110	1,316,474	1,338,223	1,358,549	1,377,078	1,393,825	1,409,702
Reserves held for repayment of maturing debt											
418,557	Opening Balance	1,601,475	1,890,912	2,088,772	2,282,268	2,466,564	2,638,948	2,796,092	2,953,212	3,095,576	3,220,421
228,300	Transfers to Reserves	289,437	197,860	193,496	184,295	172,384	157,145	157,120	142,364	124,845	105,827
-	Transfers from Reserves	-	-	-	-	-	-	-	-	-	-
646,857	Closing balance	1,890,912	2,088,772	2,282,268	2,466,564	2,638,948	2,796,092	2,953,212	3,095,576	3,220,421	3,326,249
14,784,986	Total Reserve Funds	17,378,883	17,467,497	18,042,585	19,962,717	22,481,180	24,446,381	27,216,962	30,520,139	32,582,298	35,762,822

EMERGENCY FUNDS

Disaster Recovery Reserve to fund Council's share of any natural disaster or costs of an unforeseen event.

RESERVES HELD TOWARD FUTURE ASSET PURCHASES

These include proceeds from the sale of Council-owned infrastructure, land and buildings and are held in the District Development Reserve and may be used towards the cost of purchasing or constructing new assets. A number of Depreciation Reserves are held to fund the renewal of infrastructure and other assets.

RESERVES HELD TO MEET FUTURE OPERATIONAL COSTS

These reserves include:

- Administration reserves – funds carried over from one financial year to the next to match related expenditure.
- Retirement and restructuring reserves – to fund future retirement, redundancy, long-service gratuities and costs associated with Council reorganisations.

RESERVES HELD AGAINST REPAYMENT OF MATURING DEBT

Reserves are held for the purpose of repaying debt as it matures. A detailed schedule of all reserves funds, containing forecast movements and balances is shown on the next page.

RESERVES FUNDS

Type	Name	Balance as at 1 July 2018	Total Deposits	Total Withdrawals	Balance at 30 June 2028
Emergency	Disaster Recovery Reserve	(594,398.64)	(112,779.00)	-	(707,177.64)
Asset	District Development Fund	(202,860.85)	(38,489.00)	-	(241,349.85)
Asset	Asset and Vehicle Depreciation Reserve	(803,882.73)	(7,068,050.80)	2,354,579.00	(5,517,354.53)
Asset	Information Systems Renewal Reserve	(262,588.83)	(3,165,005.00)	437,000.00	(2,990,593.83)
Asset	Water Production Depreciation Reserve	(1,235,367.58)	(2,892,622.82)	1,126,750.00	(3,001,240.40)
Asset	Water Reticulation Depreciation Reserve Wairoa	(1,582,158.47)	(4,724,589.97)	2,867,485.00	(3,439,263.44)
Asset	Water Reticulation Depreciation Reserve Peri Urban	(112,758.64)	(21,396.00)	-	(134,154.64)
Asset	Water Reticulation Depreciation Reserve Tuai	(45,701.96)	(8,672.00)	-	(54,373.96)
Asset	Water Reticulation Depreciation Reserve Frasertown	(39,726.41)	(7,539.00)	-	(47,265.41)
Asset	Water Reticulation Depreciation Reserve Mahanga	(12,471.15)	(2,366.00)	-	(14,837.15)
Asset	Sewerage System Depreciation Reserve Wairoa	(3,443,706.14)	(7,959,921.72)	4,923,975.00	(6,479,652.86)
Asset	Sewerage System Depreciation Reserve Tuai	(293,410.97)	(55,671.00)	-	(349,081.97)
Asset	Stormwater Reticulation Depreciation Reserve Wairoa	(1,586,802.56)	(2,749,338.66)	1,426,015.00	(2,910,126.22)
Asset	Stormwater Reticulation Depreciation Reserve Mahia	(10,669.86)	(2,025.00)	-	(12,694.86)
Asset	Parking Area Depreciation Reserve	(422,277.95)	(412,272.00)	25,484.00	(809,065.95)
Asset	Bridges Depreciation Reserve	(3,861,427.52)	3,754,402.10	1,208,341.36	1,101,315.94
Asset	Landfill/RTS Depreciation Reserve	(316,627.85)	(1,049,780.00)	-	(1,366,407.85)
Asset	Airport Runway Depreciation Reserve	(5,849.81)	(27,985.00)	596,618.00	562,783.19
Asset	Roading Depreciation Reserve	0.12	(14,275,877.96)	14,225,877.96	(49,999.88)
Asset	Footpaths Depreciation Reserve	(718,242.43)	(136,280.00)	-	(854,522.43)
Asset	Library Book Stocks Depreciation Reserve	(170,607.18)	(660,199.00)	-	(830,806.18)
Asset	Pensioner Housing Depreciation Reserve	(97,726.49)	(370,638.00)	72,120.00	(396,244.49)
Asset	Parks and Reserves Depreciation Reserve	(31,225.03)	(2,624,857.00)	990,523.00	(1,665,559.03)
Asset	General Purpose Fund	(494,364.38)	(324,833.00)	-	(819,197.38)
Operational	Wairoa Urban Fund	(212,308.82)	(40,284.00)	-	(252,592.82)

WAIROA

Type	Name	Balance as at 1 July 2018	Total Deposits	Total Withdrawals	Balance at 30 June 2028
Operational	Retirement and Restructuring Reserve	(117,462.32)	(22,286.00)	-	(139,748.32)
Operational	Tuai Village Reserve	(177,004.34)	(33,586.00)	-	(210,590.34)
Operational	Water Production Reserve	(338,474.33)	(64,221.00)	-	(402,695.33)
Operational	Water Reticulation Reserve - Wairoa	(44,711.96)	(8,483.00)	-	(53,194.96)
Operational	Water Reticulation Reserve - Wairoa Peri Urban	(261,359.91)	(49,589.00)	-	(310,948.91)
Operational	Water Reticulation Reserve - Frasertown	(33,563.17)	(6,368.00)	-	(39,931.17)
Operational	Water Reticulation Reserve - Mahanga	(0.50)	-	-	(0.50)
Debt	Loan Repayment Reserve	(848,414.96)	(1,581,887.18)	-	(2,430,302.14)
Debt	Loan Repayment Reserve - Internal Loans	(753,060.39)	(142,886.00)	-	(895,946.39)

MATAPAE WHAKAPAUNGA UTU - PROSPECTIVE CAPITAL & PROJECT EXPENDITURE

2017/18 ANNUAL PLAN	PROJECT DESCRIPTION	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
	Water Services										
	Water Reticulation System										
	Capital expenditure - to improve the level of service										
10,000	WR40193. New Tawhara Reservoir	-	-	-	-	-	-	-	-	-	-
20,000	WR4082. Asset Management Modelling Design	25,000	-	-	-	-	-	-	-	-	-
-	WR42013. New Water Bore Blue Bay & Supply Line	35,000	-	-	-	-	-	-	-	-	-
30,000	Total Capital expenditure - to improve the level of service	60,000	-	-	-	-	-	-	-	-	-
	Capital expenditure - to replace existing assets										
350,000	WR4000. WAIROA PIPELINES RENEWALS	200,000	205,600	210,600	215,800	221,400	227,400	233,800	240,600	247,800	255,600
21,071	WR40191. VALVE REPLACEMENTS	-	10,280	10,530	10,790	11,070	11,370	11,690	12,030	12,390	12,780
100,000	WR4030. WAIROA RESERVOIRS - RENEWALS	20,000	-	-	-	-	-	-	-	-	-
52,679	WR4083. Renewals Modelling	25,000	25,700	10,530	10,790	11,070	11,370	11,690	12,030	12,390	12,780
21,383	WR4084. Conditioning Report	20,000	20,560	10,530	10,790	11,070	11,370	11,690	12,030	12,390	12,780
-	WR4086. Replacement Reservoir Construction	10,000	-	-	-	-	-	-	-	-	-
10,536	WR4087. Mahanga Reticulation	25,000	5,140	5,265	5,395	5,535	5,685	5,845	6,015	6,195	6,390
21,071	WR4088. Tuai Reticulation	20,000	10,280	10,530	10,790	11,070	11,370	11,690	12,030	12,390	12,780
10,000	WR4230. TUAI RESERVOIRS - RENEWALS	-	-	-	-	-	-	-	-	-	-
586,740	Total Capital expenditure - to replace existing assets	320,000	277,560	257,985	264,355	271,215	278,565	286,405	294,735	303,555	313,110
616,740	Total Water Reticulation System	380,000	277,560	257,985	264,355	271,215	278,565	286,405	294,735	303,555	313,110
	Water Treatment Plant										
	Capital expenditure - to improve the level of service										
-	WT40022. Install Intake WAN	8,000	-	-	-	-	-	-	-	-	-
-	WT4052. HP ProBook Laptop	5,000	-	-	-	-	-	-	-	-	-
-	WT4061. Purchase Vehicle	-	-	-	-	-	28,425	23,380	-	-	31,950
20,000	WT4075. Investigate Alternative Water Supply	-	-	-	-	-	-	-	-	-	-
-	WT4078. Resilience Earthquake Valves & Bore Investign	25,000	-	-	-	-	-	-	-	-	-
20,000	WT4098. Blue Bay Bore Rehabilitation	50,000	-	-	-	-	-	-	-	-	-
-	WT4100. Chlorine Analyser	8,500	10,280	10,530	10,790	11,070	11,370	11,690	12,030	12,390	12,780
-	WT4103. Install Chlorine Gas Leak Wind Socks WTP Tawhara	3,500	-	-	-	-	-	-	-	-	-
-	WT4104. Blue Bay Telemetry SCADA Upgrade	30,000	-	-	-	-	-	-	-	-	-
-	WT4105. Blue Bay WT Upgrade include WSP & Consent	100,000	-	-	-	-	-	-	-	-	-

WAIROA

2017/18 ANNUAL PLAN	PROJECT DESCRIPTION	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
-	WT4106. Install Chlorination & Monitoring Tuai Water Supply	25,000	-	-	-	-	-	-	-	-	-
40,000	Total Capital expenditure - to improve the level of service	255,000	10,280	10,530	10,790	11,070	39,795	35,070	12,030	12,390	44,730
	Capital expenditure - to replace existing assets										
37,420	WT4022. RENEWAL EXPENDITURE	25,000	25,700	26,325	26,975	27,675	28,425	29,225	30,075	30,975	31,950
-	WT4047. RENEW BACKWASH VALVES & CONTROL	25,000	-	-	-	-	-	-	-	-	-
3,843	WT40522. Purchase Apple iPad Air Wi-Fi	-	-	-	-	-	-	-	-	-	-
10,691	WT4067. Boundary Valves Pump Station	10,000	-	-	-	-	-	-	-	-	-
-	WT4069. Safety Improvement	10,000	10,280	10,530	10,790	11,070	11,370	11,690	12,030	12,390	12,780
-	WT4070. Cleaning Inspection Reservoir	15,000	-	-	-	-	-	-	-	-	-
-	WT4086. Conditioning Sampling	10,380	10,280	10,530	10,790	11,070	11,370	11,690	12,030	12,390	12,780
-	WT4088. Paint Building	5,000	-	-	-	-	-	-	-	-	-
158,814	WT4089. Mahanga Water Chlorine Equipment	-	-	-	-	-	-	-	-	-	-
51,900	WT40891. Install Mahanga Telemetry	235,000	-	-	-	-	-	-	-	-	-
103,800	WT4095. Sheetpile Protection of Intake	100,000	-	-	-	-	-	-	-	-	-
100,000	WT4096. Replacement Switchboard	100,000	-	-	-	-	-	-	-	-	-
-	WT4101. Replace Vinyl Flooring WTP	25,000	-	-	-	-	-	-	-	-	-
-	WT4102. Re Roof Boundary Generator Room	5,000	-	-	-	-	-	-	-	-	-
466,468	Total Capital expenditure - to replace existing assets	565,380	46,260	47,385	48,555	49,815	51,165	52,605	54,135	55,755	57,510
506,468	Total Water Treatment Plant	820,380	56,540	57,915	59,345	60,885	90,960	87,675	66,165	68,145	102,240
	Stormwater Drainage										
	Capital expenditure - to improve the level of service										
-	SD4008. CONSULTANCY MAHIA STORMWATER	50,000	-	-	-	-	-	-	-	-	-
306,914	SD4600. PIPING OPEN DRAINS - WAIROA	225,000	231,300	129,168	137,387	145,886	155,084	165,507	177,304	190,097	196,081
306,914	Total Capital expenditure - to improve the level of service	275,000	231,300	129,168	137,387	145,886	155,084	165,507	177,304	190,097	196,081
	Capital expenditure - to replace existing assets										
267,285	SD4000. WAIROA PIPELINE RENEWALS	75,000	102,800	105,300	107,900	110,700	113,700	116,900	120,300	123,900	127,800
5,190	SD4051. Deterioration Modelling	5,000	5,140	-	-	-	5,685	-	-	-	6,390
105,357	SD4052. CCTV	-	-	-	-	-	56,850	58,450	-	-	-
51,900	SD4084. Conditioning Report	-	-	-	-	-	-	-	-	-	-
-	SD4200. MAHIA BCH PIPELINES RENEWALS	30,000	154,200	-	-	-	-	-	-	-	-
429,732	Total Capital expenditure - to replace existing assets	110,000	262,140	105,300	107,900	110,700	176,235	175,350	120,300	123,900	134,190
736,646	Total Stormwater Drainage	385,000	493,440	234,468	245,287	256,586	331,319	340,857	297,604	313,997	330,271
	Wastewater										
	Capital expenditure - to improve the level of service										
60,076	SG4007. DESLUDGE OXIDATION PONDS	60,000	102,800	210,600	107,900	-	-	-	-	-	-

WAIROA

2017/18 ANNUAL PLAN	PROJECT DESCRIPTION	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
25,000	SG4014. TELEMETRY BASE SETS WAIROA	20,000	10,280	10,530	10,790	-	-	-	-	-	-
-	SG4025. Infiltration - resulting from Study	50,000	51,400	52,650	53,950	55,350	56,850	-	-	-	-
317,628	SG4036. Constructiom Of Plant for new Wairoa Consent	-	-	-	269,750	553,500	284,250	-	-	-	-
10,380	SG4105. Purchase Flow Meters	10,380	-	-	-	-	-	-	-	-	-
-	SG4106. Fitzroy Plant Repl Dischge Valves	-	-	263,250	269,750	110,700	-	-	-	-	-
413,084	Total Capital expenditure - to improve the level of service	140,380	164,480	537,030	712,140	719,550	341,100	-	-	-	-
	Capital expenditure - to replace existing assets										
-	SG402611. 01 - Project Management – Technical Coordination	-	-	210,600	-	-	-	-	-	-	-
-	SG402654. Outfall - Lowe Environmental	-	-	-	539,500	-	-	-	-	-	-
-	SG402655. Storage - Lowe Environmental	-	-	-	269,750	553,500	-	-	-	-	-
-	SG402656. Catchment - Lowe Environmental	100,000	51,400	52,650	53,950	55,350	56,850	58,450	60,150	61,950	63,900
40,000	SG4028. Magnaflux Transducers	5,000	-	-	-	-	-	-	-	-	-
30,000	SG4029. Larger Pumps North Clyde	-	-	-	-	-	-	-	-	-	-
177,000	SG4030. Replace Kopu Road Line	-	-	-	-	-	-	-	-	-	-
106,915	SG4031. CCTV Infiltration Investigation	120,000	120,000	157,950	-	-	-	-	-	-	-
125,355	SG4033. Infiltration Tests	50,000	-	-	-	-	-	-	-	-	-
157,255	SG4034. Data verification/condition reporting	25,000	-	-	-	-	-	-	-	-	-
80,185	SG4035. Consultancy for Wairoa WW Consent	750,000	102,800	52,650	-	-	-	-	-	-	-
105,355	SG4038. Wairoa Consent Application Consultatiom Legal Costs	100,000	51,400	-	-	-	-	-	-	-	-
30,038	SG4039. Step Filter	10,000	-	-	-	-	-	-	-	-	-
51,900	SG4040. Renewal Pump Stations	25,000	-	26,325	-	27,675	-	29,225	-	-	-
80,000	SG4102. Tuai Sand Filters	20,000	-	-	-	-	-	-	-	-	-
-	SG4351. Dedicated Generators each Pump Stations	-	154,200	-	107,900	110,700	-	116,900	-	185,850	-
-	SG4352. Rising Mains North Clyde & Alexander Park	200,000	-	-	-	-	-	-	-	-	-
-	SG4353. Rising Main Kopu Road to Pilot Hill	-	-	364,000	789,750	200,000	-	-	-	-	-
534,570	SG7000. WAIROA RETICULATION - RENEWALS	300,000	257,000	263,250	269,750	276,750	284,250	-	-	309,750	-
1,518,573	Total Capital expenditure - to replace existing assets	1,705,000	736,800	1,127,425	2,030,600	1,223,975	341,100	204,575	60,150	557,550	63,900
1,931,657	Total Wastewater	1,845,380	901,280	1,664,455	2,742,740	1,943,525	682,200	204,575	60,150	557,550	63,900
3,791,511	Total Water Services	3,430,760	1,728,820	2,214,823	3,311,727	2,532,211	1,383,044	919,512	718,654	1,243,247	809,521
	Waste Management										
	Waste Management										
	Capital expenditure - to improve the level of service										
20,000	WM4001. LANDFILL ROAD SEALING	30,000	-	-	-	-	-	-	-	-	-
20,000	WM4002. RTS LANDSCAPING/TREES	-	-	-	5,929	-	-	-	-	7,849	8,051
52,585	WM4012. RECYCLING CENTRE UPGRADE	20,000	20,440	20,880	21,340	21,840	22,340	22,880	23,460	24,040	24,660
50,000	WM4015. LANDFILL DIVERSION INFRASTRUCTURE	-	-	-	-	-	-	-	-	-	-

WAIROA

2017/18 ANNUAL PLAN	PROJECT DESCRIPTION	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
10,515	WM4022. Effluent System	-	-	-	-	-	-	-	-	-	-
75,000	WM4024. Recycling Centre Mahia	100,000	51,100	-	-	-	-	-	-	-	-
228,100	Total Capital expenditure - to improve the level of service	150,000	71,540	20,880	27,269	21,840	22,340	22,880	23,460	31,889	32,711
228,100	Total Waste Management	150,000	71,540	20,880	27,269	21,840	22,340	22,880	23,460	31,889	32,711
	Transport										
	Wairoa Airport										
	Capital expenditure - to improve the level of service										
200,000	WA4001. RUNWAY LIGHTS/CABLING REPAIRS	150,000	-	-	-	-	-	-	-	-	-
40,000	WA4002. RUNWAY SAFETY MARGINS	-	-	-	-	-	-	-	-	-	-
20,000	WA4007. Certification	20,000	-	10,440	-	10,920	-	11,440	-	12,020	-
1,000,000	WA4009. Runway Extension	-	-	-	-	-	-	-	-	-	-
40,000	WA4010. Airport Facilities Security Improvement	-	-	-	-	-	-	-	-	-	-
77,140	WA40101. Security Installation (Gate & Fence)	-	-	-	-	-	-	-	-	-	-
100,000	WA4011. Fuel Farm Development	-	-	-	-	-	-	-	-	-	-
35,000	WA4012. Airport Kitchen Upgrade	-	-	-	-	-	-	-	-	-	-
-	WA4999. Future Capital Requirements	-	-	120,000	-	-	-	-	-	-	-
1,512,140	Total Capital expenditure - to improve the level of service	170,000	-	130,440	-	10,920	-	11,440	-	12,020	-
	Capital expenditure - to replace existing assets										
20,000	WA4003. PAINT BUILDING	-	-	-	-	-	-	-	-	-	-
10,000	WA4006. Building Renewals	10,000	10,220	10,440	10,670	10,920	11,170	11,440	11,730	12,020	12,330
411,000	WA4008. Resurfacing Runway	-	-	-	-	-	-	-	-	-	-
-	WA40081. Re surfacing Aprons	-	198,881	-	-	-	-	-	-	-	-
-	WA40082. Re surfacing Taxiways (Area A&D)	-	-	-	76,824	-	-	-	-	-	-
-	WA40083. Re surfacing Taxiways (Area E)	-	-	-	-	-	26,808	-	-	-	-
-	WA40084. Re surfacing Runway Edges	-	-	-	-	-	-	-	-	86,544	-
20,000	WA4013. Airport Interior Mens Toilets	-	-	-	-	-	-	-	-	15,698	16,103
461,000	Total Capital expenditure - to replace existing assets	10,000	209,101	10,440	87,494	10,920	37,978	11,440	11,730	114,262	28,433
1,973,140	Total Wairoa Airport	180,000	209,101	140,880	87,494	21,840	37,978	22,880	11,730	126,282	28,433
	Roading Subsidised										
	Capital expenditure - to improve the level of service										
207,260	RS4500. ASSOCIATED IMPROVEMENTS	-	-	-	-	-	-	-	-	-	-
25,910	RS4550. COASTAL PROTECTION RESOURCE CONSENT	-	-	-	-	-	-	-	-	-	-
518,154	RS5200. 2013-14 Emergency New Flood Damage	520,000	531,440	542,880	555,880	568,880	582,400	596,960	612,560	629,200	646,880
51,815	RS9100. ROAD 38 EMERGENCY REINST - NEW	-	-	-	-	-	-	-	-	-	-
5,182	RS9300. DSH38 Sealed Pavement Maintenance	-	-	-	-	-	-	-	-	-	-
808,321	Total Capital expenditure - to improve the level of service	520,000	531,440	542,880	555,880	568,880	582,400	596,960	612,560	629,200	646,880

WAIROA

2017/18 ANNUAL PLAN	PROJECT DESCRIPTION	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
	Capital expenditure - to replace existing assets										
-	RS4000. PAVEMENT REHABILITATION	310,000	470,120	757,944	-	-	269,920	-	-	398,090	277,412
98,450	RS4048. Blacks Beach Erosion Protect Stage 2	-	-	-	-	-	-	-	-	-	-
-	RS4100. SEALED ROAD RESURFACING	884,000	790,006	1,085,760	801,750	806,278	667,520	1,003,352	813,998	1,249,930	1,039,984
853,404	RS4200. DRAINAGE RENEWALS	375,000	337,260	364,356	374,150	382,900	392,000	401,800	412,300	423,500	435,400
1,347,200	RS4300. STRUCTURES COMPONENT REPLACE	499,000	509,978	520,956	411,565	421,190	431,200	441,980	453,530	465,850	478,940
151,815	RS4400. TRAFFIC SERVICES RENEWALS	69,000	75,628	84,564	69,485	71,110	72,800	74,620	76,570	78,650	80,860
259,075	RS4600. MINOR IMPROVEMENTS RENEWALS	2,965,000	3,342,094	3,142,588	2,426,516	1,531,600	1,568,000	1,607,200	1,636,936	1,672,580	1,709,820
1,036,308	RS5100. 2013-14 Emergency Renewal Flood Damage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
124,355	RS8000. ROAD 38 UNSEALED RD METALLING	-	-	-	-	-	-	-	-	-	-
113,995	RS8100. ROAD 38 DRAINAGE RENEWALS	-	-	-	-	-	-	-	-	-	-
41,450	RS8200. ROAD 38-TRAFFIC SVCES RENEWAL	-	-	-	-	-	-	-	-	-	-
51,815	RS8300. ROAD 38 - RENEWAL STRUCTURES	-	-	-	-	-	-	-	-	-	-
263,000	RS8400. ROAD 38 STRUCTURES COPONENTS RENEWALS	-	-	-	-	-	-	-	-	-	-
18,000	RS8500. ROAD 38 MINOR IMPROVEMENTS	-	-	-	-	-	-	-	-	-	-
207,260	RS8600. ROAD 38 ASSOCIATED IMPROVEMENTS	-	-	-	-	-	-	-	-	-	-
4,566,127	Total Capital expenditure - to replace existing assets	6,102,000	6,525,086	6,956,168	5,083,466	4,213,078	4,401,440	4,528,952	4,393,334	5,288,600	5,022,416
5,374,448	Total Rooding Subsidised	6,622,000	7,056,526	7,499,048	5,639,346	4,781,958	4,983,840	5,125,912	5,005,894	5,917,800	5,669,296
	Rooding Non Subsidised										
	Capital expenditure - to improve the level of service										
280,000	RN4012. NEW FOOTPATH	-	-	-	-	-	-	-	-	-	-
10,000	RN40121. MARINE PARADE UPGRADE	-	-	-	-	-	-	-	-	-	-
34,615	RN4013. NEWCASTLE ST WALKWAY/CYCLE	-	-	-	-	-	-	-	-	-	-
25,000	RN40705. Urewera Rainforest Route Upgrade Feasibility	21,000	21,496	22,551	23,761	25,046	26,436	27,992	29,700	31,604	32,492
40,500	RN40706. Walkway Loop Design - feasibility	-	-	5,220	-	-	-	-	-	-	-
35,000	RN40708. Mahia Beach Drainage Pipi Cres Tamure Cres	-	-	-	-	-	-	-	-	-	-
36,808	RN40710. Mahanga Beach Drainage Happy Jack Rd	-	-	-	-	-	-	-	-	-	-
461,923	Total Capital expenditure - to improve the level of service	21,000	21,496	27,771	23,761	25,046	26,436	27,992	29,700	31,604	32,492
	Capital expenditure - to replace existing assets										
5,000	RN4031. UPGRADE PRAM/MOBILITY CROSSINGS	5,000	3,577	3,654	5,345	5,470	5,600	5,740	5,868	5,999	6,131
15,000	RN4041. UPGRADE ROAD STORMWATER RUNOOF OUTLETS	-	-	-	-	-	-	-	-	-	-
10,000	RN40502. C/WAY LIGHTING - REPLACE/NEW	10,000	10,220	10,440	10,690	10,940	11,200	11,480	11,735	11,998	12,261
100,000	RN40702. FOOTPATH UPGRADE	100,000	102,200	104,400	106,900	109,400	112,000	114,800	117,350	119,980	122,610
51,915	RN40703. TUAI FOOTPATH UPGRADE (DDF)	8,000	8,176	8,352	10,690	10,940	11,200	11,480	11,735	11,998	12,261
4,800	RN40707. Walkway James Carroll Expenses	3,500	3,577	3,654	3,742	3,829	3,920	4,018	4,107	4,199	4,291
186,715	Total Capital expenditure - to replace existing assets	126,500	127,750	130,500	137,367	140,579	143,920	147,518	150,795	154,174	157,554
648,638	Total Rooding Non Subsidised	147,500	149,246	158,271	161,128	165,625	170,356	175,510	180,495	185,778	190,046

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2017/18 ANNUAL PLAN	PROJECT DESCRIPTION	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
	Infrastructural Business Unit										
	Capital expenditure - to improve the level of service										
5,000	BU4000. PURCHASE OF SURVEYING EQUIPMENT	30,000	-	-	-	-	-	-	-	-	73,320
30,000	BU4001. PURCHASE OF VEHICLES	30,000	30,600	31,200	31,860	32,580	33,330	34,080	34,890	35,760	36,660
-	BU4002. PURCHASE OFFICE FURNITURE	1,000	1,020	1,040	1,062	1,086	1,111	1,136	1,163	1,192	1,222
-	BU4003. PURCHASE COMPUTER EQUIPMENT	5,000	2,550	5,200	2,655	5,430	2,778	5,680	2,908	5,960	3,055
35,000	Total Capital expenditure - to improve the level of service	66,000	34,170	37,440	35,577	39,096	37,219	40,896	38,961	42,912	114,257
35,000	Total Infrastructural Business Unit	66,000	34,170	37,440	35,577	39,096	37,219	40,896	38,961	42,912	114,257
	Parking										
	Capital expenditure - to improve the level of service										
25,000	PA4013. Whakamahi Devel Project Car Parks	25,000	-	-	-	-	-	-	-	-	-
25,000	Total Capital expenditure - to improve the level of service	25,000	-	-	-	-	-	-	-	-	-
	Capital expenditure - to replace existing assets										
25,000	PA4006. RENEWAL MAINTENANCE	-	-	-	-	-	-	-	-	-	-
11,270	PA4012. REMARK CARPARKS	-	-	11,484	-	-	14,000	-	-	-	-
36,270	Total Capital expenditure - to replace existing assets	-	-	11,484	-	-	14,000	-	-	-	-
61,270	Total Parking	25,000	-	11,484	-	-	14,000	-	-	-	-
8,092,496	Total Transport	7,040,500	7,449,043	7,847,123	5,923,545	5,008,519	5,243,393	5,365,198	5,237,080	6,272,772	6,002,032
	Community Facilities										
	Parks and Reserves										
	Capital expenditure - to improve the level of service										
30,000	PR4001. DEMOLISH ORMOND RES TOILETS	-	-	-	-	-	-	-	-	-	-
20,000	PR4003. NEW PUBLIC TOILETS : TUAI	-	-	-	-	-	-	-	-	-	-
20,000	PR4004. RIVERBANK PLANTING	-	-	-	-	-	-	-	-	-	-
20,000	PR4006. TOILETS MAHANGA	-	-	-	-	-	-	-	-	-	-
200,000	PR40121. Wairoa CBD Upgrade	-	-	-	-	-	-	-	-	-	-
20,000	PR40122. Marine Parade Christmas Decorations	-	-	-	-	-	-	-	-	-	-
200,000	PR40123. Tourism Infrastructure	-	-	-	-	-	-	-	-	-	-
5,000	PR4016. NEW TOILET - NTH CLYDE	-	-	-	-	-	-	-	-	-	-
10,000	PR4018. PUBLIC SPACE ENHANCEMENT	-	-	-	-	-	-	-	-	-	-
25,000	PR4026. PICNIC TABLES	10,000	10,220	10,440	10,670	10,920	11,170	11,440	11,730	12,020	12,330
10,000	PR4028. KOPI RD BANK PROTECTION SK DDF	-	-	-	-	-	-	-	-	-	-
35,000	PR4030. ORAKA TOILETS SAFETY BOLLARDS	-	-	-	-	-	-	-	-	-	-
20,000	PR4039. NUHAKA DOMAIN TREE REMOVAL	-	-	-	-	-	-	-	-	-	-
40,000	PR4045. PLAYGROUND FENCE	-	-	-	-	-	-	-	-	-	-
25,000	PR4046. SKATE PARK UPGRADE	10,000	-	-	-	-	-	-	-	-	-

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20,000	PR4047. IMPLEMENT OPOUTAMA RMP	20,000	-	-	-	-	-	-	-	-	-
15,000	PR4048. New Picnic Tables	16,000	16,352	16,704	17,072	17,472	17,872	18,304	18,768	19,232	19,728
25,000	PR40551. Mahia Beach Toilet Improvement	-	-	-	-	-	-	-	-	-	-
60,000	PR40552. Whangawehi Toilets	15,000	-	-	-	-	-	-	-	-	-
-	PR4058. Whakamahi Beach Project	-	-	-	-	-	-	43,161	-	-	-
250,000	PR4059. Main Street Toilets Project	100,000	-	-	-	-	-	-	-	-	-
100,000	PR4062. New Playground Equipment	-	-	-	-	-	-	-	-	-	-
10,000	PR4063. CCTV Camera Installation	25,000	-	-	29,646	-	-	-	-	-	-
20,000	PR4064. Implement Rangihoua RMP	-	-	-	-	-	-	-	-	-	-
30,000	PR40652. Permanent Norfolk Pine Installations	-	-	-	-	-	-	-	-	-	-
1,210,000	Total Capital expenditure - to improve the level of service	196,000	26,572	27,144	57,388	28,392	29,042	87,292	30,498	31,252	32,058
	Capital expenditure - to replace existing assets										
25,000	PR40021. Upgrade Nuhaka Toilets	-	-	-	-	-	-	-	-	-	-
5,000	PR4010. RESEALING NETBALL COURTS	-	-	-	-	-	-	-	-	-	-
-	PR40161. Toilet Renewals	50,000	51,100	52,224	53,373	54,547	55,747	56,973	58,226	59,507	60,816
10,000	PR4025. PLAYGROUND RENEWALS	10,000	10,220	10,440	10,670	10,920	55,850	11,440	11,730	12,020	12,330
25,000	PR40301. Oraka Toilet Renewals	-	-	-	-	-	-	-	-	-	-
45,000	PR4040. LIGHTHOUSE WINDOWS UPGRADE	25,000	-	-	-	-	55,850	-	-	-	-
-	PR4049. Improve Boat Ramp	10,000	-	-	-	-	-	-	-	-	-
5,000	PR4053. Lampton Square Upgrade	10,000	-	-	-	-	-	-	-	-	-
10,000	PR4054. Clyde Domain Football Pavilion	10,000	-	-	-	-	-	-	-	-	-
15,000	PR4055. Mokotahi Toilets	-	-	-	-	-	-	-	-	-	-
10,000	PR4057. Wilding Pine Clearance	10,000	10,220	-	-	-	-	-	-	-	-
-	PR4061. Playground Equipment	30,000	-	-	-	-	-	-	-	-	-
-	PR40621. Playground resiting	20,000	-	-	-	-	-	-	-	-	-
85,000	PR4067. Coronation Sqre Pavement & Kerb Renewals	25,000	-	-	-	-	-	-	-	-	-
-	PR4068. Mountain Bike Park	10,000	-	-	-	-	-	-	-	-	-
-	PR4069. Basketball Court Community Centre	15,000	61,320	-	-	-	-	-	-	-	-
235,000	Total Capital expenditure - to replace existing assets	225,000	132,860	62,664	64,043	65,467	167,447	68,413	69,956	71,527	73,146
1,445,000	Total Parks and Reserves	421,000	159,432	89,808	121,431	93,859	196,489	141,318	100,454	102,779	105,204
	Library										
	Capital expenditure - to improve the level of service										
35,000	LM4000. Book Purchases	35,000	35,700	36,400	37,170	38,010	38,885	39,760	40,705	41,720	42,770
35,000	Total Capital expenditure - to improve the level of service	35,000	35,700	36,400	37,170	38,010	38,885	39,760	40,705	41,720	42,770
35,000	Total Library	35,000	35,700	36,400	37,170	38,010	38,885	39,760	40,705	41,720	42,770
	Cemeteries										
	Capital expenditure - to improve the level of service										

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2017/18 ANNUAL PLAN	PROJECT DESCRIPTION	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
5,000	CE4007. CapEx - Stormwater	5,000	-	-	-	-	-	-	-	-	-
10,000	CE4009. New Beams	15,000	-	-	-	18,204	-	-	-	22,728	23,315
15,000	Total Capital expenditure - to improve the level of service	20,000	-	-	-	18,204	-	-	-	22,728	23,315
15,000	Total Cemeteries	20,000	-	-	-	18,204	-	-	-	22,728	23,315
1,495,000	Total Community Facilities	476,000	195,132	126,208	158,601	150,073	235,374	181,078	141,159	167,227	171,289
	Environmental Health										
	Capital expenditure - to improve the level of service										
-	HI4001. SOUND LEVEL METER	-	15,300	-	-	-	-	-	-	17,880	-
-	HI4002. PURCHASE NEW VEHICLE	30,000	-	-	31,860	-	-	34,080	-	-	36,660
-	HI4006. BACL	-	-	-	2,124	-	-	-	2,326	-	-
-	Total Capital expenditure - to improve the level of service	30,000	15,300	-	33,984	-	-	34,080	2,326	17,880	36,660
-	Total Environmental Health	30,000	15,300	-	33,984	-	-	34,080	2,326	17,880	36,660
	Building Inspection										
	Capital expenditure - to improve the level of service										
-	BI4002. PURCHASE NEW VEHICLE	45,000	-	-	47,790	-	-	51,120	-	-	54,990
-	BI4003. Mobile Data Devices	6,000	-	-	6,372	-	-	6,816	-	-	7,332
-	Total Capital expenditure - to improve the level of service	51,000	-	-	54,162	-	-	57,936	-	-	62,322
	Capital expenditure - to replace existing assets										
-	BI4007. New Vehicle 4x4 Ute	45,000	-	-	47,790	-	-	51,120	-	-	54,990
-	Total Capital expenditure - to replace existing assets	45,000	-	-	47,790	-	-	51,120	-	-	54,990
-	Total Building Inspection	96,000	-	-	101,952	-	-	109,056	-	-	117,312
	ByLaw Control										
	Capital expenditure - to improve the level of service										
65,000	IB4000. POUND RENEWAL	60,000	-	-	-	-	-	-	-	-	-
65,000	Total Capital expenditure - to improve the level of service	60,000	-	-	-	-	-	-	-	-	-
	Capital expenditure - to replace existing assets										
60,000	IB4002. Purchase Vehicles	40,000	-	83,200	42,480	-	88,880	45,440	-	95,360	48,880
60,000	Total Capital expenditure - to replace existing assets	40,000	-	83,200	42,480	-	88,880	45,440	-	95,360	48,880
125,000	Total ByLaw Control	100,000	-	83,200	42,480	-	88,880	45,440	-	95,360	48,880
125,000	Total Planning and Regulatory	226,000	15,300	83,200	178,416	-	88,880	188,576	2,326	113,240	202,852

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	Leadership and Governance										
	Council										
	Capital expenditure - to improve the level of service										
6,500	CC4003. Council Chambers Display Staging	-	-	-	-	-	-	-	-	-	-
6,500	CC4005. Councillor's Tablets	-	7,650	-	-	8,145	-	-	8,723	-	-
13,000	Total Capital expenditure - to improve the level of service	-	7,650	-	-	8,145	-	-	8,723	-	-
13,000	Total Council	-	7,650	-	-	8,145	-	-	8,723	-	-
	Maori Liasion										
	Capital expenditure - to improve the level of service										
-	ML4000. Toyota Corrolla Hatchback	-	-	26,000	-	-	27,775	-	-	29,800	-
-	Total Capital expenditure - to improve the level of service	-	-	26,000	-	-	27,775	-	-	29,800	-
-	Total Maori Liasion	-	-	26,000	-	-	27,775	-	-	29,800	-
	Economic Development										
	Capital expenditure - to improve the level of service										
40,000	ED4005. Purchase Tourism Managers Vehicle	-	-	-	-	-	-	-	-	-	-
82,500	ED4006. Enhancement River Use	-	-	-	-	-	-	-	-	-	-
122,500	Total Capital expenditure - to improve the level of service	-	-	-	-	-	-	-	-	-	-
122,500	Total Economic Development	-	-	-	-	-	-	-	-	-	-
135,500	Total Leadership and Governance	-	7,650	26,000	-	8,145	27,775	-	8,723	29,800	-
	Property										
	Property Corporate										
	Capital expenditure - to improve the level of service										
25,000	PC4008. Security Cameras Main Office	-	-	-	-	-	-	-	-	-	-
-	PC40112. Development Office Space	102,200	-	-	-	-	-	-	-	-	-
25,000	PC4012. Exchange Building Fitout Costs	25,000	-	-	-	-	-	-	-	-	-
50,000	Total Capital expenditure - to improve the level of service	127,200	-	-	-	-	-	-	-	-	-
	Capital expenditure - to replace existing assets										
-	PC4006. REPAINT EXTERIOR LUCKNOW STREET	50,000	-	-	-	-	-	-	-	-	-
-	PC4009. Renex Roof	-	-	-	-	-	39,095	-	-	-	-
-	PC4010. Renex Toilets	-	25,550	-	-	-	-	-	-	-	-
25,000	PC4019. Council Entry Surfacing (Hotmi)	35,000	35,770	-	-	-	-	-	-	-	-
10,000	PC4020. Council flower Boxes	-	-	-	-	-	-	-	-	-	-
45,000	PC4021. Repaint Council Building	-	-	-	-	-	-	-	-	-	55,485
80,000	Total Capital expenditure - to replace existing assets	85,000	61,320	-	-	-	39,095	-	-	-	55,485

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2017/18 ANNUAL PLAN	PROJECT DESCRIPTION	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
130,000	Total Property Corporate Information Centre Building	212,200	61,320	-	-	-	39,095	-	-	-	55,485
	Capital expenditure - to improve the level of service										
20,000	EP4013. Yroa Ynot Area Upgrade	-	-	-	53,350	81,900	83,775	-	-	-	-
20,000	Total Capital expenditure - to improve the level of service	-	-	-	53,350	81,900	83,775	-	-	-	-
20,000	Total Information Centre Building	-	-	-	53,350	81,900	83,775	-	-	-	-
	Library Building										
	Capital expenditure - to improve the level of service										
120,000	LM4021. Review Library Building Future Requirements	-	-	-	10,620	977,400	-	-	-	-	-
120,000	Total Capital expenditure - to improve the level of service	-	-	-	10,620	977,400	-	-	-	-	-
120,000	Total Library Building	-	-	-	10,620	977,400	-	-	-	-	-
	Community Centre										
	Capital expenditure - to improve the level of service										
30,000	CB4001. Learners Pool	-	-	-	-	-	-	-	-	-	-
45,000	CB4005. Comm Complex Upgrade	-	-	-	-	-	-	-	-	-	-
75,000	Total Capital expenditure - to improve the level of service	-	-	-	-	-	-	-	-	-	-
	Capital expenditure - to replace existing assets										
232,984	CB4000. Centre Remedial Works	232,984	51,100	52,200	53,350	54,600	55,850	57,200	58,650	60,100	61,650
30,000	CB4006. Relocate Gym Upstairs	20,000	-	-	-	-	-	-	-	-	-
20,000	CB4007. Renewals Pool	-	-	-	-	-	-	-	-	-	-
282,984	Total Capital expenditure - to replace existing assets	252,984	51,100	52,200	53,350	54,600	55,850	57,200	58,650	60,100	61,650
357,984	Total Community Centre	252,984	51,100	52,200	53,350	54,600	55,850	57,200	58,650	60,100	61,650
	Staff Housing										
	Capital expenditure - to replace existing assets										
-	HS4007. Repaint Tuai House	15,000	-	-	-	-	-	-	-	-	-
-	HS4008. Repaint Raupunga House	15,000	-	-	-	-	-	-	-	-	-
-	Total Capital expenditure - to replace existing assets	30,000	-	-	-	-	-	-	-	-	-
-	Total Staff Housing	30,000	-	-	-	-	-	-	-	-	-
	Pensioner Housing										
	Capital expenditure - to improve the level of service										
-	HP4018. Install of Insulation	95,000	-	-	-	-	-	-	-	-	-
-	Total Capital expenditure - to improve the level of service	95,000	-	-	-	-	-	-	-	-	-

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2017/18 ANNUAL PLAN	PROJECT DESCRIPTION	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
	Capital expenditure - to replace existing assets										
4,500	HP4008. RENEWAL PROJECTS - STOVE	-	-	-	-	-	-	-	-	-	-
-	HP4009. REPAINTING LIVINGSTON FLATS	-	-	-	-	-	-	-	-	18,030	-
15,000	HP4014. Paint Exterior Lambert Flats	-	-	-	-	-	-	-	-	24,040	-
-	HP4015. Livingston Flat Roof	-	-	-	-	-	-	-	-	18,030	-
10,000	HP4017. Painting Exterior Outram Flats	-	-	-	-	-	-	-	-	12,020	-
29,500	Total Capital expenditure - to replace existing assets	-	-	-	-	-	-	-	-	72,120	-
29,500	Total Pensioner Housing	95,000	-	-	-	-	-	-	-	72,120	-
	Camping Grounds										
	Capital expenditure - to replace existing assets										
5,000	CG4007. RENEWAL PROJECTS	5,000	-	5,220	-	5,460	-	5,720	-	6,010	-
5,000	Total Capital expenditure - to replace existing assets	5,000	-	5,220	-	5,460	-	5,720	-	6,010	-
5,000	Total Camping Grounds	5,000	-	5,220	-	5,460	-	5,720	-	6,010	-
662,484	Total Property	595,184	112,420	57,420	117,320	1,119,360	178,720	62,920	58,650	138,230	117,135
	Support Services										
	Chief Executive Officer										
	Capital expenditure - to improve the level of service										
-	DM4001. Purchase New Vehicle	-	-	41,600	-	-	44,440	-	-	47,680	-
-	Total Capital expenditure - to improve the level of service	-	-	41,600	-	-	44,440	-	-	47,680	-
-	Total Chief Executive Officer	-	-	41,600	-	-	44,440	-	-	47,680	-
	Administration Services										
	Capital expenditure - to improve the level of service										
50,000	AD4003. SOFTWARE - FILE MANAGEMENT	-	-	-	-	-	-	-	-	-	-
146,000	AD4016. Future Office Accommodation	-	-	-	-	-	-	-	-	-	-
196,000	Total Capital expenditure - to improve the level of service	-	-	-	-	-	-	-	-	-	-
	Capital expenditure - to replace existing assets										
-	AD4011. Purchase Office Equipment	10,000	10,200	-	-	10,860	11,110	11,360	11,630	11,920	12,220
420,660	AD4026. Archives Building	-	419,020	626,400	-	-	-	-	-	-	-
420,660	Total Capital expenditure - to replace existing assets	10,000	429,220	626,400	-	10,860	11,110	11,360	11,630	11,920	12,220
616,660	Total Administration Services	10,000	429,220	626,400	-	10,860	11,110	11,360	11,630	11,920	12,220
	Information Services										

WAIROA

2017/18 ANNUAL PLAN	PROJECT DESCRIPTION	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
	Capital expenditure - to improve the level of service										
-	CS4003. Purchase Computer Hardware	10,000	-	-	-	-	-	-	-	-	-
10,000	CS4003452. DJI 4 Drone	-	-	-	-	-	-	-	-	-	-
-	CS40038. HP P2000 SAN	60,000	-	-	-	-	-	-	-	-	-
6,000	CS40052. 5 Adobe Acrobat Pro Licences	-	-	-	-	-	-	-	-	-	-
15,000	CS4007. Purchase NCS BR Reporting Software	-	-	-	-	-	-	-	-	-	-
-	CS403954. Replacement Virtual WDCLinux Server	45,000	-	-	-	-	-	-	-	-	-
31,000	Total Capital expenditure - to improve the level of service	115,000	-	-	-	-	-	-	-	-	-
	Capital expenditure - to replace existing assets										
-	CS400111. HP G7 Backup Server	-	-	31,200	-	-	-	-	-	-	-
24,000	CS400345. Replacement Laptops	24,000	24,480	72,800	25,488	26,064	26,664	27,264	27,912	28,608	29,328
8,413	CS400382. Tape Drive Replacement	-	-	-	-	-	-	-	-	-	-
-	CS400395. WDC Office Foyer Display Equipment	6,000	-	-	-	-	-	-	-	-	-
32,413	Total Capital expenditure - to replace existing assets	30,000	24,480	104,000	25,488	26,064	26,664	27,264	27,912	28,608	29,328
63,413	Total Information Services	145,000	24,480	104,000	25,488	26,064	26,664	27,264	27,912	28,608	29,328
	Engineering Services										
	Capital expenditure - to replace existing assets										
30,000	EW4003. Vehicle Replacement	-	-	-	-	-	-	-	-	-	-
5,000	EW4004. Purchase iPad AssetFinda	-	-	-	-	-	-	-	-	-	-
35,000	Total Capital expenditure - to replace existing assets	-	-	-	-	-	-	-	-	-	-
35,000	Total Engineering Services	-	-	-	-	-	-	-	-	-	-
715,073	Total Support Services	155,000	453,700	772,000	25,488	36,924	82,214	38,624	39,542	88,208	41,548
15,245,164	TOTAL CAPITAL WORK	12,073,444	10,033,605	11,147,654	9,742,366	8,877,072	7,261,740	6,778,788	6,229,594	8,084,613	7,377,088

NGĀ KAUPAPA HERE MŌ TE KAUTE - STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Council is a territorial local authority in New Zealand governed by the Local Government Act 2002. The Council group consists of Council and its 100% owned subsidiary, Quality Roding and Services (Wairoa) Ltd. (QRS).

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBE) as defined under the Public Benefit Entity Standards (PBE Standards).

The prospective financial statements of Council are for the years ended 30 June 2018 to 30 June 2028. The financial statements were authorised for issue by Council on 25 September 2018. The financial statements are expected to be updated by 30 June 2021.

BASIS OF CONSOLIDATION

COUNCIL has not consolidated the prospective financial statements. Council believes consolidation for the purpose of the LTP would place a significant reporting burden on a relatively small subsidiary, the financial impact would be immaterial and consequently, this practice would not be cost beneficial.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002 which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These prospective financial statements have been prepared in accordance with Tier Two PBE accounting standards as expenditure is greater than \$2m but less than \$30m. They comply with NZ PBE FRS-42.

PROSPECTIVE FINANCIAL STATEMENTS

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of Council is New Zealand dollars.

MEASUREMENT BASIS

The financial statements have been prepared on a historical cost basis, except for the revaluation of land and buildings, certain infrastructure assets, biological assets and financial instruments which have been valued separately as noted below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Council and management of Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual financial results have been incorporated within the prospective financial statements.

The purpose for which the prospective financial statements have been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Council over the financial years from 2018/19 to 2028/29, to provide a broad accountability mechanism for Council to the community, and to comply with the reporting requirements of the Local Government Act 2002 in presenting the LTP. The information contained within these prospective financial statements may not be suitable for use in

another capacity. For further information, see the significant forecasting assumptions contained in the LTP.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. The impact of this change is minimal.

JUDGEMENTS & ESTIMATES

The preparation of these prospective financial statements requires management to make judgements, estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

LANDFILL AFTERCARE

Council has assumed that the aftercare provision for Wairoa landfill is operative until 2031, based upon the resource consent issued by the Hawke's Bay Regional Council. Council has a responsibility under the resource consent to provide for ongoing maintenance and monitoring of the landfill site.

The cash outflows for landfill post-closure are expected to occur within the next 38 years. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 3%.

INFRASTRUCTURE ASSETS

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructure assets. These include:

- The physical deterioration and condition of an asset; for example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example Stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful life over which the asset will be depreciated. These estimates can be impacted by the local conditions; for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then COUNCIL could be over or underestimating the annual depreciation charge recognised as an expense in the statement of financial performance.
- To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience.
- Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which give Council further assurance over its useful life estimates.
- Experienced independent valuers perform the Council's infrastructural asset revaluations.

PROPERTY, PLANT & EQUIPMENT USEFUL LIVES & RESIDUAL VALUES

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

Council has not made significant changes to past assumptions concerning useful lives and residual values. Other significant financial assumptions are contained within part three of this plan.

CHANGES IN ACCOUNTING POLICIES

There are no proposed changes in accounting policies. Accounting policies have been applied based on accounting standards applicable as at 1 July 2018. Future changes in accounting standards will be adopted where relevant as new plans are implemented.

REVENUE

Revenue comprises rates, revenue from operating activities, investment revenue, subsidies, petrol tax and fees and charges, and is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

EXCHANGE TRANSACTIONS

Exchange transactions are transactions where Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

NON-EXCHANGE TRANSACTIONS

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange revenue transaction, Council receives value from another entity without directly giving approximately equal value in exchange.

Revenue received from a non-exchange transaction cannot be deferred unless there is both a performance obligation and a return obligation attached to it. For example, where grant or subsidy funding is received without a performance obligation then revenue is recognised when receivable. Where a performance obligation exists revenue is recognised upon satisfactory completion of the performance.

REVENUE FROM NON-EXCHANGE TRANSACTIONS

RATES REVENUE

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

GOVERNMENT SUBSIDIES

Council receives government grants from the New Zealand Transport Agency, which subsidises part of Council's costs in maintaining the local road infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

VESTED ASSETS

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

PROVISION OF SERVICES

Non-exchange revenue from the rendering of services consists of services in activities where Council subsidises the activity. Such revenue is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total service to be provided only when there are conditions attached that require the funds to be returned if performance does not occur. Where no conditions are attached, revenue is recognised when receivable.

CONSTRUCTION CONTRACTS

Revenue on construction contracts is recognised progressively over the period of each contract. The amount included in the statement of financial performance, and the value of the contract work in progress are established by assessment of the individual contracts taking into account the proportion of work completed, cost analysis and estimated final results.

When the contract income cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

REVENUE FROM EXCHANGE TRANSACTIONS

REVENUE FROM WATER BY METER

Water billing revenue is recognised on an accrual basis. Unbilled usage as a result of unread meters at year end, are accrued on an average usage basis.

PROVISION OF SERVICES

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

SALES OF GOODS

Sales of goods are recognised when a product is sold to the customer

OPERATING LEASE

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

CASH OR CASH EQUIVALENTS

Cash or cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

TRADE & OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method less an allowance for any uncollectible amounts.

An allowance for uncollectible receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

INVENTORIES

Inventories are stated at the lower cost (on a first-in, first-out basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

FINANCIAL ASSETS

Council classifies its financial assets into the three categories as detailed under A, B and C below. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at each reporting date. Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the statement of financial performance.

Purchases and sales of financial assets are recognised on trade date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially the risks and rewards of ownership. The fair value of financial instruments traded in active markets is based on the quoted market prices at the balance sheet date. The quoted price used is the current bid price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

A. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS

This category has two sub categories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Included in this category are short-term investments, which are valued at fair value.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of financial performance.

Council has classified its investments as financial assets at fair value through profit and loss. The portfolio includes investments in local authority and government stock, registered bank bills and bonds, and corporate stocks and bonds. The reason for the classification is that the investments were acquired for the purpose of selling and trading in the near term, and they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a pattern of short-term profit-taking. In addition, there is a quoted market price in an active market where fair value can be reliably measured.

B. LOANS & RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Included in this category are sinking funds that are valued at amortised cost. Community loans are included at amortised cost.

Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

C. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivatives that are either designated as available for sale or not designated in any of the other categories. Available-for-sale financial assets are held at fair value with gains or losses recognised directly in equity with the exception of impairment losses that are recognised in the statement of financial performance.

In the event of impairment, any cumulative losses previously recognised in equity, will be removed from equity and recognised in the statement of financial performance, even though the asset has not been derecognised.

IMPAIRMENT OF FINANCIAL ASSETS

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

LOANS & OTHER RECEIVABLES

Impairment of a loan or receivable is established when there is objective evidence that Council will not be able to collect amounts due, according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For trade and other receivables, the carrying amount of the asset is reduced through the use of a doubtful debt account, and the amount of the loss is recognised in the statement of financial performance. When the receivable is uncollectible, it is written off against the debtor account.

Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instrument's carrying amount. Impairment is established when there is objective evidence that Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

QUOTED & UNQUOTED EQUITY INVESTMENTS

A significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists, the cumulative loss is removed from equity and recognised in the statement of financial performance. Impairment losses recognised in the statement of financial performance are not reversed through the statement of financial performance.

INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

NON-CURRENT ASSETS HELD FOR SALE

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

An impairment loss is recognised for any write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment consist of:

- Operational assets – These include land, buildings, library books, plant and equipment and motor vehicles.
- Restricted assets – Restricted assets are parks and reserves owned by Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets – Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.

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

ADDITIONS

Additions of an item of property, plant and equipment are recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

DISPOSALS

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the statement of financial performance. When re-valued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

SUBSEQUENT COSTS

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

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment for Council other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Our subsidiary company, QRS Ltd., uses the diminishing value basis for depreciating plant, equipment and motor vehicles, office equipment and furniture, and computer hardware. The useful lives and associated depreciation rates of major assets have been estimated as follows:

WAIROA

PROPERTY, PLANT & EQUIPMENT

LIFE YEARS

Quarries	30-40
Buildings	30-40
Other improvements	10-50
Plant, equipment & vehicles	4-10
Library collection	2-10
Office equipment, furniture & fittings	5-10
Computer equipment	4-5

SEWERAGE

LIFE YEARS

Structures	50
Oxidation ponds	40
Pipes	80-100
Manholes	100
Pumps	10-15
Plant	10-15
Resource Consents	25

STORMWATER

LIFE YEARS

Reticulation piping	50-100
Culverts	50-100
Manholes/sumps	50-100
Open drains	Not depreciated

WATER SUPPLY

LIFE YEARS

Structures	50
Pumps	15-20
Reticulation Piping	60-100

Meters	20
Hydrants	40
Resource Consents	20-25
Reservoirs	80

ROADS

LIFE YEARS

Top surface (seal)	13
Basecourse (sealed roads)	60
Formation	Not depreciated
Unsealed roads	Not depreciated
Bridges	20-80
Footpaths	15-40
Kerbs	50
Streetlights (poles)	50

Application of the estimated useful economic lives of assets is subject to change depending on the individual circumstances of the asset, particularly when assets are re-valued and the valuers provide an annual depreciation figure. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

REVALUATION

Those asset classes that are re-valued are valued on a three-yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of re-valued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference then a revaluation is performed.

Increases in asset carrying amounts, due to revaluation, increase revaluation reserves in equity. Decreases in asset carrying amount, decrease revaluation reserves in equity only to the extent that the class of asset has sufficient reserves to absorb the reduction. All other decreases are charged to the income statement. If a revaluation increase reverses a decrease previously recognised in the statement of financial performance, the increase is

recognised first in the statement of financial performance to reverse any previous reduction.

OPERATIONAL LAND & BUILDINGS

Operational land and buildings were valued at fair value effective from 30 June 2005. Council has elected to use the fair value of operational land and buildings as at 30 June 2005 as deemed cost. Operational land and buildings are no longer re-valued.

RESTRICTED LAND & BUILDINGS

Restricted land and buildings were valued at fair value effective from 30 June 2005. Council has elected to use the fair value of restricted land and buildings as at 30 June 2005 as deemed cost. Restricted land and buildings are no longer re-valued.

INFRASTRUCTURE ASSET CLASSES: ROADS, WATER RETICULATION, SEWERAGE RETICULATION & STORMWATER SYSTEMS

Infrastructure assets are carried at fair value on a depreciated replacement cost basis as assessed by an independent valuer. At balance date, Council assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair value. If there is a material difference, then the off-cycle asset classes are re-valued. Any additions since valuation are carried at depreciated cost.

LAND UNDER ROADS

Land under roads was valued on the basis of fair value of adjacent land as at 30 June 2005. Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost.

INTANGIBLE ASSETS

SOFTWARE ACQUISITION & DEVELOPMENT

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

AMORTISATION

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

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows: Computer software : 3 years 33%

IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT & INTANGIBLE ASSETS

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

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

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows. If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance. For assets not carried at a re-valued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance. For assets not carried at a re-valued amount, the reversal of an impairment loss is recognised in the statement of financial performance.

FORESTRY ASSETS

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

Gains or losses arising on the initial recognition of biological assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs are recognised in the statement of financial performance. The costs to maintain forestry assets are included in the statement of financial performance.

INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment property at fair value as determined annually by an independent valuer. Gains or losses arising from changes in fair values of investment properties are included in the statement of financial performance. Investment properties are derecognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on derecognition of an investment property are recognised in the statement of financial performance in the year of derecognition.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For a re-valued asset, the impairment loss is recognised in the revaluation reserve for that class of asset. For an asset carried at cost, the impairment loss is recognised in the statement of financial performance.

TRADE & OTHER PAYABLES

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

BORROWINGS

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

EMPLOYEE BENEFITS

SHORT-TERM BENEFITS

Employee benefits which Council expects to be settled within 12-months of balance date, are measured at nominal values based on accrued entitlements at current rates of pay. These include: salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long-service leave entitlements expected to be settled within 12-months and sick leave.

Council recognises a liability for sick leave based on entitlements accrued at balance date, which Council expects employees to use in future periods. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover for future absences.

LONG-TERM EMPLOYEE ENTITLEMENTS

Entitlements that are payable beyond 12-months, such as long-service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based upon years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information.
- The present value of the estimated future cash flows.
- The discount rate is based upon the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based upon the expected long-term increase in remuneration for employees.

SUPERANNUATION

Defined Contribution Pension Plan obligations are recognised as an expense in the statement of financial performance as incurred.

PROVISIONS

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditure will be required to settle the obligation, and a reliable estimate can be made of the obligation. Provisions are not recognised for future operating losses.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12-months after balance date. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

BORROWING COSTS

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

EQUITY

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of the reserves are:

- retained earnings
- restricted reserves
- property plant and equipment reserves
- fair value through equity reserves.

RESTRICTED & COUNCIL-CREATED RESERVES

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council. Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

GOODS & SERVICE TAX (GST)

All amounts in the financial statements are exclusive of GST, with the exception of receivables and payables that are stated at GST-inclusive amounts. When GST is not recoverable as an input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to the Inland Revenue Department (IRD), is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

OVERHEAD COST ALLOCATION

Council has derived the cost of service for each significant activity using cost allocation systems outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific activity.

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

OTHER DISCLOSURES

These prospective financial statements are prepared on the basis of best estimates available at the time of preparing the forecast. Actual results are likely to vary from the information presented and the variations may be material. Council has authorised the issue of these prospective financial statements. The Council and management of Council are responsible for the prospective financial statements, including the appropriateness of the assumptions and all other required disclosures.

The prospective financial statements have been prepared as part of the process of the 2018-28 LTP process, and these prospective financial statements may not be appropriate for purposes other than for inclusion in the LTP.

WHOLE OF COUNCIL FUNDING IMPACT STATEMENT

2017/18 ANNUAL PLAN		2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
Total Sources of Operating Funding											
Source of Operating Funding											
12,220,860	General Rates uniform annual charges rates penalties	11,818,421	12,470,999	13,067,515	13,701,290	14,230,096	14,618,107	14,999,021	15,314,772	15,653,844	16,072,234
4,644,842	Subsidies and grants for operating purposes	4,864,639	5,231,475	5,395,179	5,470,580	5,747,951	6,039,068	6,230,345	6,111,750	6,466,681	6,619,567
2,830,914	Fees charges and targeted rates for water supply	2,096,981	2,771,692	2,197,912	2,247,787	2,334,464	2,364,476	2,434,975	2,527,610	2,578,246	2,650,224
855,372	Interest and Dividends from Investments	824,759	669,998	568,468	525,346	509,061	459,933	447,975	454,502	400,021	393,932
68,000	Local authorities fuel tax fines infringement fees and other receipts	85,000	86,700	88,400	90,270	92,310	94,435	96,560	98,855	101,320	103,870
20,619,988	Total Source of Operating Funding	19,689,799	21,230,865	21,317,474	22,035,273	22,913,882	23,576,019	24,208,876	24,507,489	25,200,111	25,839,827
Application of Operating Funding											
18,566,556	Payments to staff and suppliers	18,420,926	18,949,863	19,477,596	19,349,145	19,982,479	20,730,611	20,865,561	21,138,703	22,026,979	22,264,377
993,740	Finance costs	707,449	770,800	854,210	954,939	1,028,443	1,034,805	1,037,469	1,034,356	1,034,463	1,037,407
171,735	Internal Charges and Overheads applied	791,267	802,876	819,992	840,788	856,045	869,672	887,393	905,827	924,611	937,901
63,099	Other operating funding applications	939,945	954,681	970,962	993,794	1,011,056	1,030,815	1,050,943	1,071,971	1,093,349	1,114,922
19,451,660	Total Application of Operating Funding	18,979,698	19,568,858	20,180,836	20,151,078	20,855,911	21,604,273	21,739,479	22,006,915	22,892,705	23,124,762
1,168,328	Surplus (Deficit) from Operating Funding	710,102	1,662,007	1,136,638	1,884,195	2,057,972	1,971,745	2,469,396	2,500,574	2,307,406	2,715,065
Total Sources of capital funding											
Source of Capital Funding											
4,036,715	Subsidies and grants for capital expenditure	4,701,620	5,080,699	5,474,305	4,173,116	4,238,069	3,737,880	3,844,434	3,754,421	4,438,350	4,251,972
289,052	Target Capital Rate	255,227	154,876	146,255	136,668	125,874	113,550	114,649	102,082	87,198	87,198
-	Increase in debt	1,535,594	1,037,228	1,853,183	2,383,500	1,854,437	390,852	115,877	77,994	145,563	214,547
-	Lump sum contributions	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
4,325,767	Total Source of Capital Funding	6,592,441	6,372,802	7,573,743	6,793,284	6,318,380	4,342,282	4,174,960	4,034,496	4,771,111	4,653,717
Application of Capital Funding											
-	Finance costs	-	-	-	-	-	-	-	-	-	-
-	Decrease in Debt	-	74,703	116,431	185,771	259,381	317,341	328,133	340,219	348,367	357,200
5,812,982	Capital expenditure - to improve the level of service	2,411,580	1,224,631	1,683,714	1,935,249	2,953,720	1,745,632	1,433,559	1,316,486	1,489,539	1,621,476
9,432,182	Capital expenditure - to replace existing assets	9,661,864	8,883,677	9,527,721	8,057,628	6,182,733	5,833,449	5,673,362	5,253,327	6,943,441	6,112,812
(9,751,069)	Increase (Decrease) in reserves	(4,770,901)	(2,148,202)	(2,617,485)	(1,501,169)	(1,019,482)	(1,582,395)	(790,698)	(374,962)	(1,702,830)	(722,706)
5,494,095	Total Application of Capital Funding	7,302,543	7,960,106	8,593,950	8,491,708	8,116,971	5,996,686	6,316,223	6,194,851	6,730,150	7,011,582
(1,168,328)	Surplus (Deficit) from Capital Funding	(710,102)	(1,662,007)	(1,136,638)	(1,884,195)	(2,057,972)	(1,971,745)	(2,469,396)	(2,500,574)	(2,307,406)	(2,715,065)
Funding Balance (General Rates)											
		-	-	-	-	-	-	-	-	-	-

MATAPAE PŪTEA - FINANCIAL PRUDENCE BENCHMARKS

LONG-TERM PLAN DISCLOSURE STATEMENT FOR PERIOD COMMENCING 1 JULY 2018

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

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

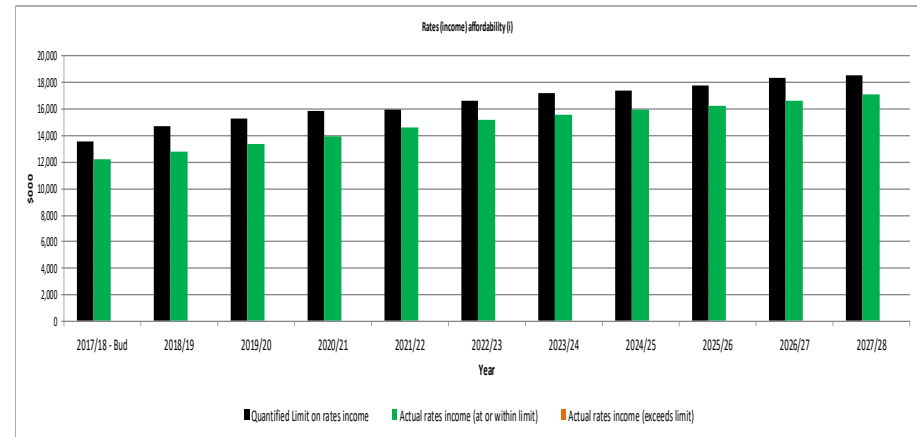
RATES AFFORDABILITY BENCHMARK

Council meets the rates affordability benchmark if:

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

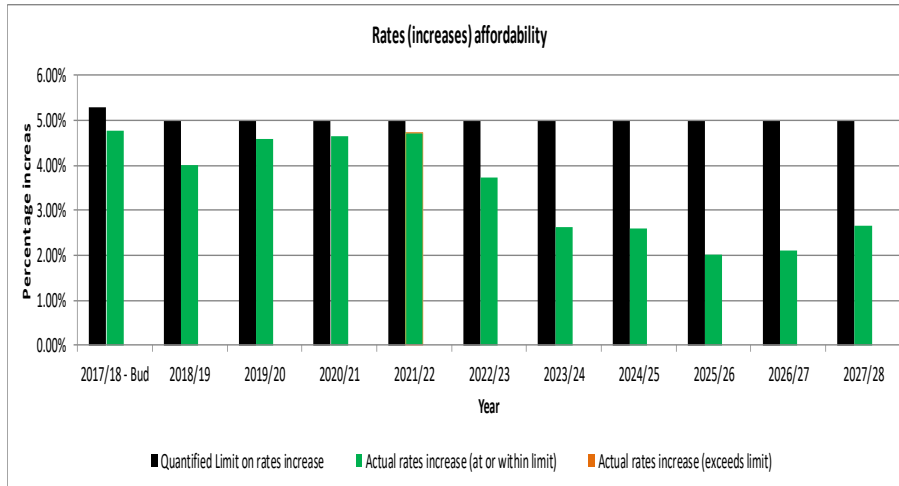
RATES (INCOME) AFFORDABILITY

The following graph compares Council’s planned rates with a quantified limit on rates contained in the financial strategy included in this LTP. The quantified limit is that total rates revenue will comprise no more than(i) 60% of Council’s operating costs and(ii) no more than 70% of total revenue.



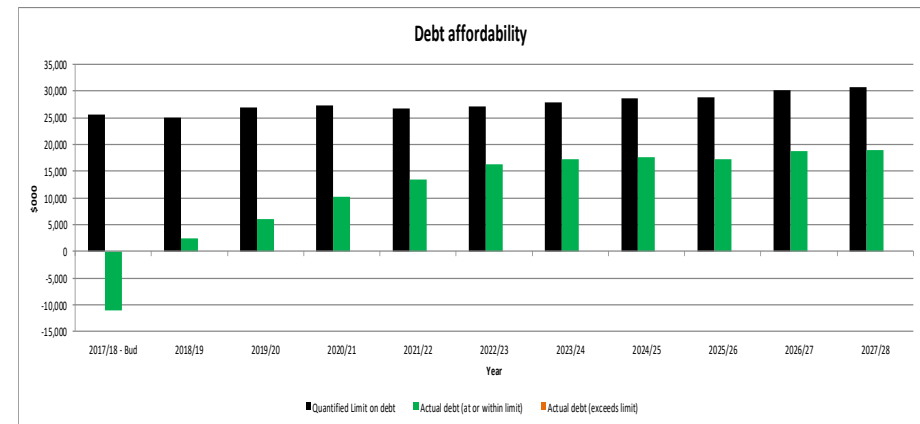
RATES (INCREASES) AFFORDABILITY

The following graph compares Council’s planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this LTP. The quantified limit is 5% each year.



DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares Council’s planned debt with a quantified limit on borrowing contained in the liability and investment policy included in Council’s LTP.

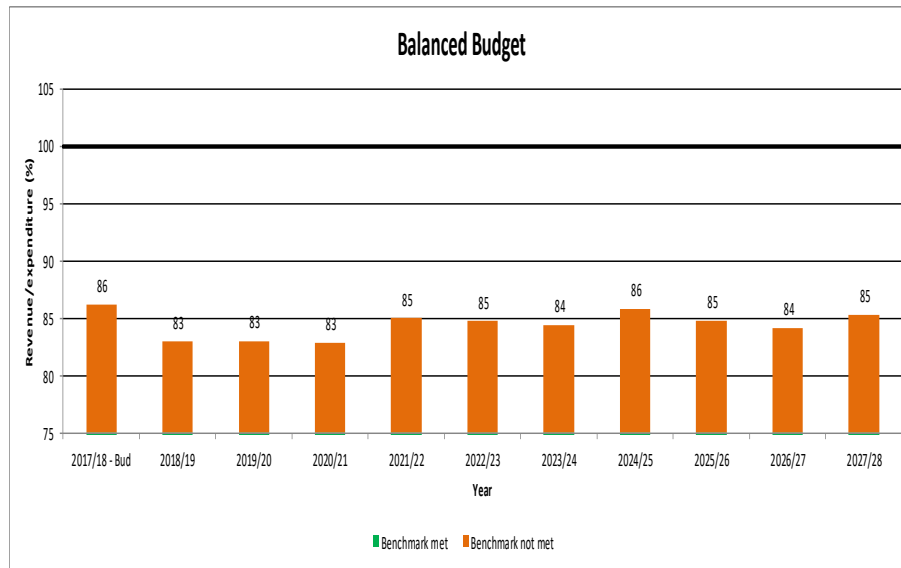


The quantified limit is net debt less than 100% of total revenue.

BALANCED BUDGET BENCHMARK

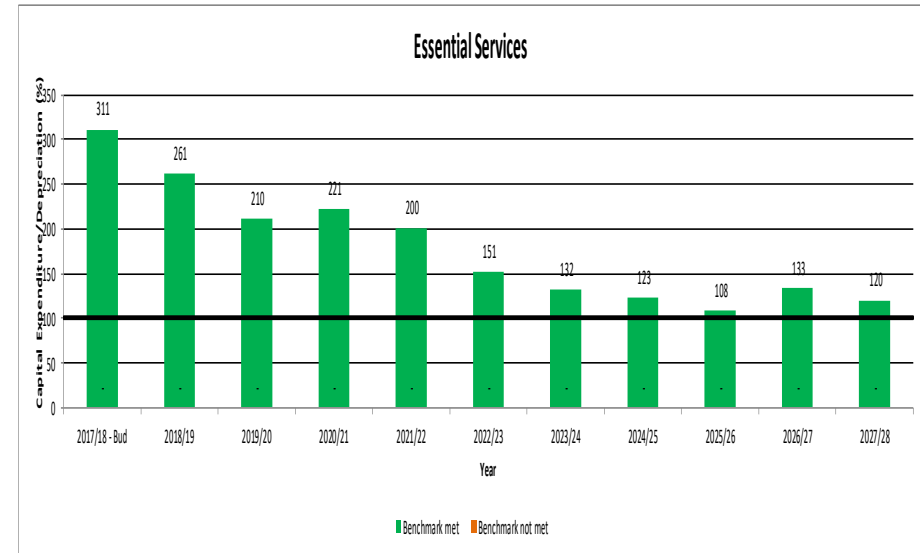
The following graph displays Council’s planned revenue (excluding capital subsidies, development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses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

Council meets the balanced budget benchmark if it’s planned revenue, not including capital subsidies, equals, or is greater than, its planned operating expenses.



ESSENTIAL SERVICES BENCHMARK

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



DEBT SERVICING BENCHMARK

The following graph displays Council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the district’s population will grow more slowly than the national population is projected to grow.

Council meets the debt servicing benchmark if its planned borrowing costs equal, or are less than, 10% of its revenue.

