

Taipitopito Pūtea • Financial Information



Ratonga Matapae Pūtea • Forecast Financial Statements

The forecast Financial Statements of this LTP provide information on the budgets for all of Council and are comprised of:

Prospective Financial Statements

These statements include the Prospective Statement of Comprehensive Revenue and Expense, Prospective Statement of Financial Position, Prospective Statement of Changes in Equity and Prospective Statement of Cash Flows for Council which are found in all annual plans and reports. These statements cover the 10 years of the LTP and provide information as to planned performance and management of Council's assets and liabilities.

Amongst other LGA requirements, the purpose of these prospective Financial Statements is:

- to provide integrated decision-making and coordination of Council's resources
- to provide a long-term focus for the activities of the Local Authority.

The financial statements should not be relied upon other than for the purposes described above. Actual financial results are likely to vary from those forecast within this Plan.

These Prospective Financial Statements are a forecast for 10 years based on the latest information and knowledge at hand at the time of Council deliberations on submissions received on the LTP Consultation Document, and in conjunction with assumptions considered appropriate at that time.

A new LTP will be produced in three years' time. Annual Plans will be produced for the 2022/23 and 2023/24 financial years.

Responsibility for Financial Statements

Council is responsible for the prospective financial statements presented in this LTP, and believe that appropriate assumptions have been used to produce these prospective financial statements and that all disclosure requirements have been met.

Significant Forecasting Assumptions

This information outlines the assumptions made in formulating the financial information for the Plan. For assumptions with high financial risk, commentary and analysis on the impact of the assumption is provided. The price level adjusters which are used to project the impact of inflation across the 10 years of the LTP are also detailed in this LTP.

Accounting Policies

Accounting policies are compliant with International Public Sector Accounting Standards (IPSAS) for Public Benefit Entities (PBE) and provide detail on how Council applies the standards to the Prospective Financial Statements.

Reserve Funds

Reserve Funds detail the funds Council holds for specific purposes, and how the balances of the funds move between years one and 10 of this Plan.

Funding Impact Statement for Rates

The Funding Impact Statement for Rates sets out the information required by Schedule 10 of the LGA to assist ratepayers in understanding the impact of the Plan.

Statement concerning balancing the budget

In all years of the LTP Council plans to maintain a balanced budget with an after-tax surplus forecast for each year.

Accounting Policies

Reporting entity

The Far North District Council is a territorial local authority governed by the Local Government Act 2002 (LGA). The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002. The prospective financial statements reflect the operations of Far North District Council and do not include the consolidated results of Council Controlled Trading Organisations (CCTO).

Council has not presented group prospective financial statements because it believes that the parent prospective financial statements are more relevant to users. The main purpose of the prospective financial statements in the LTP is to provide the reader with information about the core services that Council intends to provide.

Far North District Council has designated itself to be a Tier 1 public benefit entity (PBE) for the purposes of International Public Sector Accounting Standards (IPSAS). Council's primary objective is to provide local infrastructure, goods and services for community or social benefit and equity has been provided with a view to supporting that primary objective rather than for a financial return.

These financial statements are for the 10 years ended 30 June 2031 and were authorised by Far North District Council for consultation on 25 February 2021.

Accounting principles compliance

To meet all the requirements of local government legislation Council provides two sets of financial information:

- Generally Accepted Accounting Principles (GAAP) regulated statements of financial position, comprehensive revenue and expense, cashflow and changes in equity; and
- non-GAAP compliant Funding Impact Statements (FIS's).

Key differences between these two sets of information are that GAAP regulated financial statements must adhere to GAAP requirements.

The intention of the FIS is to make the sources and applications of Council funds more transparent to its stakeholders which may not be achievable if only GAAP financial statements were provided. The FIS is prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014 and is required by the Local Government Act 2002 (Schedule 10 Part 1).

A disclosure statement is required by Schedule 6 of the Local Government (Financial Reporting and Prudence) Regulations 2014 that discloses the Council's planned financial performance in relation to various benchmarks to enable an assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

Statement of compliance and basis of preparation

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 93 and Part 1 of Schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP), and the Local Government (Financial Reporting and Prudence) Regulations 2014.

These prospective financial statements have been prepared in accordance with NZ GAAP. They comply with the PBE International Public Sector Accounting Standards (IPSAS), in particular these prospective financial statements have been prepared in accordance with PBE FRS42: Prospective Financial Statements, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Council is responsible for the prospective financial statements included in the LTP 2021-31, including the appropriateness of the significant financial assumptions these are based on, and the other disclosures included in the document.

The prospective financial statements are for the period 1 July 2021 to 30 June 2031 and do not reflect any actual results. The actual results achieved for the period covered by this plan are likely to vary from the information presented in the document and these variations may be material. Council does not intend to update prospective financial statements after publication.

In the opinion of Council and the management of the Far North District Council, the prospective financial statements for the 10 year period ending 30 June 2031 fairly reflect the prospective financial position, performance and operations of the Far North District Council.

Measurement base

The prospective financial information has been prepared on a historical cost basis, modified by the revaluation of forestry assets, certain classes of property, plant and equipment, certain classes of intangible assets, and certain financial instruments (including derivatives).

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars (NZD) and are rounded to the nearest thousand dollars (\$000's).

Changes in accounting policies

An additional accounting policy was introduced 1 July 2020 that explained the treatment that would be applied to funding depreciation:

Accounting treatment – funding depreciation

- a. All depreciation on assets will be funded from rates except for:
- Roading/footpath assets – the subsidy element relating to the depreciation for these assets will not be funded by the relevant roading subsidy rate applicable in the relevant year.
 - Water/wastewater/public toilet assets – the depreciation for these assets will be reduced equal to any subsidy element to ensure that the benefit expected to be received by the current rate payers is applied.
 - Swimming pools – the depreciation for these assets will be reduced equal to any community contribution to ensure that the community benefits from the contributions made.
- b. Asset groups where depreciation will not be fully funded from depreciation:
- All strategic assets, as per our Significance and Engagement Policy, will have depreciation funded at 76% until 30 June 2024, followed by a phased return to 100% over 10 years. This does not apply to the items identified in (A).
 - Depreciation will be funded at a rate of 50% for community buildings/centres, halls and museums.
 - Depreciation will not be funded from rates for Civil Defence (alarms), carparks, maritime assets, motor camps, parks and reserves minor structures (e.g. boardwalks / park benches etc) and solid waste assets.

Any asset groups not covered above will have depreciation fully funded from rates (corporate assets etc.)

Standards issued and not yet effective or adopted early

Financial instruments

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

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

Council plans to apply this standard in preparing its 30 June 2022 financial statements.

Council has not yet assessed the effects of the new standard.

Specific Accounting Policies

Cost allocation

Council has derived the net cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Criteria for direct and indirect costs

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity / usage information. The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

For the purposes of rates revenue recognition the following policies have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue arising from late payment penalties is recognised as revenue when rates become overdue.
- Rates postponement applies where ratepayers meet the postponement policy criteria. Rates are shown as income in the year of postponement and recognised as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to Council.
- Rates remissions are recognised as a reduction in rate revenue when the Council has received an application that satisfies its rate remission policy.
- Rates collected on behalf of the Northland Regional Council (NRC) are not recognised in the financial statements, as the Council is acting as an agent for the NRC.

Building and resource consent

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Landfill

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed of by users.

Development contributions

The revenue recognition point for development contributions is when Council provides or is ready to provide the service for which the contribution is levied or the event that will give rise to a requirement for a development contribution under the legislation.

Subsidy

Subsidies are recognised as revenue upon entitlement once conditions pertaining to eligible expenditure have been fulfilled.

Council receives funding assistance from Central Government from three main agencies:

- Waka Kotahi NZ Transport Agency subsidises the cost of maintenance and capital expenditure on the local roading network
- Ministry of Health (MOH) subsidises the cost of capital expenditure on water and wastewater facilities
- Ministry of Business, Innovation and Employment (MBIE) subsidises applications such as tourism infrastructure.

Vested or donated physical assets

Assets received for zero or nominal consideration are recognised at fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

Grants

Grants are recognised as revenue when they become receivable, unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as

grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Rental revenue

Rental revenue is recognised in the financial statements on a straight line basis over the term of the lease.

Dividends

Dividends are recognised on an accrual basis net of imputation credits when the right to receive the dividend is established.

Third party revenue

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest

Interest revenue is recognised using the effective interest method.

Borrowings and other financial liabilities

Borrowing

Borrowings are initially recognised at fair value. After initial recognition, all borrowings are measured at amortised cost.

Council classifies borrowings as Current Liabilities unless there is an unconditional right to defer settlement of the liability for at least twelve months after balance date.

Borrowing costs

Borrowing costs are expensed in the period they are incurred.

Financial guarantee contract

A financial guarantee contract is a contract that requires Council to make specific payments to reimburse the holder of the contract for any loss it incurs if a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value.

If a financial guarantee contract is issued in a stand-alone arm-length transaction to an unrelated party, then the fair value at inception is equal to the consideration received.

When no consideration is received, the fair value of the liability is initially measured using a valuation methodology, such as considering the credit enhancement arising from the guarantee or the probability that Council will be required to reimburse a holder for a loss

incurred, discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is recognised only when it is probable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- the estimated present value of the amount to settle the guarantee obligation if it is probable that there will be an outflow to settle the guarantee; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Grants

Council considers two types of grants:

- Non-discretionary
 - awarded if the grant application meets the specific criteria
 - recognised as expenditure when an application meeting the criteria has been received.
- Discretionary
 - where Council has no obligation to award on receipt of a grant application
 - recognised as expenditure when approved by Council and the approval communicated to the applicant
 - Council grants have no substantive conditions attached.

Income tax

Income tax expense includes components relating to current tax.

Current tax is the expected income tax payable on the taxable income for the year plus any adjustment to income tax payable in respect of previous years. It is calculated using tax rates (and tax laws) that have been enacted (or substantively enacted) at balance date.

Current tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the Inland Revenue, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Leases

Operational lease

Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, an operational lease is recognised.

Payments under this type of lease are charged as expenses in the periods in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

Short term debtors and other receivables are stated at the amount due, less any provision for impairment.

Creditors and other payables

A liability is recognised when the service has been received or the goods received or when it has been established that the rewards of ownership have been transferred from the seller / provider to Council and when it is certain that an obligation to pay arises. Short term creditors and other payables are recorded at face value.

Employee benefits

Short term employee entitlements

Employee benefits expected to be settled within twelve months after the end of the period in which the employee provides the related service are 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, and sick leave.

Liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, non-vested long service leave and retirement gratuities expected to be settled within twelve months of balance date, are classified as a current liability. All other employee entitlements are classified as non-current liabilities.

Defined contribution schemes

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation schemes and are recognised as an expense and reflected in either the surplus or (deficit) when incurred.

Property, plant and equipment

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, Council recognises such parts as individual assets / components with specific useful lives and depreciates them accordingly.

Property, plant and equipment consists of:

- Operational assets
 - These include land, buildings, improvements to leased assets, 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 type includes all items that are required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.

Revaluations

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

Valuations are performed with sufficient regularity to ensure that the carrying amount is not materially different to the fair value. If there is a material difference then a revaluation is performed.

All assets are valued at historical cost, except the following assets which are shown at fair value, based on periodic valuations by independent valuers, less subsequent depreciation:

- Roading infrastructure assets
- Stormwater infrastructure assets
- Water and sewerage infrastructure assets
- Maritime assets

- Footpaths and footbridges
- Carparks
- Refuse transfer stations
- Library books
- Ferry assets
- Heritage assets
- Parks and reserves;
- Land;
- Community facilities buildings.

Revaluation results are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus / (deficit). Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus / (deficit) will be recognised first in the surplus / (deficit) up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Additions of property, plant and equipment between valuations are recorded at cost, except for vested assets.

Certain infrastructure assets and land have are vested in Council as part of the sub divisional consent process. Vested reserve land is valued at 50% of the surrounding residential land as per an appropriately certified government valuation. Vested infrastructure assets are valued based on the actual quantities of infrastructure components vested and the current unit rates for that component provided by the most recent valuation.

Subsequent costs

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

The costs of day to day maintenance of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Assets under construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Disposals

Gains and losses are determined by comparing the proceeds of asset disposals with the carrying amount of the asset disposed of. Gains and losses are included

in the surplus / (deficit). When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

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

Assessed economic life is calculated using the methodology in the New Zealand Institute of Asset Management (NZIAM) manual.

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

Operational assets

	Useful life (Years)	Straight line depreciation (%)
Runways	25	4
Buildings	15 - 120	0.83 - 6.67
Motor vehicles	3 - 5	20 - 33
Plant and machinery	1 - 40	2.5 - 100
Wharves (concrete)	10 - 85	1.17 - 10
Wharves (timber), moorings and ramps	10 - 50	2 - 10
Office furniture and equipment	5 - 15	6.67 - 20
Computers	3 - 7	14.28 - 33
Library books	3 - 40	2.5 - 33
Heritage assets	10 - 185	0.54 - 10

Infrastructure assets

Roads	Useful life (Years)	Straight line depreciation (%)
Top surface (seal)	5 - 50	2 - 20
Pavement (base course) - sealed	35	2.85
Culverts, cesspits	15 - 100	1 - 6.7
Footpaths	30 - 60	1.6 - 3.3
Kerbs	50 - 80	1.25 - 2
Streetlights	8 - 60	1.67 - 12.5
Signs	20	5
Bridges	50 - 100	1 - 2
Railings	30 - 50	2 - 3.3

Water reticulation	Useful life (Years)	Straight line depreciation (%)
Pipes	50 - 100	1 - 2
Valves, hydrants	50 - 70	1.43 - 2
Pump stations	10 - 50	2 - 10
Tanks / dams	40 - 100	1 - 2.5

Sewerage reticulation	Useful life (Years)	Straight line depreciation (%)
Pipes	40 - 100	1 - 2.5
Manholes	80	1.25
Treatment plant	5 - 70	1.43 - 20

Stormwater systems	Useful life (Years)	Straight line depreciation (%)
Pipes	40 - 100	1 - 2.5%
Manholes	100	1%

Improvements to leased assets are depreciated over the shorter of the unexpired period of the relevant lease and the estimated useful life of the improvement. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Land is not depreciated.

Impairment

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 when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value (less costs to sell) and the value of the asset in use.

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

The carrying amounts of Council assets are reviewed at balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus / (deficit). Impairment losses on revalued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being posted to the surplus / (deficit).

The reversal of an impairment loss on a revalued 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 surplus / (deficit), a reversal of the impairment loss is also recognised in the surplus / (deficit).

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the surplus / (deficit).

Critical accounting estimates and assumptions

Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset. Council may 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, such as stormwater, wastewater and water supply underground assets. This risk is minimised by Council performing physical inspections and assessments;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. If useful lives do not reflect the actual consumption of the benefits of the asset, Council could be over or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

To minimise this risk, Council's infrastructure 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.

Experienced independent valuers perform Council's infrastructure asset revaluations.

Critical judgments in applying Council's accounting policies

Management has exercised the following critical judgments in applying the Council accounting policies for the 10-year period ended 30 June 2031.

Classification of property

Council owns a number of properties which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Easements, resource consents, public access rights, software and electronic books are included in this category.

Computer software

Acquired computer software systems are capitalised on the basis of costs incurred to acquire and bring the software to use. Costs associated with developing or maintaining computer software programmes are recognised as expense when incurred.

Other intangible assets

Other intangible assets, excluding easements which are not amortised, are stated at cost less accumulated amortisation and impairment losses. The useful lives and associated amortisation classes of intangible assets have been estimated as follows:

	Years	%
Resource consents	5 – 30	3.33 – 20
Easements	Not amortised	0
IT software	3 – 10	10 – 33
Public access rights	10 – 50	2 – 10
Electronic books	5	20

Where Council invests at least \$100,000 in a project, but will not ultimately own an asset, the cost of the right will be treated as an intangible asset where:

- the community has the right to use the facility; and
- in terms of the contract, that right exists for longer than 12 months.

In all instances the cost will be amortised over the shorter of the expected life of the asset or the term of the contract rights.

Subsequent costs

Subsequent expenditure on capitalised intangible assets will be capitalised only when:

- it increases the future economic benefits embodied in the specific asset to which it relates; and
- it meets the definition of, and recognition criteria for, an intangible asset.

All other expenditure is expensed as incurred.

Amortisation

An intangible asset with a finite useful life is amortised:

- over the period of that finite life;
- annually assessed for indicators of impairment (and tested for impairment if indicators exist); and
- carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised but is tested annually for impairment.

Forestry assets

Forestry assets are independently revalued to estimated market valuation. The net gain or loss arising from changes in the forest asset valuation is included in the surplus / (deficit). All gains and losses from harvesting are recognised in the statement of comprehensive revenue and expense when realised.

Forestry maintenance costs are expensed when incurred.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and liabilities.

Public equity is disaggregated and classified into a number of components to enable clear identification of the specified uses that Council makes of its accumulated surpluses:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves
- Fair value through equity reserves
- Cash flow hedge reserve
- Capital reserves.

Restricted reserves

Restricted reserves are a component of equity representing a use to which various parts of the equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those reserves 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.

Funds that are received or set aside for particular purposes, and have legislative restrictions placed upon them, are considered restricted funds. These include certain special funds or reserves and sinking funds created prior to the repeal of the Local Authorities Loans Act. The apportioned values of these funds not required in the current year have been shown as restricted funds.

Council created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Property revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Fair value through equity reserves

This reserve comprises the cumulative net change in fair value of equity assets.

Cash flow hedge reserves

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

Development costs

Expenditure on development projects is carried forward to be expended against expected future revenue from the project. Expenditure carried forward is expensed when Council determines that the project has ceased or that no identified future benefits are likely to be derived.

Financial assets

Council classifies its financial assets in the following categories for the purpose of measurement:

Financial assets at fair value through surplus or deficit

This category has two sub-categories:

- financial assets held for trading; and
- those designated at fair value through profit or 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.

Council does not have any financial assets that meet this definition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, unless where maturity is greater than 12 months after balance date, in which case they are included in non-current assets.

After initial recognition they are measured at amortised cost. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus / (deficit).

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the intention and ability to hold to maturity.

Council does not have any financial assets that meet this definition.

Financial assets at fair value through equity

Fair value through equity financial assets are non-derivatives that are either designated in this category or not classified in any other category. Financial assets included in this category are shares in Local Government Insurance Corporation Limited and LGFA borrower's notes per the financial instrument note.

The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Impairment of financial assets

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

Loans and receivables

Impairment is established when there is evidence that Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered an indicator that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows.

For debtors and other receivables the impairment is provided for in a provision and recognised in the surplus / (deficit).

When the receivable is uncollectible it is written off against the provision.

Financial assets at fair value through surplus or deficit

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus / (deficit) recognised in the statement of comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus / (deficit) are not reversed through the surplus / (deficit).

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus / (deficit).

Inventories

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

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The write-down from cost to current replacement cost or net realisable value is recognised in the surplus / (deficit).

Investment properties

Investment properties are properties held to earn rental revenue, for capital appreciation, or for both. Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment properties at fair value determined annually by an independent valuer. Fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the surplus / (deficit). There is no depreciation on investment properties.

Rental revenue from investment property is accounted for as described in the accounting policy for revenue recognition.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to accumulated comprehensive revenue and expense. Any loss arising in this manner is recognised immediately in the surplus / (deficit).

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

When Council begins to redevelop an existing investment property for continued future use as an investment property, the property remains an investment property and is not reclassified as property, plant and equipment during the redevelopment.

Provisions

A provision is recognised in the statement of financial position when Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Landfill post-closure costs

Council as an operator of both closed and operational landfills has a legal obligation under the Resource Management Act (1991) to provide ongoing maintenance and monitoring services at landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure costs arises.

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

Council measures landfill assets using the cost model with changes in the provision for decommissioning costs being added to, or deducted from, the asset value until closure of the asset, at which time all changes to the provision are taken to the surplus / (deficit).

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

Statement of cash flows

Cash or cash equivalents refers to cash balances on hand, cash held in bank accounts, on-demand deposits of three months or less and other highly-liquid investments in which Council or its subsidiaries invest as part of its day-to-day cash management.

Operating activities include cash received from all revenue sources of Council and record cash payments made for the supply of goods and services.

Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the statement of cash flows, given that they flow through Council's main bank account.

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

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

Non-current assets held for sale

Non-current assets are classified as held for sale and are stated at the lower of their carrying amount and fair value

less costs to sell if the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent 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. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of for accounting purposes.

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

Non-current assets classified as held for sale are presented separately from other assets in the statement of financial position.

Critical accounting estimates and assumptions

In preparing these prospective financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Landfill aftercare provision

The following major assumptions have been made in the calculation of the provision:

The future cash flows for the landfill post closures are expected to occur for the years between 2022 and 2037. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cash flows have been estimated taking into account existing technology. The Treasury Forward Rate is used to discount future cashflows.

Derivative financial instruments and hedge accounting

Council uses derivative financial instruments to hedge interest rate risks arising from financing activities.

In accordance with its Treasury Policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value at each balance date.

The method of recognising any gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus / (deficit).

Council designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- Hedges of highly probable forecast transactions (cash flow hedge).

At the inception of the transaction, Council documents the relationship between hedging instruments and hedged items, its risk management objective and its strategy for undertaking hedge transactions. Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair value of hedging derivatives is classified as non-current if the remaining maturity of the hedged item is more than 12 months and as current if the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of changes in equity and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus / (deficit).

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, associated gains or losses recognised directly in equity are reclassified into surplus / (deficit) in the same period or periods during which the asset was acquired or the liability was assumed affects then surplus / (deficit). However, if Council expects that all or a portion of a loss recognised directly in equity will not be recovered in one or more future periods, it will reclassify into surplus or deficit the amount that is not expected to be recovered.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised directly in equity will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or

loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective is reclassified from equity to the surplus / (deficit).

Critical judgments in applying Council's accounting policies

Management has exercised the following critical judgments in applying Council's accounting policies for the 10 year period ended 30 June 2031.

Classification of property

Council owns a number of properties which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of Council's social housing policy.

These properties are accounted for as property, plant and equipment.

Prospective statement of comprehensive revenue and expenses

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Revenue					
Rates - general	57,542	56,823	59,087	60,696	62,900
Rates - targeted water	2,227	2,988	3,229	3,137	4,313
Rates - targeted excluding water	27,499	30,784	32,966	34,444	36,910
Rates - penalties	2,073	2,063	2,063	2,063	2,063
Fines, fees and charges	17,059	17,518	17,660	17,936	17,188
Subsidies operational	10,397	14,445	15,800	14,923	14,884
Subsidies capital	21,187	58,012	20,827	20,239	24,169
Other contributions	-	-	-	-	-
Other income	3,686	2,244	2,451	2,452	2,449
Total comprehensive revenue	141,670	184,878	154,084	155,890	164,876
Expenses					
Personnel costs	30,452	32,305	32,920	33,678	34,357
Depreciation and amortisation costs	34,645	37,569	42,512	46,013	49,014
Finance costs	1,715	2,282	2,718	2,746	2,928
Other expenses	64,884	68,329	70,648	70,170	68,473
Total operating expenses	131,696	140,486	148,797	152,607	154,772
Net operating surplus /(deficit)	9,974	44,392	5,287	3,283	10,104
Other comprehensive review and expenses					
Surplus / (deficit) attributable to:					
Far North District Council	9,974	44,392	5,287	3,283	10,104
Items that will not be reclassified to surplus					
Gain / (loss) on asset valuations	45,130	81,895	66,562	60,481	62,572
Total other comprehensive revenue	45,130	81,895	66,562	60,481	62,572
Total comprehensive revenue	55,104	126,287	71,849	63,764	72,676

Prospective statement of changes in equity

	AP 2020/21 \$000s	Revised 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Opening balance	1,655,580	1,935,023	2,016,641	2,142,927	2,214,776	2,278,540
Total comprehensive income	56,600	81,618	126,287	71,849	63,764	72,676
Closing balance	1,712,180	2,016,641	2,142,927	2,214,776	2,278,540	2,351,216

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Revenue						
65,456	66,891	68,813	71,494	74,137	75,683	Rates - general
4,977	5,914	6,640	6,931	7,727	7,911	Rates - targeted water
37,763	39,904	41,294	42,163	43,142	43,251	Rates - targeted excluding water
2,063	2,063	2,063	2,063	2,063	2,063	Rates - penalties
17,339	17,493	17,652	17,814	17,980	18,149	Fines, fees and charges
15,191	15,538	15,975	16,453	16,965	17,454	Subsidies operational
31,866	35,275	37,848	38,728	37,278	34,606	Subsidies capital
-	-	-	-	-	-	Other contributions
2,449	2,450	2,451	2,452	2,453	2,454	Other income
177,105	185,529	192,736	198,099	201,746	201,572	Total comprehensive revenue
Expenditure						
35,114	35,887	36,676	37,484	38,308	39,151	Personnel costs
52,128	55,987	59,219	62,465	65,768	69,352	Depreciation and amortisation costs
3,211	3,887	4,390	4,279	4,320	4,260	Finance costs
69,885	71,607	73,274	75,437	77,507	79,017	Other expenses
160,338	167,368	173,559	179,666	185,903	191,781	Total operating expenditure
16,767	18,161	19,177	18,433	15,843	9,791	Net operating surplus / (deficit)
Other comprehensive review and expenses						
Surplus / (deficit) attributable to:						
16,767	18,161	19,177	18,433	15,843	9,791	Far North District Council
Items that will not be reclassified to surplus						
67,827	68,607	76,709	79,447	85,016	82,492	Gain / (loss) on asset valuations
67,827	68,607	76,709	79,447	85,016	82,492	Total other comprehensive revenue
84,594	86,768	95,886	97,880	100,859	92,283	Total comprehensive revenue

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
2,351,216	2,435,811	2,522,579	2,618,465	2,716,345	2,817,203	Opening balance
84,594	86,768	95,886	97,880	100,859	92,283	Total comprehensive income
2,435,811	2,522,579	2,618,465	2,716,345	2,817,203	2,909,487	Closing balance

Prospective statement of financial position

	AP 2020/21 \$000s	Revised 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Public equity						
Other reserves	607,486	544,959	626,854	693,416	753,897	816,469
Restricted reserves	13,875	8,468	9,045	9,632	10,227	10,815
Retained earnings	1,362,568	1,463,214	1,507,028	1,511,729	1,514,417	1,523,933
Public equity	1,983,929	2,016,641	2,142,927	2,214,777	2,278,541	2,351,217
Represented by:						
Current assets						
Cash and cash equivalents	19,887	23,097	36,801	34,928	38,077	23,506
Trade and other receivables	37,227	41,227	42,711	43,950	45,048	46,175
Other financial assets	-	-	-	-	-	-
Inventories	104	130	130	130	130	130
Current assets	57,217	64,454	79,642	79,008	83,256	69,810
Less;						
Current liabilities						
Trade and other payables	22,977	23,768	24,624	25,338	25,972	26,621
Borrowings	39,000	6,000	26,000	-	6,500	10,000
Provisions	25	26	11	40	11	39
Financial guarantee liabilities	1,103	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Employee benefits	2,699	2,393	2,479	2,551	2,615	2,680
Current liabilities	65,803	32,187	53,114	27,929	35,097	39,340
Working capital	(8,586)	32,268	26,528	51,079	48,159	30,470
Non current assets						
Other financial assets	1,096	823	823	823	823	823
Forestry	801	708	715	722	729	737
Intangible assets	13,884	10,594	11,575	11,989	11,719	11,473
Investments in subsidiaries	18,000	18,000	18,000	18,000	18,000	18,000
Derivative financial instruments	-	-	-	-	-	-
Property, plant and equipment	2,010,044	2,047,379	2,218,745	2,326,211	2,406,606	2,512,110
Non current assets	2,043,825	2,077,504	2,249,858	2,357,745	2,437,877	2,543,143
Non current liabilities						
Borrowings	50,537	92,472	132,811	193,763	207,221	222,162
Trade and other payables	-	-	-	-	-	-
Derivative financial instruments	501	322	322	-	-	-
Employee benefits	-	-	-	-	-	-
Provisions	272	336	325	285	274	235
Non current liabilities	51,310	93,130	133,458	194,048	207,495	222,397
Net assets	1,983,929	2,016,641	2,142,928	2,214,775	2,278,541	2,351,218

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
						Public equity
884,296	952,903	1,029,612	1,109,059	1,194,075	1,276,567	Other reserves
11,403	11,991	12,579	13,167	13,756	14,344	Restricted reserves
1,540,112	1,557,685	1,576,274	1,594,119	1,609,373	1,618,576	Retained earnings
2,435,811	2,522,579	2,618,465	2,716,345	2,817,204	2,909,487	Public equity
						Represented by;
						Current assets
9,906	8,742	27,086	29,915	28,933	21,321	Cash and cash equivalents
47,329	48,512	49,774	51,117	52,498	53,863	Trade and other receivables
-	-	-	-	-	-	Other financial assets
130	130	130	130	130	130	Inventories
57,365	57,384	76,989	81,162	81,561	75,314	Current assets
						Less;
						Current liabilities
35,860	27,969	28,696	29,471	30,266	31,053	Trade and other payables
-	10,000	-	10,000	-	-	Borrowings
9	6	28	6	6	5	Provisions
-	-	-	-	-	-	Financial guarantee liabilities
-	-	-	-	-	-	Derivative financial instruments
2,747	2,816	2,889	2,967	3,047	3,126	Employee benefits
30,043	40,791	31,613	42,443	33,319	34,184	Current liabilities
27,322	16,593	45,376	38,719	48,242	41,129	Working capital
						Non current assets
823	823	823	823	823	823	Other financial assets
744	752	759	767	774	782	Forestry
12,856	12,330	14,175	14,105	13,674	13,095	Intangible assets
18,000	18,000	18,000	18,000	18,000	18,000	Investments in subsidiaries
-	-	-	-	-	-	Derivative financial instruments
2,638,739	2,739,605	2,837,396	2,931,600	3,055,261	3,166,615	Property, plant and equipment
2,671,162	2,771,510	2,871,153	2,965,295	3,088,532	3,199,315	Non current assets
						Non current liabilities
262,447	265,304	297,873	287,483	319,390	330,783	Borrowings
-	-	-	-	-	-	Trade and other payables
-	-	-	-	-	-	Derivative financial instruments
-	-	-	-	-	-	Employee benefits
226	220	191	185	179	174	Provisions
262,673	265,524	298,064	287,668	319,569	330,957	Non current liabilities
2,435,812	2,522,580	2,618,465	2,716,344	2,817,204	2,909,487	Net assets

Prospective statement of cashflows

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Operating activities					
Cash was provided from:					
Rates	97,974	101,416	106,155	109,199	115,093
Other income	42,400	83,009	47,424	46,376	49,489
Interest and dividends	495	1,055	1,405	1,405	1,405
	140,869	185,480	154,984	156,980	165,987
Cash was applied to:					
Supply of goods, services and employees	101,256	101,975	105,206	105,329	104,314
Interest paid	1,715	2,282	2,718	2,746	2,928
Fringe Benefit Tax paid	35	53	55	56	57
	103,006	104,311	107,979	108,131	107,299
Net cash inflows / (outflows) from operating activities	37,863	81,170	47,006	48,849	58,688
Financing activities					
Cash was provided from:					
Borrowing and reserve cash	27,718	83,037	60,833	48,672	48,498
	27,718	83,037	60,833	48,672	48,498
Cash was applied to;					
Borrowing	8,210	9,971	12,908	15,218	16,952
	8,210	9,971	12,908	15,218	16,952
Net cash inflows / (outflows) from financing activities	19,508	73,066	47,925	33,455	31,546
Investing activities					
Cash was provided from:					
Cash was applied to:					
Purchase and development of property, plant and equipment	66,751	140,533	96,803	79,154	104,806
	66,751	140,533	96,803	79,154	104,806
Net cash inflows / (outflows) from investing activities	(66,751)	(140,533)	(96,803)	(79,154)	(104,806)
Net increase / (decrease) in cash flows	(9,380)	13,703	(1,873)	3,150	(14,572)
Net cash position					
Opening balances 1 July					
Cash and cash equivalents	29,268	23,097	36,801	34,928	38,077
	29,268	23,097	36,801	34,928	38,077
Less balances 30 June					
Cash and cash equivalents	19,887	36,801	34,928	38,077	23,506
	19,887	36,801	34,928	38,077	23,506
Cash movements for the year	(9,380)	13,703	(1,873)	3,150	(14,572)

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Operating activities						
Cash was provided from:						
119,216	123,779	127,868	131,762	136,234	138,128	Rates
57,616	61,499	64,590	66,028	65,221	63,223	Other income
1,405	1,405	1,405	1,405	1,405	1,405	Interest and dividends
178,237	186,683	193,863	199,195	202,860	202,756	
Cash was applied to:						
106,540	109,037	111,488	114,483	117,382	119,800	Supply of goods, services and employees
3,211	3,887	4,390	4,279	4,320	4,260	Interest paid
58	60	61	62	64	65	Fringe Benefit Tax paid
109,810	112,984	115,940	118,825	121,766	124,125	
68,427	73,699	77,923	80,370	81,094	78,630	Net cash inflows / (outflows) from operating activities
Financing activities						
Cash was provided from:						
63,002	49,369	59,431	38,178	59,703	52,358	Borrowing and reserve cash
63,002	49,369	59,431	38,178	59,703	52,358	
Cash was applied to;						
18,952	21,934	23,054	23,398	23,653	25,896	Borrowing
18,952	21,934	23,054	23,398	23,653	25,896	
44,050	27,435	36,377	14,780	36,050	26,462	Net cash inflows / (outflows) from financing activities
Investing activities						
Cash was provided from:						
Cash was applied to:						
126,077	102,299	95,956	92,321	118,125	112,704	Purchase and development of property, plant and equipment
126,077	102,299	95,956	92,321	118,125	112,704	
(126,077)	(102,299)	(95,956)	(92,321)	(118,125)	(112,704)	Net cash inflows / (outflows) from investing activities
(13,600)	(1,165)	18,344	2,829	(981)	(7,612)	Net increase / (decrease) in cash flows
Net cash position						
Opening balances 1 July						
23,506	9,906	8,742	27,086	29,915	28,933	Cash and cash equivalents
23,506	9,906	8,742	27,086	29,915	28,933	
Less balances 30 June						
9,906	8,742	27,086	29,915	28,933	21,321	Cash and cash equivalents
9,906	8,742	27,086	29,915	28,933	21,321	
(13,600)	(1,165)	18,344	2,829	(981)	(7,612)	Cash movements for the year

Funding Impact Statement - Whole of Council

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	61,989	60,974	63,290	64,948	67,200
Targeted rates	29,610	33,772	36,195	37,581	41,223
Subsidies and grants for operating purposes	12,645	14,485	15,840	14,963	14,924
Fees and charges	16,942	17,403	17,542	17,816	17,065
Internal charges and overheads recovered	50	256	113	114	111
Local authority fuel tax, fines, infringement fees and other receipts	1,505	2,063	2,416	2,418	2,420
Total operating funding	122,740	128,953	135,397	137,840	142,944
Applications of operating funding					
Payments to staff and suppliers	97,594	102,721	105,707	106,036	105,067
Finance costs	1,715	2,282	2,718	2,746	2,928
Internal charges and overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	99,308	105,004	108,425	108,782	107,995
Surplus (deficit) of operating funding	23,432	23,949	26,971	29,058	34,949
Sources of capital funding					
Subsidies and grants for capital expenditure	21,187	58,012	20,827	20,239	24,169
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	20,086	54,333	39,675	25,261	29,579
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	41,273	112,346	60,502	45,500	53,748
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	34,713	111,703	65,967	50,741	58,691
- to replace existing assets	32,093	28,830	30,836	28,413	46,115
Increase (decrease) in reserves	(2,101)	(4,238)	(9,330)	(4,597)	(16,109)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	64,705	136,295	87,473	74,557	88,697
Surplus (deficit) of capital funding	(23,432)	(23,949)	(26,971)	(29,058)	(34,949)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
69,806	71,291	73,264	75,998	78,695	80,296	General rates, uniform annual general charges, rates penalties
42,740	45,817	47,933	49,094	50,869	51,162	Targeted rates
15,231	15,578	16,015	16,493	17,005	17,494	Subsidies and grants for operating purposes
17,215	17,366	17,522	17,683	17,846	18,012	Fees and charges
111	112	113	114	115	116	Internal charges and overheads recovered
2,423	2,425	2,427	2,430	2,432	2,435	Local authority fuel tax, fines, infringement fees and other receipts
147,525	152,591	157,275	161,811	166,962	169,514	Total operating funding
Applications of operating funding						
107,285	109,831	112,337	115,361	118,309	120,717	Payments to staff and suppliers
3,211	3,887	4,390	4,279	4,320	4,260	Finance costs
-	-	-	-	-	-	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
110,496	113,718	116,728	119,641	122,629	124,977	Total applications of operating funds
37,029	38,873	40,548	42,170	44,333	44,537	Surplus (deficit) of operating funding
Sources of capital funding						
31,866	35,275	37,848	38,728	37,278	34,606	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
41,356	9,541	(1,096)	(1,028)	25,892	24,685	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
73,222	44,816	36,752	37,699	63,170	59,292	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
79,058	52,946	45,544	45,378	71,478	69,574	- to improve the level of service
47,019	49,353	50,412	46,944	46,647	43,130	- to replace existing assets
(15,825)	(18,610)	(18,656)	(12,451)	(10,622)	(8,875)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
110,251	83,689	77,300	79,870	107,503	103,829	Total applications of capital funding
(37,029)	(38,873)	(40,548)	(42,170)	(44,333)	(44,537)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Funding Impact Statement - Roading and Footpaths

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	11,851	12,144	13,202	13,345	13,913
Targeted rates	4,943	4,871	5,003	5,031	5,093
Subsidies and grants for operating purposes	12,532	14,445	15,800	14,923	14,884
Fees and charges	689	661	661	661	661
Targeted rates Water	2	27	27	27	27
Fees, charges, and targeted rates for water supply	600	600	600	600	600
Internal charges and overheads recovered	30,617	32,748	35,294	34,588	35,179
Local authority fuel tax, fines, infringement fees and other receipts	600	600	600	600	600
Total operating funding	30,617	32,748	35,294	34,588	35,179
Applications of operating funding					
Payments to staff and suppliers	25,744	26,934	28,785	27,494	27,576
Finance costs	519	620	657	689	776
Internal charges and overheads applied	(2,814)	(1,904)	(1,823)	(1,731)	(1,743)
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	23,449	25,651	27,619	26,452	26,609
Surplus (deficit) of operating funding	7,168	7,097	7,675	8,135	8,570
Sources of capital funding					
Subsidies and grants for capital expenditure	20,676	29,097	18,113	20,239	24,169
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	6,561	8,298	9,412	5,872	8,390
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	27,238	37,395	27,525	26,111	32,559
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	14,144	30,810	20,936	19,587	22,962
- to replace existing assets	23,244	12,466	13,163	13,980	18,994
Increase (decrease) in reserves	(2,982)	1,216	1,101	679	(828)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	34,406	44,492	35,200	34,246	41,128
Surplus (deficit) of capital funding	(7,168)	(7,097)	(7,675)	(8,135)	(8,570)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
14,685	15,621	16,666	17,718	18,726	19,739	General rates, uniform annual general charges, rates penalties
5,191	5,324	5,459	5,606	5,740	4,370	Targeted rates
15,191	15,538	15,975	16,453	16,965	17,454	Subsidies and grants for operating purposes
661	661	661	661	661	661	Fees and charges
27	27	27	27	28	28	Targeted rates Water
600	600	600	600	600	600	Fees, charges, and targeted rates for water supply
36,355	37,772	39,389	41,066	42,720	42,853	Internal charges and overheads recovered
600	600	600	600	600	600	Local authority fuel tax, fines, infringement fees and other receipts
36,355	37,772	39,389	41,066	42,720	42,853	Total operating funding
Applications of operating funding						
28,167	28,815	29,600	30,464	31,369	32,258	Payments to staff and suppliers
902	1,064	1,225	1,388	1,500	1,590	Finance costs
(1,788)	(1,822)	(1,861)	(1,910)	(1,941)	(2,008)	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
27,280	28,058	28,964	29,943	30,928	31,841	Total applications of operating funds
9,075	9,714	10,425	11,123	11,792	11,012	Surplus (deficit) of operating funding
Sources of capital funding						
31,866	35,275	37,848	38,728	37,278	34,606	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
10,849	10,707	10,920	7,435	6,022	3,358	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
42,716	45,982	48,768	46,163	43,300	37,964	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
33,055	36,245	40,495	37,192	35,757	30,069	- to improve the level of service
19,948	21,228	20,416	23,357	20,497	21,922	- to replace existing assets
(1,213)	(1,777)	(1,718)	(3,263)	(1,162)	(3,014)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
51,791	55,696	59,193	57,286	55,093	48,976	Total applications of capital funding
(9,075)	(9,714)	(10,425)	(11,123)	(11,792)	(11,012)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Funding Impact Statement - Water Supply

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	225	225	225	225	225
Targeted rates	2,227	2,988	3,229	3,137	4,313
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	6,642	6,945	6,945	6,945	6,945
Internal charges and overheads recovered	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	9,094	10,158	10,399	10,307	11,483
Applications of operating funding					
Payments to staff and suppliers	4,970	6,126	5,996	5,765	5,896
Finance costs	316	319	404	349	330
Internal charges and overheads applied	1,739	1,528	1,588	1,630	1,692
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	7,025	7,973	7,988	7,744	7,918
Surplus (deficit) of operating funding	2,069	2,185	2,411	2,563	3,565
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	2,433	9,374	2,724	6,630	8,591
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	2,433	9,374	2,724	6,630	8,591
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	3,639	10,387	4,729	9,087	11,513
- to replace existing assets	815	1,186	1,328	4,227	4,478
Increase (decrease) in reserves	49	(15)	(922)	(4,121)	(3,835)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	4,502	11,559	5,135	9,193	12,156
Surplus (deficit) of capital funding	(2,069)	(2,185)	(2,411)	(2,563)	(3,565)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
225	225	225	225	225	225	General rates, uniform annual general charges, rates penalties
4,977	5,914	6,640	6,931	7,727	7,911	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
6,945	6,945	6,945	6,945	6,945	6,945	Fees and charges
-	-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	-	Local authority fuel tax, fines, infringement fees and other receipts
12,147	13,084	13,809	14,101	14,897	15,080	Total operating funding
Applications of operating funding						
6,140	6,304	6,504	6,642	7,261	7,270	Payments to staff and suppliers
319	565	832	784	738	704	Finance costs
1,726	1,768	1,808	1,844	1,889	1,919	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
8,185	8,637	9,144	9,269	9,888	9,894	Total applications of operating funds
3,961	4,447	4,665	4,832	5,008	5,187	Surplus (deficit) of operating funding
Sources of capital funding						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
15,522	837	(3,487)	(3,283)	(2,482)	(3,170)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
15,522	837	(3,487)	(3,283)	(2,482)	(3,170)	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
18,831	5,261	411	423	435	447	- to improve the level of service
6,284	5,427	5,579	4,782	5,905	4,530	- to replace existing assets
(5,632)	(5,404)	(4,812)	(3,656)	(3,814)	(2,959)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
19,484	5,283	1,178	1,549	2,526	2,017	Total applications of capital funding
(3,961)	(4,447)	(4,665)	(4,832)	(5,008)	(5,187)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Funding Impact Statement - Wastewater

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	283	141	304	335	402
Targeted rates	11,747	13,797	14,373	15,476	16,927
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	403	301	301	301	301
Internal charges and overheads recovered	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	12,433	14,238	14,978	16,112	17,630
Applications of operating funding					
Payments to staff and suppliers	6,850	7,263	7,524	8,093	7,560
Finance costs	621	909	809	796	897
Internal charges and overheads applied	2,031	1,845	1,926	1,986	2,065
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	9,502	10,017	10,260	10,876	10,522
Surplus (deficit) of operating funding	2,931	4,221	4,718	5,236	7,108
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	3,345	6,913	9,333	6,880	8,358
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	3,345	6,913	9,333	6,880	8,358
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	5,779	8,508	13,122	10,334	13,488
- to replace existing assets	1,745	4,538	3,531	2,579	7,835
Increase (decrease) in reserves	(1,248)	(1,912)	(2,601)	(797)	(5,857)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	6,276	11,134	14,051	12,116	15,466
Surplus (deficit) of capital funding	(2,931)	(4,221)	(4,718)	(5,236)	(7,108)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
451	500	552	616	660	742	General rates, uniform annual general charges, rates penalties
17,478	18,905	19,799	20,122	20,437	21,408	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
301	301	301	301	301	301	Fees, charges, and targeted rates for water supply
-	-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	-	Local authority fuel tax, fines, infringement fees and other receipts
18,231	19,706	20,652	21,039	21,398	22,452	Total operating funding
Applications of operating funding						
7,421	7,597	7,955	8,030	7,964	8,207	Payments to staff and suppliers
919	1,201	1,294	1,225	1,141	1,188	Finance costs
2,106	2,158	2,208	2,250	2,308	2,339	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
10,445	10,956	11,457	11,505	11,413	11,734	Total applications of operating funds
7,785	8,750	9,195	9,534	9,985	10,718	Surplus (deficit) of operating funding
Sources of capital funding						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
16,411	(435)	(5,617)	(608)	14,788	11,490	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
16,411	(435)	(5,617)	(608)	14,788	11,490	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
21,776	5,902	84	4,945	20,445	18,108	- to improve the level of service
8,181	8,274	8,750	7,511	7,822	1,442	- to replace existing assets
(5,761)	(5,861)	(5,256)	(3,530)	(3,494)	2,658	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
24,196	8,315	3,578	8,926	24,773	22,207	Total applications of capital funding
(7,785)	(8,750)	(9,195)	(9,534)	(9,985)	(10,718)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Funding Impact Statement - Stormwater

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	4,850	4,170	4,190	4,270	2,822
Targeted rates	651	1,916	2,051	2,202	2,792
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	5,501	6,086	6,241	6,471	5,613
Applications of operating funding					
Payments to staff and suppliers	1,942	3,259	3,245	3,389	2,068
Finance costs	164	123	147	134	126
Internal charges and overheads applied	1,860	1,714	1,787	1,843	1,916
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	3,966	5,095	5,179	5,365	4,110
Surplus (deficit) of operating funding	1,535	991	1,062	1,106	1,503
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	663	2,586	762	(489)	1,235
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	663	2,586	762	(489)	1,235
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,121	3,157	1,442	227	1,843
- to replace existing assets	58	515	1,373	1,374	1,350
Increase (decrease) in reserves	1,019	(95)	(990)	(984)	(455)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	2,198	3,577	1,824	617	2,738
Surplus (deficit) of capital funding	(1,535)	(991)	(1,062)	(1,106)	(1,503)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
2,868	2,953	3,020	3,092	3,169	3,235	General rates, uniform annual general charges, rates penalties
2,743	2,975	3,057	3,204	3,329	3,458	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
-	-	-	-	-	-	Fees, charges, and targeted rates for water supply
-	-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	-	Local authority fuel tax, fines, infringement fees and other receipts
5,611	5,928	6,077	6,296	6,498	6,692	Total operating funding
Applications of operating funding						
1,909	2,066	2,036	2,078	2,133	2,187	Payments to staff and suppliers
145	160	199	237	247	264	Finance costs
1,954	2,001	2,046	2,087	2,138	2,172	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
4,009	4,227	4,282	4,402	4,519	4,624	Total applications of operating funds
1,602	1,701	1,795	1,894	1,979	2,069	Surplus (deficit) of operating funding
Sources of capital funding						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
1,013	2,600	2,522	718	1,311	1,007	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
1,013	2,600	2,522	718	1,311	1,007	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
1,695	3,438	3,524	1,769	2,423	2,233	- to improve the level of service
2,906	2,542	2,631	2,705	2,709	2,718	- to replace existing assets
(1,986)	(1,679)	(1,838)	(1,861)	(1,841)	(1,876)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
2,615	4,302	4,317	2,612	3,290	3,075	Total applications of capital funding
(1,602)	(1,701)	(1,795)	(1,894)	(1,979)	(2,069)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Funding Impact Statement - Solid Waste Management

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	3,620	3,663	3,966	4,094	4,265
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	1,185	1,200	1,193	1,191	1,191
Internal charges and overheads recovered	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	220	220	220	220	220
Total operating funding	5,025	5,082	5,379	5,504	5,676
Applications of operating funding					
Payments to staff and suppliers	4,282	4,348	4,567	4,656	4,793
Finance costs	51	40	38	33	31
Internal charges and overheads applied	679	683	713	739	770
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	5,012	5,072	5,318	5,428	5,595
Surplus (deficit) of operating funding	13	11	61	75	81
Sources of capital funding					
Subsidies and grants for capital expenditure	-	58	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	(99)	314	93	(152)	2,594
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	(99)	371	93	(152)	2,594
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	205	671	383	104	2,825
- to replace existing assets	120	96	627	97	169
Increase (decrease) in reserves	(412)	(385)	(856)	(278)	(319)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	(86)	382	154	(77)	2,675
Surplus (deficit) of capital funding	(13)	(11)	(61)	(75)	(81)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
4,471	4,753	4,995	5,187	5,402	5,591	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	-	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
1,192	1,192	1,193	1,194	1,194	1,195	Fees, charges, and targeted rates for water supply
-	-	-	-	-	-	Internal charges and overheads recovered
220	220	220	220	220	220	Local authority fuel tax, fines, infringement fees and other receipts
5,883	6,165	6,407	6,600	6,816	7,006	Total operating funding
Applications of operating funding						
4,922	5,068	5,229	5,400	5,581	5,753	Payments to staff and suppliers
70	100	112	107	102	98	Finance costs
784	805	824	839	863	870	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
5,776	5,974	6,166	6,345	6,546	6,721	Total applications of operating funds
106	191	242	255	270	285	Surplus (deficit) of operating funding
Sources of capital funding						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
1,994	806	(369)	(299)	(239)	(215)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
1,994	806	(369)	(299)	(239)	(215)	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
2,354	1,282	155	172	192	213	- to improve the level of service
540	141	458	219	130	396	- to replace existing assets
(793)	(427)	(741)	(435)	(291)	(539)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
2,101	997	(127)	(44)	31	70	Total applications of capital funding
(106)	(191)	(242)	(255)	(270)	(285)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Funding Impact Statement - District Facilities

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	3,750	3,643	4,708	5,376	5,410
Targeted rates	10,041	10,200	11,539	11,735	12,098
Subsidies and grants for operating purposes	75	-	-	-	-
Fees, charges, and targeted rates for water supply	1,240	1,293	1,297	1,301	409
Internal charges and overheads recovered	11	11	11	11	7
Local authority fuel tax, fines, infringement fees and other receipts	105	105	105	105	105
Total operating funding	15,221	15,251	17,660	18,528	18,030
Applications of operating funding					
Payments to staff and suppliers	9,554	9,062	9,224	9,245	8,611
Finance costs	370	449	772	786	780
Internal charges and overheads applied	3,016	2,890	3,050	3,178	3,315
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	12,940	12,401	13,046	13,209	12,706
Surplus (deficit) of operating funding	2,282	2,850	4,614	5,319	5,324
Sources of capital funding					
Subsidies and grants for capital expenditure	510	28,858	2,714	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	7,618	24,872	14,008	4,604	2,100
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	8,129	53,730	16,722	4,604	2,100
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	9,083	55,099	20,762	8,021	5,973
- to replace existing assets	3,945	7,717	8,374	4,310	10,419
Increase (decrease) in reserves	(2,617)	(6,236)	(7,800)	(2,407)	(8,968)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	10,411	56,580	21,336	9,923	7,424
Surplus (deficit) of capital funding	(2,282)	(2,850)	(4,614)	(5,320)	(5,324)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
5,733	5,832	5,925	6,010	6,110	6,193	General rates, uniform annual general charges, rates penalties
12,350	12,699	12,979	13,231	13,636	14,015	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
414	418	422	427	432	437	Fees, charges, and targeted rates for water supply
8	8	8	8	8	9	Internal charges and overheads recovered
105	105	105	105	105	105	Local authority fuel tax, fines, infringement fees and other receipts
18,610	19,062	19,440	19,782	20,292	20,759	Total operating funding
Applications of operating funding						
8,722	8,959	9,144	9,302	9,587	9,727	Payments to staff and suppliers
895	859	816	773	729	856	Finance costs
3,377	3,465	3,546	3,609	3,710	3,744	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
12,993	13,283	13,506	13,684	14,026	14,327	Total applications of operating funds
5,616	5,779	5,934	6,098	6,266	6,432	Surplus (deficit) of operating funding
Sources of capital funding						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
(2,800)	(3,354)	(3,340)	(3,392)	7,916	13,557	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
(2,800)	(3,354)	(3,340)	(3,392)	7,916	13,557	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
1,249	709	754	739	12,071	18,300	- to improve the level of service
5,113	8,379	5,129	4,712	6,859	4,881	- to replace existing assets
(3,546)	(6,663)	(3,289)	(2,745)	(4,747)	(3,192)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
2,817	2,425	2,594	2,707	14,183	19,988	Total applications of capital funding
(5,616)	(5,779)	(5,934)	(6,098)	(6,267)	(6,432)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Funding Impact Statement - Customer Services

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	9,949	10,223	10,520	10,876	11,497
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	417	412	413	552	562
Internal charges and overheads recovered	-	147	3	3	3
Local authority fuel tax, fines, infringement fees and other receipts	26	18	18	18	18
Total operating funding	10,391	10,800	10,955	11,449	12,081
Applications of operating funding					
Payments to staff and suppliers	5,653	5,713	5,553	5,693	5,867
Finance costs	158	129	107	117	137
Internal charges and overheads applied	3,096	3,437	3,711	3,945	4,150
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	8,907	9,279	9,371	9,755	10,155
Surplus (deficit) of operating funding	1,484	1,520	1,585	1,694	1,926
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	(454)	66	1,894	1,323	(743)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	(454)	66	1,894	1,323	(743)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	56	657	2,518	2,050	86
- to replace existing assets	478	337	377	701	513
Increase (decrease) in reserves	496	593	584	266	584
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	1,030	1,586	3,479	3,017	1,183
Surplus (deficit) of capital funding	(1,484)	(1,520)	(1,585)	(1,694)	(1,926)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
11,724	12,015	12,321	12,545	12,859	13,086	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	-	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
573	584	596	609	622	634	Fees, charges, and targeted rates for water supply
3	3	3	3	3	3	Internal charges and overheads recovered
18	18	18	18	18	18	Local authority fuel tax, fines, infringement fees and other receipts
12,319	12,621	12,939	13,176	13,502	13,741	Total operating funding
Applications of operating funding						
5,997	6,145	6,321	6,435	6,581	6,727	Payments to staff and suppliers
126	115	104	94	84	76	Finance costs
4,226	4,336	4,438	4,513	4,641	4,677	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
10,349	10,597	10,863	11,042	11,306	11,480	Total applications of operating funds
1,971	2,024	2,076	2,134	2,196	2,261	Surplus (deficit) of operating funding
Sources of capital funding						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
(722)	(716)	(708)	(643)	(559)	(526)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
(722)	(716)	(708)	(643)	(559)	(526)	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
96	108	121	137	155	174	- to improve the level of service
542	1,289	1,992	1,561	973	4,556	- to replace existing assets
609	(89)	(744)	(207)	510	(2,995)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
1,248	1,308	1,369	1,491	1,638	1,734	Total applications of capital funding
(1,971)	(2,024)	(2,076)	(2,134)	(2,196)	(2,261)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Funding Impact Statement - Environmental Management

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	9,381	9,101	9,108	9,525	10,007
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	5,366	5,646	5,787	5,920	6,050
Internal charges and overheads recovered	8	7	7	7	7
Local authority fuel tax, fines, infringement fees and other receipts	89	96	98	100	103
Total operating funding	14,844	14,849	15,000	15,553	16,167
Applications of operating funding					
Payments to staff and suppliers	10,489	10,198	9,944	10,176	10,516
Finance costs	74	52	57	45	42
Internal charges and overheads applied	3,886	4,302	4,662	4,988	5,258
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	14,448	14,551	14,662	15,208	15,816
Surplus (deficit) of operating funding	396	298	337	344	351
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	(154)	818	(183)	(183)	(183)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	(154)	818	(183)	(183)	(183)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	953	-	-	-
- to replace existing assets	-	28	-	7	12
Increase (decrease) in reserves	242	135	154	154	156
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	242	1,116	154	162	168
Surplus (deficit) of capital funding	(396)	(298)	(337)	(344)	(351)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
10,203	10,428	10,656	10,896	11,098	11,312	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	-	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
6,184	6,320	6,459	6,601	6,746	6,894	Fees, charges, and targeted rates for water supply
7	8	8	8	8	8	Internal charges and overheads recovered
105	107	109	112	114	117	Local authority fuel tax, fines, infringement fees and other receipts
16,499	16,862	17,232	17,617	17,966	18,331	Total operating funding
Applications of operating funding						
10,742	10,969	11,209	11,485	11,680	11,967	Payments to staff and suppliers
39	37	34	31	29	26	Finance costs
5,359	5,491	5,616	5,720	5,869	5,942	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
16,141	16,497	16,859	17,236	17,578	17,935	Total applications of operating funds
358	365	373	380	388	396	Surplus (deficit) of operating funding
Sources of capital funding						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
(175)	(175)	(172)	(171)	(171)	(171)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
(175)	(175)	(172)	(171)	(171)	(171)	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
-	-	-	-	-	-	- to improve the level of service
-	956	-	5	-	-	- to replace existing assets
183	(766)	201	205	217	225	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
183	190	201	209	217	225	Total applications of capital funding
(358)	(365)	(373)	(380)	(388)	(396)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Funding Impact Statement - Strategic Planning and Policy

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	8,036	8,996	9,145	9,728	9,878
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	75	75	75	75	75
Total operating funding	8,111	9,071	9,220	9,803	9,953
Applications of operating funding					
Payments to staff and suppliers	6,500	7,372	7,382	7,838	7,888
Finance costs	6	6	4	3	3
Internal charges and overheads applied	1,561	1,658	1,797	1,925	2,024
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	8,067	9,036	9,184	9,766	9,916
Surplus (deficit) of operating funding	44	35	36	37	38
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	(23)	(23)	(23)	(23)	(23)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	(23)	(23)	(23)	(23)	(23)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	254
Increase (decrease) in reserves	21	12	13	14	(239)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	21	12	13	14	15
Surplus (deficit) of capital funding	(44)	(35)	(36)	(37)	(38)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
10,159	10,595	10,634	10,855	11,297	11,317	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	-	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
-	-	-	-	-	-	Fees, charges, and targeted rates for water supply
-	-	-	-	-	-	Internal charges and overheads recovered
75	75	75	75	75	75	Local authority fuel tax, fines, infringement fees and other receipts
10,234	10,670	10,709	10,930	11,372	11,392	Total operating funding
Applications of operating funding						
8,130	8,515	8,506	8,687	9,071	9,061	Payments to staff and suppliers
3	2	2	2	1	1	Finance costs
2,063	2,113	2,161	2,201	2,257	2,287	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
10,196	10,630	10,669	10,890	11,330	11,349	Total applications of operating funds
38	39	40	41	42	42	Surplus (deficit) of operating funding
Sources of capital funding						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
(23)	(23)	(22)	(8)	(8)	(8)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
(23)	(23)	(22)	(8)	(8)	(8)	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
-	-	-	-	-	-	- to improve the level of service
-	-	-	11	5	16	- to replace existing assets
16	16	18	22	28	19	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
16	16	18	33	34	34	Total applications of capital funding
(38)	(39)	(40)	(41)	(42)	(42)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Funding Impact Statement - Governance and Strategic Administration

	AP 2020/21 \$000s	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	10,045	8,670	7,921	7,175	8,781
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	38	40	40	40	40
Fees, charges, and targeted rates for water supply	1,001	945	945	945	945
Internal charges and overheads recovered	29	64	65	65	65
Local authority fuel tax, fines, infringement fees and other receipts	390	950	1,300	1,300	1,300
Total operating funding	11,503	10,669	10,271	9,525	11,131
Applications of operating funding					
Payments to staff and suppliers	21,610	22,445	23,487	23,686	24,290
Finance costs	(563)	(364)	(278)	(207)	(195)
Internal charges and overheads applied	(15,054)	(16,153)	(17,411)	(18,501)	(19,448)
Other operating funding applications	-	-	-	-	-
Total applications of operating funds	5,993	5,929	5,799	4,978	4,648
Surplus (deficit) of operating funding	5,510	4,740	4,472	4,547	6,483
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	196	1,116	1,654	799	(740)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding	196	1,116	1,654	799	(740)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	686	1,460	2,075	1,332	-
- to replace existing assets	1,690	1,947	2,065	1,139	2,092
Increase (decrease) in reserves	3,330	2,450	1,986	2,876	3,651
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding	5,706	5,856	6,126	5,346	5,743
Surplus (deficit) of capital funding	(5,510)	(4,740)	(4,472)	(4,547)	(6,483)
Funding balance	-	-	-	-	-

LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
Sources of operational funding						
9,286	8,370	8,271	8,853	9,149	8,857	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	-	Targeted rates
40	40	40	40	40	40	Subsidies and grants for operating purposes
945	945	945	945	945	945	Fees, charges, and targeted rates for water supply
66	66	66	67	67	68	Internal charges and overheads recovered
1,300	1,300	1,300	1,300	1,300	1,300	Local authority fuel tax, fines, infringement fees and other receipts
11,637	10,722	10,622	11,205	11,501	11,209	Total operating funding
Applications of operating funding						
25,135	25,392	25,834	26,839	27,080	27,560	Payments to staff and suppliers
(206)	(217)	(227)	(361)	(252)	(544)	Finance costs
(19,807)	(20,316)	(20,787)	(21,152)	(21,733)	(21,943)	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
5,122	4,859	4,819	5,326	5,096	5,073	Total applications of operating funds
6,515	5,862	5,803	5,878	6,406	6,136	Surplus (deficit) of operating funding
Sources of capital funding						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
(714)	(706)	(823)	(777)	(687)	(635)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
(714)	(706)	(823)	(777)	(687)	(635)	Total sources of capital funding
Applications of capital funding						
Capital expenditure						
-	-	-	-	-	-	- to meet additional demand
-	-	-	-	-	32	- to improve the level of service
3,504	1,116	5,456	2,082	1,747	2,671	- to replace existing assets
2,297	4,040	(476)	3,019	3,972	2,799	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
5,801	5,156	4,980	5,101	5,719	5,501	Total applications of capital funding
(6,515)	(5,862)	(5,803)	(5,878)	(6,406)	(6,136)	Surplus (deficit) of capital funding
-	-	-	-	-	-	Funding balance

Reserves balances

	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s
Revaluation reserves					
Opening balance	542,600	624,495	691,057	751,538	814,110
Appropriations	81,895	66,562	60,481	62,572	67,827
Closing balance	624,495	691,057	751,538	814,110	881,937
Fair value through equity reserve					
Opening balance	49	49	49	49	49
Closing balance	49	49	49	49	49
Capital reserve					
Opening balance	2,697	2,697	2,697	2,697	2,697
Closing balance	2,697	2,697	2,697	2,697	2,697
Cash flow hedge reserve					
Opening balance	(387)	(387)	(387)	(387)	(387)
Closing balance	(387)	(387)	(387)	(387)	(387)
General separate fund					
Opening balance	4,333	4,910	5,497	6,092	6,680
Appropriations	577	587	595	588	588
Closing balance	4,910	5,497	6,092	6,680	7,268
Special fund					
Opening balance	4,859	4,859	4,859	4,859	4,859
Closing balance	4,859	4,859	4,859	4,859	4,859
Amenity development fund					
Opening Balance	238	238	238	238	238
Closing Balance	238	238	238	238	238
Community services fund					
Opening balance	(962)	(962)	(962)	(962)	(962)
Closing balance	(962)	(962)	(962)	(962)	(962)
Development contributions					
Opening balance	(16,934)	(16,934)	(16,934)	(16,934)	(16,934)
Closing balance	(16,934)	(16,934)	(16,934)	(16,934)	(16,934)
Open spaces development contributions					
Opening balance	(3,721)	(3,721)	(3,721)	(3,721)	(3,721)
Closing balance	(3,768)	(3,768)	(3,768)	(3,768)	(3,768)

LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
					Revaluation reserves
881,937	950,544	1,027,253	1,106,700	1,191,716	Opening balance
68,607	76,709	79,447	85,016	82,492	Appropriations
950,544	1,027,253	1,106,700	1,191,716	1,274,208	Closing balance
					Fair value through equity reserve
49	49	49	49	49	Opening balance
49	49	49	49	49	Closing balance
					Capital reserve
2,697	2,697	2,697	2,697	2,697	Opening balance
2,697	2,697	2,697	2,697	2,697	Closing balance
					Cash flow hedge reserve
(387)	(387)	(387)	(387)	(387)	Opening balance
(387)	(387)	(387)	(387)	(387)	Closing balance
					General separate fund
7,268	7,856	8,444	9,032	9,621	Opening balance
588	588	588	589	588	Appropriations
7,856	8,444	9,032	9,621	10,209	Closing balance
					Special fund
4,859	4,859	4,859	4,859	4,859	Opening balance
4,859	4,859	4,859	4,859	4,859	Closing balance
					Amenity development fund
238	238	238	238	238	Opening balance
238	238	238	238	238	Closing balance
					Community services fund
(962)	(962)	(962)	(962)	(962)	Opening balance
(962)	(962)	(962)	(962)	(962)	Closing balance
					Development contributions
(16,934)	(16,934)	(16,934)	(16,934)	(16,934)	Opening balance
(16,934)	(16,934)	(16,934)	(16,934)	(16,934)	Closing balance
					Open spaces development contributions
(3,721)	(3,721)	(3,721)	(3,721)	(3,721)	Opening balance
(3,768)	(3,768)	(3,768)	(3,768)	(3,768)	Closing balance

	LTP 2021/22 \$000s	LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s
Depreciation reserve					
Opening balance	66,086	57,349	44,268	36,482	25,264
Appropriations	37,569	42,512	46,013	49,014	52,128
Withdrawals	(46,306)	(55,593)	(53,799)	(60,232)	(51,778)
Closing balance	57,349	44,268	36,482	25,264	25,614
Retained earnings					
Opening balance	1,414,368	1,467,928	1,485,710	1,496,184	1,516,918
Retained earnings generated	53,560	17,782	10,474	20,734	15,829
Closing balance	1,467,928	1,485,710	1,496,184	1,516,918	1,532,747
Emergency event reserve					
Opening balance	3,196	3,196	3,196	3,196	3,196
Closing balance	3,196	3,196	3,196	3,196	3,196
Mineral survey reserve					
Opening Balance	50	50	50	50	50
Closing Balance	50	50	50	50	50
Property disposal reserve					
Opening balance	169	169	169	169	169
Closing balance	169	169	169	169	169

LTP 2026/27 \$000s	LTP 2027/28 \$000s	LTP 2028/29 \$000s	LTP 2029/30 \$000s	LTP 2030/31 \$000s	
					Depreciation reserve
25,614	23,583	23,697	29,905	31,284	Opening balance
55,987	59,219	62,465	65,768	69,352	Appropriations
(58,018)	(59,105)	(56,257)	(64,389)	(67,255)	Withdrawals
23,583	23,697	29,905	31,284	33,382	Closing balance
					Retained earnings
1,532,747	1,552,351	1,570,826	1,582,463	1,596,338	Opening balance
19,604	18,475	11,637	13,875	7,105	Retained earnings generated
1,552,351	1,570,826	1,582,463	1,596,338	1,603,443	Closing balance
					Emergency event reserve
3,196	3,196	3,196	3,196	3,196	Opening balance
3,196	3,196	3,196	3,196	3,196	Closing balance
					Mineral survey reserve
50	50	50	50	50	Opening balance
50	50	50	50	50	Closing balance
					Property disposal reserve
169	169	169	169	169	Opening balance
169	169	169	169	169	Closing balance

Funding Impact Statement - Rates

Rates for 2021/22

This portion of the funding impact statement has been prepared in two parts. The first part outlines the rating methodologies and differentials which Council has used to set the rates for the 2021/22 rating year. The second part outlines the rates for the 2021/22 year.

General rate

General rates are set on the basis of land value to fund Councils' general activities. This rate is set on a differential basis as described below.

The general rate differentials are generally based on the land use as defined by Council's valuation service provider and included in the rating information database (RID). The differentials are set out in the following table. (Local Government (Rating) Act 2002, Sections 13(2) (b) and 14 and Schedule 2 Clause 1)

General rate differential categories

Differential	Basis	Description	Land use codes
General	100%	These are rating units which have a non-commercial use based on their actual use as defined by their land use code. (Note: in certain circumstances land with a commercial land use may be treated as general if the ratepayer demonstrates to Council's satisfaction that the actual use is not commercial.)	00, 01, 02, 09, 10 to 17, 19 to 29, 90, 91, 92 and 97-99 (93 - 96 may also be treated as general if the actual use of the land is not commercial)
Commercial	275%	These are rating units which have some form of commercial or industrial use or are used primarily for commercial purposes as defined by their land use codes. (Note: in certain circumstances land with a general land use code may be treated as commercial if the actual use of the entire rating unit is commercial in nature.)	03, 04, 05, 06, 07, 08, 18, 30 to 89, 93, 94, 95 and 96
Mixed use		Mixed use may apply where two different uses take place on the rating unit and where each use would be subject to a different differential. In these circumstances Council may decide to split the rating unit in to two divisions for rating purposes and apply the appropriate differential to each part. (Local Government (Rating) Act 2002 Section 27(5))	

Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code. For more information, refer to the section 'Notes in relation to land use differentials'.

Uniform annual general charge (UAGC)

The UAGC rate is set on the basis of one charge assessed in respect of every separately used or inhabited part (SUIP) on every rateable rating unit. This rate will be set at a level designed to ensure that the total of the UAGC and certain targeted rates set on a uniform basis do not exceed the allowable maximum of 30%. The total of the UAGC and applicable uniform targeted rates for the 2021/22 year is 21%. (Local Government (Rating) Act 2002, Section 15 and 21)

Roading rate

Council has two targeted roading rates to fund a portion of the costs of its roading activities.

- A targeted rate on the basis of a fixed amount of \$100 assessed on every SUIP (on every rateable rating unit) to fund part of the costs of roading. (Local Government (Rating) Act 2002 Section 16 and Schedule 3 Clause 7)
- A targeted rate assessed on the basis of land value to fund 10% of the balance of the roading activity not funded by the uniform roading rate. The remaining 90% is funded from the general rate. This rate is set on a differential basis according to land use as described below. (Local Government (Rating) Act 2002 Sections 16 and 17 and Schedule 2 Clause 1 and Schedule 3 Clause 3)

Roading rate differentials are generally based on land use as defined by Council's valuation service provider and included in the RID. The differential basis is designed to ensure that the specified share of the rate is generated by each of the differential categories. The roading rate differentials are:

Roading rate differential categories

Differential	Share	Description	Land use codes
Residential	29%	Rating units which have residential land uses or are used primarily for residential purposes	09, 90, 91, 92 and 97 - 99 (93 - 96 may also be treated as residential if the actual use is residential in nature)
Lifestyle	20%	Rating units which have lifestyle land uses	02 and 20 - 29
Commercial	7%	Rating units which have some form of commercial land use or are used primarily for commercial purposes	03 - 06, 08, 30 - 39, 40 - 49, 50-59, 60-69, 80-89, (93 - 96 may also be treated as commercial if the actual use is commercial in nature)
Industrial	2%	Rating units which have some form of industrial land use or are used primarily for industrial purposes	07 and 70 - 79
Farming general	16%	Rating units which have some form of primary or farming land use or are used primarily for farming purposes other than land used for dairy or horticulture	01, 10, 12-14, 16, 19
Horticulture	1%	Rating units which have horticultural, market garden or other similar land uses	15
Dairy	7%	Rating units which have dairy land uses	11
Forestry	13%	Rating units which have forestry land uses but exclude land which is categorised under the valuer general's rules as indigenous forests or protected forests of any type	17
Mining / quarry	4%	Rating units which have mining or quarry land uses	18
Other	1%	Rating units where the defined land use is inconsistent or cannot be determined	

Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code. For more details, refer to the section 'Notes to land use differentials'.

Ward rate

A ward targeted rate is set on the basis of a fixed amount assessed on every SUIP to fund urban, recreational and other local services and activities within the three wards of the district.

The ward rate is set on a differential basis according to the ward in which the rating unit is located as described below. (Local Government (Rating) Act 2002 Sections 16 and 17 and Schedule 2 Clause 6 and Schedule 3 Clause 7)

Ward rate differential categories

Differential	Basis	Description
Te Hiku ward	30%	All rateable rating units within the Te Hiku ward
Bay of Islands-Whangaroa ward	47%	All rateable rating units within the Bay of Islands – Whangaroa ward
Kaikohe-Hokianga ward	23%	All rateable rating units within the Kaikohe-Hokianga ward

Stormwater rate

This rate is to fund specific stormwater capital developments within urban communities across the district. This rate is set in two categories with no general or commercial differentials:

10% to be funded from the general rates and the remaining 90% is to be targeted to urban areas on the basis of capital value on every rateable property within the following communities – refer rating area maps. (Local Government (Rating) Act 2002 Sections 16, 17 and 18 Schedule 2 Clauses 1 and 6)

Stormwater rating areas

Ahipara	Haruru Falls	Kaikohe	Kawakawa
Awanui	Hihi	Kaimaumau	Karikeri communities
East Coast	Houhora / Pukenui	Kaitāia	Kerikeri / Waipapa
Kohukohu	Ōkaihau	Paihia / Te Haumi	Taupō Bay
Moerewa	Ōpononi / Ōmāpere	Rāwene	Tauranga Bay
Ngāwhā	Ōpua / Okiato	Russell	Whangaroa / Kāeo

Paihia central business district development rate

Council has set a targeted rate on a differential basis of a fixed amount assessed on every SUIP to fund improvements to the Paihia central business area. The rated area includes rating rolls 00221, 00223, 00225 and 00227, but excludes any rating units in those rolls that were previously being charged the Kerikeri mainstreet rate – refer rating area map 4. (Local Government (Rating) Act 2002 Sections 16 and 17 Schedule 2 Clauses 1 and 6 and Schedule 3 Clause 7)

Paihia central business district development rate differential categories

Differential	Basis	Description
General	Per SUIP	All rating units which are assessed the general rate – general differential
Commercial	Per SUIP	All rating units which are assessed the general rate – commercial differential

Kaitāia business improvement district rate

This targeted rate is set to support the Kaitāia business improvement district (KBID). Council has a memorandum of understanding with the Business Association for them to undertake agreed improvement works to be funded by the targeted rate. This rate is set on the basis of land value assessed overall rating units which are assessed the general rate – commercial differential within the defined rating area within the Kaitāia Township. Refer rating area maps. (Local Government (Rating) Act 2002, Sections 16 and 17 and Schedule 3 Clause 3)

Hupara Road sealing rate

This targeted rate is set to fund the partial sealing of Hupara Road at Pakaraka. This rate is set on the basis of a fixed amount assessed on every SUIP within the defined rateable area – refer rating area maps on our website for details. (Local Government (Rating) Act 2002, Section 16 and 17, Schedule 2(6) and Schedule 3 Clause 7)

Sewerage rates

There are a number of targeted rates set to fund the provision and availability of sewerage services. These rates are designed to separately fund the costs associated with each wastewater scheme. Council's approach is that each scheme will pay its own interest and depreciation costs through the use of separate targeted capital rates, whereas the operating costs is funded on the basis of a district-wide operating rate. In addition, a uniform public good rate is to be charged per rating unit.

Capital rates (Set on a scheme by scheme basis)

Capital differential rate: Capital rates are set on a scheme by scheme basis to fund the interest and depreciation costs associated with the provision of sewerage services to each of the District's 16 separate sewerage schemes set out below. These rates are set differentially on the basis of the provision or availability of service as set out below. (Local Government (Rating) Act 2002, Section 16, 17 and 18 and Schedules 2 Clause 5 and Schedule 3 Clause 7)

Sewerage schemes

Ahipara	Kaikohe	Kohukohu	Rāwene
East Coast	Kaitiāia and Awanui	Ōpononi	Russell
Hihi	Kawakawa	Paihia	Whangaroa
Kāeo	Kerikeri	Rangiputa	Whatuwhiwhi

Sewerage capital rate differential categories

Differential	Basis	Description
Connected	100%	Per SUIP connected, either directly or indirectly, to any of the District's public reticulated wastewater disposal systems
Availability	100%	Per rating unit that is capable of being connected to a public reticulated wastewater disposal system, but is not so connected ¹

Additional pan rate: In addition to the differential rate, where the total number of water closets or urinals connected either directly or indirectly in a rating unit exceeds two per SUIP an additional targeted rate will be assessed in respect of the third and every subsequent water closet or urinal (pan) in the rating unit after the first two per SUIP set at 60% of the differential rate value. (Local Government (Rating) Act 2002, Section 16 and 17, Schedule 2 Clauses 1 and 5, Schedule 3 Clauses 7 and 12)²

Sewerage public good charge

A charge of \$15 on every rating unit in the district.

Operating rates (Set on a District-wide basis)

Operating rate: The operating targeted rate is to fund the operating costs associated with the provision of sewerage services. This rate is set on the basis of a fixed amount on every SUIP that is connected, either directly or indirectly, to a public reticulated wastewater disposal system. (Local Government (Rating) Act 2002, Section 16 and 17, Schedule 2 Clause 5 and Schedule 3 Clause 7)

Additional pan rate: In addition to the differential rate, where the total number of water closets or urinals connected either directly or indirectly in a rating unit exceeds two per SUIP an additional targeted rate will be assessed in respect of the third and every subsequent water closet or urinal (pan) in the rating unit after the first two per SUIP set at 60% of the differential rate value. (Local Government (Rating) Act 2002, Section 16 and 17, Schedule 2 Clauses 1 and 5, Schedule 3 Clauses 7 and 12)

Notes:

For the sake of clarity, SUIPS which are connected to any of the district's sewerage schemes will be assessed for both the capital and operating rates.

Rating units that are outside of one of the defined sewerage schemes and that are neither connected to, nor capable of connection to a public reticulated sewerage system will not be liable for the capital and operating rates. They will be liable for the public good rate.

Water rates

There are a number of targeted rates set to fund the provision and availability of water supplies. These rates are designed to separately fund the costs associated with each water supply scheme. Council's approach is that each scheme will pay its own interest and depreciation costs through the use of separate targeted capital rates, whereas the operating costs will be funded on the basis of a district wide operating rate. In addition, a uniform public good rate is to be charged per rating unit.

¹ Capable of connection means that rating unit is not connected to a public reticulated sewage disposal system but is within 30 metres of the reticulation, within an area serviced by a sewerage scheme and Council will allow the rating unit to connect.

² In terms of the Local Government (Rating) Act 2002 a rating unit used primarily as a residence for one household will be treated as having only one pan.

Capital rates (Set on a scheme by scheme basis)

Differential rate: A series of separate differential targeted rates is set to fund the capital costs associated with the provision of water supplies to each of the district's eight separate water supply schemes set out below. These rates are set differentially on the basis of the provision or availability of service. (Local Government (Rating) Act 2002, Sections 16, 17 and 18 and Schedule 2 Clause 5 and Schedule 3 Clauses 7 and 9)

Water schemes

Kaikohe	Kawakawa	Ōkaihau	Paihia
Kaitāia	Kerikeri	Ōmāpere / Ōpononi	Rāwene

Water capital rate differential categories

Differential	Basis	Description
Connected	100%	Per SUIP that is connected, either directly or indirectly, to any of the Districts public reticulated water supply systems.
Availability	100%	Per rating unit that is capable of being connected to a public reticulated water supply system, but is not so connected ³

Water public good charge

A charge of \$15 on every rating unit in the district.

Operating rates (Set on a District-wide basis)

Operating rate: This is a targeted rate set for water supply based on the volume of water supplied. This rate will be assessed per cubic metre of water supplied as recorded by a water meter. Different rates are set depending on whether the supply is potable or non-potable water. (Local Government (Rating) Act 2002, Section 19)

Non-metered rate: The targeted rate is set for a water supply to every SUIP which is supplied with water other than through a water meter. This rate will be based on a flat amount equivalent to the supply of 250 cubic metres of water per annum. Different rates are set depending on whether the supply is potable or non-potable water. (Local Government (Rating) Act 2002, Sections 16 and 17, Schedule 2 Clause 5 and Schedule 3 Clauses 8 and 9)

Notes:

For the sake of clarity, SUIPS which are connected to any of the district's water supply schemes will be assessed both the capital and operating rates.

Rating units that are outside of one of the defined water supply schemes and that are neither connected to, nor capable of connection to a public reticulated water supply system, will not be liable for the capital or operating rates. They will be liable for the public good rate.

Land drainage rates

There are four land drainage rating areas in the District all located in the northern part of the Te Hiku ward. Drainage rate are set on all rateable land in the relevant drainage areas.

Kaitāia drainage area

A targeted rate is set to fund land drainage in the Kaitāia drainage area to be assessed on the basis of a uniform rate per hectare of land area within each rating unit located within the drainage rating area. Refer rating area maps on our website for details of the rating area. (Local Government (Rating) Act 2002, Sections 16 and 17, Schedule 2 Clause 5 and Schedule 3 Clause 5)

Kaikino drainage area

A targeted rate is set to fund land drainage in the Kaikino drainage area. This rate will be assessed differentially according to location as defined on the valuation record for each rating unit – refer rating area maps on our website for details of the rating area. This rate is assessed as a rate per hectare of land within each rating unit according to the differentials described below. (Local Government (Rating) Act 2002 Sections 16 and 17, Schedule 2 Clause 5 and Schedule 3 Clause 5)

³ Capable of connection means that rating unit is not connected to a public reticulated water supply system but is within 100 metres of the reticulation, within an area serviced by a water scheme and Council will allow the rating unit to connect.

Motutangi drainage area

A targeted rate is set to fund land drainage in the Motutangi drainage area. This rate will be assessed differentially according to location as defined on the valuation record for each rating unit – refer rating area maps on our website for details of the rating area. This rate is assessed as a rate per hectare of land within each rating unit according to the differentials described below. (Local Government (Rating) Act 2002 Sections 16 and 17, Schedule 2 Clause 5 and Schedule 3 Clause 5)

Waiharara drainage area

A targeted rate is set to fund land drainage in the Waiharara drainage area. This rate will be assessed differentially according to location as defined on the valuation record for each rating unit – refer rating area maps on our website for details of the rating area. This rate is assessed as a rate per hectare of land within each rating unit according to the differentials described below. (Local Government (Rating) Act 2002 Sections 16 and 17, Schedule 2 Clause 5 and Schedule 3 Clause 5)

Drainage rate differential for Kaikino, Motutangi and Waiharara drainage areas

Differential	Basis	Description
Differential area A	100%	All rating units or parts of rating units located within the defined Differential rating area A
Differential area B	50%	All rating units or parts of rating units located within the defined Differential rating area B
Differential area C	17%	All rating units or parts of rating units located within the defined Differential rating area C

BOI Recreation Centre rate

The BOI Recreational Centre rate assists in funding an operational grant to support the BOI Recreation Centre. This rate is assessed on the basis of a fixed amount on every SUIP within the area contained within rating rolls 400 to 499 – refer rating area maps for details of the rating area. (Local Government (Rating) Act 2002, Section 16 and Schedule 3 Clause 7)

Notes in relation to land use differentials

Notwithstanding the above, Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code.

Council also reserves the right to apply a different differential to any SUIP if it can be demonstrated, to its satisfaction, that the actual use of that part differs from that described by the current land use code for the entire rating unit.

For Council to be able to apply two or more differentials to a single rating unit the area of the land that is used for each purpose must be capable of clear definition and separate valuation.

In some instances there may be two or more different uses taking place on the rating unit but it is not possible or practical to define the areas separately. In those instances, the differential category will be based on the 'highest and best use' applied by the Council's valuation service provider and the rates are set accordingly.

- Where the area of the land used for the different purpose is only minimal or cannot be separately defined, Council reserves the right not to assess that part using a different differential.

In every instance where Council proposes to change the differential on a rating unit from one category to another category it will advise the owner concerned and give them the opportunity to lodge an objection to that proposal.

- Where any rating unit or separately used or inhabited part of a rating unit would normally be subject to a commercial differential but complies with one or more of the exceptions set out below, that rating unit will be subject to the general rate general differential.
- Where the rating unit or part thereof is in receipt of a remission of rates pursuant to a policy adopted by Council and is not used for private pecuniary profit and is not subject to a licence for the sale of liquor.
- Where the rating unit is used solely for the purposes of providing private rental accommodation. This exclusion does not include properties such as hotels, motels or other forms of visitor accommodation except for bed and breakfast establishments, home or farm stay operations or similar accommodation providers where less than six bedrooms are provided for guest accommodation. Such properties will however, be subject to any additional sewerage charges where additional toilets are provided for guest use, for example ensuite facilities.

Schedule of rates for 2021/22

Set out in the following tables are the indicative rates for the 2021/22 rating years. For comparison purposes the rates for the 2021/22 rating year are also shown. Please note all rates include GST.

Rate	Basis of Assessment	Differential Matter*	Rates 2021/22		Rates 2020/21
			Rate (GST Inc)	Total Rate	Rate (GST Inc)
General rates					
Uniform Annual General Charge	Per SUIP1	-	\$450.00	\$16,625,475	\$450.00
General differential	Per \$ of land value	1	\$0.0046648	\$45,211,528	\$0.0046211
Commercial differential	Per \$ of land value	1	\$0.0128282	\$5,930,390	\$0.0127080
Targeted ward services rate					
BOI - Whangaroa ward differential	Per SUIP	6	\$327.60	\$5,575,261	\$310.60
Te Hiku ward differential	Per SUIP	6	\$288.40	\$3,602,549	\$276.10
Kaikohe - Hokianga ward differential	Per SUIP	6	\$373.90	\$2,782,377	\$339.00
Targeted roading rates					
Uniform roading rate	Per SUIP	-	\$100.00	\$3,694,550	\$100.00
Roading differential rate					
Residential	Per \$ of land value	1	\$0.0001041	\$433,624	\$0.0001019
Lifestyle	Per \$ of land value	1	\$0.0001130	\$299,051	\$0.0001038
Farming general	Per \$ of land value	1	\$0.0001243	\$239,241	\$0.0001182
Horticulture	Per \$ of land value	1	\$0.0000776	\$14,953	\$0.0000756
Dairy	Per \$ of land value	1	\$0.0001803	\$104,668	\$0.0001740
Forestry	Per \$ of land value	1	\$0.0019579	\$194,383	\$0.0018944
Commercial	Per \$ of land value	1	\$0.0002810	\$104,668	\$0.0002727
Industrial	Per \$ of land value	1	\$0.0003402	\$29,905	\$0.0003300
Mining / quarry	Per \$ of land value	1	\$0.0087814	\$59,810	\$0.0085496
Other	Per \$ of land value	1	\$0.0001935	\$14,953	\$0.0001779
Stormwater targeted rates					
Stormwater targeted rate		1	\$0.0002787	\$2,000,381	\$0.00
General differential	Per rating unit	1	-	-	\$35.78
Commercial differential	Per rating unit	1	-	-	\$71.56
Targeted development rates					
Paihia CBD development rate					
General differential	Per SUIP	1	\$18.00	\$37,179	\$18.00
Commercial differential	Per SUIP	1	\$56.00	\$18,872	\$56.00
Kaitiāia BID rate	Per \$ of land value	-	\$0.0013551	\$57,500	\$0.0013444
BOI Recreation Centre rate					
Uniform targeted rate	Per SUIP	-	\$5.00	\$23,490	\$5.00
Private roading rates					
Hupara Road sealing					
Uniform rate	Per SUIP	-	\$661.73	\$25,146	\$661.73
Sewerage targeted rates					
Sewerage capital rates					
Ahipara					
Ahipara connected	Per SUIP	5	\$269.73	\$144,575	\$207.55
Ahipara availability	Per rating unit	5	\$269.73	\$34,256	\$207.55
Ahipara additional pans	Per Sub Pan ²	-	\$161.84	\$9,225	\$124.53
East coast					
East coast connected	Per SUIP	5	\$244.41	\$364,660	\$156.01
East coast availability	Per rating unit	5	\$244.41	\$109,007	\$156.01
East coast additional pans	Per Sub Pan	-	\$146.65	\$20,824	\$93.61
Hihi					
Hihi connected	Per SUIP	5	\$467.74	\$74,371	\$435.28
Hihi availability	Per rating unit	5	\$467.74	\$12,161	\$435.28
Hihi additional pans	Per Sub Pan	-	\$280.64	\$1,964	\$261.17
Kāeo					
Kāeo connected	Per SUIP	5	\$587.14	\$100,401	\$543.34
Kāeo availability	Per rating unit	5	\$587.14	\$11,156	\$543.34
Kāeo Additional Pans	Per Sub Pan	-	\$352.28	\$29,592	\$326.00

Rate	Basis of Assessment	Differential Matter*	Rates 2021/22		Rates 2020/21
			Rate (GST Inc)	Total Rate	Rate (GST Inc)
Kaikohe					
Kaikohe connected	Per SUIP	5	\$183.02	\$310,036	\$148.69
Kaikohe availability	Per rating unit	5	\$183.02	\$11,347	\$148.69
Kaikohe additional pans	Per Sub Pan	-	\$109.81	\$85,762	\$89.21
Kaitāia and Awanui					
Kaitāia and Awanui connected	Per SUIP	5	\$189.62	\$493,770	\$189.43
Kaitāia and Awanui availability	Per rating unit	5	\$189.62	\$18,014	\$189.43
Kaitāia and Awanui additional pans	Per Sub Pan	-	\$113.77	\$96,932	\$113.66
Kawakawa					
Kawakawa connected	Per SUIP	5	\$392.13	\$224,298	\$364.59
Kawakawa availability	Per rating unit	5	\$392.13	\$5,098	\$364.59
Kawakawa additional pans	Per Sub Pan	-	\$235.28	\$37,880	\$218.75
Kerikeri					
Kerikeri connected	Per SUIP	5	\$698.57	\$1,104,439	\$309.62
Kerikeri availability	Per rating unit	5	\$698.57	\$162,068	\$309.62
Kerikeri additional pans	Per Sub Pan	-	\$419.14	\$164,303	\$185.77
Kohukohu					
Kohukohu connected	Per SUIP	5	\$570.13	\$49,601	\$542.77
Kohukohu availability	Per rating unit	5	\$570.13	\$5,131	\$542.77
Kohukohu additional pans	Per Sub Pan	-	\$342.08	\$5,473	\$325.66
Ōpononi					
Ōpononi connected	Per SUIP	5	\$251.54	\$99,358	\$237.68
Ōpononi availability	Per rating unit	5	\$251.54	\$26,160	\$237.68
Ōpononi additional pans	Per Sub Pan	-	\$150.92	\$16,903	\$142.61
Paihia					
Paihia connected	Per SUIP	5	\$391.95	\$809,769	\$272.98
Paihia availability	Per rating unit	5	\$391.95	\$83,485	\$272.98
Paihia additional pans	Per Sub Pan	-	\$235.17	\$292,316	\$163.79
Rangiputa					
Rangiputa connected	Per SUIP	5	\$210.23	\$22,074	\$205.62
Rangiputa availability	Per rating unit	5	\$210.23	\$3,994	\$205.62
Rangiputa additional pans	Per Sub Pan	-	\$126.14	\$505	\$123.37
Rāwene					
Rāwene connected	Per SUIP	5	\$455.90	\$109,416	\$426.96
Rāwene availability	Per rating unit	5	\$455.90	\$12,765	\$426.96
Rāwene additional pans	Per Sub Pan	-	\$273.54	\$12,856	\$256.18
Russell					
Russell connected	Per SUIP	5	\$392.48	\$228,032	\$346.27
Russell availability	Per rating unit	5	\$392.48	\$60,442	\$346.27
Russell additional pans	Per Sub Pan	-	\$235.49	\$33,911	\$207.76
Whangaroa					
Whangaroa connected	Per SUIP	5	\$477.95	\$7,169	\$506.12
Whangaroa availability	Per rating unit	5	\$477.95	\$2,390	\$506.12
Whangaroa additional pans	Per Sub Pan	-	\$286.77	\$3,154	\$303.67
Whatuwhiwhi					
Whatuwhiwhi connected	Per SUIP	5	\$258.42	\$191,231	\$240.25
Whatuwhiwhi availability	Per rating unit	5	\$258.42	\$106,727	\$240.25
Whatuwhiwhi additional pans	Per Sub Pan	-	\$155.05	\$2,791	\$144.15
Sewerage public good rate					
Uniform charge	Per rating unit	-	\$15.00	\$501,938	\$0.00
Sewerage operating rate					
Connected rate (all schemes)	Per SUIP	-	\$617.07	\$8,045,388	\$620.01
Subsequent pan rate (all schemes)	Per Sub Pan	-	\$370.24	\$1,507,261	\$372.01
Water targeted rates					
Water capital rates					
Kaikohe					
Kaikohe connected	Per SUIP	5	\$225.62	\$424,842	\$224.42
Kaikohe availability	Per rating unit	5	\$225.62	\$13,537	\$224.42

Rate	Basis of Assessment	Differential Matter*	Rates 2021/22		Rates 2020/21
			Rate (GST Inc)	Total Rate	Rate (GST Inc)
Kaitiāia					
Kaitiāia connected	Per SUIP	5	\$260.86	\$671,193	\$217.52
Kaitiāia availability	Per rating unit	5	\$260.86	\$19,825	\$217.52
Kawakawa					
Kawakawa connected	Per SUIP	5	\$334.37	\$387,535	\$301.96
Kawakawa availability	Per rating unit	5	\$334.37	\$11,034	\$301.96
Kerikeri					
Kerikeri connected	Per SUIP	5	\$135.59	\$377,076	\$129.69
Kerikeri availability	Per rating unit	5	\$135.59	\$18,033	\$129.69
Ōkaihau					
Ōkaihau connected	Per SUIP	5	\$272.47	\$49,862	\$271.95
Ōkaihau availability	Per rating unit	5	\$272.47	\$1,907	\$271.95
Ōmāpere/Ōpononi					
Ōmāpere/Ōpononi connected	Per SUIP	5	\$528.98	\$213,179	\$576.00
Ōmāpere/Ōpononi availability	Per rating unit	5	\$528.98	\$44,434	\$576.00
Paihia					
Paihia connected	Per SUIP	5	\$178.63	\$383,519	\$169.01
Paihia availability	Per rating unit	5	\$178.63	\$15,005	\$169.01
Rāwene					
Rāwene connected	Per SUIP	5	\$318.96	\$100,791	\$380.73
Rāwene availability	Per rating unit	5	\$318.96	\$6,379	\$380.73
Water public good rate					
Uniform charge	Per rating unit	-	\$15.00	\$501,938	\$0.00
Water operating rates					
Water by meter rates					
Potable water	Per M ³	-	\$3.43	\$7,797,248	\$3.17
Non-potable water	Per M ³	-	\$2.23	\$2,226	\$2.06
Non-metered rates					
Non-metered potable rate	Per SUIP	-	\$1,084.14	\$66,133	\$1,009.87
Non-metered non-potable rate	Per SUIP	-	\$784.45	\$1,569	\$732.06
Drainage targeted rates					
Kaitiāia drainage area	Per Ha of land area		\$9.60	\$87,694	\$8.66
Kaikino drainage area					
Kaikino A	Per Ha of land area	6	\$19.22	\$7,220	\$11.73
Kaikino B	Per Ha of land area	6	\$9.61	\$3,618	\$5.87
Kaikino C	Per Ha of land area	6	\$3.21	\$4,230	\$1.96
Motutangi drainage area					
Motutangi A	Per Ha of land area	6	\$90.07	\$43,047	\$48.19
Motutangi B	Per Ha of land area	6	\$45.04	\$22,890	\$24.09
Motutangi C	Per Ha of land area	6	\$15.04	\$23,317	\$8.05
Waiharara drainage area					
Waiharara A	Per Ha of land area	6	\$21.66	\$2,256	\$17.80
Waiharara B	Per Ha of land area	6	\$10.83	\$8,422	\$8.90
Waiharara C	Per Ha of land area	6	\$3.62	\$1,916	\$2.97

*** Differential Matters**

1. Land use
5. Provision or availability of a service
6. Location of the rating unit

Notes

1. Per SUIP - Separately Used or Inhabited Parts of a rating unit
2. Per sub pan - Per subsequent pan

All rates are GST inclusive

Example rates

Set out below are examples shown for the average rates on different land uses and property values across the District.

Example of rates on different land uses and values

Land Values	General Rates	UAGC	Road UAGC	Roading Rate	Ward Rate Average	Public Good Rate	Wastewater Average	Water Average (Excluding Usage)	Final Rates 2021/22	Final Rates 2020/21
Residential										
100,000	\$466	\$450	\$100	\$10	\$324	\$30	\$949	\$228	\$2,558	\$2,532
250,000	\$1,166	\$450	\$100	\$26	\$324	\$30	\$949	\$228	\$3,273	\$3,239
500,000	\$2,332	\$450	\$100	\$52	\$324	\$30	\$949	\$228	\$4,465	\$4,417
750,000	\$3,499	\$450	\$100	\$78	\$324	\$30	\$949	\$228	\$5,658	\$5,594
1,000,000	\$4,665	\$450	\$100	\$104	\$324	\$30	\$949	\$228	\$6,850	\$6,772
Rural and Lifestyle										
100,000	\$466	\$450	\$100	\$11	\$324	\$30	-	-	\$1,381	\$1,350
250,000	\$1,166	\$450	\$100	\$28	\$324	\$30	-	-	\$2,098	\$2,057
500,000	\$2,332	\$450	\$100	\$57	\$324	\$30	-	-	\$3,293	\$3,236
750,000	\$3,499	\$450	\$100	\$85	\$324	\$30	-	-	\$4,487	\$4,414
1,000,000	\$4,665	\$450	\$100	\$113	\$324	\$30	-	-	\$5,681	\$5,592
Commercial										
100,000	\$1,283	\$450	\$100	\$28	\$324	\$30	\$949	\$228	\$3,392	\$3,392
250,000	\$3,207	\$450	\$100	\$70	\$324	\$30	\$949	\$228	\$5,358	\$5,334
500,000	\$6,414	\$450	\$100	\$140	\$324	\$30	\$949	\$228	\$8,636	\$8,571
750,000	\$9,621	\$450	\$100	\$211	\$324	\$30	\$949	\$228	\$11,913	\$11,808
1,000,000	\$12,828	\$450	\$100	\$281	\$324	\$30	\$949	\$228	\$15,190	\$15,045

Notes:

1. Land Values are indicative amounts only.

2. In addition to the total rates indicated above, ratepayers in the rateable area for the stormwater network will be charged the targeted rate per \$ of capital value of their rateable property i.e. for \$100K of capital value the targeted rate for stormwater charge will be \$27.87 in Y1 of the LTP.

Projected number of rating units

Local Government Act 2002 Schedule 10 Clause 20A requires Council to state the projected number of rating units within the district or region of the local authority at the end of the preceding financial year.

Council is projecting 38,794 rating units at 30 June 2021.

The projected total values at 30 June 2021:

- Land Value \$10,745,613,650
- Capital Value of \$20,598,078,350

Definition of a separately used or inhabited part (SUIP) of a rating unit

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

- any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement

- any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- individual flats or apartments
- separately leased commercial areas which are leased on a rating unit basis
- vacant rating units
- single rating units which contain multiple uses such as a shop with a dwelling
- a residential building or part of a residential building that is used, or can be used as an independent residence. An independent residence is defined as having a separate entrance, separate cooking facilities, e.g. cooking stove, range, kitchen sink etc. together with living and toilet/bathroom facilities.

The following are not considered to be separately used or inhabited parts of a rating unit:

- a residential sleep-out or granny flat that does not meet the definition of an independent residence
- a hotel room with or without kitchen facilities
- a motel room with or without kitchen facilities
- individual offices or premises of business partners.

Postponement charges

Pursuant to the Local Government (Rating) 2002 Act, Council will charge a postponement fee on all rates that are postponed under any of its postponement policies.

The postponement fees are as follows:

- Application fee: \$300.00
- Administration fee: \$50.00 per year
- Financing fee on all postponements: Currently set at 3.00% pa but may vary to match Council's average cost of funds.

At Council's discretion all these fees may be added to the total postponement balance.

Payment of rates

With the exception of water by meter charges, Council will charge the rates for the 2021/22 rating year by way of four equal instalments. Each instalment must be paid on or before the due dates shown below. Any rates paid after the due date will become liable for penalties.

Rate instalment dates

Instalment	Due date	Penalty date
One	20 August 2021	27 August 2021
Two	22 November 2021	29 November 2021
Three	21 February 2022	28 February 2022
Four	20 May 2022	27 May 2022

Water by meter

Water meters are read on a six-month cycle and are payable on the 20th of the month following the issue of the invoice as follows:

Scheme	1st invoice	Due date	Penalty date	2nd invoice	Due date	Penalty date
Kaikohe	November 2021	20/12/2021	27/12/2021	May 2022	20/06/2022	27/06/2022
Kaitiāia	August 2021	20/09/2021	27/09/2021	February 2022	21/03/2022	28/03/2022
Kawakawa	July 2021	20/08/2021	27/08/2021	January 2022	21/02/2022	28/02/2022
Kerikeri	September 2021	20/10/2021	27/10/2021	March 2022	20/04/2022	27/04/2022
Ōkaihau	July 2021	20/08/2021	27/08/2021	January 2022	21/02/2022	28/02/2022
Ōmāpere / Ōpononi	July 2021	20/08/2021	27/08/2021	January 2022	21/02/2022	28/02/2022
Paihia	October 2021	22/11/2021	29/11/2021	April 2022	20/05/2022	27/05/2022
Rāwene	July 2021	20/08/2021	27/08/2021	January 2022	21/02/2022	28/02/2022

Penalties on rates

Sections 57 and 58 of the Local Government (Rating) Act 2002 empower councils to charge penalties on the late payment of rates.

Pursuant to sections 57 and 58 of the Act, Council will impose the following penalties:

- A ten percent (10%) penalty on any portion of each instalment of rates assessed in the 2021/22 financial year that is not paid on or by the due date for payment, as listed above.

Penalties on water by meter rates

A ten percent (10%) penalty on any portion of the rate assessed for the supply of water, as separately invoiced, that is not paid on or by the due date for payment as set out on the invoice. This penalty will be added on the 27th day of the month in which the invoice was due.

For rating area maps please see our website: www.fndc.govt.nz keyword: rating

Significant forecast assumptions

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
General assumptions				
<p>District growth: Population statistics have been sourced from Statistics New Zealand here. The population of the Far North is estimated at 2020 at 71,000 and is projected to increase at a rate of 0.5% per annum between now and 2043 to an estimated population of 78,000.</p> <p>Growth is expected to be isolated to larger urban areas, particularly Kaitiāia, Kaikohe, Kerikeri and Paihia, and the Doubtless Bay area.</p> <p>The population structure of the Far North is likely to change over the next 30 years, with the over 65 age group becoming a dominant demographic. This is likely to be the result of longer life expectancy and the baby boom generation reaching retirement. Demographic changes will occur slowly over time, so we are unlikely to see any great change in expectation from our communities within the next 10 years as a result.</p> <p>Deprivation levels throughout the District are expected to remain unchanged from current levels. Council has used .id as a basis for deprivation mapping across our District. For a description of how deprivation is measured go to www.profile.idnz.co.nz/far-north/deprivation-index. The map of deprivation in the Far North is at www.atlas.idnz.co.nz/far-north. From Map Selector choose income and well-being then deprivation index.</p>	Medium	Not applicable	Medium	Not applicable
<p>COVID-19: Infometrics economists report that the Northland economy in general remains resilient in the face of COVID-19, with the highest annual increase in spending across New Zealand for the month of January 2021 so far. Regional spending so far in 2021 is up 3.4% per annum on average from a year earlier.</p> <p>Council continues to maintain a sound understanding of the economic impacts of the COVID-19 pandemic.</p> <p>In the short to medium term Council assumes that Northland (and therefore the Far North) will remain one of the most resilient regions in the country.</p>	Medium	Not applicable	Medium	Not applicable
<p>Legislative changes: Legislation and / or other regulations relating to Council activities will remain largely the same over the life of this LTP.</p>	Medium	Not applicable	Medium	Not applicable
<p>Building activity: Council estimates building activity to remain at a constant level for the early part of the LTP and then reduce, with approximately 360 new dwellings being expected to be constructed each year for the first three years reducing to 250 per year for the remainder of the plan.</p>	Low	Not applicable	Low	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
<p>Climate change: Climate change projections are assumed to align with IPCC RCP 8.5 projections from the fifth IPCC report (2018). IPCC projections are expected to be updated in 2022 at which time FNDC and the regional adaptation working group will realign plans. In the meantime, Northland assumes the following effects:</p> <ul style="list-style-type: none"> • drought frequency will increase by 10% • sea levels will continue to rise, increasing the risk from coastal hazards • Rainfall will vary locally. The largest changes will be for particular seasons rather than annually. For example, spring rainfall is expected to decrease in Kaitiāia • Northland is not expected to experience a significant change in the frequency of extreme rainy days as a result of climate change. In fact it is likely to experience a decrease in daily extreme rainfall by 2090 under the highest emissions scenario (RCP 8.5) • Future changes in the frequency of storms are likely to be small compared to natural inter-annual variability. Some increase in storm intensity, local wind extremes and thunderstorms is also likely. <p>Council is not expecting to see significant impacts in the next 10 years but we recognise the need to do some very long range planning. To that end, Council is developing a sustainable district strategy to identify where issues are likely to arise, when those issues will arise and what we need to do. A Climate Change roadmap was adopted by Council in 2020, and FNDC continues to be a member of the regional Climate Change Adaptation working group.</p>	Medium	Not applicable	Medium	Not applicable
<p>Security of water supply: Water shortages due to drought conditions over the past two summers will continue to be addressed in collaboration with the Government. Projects to establish secure water storage assets are advanced, and Council assumes ongoing governmental funding assistance.</p>	Medium	Not applicable	Medium	Not applicable
<p>Subdivisions: Council estimates subdivision activity to result in an annual increase in rateable properties of 0.5% in year 2 reducing to 0.3% in year 10. There are currently over 7,000 undeveloped residential and lifestyle blocks and these will accommodate growth within the District over the life of the plan.</p>	Low	Not applicable	Low	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty						
<p>Rating base: The number of properties we receive rates from is conservatively expected to increase by approximately 0.5% in year 2 and 3 decreasing to 0.3% in year 10. The total number of units over the 10 years is predicted to increase by 1,337 units.</p> <table border="1"> <thead> <tr> <th>Area</th> <th>2021/22</th> <th>2030/31</th> </tr> </thead> <tbody> <tr> <td>District</td> <td>35,252</td> <td>36,469</td> </tr> </tbody> </table>	Area	2021/22	2030/31	District	35,252	36,469	Medium	Not applicable	Medium	Not applicable
Area	2021/22	2030/31								
District	35,252	36,469								
<p>Inflation: Future cost increases align with BERL forecasts published in October 2020, retrieved from www.solgm.co.nz/assets/BERL-</p>	Medium	Not applicable	High	If inflation is 0.5% higher than forecast in 2020/21, this will increase the cost of goods and services by \$701,506. If inflation is 0.5% higher than forecast in every year of this plan the cost of goods and services would increase by \$8,219,136 over the 10 years of this plan						
<p>Levels of service: Levels of service will remain static for the period of the LTP. Council is investing in work that maintains its ability to deliver the level of service to the Community (for example, meeting 3 water standards or creating resilience) and this work is deemed not to be renewal related investment.</p>	Low	Not applicable	Low	Not applicable						
<p>Resource consents: The requirements of future resource consents will be in line with current expected environmental standards.</p>	Medium	Not applicable	Medium	Not applicable						
Expenditure assumptions										
<p>Interest rates: Expected interest rates vary from 2.2% in year one to 1.5% in year 10, and the average 'cost of borrowing' for the period is 1.6%.</p>	High	Interest rate risk exposure is managed through long term swaps and forward rate cover.	High	A 0.5% movement in interest will affect operating budgets by +/- \$516,341 in 2021/22. If the rates move by 0.5% for every year of the plan, the effect on operating budgets would be +/- \$ 11,140,392 (over the 10 years of the plan)						
<p>Unfunded depreciation: Council does not fund depreciation on transportation assets to the extent that Waka Kotahi NZ Transport Agency funds renewals. The current subsidy rate is 69%. Council has decided to not fund 24% of strategic asset depreciation for the first three years of the plan and then to scale back to 100% over the next 10 years.</p>	Low	Not applicable	Low	Not applicable						
<p>Capital borrowings: Borrowings for capital expenditure are assumed to be repaid over 20 years.</p>	Medium	Not applicable	Low	Not applicable						

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
<p>Capital achievability: The capital works programme is considered to be achievable in the timeframe stated. Usual delays, such as consenting and weather, have been factored into timeframes and phasing. Wherever possible, works are based on known asset condition and have been prioritised to ensure critical assets are renewed on time. Where asset condition is uncertain the best information available has been used. Timing of renewals programmes reflects the expected delivery of asset condition assessment (i.e. increased certainty of condition information over time). Council expects a minimal amount of projects carried forward due to delays.</p>	Medium	Not applicable	High	A 20% shift in 3 water renewals from year 1 of the plan to year 2 would be equal to \$967,972. If year 2 of the plan had to then be flexed by 20% to accommodate the movement, the impact on year 2 would be \$451,753.
<p>Waka Kotahi NZ Transport Agency funding: Waka Kotahi NZ Transport Agency requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.</p>	High	The recent change in Government will result in a Government Policy Statement that reduces the amount of subsidy provided.	High	Variations in subsidy rates will increase / decrease Council subsidy revenue. This may necessitate Council to review and amend its roading programme.
Revenue assumptions				
<p>Subsidies: Council will apply for and receive Government subsidies for applicable projects.</p> <p>Indicative allocations for the first three years of the plan are \$17m less than the original bid and this has been adjusted against renewal work as Waka Kotahi NZ Transport Agency is unable to provide work class detail until after the LTP has been adopted.</p> <p>Any further shortfall in funding from what was applied for would see a reduction/reprioritisation in the capital projects and subsequent reduction in Council's subsidy funding.</p>	High	Council may not receive the funding or receive a lesser amount resulting in Council being unable to deliver the project as planned, including the requirement of additional consultation with affected stakeholders.	High	If external funds are not received, Council will consider rescheduling other projects to allow the original project to proceed without the subsidy, or explore alternative cost-effective and affordable options. Costs to the ratepayer will be subject to consultation as required.
<p>Funding sources: Future replacement of significant assets is assumed to be funded in line with the Revenue and Financing Policy.</p>	Low	Not applicable	Low	Not applicable
<p>User fees: Increases are based on expected cost increases (inflation). This is expected to be sufficient for funding purposes.</p>	Low	Not applicable	Low	Not applicable
<p>Far North Holdings Limited (FNHL): It is assumed that Council will receive dividends from FNHL throughout the term of the plan and that the business of FNHL will not significantly change.</p>	Medium	Council may not receive the level of dividend expected due to unforeseen economic impacts	Medium	If an economic shock, such as COVID-19, occurs then FNHL will amend the dividend payment to council. This could result in reduced income in the year and may require an amendment to future year plans

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
<p>Development contributions: In 2015 Council resolved to suspend Development Contribution charges in light of the economic downturn. No decision has been made to re-commence the charging of Development Contributions for the term of this LTP, and therefore no income from source is assumed.</p>	Low	Not applicable	Low	Not applicable
Asset assumptions				
<p>Useful lives: Depreciation rates for each asset group have been calculated using rates included in the Accounting Policies.</p> <p>Depreciation rates are based on the expected useful life analysis performed by registered valuers in line with the requirements of Accounting Standards.</p> <p>Renewal of assets is based on a mixture of condition and operational indicators, being maintenance and repair data, and Council has confidence that it will achieve the renewal works in line with the timeframes in this plan.</p>	Medium	Not applicable	Medium	Not applicable
<p>Legislated reform of Three Waters services: Council will continue to collaborate with the Crown on the reform programme for the ongoing provision of water, wastewater and stormwater services that was introduced to local authorities in 2020. Draft legislation is expected to be out for public consultation in late 2021. Local authorities have been advised that any substantive change will not occur before the 2023/24 financial year.</p> <p>While we are anticipating that there will be change to the ownership and delivery of three waters in the next ten years, we are not able to say with certainty what those changes will be. This LTP has been developed on the basis that it is business as usual for the delivery of three waters but that change is very likely over the mid-term (3-5 years).</p>	Medium	Not applicable	Low	Not applicable
<p>Asset lifecycle: Lifecycles of significant assets, including underground assets, are optimised to strike the best balance between maintenance, operations and renewals costs.</p>	Medium	Not applicable	Medium	Not applicable
<p>Asset age: Council has previously used asset age as an effective proxy for the condition of an asset. In the current plan, condition information has been used alongside operational information from asset managers to determine a priority for renewal of assets. A programme of work is in place to increase the level of asset condition information to provide a basis for future planning.</p>	Medium	Not applicable	Medium	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
<p>Infrastructure asset revaluations: An assumption has been made that revaluation of infrastructure assets will continue to occur as follows:</p> <ul style="list-style-type: none"> • roading and maritime assets - annually • remainder of assets – biannually, with water and wastewater one year and District Facilities the next. 	Medium	Not applicable	Medium	Not applicable
<p>Forestry assets: An assumption has been made that forestry assets will be held for the duration of the plan and no harvesting will take place.</p>	Low	Not applicable	Low	Not applicable
Liability assumptions				
<p>Borrowings: It is assumed that Council will have the facilities to secure funding as required throughout the term of this LTP.</p>	Low	Not applicable	Low	Not applicable
Other assumptions				
<p>Northern Transportation Alliance (NTA): A shared services agreement between four Northland councils (Kaipara, Far North, Northland Regional and Whangarei) and Waka Kotahi NZ Transport Agency was established in 2016. The activities of the NTA attract subsidy on subsidised projects. Council has made provision for gaining subsidy on NTA activities for these subsidised projects throughout the term of this LTP.</p>	Low	Not applicable	Low	Not applicable
<p>Strategic assets: Council has not planned for the disposal or transfer of ownership of any strategic assets during the term of this LTP, although it is consulting the public on the divestment of its Housing for the Elderly portfolio</p>	Low	Not applicable	Low	Not applicable
<p>Currency movement: Council does not have any significant exposure to currency movements and consequently has not specifically taken them into account.</p>	Low	Not applicable	Low	Not applicable
<p>Emissions trading scheme (ETS): Council covers its liability for carbon emissions through fees and charges. Council has assumed no changes to carbon credit prices during the term of this LTP.</p>	Low	Not applicable	Low	Not applicable