

Financial Information and Statements



Statement of Accounting Policies

REPORTING ENTITY

- a) New Plymouth District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002 (LG(R)A).
- b) The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) for the purposes of New Zealand equivalents to Internal Financial Reporting Standards (NZIFRS).
- c) For the purposes of the plan, the Prospective Financial Statements (financial statements) cover all the activities of the Council as a separate legal entity. Group prospective financial statements have not been presented as the Council believes that parent statements are more relevant to users. The main purpose of these statements is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services and the consequent requirement for rate funding. The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries and such effects are included in these parent prospective financial statements.
- d) The financial statements have been prepared in accordance with the requirements of Section 93 which includes the requirement to comply with Section 95 of the LGA and New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Council is a public benefit entity (PBE) and complies with the Accounting Standards Tier 1 issued by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to Section 24(1)(a) of the Financial Reporting Act 1993.
- e) The financial statements include a Prospective Statement of Comprehensive Revenue and Expense, a Prospective Statement of Changes in Net Assets/

Equity, a Prospective Statement of Financial Position and a Prospective Statement of Cash Flows.

- f) The financial statements of the Council are for the years ending 30 June. The prospective financial statements were authorised for issue by the Council on 27 June 2018. Whilst there is no current intent to update these prospective financial statements, the Council reserves the right to update this plan in the future.
- g) The financial information contained within these policies and documents is prospective financial information in terms of PBE FRS 42 Prospective Financial Statements. The Prospective Financial Statements comply with the Tier 1 PBE Standards (including PBE FRS 42 - Prospective Financial Statements).

The purpose for which it has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Council over the financial years from 1 July 2018 to 30 June 2028, and to provide a broad accountability mechanism of the Council to the community.

- h) The information in the prospective financial statements is uncertain and the preparation requires the exercise of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or Council may subsequently take actions that differ from the proposed courses of action on which the prospective financial statements are based.

The information contained within these prospective financial statements may not be suitable for use in another capacity.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, modified by revaluation of certain assets and liabilities. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest million dollars. Both the functional and presentation currency of the Council is New Zealand dollars.

SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of results and financial position have been applied.

a) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of goods and services tax, except for debtors and other receivables and creditors and other payables, which are presented on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows. Commitments and contingencies are disclosed exclusive of GST.

b) Allocation of overheads

Net overhead expenses after offset of external recoveries and appropriations have been allocated to Council services. A variety of methods have been used appropriate to the overhead concerned. Examples include, staff numbers, estimate of time, operating expenditure, and capital expenditure.

c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Council, are classified as finance leases. Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

An operating lease is a lease that does not transfer substantially all of the risks and rewards incidental to the ownership of the asset. Operating lease

payments are recognised as an expense in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the lease term.

d) Grants, subsidies and donations

Grant expenditure: The Council makes grants to third parties, either on behalf of Government agencies (e.g. creative arts) or to further the community's needs where the Council believes it is within its mandate to deliver on community outcomes. In all cases an operative contract is drawn up with the respective third party for accountability. Grant expenditure is recognised when the contract is signed and the monies paid.

Grants, subsidies and donation revenue: The Council receives these under agreements with other parties, or other parties give monies to the Council for a specific purpose or for general purposes. Recognition of grants and subsidies under agreement is noted under revenue following. Donations are recognised when received.

e) Revenue recognition

General Principles

- Revenue is measured at the fair value of consideration received or receivable.
- General revenue is recognised at the time of invoicing, performance of service or receipt of application of service or licence and by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- Assets and revenues arising from exchange and non-exchange transactions are recognised in accordance with the requirements of PBE IPSAS 9: Revenue From Exchange Transactions or PBE IPSAS 23: Revenue From Non-Exchange Transactions.

Revenue from Exchange Transactions

- Interest earned is recognised on an accrual basis using the effective interest rate method.

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- Dividends are recognised when received or the right to receive payment has been established.
- Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average usage basis.
- Revenue from the sale of goods is recognised when a product is sold to the customer.

Revenue from Non-exchange Transactions

- Rating revenue is recognised when assessments are issued or penalties incurred.
- Government grants are recognised when eligibility has been established by the granting agency.
- New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.
- Vested assets are recognised at fair value on the vesting of the assets.
- Development and financial contributions are recognised when the service is provided or the event that gives rise to a requirement for a development or financial contribution under the legislation occurs.
- Traffic and parking infringements are recognised when the infringement is issued.
- Sponsorships and donation revenues are recognised when received.
- Animal control revenues are recognised when invoiced.

f) Financial assets

The Council classifies its financial assets into the following four categories:

1. Financial assets at fair value through surplus or deficit designated upon initial recognition.
2. Loans and receivables.

3. Assets held to maturity.
4. Available for sale.

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.

The four categories of financial assets are:

1. Financial assets at fair value through surplus or deficit designated upon initial recognition

A financial asset is classified in this category if acquired principally for the purpose of inclusion in the Council's Perpetual Investment Fund or if so designated by management. Assets in this category are classified as non-current assets as there is no plan to dispose of them within 12 months of the balance date unless market conditions make it profitable, or prudent, to do so.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Statement of Comprehensive Revenue and Expense.

Financial assets in this category include quoted shares, bonds, private equity funds and share options.

The Perpetual Investment Fund is independently valued annually.

2. Loans and receivables

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

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the Statement of Comprehensive Revenue and Expense.

3. Assets held to maturity

Assets held to maturity are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at historic cost. Gains and losses when the asset is impaired or de-recognised are recognised in the Statement of Comprehensive Revenue and Expense.

Investments in this category include local authority stock and interest bearing bonds.

4. Available for sale

Financial assets available for sale are those that are designated into this category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of the balance date or if the debt instrument is not expected to be realised within 12 months of the balance date. The Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the Statement of Comprehensive Revenue and Expense. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the Statement of Comprehensive Revenue and Expense.

g) Impairment of financial assets

The Council assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the Statement of Comprehensive Revenue and Expense.

The Council first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to, and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying

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amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the Statement of Comprehensive Revenue and Expense. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through surplus or deficit if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit.

h) Derivative financial instruments

The Council uses interest rate swaps to mitigate its risk associated with interest rate fluctuations. These derivatives are initially recognised at fair value on the date the contract is entered into and subsequently remeasured to fair value each quarter. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivatives that are settled within 12 months are treated as current.

Interest rate swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are recognised in the surplus or deficit for the year.

The net difference paid or received on an interest rate swap is recognised as a part of the total finance revenue or finance cost over the period of the contract. The Council does not hold or issue derivative financial instruments for trading purposes.

i) Trade and other receivables

Receivables are recorded at fair value less any provision for impairment. The Council does not provide for any impairment on rates receivable as it has various powers under the LG(R)A to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates

that remain unpaid four months after the due date for payment. Provision has been made in respect of all other receivables where there is objective evidence that the Council will not be able to collect the amounts as per the original terms of the receivables.

j) Non-current assets held for sale

Properties no longer required in the Council's operations and therefore intended for sale have been measured at the lower of carrying amount or fair value less selling costs. These are tested for impairment on an annual basis and any write-downs are recognised in the surplus or deficit. Non-current assets held for sale are not depreciated or amortised.

k) Property, plant and equipment (PPE)

Property, plant and equipment are included at their valuation as at 30 June 2016 with subsequent additions recorded at cost. All PPE were valued by Council staff except where specifically identified. Independent reviews were carried out as at 30 June 2016, to confirm that the methodology used is in accordance with NZ IAS 16, and conforms to accepted valuation methods. The next planned revaluation is for 30 June 2019 and will be in accordance with PBE IPSAS 17.

All PPE (other than operational plant, vehicles, work-in-progress, furniture and fittings which are not revalued) are revalued at fair value by reference to their depreciated replacement cost or market value on a class basis at least every three years. The carrying value of revalued assets are reviewed at each balance date to ensure they are not materially different to fair value. Any surplus arising on revaluation is credited to a revaluation reserve for that class. Any deficit is charged against the revaluation reserve, or if not available, expensed in the Statement of Comprehensive Revenue and Expense.

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

- Infrastructural assets are fixed utility systems providing continuing service to the community, e.g. roads, water or sewerage systems. The

infrastructural assets are valued at depreciated replacement cost as at 30 June 2016 and will be revalued on the same basis three yearly thereafter. Additions in the intervening years are included at cost.

Roads include derived values for land not held on title (road reserve). The average value of the road reserve is the current average land value calculated for each government roll number. The following factors have been applied:

- Unformed roads: 80 per cent of average value.
- Formed roads (urban): 70 per cent of average value.
- Formed roads (rural): 50 per cent of average value.
- Operational assets are tangible assets that are used as part of the normal operations of the Council.
- Land and buildings have been valued at fair value as at 30 June 2016 and will be revalued on the same basis three yearly thereafter by a registered valuer.
- Restricted assets are assets which cannot be disposed of due to legal or other restrictions, and that provide a benefit or service to the community.
- The Puke Ariki museum collection and the Govett-Brewster Art Gallery collection was last valued at fair value as at 30 June 2017 and will be valued by suitably qualified experts on a three yearly basis thereafter.
- The Puke Ariki book collection was last valued as at 30 June 2017 and will be valued by a suitable expert on a three yearly basis thereafter. The heritage book collection has been valued at replacement cost and the general in use collection has been valued at depreciated replacement cost.
- Restricted land was valued at fair value as at 30 June 2016 and will be valued on the same basis three yearly thereafter by a registered valuer.
- Work in progress has been valued at cost less impairment and is not depreciated.

Additions

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

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

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Prospective Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

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

Depreciation

- *Operational assets* are depreciated on a straight-line basis on the following rates:
 - Buildings: 1% to 5% (20 to 100 years).
 - Plant and vehicles: 5% to 33% (3 to 20 years).
 - Furniture, fittings and equipment: 10% to 33% (3 to 10 years).
 - The Puke Ariki library heritage collection is not depreciated as it is Council policy to maintain the collection in its current state. The general in-use collection is depreciated on a straight line basis over 2-15 years.

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- The museum/art gallery collections are heritage assets and are not depreciated as it is Council policy to maintain the collections in its current state.

Land is not depreciated.

- *Infrastructural assets* are depreciated on a straight-line basis. The estimated useful lives are as follows:

Asset class	Value
Roads	5-100
Laboratory	8-30
Solid Waste	35-100
Stormwater	50-140
Flood Protection	50-200
Water	10-120
Wastewater	10-140

l) Intangible assets

Research, training, maintenance and development costs are expensed.

Computer systems where capitalised are amortised over their useful lives, generally between three to eight years on a straight line basis.

Easements are recognised at cost. They are regarded as having an indefinite useful life and are not amortised but tested annually for impairment.

Carbon credits are recorded at cost and subsequently revalued to fair value.

m) Biological assets

Forestry is valued annually by an external forestry consultant at fair value less estimated point of sale costs in accordance with PBE IPSAS 27. Fair value is determined by reference to market value, primarily determined by export prices. Any gains or losses on revaluation, including impairment, are taken direct to the Statement of Comprehensive Revenue and Expense.

Harvested logs are treated as revenue when invoiced at contracted prices. The portion of asset value harvested is charged as a cost of sale in the Statement of Comprehensive Revenue and Expense.

n) Impairment of PPE and intangibles

The carrying values of PPE and intangibles are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of PPE is the greater of fair value less costs to sell and value in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount through the Statement of Comprehensive Revenue and Expense.

o) Accounting for revaluations

The Council accounts for revaluations of PPE on a class of asset basis. The results of revaluating are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

p) Investments in other entities

The Council invests in other entities to further its service delivery and/or to maintain an appropriate degree of independence from political processes.

These do not include investments covered under financial assets or the Council's PIF.

The Council's investment in the following subsidiaries is carried at cost in the prospective financial statements:

- New Plymouth PIF Guardians (NPG): 100 per cent owned and incorporated in New Zealand.
- Venture Taranaki Trust: 100 per cent owned.
- Papa Rererangi i Puketapu Limited: 100 per cent owned.

NPG, Venture Taranaki Trust, TLC and Papa Rererangi i Puketapu Limited are Council-controlled Organisations as defined in the Local Government Act.

The Council's investment in the following subsidiary has been classified as a financial asset at fair value through surplus or deficit:

- Tasmanian Land Company Limited (TLC): 100 per cent owned and incorporated in Australia.

The Tasmanian Land Company Limited (TLC) was incorporated on 5 August 2014.

In April 2015, TLC acquired all the shares in TFL. The transaction was a business restructure between entities under the control of the Council and was accounted for as a continuation of the existing TFL Group.

The operations of TLC group were sold in March 2016. As at 30 June 2017, TLC remained a Council-controlled organisation and held the cash from the sale of the TLC subsidiaries.

During 2016/17 the majority of the cash has been transferred to Mercer, who now manage the PIF investment fund.

Any equity investment by the Council is recorded at cost, or share of net equity based on current financial statements (joint ventures) with these investments being restated annually in accordance with financial reporting standards. In respect to the plan, these investments are stated at 30 June 2017 position.

In addition the Council is deemed to control, separately or jointly with others, Venture Taranaki Trust (VTT). This is an independent trust set up in conjunction with the Crown and other local authorities in Taranaki for the furtherance of tourism and economic development opportunities. The Council has no equity investment in VTT but accounts for its share of net assets annually in accordance with financial reporting standards. In respect to the plan, these investments are not included in the Council's Statement of Financial Position.

q) Income tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures except where the joint venture can control the reversal of the temporary

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difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated as the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates that have been enacted or substantively enacted by balance date.

Current and deferred tax is charged or credited to the Statement of Comprehensive Revenue and Expense, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

r) Trade and other payables

Payables are valued at fair value.

s) Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

t) Employee benefits

Provision is made in respect of the Council's liability for annual leave which has been calculated on an actual entitlement basis at current rates of pay. Long-term entitlements (long service and retirement gratuities) have been calculated on present value at current rates of pay. Accumulated sick leave carried forward, which is anticipated to be taken in future periods, is not considered material for inclusion.

u) Landfill post-closure provision

The landfill post-closure provision is measured based on the best estimate at a discount rate in accordance with financial reporting standard PBE IPSAS 19: Provisions, Contingent Liabilities and Contingent Assets.

The on-going annual charge to the Statement of Comprehensive Revenue and Expense arising from the landfill comprises depreciation of the landfill asset, and amortisation of the post-closure liability.

v) Interest bearing liabilities and borrowing costs

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains or losses are recognised in the Statement of Comprehensive Revenue and Expense when liabilities are derecognised as well as through the amortisation process.

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

w) Equity

Equity is the community's interest measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses:

- Restricted reserves:
 - Trust and bequests.
 - Special funds.
- Council-created reserves.
- Asset revaluation reserves.
- Retained earnings.

x) Reserves

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

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

These comprise:

- Operating reserves to fund some short-term operations.
- Development funds include development and financial contributions held until applied against the capital works for which those contributions were charged.
- Renewal and disaster funds to meet future replacement costs of assets.

Asset revaluation reserves. These arise on revaluation of the Council's assets and are an accounting entry only - they are not represented by funds.

Retained earnings. This is the accumulated net worth of the Council not held in reserves and represents the community's equity in the Council.

y) Foreign currency

Transactions in foreign currencies are initially recorded in NZ\$ by applying the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into NZ\$ at the rate of exchange on the Statement of Financial Position date.

z) Cash and cash equivalents

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

aa) Annual Plan figures

The A/Plan 2017/18 figures are those approved by the Council on adoption of the Annual Plan 2017/18.

ab) Emissions Trading Scheme (ETS)

Forestry. The Council does not propose to carry out any deforestation initiatives or activities during the life of this plan. The Council does not consider it has a contingent liability under this part of the ETS.

Solid Waste Disposal. The Council, as operator of the Colson Road landfill, is required to surrender New Zealand and compliant European carbon units (Units) for estimated emissions under the ETS while the landfill continues to operate. The Council has purchased enough units to meet its obligations under current law for the next year.

ac) Critical accounting estimates and assumptions

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

CHANGES IN ACCOUNTING POLICIES

There has been no change in accounting policies since adoption of the Annual Report 2016/17.

Balancing the Budget

The Local Government Act 2002 requires that where the Council has resolved, under Section 100(2), not to balance its operating budget in any year covered by this plan, the Council must include a statement of the reasons for the resolution and any other matters taken into account and the implications of the decision.

Renewals/depreciation funding

Over the LTP period the budgets have been balanced, but depreciation is not fully funded on long-life assets. The fundamental purpose of accounting for depreciation is to reflect the cost of use of fixed assets in each financial year, measured by the amount of economic benefit consumed.

Depreciation charges do not always provide a reasonable model for funding asset renewal. This is particularly relevant to assets which have long useful lives and are “intergenerational” in nature. Intergenerational assets are infrastructure assets with long lives (lifespan of 50 years to 200 years) and make up approximately 80 per cent of total asset replacement cost values across the range of Council activities. A ‘whole-of-life’ (or life-cycle) approach to asset appraisal, intergenerational benefit and funding perspectives has been adopted to support fiscal policy and enable the achievement of sustainable asset investments.

For the LTP, funding for renewal of infrastructural assets has been determined by using a Long Range Average Renewals Approach (LRARA), whereby forecast renewals for the next 10 years are averaged to an annual calculation. Correspondingly, the difference between depreciation expense and LRARA is regarded as unfunded depreciation.

Risks associated with the LTP and LRARA calculations are considered to be low due to a combination of mitigations, namely:

- A positive net reserve position has been adopted and maintained to ensure that sufficient resources are available for renewals over this plan period (renewal reserve balance is maintained at approximately one year’s renewal capex).
- Our renewal profile (excluding inflation) indicates consistent but manageable increases over the next 30 years.

- The continuation of asset inspection and ongoing maintenance programmes will enable the update and review of asset renewal profiles with confidence levels factored in. This will help to improve and support management strategies and practices associated with planning for renewals.
- While it is accepted that such forecasts have a degree of uncertainty, assumptions and analysis are based upon the best information currently available to the Council. Even with the progress made over the last few years, it is expected that the Council will improve its practice further moving forward with ongoing monitoring and asset assessments.

Depreciation on roading assets is further unfunded by \$3.84m to \$5.13m per year (\$3.80m in 2017/18) being the estimated financial assistance that is expected to be received from the New Zealand Transport Agency as contribution towards the renewal of roading assets.

The level of deferred/unfunded depreciation is shown in the Council Services section.

Prospective Financial Statements

Prospective Statement of Comprehensive Revenue and Expense

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
OPERATING REVENUE											
Revenue from exchange transactions											
Finance revenue	2.27	2.27	2.70	2.69	2.72	2.94	2.96	3.06	3.16	3.18	3.18
Investment revenue	13.50	14.60	15.02	14.83	15.16	15.76	16.08	16.69	17.00	17.64	17.97
Other revenue	28.60	26.62	27.67	28.63	28.86	30.05	31.31	31.64	32.58	33.88	34.56
Revenue from non-exchange transactions											
Rates	84.45	89.90	94.35	99.00	103.97	109.10	112.79	116.45	120.08	121.94	124.88
Subsidies and grants	10.39	12.08	12.75	15.05	13.19	11.54	12.92	11.80	13.82	12.28	12.48
Development and financial contributions	1.02	2.11	3.33	3.74	3.97	4.24	4.34	4.41	4.38	4.37	4.37
Vested assets	3.17	4.04	4.12	4.21	4.30	4.39	4.50	4.60	4.71	4.83	4.95
Fines and levies	2.85	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Total operating revenue	146.25	153.10	161.42	169.62	173.64	179.51	186.37	190.13	197.21	199.60	203.86
OPERATING EXPENDITURE											
Personnel costs	38.26	42.17	43.40	44.41	45.56	46.86	48.33	49.63	51.00	52.12	53.22
Depreciation and amortisation expenses	31.48	34.18	37.44	38.54	38.65	41.51	40.99	41.40	44.46	44.69	45.08
Finance costs	6.91	7.66	8.40	9.51	10.91	13.25	13.50	13.62	13.40	13.27	13.59
Other expenses	58.99	60.32	66.68	65.45	65.35	66.84	69.12	70.65	73.11	75.16	76.66
Total operating expenditure	135.64	144.34	155.93	157.91	160.46	168.46	171.93	175.29	181.98	185.24	188.55
Surplus/(deficit) before taxation	10.61	8.76	5.50	11.71	13.18	11.05	14.43	14.83	15.23	14.35	15.31
Taxation refund/(expense)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after taxation	10.61	8.76	5.50	11.71	13.18	11.05	14.43	14.83	15.23	14.35	15.31
<i>Comprising surplus/(deficit) attributable to:</i>											
Parent interest	10.61	8.76	5.50	11.71	13.18	11.05	14.43	14.83	15.23	14.35	15.31

Prospective Statement of Comprehensive Revenue and Expense

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
OTHER COMPREHENSIVE REVENUE AND EXPENSE											
Gain/(loss) on property, plant and equipment and equipment revaluations	-	145.14	-	-	148.42	-	-	178.37	-	-	217.25
Total other comprehensive revenue and expense	-	145.14	-	-	148.42	-	-	178.37	-	-	217.25
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	10.61	153.90	5.50	11.71	161.60	11.05	14.43	193.20	15.23	14.35	232.56
<i>Total comprehensive revenue and expense attributable to:</i>											
New Plymouth District Council	10.61	153.90	5.50	11.71	161.60	11.05	14.43	193.20	15.23	14.35	232.56

Prospective Statement of Changes in Equity

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
EQUITY AT THE BEGINNING OF THE YEAR	2,334.24	2,380.05	2,533.95	2,539.45	2,551.16	2,712.76	2,723.81	2,738.24	2,931.44	2,946.67	2,961.02
Net surplus/(deficit) from continued operations	10.61	8.76	5.50	11.71	13.18	11.05	14.43	14.83	15.23	14.35	15.31
Other comprehensive revenue and expense		145.14	-	-	148.42	-	-	178.37	-	-	217.25
Total comprehensive revenue and expense	10.61	153.90	5.50	11.71	161.60	11.05	14.43	193.20	15.23	14.35	232.56
Equity adjustment		-	-	-	-	-	-	-	-	-	-
EQUITY AT THE END OF THE YEAR	2,344.85	2,533.95	2,539.45	2,551.16	2,712.76	2,723.81	2,738.24	2,931.44	2,946.67	2,961.02	3,193.59
<i>Total comprehensive revenue and expense attributable to:</i>											
New Plymouth District Council	10.61	153.90	5.50	11.71	161.60	11.05	14.43	193.20	15.23	14.35	232.56

Prospective Statement of Financial Position

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
CURRENT ASSETS											
Cash and cash equivalents	0.94	2.45	3.20	3.21	3.20	4.44	5.47	4.22	3.34	5.45	4.23
Trade and other receivables	18.83	14.21	14.91	15.59	16.28	16.99	17.57	18.14	18.70	19.26	19.93
Prepayments	-	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
Inventory	0.09	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Intangible assets	-	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62
Other financial assets	37.20	311.26	316.88	321.51	328.72	336.30	343.96	354.53	366.69	375.77	386.97
Non-current assets held for sale	1.41	1.33	1.26	1.29	1.48	0.30	0.31	0.33	0.40	0.35	0.35
Total current assets	58.47	330.85	337.86	343.19	351.28	359.63	368.90	378.82	390.73	402.42	413.08
NON-CURRENT ASSETS											
Other financial assets	15.34	26.05	25.30	24.55	23.80	23.05	22.30	21.55	19.30	16.55	13.80
Investments in Council-controlled organisations	291.18	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Intangible assets	3.04	5.43	5.67	5.13	4.57	3.96	4.09	4.49	4.45	4.39	4.17
Forestry assets	2.36	3.45	3.57	3.70	3.83	3.96	4.10	4.25	4.39	4.55	4.71
Derivative financial assets	0.08	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64
Property, plant and equipment	2,145.20	2,340.53	2,355.54	2,391.91	2,569.77	2,579.63	2,589.72	2,773.57	2,771.67	2,780.36	3,012.14
Total non-current assets	2,457.20	2,386.09	2,400.71	2,435.92	2,612.60	2,621.23	2,630.84	2,814.48	2,810.45	2,816.48	3,045.45
TOTAL ASSETS	2,515.67	2,716.94	2,738.57	2,779.11	2,963.88	2,980.86	2,999.74	3,193.30	3,201.18	3,218.91	3,458.53
CURRENT LIABILITIES											
Trade and other payables	18.18	12.26	12.90	13.50	14.13	14.76	15.27	15.77	16.26	16.73	17.33
Revenue in advance	-	3.62	3.62	3.62	3.62	3.62	3.62	3.62	3.62	3.62	3.62
Public debt and other loans	39.36	9.06	11.40	12.99	14.28	15.18	16.09	16.72	17.91	18.65	17.75
Employee entitlements	-	3.48	3.54	3.61	3.68	3.75	3.83	3.90	3.98	4.06	4.13
Other provisions	-	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
Derivative financial liabilities	-	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Total current liabilities	57.54	29.42	32.45	34.72	36.71	38.31	39.80	41.01	42.76	44.05	43.83

Prospective Statement of Financial Position

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
NON-CURRENT LIABILITIES											
Employee entitlements	0.77	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Derivative financial liabilities	8.58	5.91	5.91	5.91	5.91	5.91	5.91	5.91	5.91	5.91	5.91
Other provisions	1.33	1.67	1.73	1.75	1.78	1.81	1.84	1.87	1.91	1.95	1.99
Public debt and other loans	94.03	145.37	158.41	184.94	206.10	210.39	213.31	212.44	203.30	205.34	212.58
Total non-current liabilities	104.71	153.58	166.67	193.23	214.41	218.74	221.69	220.86	211.75	213.83	221.11
TOTAL LIABILITIES	162.25	182.99	199.13	227.95	251.12	257.05	261.50	261.86	254.51	257.89	264.94
PUBLIC EQUITY											
Special funds/reserves	80.96	74.65	76.07	70.50	76.28	83.70	91.31	99.30	109.19	118.76	126.79
Retained earnings	1,509.12	1,549.20	1,553.27	1,570.56	1,577.95	1,581.58	1,588.41	1,595.25	1,600.59	1,605.37	1,612.65
Asset revaluation reserve	763.34	910.11	910.11	910.11	1,058.53	1,058.53	1,058.53	1,236.90	1,236.90	1,236.90	1,454.15
Total public equity	2,353.42	2,533.95	2,539.45	2,551.16	2,712.76	2,723.81	2,738.24	2,931.44	2,946.67	2,961.02	3,193.59
TOTAL EQUITY AND LIABILITIES	2,515.67	2,716.94	2,738.57	2,779.11	2,963.88	2,980.86	2,999.74	3,193.30	3,201.18	3,218.91	3,458.53

Prospective Cash Flow Statement

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts from rates revenue	84.45	89.90	94.35	99.00	103.97	109.10	112.79	116.45	120.08	121.94	124.88
Interest received	1.83	2.27	2.70	2.69	2.72	2.94	2.96	3.06	3.16	3.18	3.18
Other revenue received	51.40	42.30	45.23	48.90	47.50	47.31	50.04	49.33	52.26	52.01	52.89
Payments to suppliers and employees	(98.24)	(102.54)	(110.14)	(109.96)	(111.01)	(113.81)	(117.55)	(120.38)	(124.23)	(127.40)	(130.00)
Interest paid	(6.91)	(7.66)	(8.40)	(9.51)	(10.91)	(13.25)	(13.50)	(13.62)	(13.40)	(13.27)	(13.59)
Net cash flows from operating activities	32.53	24.25	23.74	31.11	32.27	32.30	34.74	34.83	37.87	36.46	37.36
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts from sale of property, plant and equipment	0.25	1.47	1.33	1.26	1.29	1.48	0.30	0.31	0.33	0.40	0.35
Receipts from sale of other financial assets	-	9.83	10.15	10.95	11.20	11.43	11.66	11.88	12.09	13.80	14.52
Purchase of property, plant and equipment	(43.58)	(61.26)	(49.84)	(71.45)	(64.71)	(46.67)	(47.02)	(43.02)	(38.22)	(48.84)	(54.78)
Purchase of other financial assets	-	(15.00)	-	-	(2.50)	(2.50)	(2.50)	(5.00)	(5.00)	(2.50)	(5.00)
Net cash flows from investing activities	(43.33)	(64.97)	(38.36)	(59.24)	(54.72)	(36.25)	(37.55)	(35.83)	(30.80)	(37.14)	(44.92)
CASH FLOWS FROM FINANCING ACTIVITIES											
Proceeds from borrowings	12.66	50.70	24.43	39.52	35.44	19.47	19.02	15.84	8.77	20.70	24.99
Repayment of borrowings	(4.42)	(16.92)	(9.06)	(11.40)	(12.99)	(14.28)	(15.18)	(16.09)	(16.72)	(17.91)	(18.65)
Net cash flows from financing activities	8.24	33.78	15.37	28.13	22.45	5.19	3.84	(0.25)	(7.95)	2.78	6.34
Net increase/(decrease) in cash and cash equivalents	(2.56)	(6.94)	0.75	0.00	(0.01)	1.24	1.03	(1.24)	(0.88)	2.11	(1.22)
Cash and cash equivalents at the beginning of the year	3.50	9.39	2.45	3.20	3.21	3.20	4.44	5.47	4.22	3.34	5.45
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	0.94	2.45	3.20	3.21	3.20	4.44	5.47	4.22	3.34	5.45	4.23

Notes to the Financial Statements

1. Revenue from targeted rates for metered water supply

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Targeted rates for metered water supply	3.87	3.93	4.18	4.49	4.84	5.16	5.40	5.59	5.72	5.97	6.39

2. Group of activities combined depreciation and amortisation expense

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Parks and Open Spaces	2.38	2.80	3.06	3.14	3.14	3.37	3.32	3.35	3.60	3.62	3.65
Transportation	10.47	11.72	12.81	13.17	13.19	14.14	13.95	14.08	15.13	15.20	15.33
Stormwater Management	1.66	2.47	2.70	2.78	2.78	2.98	2.94	2.96	3.18	3.20	3.22
Flood Protection and Control Works	0.11	0.12	0.13	0.14	0.14	0.15	0.14	0.15	0.16	0.16	0.16
Waste Management and Minimisation	0.28	0.95	1.03	1.06	1.06	1.14	1.13	1.14	1.22	1.22	1.23
Water Supply	4.06	4.41	4.87	5.06	5.13	5.56	5.50	5.56	5.95	5.97	6.02
Wastewater Treatment	5.65	5.56	6.10	6.27	6.28	6.74	6.65	6.72	7.22	7.25	7.32
Emergency Management and Business Continuance	-	0.05	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06
Community Partnerships	0.19	0.29	0.32	0.33	0.33	0.35	0.35	0.35	0.38	0.38	0.38
Govett-Brewster Art Gallery/Len Lye Centre	0.04	0.55	0.61	0.62	0.62	0.67	0.66	0.66	0.71	0.72	0.72
Puke Ariki and Community Libraries	0.81	1.62	1.77	1.82	1.82	1.95	1.93	1.94	2.09	2.10	2.11
Venues and Events	0.09	1.78	1.95	2.00	2.00	2.15	2.11	2.13	2.29	2.30	2.32
Customer and Regulatory Solutions	0.18	0.38	0.41	0.42	0.42	0.45	0.45	0.45	0.48	0.49	0.49
Economic Development	-	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.10
Governance	-	0.12	0.13	0.13	0.13	0.14	0.14	0.14	0.15	0.15	0.15
Management of Investments and Funding	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05
Other	5.52	1.25	1.38	1.42	1.42	1.53	1.53	1.57	1.70	1.73	1.77
Total depreciation and amortisation expense	31.47	34.19	37.45	38.54	38.64	41.51	40.99	41.39	44.47	44.70	45.08

Statement of Reserve Funds

The Council maintains reserve funds as a sub-part of its equity – refer to statement of accounting policies earlier in this section. Schedule 10 Clause 16 requires certain information to be included pertaining to these reserve funds. The following presents a summary of reserve funds over the period of this plan and is followed by a breakdown into the various reserve fund types giving a brief explanation of the types of funds under each category and a table giving the opening balances, movements and closing balances.

Summary of Reserve Funds

The following is a summary of the Council's expected reserve funds over the life of this plan.

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Opening balances	84.84	85.52	74.65	76.07	70.50	76.28	83.70	91.31	99.30	109.19	118.76
Deposits to reserves	22.01	24.21	24.97	26.11	27.94	29.14	28.70	28.59	30.03	30.76	31.54
Withdrawals from reserves	(25.90)	(35.08)	(23.55)	(31.68)	(22.16)	(21.72)	(21.09)	(20.60)	(20.14)	(21.19)	(23.51)
Closing balances	80.95	74.65	76.07	70.50	76.28	83.70	91.31	99.30	109.19	118.76	126.79

Note. Opening balances for Budget 2018/19 have been adjusted to reflect the actual opening position at 1 July 2017 and impacts of carry-forwards from 2017/18.

- Operating reserve funds.** These are set aside to fund short-term operational matters, such as some loan repayments, or to hold short-term surpluses arising from operations. If not required can be transferred to renewal reserves.

Opening balances	9.77	11.88	11.42	10.66	10.23	10.00	9.72	9.47	9.22	8.92	8.65
Deposits to reserves	0.49	0.00	(0.26)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Withdrawals from reserves	(0.07)	(0.46)	(0.50)	(0.43)	(0.23)	(0.28)	(0.25)	(0.25)	(0.30)	(0.27)	(0.27)
Closing balances	10.19	11.42	10.66	10.23	10.00	9.72	9.47	9.22	8.92	8.65	8.38

Statement of Reserve Funds

- 2. Restricted reserves, trust and bequest funds.** These are funds subject to specific conditions accepted as binding by the Council, such as bequests or operations in trust under specific Acts, and which may not be revised by the Council without reference to the courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. These include the Waitara Harbour Trust, heritage funds, proceeds from sale of Junction Road leases, solid waste development fund, Central Landfill development fund, Ngamotu Masonic Lodge Bursary Fund, and certain bequest funds: Monica Brewster, Molly Morpeth Canaday, J T Gibson. These funds are applied to infrastructural asset activities, Puke Ariki and Govett-Brewster Art Gallery.

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Opening balances	32.77	25.71	16.15	17.84	18.50	22.63	27.01	30.65	34.57	38.87	43.51
Deposits to reserves	1.17	3.49	3.71	4.25	4.36	4.61	3.88	4.16	4.55	4.89	5.44
Withdrawals from reserves	(6.56)	(13.05)	(2.02)	(3.59)	(0.23)	(0.23)	(0.24)	(0.24)	(0.25)	(0.25)	(0.26)
Closing balances	27.38	16.15	17.84	18.50	22.63	27.01	30.65	34.57	38.87	43.51	48.69

- 3. Development funds.** These include from Development and Financial Contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure in the infrastructural asset activities of Roads, Water Supply, Wastewater Management, Stormwater Drainage, Flood Protection and Control Works, Parks, Venues and Events, Puke Ariki and Govett-Brewster Art Gallery.

Opening balances	2.28	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
Deposits to reserves	1.87	-	-	-	-	-	-	-	-	-	-
Withdrawals from reserves	0.47	-	-	-	-	-	-	-	-	-	-
Closing balances	4.62	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08

- 4. Renewal and disaster funds.** The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability of the Council to provide services. In addition the Council maintains a disaster fund as a part of its insurance strategies. The renewal funds are applied to all activities throughout the Council.

Opening balances	40.02	46.85	45.00	43.03	35.07	33.95	33.87	34.75	36.23	38.57	40.25
Deposits to reserves	18.48	19.73	19.07	19.71	20.58	21.13	21.48	21.59	21.94	22.35	22.61
Withdrawals from reserves	(19.74)	(21.58)	(21.03)	(27.67)	(21.70)	(21.21)	(20.60)	(20.11)	(19.60)	(20.67)	(22.97)
Closing balances	38.76	45.00	43.03	35.07	33.95	33.87	34.75	36.23	38.57	40.25	39.89

Disclosure Statement

for the period commencing 1 July 2018

WHAT IS THE PURPOSE OF THIS STATEMENT?

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

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

Rates affordability benchmark

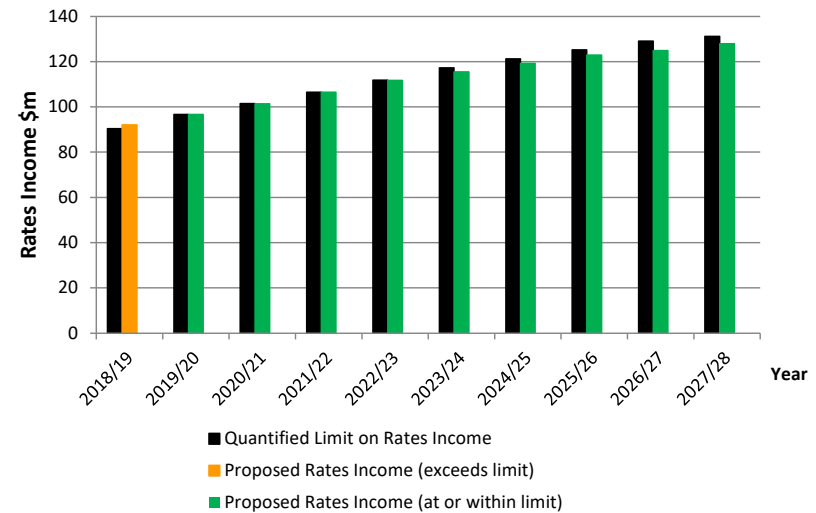
The Council meets the rates affordability benchmark if:

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

Rates (income) affordability

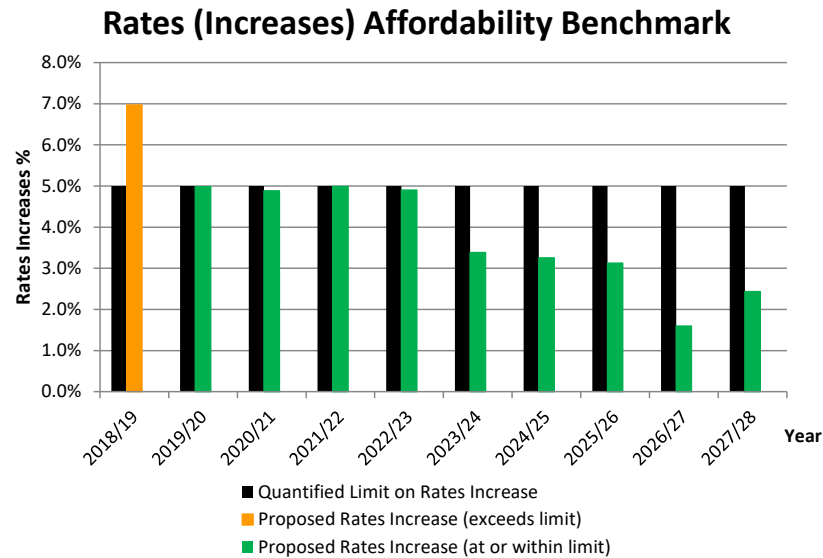
The following graph compares the Council's planned rates with a quantified limit on rates contained in the Financial Strategy included in this LTP. The quantified limit is set at the prior year rates income plus five per cent.

Rates (Income) Affordability Benchmark



Rates (increases) affordability

The following graph compares the Council’s planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this LTP. The quantified limit is set at the prior year rates income plus five per cent.



Note. The quantified limit per the Financial Strategy is a percentage increase set at five per cent in any one year.

The proposed rates percentage increase for years two to 10 is the percentage increase with the base being the prior year proposed rates. In 2018/19, year one, the proposed rates increase is the percentage increase with the base being the actual rates set in 2017/18.

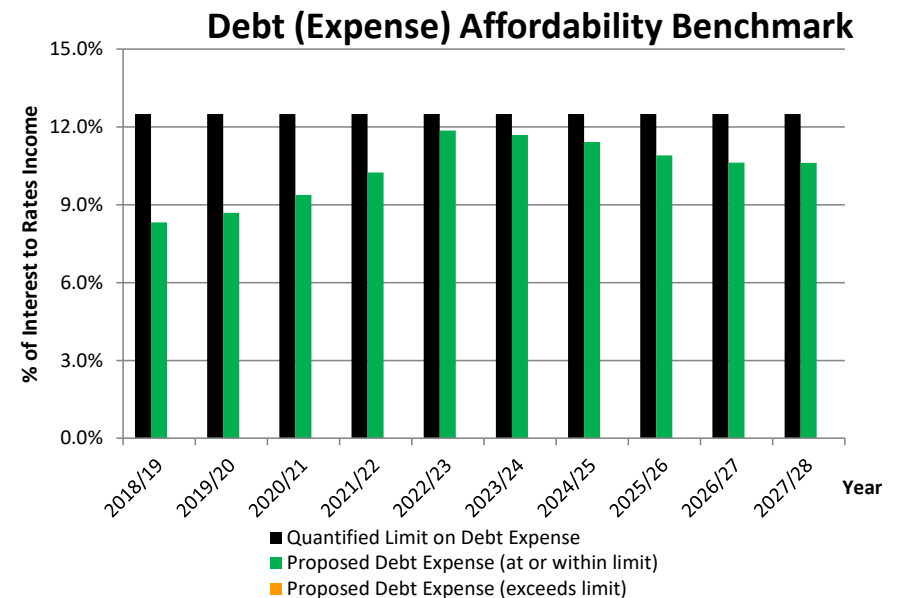
Debt affordability benchmark

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

- interest expenses on external borrowings is less than each quantified limit on borrowing; and
- external debt is less than each quantified limit on borrowing.

Debt (expense) affordability

The following graph compares the Councils planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this LTP. The quantified limit per the Financial Strategy is for interest expense on external borrowings to be no more than 12.5 per cent of rates income.

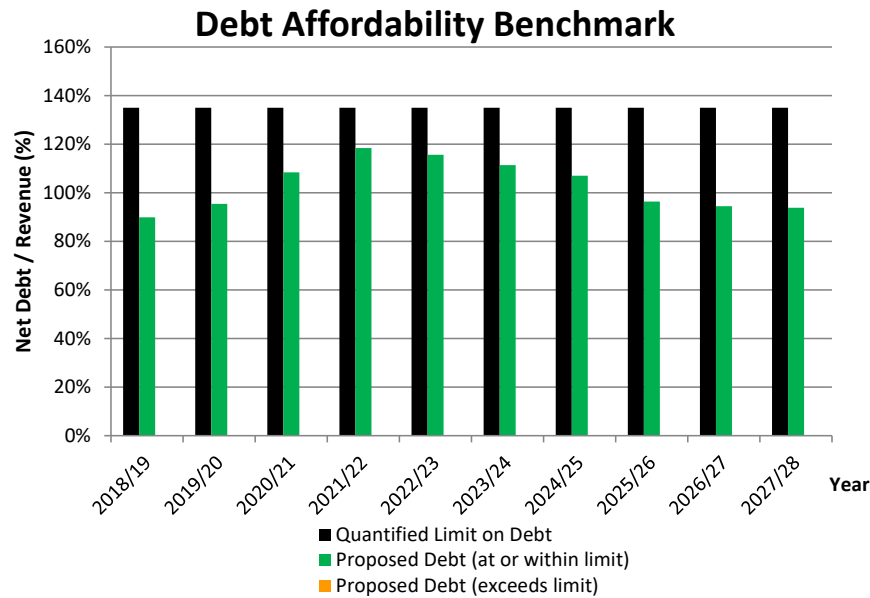


Disclosure Statement

Debt affordability

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

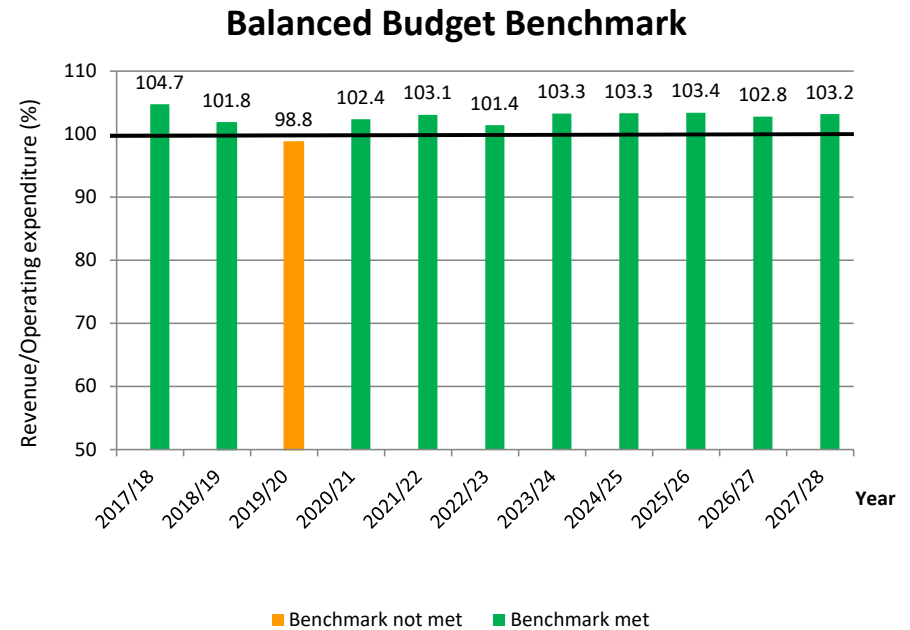
The following graph compares the Council's planned borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Council's LTP. The quantified limit is net external debt to be no more than 135 per cent of total revenue. This is in the Financial Strategy on pages 37 and 38.



Balanced budget benchmark

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

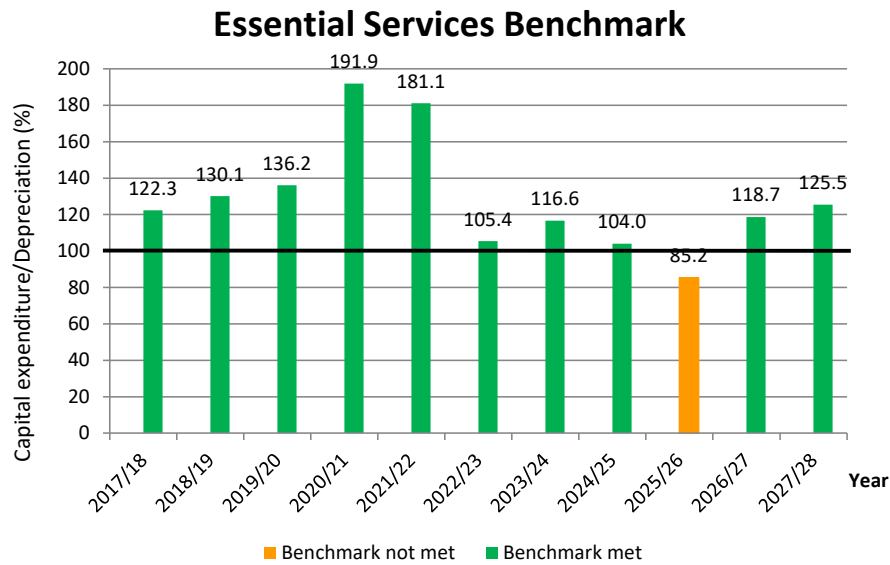
The budget is not balanced in line with the criteria as the Council does not fully fund depreciation. The Council uses a long run average renewal approach to renewal funding and carries renewal reserves to ensure the right level of funding is held for renewal expenditure. For further information refer to 'Balancing the Budget' page 194.



Essential services benchmark

The following graph displays the Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

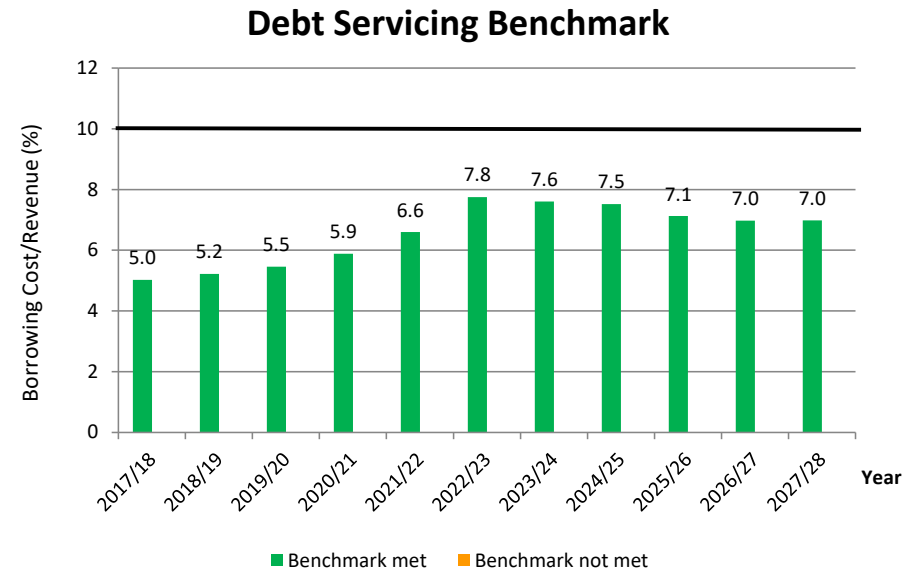
The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

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

Because Statistics New Zealand projects the Council’s population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal, or are less than, 10 per cent of its planned revenue.



Rating System and Information

RATING POLICIES, SYSTEM AND INDICATIVE RATES

This section complies with the requirements under Schedule 10 clauses 15(3)-(5) and 15A of the Local Government Act 2002. It should be read in conjunction with the Council's Revenue and Financing Policy. Figures quoted are exclusive of GST unless otherwise stated.

Definition of Separately Used or Inhabited Part of a Rating Unit (SUIP)

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

- A residential, small holding, or farmland property that contains two or more separately occupiable units, flats or houses each of which is separately inhabited or is capable of separate habitation i.e. has independent kitchen facilities.
- A commercial premise that contains separate shops, kiosks, other retail or wholesale outlets, or offices, each of which is operated as a separate business or is capable of operation as a separate business.

1. General rates

The Council will set a general rate based on the land value of rateable land in the district together with a uniform annual general charge applied to all separately used or inhabited parts (SUIPs) of a rating unit.

Differential land value categories

The Council differentiates the general rate based on land use (Schedule 2 Local Government (Rating) Act 2002). The differential categories and percentages of total general rate requirement that apply to each group are:

	2017/18	2018/19	2019/20	2020/21
Group 1: Commercial/industrial. All rating units that are used primarily for any commercial or industrial purpose.	27.20%	27.10%	27.00%	26.90%
Group 2: Residential. All rating units with a land area of one hectare or less, not being rating units in Group 1, used for residential and related purposes.	54.00%	54.00%	54.00%	54.00%
Group 3: Small holdings. All rating units, not being rating units included in Groups 1 or 2, having a land area of more than one hectare but no greater than four hectares.	3.00%	3.20%	3.40%	3.60%
Group 4: Farmland. All rating units, not being rating units included in Group 1, 2 or 3, having a land area in excess of four hectares.	15.80%	15.70%	15.60%	15.50%
TOTAL	100.00%	100.00%	100.00%	100.00%

Note. The figures for 2019/20 and 2020/21 will be confirmed and set as part of the relevant annual plan processes.

Differential Category	Rate cents/\$	Differential factor
Commercial/Industrial	1.5482	4.14
Residential	0.3738	1.00
Small holdings	0.2352	0.63
Farmland	0.2465	0.66

Application of differential calculation

The differential percentages are applied to the total general rate required. The uniform annual general charge (UAGC) component is then deducted and the balance is allocated based on individual land values within each category. Refer to the example below:

Residential calculation	(\$)
Total general rates	58,631,164
Residential differential 54.0%	31,660,828
less UAGC 29,703 @ \$347.83	(10,331,594)
Residential requirement from land value calculation	21,329,234

2. Uniform annual general charge

The Council will set a uniform annual general charge (UAGC) which is a fixed amount assessed on every separately used or inhabited part of a rating unit. The UAGC is being raised in 2018/19 and 2019/20, and then will be adjusted for inflation (using the Local Government Cost Index) in 2020/21 onwards. The amount per SUIP (excluding GST) is set in the table below.

	2018/19	2019/20	2020/21
UAGC (excluding GST)	\$347.83	\$373.48	\$381.70

Note. The figures for 2019/20 and 2020/21 will be confirmed and set as part of the relevant annual plan processes.

Both the general rate and the uniform annual general charge will be used to fund, or assist with funding, all Council activities other than those funded by way of targeted rates for roading, water supply, sewage treatment and disposal, refuse collection and kerbside recycling, and swimming pool compliance and voluntary targeted rate for the New Plymouth Home Energy Scheme.

3. Targeted roading rate

The Council will set a targeted rate - the Uniform Annual Roading Charge (UARC) to partially fund the roading activity on all rateable land in the district of a fixed amount per SUIP. The UARC is being raised in 2018/19 and 2019/20, and then will be adjusted for inflation (using the Local Government Cost Index) in 2020/21 onwards. The amount per SUIP (excluding GST) is set in the table below.

	2018/19	2019/20	2020/21
UAGC (excluding GST)	\$106.52	\$113.04	\$115.53

Note. The figures for 2019/20 and 2020/21 will be confirmed and set as part of the relevant annual plan processes.

4. Targeted service charge rates

The Council will charge the following targeted rates:

- Water supply (non metered and metered).
- Sewage treatment and disposal.
- Refuse collection and disposal.
- Swimming pool compliance.
- Voluntary targeted rate - New Plymouth Home Energy Scheme.

Unless otherwise noted, only those properties that actually receive the service are liable for these charges, irrespective of differential category.

5. Water supply (non metered and metered)

The Council has three mechanisms of payment for water supply. These are:

- Annual water charge** is made up of two rates:
 - Network fixed charge targeted rate being a targeted amount per separately used or inhabited part of a rating unit which is connected to an urban water supply but not metered. The amount per SUIP is \$32.00 for 2018/19.
 - Consumption charge targeted rate (standardised per unmetered household) being a fixed amount per separately used or inhabited part of a rating unit which is connected to an urban water supply but not metered. The amount per SUIP is \$250.82 for 2018/19.
- On demand supplies of water by meter** is made up of two rates:
 - A supply charge targeted rate per connection of \$32.00 for 2018/19 (except bypass meters) for each separately used or inhabited part of a rating unit which is metered and connected to an urban or rural water supply.

Rating System and Information

ii) A rate per cubic metre of water supplied to each connection which is metered and connected to an urban or rural water supply. A scale of charges is applied as follows for supplies excluding Waitara industrial supply:

- Standard rate for consumption up to or equal to 50,000m³ per annum \$1.11 (per cubic metre) for 2018/19.
- Rate for consumption in excess of 50,000m³ per annum \$1.13 (per cubic metre) for 2018/19.
- Waitara industrial - untreated supply \$0.82 (per cubic metre) for 2018/19.

c) Restricted flow targeted rate

A restricted flow targeted rate is determined by the (user-nominated) volume of water able to be supplied within a fixed time period to a separately used or inhabited part of a rating unit for properties that are not metered and are connected to a rural water supply (in accordance with the Council's Bylaw Part 14 - Water, Wastewater and Stormwater Services). For 2018/19, the amount per 1m³ unit is \$177.35.

For properties that are not connected to an urban or rural water supply, a targeted rate is not assessed.

6. Sewage treatment and disposal

All rating units other than commercial/industrial and schools

The Council will set a targeted rate for sewage treatment and disposal as a fixed amount per separately used or inhabited part of a rating unit in respect of rating units (other than commercial/industrial rating units and schools) connected either directly or through a private drain to a public sewerage drain.

The amount per SUIP is \$453.91 for 2018/19.

Commercial/industrial and schools

The Council will set a targeted rate per water closet or urinal connected either directly or through a private drain to a public sewerage drain or commercial/

industrial properties and schools as per the following scale per water closet or urinal.

• One to two	\$453.91
• Three	\$380.00
• Four	\$332.17
• Five	\$288.70
• Six to 10	\$258.26
• 11 to 15	\$240.87
• 16 to 20	\$232.17
• 21 or more	\$227.83

Ōākura sewerage scheme

For rating units in the area to which the Ōākura sewerage scheme is available where an agreement to connect was obtained but the rating unit has not yet connected, a targeted rate per separately used or inhabited part of a rating unit will be set as a fixed amount (which is half the full amount). The amount per SUIP for 2018/19 is \$236.52. Once connected the full amount will apply in the next financial year.

All rating units in the district which are neither connected to the sewerage system or are not serviceable are not liable for these rates.

7. Refuse collection and disposal including kerbside recycling

The Council will set a targeted rate for refuse collection and disposal (including kerbside recycling) as a fixed amount per separately used or inhabited part of a rating unit used as a household unit situated in defined areas¹ of the district in which the Council provides the service for which the charge is assessed. The amount per SUIP is \$131.27 for 2018/19.

¹ Defined areas shown on page 221, to be extended subject to consultation with community.

8. Swimming pool compliance (registration and audit inspection pursuant to the Building Act 2004)

The Council will set a targeted rate for swimming pool compliance as a fixed amount per separately used or inhabited part of a rating unit which have a swimming pool/spa pool on the rating unit. The amount per SUIP is \$41.36 for 2018/19.

9. Voluntary Targeted Rate - New Plymouth Home Energy Scheme

New Plymouth Home Energy Scheme rate is a targeted rate set on properties that have benefited from the installation of clean heat or insulation funded (partially/fully) by New Plymouth District Council in respect of the property. The rate is calculated at 11.1 per cent of the service amount (the cost of the installation and finance charges) until the service amount and the costs of servicing the service amount are recovered and is charged on a rating unit basis.

Due dates and penalties

The Council's rates (excluding metered water rates) for the 2018/19 year (1 July 2018 to 30 June 2019) will become due and payable by four equal instalments on the following dates:

Instalment 1: 1 August 2018

Instalment 2: 1 November 2018

Instalment 3: 1 February 2019

Instalment 4: 1 May 2019

The Council will charge a penalty of 10 per cent on any part of each respective instalment (for rates excluding metered water rates) that remains unpaid after the due dates listed above. The date that the penalty will be applied is:

Instalment 1 (penalty date): 29 August 2018

Instalment 2 (penalty date): 28 November 2018

Instalment 3 (penalty date): 27 February 2019

Instalment 4 (penalty date): 29 May 2019

In addition, the Council will charge a penalty of 10 per cent on any portion of rates (for rates excluding metered water rates) that were assessed or levied in any previous financial years prior to 1 July 2018 and which remain unpaid on 4 July 2018. The penalty will be applied on 28 September 2018 and a further additional penalty of 10 per cent on any portion of rates that were assessed or levied in any previous financial years and which remain unpaid on 29 March 2019.

Rating System and Information

Metered water rates for the 2018/19 year (1 July to 30 June 2019) will generally be invoiced on a quarterly basis. However, rating units may be invoiced monthly if the unit has previously been invoiced monthly or the Council has been notified before 30 June 2018 to be invoiced monthly.

Invoices for metered water invoiced quarterly will become due and payable on the following dates:

- Instalment 1: 28 November 2018
- Instalment 2: 27 February 2019
- Instalment 3: 29 May 2019
- Instalment 4: 28 August 2019

Invoices for metered water invoiced monthly will become due and payable on the following dates:

- Instalment 1: 20 August 2018
- Instalment 2: 20 September 2018
- Instalment 3: 21 October 2018
- Instalment 4: 20 November 2018
- Instalment 5: 20 December 2018
- Instalment 6: 21 January 2019
- Instalment 7: 20 February 2019
- Instalment 8: 20 March 2019
- Instalment 9: 22 April 2019
- Instalment 10: 20 May 2019
- Instalment 11: 20 June 2019
- Instalment 12: 22 July 2019

Rating base information

	2017/18*	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Projected number of rating units	35,104	35,491	35,878	36,265	36,652	37,039	37,426	37,813	38,200	38,587	38,974
Projected total capital value of rating units (\$m)	19,808	20,047	20,292	20,542	20,796	21,056	21,321	21,591	21,867	22,148	22,435
Projected total land value of rating units (\$m)	10,464	10,530	10,597	10,666	10,736	10,807	10,879	10,954	11,029	11,106	11,185

* These are the actual rates strike figures.

Lump sum contributions

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



Rating System and Information

Examples of the impact of the rating proposals (GST inclusive)

The following examples show the impact of the rating proposals on low, medium and high valued properties for each differential. They are required to be provided under clause 15(5) of Schedule 10 of the Local Government Act 2002 and are indicative only. (Plus, approximate average case for each group based on average land value and pans for commercial/industrial.) The examples exclude the swimming pool compliance targeted rate and the voluntary New Plymouth Home Energy Scheme targeted rate. More information about these rates can be found on page 211.

Residential Land Value (LV) \$91,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	375.27	391.18
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
Uniform annual refuse charge	129.93	150.96
	1,790.69	1,911.88

Residential LV \$130,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	536.11	558.83
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
Uniform annual refuse charge	129.93	150.96
	1,951.53	2,079.53

Residential LV \$170,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	701.06	730.78
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
Uniform annual refuse charge	129.93	150.96
	2,116.48	2,251.48

Rating System and Information

Residential LV \$230,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	948.50	988.70
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
Uniform annual refuse charge	129.93	150.96
	2,363.92	2,509.40

Residential LV \$400,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	1,649.56	1,719.48
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
Uniform annual refuse charge	129.93	150.96
	3,064.98	3,240.18

Commercial/Industrial LV \$32,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	536.36	569.74
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	500.00	522.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
	1,821.85	1,939.48

Commercial/Industrial LV \$160,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	2,681.80	2,848.69
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	310.01	332.01
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
	3,777.30	4,028.44

Rating System and Information

Commercial/Industrial LV \$305,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	5,112.18	5,430.31
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	1,375.00	1,485.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
	7,272.67	7,763.05

Commercial/Industrial LV \$1,540,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	25,812.33	27,418.62
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	2,750.00	2,970.00
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
	29,347.82	31,236.36

Commercial/Industrial LV \$570,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	9,553.91	10,148.45
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
Uniform annual sewage charge	1,550.03	1,660.03
Uniform annual water charge:		
- Network fixed charge	11.50	36.80
- Standardised consumption charge	288.44	288.44
	11,889.44	12,656.22

Rating System and Information

Small Holdings LV \$150,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	348.11	405.72
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	833.66	928.22

Small Holdings LV \$260,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	603.38	703.25
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,088.94	1,225.75

Small Holdings LV \$310,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	719.42	838.49
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,204.97	1,360.99

Small Holdings LV \$390,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	905.07	1,054.87
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,390.63	1,577.37

Small Holdings LV \$560,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	1,299.59	1,514.69
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,785.15	2,037.19

Rating System and Information

Farmlands LV \$66,300 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	177.73	187.94
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	663.28	710.45

Farmlands LV \$1,250,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	3,350.81	3,543.44
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	3,836.37	4,065.94

Farmlands LV \$380,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	1,018.65	1,077.21
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,504.20	1,599.71

Farmlands LV \$4,000,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	10,722.60	11,339.00
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	11,208.15	11,861.50

Farmlands LV \$560,000 (GST inclusive)

	2017/18 (\$)	2018/19 (\$)
General rate	1,501.16	1,587.46
Uniform annual general charge	370.55	400.00
Targeted rates		
Uniform annual roading charge	115.00	122.50
	1,986.72	2,109.96

TOTAL RATES

	A/Plan 2017/18 (\$)	LTP 2018/19 (\$)
Uniform annual general charge (UAGC)	11,813,874	12,887,449
General rate	43,133,140	45,743,714
Sub total (general rates)	54,947,014	58,631,164
Uniform annual roading charge (UARC)	3,630,600	3,943,370
Uniform annual sewage charge (UADC)	12,881,608	14,135,541
Uniform annual water charge (UAWC)	6,944,328	7,674,996
Water by meter charges	3,872,415	3,925,523
Uniform annual refuse charge (UARC)	3,089,270	3,798,818
Swimming pool compliance charge (UAPC)	39,818	-
Sub total (targeted rates/charges)	30,490,739	33,478,248
Total	85,437,753	92,109,412

The figures above do not include GST. GST will be added at applicable rates.

Rating System and Information

Rates and Charges

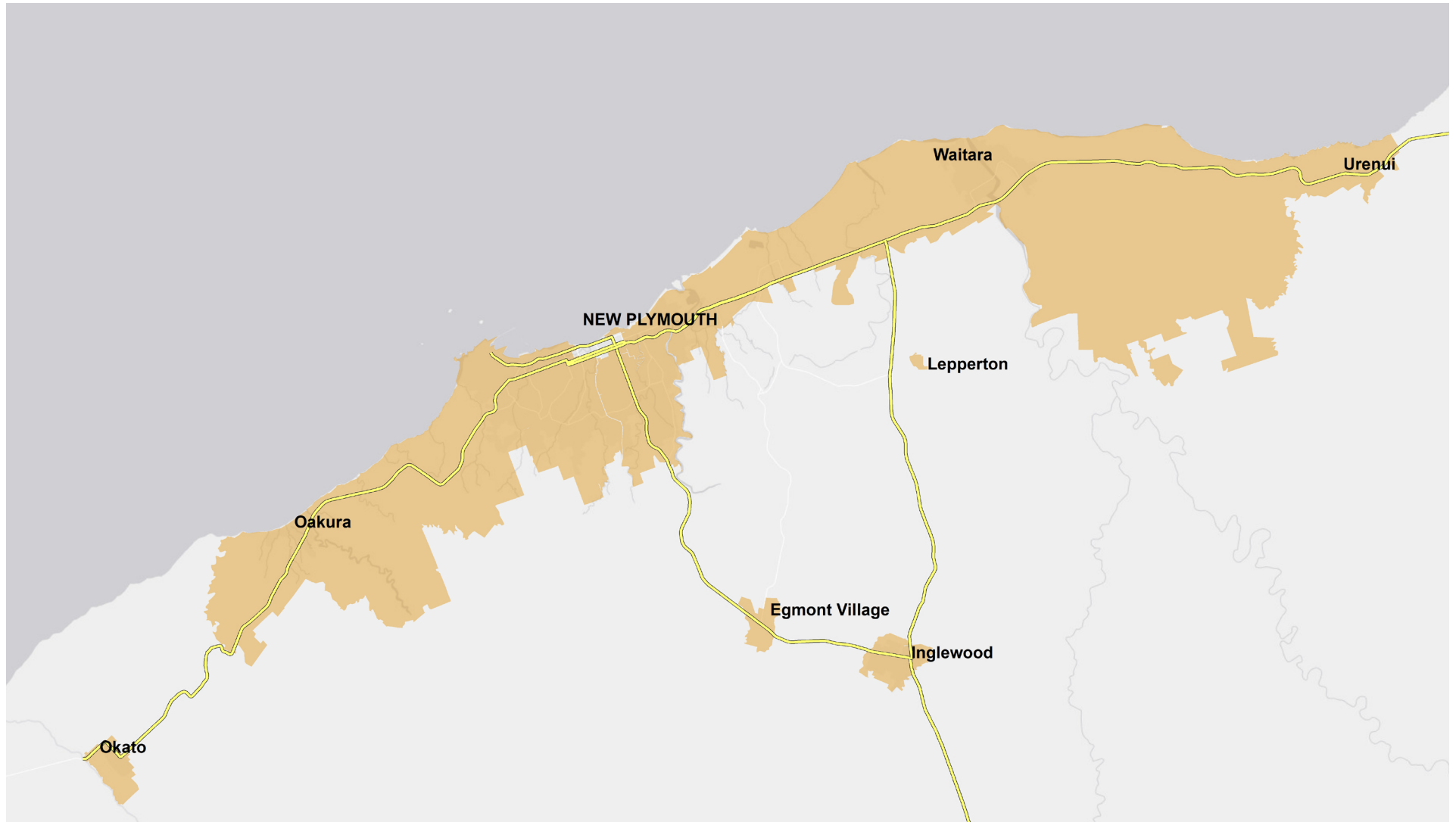
The figures below do not include GST. GST will be added at applicable rates.

	2017/18 (\$)	2018/19 (\$)
General rates		
Uniform annual general charge	322.22	347.83
Differential rates (cents per \$ of rateable value)		
- Group 1 (Commercial/Industrial)	1.4575c	1.5482c
- Group 2 (Residential)	0.3586c	0.3738c
- Group 3 (Small Holdings)	0.2018c	0.2352c
- Group 4 (Farmland)	0.2331c	0.2465c
Targeted rates/charges		
Uniform annual roading charge	100.00	106.52
Uniform annual refuse charge per serviced household	112.98	131.27
Uniform annual sewage charge - all rating units other than commercial/industrial	434.78	453.91
Uniform annual sewage charge - commercial/industrial (including schools) (scale of charges per water closet or urinal):		
- One to two	434.78	453.91
- Three	360.87	380.00
- Four	313.04	332.17
- Five	269.57	288.70
- Six to 10	239.13	258.26
- 11 to 15	221.74	240.87
- 16 to 20	213.04	232.17
- 21 or more	208.70	227.83
Ōākura part charge	217.39	236.52
Uniform annual water charge:		
- Network fixed charge	10.00	32.00
- Consumption variable charge	250.82	250.82

Swimming pool compliance charge	40.63	41.36
New Plymouth Home Energy Scheme - funding assistance depending on each funding arrangement		
Water charges		
- On demand supplies by water by meter (WBM):		
: Supply charge (for all metered customers)	10.00	32.00
: Standard rate for consumption up to 50,000m ³ (per cubic metre)	1.11	1.11
: Industrial rate for consumption in excess of 50,000m ³ per annum (per cubic metre)	1.13	1.13
- Waitara industrial - untreated supply (per cubic metre)	0.82	0.82
- Restricted flow connections (per water unit as defined by Water Supply Bylaw (Part 15))	177.35	177.35

* large users are charged the standard WBM rate to 50,000m³ and the industrial rate for amounts in excess of 50,000m³

Refuse Collection Area



Funding Impact Statement

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual charges, rates penalties	53.99	56.39	58.46	61.37	64.42	67.65	69.86	72.75	76.45	77.32	78.70
Targeted rates	30.54	33.51	35.89	37.63	39.55	41.46	42.93	43.70	43.62	44.62	46.18
Subsidies and grants for operating purposes	5.66	6.04	6.09	6.64	6.20	6.30	6.37	6.43	6.52	6.64	6.69
Fees and charges	26.66	26.62	27.67	28.63	28.86	30.05	31.31	31.64	32.58	33.88	34.56
Internal charges and overheads recovered	9.92	11.84	12.60	12.88	13.17	13.62	13.87	14.19	14.50	14.74	14.95
Local authorities fuel tax, fines, infringement fees and other receipts	3.81	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Total operating funding (A)	130.58	135.88	142.20	148.63	153.67	160.56	165.82	170.18	175.15	178.67	182.55
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	(98.18)	(102.63)	(110.17)	(109.96)	(111.01)	(113.82)	(117.57)	(120.40)	(124.25)	(127.43)	(130.03)
Finance costs	(7.17)	(7.65)	(8.43)	(9.54)	(10.93)	(13.27)	(13.52)	(13.64)	(13.42)	(13.28)	(13.60)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	(105.34)	(110.28)	(118.61)	(119.50)	(121.94)	(127.08)	(131.08)	(134.04)	(137.67)	(140.71)	(143.63)
Surplus/(deficit) of operating funding (A - B)	25.24	25.61	23.60	29.13	31.72	33.47	34.73	36.14	37.48	37.96	38.92
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	4.73	6.04	6.66	8.41	6.99	5.24	6.55	5.37	7.31	5.64	5.79
Development and financial contributions	1.02	2.11	3.33	3.74	3.97	4.24	4.34	4.41	4.38	4.37	4.37
Increase (decrease) in debt	11.82	33.78	15.37	28.13	22.45	5.19	3.84	(0.25)	(7.95)	2.78	6.34
Gross proceeds from sale of assets	0.21	1.47	1.33	1.26	1.29	1.48	0.30	0.31	0.33	0.40	0.35
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	17.78	43.40	26.68	41.55	34.70	16.15	15.03	9.85	4.07	13.20	16.85

Funding Impact Statement

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	(6.17)	(6.00)	(7.80)	(10.19)	(15.76)	(2.79)	(4.68)	(4.35)	(4.05)	(1.02)	(1.62)
- to improve the level of service	(7.92)	(16.15)	(13.97)	(22.35)	(21.69)	(17.17)	(16.09)	(13.75)	(9.63)	(22.01)	(25.00)
- to replace existing assets	(29.49)	(39.11)	(28.07)	(38.91)	(27.26)	(26.70)	(26.25)	(24.92)	(24.54)	(25.81)	(28.16)
(Increase)/decrease in reserves	0.56	(7.74)	(0.44)	0.77	(1.72)	(2.96)	(2.74)	(2.97)	(3.33)	(2.32)	(0.99)
(Increase)/decrease of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(43.02)	(69.01)	(50.28)	(70.68)	(66.43)	(49.62)	(49.76)	(45.99)	(41.55)	(51.16)	(55.77)
Surplus/(deficit) of capital funding (C - D)	(25.24)	(25.61)	(23.60)	(29.13)	(31.72)	(33.47)	(34.73)	(36.14)	(37.48)	(37.96)	(38.92)
Funding balance (A - B) + (C - D)	-	-	-	-	-	-	-	-	-	-	-

Other information to be provided

Clause 5(4) Local Government (Financial Reporting and Prudence) Regulations 2014

	A/Plan 2017/18 (\$m)	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
Depreciation and amortisation expense											
Depreciation expense	31.48	34.18	37.44	38.54	38.65	41.51	40.99	41.40	44.46	44.69	45.08
<i>less deferred/unfunded</i>	(13.01)	(14.92)	(18.99)	(19.36)	(18.53)	(20.87)	(20.19)	(20.31)	(23.03)	(22.86)	(23.07)
Net funding transferred to renewals reserves	18.48	19.26	18.45	19.18	20.12	20.64	20.79	21.09	21.44	21.82	22.01

Reconciliation Summary

Reconciliation of prospective financial plan, summary funding impact statement and prospective financial statements

PBE FRS 42: Prospective Financial Statements (specifically paragraph 40) requires reconciliation or narrative explaining differences in presentation of prospective financial information. Earlier in this section, the Council presented its prospective financial plan, prospective financial statements and summary funding impact statement. The following reconciliation explains the differences in accounting treatment of the operating sections of each of the prospective financial statements.

	Budget 2018/19 (\$m)	Budget 2019/20 (\$m)	Budget 2020/21 (\$m)	Budget 2021/22 (\$m)	Budget 2022/23 (\$m)	Budget 2023/24 (\$m)	Budget 2024/25 (\$m)	Budget 2025/26 (\$m)	Budget 2026/27 (\$m)	Budget 2027/28 (\$m)
SOURCES OF OPERATING FUNDING										
Total operating funding (A)	135.88	142.20	148.63	153.67	160.56	165.82	170.18	175.15	178.67	182.55
<i>add</i> sources of capital funding:										
- Subsidies and grants for capital expenditure	6.04	6.66	8.41	6.99	5.24	6.55	5.37	7.31	5.64	5.79
- Development and financial contributions	2.11	3.33	3.74	3.97	4.24	4.34	4.41	4.38	4.37	4.37
<i>add</i> Statement of comprehensive revenue and expense										
Unrealised gain/(loss) on PIF	5.03	5.12	4.63	4.71	5.08	5.17	5.56	5.66	6.08	6.20
Disposals gain/(loss) from sale of assets	-	-	-	-	-	-	-	-	-	-
Vested assets	4.04	4.12	4.21	4.30	4.39	4.50	4.60	4.71	4.83	4.95
Total operating revenue as per statement of comprehensive revenue and expense	153.10	161.42	169.62	173.64	179.51	186.37	190.13	197.21	199.60	203.86
APPLICATIONS OF OPERATING FUNDING										
Total applications of operating funding (B)	110.28	118.61	119.50	121.94	127.08	131.08	134.04	137.67	140.71	143.63
<i>add</i> Statement of comprehensive revenue and expense										
Depreciation and amortisation expenses	34.18	37.44	38.54	38.65	41.51	40.99	41.40	44.46	44.69	45.08
Revaluation (gain)/loss on forestry	(0.12)	(0.12)	(0.13)	(0.13)	(0.13)	(0.14)	(0.14)	(0.15)	(0.15)	(0.16)
Total operating expenditure as per statement of comprehensive revenue and expense	144.34	155.93	157.91	160.46	168.46	171.93	175.29	181.98	185.24	188.55