



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

Napier Civic Building
231 Hastings Street
t +64 6 835 7579
e info@napier.govt.nz
www.napier.govt.nz

ORDINARY MEETING OF COUNCIL

Open Minutes Attachments Annual Plan

Meeting Date: Thursday 30 June 2022

Time: 9.30am – 12.20pm

Venue: The Ocean Suite
East Pier Hotel
50 Nelson Quay
Ahuriri
Napier

TABLE OF CONTENTS

Item 1	Adoption of the 2022/23 Annual Plan
Attachment 1	Update Annual Plan with Statement of Cash Flow included (Doc Id 1476689).....2

ANNUAL PLAN 2022/23

Adopted 30 June 2022

ISSN 1173-4477 (print)
ISSN 1177-9896 (online)



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

Toitū te whenua
o Ahuriri, toitū
te tangata

A prosperous
Ahuriri, a
prosperous
people



215 Hastings Street, Napier 4110
Private Bag 6010, Napier 4142
Phone: 06 835 7579
Email: info@napier.govt.nz
Website: napier.govt.nz

CONTENTS

FROM THE MAYOR'S OFFICE	4
OUR VISION	5
WHERE YOUR RATES DOLLAR GOES	6
KEY CHANGES FROM THE LONG TERM PLAN	7
KEY CHANGES FROM THE 2022/23 YEAR OF THE LONG TERM PLAN	9
CAPITAL EXPENDITURE BY ACTIVITY GROUP	10
OUR PRIORITY AREAS	11
ANNUAL PLAN DISCLOSURE STATEMENT	18
NOTES TO DISCLOSURE STATEMENT	19
PLANNING ASSUMPTIONS ANNUAL PLAN 2022/23	21
FINANCIAL INFORMATION	25



OUR VISION

A vibrant and sustainable city for all.

COUNCIL OUTCOMES

- Our water is clean and safe
- Our services and infrastructure meet our community's needs
- Our community is connected, safe, healthy and resilient
- We are a city that thrives with its community
- We treasure our culture, our heritage, our environment
- Our community and council are one

CITY VISION PRINCIPLES

- Putting people first
- Open for business
- A port and coastal city
- Our people, our stories
- Ecological excellence
- Pedal power

Kia ora koutou.

Our Annual Plan is a vital part of our work programme each year. Essentially it outlines how we have allocated rates across all our work areas and what our priorities are for the year ahead. In the Plan, we also outline significant initiatives within each of our activity groups.

The Plan's bones are very much financial: where each rating dollar will be spent and on what. Alongside that, we provide a picture of where we are heading as a City, where the issues and opportunities lie, and what we are doing to ensure we help create a vibrant and sustainable city for all.

Each area of Council is working hard to deliver continual improvements, tightened budgets, increased special projects and robust business-as-usual. Across the board, in every area, we have an ambitious work programme ahead of us.

We are experiencing population and industry growth, tight labour markets and unprecedented pressures to ensure our community has improved resilience to climate change. Each of these delivers challenges, but together they make for a bright future for our City, a future that includes rewarding employment opportunities, increased housing solutions, initiatives and partnerships to keep our coastal communities safe from erosion.

In the Annual Plan we also identify our key priorities for the year ahead. Water remains number one and we are working hard to ensure our infrastructure is resilient, as well as planning for the future water needs of our community. From preventative maintenance programmes, to new low manganese water bores, from pumps,

sumps and pipes, to reservoirs and treatment plants, water is a major part of our work programme, and the commitment we make to it in our annual capital expenditure reflects that.

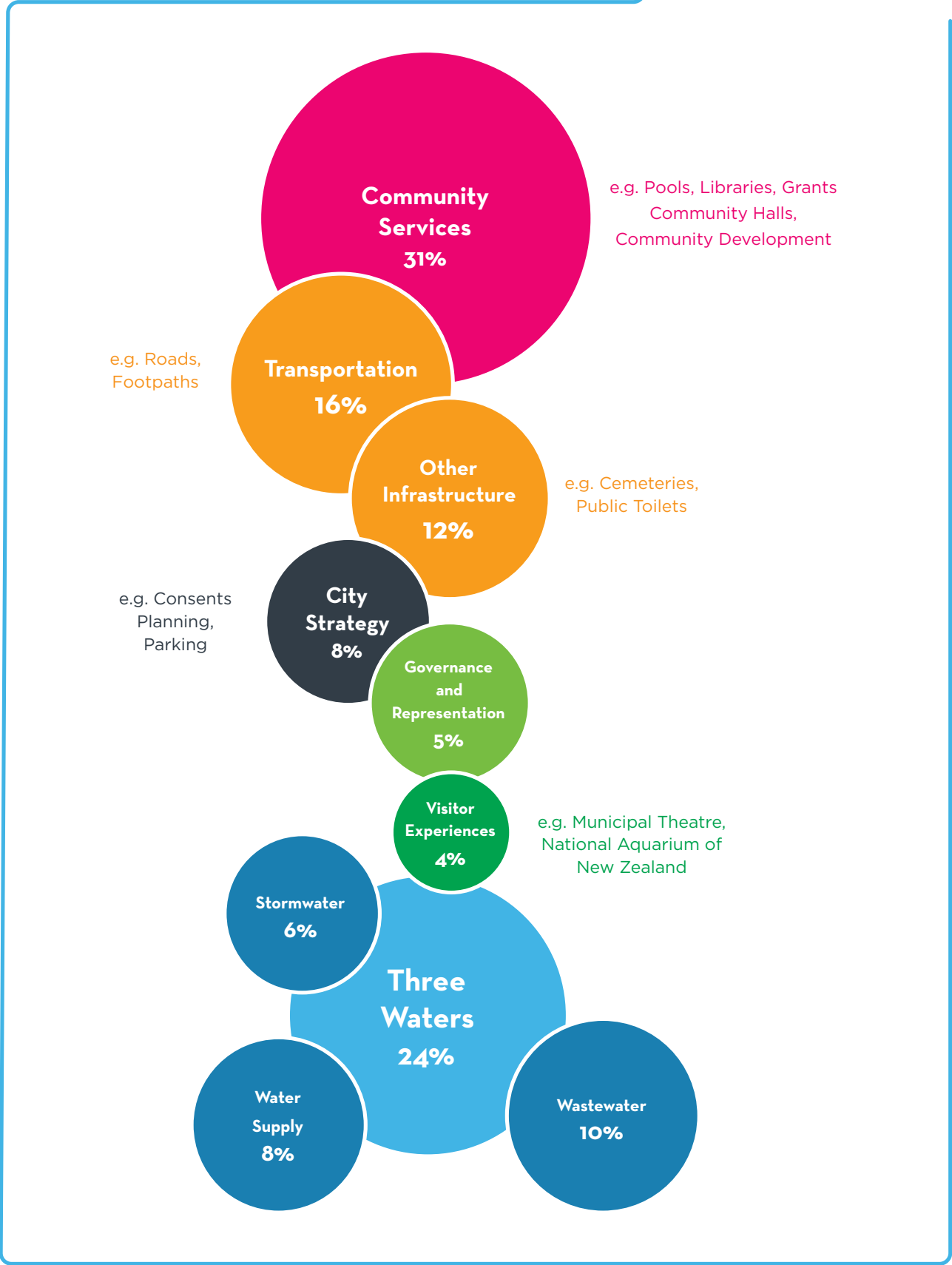
Safety too is an area where we are making significant headway. We are focused on ensuring people who live, work, play and visit Napier feel safe and secure in our City and neighbourhoods. Our Napier Assist/Awhina Tangata initiative will see a team of helpful city ambassadors out in our shopping areas keeping an eye on how things are going and staying in touch with locals, visitors and businesses.

Climate change, economic development and planning for growth are also areas we are continuing to keep in sharp focus. They are all areas where great opportunities exist for Napier, but also risks and issues that we need to plan for.

Preparation of the Annual Plan takes place in conjunction with conversations with our community, through submissions and hearings. It is an important part of the planning process to hear from as many voices as possible and I want to take this opportunity to thank everyone who got involved in the Annual Plan process for 2022/23.

Kirsten Wise
MAYOR OF NAPIER

Where your Rates Dollar Goes?



KEY CHANGES FROM LTP

Our 2021-31 Long Term Plan (LTP) set out what we expected to deliver, how much it would cost and how it would be funded over a 10-year period. This Annual Plan is the second year of that plan. We'll prepare another Annual Plan next year before updating the LTP for 2024-34.

The LTP projected 2022/23 would have a total operating expenditure of \$117.5 million, and capital expenditure of \$73.3 million. In developing this Annual Plan, Council has made some changes to that forecast and 2022/23 is now projected to have a total operating expenditure of \$149.4M, and capital expenditure of \$99.4M.

Given the uncertainty of the last few years, changes to the 2022/23 budgets and work programme were expected, particularly in the context of COVID-19. All councils are facing cost pressures and issues with deliverability, as inflation rises and the country faces labour and supply shortages. The main changes in this Annual Plan from what was outlined in our LTP are set out as follows.

COVID-19 Impact

Our financial modelling suggests we could be facing a \$1.5M shortfall in the revenue from our tourism portfolio in 2022/23. This portfolio includes sites like the National Aquarium of New Zealand and the Municipal Theatre. We've resolved that any shortfall that eventuates should be met with funding from two pre-existing reserves funds, essentially Council's savings accounts. We proposed the same approach for the 2020/21 year, but the shortfall never eventuated, so the reserve funding is still available. We had originally planned to fund any shortfall through loans when we adopted our LTP, but this is no longer necessary.

Rates

This Annual Plan includes an average rates increase to existing ratepayers in Napier of 9.8% in 2022/23, which falls between the 7.3% proposed rates increase for 2022/23 and the cap of 10.4%, as set out in the LTP.

Key drivers for this rates increase include inflation, higher costs in the labour and construction market, legacy expenses from smoothing the cost of introducing wheelie bins, increased insurance premiums, and the budgets associated with Council priority projects such as the establishment of a new city ambassador programme, Awhina Tangata/City Assist.

Napier Aquatic Centre

In 2022/23, we're investing an additional \$4M in the Napier Aquatic Centre for remedial work to keep the facility operating to the best of its ability for the next 3-5 years. Specifically, this will involve:

- investment in the facility's mechanics, electrics and plumbing to ensure the facility is safe and reduce the risk of unplanned outages,
- Inspection and installation of more structural bolts and brackets,
- Remediation works on the roof, steel structures and internal walls, and
- Installation of access ramps and alterations to the reception area.

This \$4M investment could increase to a total \$8.6M (based on a current understanding of the facility's condition) by the end of 2023/24, depending on the pace at which work can be completed, or any additional work required which is uncovered when making the planned fixes.

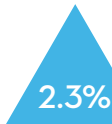
Carry forwards

At the end of the 2021/22 financial year, \$28.9M of the capital budget remains unspent and has been carried forward into 2022/23 budgets with an adjustment for inflation. In turn, Council has worked to rephase \$20.3M from 2022/23 to outer years. This results in a final capital plan of \$99.4M. This budget will be revised further later in 2022 as Council monitors actual spend in the context of the current industry-wide challenges, particularly in construction.



KEY CHANGES FROM THE 2022/23 YEAR OF THE LTP

By the numbers



RATES REVENUE

to \$76.3m, up from \$74.6m, or an increase to existing ratepayers of 9.8%, up from 7.3% forecast

MAIN REASONS FOR CHANGE

The rates increase is driven by increased inflation, insurance costs, phased rates funding of waste collection contract, additional funding approved for Napier Assist and Regional Economic Development.



OTHER REVENUE

to \$55.6m, down from \$65.4m

MAIN REASONS FOR CHANGE

A change in the expected timing of Parklands Residential Development section sales has resulted in \$8.7m being moved to future years.
Reduced tourism and business activity due to Covid-19 is expected to further reduce revenue in our Community and Visitor Experiences group by \$1.5m compared to the LTP.



EMPLOYEE BENEFIT EXPENSE

to \$50.0m, up from \$44.6m

MAIN REASONS FOR CHANGE

Pressures in the employment market together with an increased capital programme have driven increases across Council. This also includes the effect of taking on the operations of Ocean Spa which is offset by higher revenue.



OTHER OPERATING EXPENSES

to \$62.8m, down from \$72.3m

MAIN REASONS FOR CHANGE

The change in timing of Parklands Residential Development sales is offset by the reduction in cost of sales which have also transferred to future years. Depreciation is reduced due to the capital plan from previous years not being capitalised and therefore not depreciated.



CAPITAL EXPENDITURE

to \$99.4m, up from \$73.3m

MAIN REASONS FOR CHANGE

The capital works programme outlined in the LTP includes a substantial investment in a variety of projects. For the Annual Plan 2022/23, there have been several changes where projects have been re-phased - either to later years, or brought forward. There have also been new requirements that have been identified since the LTP and some projects which are no longer required.

Regional Economic Development Agency

We are committing \$500,000 per year to the establishment of a new regional development entity. This new entity is being created to help Hawke’s Bay businesses unify and speak with one voice. We had already set aside some budget for economic development through the LTP but it wasn’t enough to cover our \$500,000 contribution, so we’ve topped it up by \$341,600 for the 2022/23 year. Our contribution for the following year will drop by \$45,000 because of some central government funding that has been secured.

Memorial Square Community Rooms

We’ve resolved to partner with the Art Deco Trust to fast-track the restoration, strengthening, refurbishment and leasing of the Memorial Square Community Rooms. This building, opened in 1926, has special historical significance as a utilitarian World War One memorial. The Long Term Plan in 2021 set aside a total of \$1.5M for this project, phased over two years. The 2023/24 portion of this budget (\$790k) has been brought forward to account for this new partnership between Council and the Art Deco Trust, and the accelerated timeframes for the project.

Parking

At the time of adopting this plan, work is currently underway to install ‘pay by plate’ parking meters across the city, which will allow us to deliver a modern service to parking users. We’ve brought \$600,000 of the funding for this project forward to 2022/23 (from 2024/25) to match the timing of the installation. This is funded from reserves, so this change has no impact on rates.

Community Support

Following our hearings on the proposals for this plan, we resolved to support a number of community initiatives, such as the building of the boxing and cricket facilities at the Mitre10 Sports Park, and the provision of cycling education in schools by Sport Hawke’s Bay.

Coastal Hazards

The consultation on this Annual Plan was a timely opportunity to test our community’s appetite for the proposal to transfer budgets, assets and service delivery associated with mitigating coastal hazards to Hawke’s Bay Regional Council. For example, the revetment (retaining wall) at Hardinge Road in Ahuriri, and the budget we set aside for re-nourishment at Westshore beach would be transferred to, and managed by, Hawke’s Bay Regional Council. Council has signed the Memorandum of Transition which is guiding this work. The transfer of assets is planned for July 2024, following further consultation led by Hawke’s Bay Regional Council.

CAPITAL EXPENDITURE				By activity group (Incl. Variance from LTP)
Activity Group	AP 2022/23 \$000	LTP 2022/23 \$000	Variance	Significant contributors to variance
CITY STRATEGY	785	1,094	28.2%	<ul style="list-style-type: none">\$500k already spent in 2021/22 on the parking metre up-grade.
COMMUNITY AND VISITOR EXPERIENCES	33,685	17,574	91.6%	<ul style="list-style-type: none">\$4M additional CAPEX added to 2022/23 budgets for remedial work on the Napier Aquatic Centre.\$500k carried forward into 2022/23 for the detailed design and consent processes for Te Pihinga.\$1.06M carried forward into 2022/23 to rebuild the Napier Library on Station Street.\$500k carried forward into 2022/23 for building upgrades at the Faraday Museum of Technology.\$1.8M carried forward into 22/23 to fit out artefact and taonga collection storage for MTG Hawke's Bay.\$1.6M carried forward into 2022/23 for the War Memorial restoration.\$1.2M carried forward into 2022/23 for 'Healthy Homes' improvements to Council's housing portfolio.
OTHER INFRASTRUCTURE	3,276	2,778	17.9%	<ul style="list-style-type: none">Carry forwards into 2022/23 for public toilet renewals and extending the Western Hills cemetery.
PROPERTY ASSETS	5,747	3,379	70.1%	<ul style="list-style-type: none">\$1.8M carried forward into 2022/23 for a property purchase.
STORMWATER	8,145	9,212	11.6%	<ul style="list-style-type: none">\$600k brought forward into 2022/23 for CCTV inspections of stormwater pipes to proactively identify assets needing repairs or replacement.\$4.3M shifted to outyears to purchase land to provide sufficient stormwater drainage.
TRANSPORTATION	12,122	11,709	3.5%	<ul style="list-style-type: none">\$400k carried forward into 2022/23 for the West Quay upgrade as part of the Ahuriri Masterplan.
WASTEWATER	13,893	10,849	28.1%	<ul style="list-style-type: none">\$933k for repairs to the Pandora Industrial Main carried forward into 2022/23.\$3.4M carried forward into 2022/23 to improve storage capacity at the waste water Treatment Plant.
WATER SUPPLY	16,282	9,941	63.8%	<ul style="list-style-type: none">\$1.8M carried forward into 2022/23 for two water treatment plants.\$1M carried forward into 2022/23 for extending the trunk watermain from Te Awa road through to Awatoto Road.
SUPPORT UNITS	5,423	6,720	19.3%	<ul style="list-style-type: none">\$2.17M pushed out into 2025/26 for replacement of the enterprise asset management system.
Total	99,358	73,256	35.6%	

OUR PRIORITY AREAS

Our Long Term Plan 2021-31 reconfirmed our long-term strategic vision for the city: A vibrant and sustainable city for all.

Our priorities for the 2022/23 year are:

WATER: water remains our number one priority. We're working to resolve colour and taste issues with our drinking water, ensure our stormwater network can manage severe weather events, lessen environmental effects of stormwater discharge into the Ahuriri Estuary, and address aging elements of our wastewater network.

SAFETY: we know that people are feeling less safe out and about than they used to and our focus is making sure everyone can confidently enjoy our public places.

CLIMATE CHANGE: we're exploring ways to enhance our resilience in the face of climate change.

ECONOMIC DEVELOPMENT: we're focussed on using our influence and resources to advocate for a strong Napier economy.

PLANNING FOR GROWTH: we're reviewing our District Plan to enable economic and residential growth, while protecting the things that make Napier special.

Below, we've identified specific initiatives we're going to deliver over the year within each of our activity groups.

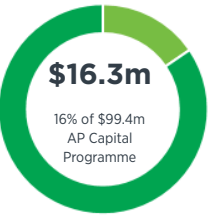
WATER SUPPLY



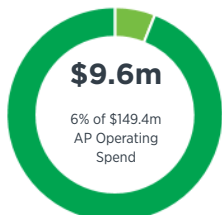
COMMUNITY OUTCOME

Our water is clean and safe.

CAPITAL SPEND



OPERATING SPEND



SIGNIFICANT INITIATIVES FOR 2022/23

Reticulation Water Quality Monitoring

- We will begin monitoring our water quality online and in real time. This will improve our water sampling rate from manual sampling (once every two days) to continuous sampling and online data from our main drinking water storage structures. This will improve our knowledge of the drinking water quality we are providing to the community.

New Bore Fields with Treatment Plants

- With the new 'Drinking Water Standards' set to be adopted, we need to progress with identifying new bore field locations (with space for treatment plants) to meet compliance requirements.

Te Awa Watermain Extension - Philips-Awatoto Rd

- Extending the trunk watermain from Te Awa Avenue through to Awatoto Road. This will allow for resilience in the area and provide future fire flow coverage.

Water booster pump station switchboard/controls upgrade

- Replacing electrical and control switchboards/control boards at multiple drinking water 'booster pump stations'.

Mataruahou (Napier Hill) Reservoir

- The Enfield Reservoir needs to be replaced with a new reservoir with a capacity of at least 20 ML to cater for projected growth and to maintain the level of service to Napier City. The old Enfield Reservoir is not designed or configured to meet current standards or enable the appropriate management of water quality and safety as outlined in Council's Water Safety Plan.
- In 2022/23, we will select the site for the reservoir on the Mataruahou land, and design and begin construction on the above ground reservoir.

Reservoir improvements

- Replacing valves in our storage structures to minimise the risk of water loss from pipe breakages and/or pipe failure associated with earthquakes. Installing emergency water tanks for use in the case of contamination of the main supply. Installing air vents in reservoirs to meet industry standards. Replacing and relining reservoir roofs.

Borefield no1 rising main

- Progressing with the design and construction of the "rising main" pipeline, to take water from the new bores at Awatoto up to the reservoir on Mataruahou.

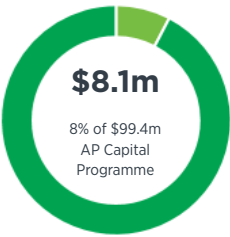
STORMWATER



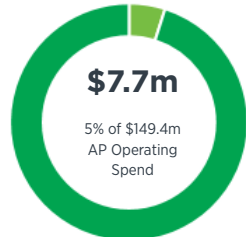
COMMUNITY OUTCOME

Our water is clean and safe.

CAPITAL SPEND



OPERATING SPEND



SIGNIFICANT INITIATIVES FOR 2022/23

Stormwater Reticulation Replacements

- CCTV inspections following November 2020 flooding identified urgent renewals needed at various places across the City, which are now the focus for upgrades and replacements.

Shallow Groundwater Bore monitoring

- Napier City Council has 18 shallow groundwater bores around the city which allow the monitoring of levels and conductivity of shallow groundwater tables. GNS Science has an interest in understanding Napier City's shallow groundwater behaviour for liquefaction purposes. This project will see monitoring used to support liquefaction risk assessments, and to understand the connectivity of shallow groundwater to Napier's urban waterways.

CCTV stormwater inspections

- CCTV cameras will be used for condition assessments on stormwater pipes to inform a proactive renewal programme.

Tennyson St Outfall Improvements

- This outfall requires urgent improvement so it can be accessed for maintenance and inspection (necessary for resource consent condition reporting). Inspections required in the 20/21 year could not be completed due to difficulties in accessing the structure and health and safety concerns.

Stormwater growth

- \$5.5M to provide stormwater infrastructure to cater for growth in Napier, including in Te Awa and the Mission Hills.

Flood alleviation projects

- Upgrades to Napier's stormwater network to alleviate flooding issues in the CBD and Napier South. Upgrades include widening pipes and increasing inlet and pumping capacity.

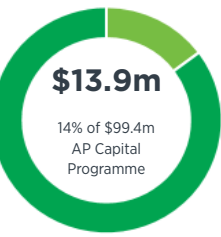
WASTEWATER



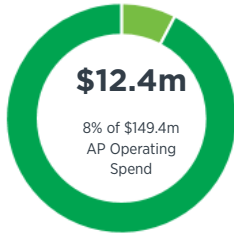
COMMUNITY OUTCOME

Our water is clean and safe.

CAPITAL SPEND



OPERATING SPEND



SIGNIFICANT INITIATIVES FOR 2022/23

Wastewater pipe inspection

- CCTV inspection of key/high risk areas of the wastewater network to understand the pipe condition, identify any remedial works, and minimise the likelihood of pipe collapses such as those experiences on Kennedy Road and in Corunna Bay.

Pandora Industrial Main

- Bringing 'Industrial Main' back into service; the 8.6km pipe which takes trade waste from Pandora to the city's treatment plant. The pipe has been out of service since 2016 after waste material built up and blocked the pipe.

Tradewaste treatment

- Implementing new treatments for wastewater in Napier's industrial area to prevent the Pandora Industrial Main pipe from blocking in the future.

Te Awa Structure Plan

- Providing wastewater infrastructure for the growing Te Awa development area.

Awatoto Wastewater Outfall

- Renewals and maintenance to the 1.5km Awatoto Outfall pipe, which takes treated wastewater from the Awatoto Treatment plan out to sea. This pipe is aging and has experienced leaks in the past.

Growth projects

- \$1.03M set aside to provide wastewater infrastructure to cater for growth in the Mission Hills and the proposed Riverbend Road residential development.

Wastewater treatment plant upgrades

- \$3.4M set aside to improve the storage capacity at the Wastewater Treatment Plant.



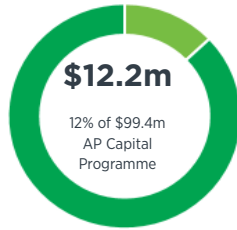
TRANSPORTATION



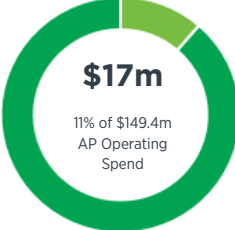
COMMUNITY OUTCOME

Our services and infrastructure meet our community's needs.

CAPITAL SPEND



OPERATING SPEND



SIGNIFICANT INITIATIVES FOR 2022/23

Puketitiri Road Upgrade (Fryer Road to Poraiti Road)

- The road will be widened, with curve and crest easing to improve visibility, provide more space for cyclists, and enable safe integration with, and access to and from the Mission Hills development.

Maintenance and Renewals Contract Alliance

- Commencement of a partnership between Council and Downer for asset management and maintainance and renewal of Napier's roads and footpaths.

Local Area Traffic Management Plans

- Local Area Traffic Management Plans completed for Douglas McLean Avenue, Harold Holt Avenue, and Maraenui.

Te Awa Structure Plan

- Providing for new roading, cyclepaths and footpaths as the Te Awa development grows.

Pandora Road Upgrade

- Reconfiguring Pandora Road to provide greater space on the estuary side for recreation, whilst providing car parking and catering for cyclists and pedestrians.

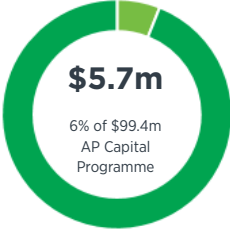
PROPERTY ASSETS



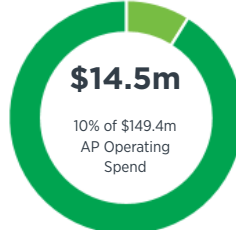
COMMUNITY OUTCOME

Our services and infrastructure meet our community's needs

CAPITAL SPEND



OPERATING SPEND



SIGNIFICANT INITIATIVES FOR 2022/23

Selling of Stage Area 3 Stage 9 & 10 Parklands

- Parklands Area 3 Stage 9 (12 lots) and Stage 10 (17 lots) will be sold during 2022/23.

Faraday Centre

- Purchase of the building which houses the Faraday Museum of Technology, if that is Council's preferred pathway forward.



GOVERNANCE AND REPRESENTATION



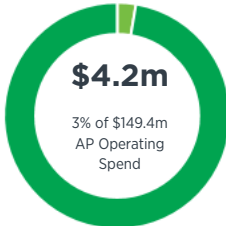
COMMUNITY OUTCOME

Our community and Council are one.

CAPITAL SPEND



OPERATING SPEND



SIGNIFICANT INITIATIVES FOR 2022/23

Elections and new triennium

- Officers will offer governance support role during elections and support the induction for Elected Members and establishment of governance structures for the new triennium.

Representation Review

- Commencing review of, and consultation on, representation arrangements in preparation for the 2025 Elections.

Māori Engagement Policy

- Developing and adopting a policy to guide how Te Waka Rangapū and Napier City Council engage and support Iwi Māori in Ahuriri.

Te Reo Māori Policy

- Developing and adopting a Te Reo Māori policy for Council staff.

Te Waka Rangapū Strategy

- Developing a strategy for engagement with Iwi Māori in Ahuriri. This strategy will support the direction of the Māori Engagement Policy.

Ngā Mānukanuka o Te Iwi

- Providing strong support to Ngā Mānukanuka o Te Iwi Komiti to strengthen partnerships with Mana Whenua and Tangata Whenua.

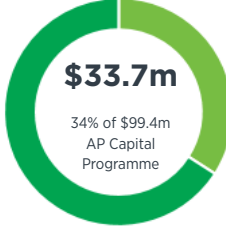
COMMUNITY AND VISITOR EXPERIENCES



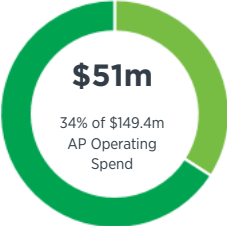
COMMUNITY OUTCOME

Our community is connected, safe, health and resilient.

CAPITAL SPEND



OPERATING SPEND



SIGNIFICANT INITIATIVES FOR 2022/23

Preserving levels of service for the Napier Aquatic Centre

- Investing an additional \$4 million into the Napier Aquatic Centre in 2022/23 for remedial work so we can keep it operating while we work towards a new aquatic development.

Exploring options for the future of a Napier Aquatic Facility

- Continue to explore with Council the future aquatic development requirements.

War Memorial restoration

- Construction to return the Perpetual Flame, Roll of Honour and remembrance/reflection space to the Napier War Memorial Centre.

Understanding the extent of building infrastructural issues at the National Aquarium of New Zealand

- Focussing on understanding the current state of our Aquarium and infrastructure. Investigation is needed to identify issues, and scope the cost and timeframe for potential fixes.

Future direction National Aquarium of New Zealand

- Review the future direction for the Aquarium including consideration of the facility, future investment decisions and funding sources.

Business case development to support Napier i-SITE and Par2 Mini Golf investment

- Following Council direction (June 2022) the development of a business case will commence to inform development and investment of the Napier i-SITE and Par2 Mini Golf.

McLean Park Strategy

- Development of a McLean Park Strategy will future proof this multi-use event venue for whole region to enjoy and prosper from.

Investigating expanding Kennedy Park Resort accommodation to increase resilience

- Commence a business case to investigate building more accommodation at Kennedy Park Resort to cater for growing demand.

Library and Civic Area Plan master plan implementation

- Designing the building for the Napier library, community, cultural and civic functions.

Artefact and taonga collection storage for MTG Hawke's Bay

- Progressing the fit out of new storage facility for the Hawke's Bay regional museum collection in Hastings, in conjunction with Hastings District Council.

Implement decisions for Council's housing portfolio

- Implementing Council's decisions arising from the strategic review of Council's portfolio of 377 homes. Council have resolved to retain the portfolio and implement a new cost recovery model, which will see changes to the way rents are calculated. A rates contribution is also anticipated subject to consultation on a proposed rates increase in 2023/24.

Compliance with Healthy Homes requirements

- Installation of heat pumps, ventilation systems and further draught stopping in Council's portfolio of 377 homes will continue through 2022/23.

Te Pihinga development

- Developing a detailed design for the Te Pihinga project (a community centre in Maraenui) and completion of a social procurement plan.

Taradale Town Hall

- Completing an optimisation study and subsequent refurbishment project.

Memorial Square Community Rooms refurbishment and seismic strengthening

- Partnering with the Art Deco Trust to restore, strengthen and refurbish the Memorial Square Community Rooms, with an understanding that it will be leased to the Trust.

Faraday Centre Business Case Implementation

- Resolve the Faraday Centre ownership and strengthen and upgrade the facility to meet health and safety and community needs.

Developing a Child and Youth Wellbeing Strategy

- Completion of pre-strategy engagement and development of a 'Child and Youth Wellbeing Strategy - Ahuriri'. This strategy will be based on the national strategy, and developed in liaison with the Department of Prime Minister and Cabinet, the Children's Commissioner, and Napier Pilot City Trust.

Community Plans

- Council is completing a Community Plan Framework. Community Plans capture the aspirations and priorities of a community, and give Council a clear point of reference when doing localised projects. In 2022/23, community plans will be developed and implemented for Westshore and Pirimai.

Regional Homeless Plan

- A 'discovery' report will be completed.

Safer Napier Programme

- Implementation of the 2022/23 Action Plan for the Safer Napier Programme.

Regional Arts and Culture Strategy

- Development of regional strategy with regional partners including Ngā Toi Hawke's Bay.

Community Funding Review

- Review being completed with implementation planned (subject to any budget and consultation requirements) in 2022/23.

Ocean Spa

- Refreshing changing rooms and updating the facility to coincide with the end of the contract with the external company managing the pools.

Anderson Park playground

- Stage 2 of the 'destination playground' at Anderson Park following targeted engagement to understand how the community would like it to take shape. Extra features may include picnic areas, active play equipment, and/or more area for skates/bikes.

Whakarire Avenue Revetment

- Construct Whakarire Ave revetment. The revetment will protect the reserve and properties on Whakarire Ave and will restore the public's access to the reserve.



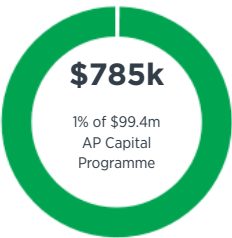
CITY STRATEGY



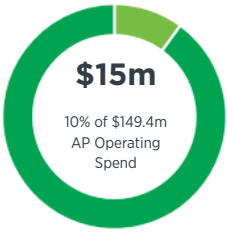
COMMUNITY OUTCOME

We are a city that thrives with its community. We treasure our culture, our heritage, our environment.

CAPITAL SPEND



OPERATING SPEND



SIGNIFICANT INITIATIVES FOR 2022/23

Regional Spatial Plan

- A regional initiative, which stems from the new legislation replacing the current Resource Management Act (RMA). The Regional Spatial Plan will identify the areas for future urban and commercial/industrial growth and the requirements to service these areas. It will influence future LTPs in terms of infrastructure funding.

Implement Napier Assist / Āwhina Tāngata (previously known as City Ambassador & CCTV Project)

- Our new Napier Assist / Āwhina Tāngata team will focus on improving safety in Napier through active community engagement and CCTV monitoring. They will be a visible presence in our commercial centres, interacting with the public and businesses to de-escalate issues and reduce nuisance behaviour, provide information and advice, and act as our city's ambassadors. This programme will commence from 1 July 2022.

Implementation of Key Account Management (KAM) model

- Introducing a KAM team to provide clear, efficient and timely advice to external major developments (including housing). This includes a client support service for developers of major projects.

Climate Change

- A work programme identifying what Napier can do to be more resilient to the effects of climate change. One key component is to work with regional partners in the implementation of the Coastal Hazards Strategy and work with key stakeholders to share responsibilities when it comes to climate change.

Inner Harbour Plan implementation

- Recent assessments have revealed that varying levels of remediation and replacement work is required to walls and structures in the Inner Harbour (Ahuriri). This presents the perfect opportunity to improve the facilities for all users, and to increase access, amenity, and cultural and historical understanding. The Inner Harbour Plan is being presented to Council in June/July in 2022. If adopted, officers will commission design and consenting for the project as a whole. Items not funded in the LTP will be considered in the next LTP revision.

Notification of the Proposed District Plan

- Notification and community consultation seeking submissions to the Napier City Proposed District Plan.

Development of the Regional Park Master Plan

- Planning stages for this key project which will contribute significantly to making Napier a more resilient city for the effects of hazards, especially to climate change and flooding.

City Vision review

- Our Napier City Vision is six years old and is due for review. We need to review the document, including identifying what has worked well, what has not, and where we can see new opportunities for the city.

Implementation of National Policy Statements

- Formulating a work program to implement the series of National Policy Statements (NPS) recently announced by the government, such as the NPS on Urban Development, and the NPS on Freshwater Management. It includes participating in the consultation process and advocating for Napier's priorities.

Resource Management Act replacement

- Participating in the feedback processes for the proposed replacement legislation and prepare for the transition and implementation.

Reviews of key bylaws and policies

- Reviewing the following bylaws:**
 - Dog Control Bylaw
 - Freedom Camping Bylaw
 - Mobile Sign Bylaw
- Reviewing the following policies:**
 - Dangerous, Affected and Insanitary Buildings Policy
 - Dog Control Policy
 - Easter Sunday Trading Policy
 - Economic Development Grants Policy
 - Gambling Venues Policy
 - Local Alcohol Policy (joint with Hastings District Council)
 - Location of Approved Psychoactive Products Sales Points Policy
 - Seized Skateboards Policy
 - Signage Guidelines
 - Sister City Relationships Categories Policy
 - Street Stalls, Traders, Markets, Stall & Mobile Shop Signage Policy

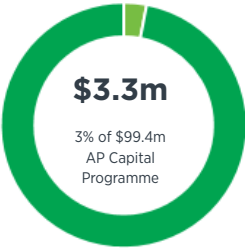
OTHER INFRASTRUCTURE



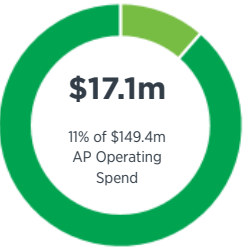
COMMUNITY OUTCOME

Our services and infrastructure meet our community's needs

CAPITAL SPEND



OPERATING SPEND



SIGNIFICANT INITIATIVES FOR 2022/23

Waste minimisation

- Review of Waste Management and Minimisation Plan, Solid Waste Bylaw, and Trade Waste Bylaw.

Omarunui Development

- Development of valleys "B" and "C" at the Omarunui Landfill behind Taradale, which is jointly managed by Hastings District Council and Napier City Council.





ANNUAL PLAN DISCLOSURE STATEMENT

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 annual plan 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.

For year ending 30 June 2023

	Policy Limit	AP 2022/23	Met
Rates Affordability Benchmarks			
Rates Revenue (\$000)	\$76,346 maximum	\$75,554	Yes
Percentage Rates Increase	LGCI plus 6.5% plus 0.3% rating base growth	10.1% including 0.3% growth	Yes
Debt Affordability Benchmarks			
Liquidity to External Debt	110% minimum	91.4%	Yes
Net External Debt as a percentage of Total Revenue	230% maximum	44.0%	Yes
Net Interest to Total Income	10% maximum	0.5 %	Yes
Balanced Budget Benchmark			
Operating Revenue to Operating Expenses	100% minimum	92.6%	No
Essential Services Benchmark			
Capital Expenditure to Depreciation	100% minimum	223%	Yes
Debt Servicing Benchmark			
Borrowing costs to operating revenue	10% maximum	0.52%	Yes

NOTES TO DISCLOSURE STATEMENT

1 Rates Affordability Benchmarks

- (1) For this benchmark,—
- (a) The council's planned rates income for the year is compared with the quantified limit on rates contained in the financial strategy included in the council's long-term plan; and
- (b) The council's planned rates increases for the year are compared with the quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.
- (2) The council meets the rates affordability benchmark if—
- (a) Its planned rates income for the year equals or is less than each quantified limit on rates; and
- (b) Its planned rates increases for the year equal or are less than each quantified limit on rates increases.

The calculation for this benchmark excludes water by meter, rates remissions and rates penalties as these are not included in the rates collection calculation.

2 Debt Affordability Benchmarks

- (1) For this benchmark, the council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in the council's long-term plan.
- (2) The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3 Balanced Budget Benchmark

- (1) For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and

revaluations of property, plant, or equipment).

- (2) The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Council does not meet the balanced budget benchmark for 2022/23. Council resolved to run an unbalanced budget in years 1-9 of the LTP on the basis that setting rates levels to immediately cover projected expenses with revenue would be inequitable and extremely hard on rate payers and it was more sustainable and prudent to phase in gradual change over time.

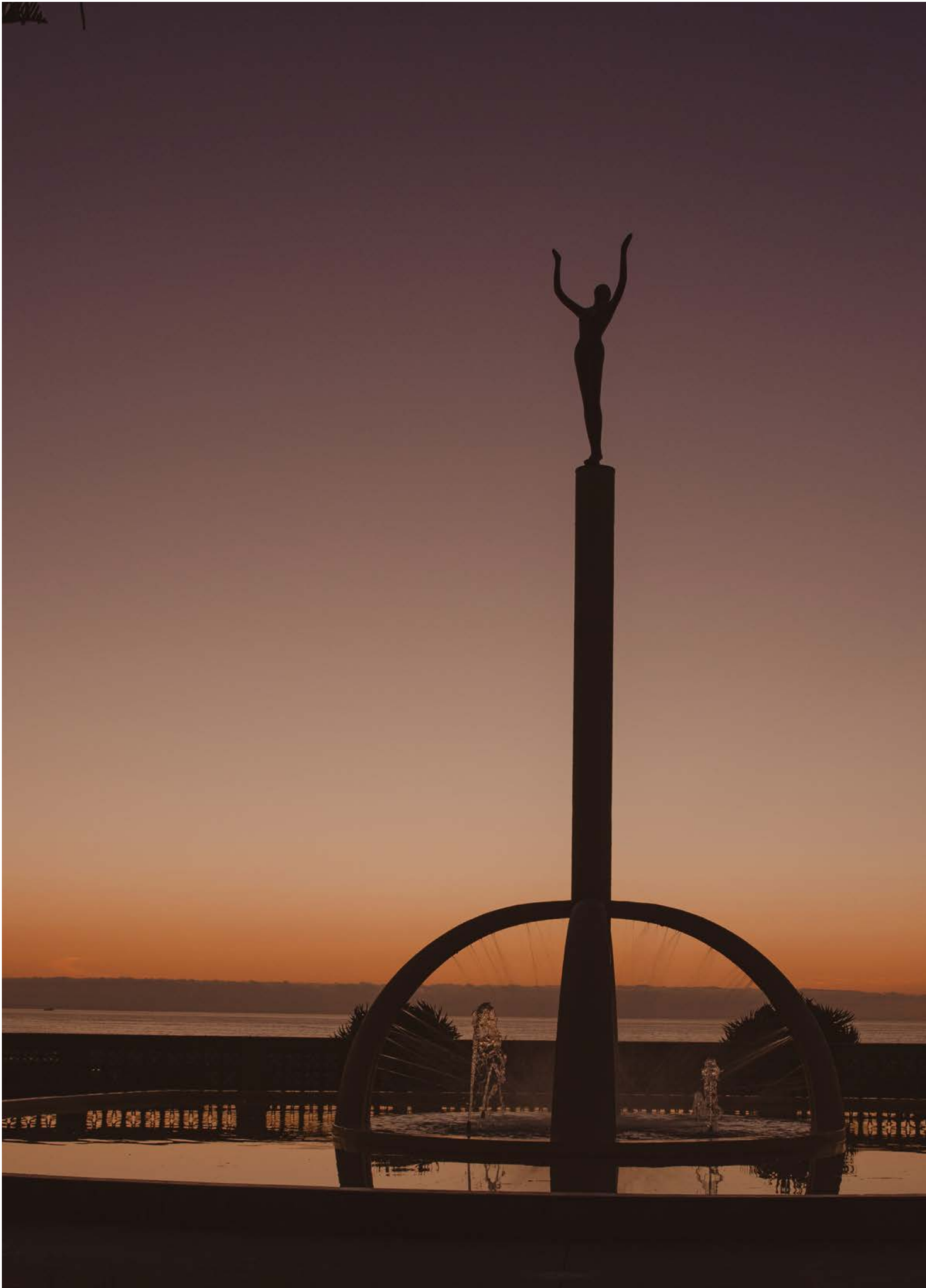
4 Essential Services Benchmark

- (1) For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) 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.

5 Debt Servicing Benchmark

- (1) For this benchmark, the council's planned borrowing costs are presented 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).
- (2) Because Statistics New Zealand projects that the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.





PLANNING ASSUMPTIONS: ANNUAL PLAN 2022/23

When we develop a plan, we make a series of assumptions about what the future will look like based on the information available at the time.

Now, more than ever, it's important to state the assumptions we're relying on for this plan given just how much the world has changed in the last two years. By setting out our assumptions, the community can understand the limitations of the plan if the next year pans out differently from what we are expecting.

Key assumptions are set out below. Where there is a high level of uncertainty about a particular assumption, we've explained the reason for that level of uncertainty. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

	Assumption	Level of uncertainty	Risk and impact
Inflation	We have Cost Index (LGCI) adjustors to our budgets at the rate of: <ul style="list-style-type: none">- 2.9% for operating budgets, and- 3.0% for capital budgets We also assume that the Reserve Bank will use monetary controls to keep the OCR within the 1.5% to 3% range.	Moderate	There is a risk that actual inflation rates and industry movements vary from these forecasts, which could result in Council over or underfunding operational and capital costs.
Growth in rating base	Based on historic data and the growth assumptions in the LTP, an allowance of 0.3% per annum has been included for additional rates revenue as a result of growth in the rating base. This represents a conservative estimate relative to the potential income from the projected increase in households.	Moderate	The growth in the ratepayer base is higher or lower than projected. If growth is higher than forecasted, the average rates increase per property will be reduced by an equivalent amount as there is a greater number of ratepayers across which rates will be collected. If growth is lower than forecasted, the average rates increase for the ratepayer will be higher.
Interest rates on loans	The interest rates for debt is assumed to be 2.0% for 2022/23.	High	Prevailing interest rates may differ significantly from those estimated. A 0.1% increase in interest rates on debt would increase annual interest expenses by \$39k for 2022/23. A 1% increase in interest rates on debt would increase annual interest expenses by \$386k for 2022/23



	Assumption	Level of uncertainty	Risk and impact
Capital programme deliverability	<p>Programmes and projects are assumed to be delivered within budget and on time.</p> <p>The plan for 2022/23 includes a significant increase in capital expenditure (\$99.4M for the financial year), both when compared to previous years actual spend (\$43.4M in 2020/21), and the forecast budgets for 2022/23 as contained in the LTP (\$73.3M).</p>	Moderate	<p>The capital programme may not be delivered in full, on time and/or within budget.</p> <p>The programme may only be partially completed, triggering carryforwards into 2023/24 which puts pressure on future year's budgets, and results in delays in delivering projects and realising benefits to the community.</p> <p>The programme may be delivered in full, but at more expense than was allocated in budgets. This risks breaching Council's financial prudence benchmarks and debt limits, and may prompt scrutiny from the Office of the Auditor General or the Minister of Local Government.</p>
Contractors availability	<p>This plan assumes that Council will be able to find skilled contractors to undertake the work programmed for the next financial year.</p> <p>Currently, there is very little surplus capacity in the contracting market due to the housing boom and the increased level of capital works proposed by many local authorities.</p>	Moderate	<p>There may not be sufficient contractor capacity to deliver the capital programme on time, or contract prices may increase significantly so that works cannot be delivered within the budget available.</p>
Resource Management Act Reform	<p>In responding to the Randerson review of the Resource Management Act 1991, the Government has announced its intention to replace it with three new pieces of legislation:</p> <ul style="list-style-type: none">Natural and Built Environments Act;Strategic Planning Act, andClimate Change Adaptation Act. <p>This plan has been prepared on the assumption that these changes will not enter into force before 1 July 2023, and even if they did, that no significant financial allocation would be required to comply with new legislative obligations.</p> <p>The most recent available information suggests that the Natural and Built Environments Act and the Strategic Planning Act will be formally introduced to the House in 2022, followed by a standard legislative and select committee process. The aim is for the Natural and Built Environments Act to be passed in this parliamentary term (with the next election likely at the end of 2023).</p>	Low	<p>These legislative changes may have major implications for the role and responsibilities of local government as it is currently configured.</p> <p>None of these bills has been introduced to Parliament at the time of writing.</p> <p>The new suite of acts could see regional and district plans combined and progressed through Joint Committees (among other changes), requiring resourcing to amend current processes and governance structures.</p>

	Assumption	Level of uncertainty	Risk and impact
Levels of Service	<p>This plan assumes there are no significant changes to the level of core or essential services delivered over 2022/23.</p>	Low	<p>An unanticipated change in levels of service delivered may be:</p> <ul style="list-style-type: none">Necessitated by a key asset failure or external disasterTriggered by a change in primary legislation, orDemanded by the community <p>Increased levels of service inevitably require more resourcing, and significant changes to significant levels of service may trigger the requirement for an LTP amendment.</p>
Waka Kotahi	<p>It is assumed that the level of subsidies received through Waka Kotahi is 51% of capital costs for both maintenance works, and new construction and renewal works.</p>	Low	<p>A change in subsidy level could affect the validity of the estimates by way of funding available for subsidised work and, potentially, the level of service delivered. Total Waka Kotahi subsidy of \$6.4M has been provided for in this plan.</p>
Water Standards	<p>The Government has produced exposure drafts for the new Drinking-Water Standards. This plan has been developed on the basis that the Standards will take effect without significant changes, that they will have implications on treatment and monitoring of Council's water supply, and that the changes can be implemented within existing budgets.</p>	Moderate	<p>Significant amendments to the proposed standards may create additional cost to Council. If Council is not able to ensure Napier's water supply system meets the new standards within government-mandated timeframes, we may be at risk of non-compliance with the Water Services Act 2021.</p>
Covid-19 economic impact	<p>This plan has been developed on the assumption that the ongoing impacts of Covid-19 will amount to a \$1.5M (or less) operating shortfall for Council's business and tourism activities. Provision has been made in the budgets to fund that shortfall from pre-existing reserves.</p>	Moderate	<p>Council's operating shortfalls for the 2022/23 financial year may amount to more than \$1.5M.</p>





CONTENTS

FINANCIAL INFORMATION

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES	26
PROSPECTIVE STATEMENT FINANCIAL POSITION	27
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY	28
PROSPECTIVE STATEMENT OF CASH FLOWS	29
NOTES TO PROSPECTIVE FINANCIAL STATEMENTS	30
STATEMENT OF ACCOUNTING POLICIES	31
RESERVE FUNDS	42
CAPITAL PROGRAMME BY ACTIVITY GROUP	47
CAPITAL FUNDING RESOURCES	59
BORROWING PROGRAMME	59
FINANCIAL SUMMARY OVERVIEW OF REVENUE	60
RATING SYSTEM	61
COUNCIL MAPS	66
OTHER RATING MATTERS	71
EXAMPLES OF RATES 2022/23	72
INDICATIVE RATES	73



PROSPECTIVE STATEMENT
OF COMPREHENSIVE
REVENUE AND EXPENSES

Forecast for the year ending 30 June 2023

	AP 2022/23 \$000	LTP 2022/23 \$000	LTP/AP 2021/22 \$000
Revenue			
Rates revenue	76,271	74,670	69,382
Development and financial contributions	7,296	7,296	7,090
Subsidies and grants	7,204	7,204	5,249
Other revenue	55,590	65,347	59,099
Other gains/(losses)	2,668	2,151	2,094
Total revenue	149,029	156,668	142,914
Expenditure			
Employee Benefit Expense	50,004	44,565	43,309
Depreciation and Amortisation	35,796	38,150	35,247
Finance Costs	772	626	339
Other Operating Expenses	62,821	72,308	62,770
Total expenditure	149,393	155,649	141,665
Operating surplus/(deficit) before tax	(364)	1,019	1,249
Share of associate surplus/(deficit)	121	165	(69)
Surplus/(deficit) before tax	(243)	1,184	1,180
Income tax expense	-	-	-
Surplus/(deficit) after tax	(243)	1,184	1,180
Other comprehensive revenue			
Valuation gains/(losses) taken to equity	58,821	40,983	24,229
Fair value gains/(losses) through comprehensive revenue on investments	-	-	-
Total comprehensive revenue and expenses	58,578	42,167	25,409

ANNUAL PLAN 2022/23

PROSPECTIVE STATEMENT
OF FINANCIAL POSITION

Forecast for the year ending 30 June 2023

	AP 2022/23 \$000	LTP 2022/23 \$000	LTP/AP 2021/22 \$000
Assets			
Current assets			
Cash and cash equivalents	5,769	5,584	5,220
Debtors and other receivables	22,383	21,379	19,834
Prepayments	1,596	851	821
Inventories	10,949	8,065	11,904
Biological assets	289	256	249
Total current assets	40,986	36,135	38,028
Non-current assets			
Property, plant and equipment	2,032,009	1,973,497	1,897,051
Intangible assets	1,256	1,147	1,438
Inventories	14,873	12,675	17,147
Investment property	80,866	62,930	61,097
Investment in associates	8,906	9,045	8,880
Other financial assets	6,303	5,541	4,896
Total non-current assets	2,144,213	2,064,835	1,990,509
Total assets	2,185,199	2,100,970	2,028,537
Liabilities			
Current liabilities			
Trade payables and other accruals	20,372	18,704	17,444
Employee benefit liabilities	5,877	5,201	4,895
Total current liabilities	26,249	23,905	22,339
Non-current liabilities			
Employee benefit liabilities	899	852	797
Borrowings	65,501	103,755	74,960
Provisions	1,499	1,312	1,462
Total non-current liabilities	67,899	105,919	77,219
Total liabilities	94,148	129,824	99,558
Total net assets	2,091,051	1,971,146	1,928,979
Net assets / equity			
Accumulated revenue & expenses	852,199	813,703	812,013
Other reserves	1,238,852	1,157,443	1,116,966
Total net assets / equity	2,091,051	1,971,146	1,928,979

ANNUAL PLAN 2022/23

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

Forecast for the year ending 30 June 2023

	AP 2022/23 \$000	LTP 2022/23 \$000	LTP/AP 2021/22 \$000
Total net equity balance at 1 July	2,032,473	1,928,979	1,903,570
Total comprehensive revenue for the period	58,578	42,167	25,409
Total net equity balance at 30 June	2,091,051	1,971,146	1,928,979
Total comprehensive revenue and expenses attributable to:			
Napier City Council	58,578	42,167	25,409
Total comprehensive revenue and expenses	58,578	42,167	25,409

PROSPECTIVE STATEMENT OF CASH FLOWS

Forecast for the year ending 30 June 2023

	AP 2022/23 \$000	LTP 2022/23 \$000	LTP/AP 2021/22 \$000
Cash flows from operating activities			
Receipts from rates revenue	73,170	74,405	66,683
Interest received	-	-	-
Dividends received	-	-	-
Receipts from other revenue	71,017	77,355	60,599
Goods and services tax (net)	1,859	(19)	(1,406)
Payments to suppliers and employees	(109,800)	(107,543)	(114,029)
Interest paid	(772)	(626)	(339)
Net cash from operating activities	35,474	43,572	11,508
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	250	250	250
Proceeds from withdrawal of investments	89	-	-
Purchase of property, plant and equipment	(86,349)	(71,262)	(61,390)
Purchase of intangible assets	(530)	(530)	(515)
Acquisition of investments	(2,489)	(461)	(1,199)
Net cash from investing activities	(89,029)	(72,003)	(62,854)
Cash flows from financing activities			
Proceeds from borrowings	53,795	28,795	52,960
Net cash from financing activities	53,795	28,795	52,960
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	240	364	1,614
Cash, cash equivalents and bank overdrafts at 1 July	5,529	5,220	3,606
Cash, cash equivalents and bank overdrafts at 30 June	5,769	5,584	5,220



STATEMENT OF ACCOUNTING POLICIES

In accordance with the Local Government Act 2002 Section 95a, Napier City Council (the Council) will adopt the 2020/21 Annual Plan on 27 August 2020. As the authorising body, the Council is responsible for the Annual Plan presented along with the underlying assumptions and all other required disclosures.

The principal accounting policies adopted in the presentation of the Annual Plan's prospective financial statements are set out below. The prospective financial statements comprise the financial statements for the Council as an individual entity. The main purpose of the prospective financial statements outlined in the Annual Plan is to provide users with information about cores services that the Council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much the Council requires by way of rates to fund the intended levels of service.

REPORTING ENTITY

Napier City Council (the Council) is a New Zealand territorial local authority. It is 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.

The reporting entity consists of the Council only. The Council has investments in the following entities which are Council Controlled Organisations (CCO):

- Hawke's Bay Museum Trust classified as an investment;
- Hawke's Bay Airport Limited (26% share of voting rights) equity accounted;

The Council provides local infrastructure, local public services and amenities, and performs regulatory functions for the community for social benefit rather than making a financial return. Accordingly, the Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes. The financial statements comply with PBE Standards and have been prepared in accordance with Tier 1 PBE Standards.

BASIS OF PREPARATION

The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

The prospective financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

CHANGES IN ACCOUNTING STANDARDS

The impact of the new and/or amended standards, PBE IPSAS 41 Financial Instruments, PBE IPSAS 2 Statement of Cash Flows, and PBE FRS 48 Service Performance Reporting, are detailed below. All other standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to Council or are not expected to have a material impact on the financial statements of Council and, therefore, have not been disclosed.

PBE IPSAS 41 Financial Instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments which is an interim standard meant to replace PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2022, with early application permitted. In March 2019, NZASB issued PBE IPSAS 41 Financial Instruments which is mandatory for application in January 2022. The NZASB subsequently deferred the effective date of PBE IFRS 9 to 1 January 2022 so that PBE IFRS 9 did not become mandatorily effective before PBE IPSAS 41. When applied, PBE IPSAS 41 supersedes PBE IFRS 9.

The Council intends to apply PBE IPSAS 41 in the year of this plan, the financial year beginning 1 July 2022.

The initial consideration of the impacts the implementation of PBE IPSAS 41 is expected to have in the Council's financial statements are described below.

a) Classification and measurement

Previously, the Council classified its investment in listed and non-listed equity shares and listed debt instruments as available-for-sale (AFS) financial assets. For the equity shares currently classified as AFS, the Council expects to continue measuring them at fair value through other comprehensive revenue and expense. For the purposes of this annual plan we have not budgeted for any fair value gains or losses on these financial instruments.

Loans as well as receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Council has analysed the contractual cash flow characteristics of those instruments and concluded they meet the criteria for amortised cost measurement under PBE IPSAS 41. Therefore, reclassification for these instruments is not required.

b) Impairment

PBE IPSAS 41 requires the Council to record expected credit losses on all of its debt instruments classified at amortised cost or fair value through other comprehensive revenues and expenses. For all of such assets, except receivables, the Council expects to apply the simplified approach and record lifetime expected losses on all receivables. The Council does not expect the application of PBE IPSAS 41 to result in a significant impairment of its term deposits, or debt instruments.

PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash

NOTES TO PROSPECTIVE FINANCIAL STATEMENTS

Forecast year ending 30 June 2023

	AP 2022/23 \$000	LTP 2022/23 \$000
1. Income from targeted rates for metered water supply	786	786
2. Depreciation and Amortisation Expense by Group of Activity		
City Strategy	311	428
Community and Visitor Experiences	9,315	10,383
Other Infrastructure	1,183	1,121
Property Assets	689	811
Stormwater	4,297	4,307
Support Units	1,650	3,043
Transportation	8,335	8,488
Wastewater	6,389	6,089
Water Supply	3,627	3,480
Total directly attributable depreciation and amortisation by group of activity	35,796	38,150

STATEMENT OF ACCOUNTING POLICIES CONTINUED

Flows requires entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Council intends to apply the amendment in the year of this plan.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022. The Council intends to apply the amendment in the year of this plan. The Council does not expect the application of PBE FRS 48 will affect its statement of service performance.

Other changes in accounting policies

There have been no other changes in accounting policies.

PROSPECTIVE FINANCIAL INFORMATION

These are prospective financial statements and have been prepared in accordance with the requirements of the Local Government Act 2002 and may not be appropriate for other purposes. The main purpose of the prospective financial statements in the Annual Plan is to provide users with information about Council's plans for the next 12 months and the rates that will be required to fund this plan.

As a forecast, the Annual Plan has been prepared on the basis of assumptions as to future events the Council reasonably expects to occur associated with the actions the Council reasonably expects to take, as at the date the information was prepared. The Significant Forecasting Assumptions are included in the Annual Plan and outline assessed potential risks that may impact future results. Actual results achieved for the Annual Plan period covered are likely to vary from the information presented and the variation may be material.

The Annual Plan is based on the forecast for the year ended 30 June 2023 included in the Long Term Plan 2021 – 2031. The prospective financial statements have been prepared by using the best information available at the time for the Annual Plan.

Council reserves the right to change the statements should circumstances change.

Principles of Consolidation

The prospective financial statements comprise of the Council and its equity accounted investments.

INVESTMENTS

Investment in Associates

The Council's associate investment is accounted for in the financial statements using the equity method.

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the financial statements is increased or decreased to recognise the Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further deficits. After the Council's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the Council transacts with an associate, surplus or deficits are eliminated to the extent of the Council's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

Subsidiaries

Subsidiaries are all entities over which the Council has control. The Council controls an entity if all three of the following elements are present: power over the entity, exposure to variable returns from the entity, and the ability of the Council to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The Council has no subsidiaries during the periods presented in the financial statements.

Joint Arrangements

The Council is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Council and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

Joint Operation

The Council has an interest in a joint arrangement that is jointly controlled asset. The Council recognises its share of the asset, classified as plant and equipment. In addition, the Council recognises its share of liabilities, expenses and income from the use and output of the jointly controlled asset.

FOREIGN CURRENCY TRANSLATION

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year

STATEMENT OF ACCOUNTING POLICIES CONTINUED

end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit of the Statement of Comprehensive Revenue and Expenses.

REVENUE RECOGNITION

Revenue is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue items are explained below:

Non-exchange Revenue

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised as revenue at the start of the financial year to which the rates resolution relates, and they are recognised at the amount due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Grants and Subsidies

Grants and subsidies received are recognised as revenue when the Council obtains control of the transferred asset (cash, goods, other assets or services) and the transfer is free from conditions that require the Council refund or return the asset if the conditions relating to the asset are not fulfilled. When grants and subsidies include a condition, a liability is recognised until the Council has satisfied the conditions when revenue is recognised. The Council receives the majority of grants and subsidies revenue from New Zealand Transport Agency (NZTA), which subsidises part of the Council's costs in maintaining the local road infrastructure. The right to receive the funding from NZTA arises once the work is performed therefore revenue is recognised when receivable as there are no further conditions attached to the funding.

Donated, Subsidised or Vested Assets

Donated, subsidised or vested assets are recognised when the right to receive them is established. Revenue is recognised at this time unless there are conditions attached to the asset, which require the asset to be returned if conditions are not met. A liability is recognised until the conditions are met. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

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.

Parking and Traffic Infringement

Revenue is recognised when the ticket is issued as there are no conditions attached.

Exchange Revenue

Licences and Permits

Revenue derived from licences and permits are recognised on receipt of appropriate application.

Residential Developments

Sales of sections in residential developments are recognised when contracts for sale are unconditional as control is deemed to have been transferred.

Development and Financial Contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Sales of Goods (Retail)

Sales of goods are recognised when a product is sold to the customer. Retail sales are usually in cash or by credit card. The recorded revenue is the gross amount of sale, including credit card fees payable for the transaction. Such fees are included in distribution costs.

Sales of Services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed, on the basis of the actual service provided as a proportion of the total services to be provided.

Rental Revenue

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

Interest Revenue

Interest revenue is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Council reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest revenue. Interest revenue on impaired loans is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Dividend Revenue

Dividend revenue is recognised when the right to receive payment is established.

STATEMENT OF ACCOUNTING POLICIES CONTINUED

Building and Resource Consent Revenue

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.

INCOME TAX

In general, local authorities are only subject to tax from income derived through council controlled organisations and as a port operator.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting surplus or deficit or taxable surplus or deficit.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the controlling entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised in other comprehensive revenue and expense or directly in equity.

Goods and Services Tax (GST)

The Statement of Comprehensive Revenue and Expenses has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

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, 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.

LEASES

The Council is the Lessee

Leases of Property, Plant and Equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the surplus or deficit in the Statement of Comprehensive Revenue and Expenses over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Revenue and Expenses on a straight line basis over the period of the lease.

The Council is the Lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental revenue (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings under current liabilities in the Statement of Financial Position.

TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less impairment for doubtful debts.

STATEMENT OF ACCOUNTING POLICIES CONTINUED

Trade receivables are due for settlement no more than 150 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Revenue and Expenses.

When the receivable is uncollectible, it is written-off against the provision account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

INVENTORIES

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first in, first out (FIFO) method, which assumes the items of inventory that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expenses in the period of the write-down.

Land held for development and future resale

When land held for development and future resale is transferred from investment property or property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

NON-CURRENT ASSETS HELD FOR SALE

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

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell in the Council's operating expenses. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, 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 derecognition.

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

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

OTHER FINANCIAL ASSETS EXCLUDING DERIVATIVES

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at their value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade date, the date on which the Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the categories below:

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 arise when the Council provides money, goods or services directly to a debtor with no intention of selling the receivable. Those with maturities greater than 12 months after the balance date are classified as 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 surplus or deficit.

Held to Maturity Investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are classified as 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 surplus or deficit.

Fair Value through Other Comprehensive Revenue and Expenses (Available for sale)

Available for sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category at initial recognition, or not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position date. 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 surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the surplus or deficit as gains and losses from investment securities.

Fair Value Changes

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment of Financial Assets

The Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss is impaired. Impairment losses are recognised in the surplus or deficit. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available for sale financial assets, 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 surplus and deficit is removed from equity and recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expenses. Impairment losses recognised on available for sale equity instruments are not reversed through surplus or deficit in the Statement of Comprehensive Revenue and Expenses. Instead, increases in the fair value of these assets after impairment are recognised in other comprehensive revenue and expenses in the Statement of Comprehensive Revenue and Expenses.

Refer to trade receivables for details of impairment testing of loans and receivables.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consist of:

Operational assets – These include land, buildings, library books, plant and equipment and motor vehicles.

Restricted assets – Restricted assets are mainly parks and reserves owned by the 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 system owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Additions

Items of Property, Plant and Equipment are initially recognised at cost, which includes purchase price plus directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of property, plant, and equipment is recognised as an asset only when it is probably 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.

Where a physical asset is acquired for nil or nominal consideration, it is recognised at its fair value at the date the asset was received with the fair value recognised as revenue. Work in progress is recognised at cost less impairment and is not depreciated.

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 reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the accumulated comprehensive revenue and expense within equity.

Revaluations

Assets which are revalued are shown at fair value (which is based on periodic valuations by external independent valuers that are performed with sufficient regularity to ensure that the carrying value does not differ materially from fair value) less subsequent depreciation (except land which is not depreciated). The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Roading infrastructure assets and Library Collections are valued at depreciated replacement cost and revalued annually. Other infrastructural assets (except land under roads), Land and Buildings and Council Restricted Reserves are revalued on a three yearly valuation cycle.

Increases in the carrying amounts arising on a revalued class of assets are credited to a revaluation reserve in public equity. To the extent that the increase reverses a decrease previously recognised for the same class of assets in the surplus or deficit,

STATEMENT OF ACCOUNTING POLICIES CONTINUED

the increase is first recognised in the surplus or deficit. Where the revaluation movement would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Revenue and Expenses during the financial period in which they are incurred.

Depreciation

Depreciation of property, plant and equipment other than land is calculated on a straight line basis at rates that will write off the cost or valuation, less estimated residual value, over their expected useful economic lives. The following rates have been applied:

Depreciation	
Buildings & Structural Improvements	2 to 10%
Fixed Plant & Equipment	5 to 20%
Mobile Plant & Equipment	5 to 50%
Motor Vehicles	10 to 33.33%
Furniture & Fittings	4 to 20%
Office Equipment	8 to 66.67%
Library Book Stock	7 to 25%

Depreciation of infrastructural and restricted assets is calculated on a straight line basis at rates that will write off their cost or valuation over their expected useful economic lives.

The expected lives, in years, of major classes of infrastructural and restricted assets are as follows:

Years	
TRANSPORTATION	
Base Course	60-130
Surfacings	20-25
Concrete Pavers	80
Footpaths & Pathways/Walkways	15-80
Drainage	25-100
Bridges & Structures	20-100
Road Lighting	4-50
Traffic Services & Safety	10-25
WATER	
Reticulation	56-200

Reservoirs	100
Pump Stations	15-80
STORMWATER	
Reticulation	80-100
Pump Stations	15-80
WASTEWATER	
Reticulation	80-100
Pump Stations	15-80
Milliscreen	10-80
Outfall	60
OTHERS	
Grandstands, Community & Sports Halls	50
Sportsgrounds, Parks & Reserves Improvements	10-50
Buildings on Reserves	10-50
Pools	10-50
Inner Harbour	20-50

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

INVESTMENT PROPERTY

Investment property is held for long term rental yields and capital appreciation and is not occupied by the Council or held to meet service delivery objectives.

Properties leased to third parties under operating leases will generally be classified as investment property unless:

- the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation;
- the occupants provide services that are integral to the operation of the owner's business and/or these services could not be provided efficiently and effectively by the lessee in another location;
- the property is being held for future delivery of services;
- the lessor uses services of the owner and those services are integral to the reasons for their occupancy of the property.

Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recognised in the surplus or deficit of the Statement of Comprehensive Revenue and Expenses.

STATEMENT OF ACCOUNTING POLICIES CONTINUED

INTANGIBLE ASSETS

Trademarks and Licences

Trademarks and licences have a finite useful life and are initially recognised at cost, and subsequently carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from three to five years.

Computer Software

Acquired computer software and software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to five years.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives not exceeding three years.

IMPAIRMENT OF
NON-FINANCIAL ASSETS

Assets that have an indefinite useful life and capital work in progress are not subject to amortisation and are tested annually for impairment. All other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment will depend on whether the asset is deemed to be cash generating or non-cash generating. All cash generating assets are assets held with the primary objective of generating a commercial return, all other assets are non-cash generating.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For non-cash generating assets where the Council would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset. For cash generating assets, value in use is determined using a present value of future cash flows valuation methodology.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) for assets that are cash generating. Once this assessment is made, this is adjusted through the revaluation reserve for revalued assets (where there is a positive reserve), or in the surplus or deficit in the Statement of Comprehensive Revenue and Expenses where revaluation does not occur or there is no positive revaluation reserve.

TRADE AND OTHER PAYABLES

These amounts are initially recorded at their fair value and subsequently recognised at amortised cost. They represent liabilities for goods and services provided to the Council prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

BORROWINGS

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

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

Borrowing Costs

In line with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

PROVISIONS

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

Financial Guarantee

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its 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 technique, such as considering the credit enhancement arising from the guarantee or the probability that the 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 only recognised when it is probable there will be an outflow under the guarantee.

STATEMENT OF ACCOUNTING POLICIES CONTINUED

Financial guarantees are subsequently measured at the higher of:

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

GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Any funds that are not spent for the approved purpose are returned to the Council by 30 June of the same financial year.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

EMPLOYEE BENEFITS

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current employee benefit liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave and Gratuities

The liability for long service leave and gratuities is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Retirement Benefit Obligations

Current and former employees of the Council are entitled to benefits on retirement, disability or death from the Council's multi-employer benefit scheme. The scheme manager, National Provident Fund, has advised Council there is no consistent and reliable basis for allocating the obligation scheme assets and cost of the multi-employer defined benefit scheme to individual participating employers. As a result, the scheme is accounted for as a defined contribution

plan and contributions are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset if a cash refund or a reduction in the future payments is available.

Defined Contribution Schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Bonus Plans

The Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

BIOLOGICAL ASSETS

Livestock

Livestock are measured at their fair value less estimated point-of-sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit. Changes in fair value are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

NET ASSETS / EQUITY

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

Restricted and Council Created Reserves

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

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

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

BUDGET FIGURES

The Annual Plan and Long Term Plan comparatives in the prospective financial statements are those approved by the Council and adopted as a part of the Council's 2021 -2031 Long Term Plan or as revised and approved by Council prior to the commencement of the year in the Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

COST ALLOCATION

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs,

STATEMENT OF ACCOUNTING POLICIES CONTINUED

which cannot be identified in an economically feasible manner, with a significant activity.

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these prospective 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 assumptions 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. 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 as follows:

Landfill Aftercare Provision

The Omarunui Landfill is owned jointly by the Hastings District Council (63.68%) and Napier City Council (36.32%). The landfill is operated by the Hastings District Council on behalf of a joint committee (comprising elected representatives from the two councils). The joint Landfill Committee gained a resource consent in 1985 to operate the Omarunui Landfill. The Councils have responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. There are closure and post-closure responsibilities such as the following:

Closure responsibilities:

- Final cover application and vegetation
- Incremental drainage control features
- Completing facilities for leachate collection and monitoring
- Completing facilities for monitoring and recovery of gas

Post-closure responsibilities:

- Treatment and monitoring of leachate
- Ground water and surface monitoring
- Gas monitoring and recovery
- Implementation of remedial measures such as needed for cover, and control systems
- Ongoing site maintenance for drainage systems, final cover and vegetation

The management of the landfill will influence the timing of recognition of some liabilities – for example, the current landfill will operate in four stages. A liability relating to stages three and four will only be created when the stage is commissioned and when refuse begins to accumulate in these stages.

Capacity of the Site:

The landfill is divided into four valleys as below:	Total Capacity (million)	Useful Life of Valley
Valley A - opened in December 1998, closed 2006	2.6m³	17 years
Valley D - opened in December 2006 and currently in operation	2.1m³	18 years
Valleys B & C - not yet in operation		

The cash outflows for landfill post-closure are expected to occur in 2025 for Valley D and began in 2007 for Valley A. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The provision has been estimated taking into account existing technology and is discounted using a discount rate of 2.3%.

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

- Aftercare will be required for 30 years after the closure of each stage.
- The annual cost of aftercare for Valley A and D is \$201,500
- The provision reported is for the Napier City Council’s share only (36.32%).

Infrastructural Assets

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

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are underground such as stormwater, wastewater and water supply pipes. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimating the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth.

If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under in estimating the annual depreciation charge recognised as an expense in the Statement of



Comprehensive Revenue and Expenses. To minimise this risk, the Council’s infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections and deterioration and condition modelling are also carried out regularly as part of the Council asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council’s infrastructural asset revaluations except for most above and below ground water, wastewater and stormwater assets where the independent valuer peer reviews Council’s valuations. In some cases, e.g. Pumps are independently valued by independent valuer.

Critical Judgements in applying Napier City Council’s Accounting Policies

Classification of Property

The Council owns a number of leasehold land and rental properties. The receipt of market-based rentals from these properties is incidental to the holding of these properties. In the case of residential leasehold properties, there are legal restrictions applying to how Council can manage these properties and in the case of rental properties, these are held as part of the Council’s social housing policy or to secure the ability to undertake long term city development projects. As some of these properties are held for service delivery objectives, they have been accounted for as property, plant and equipment.

RESERVE FUNDS

RESERVE FUNDS CONTINUED

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening 1 July 2022	Deposits	Expenditure	Closing Balance 30 June 2023
COUNCIL CREATED RESERVES						
Aquarium Expansion	Derived from grants and donations for the Aquarium Expansion Project	Aquarium	(23)	-	-	(23)
Bay View Targeted Rate Fund	Established to recover the cost of connection to the Bay View Sewerage Scheme for properties connecting where the lump sum payment option was not elected. Income is derived from the Bay View Connection rate, and is used to recover loan servicing costs.	Wastewater	(49)	23	(10)	(36)
Capital Reserve	Derived from rating surpluses. The reserve is available to provide funding for capital projects or debt repayment.	All Activities	2,158	439	(1,379)	1,218
CBD and Taradale Promotional Levy Funds	Funds from the targeted rates for CBD and Taradale Promotion. The funds collected are paid in full to Napier Inner City Marketing and Taradale Marketing Association.	City and Business Promotion	(7)	217	(216)	(6)
Cycleway / Walkway Fund	Derived from donations and contributions for the construction and improvements of Cycleways/ Walkways	Roading	-	4,172	(4,172)	-
Robson Collection Fund	This fund was set up by the Napier Pilot City Trust in memory of John Robson. Revenue is derived from community donations for the Robson Collection on restorative justice.	Libraries	12	-	(1)	11
Dog Control Fund	This fund is a requirement under the Dog Control Act 1996. All transactions related to the dog owner's share of the costs of Animal Control, both operating and capital, flow to this account. Amounts include dog related fees received and the operating and capital costs of the dog related activity of Animal Control.	Animal Control	-	832	(832)	-
Development Contributions	Collected from development contributions from developers on the subdivision of land and various land use activities. Used to fund capital works and services.	Roading, Stormwater, Water, Wastewater, Reserves, Sportsgrounds, Libraries	51	210	-	261
Financial Contributions	Collected from financial contributions from developers on the subdivision of land and various land use activities. Used to fund capital works and services. Note: Council is itself a developer (Parklands) and contributions are transferred as internal charges.	Roading, Stormwater, Water, Wastewater, Reserves, Sportsgrounds, Libraries	17,489	8,146	(9,296)	16,339

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening 1 July 2022	Deposits	Expenditure	Closing Balance 30 June 2023
Infrastructural Asset Renewal and Upgrade Funds	Collected from the annual rate funded allocation as per the Capital Plan. Used for capital expenditure on infrastructural asset renewals and associated upgrades.	Water Supply, Stormwater, Wastewater, Solid Waste, Sportsgrounds, Reserves, Public Toilets, Cemeteries, Napier Aquatic Centre	49,462	56	(5,036)	44,482
Plant & Equipment Renewals	This fund is derived from the depreciation and interest on capital portions of plant hire charges and profit on plant sold. The fund is used for the purchase of new and replacement plant and vehicles.	All Activities	3,203	1,502	(1,966)	2,739
Mayor's Discretionary Fund	Interest on the fund is used for charitable purposes to assist the needy, including contributions to purposes such as the Christmas Cheer Appeal.	Community Planning	2	-	-	2
Pensioner Housing Upgrade Reserve	Established from a contribution from rates equivalent to the annual depreciation on pensioner flats and houses owned by Council. The reserve is available to provide capital upgrade of these facilities.	Retirement & Rental Housing	353	-	-	353
Parking Contributions Account	Funds derived for the provision of parking facilities.	Parking	3,113	207	(41)	3,279
Parking Account	Funds are derived from the surplus revenue from the Parking Business Unit and are used to provide for parking facilities generally.	Parking	6,374	-	-	6,374
Parking Equipment Reserve Account	To provide funds for replacement of parking equipment on a regular basis.	Parking	2,545	-	111	2,656
Taradale Parking Meters	Funds collected from Parking Meters in Taradale Town Centre to fund the 2010 upgrade of the Town Centre (including parking).	Parking	(11)	-	(124)	(135)
Parklands Residential Development Fund	Derived from proceeds of section sales of the Parklands Residential Development project less development expenditure.	Parklands Residential Development, Property Holdings, Sportsgrounds, Reserves, Napier Skate Park	14,356	13,119	(11,848)	15,627
Roading Property Reserve	Derived from the sale or lease of surplus roading property. The proceeds are available for Roading property purchases and improvements.	Roading	52	1	(1)	52

RESERVE FUNDS CONTINUED

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening 1 July 2022	Deposits	Expenditure	Closing Balance 30 June 2023
Property Reserve	Derived from the sale of miscellaneous property. The proceeds are available for the acquisition of other miscellaneous land and buildings. Its purpose in particular is for unscheduled property purchases related to district scheme designations and for private developments which occur from time to time.	Property Holdings	3,568	60	(515)	3,113
McLean Park Property Reserve Account	Derived from rental income from the McVay Street and Vigor Brown Street houses less current loan servicing costs. As per Council resolution dated 15 May 2002, the fund may be used to fund future McLean Park property purchases or loan servicing costs on future purchases.	Sportsgrounds	445	217	(122)	540
Hawke's Bay Harbour Board Endowment Land Sale Account	Derived from proceeds from freeholding HB Harbour Board Endowment Land. The Hawke's Bay Endowment Land Empowering Act 2002 provides an unrestricted use of proceeds from leasehold land freeholded after 30 March 2002.	Property Holdings, Parklands Residential Development, Marine Parade Pools, Reserves	21,224	-	1	21,225
Investment Property Portfolio Sale Account	Derived from proceeds from freeholding HB Harbour Board Endowment Land.	Property Holdings	4,299	77	1	4,377
Solid Waste Disposal Income Account	Amount is derived from returns from the Joint Regional Landfill Committee for the operation of the Omarunui Regional Landfill and is used to fund capital development of the landfill and the net operating costs including loan servicing, of the Transfer Station.	Solid Waste	3,298	5,792	(5,928)	3,162
Reserve Subdivision of Land	Derived from contributions on the subdivision of land towards the development of reserves and subject to Council approval as part of the annual budget process.	Reserves	27	1	1	29
Lagoon Farm Account	Derived from the Lagoon Farm activity	Lagoon Farm	184	629	(707)	106
Subdivision and Urban Growth Fund	To service all borrowing in relation to Council's share of subdivision and urban growth projects, and to meet any servicing costs on financing the developer's share of projects where expenditure requirements precede the receipt of financial contributions. A part of the surplus is also used to reduce the general rate requirement.	All Activities	6,422	-	(2,415)	4,007
Total Council Created Reserves			138,547	35,700	(44,495)	129,752

RESERVE FUNDS CONTINUED

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening 1 July 2022	Deposits	Expenditure	Closing Balance 30 June 2023
RESTRICTED RESERVES						
Endowment Land Account	Derived from the sale of BCP Faraday Street land and the transfer of the Criterion Account capital sum previously advanced to the Land Development Account. This account is now used for the sale and purchase of other endowment land.	Property Holdings	1,862	17	(1,854)	25
Hawke's Bay Harbour Board Endowment Land Income Account	Derived from proceeds from the sale of former Harbour Board leasehold properties up to 30 March 2002. To be used to fund maintenance and capital improvements of the Inner Harbour and any other future capital expenditure related to Napier Harbour as defined by the Act.	Inner Harbour, Reserves, Lagoon Farm, Property Holdings	5,103	-	(10)	5,093
Total Restricted Reserves			6,965	17	(1,864)	5,118
BEQUESTS AND TRUST FUNDS						
Colenso Bequest	Bequest is invested and the income derived used to: i) Provide a fund for the assistance of poor families. (Capital \$2500) ii) Provide assistance for prisoners released from Napier jail. (Capital \$500) iii) Provide a fund for the assistance of distressed seamen and strangers. (Capital \$1000) iv) Provide prizes for senior scholars at Napier Boys, Napier Girls & Colenso High Schools. (Capital \$1000)	Community Planning	28	-	-	28
Estate Henry Hodge	For charitable purposes, with a wish that it be used for the erection of flats for the needy.	Retirement & Rental Housing	175	3	-	178
Eskdale Cemetery Trust	This Trust fund, comprising a number of bequests totalling \$1,400, was taken over from the former Hawke's Bay County Council, and is available for the maintenance and upkeep of the Eskdale Cemetery.	Cemeteries	26	-	-	26
Hawke's Bay Municipal Theatre	Funds held on behalf of Hawke's Bay Arts and Municipal Theatre Trust.	Napier Municipal Theatre	6	-	-	6

RESERVE FUNDS CONTINUED

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening 1 July 2022	Deposits	Expenditure	Closing Balance 30 June 2023
John Close Bequest	Bequest is invested and income used in two ways: i) Cemetery Trust - for upkeep and maintenance of the Close burial plot, with surplus income to provide ham and ale at Christmas to the poor, old and needy. ii) Coal Trust - provided wood and coal to the needy. A scheme for arrangement for the disposition of income in terms of the Charitable Trusts Act 1957 was to have been initiated in 1993.	Community Planning	48	1	-	49
Morecroft Bequest	To provide a Municipal gymnasium or gymnasium equipment, either as a separate building or as part of any memorial or centennial hall which Napier City Council may decide to erect.	Sportsgrounds	15	-	-	15
Napier Christmas Cheer	For community fundraising through the HB Today for the preparation of Christmas parcels to be distributed to disadvantaged individuals and families within the Napier District.	Community Planning	15	-	-	15
Total Bequests Trust Funds			315	5	(3)	317



Capital Programme

Funding	Level of Service %											
	Growth %											
	Renewals %											
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Waka Kotahi Subsidy %	Reserve %	Loan Rates %	20	21	32	22	22	23	35	24	37	64
			100	103	-	-	724	743	-	-	-	26
			2	2	2	5	2	2	2	6	2	3
			-	618	-	1,735	1,464	457	470	483	497	510
			39	10	11	11	11	11	12	12	12	13
			5	5	5	5	6	6	6	6	6	6
			69	26	26	27	28	29	29	30	31	32
			1,000	-	-	-	-	-	-	-	-	-
			1,265	785	76	1,805	2,313	1,271	554	561	585	680
			Total City Strategy Capital Programme									
Waka Kotahi Subsidy %	Reserve %	Loan Rates %	199	2,668	-	-	-	-	-	-	-	-
			50	1,030	1,747	2,099	-	-	-	-	-	-
			-	52	53	54	-	40	-	-	43	-
			217	-	-	-	-	-	-	869	895	919
			-	-	-	1,084	1,114	-	-	-	-	-
			-	219	-	-	-	-	-	-	-	-
			200	618	423	867	8,909	9,141	-	-	-	-
			-	721	845	2,169	3,898	3,428	-	-	-	-
			96	-	-	-	-	-	-	-	-	-
			91	1,288	1,585	-	-	-	117	1,811	1,864	-
Waka Kotahi Subsidy %	Reserve %	Loan Rates %	68	-	-	-	-	-	-	-	-	-
			108	587	1,110	759	668	1,714	5,286	-	-	-
			-	618	2,114	2,711	445	-	-	-	-	-
			Total City Strategy Capital Programme									
			199	2,668	-	-	-	-	-	-	-	-
			50	1,030	1,747	2,099	-	-	-	-	-	-
			-	52	53	54	-	40	-	-	43	-
			217	-	-	-	-	-	-	869	895	919
			-	-	-	1,084	1,114	-	-	-	-	-
			-	219	-	-	-	-	-	-	-	-
Waka Kotahi Subsidy %	Reserve %	Loan Rates %	200	618	423	867	8,909	9,141	-	-	-	-
			-	721	845	2,169	3,898	3,428	-	-	-	-
			96	-	-	-	-	-	-	-	-	-
			91	1,288	1,585	-	-	-	117	1,811	1,864	-
			68	-	-	-	-	-	-	-	-	-
			108	587	1,110	759	668	1,714	5,286	-	-	-
			-	618	2,114	2,711	445	-	-	-	-	-
			Total City Strategy Capital Programme									
			199	2,668	-	-	-	-	-	-	-	-
			50	1,030	1,747	2,099	-	-	-	-	-	-

Capital Programme CONTINUED

Funding	Project Name										Level of Service %							
	Loan Rates %	Reserve %	Waka Kotahi Subsidy %	Activity	Forecast 2021/22 \$'000	AP 2022/23 \$'000	Forecast 2023/24 \$'000	Forecast 2024/25 \$'000	Forecast 2025/26 \$'000	Forecast 2026/27 \$'000	Forecast 2027/28 \$'000	Forecast 2028/29 \$'000	Forecast 2029/30 \$'000	Forecast 2030/31 \$'000	Renewals %	Growth %		
Capital Programme	88	12	-	Water Supply	-	1,545	10,568	542	-	-	-	-	-	-	-	12	88	
	-	100	-		111	112	117	123	123	125	130	135	139	142	-	100	-	
	3	97	-	Pipe Renewals	420	597	528	813	835	857	1,175	1,208	621	1,276	91	5	4	
	100	-	-	Pump Stations Renewals	235	608	423	504	1,258	606	159	163	168	191	92	-	8	
	70	30	-	Reservoir inlets and outlets improvements	48	618	-	-	-	-	-	-	249	1,276	-	-	100	
	88	12	-	Taradale Falling Trunk Main	-	149	-	-	516	686	3,524	4,226	2,485	1,914	1	12	87	
	81	19	-	Te Awa Structure Plan	1,416	134	69	557	286	294	-	-	-	-	-	19	76	
	100	-	-	Thompson Reservoir Upgrade	35	-	528	651	-	-	-	-	-	-	-	99	-	
	-	100	-	Upgrade Water Supply Ctrl Syst	160	-	-	-	-	-	-	-	-	-	-	100	-	
	-	100	-	Urban Growth Projects - Water Supply	-	258	264	271	278	286	587	604	621	638	-	100	-	
	100	-	-	Water Bore Renewals	100	206	528	-	-	-	-	-	-	-	-	100	-	
	100	-	-	Water Meter Installation	-	-	-	-	-	-	-	-	249	255	-	-	100	
	-	100	-	Water Meters Renewals	5	5	5	5	6	6	6	6	6	6	100	-	-	
	99	1	-	Water Network Improvements	110	1,226	53	-	-	-	-	-	435	447	25	1	74	
	93	7	-	Water Reservoir Improvements	120	330	127	130	134	91	211	97	99	102	7	-	93	
	75	25	-	Water Reservoir Renewals	-	567	180	108	111	114	235	966	124	128	59	-	41	
	90	10	-	Water Treatment Improvements	770	1,936	4,227	4,337	4,454	-	-	-	-	-	-	10	90	
	-	100	-	Water Treatment Renewals	75	77	185	136	28	29	88	30	31	32	100	-	-	
	Total					4,634	16,169	25,679	17,920	23,063	17,417	11,518	10,115	8,029	7,326			
	Gifted/Vested Assets					110	113	116	119	123	125	129	132	135	140	-	100	-
Total Capital Programme Water Supply					4,744	16,282	25,795	18,039	23,186	17,542	11,647	10,247	8,164	7,466				

ANNUAL PLAN 2022/23

Capital Programme CONTINUED

Funding		Project Name															Level of Service %		
Loan Rates %	Reserve %	Waka Kotahi Subsidy %	Activity	Forecast 2021/22 \$'000	AP 2022/23 \$'000	Forecast 2023/24 \$'000	Forecast 2024/25 \$'000	Forecast 2025/26 \$'000	Forecast 2026/27 \$'000	Forecast 2027/28 \$'000	Forecast 2028/29 \$'000	Forecast 2029/30 \$'000	Forecast 2030/31 \$'000	Renewals %	Growth %	Level of Service %			
0	100	0	Wastewater	20	5	53	54	11	11	59	12	12	38	100	-	-			
88	12	0	Flow meter replacements	369	258	370	-	-	-	-	-	-	-	12	-	88			
94	6	0	Flow metering	30	268	1,162	-	-	-	-	-	-	-	-	77	23			
25	75	0	Guppy Rd pumping main installation	428	-	-	-	-	-	-	-	-	-	80	-	20			
100	0	0	Harold Holt wastewater upgrades	-	194	-	-	-	-	-	-	-	-	-	100	-			
0	100	0	Installation of Generator Connections	39	-	-	-	-	-	-	-	-	-	-	-	100			
82	18	0	Odour control at Pelane pump station	210	1,662	-	-	-	-	-	-	-	-	58	-	42			
-	100	-	Pandora Industrial Main	202	207	214	219	225	232	237	244	251	258	-	100	-			
100	-	-	Parklands Residential Development	343	-	-	-	-	-	-	-	-	-	100	-	-			
37	63	0	SCADA Upgrade	1,149	700	1,215	976	1,114	1,143	2,056	5,675	10,686	16,652	51	28	21			
51	49	0	Sewer Pipe Renewal	2,619	623	1,432	1,442	423	434	1,139	1,171	1,143	408	100	-	-			
58	42	0	Sewer Pump Station Renewal	50	346	-	-	-	-	-	-	-	-	-	20	80			
91	9	0	Taradale Wastewater Diversion	1,016	1,701	2,642	325	2,617	2,685	-	-	-	-	-	93	7			
100	0	0	Te Awa Structure Plan - Wastewater	73	350	4,967	-	-	-	-	-	-	-	-	-	100			
98	2	0	Tradewaste New Projects	248	412	423	434	111	114	117	121	124	128	100	-	-			
0	100	0	Treatment Plant Renewal	200	618	1,480	542	557	-	-	-	-	-	-	100	-			
100	0	0	Wastewater Growth Projects	50	52	-	-	-	-	-	-	-	-	-	-	100			
79	21	0	Wastewater Network Improvements	488	515	1,585	31,716	9,744	-	-	-	-	-	79	21	-			
100	0	0	Wastewater Outfall IAR	285	989	269	-	-	-	-	-	-	-	6	-	94			
100	0	0	Wastewater Pump Station Improvements	-	155	317	-	-	-	-	-	124	1,148	-	7	93			
51	49	0	Wastewater Treatment Improvements	700	3,509	-	-	-	-	-	-	-	-	-	20	80			
73	27	0	Wastewater Treatment Plant Upgrade	200	1,123	1,177	340	1,748	7,203	7,048	5,262	5,507	255	27	11	62			
Total				8,719	13,687	17,306	36,048	16,550	11,822	10,656	12,485	17,847	18,887						
Gifted/Vested Assets				199	206	211	216	221	227	234	241	248	254	-	100	-			
Total Capital Programme Wastewater				8,918	13,893	17,517	36,264	16,771	12,049	10,890	12,726	18,095	19,141						

ANNUAL PLAN 2022/23

Capital Programme CONTINUED

Funding	Waka Kotahi Subsidy %		Reserve %	Loan Rates %	Activity	Project Name	FORECAST	AP	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	Renewals %	Growth %	Level of Service %									
	2021/22	2022/23					2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31																	
					Other Infrastructure																										
100	-	-			Cemeteries	Cemetery Concept Plan Implementation	75	82	63	87	45	46	23	24	25	26				-	10	90									
100	-	-				Cemetery land purchase	-	-	-	-	-	-	2,349	604	-	638				-	100	-									
4	96	-				Cemetery Planting	39	26	26	27	28	29	29	30	31	32				100	-	-									
-	100	-				Cemetery Renewals	110	113	21	22	22	23	23	24	25	26				100	-	-									
-	100	-				Napier Cemetery Development	100	36	11	11	11	11	12	12	12	13				100	-	-									
-	100	-				Taradale cemetery Heritage work	-	-	16	-	-	17	-	-	19	-				100	-	-									
100	-	-				Western Hill Extension - Stage 2	25	335	-	-	-	-	-	-	-	-				-	100	-									
100	-	-				Wharangi Building Refurbishment	10	10	-	-	-	-	-	-	-	-				100	-	-									
28	72	-			Public Toilets	Infrastructure Asset Renewal	60	268	476	596	223	343	763	362	559	1,340				100	-	-									
-	100	-			Waste Minimisation	Omarunui Dev Forestry	-	-	-	9	9	9	9	10	10	10				100	-	-									
-	100	-				Omarunui Dev Valley D	667	657	674	613	435	446	288	296	305	313				100	-	-									
-	100	-				Omarunui Dev Valleys B&C	1,216	1,626	1,669	1,712	1,354	1,389	1,428	591	608	624				100	-	-									
-	100	-				Omarunui Development Plant	242	27	96	16	95	31	137	44	-	19				100	-	-									
-	100	-				Recycling Crate Purchases	13	-	-	-	-	-	-	-	-	-				100	-	-									
-	100	-				Solid Waste Renewals	162	96	98	101	104	106	109	103	106	108				100	-	-									
-	100	-				Wheellie Bin Purchases	53	-	-	-	-	-	-	-	-	-				100	-	-									
					Total Other Infrastructure Capital Programme																	2,772	3,276	3,150	3,194	2,326	2,450	5,170	2,100	1,700	3,149

Capital Programme CONTINUED

Funding	Waka Kotahi Subsidy %		Reserve %	Loan Rates %	Activity	Project Name	FORECAST	AP	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST								
	2021/22	2022/23					2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Community and Visitor Experiences																																
100	-	-	-	-	Bay Skate	Bay Skate Renewals	19	23	26	54	30	34	84	39	43	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	65	35	-	-		Park Improvements	3	207	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	44	66	-	-		Skate Ramps	163	-	-	-	27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
100	-	-	-	-	Community Facilities	Halls Renewals	69	56	18	198	303	63	141	219	376	130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	50	50	-	-		Memorial Square Community Rooms	-	1,545	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	100	-	-	-		Minor Capital Items	145	62	63	65	67	69	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	88	12	-	-		Taradale Town Hall internal refurbishment	85	206	264	542	557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	98	2	-	-		Te Pihinga Community Centre	208	1,272	3,170	4,391	3,564	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
100	-	100	-	-	Faraday Centre	Faraday Centre Building Upgrade	20	536	21	22	22	23	23	24	25	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	94	6	-	-		Faraday Centre Minor Capital	17	10	11	11	11	11	12	12	12	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
100	-	-	-	-	Housing	Healthy Homes Heat pumps	700	1,277	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	100	-	-	-		Henry Charles Hall Internal Refurbishment	80	309	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	100	-	-	-		Minor Capital Projects	188	92	94	97	99	102	105	107	111	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	100	-	-	-		Minor Capital Projects	38	22	22	23	23	24	25	25	26	27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	100	-	-	-		Rental Housing Renewals	260	10	11	210	197	371	63	1,063	91	245	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	100	-	-	-		Retirement Housing Renewals	1,484	1,329	1,427	1,037	605	981	408	1,691	634	988	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	100	-	-	-	Kennedy Park Resort	Deluxe Ensuite Units	160	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	100	-	-	-		Kennedy Park Building Renewals	336	95	536	92	289	644	152	1,009	528	1,122	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	100	-	-		Kennedy Park Renewals	94	49	109	49	111	35	108	37	56	121	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	100	-	-	-		Minor Capital Items	272	1,227	1,741	2,216	327	2,518	63	65	98	68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	-	-	-		Upgrade TV Infrastructure	-	180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
100	-	-	-	-	Libraries	Library Building Renewals	27	5	12	32	54	205	45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	100	-	-	-		Library Renewals	160	10	11	11	11	11	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	95	5	-	-		Library Stock	465	453	465	477	490	503	517	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-		Minor Capital Items	10	10	12	12	12	12	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	90	10	-	-		Minor Capital Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Capital Programme CONTINUED

Funding		Waka Kotahi Subsidy %	Activity		Project Name	FORECAST 2021/22 \$000	AP 2022/23 \$000	FORECAST 2023/24 \$000	FORECAST 2024/25 \$000	FORECAST 2025/26 \$000	FORECAST 2026/27 \$000	FORECAST 2027/28 \$000	FORECAST 2028/29 \$000	FORECAST 2029/30 \$000	FORECAST 2030/31 \$000	Renewals %	Growth %	Level of Service %
Loan Rates %	96	4	Libraries		Napier Library Rebuild	673	479	4,688	10,841	11,136	-	-	-	-	-	-	-	100
Reserve %	100	-			Taradale Library Minor Work	55	357	-	-	-	-	-	-	-	-	58	-	42
	100	-			Technology Services Upgrade	50	49	51	52	-	-	-	-	-	-	100	-	-
	100	-	Marine Parade Pools		Marine Pde Pools Renewals	52	127	146	217	45	55	56	242	68	70	100	-	-
	65	35			Ocean Spa Upgrade	196	621	479	-	-	-	-	-	-	-	-	-	100
	-	100			Replacement Boiler	-	62	-	-	-	69	-	-	-	-	100	-	-
	-	100	MTG Hawke's Bay		Century Theatre Balustrade	-	10	42	-	-	-	-	-	-	-	100	-	-
	-	100			Collection Storage Van	-	62	-	-	-	-	-	-	-	-	100	-	-
	100	-			Earthquake Gallery	-	82	-	-	-	-	-	-	-	-	100	-	-
	100	-			MTG Building Renewals	115	60	304	124	372	81	211	540	1,387	922	100	-	-
	100	-			MTG Century Theatre Tech Investigation and Upgrade	-	309	264	-	-	-	-	-	-	-	100	-	-
	6	94			MTG Minor Capital	77	52	53	87	56	57	59	-	-	-	-	-	100
	100	-			MTG Renewals	126	62	63	65	67	69	70	-	-	-	100	-	-
	100	-			Security Cameras	2	-	-	-	-	-	-	-	-	-	-	-	100
	100	-			Seismic Strengthening	18	282	-	-	-	-	-	-	-	-	100	-	-
	100	-			Storage for MTG - property purchase	-	1,854	-	-	-	-	-	-	-	-	-	-	100
	100	-	Napier Aquatic Centre		Asset Register Items	125	-	-	-	-	-	-	-	-	-	-	-	100
	100	-			Napier Aquatic Centre expansion	64	-	834	-	-	-	-	-	-	-	50	10	40
	65	35			Napier Aquatic Centre Renewals	222	4,700	242	116	600	488	381	648	525	444	100	-	-
	-	100			Reception and Office Redevelopment	50	21	-	-	-	-	-	-	-	-	100	-	-
	-	100			Roof Weather-Tightning Repair	70	-	-	-	-	-	-	-	-	-	100	-	-
	100	-	Napier Conferences & Events		AV Equipment Upgrades	26	157	11	11	28	11	149	12	12	38	50	-	50
	97	3			Conference Centre Building Renewals	279	7	26	70	258	1,257	211	267	348	364	100	-	-
	4	96			Minor Capital Items	85	62	63	65	67	69	70	72	75	77	100	-	-
	10	90			Napier Conferences & Events Renewals	188	536	127	76	45	46	47	78	50	51	100	-	-
	100	-			War Memorial	275	1,710	-	-	-	-	-	-	-	-	-	-	100

ANNUAL PLAN 2022/23

Capital Programme CONTINUED

Funding		Waka Kotahi Subsidy %	Activity		Project Name	FORECAST 2021/22 \$000	AP 2022/23 \$000	FORECAST 2023/24 \$000	FORECAST 2024/25 \$000	FORECAST 2025/26 \$000	FORECAST 2026/27 \$000	FORECAST 2027/28 \$000	FORECAST 2028/29 \$000	FORECAST 2029/30 \$000	FORECAST 2030/31 \$000	Renewals %	Growth %	Level of Service %
Loan Rates %	100	-	Napier i-SITE Visitor Centre		i-Site Alterations	-	258	-	-	-	-	-	-	-	-	-	-	100
	72	28			i-SITE Renewals	59	38	9	67	33	180	93	27	22	63	100	-	-
	-	100			Minor Capital Items	80	10	11	24	6	29	12	12	28	6	100	-	-
	-	100	Napier Municipal Theatre		Minor Capital Items	64	57	63	76	67	69	70	72	75	77	100	-	-
	-	100			Municipal Theatre Building Renewals	72	2	119	247	192	137	156	79	665	439	100	-	-
	97	3			Municipal Theatre Renewals	202	494	477	765	857	520	65	85	118	77	100	-	-
	100	-	National Aquarium of NZ		Aquarium Renewals	750	1,179	2,927	2,081	718	817	634	111	75	583	100	-	-
	100	-			Building Renewals	157	299	577	565	304	103	378	898	1,353	54	100	-	-
	-	100			Minor Capital Items	45	27	26	18	86	50	4	42	35	76	100	-	-
	50	50	Par2 MiniGolf		Minor Capital Items	178	34	26	7	11	36	111	32	14	8	52	-	48
	-	100	Reserves		Allen Berry Future Development	12	91	-	-	-	-	-	-	-	-	-	10	90
	-	100			Destination Playground Stage 2	-	927	-	-	-	-	-	-	-	-	-	-	100
	-	100			Foreshore Planting	20	21	21	22	22	23	23	24	25	26	-	-	100
	-	100			Freedom Camping	-	-	-	-	-	-	470	-	-	-	-	-	100
	-	100			Gifted/Vested Assets	300	309	317	325	334	343	352	362	373	383	-	100	-
	-	100			Hardinge Road Erosion	-	-	-	325	-	343	-	362	-	383	100	-	-
	-	100			Planting	70	72	74	76	78	80	82	85	87	89	-	-	100
	-	100			Reserves Renewals	550	1,329	211	586	223	217	176	380	81	83	100	-	-
	-	100			Riparian Planting	20	21	21	22	22	23	23	24	25	26	-	-	100
	-	100			Urban Growth	70	649	423	325	445	343	470	362	497	383	-	100	-

ANNUAL PLAN 2022/23

Capital Programme CONTINUED

Funding		Waka Kotahi Subsidy %	Reserve %	Loan Rates %	Activity	Project Name	FORECAST 2021/22 \$000	AP 2022/23 \$000	FORECAST 2023/24 \$000	FORECAST 2024/25 \$000	FORECAST 2025/26 \$000	FORECAST 2026/27 \$000	FORECAST 2027/28 \$000	FORECAST 2028/29 \$000	FORECAST 2029/30 \$000	FORECAST 2030/31 \$000	Renewals %	Growth %	Level of Service %
-	100	-	100	-	Reserves	Whakarire Ave Rock Revetment	52	2,176	-	-	-	-	-	-	-	-	-	-	100
100	-	-	100	-		Ahuriri Estuary Projects	614	204	621	-	-	-	-	121	621	638	-	-	100
100	-	-	100	-		Regional Park	-	-	-	-	-	-	-	1,811	6,213	4,466	-	-	100
100	-	-	100	-		Coastal Erosion	-	-	629	-	-	-	-	-	-	-	100	-	-
100	-	-	100	-		Maraenui Splash Pad and Park Development - Shopping Reserve	65	36	-	-	-	-	-	-	-	-	-	-	100
100	-	-	100	-		Marine Parade Renewals	73	984	137	22	22	23	23	121	124	128	100	-	-
100	-	-	100	-		Playground Renewals	298	606	211	217	223	229	235	242	249	255	100	-	-
100	-	-	100	-		Western Hill Pathway Development	57	41	127	-	-	-	-	-	-	-	-	20	80
-	100	-	100	-	Sportsgrounds	McLean Park Digital Screen	102	152	-	-	-	-	-	-	-	-	80	20	-
100	-	-	100	-		McLean Park Facility Renewals	150	896	211	867	-	-	235	543	435	191	80	20	-
100	-	-	100	-		McLean Park light tower upgrades	-	103	-	108	-	114	-	-	-	-	100	-	-
100	-	-	100	-		Minor Capital Items	-	1,056	-	-	-	-	-	-	-	-	94	-	6
100	-	-	100	-		Neighbourhood Parks Upgrades	-	258	-	271	-	-	822	-	-	319	40	5	55
100	-	-	100	-		New Pathways	40	-	42	-	45	-	47	-	-	51	80	10	10
92	8	-	100	-		New Shade Areas	22	41	21	22	22	23	23	24	25	26	-	-	100
100	-	-	100	-		Onekawa Park	-	-	-	759	-	-	-	-	-	-	100	-	-
100	-	-	100	-		Park Island Northern Redevelopment	299	-	-	-	-	-	-	-	-	-	-	20	80
100	-	-	100	-		Playground Development	300	309	-	325	-	-	352	-	-	383	50	10	40
-	100	-	100	-		Riparian Planting	10	10	-	11	-	11	-	-	12	-	-	-	100
100	-	-	100	-		Safety Projects/CPTED	15	-	11	-	11	-	12	-	12	-	50	50	-
-	100	-	100	-		Sportsgrounds Renewals	532	350	359	369	379	388	634	266	273	281	100	-	-
Total Community and Visitor Experiences Capital Programme *							13,029	33,685	23,077	29,792	23,546	11,909	8,603	12,235	15,902	14,352			

*The above total includes assets that have been vested to Council. This total differs from the Funding Impact Statement as that excludes transactions involving non-monetary funding.

Capital Programme CONTINUED

Funding	Waka Kotahi Subsidy %		Loan Rates %	Reserve %	Activity	Project Name	FORECAST	AP	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	Renewals %	Growth %	Level of Service %	
	2021/22	2022/23					2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31								
Property Assets																						
-	100	-	-	-	Inner Harbour	Ahuriri Masterplan - Iron Pot Public Access	400	-	-	-	-	-	-	-	-	-	-	-	-	100		
-	100	-	-	-	IH Facilities Renewals		372	-	-	-	-	-	-	-	-	-	-	-	100	-		
100	-	-	-	-	Inner Harbour Project - Iron Pot Upgrade		-	52	423	3,795	1,765	-	-	-	-	-	-	-	38	-		
100	-	-	-	-	Inner Harbour Project - Meeanee Quay Upgrade		-	-	-	-	-	-	-	109	2,050	1,212	-	7	-			
100	-	-	-	-	Lagoon Farm	Asset Purchases	-	31	-	33	-	34	-	36	-	38	-	100	-			
100	-	-	-	-	Property Holdings	Assessment & Compliance Projects	60	412	159	575	579	594	610	628	646	26	100	-				
-	100	-	-	-	Building Purchase		-	1,853	-	3,795	-	-	-	-	-	-	-	-	100			
100	-	-	-	-	Civic Buildings Upgrade		1,500	3,090	2,114	10,843	11,136	-	-	-	-	-	-	50	-			
100	-	-	-	-	Pandora Pond Buildings		250	309	-	-	-	-	-	-	-	-	-	100	-			
100	-	-	-	-	Seismic Strengthening Council Buildings		122	-	-	-	-	-	-	-	-	-	-	100	-			
Total Property Assets Capital Programme							2,704	5,747	2,696	19,041	13,480	628	610	773	2,696	1,276						
Support Units																						
100	-	-	-	-	Chief Executive	Minor Capital Items	70	72	74	76	78	80	82	-	-	-	-	-	100			
0	100	-	-	-	Finance	Technology Equipment Minor Capital	1,321	3,043	6,074	8,179	9,065	2,931	2,682	1,268	1,864	1,608	100	-				
100	-	-	-	-	Information Services	Corporate IT Network	13	13	14	14	14	15	15	16	16	17	-	-				
-	100	-	-	-		Software Replacement & Upgrade	13	50	-	-	-	-	-	-	-	-	-	-	100			
50	50	-	-	-		Software Replacements and Upgrades	589	1,090	2,082	1,079	1,108	1,137	1,169	1,201	1,236	1,270	-	-	100			
100	-	-	-	-		Street Management (CCTV's)	500	129	-	-	-	-	-	-	-	-	-	-	100			
-	100	-	-	-	Plant and Vehicles	P & V Renewal Purchases	900	927	1,268	976	1,058	1,085	1,175	1,208	1,243	1,276	100	-				
-	100	-	-	-	Services Administration	Asset Register Items	18	13	13	14	25	14	15	15	16	16	100	-				
100	-	-	-	-		Depot Building Renewals	54	55	15	39	119	240	61	66	362	1,307	-	-				
-	100	-	-	-		Depot General Renewals	30	31	32	33	33	34	35	36	37	38	100	-				
Total Support Unit Capital Programme							3,508	5,423	9,572	10,410	11,500	5,536	5,234	3,810	4,774	5,532						
Total Capital Programme							53,535	99,358	110,087	142,397	125,582	72,876	74,505	71,705	67,582	67,500						



CAPITAL FUNDING SOURCES

	AP 2022/23 \$000	LTP 2022/23 \$000
Rates Funded Loans	54,617	39,133
Waka Kotahi Subsidy	3,831	4,172
Infrastructural Asset Renewal and Upgrade Funds	13,754	9,372
Other Reserve Funds	27,156	20,579
Total Capital Programme	99,358	73,256

BORROWING PROGRAMME

Forecast for the year ending 30 June 2023

	AP 2022/23 \$000	LTP 2022/23 \$000	LTP/AP 2021/22 \$000
New loans			
Rates funded	53,506	40,853	37,691
Total new loans	53,506	40,853	37,691
Less repayments (net)	(5,339)	(4,827)	(3,699)
Movement in debt	48,167	36,026	33,992
Opening public debt	120,895	114,246	80,255
Gross public debt	169,062	150,272	114,247
Internal funding	(103,561)	(46,517)	(39,287)
Net public debt	65,501	103,755	74,960

FINANCIAL OVERVIEW: SUMMARY OF REVENUE AND FINANCING

FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

	AP 2022/23 \$000	LTP 2022/23 \$000	LTP/AP 2021/22 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	50,563	44,822	42,995
Targeted rates	26,046	29,847	26,387
Subsidies and grants for operating purposes	2,646	2,646	2,608
Fees and charges	25,100	25,151	23,833
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	29,268	38,973	34,078
Total operating funding (A)	133,623	141,439	129,901
Applications of operating funding			
Payments to staff and suppliers	112,812	116,859	106,066
Finance costs	772	626	339
Other operating funding applications	13	13	13
Total applications of operating funding (B)	113,597	117,498	106,418
Surplus/(deficit) of operating funding (A - B)	20,026	23,941	23,483
Sources of capital funding			
Subsidies and grants for capital expenditure	4,558	4,558	2,641
Development and financial contributions	7,296	7,296	7,090
Increase/(decrease) in debt	54,859	28,795	52,960
Gross proceeds from sale of assets	250	250	250
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	66,963	40,899	62,941
Application of capital funding			
Capital expenditure			
- to meet additional demand	15,776	17,673	12,589
- to improve the level of service	37,787	21,348	20,535
- to replace existing assets	44,577	33,011	30,069
Increase (decrease) in reserves	(11,151)	(7,192)	23,231
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	86,989	64,840	86,424
Surplus/(deficit) of capital funding (C - D)	(20,026)	(23,941)	(23,483)
Funding balance ((A-B) + (C-D))	-	-	-

The Funding Impact Statement (FIS) is provided in accordance with Schedule 10 of the Local Government Act. The FIS is intended to make the sources and applications of Council funds more transparent manner than might be the case if only the usual GAAP financial statements were provided.

The FIS includes only transactions involving monetary funding and therefore excludes vested assets, revaluations and depreciation. It is therefore, by necessity, exempt from the GAAP requirements as it follows the prescribed format required under the Act.

The FIS links the Council's Revenue and Financing Policy, the annual setting of rates, fees, development contributions and annual borrowing requirements. The FIS sets out the revenue and financing mechanisms that will be used, along with an indicative level of rates, together with examples of the impact of rating proposals for 2020/21 over a range of different categories of property and a range of different values.

RATING SYSTEM

The following describes in full the rating system to apply from 1 July 2022:

GENERAL RATE

General rates are used to fund both operating and capital expenditure. They fund the remaining costs of Council operations after all other sources of funding have been applied.

General rates are assessed through a combination of a Uniform Annual General Charge (UAGC) and a rate in the dollar based on land value.

The amount of the UAGC is set to ensure that the total (excluding water and wastewater rates) uniform (or fixed) rates will be between 20% to 25% of total rates that are to be collected.

The general rate is set differentially using matters as prescribed in Schedule 2 of the Local Government (Rating) Act 2002 (LGRA) and as listed in the Funding Impact Statement. The LGRA Schedule 2 allows councils to set a general rate based on each of these matters.

GENERAL RATE DIFFERENTIALS

Rating units assessed for the general rate are categorised into one of four differential categories:

- Residential/Other;
- Commercial & Industrial;
- Rural, and
- Rural Residential.

Residential/Other

Any property that is not defined as Commercial & Industrial, Rural Residential, or Rural.

Commercial & Industrial

Any property that is in a commercial or industrial zone under the District Plan or used for any business activities, except properties categorised as rural or consented for residential use, will be rated as commercial and industrial properties.

Commercial and industrial activities include but are not restricted solely to:

- Rural support and other similar activities such as transport, supplies, packhouses, and wineries servicing multiple clients;

- Professional offices, surgeries etc;
- All retail, wholesale merchandising activities;
- All forms of manufacturing and processing;
- Bars, restaurants, cafes and other service activities;
- Storage facilities;
- Hotels, motels, B & Bs, and other short-term accommodation providers;
- Tourism operations, and
- Care facilities operated for profit.

Rural Residential

Any rating unit that would otherwise be classified as Residential but is not connected or able to be connected to either the city water system or the city sewerage system.

Rural

Any rating unit with an area of 5 hectares or more that is used predominantly for land-based agricultural or farming activities.

DIFFERENTIALS

A review of the Revenue & Financing Policy was conducted with adoption occurring in February 2021. New differentials were introduced. Based on the review, the following are the differentials to be applied based on the land value of properties in each differential category.

Differential Category	Group / Code	Differential
Residential / Other	1	100%
Commercial & Industrial	2	260%
Rural	3	85%
Rural Residential	4	90%

Due to significant increases being experienced for certain property types, general rate differentials are being phased in over 3 years from the start of the 2021/22 ratings year. The calculation is based on the difference between the old differential (as defined in the 2020/21 Annual Plan) and the target differential, split into 3 equal stages.

The schedule for phasing is as follows:

RATING SYSTEM CONTINUED

Old Differential Category	Old Code	Old Diff Rate	New Differential Category	New Code	Target Differential	Differential 2021/22	Differential 2022/23	Differential 2023/24
City Residential	1	100.00%	Residential / Other former Residential	11	100.00%	100.00%	100.00%	100.00%
City Residential	1	100.00	Commercial & Industrial former City Residential*	21	260.00%	260.00%	260.00%	260.00%
City Residential	1	100.00%	Rural Residential former City Residential	41	90.00%	96.67%	93.33%	90.00%
Commercial & Industrial	2	268.09%	Residential / Other former Commercial & Industrial*	12	100.00%	100.00%	100.00%	100.00%
Commercial & Industrial	2	268.09%	Commercial & Industrial	22	260.00%	265.39%	262.70%	260.00%
Miscellaneous	3	100.00%	Residential / Other former Misc.	13	100.00%	100.00%	100.00%	100.00%
Miscellaneous	3	100.00%	Commercial & Industrial former Misc.	23	260.00%	153.33%	206.67%	260.00%
Miscellaneous	3	100.00%	Rural former Misc	33	85.00%	95.00%	90.00%	85.00%
Miscellaneous	3	100.00%	Rural Residential former Misc.	43	90.00%	96.67%	93.33%	90.00%
Ex City Rural	4	63.47%	Residential / Other former Ex City Rural	14	100.00%	75.65%	87.82%	100.00%
Ex City Rural	4	63.47%	Rural Residential former Ex City Rural	44	90.00%	72.31%	81.16%	90.00%
Ex City Rural	4	63.47%	Rural former Ex City Rural	34	85.00%	70.65%	77.82%	85.00%
Other Rural	5	63.47%	Residential / Other former Other Rural	15	100.00%	75.65%	87.82%	100.00%
Other Rural	5	63.47%	Rural Residential former Other Rural	45	90.00%	72.31%	81.16%	90.00%
Other Rural	5	63.47%	Commercial & Industrial former Other Rural	25	260.00%	128.98%	194.49%	260.00%
Other Rural	5	63.47%	Rural former Other Rural	35	85.00%	70.65%	77.82%	85.00%
Bay View	6	72.80%	Residential / Other former Bay View	16	100.00%	81.87%	90.93%	100.00%
Bay View	6	72.80%	Commercial & Industrial former Bay View	26	260.00%	135.20%	197.60%	260.00%
Bay View	6	72.80%	Rural Residential former Bay View	46	90.00%	78.53%	84.27%	90.00%

* Recategorised due to land use change rather than policy change.

The purpose of the differentials applied to the general rate is to ensure that the amount payable by groups of ratepayers reflects Council’s assessment of the relative benefit received and share of costs those groups of ratepayers should bear based on the principles outlined in the Revenue and Financing Policy.

RATING SYSTEM CONTINUED

Notes on allocation of properties into differential categories

Rating units which have no apparent land use (or are vacant properties) will be placed in the category which best suits the zoning of the property under the district plan, except where the size or characteristic of the property suggest an alternative use.

To avoid doubt where a rating unit has more than one use, the relevant predominant use will be used to determine the category. The predominant use relates to the main productive activity rather than just to the land area. Where there is uncertainty, the land will be categorised into the highest rated category.

Subject to the right of objection as set out in Section 29 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the use or predominant use of all separately rateable properties in the district.

Uniform Annual General Charge

Council’s Uniform Annual General Charge (UAGC) is set at a level that enables all rates that are set on a uniform basis as a fixed amount, excluding those related to water supply and sewage disposal, to recover between 20% and 25% of total rates. For 2022-23 Council has determined that the UAGC will be set at a level to recover 22% of total rates from fixed amounts.

The charge is applied to each separately used or inhabited part of a rating unit.

TARGETED RATES

Targeted rates are charged to fund both operating and capital expenditure. They are charged where Council considers it desirable to separate out the funding of an activity. They are charged to rating units including those units that are separately inhabited which have access to or are deemed to benefit from the service provided. Targeted rates are a funding mechanism that may be charged for activities deemed to have either a high public or a high private good to identified properties, an area of the city or the city as a whole.

Some targeted rates are applied differentially using either land or capital values, however, most targeted rates are applied on a uniform basis (same amount or rate in the dollar).

Council will not be accepting lump sum contributions for any targeted rates.

Water

FIRE PROTECTION RATE

This rate recovers a portion of the net costs of the water supply systems before the deduction of water-by-meter income.

The Fire Protection targeted rate is based on the capital value of properties connected to or able to be connected to the Napier City Council water supply systems.

This rate is differentially applied, in recognition that the carrying capacity of water required in the reticulation system to protect commercial and industrial properties

is greater than that required for residential properties. The rate is further differentiated where a property is not connected but is within 100 metres of a water supply system. 50% of the base rate for each differentiated category applies for each property not connected but located within 100 metres of the systems.

Differential Categories	Connected (%)	Not connected but within 100 m (%)
Central Business District and Fringe Area	400%	200%
Suburban Shopping Centres, Hotels and Motels, and Industrial rating units outside of the CBD	200%	100%
Other rating units connected to or able to be connected to the Council water supply systems	100%	50%

WATER RATE

These rates recover the balance of the total net cost of the water supply systems after allowing for revenue collected from the Fire Protection targeted rate and the Water-by-Meter targeted rate.

The targeted rates are differentially applied and are a fixed amount set on a uniform basis, applied to each separately used or inhabited part of a rating unit connected to or able to be connected to the Council’s water supply system.

The differential categories for the water rates are:

- Connected – any rating unit that is connected to a Council system, and
- Service available – any rating unit that is not connected to a Council system but is within 100 metres of such system (charged 50% of the targeted rate for connected properties).

Differentials	Connected (%)	Not connected but within 100 m (%)
Rating units connected to or able to be connected to the Council water supply systems	100%	50%

STORMWATER RATE

The primary beneficiary of stormwater assets are those properties that have a hard surface. There is a strong relationship between capital value and the hard surface area of a property.

This rate recovers the cost of stormwater activity. The Stormwater rate is based on the capital value of Residential, Rural Residential, and Commercial & Industrial properties within the recognised serviced area as per the Stormwater Coverage map.

Properties categorised as Rural are exempted.

The differential categories for stormwater rates are:

RATING SYSTEM CONTINUED

Differential Category	Differential
Residential / Other	100%
Commercial & Industrial	260%
Rural Residential	100%

SEWERAGE RATE

This rate recovers the net cost of the wastewater activity.

The Sewerage targeted rate is applied differentially as a fixed amount and is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit connected to or able to be connected to the sewerage system.

A differential of 50% of the rate applies to each rating unit not connected but located within 30 metres of the system.

Differential Category	Differential
Rating units connected to or able to be connected to the sewerage system	100%
Rating units not connected but within 30m of the Sewerage System	50%

BAY VIEW SEWERAGE CONNECTION RATE

The Bay View Sewerage Scheme involves reticulation and pipeline connection to the city sewerage system. Prior to 1 November 2005, property owners could elect to connect either under a lump sum payment option or by way of a targeted rate payable over 20 years.

The Bay View Sewerage Connection targeted rate is a fixed amount set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit connected to the Bay View Sewerage Scheme where the lump sum payment option was not elected.

The rate applies from 1 July following the date of connection for a period of 20 years, or until such time as a lump sum payment for the cost of connection is made.

The category of rateable land for setting the targeted rate is defined as the provision of a service to those properties that are connected to the sewerage system but have not paid the lump sum connection fee.

Refuse & Recycling

REFUSE COLLECTION AND DISPOSAL RATE

This rate recovers the cost of the kerbside refuse collection service including an allocation of the cost of Council support services.

The Refuse Collection and Disposal targeted rate of a fixed amount is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit for which a rubbish collection service is available and is multiplied by the number of times each week the service is provided. Rating units which Council officers determine are unable to practically receive the Council service and have an approved alternative service will be charged the waste service charge that excludes the approved alternative service.

KERBSIDE RECYCLING RATE

This rate recovers the net cost of the kerbside recycling collection service including an allocation of the cost of Council support services.

The Kerbside Recycling targeted rate of a fixed amount is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit for which the kerbside recycling collection service is available. Rating units which Council officers determine are unable to practically receive the Council service and have an approved alternative service will be charged the waste service charge that excludes the approved alternative service.

Vehicle Levy

INNER CITY VEHICLE LEVY

Previously known as the CBD Off Street Car Parking Rate, this levy is used to support additional off-street car parking in the Central Business District. Those commercial rating units in the mapped areas identified as the Inner City Vehicle Levy 100% Levy Area and 50% Area are charged the Inner City Vehicle Levy based on land value. This rate is set on a differential basis as follows:

Differential Category	Differential
Properties where Council provides additional parking due to the property receiving a 100% levy	100%
Properties where Council provides additional parking due to the property receiving a 50% levy.	50%

Refer Council maps:

- Inner City Vehicle Levy – 100% and 50% Levy Area

TARADALE VEHICLE LEVY

Previously known as the Taradale Off Street Car Parking Rate, this levy is used to support additional off-street car parking in the Taradale Suburban Commercial area.

Those commercial rating units in the Taradale Suburban Commercial area only are charged the Taradale Vehicle Levy based on land value and set on a uniform basis.

Refer Council maps:

- Taradale Vehicle Levy

SUBURBAN VEHICLE LEVY

Previously known as the Suburban Shopping Centre Off Street Car Parking Levy, this levy is used to support additional off-street car parking at each of these areas served by Council-supplied, off-street car parking and to maintain the existing off-street car parking areas.

Those commercial rating units in suburban shopping centres and those commercial properties located in residential areas which are served by Council-supplied, off-street car parking are charged the Suburban Vehicle Levy based on land value and set on a uniform basis.



Promotion rates

CBD PROMOTION RATE

This rate recovers at least 70% of the cost of the promotional activities run by Napier City Business Inc.

The remainder is met from general rates to reflect the wider community benefit of promoting the CBD to realise its full economic potential.

Each commercial and industrial rating unit situated within the area as defined on Council map ‘CBD Promotion Rate Area’ is charged the CBD Promotion targeted rate based on land value and set on a uniform basis.

TARADALE PROMOTION RATE

This rate recovers the full cost of the Taradale Marketing Association’s promotional activities. All rating units in the Taradale Suburban Commercial area are charged the Taradale Promotion targeted rate based on land value and set on a uniform basis.

Other Rates and Charges

SWIMMING POOL SAFETY RATE

This rate recovers the cost of pool inspections and related costs to ensure owners meet the legal requirements of the Building Act 2004 and Building (Pools) Amendment Act 2016. A targeted rate of a fixed amount set on a uniform basis applied to each rating unit where a residential pool or small heated pool (within the meaning of the Building (Pools) Amendment Act 2016) is subject to a 3-yearly pool inspection.

WATER-BY-METER CHARGES

This rate applies to all with a water meter and is charged based on a scale of charges as shown on the schedule of indicative rates each year.

Council officers may require that a water meter is installed, and usage is charged based on the water-by-meter targeted rate.

The rate charged on actual water use above 300m³ per SUIP per annum applies to select metered properties.

Targeted Rates Note:

For the purposes of Schedule 10, clause 15(4)(e) or clause 20(4)(e) of the Local Government Act 2002, lump sum contributions will not be invited in respect of targeted rates unless this is provided within the description of a particular targeted rate.

Separately Used or Inhabited Parts of a Rating Unit Definition

Definition

For the purposes of the Uniform Annual General Charge and all uniform (or fixed value) targeted rates, a separately used or inhabited part of a rating unit is defined as: *Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.*

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other forms of occupation) on an occasional or long-term basis by someone other than the owner.

Examples of separately used or inhabited parts of a rating unit include:

- For residential rating units, each consented supplementary unit is considered a separately used or inhabited part. Each situation is assessed on its merits;
- Residential properties where a separate area that is available to be used as an area independent to the rest of the dwelling is used for the purpose of operating a business, such as a professional practice, dedicated shop\display area, or trade workshop. The business area is considered a separately used or inhabited part, and
- For commercial or industrial properties, two or more different businesses operating from or making separate use of the different parts of the rating unit. Each separate business is considered a separately used or inhabited part. A degree of common area would not necessarily negate the separate parts.

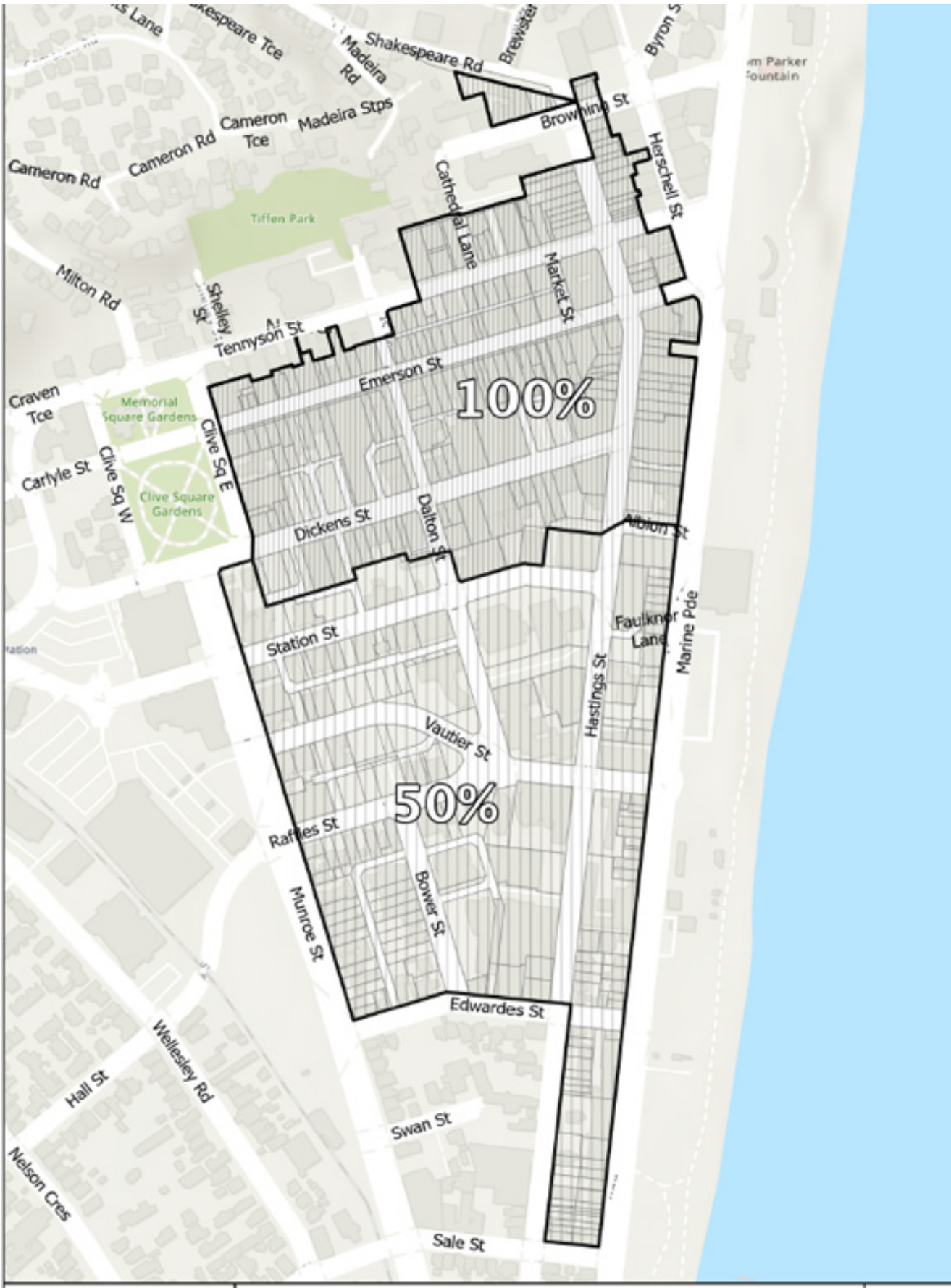
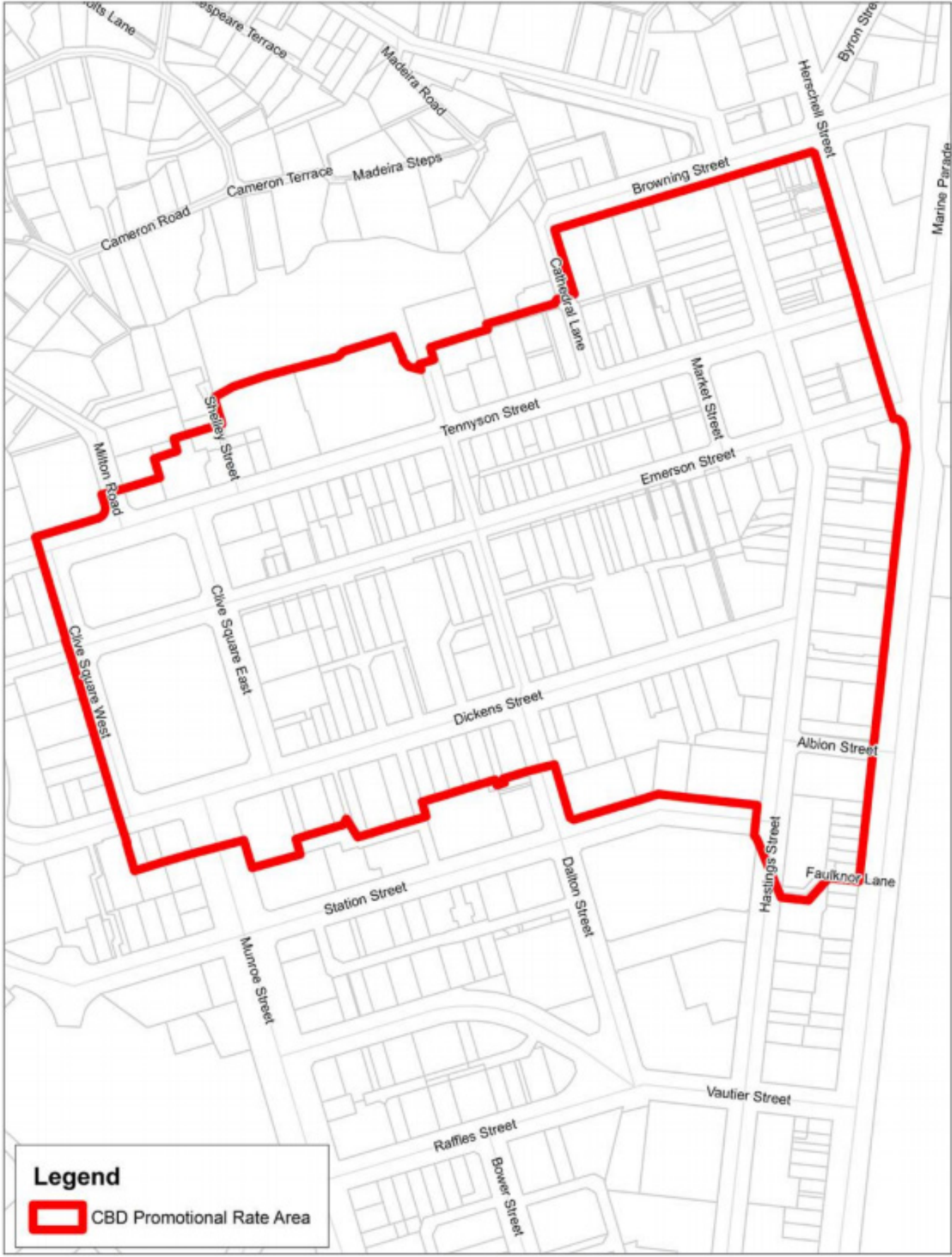
These examples are not inclusive of all situations.

COUNCIL MAPS

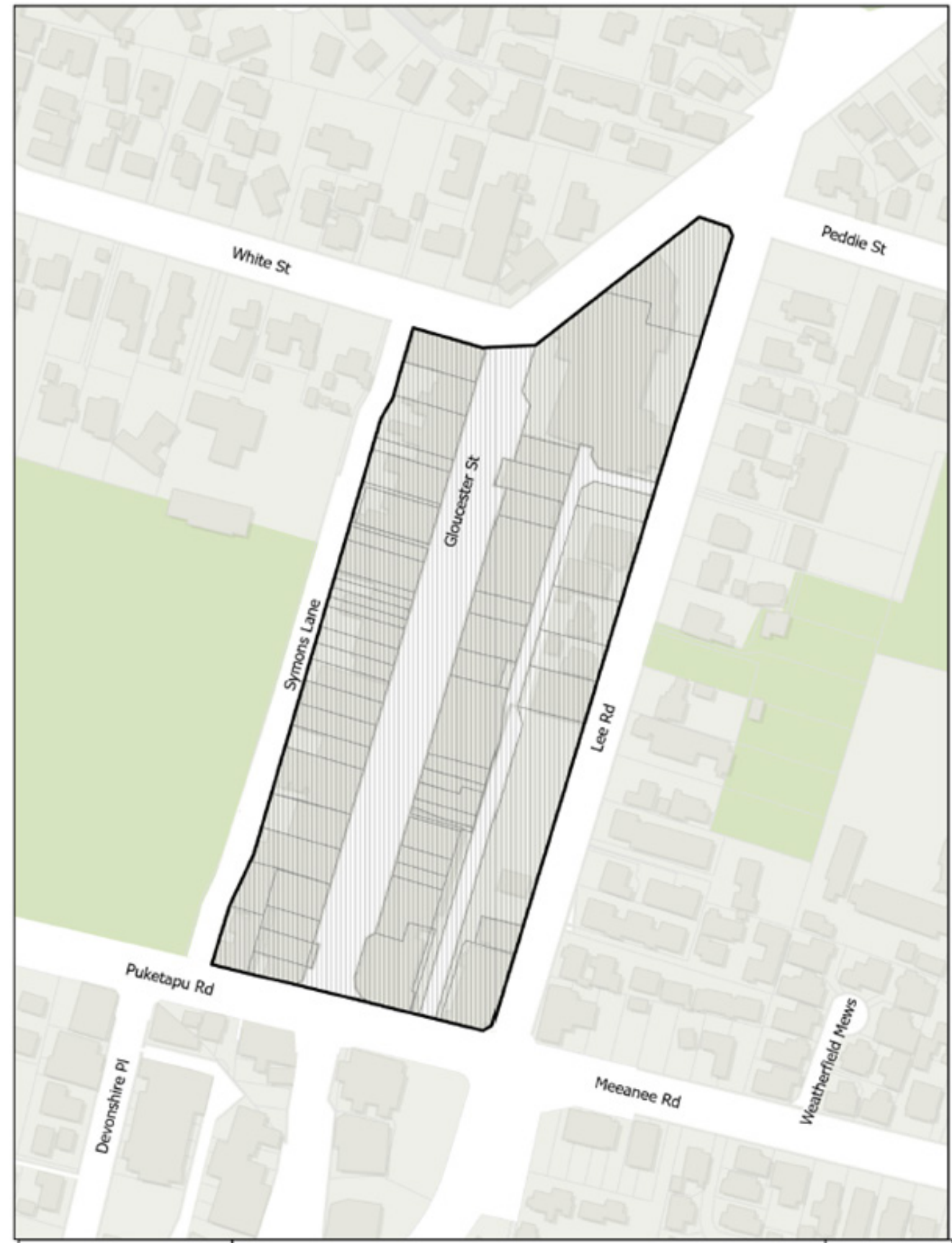
CBD PROMOTION RATE AREA

INNER CITY VEHICLE LEVY

100% AND 50% LEVY AREA

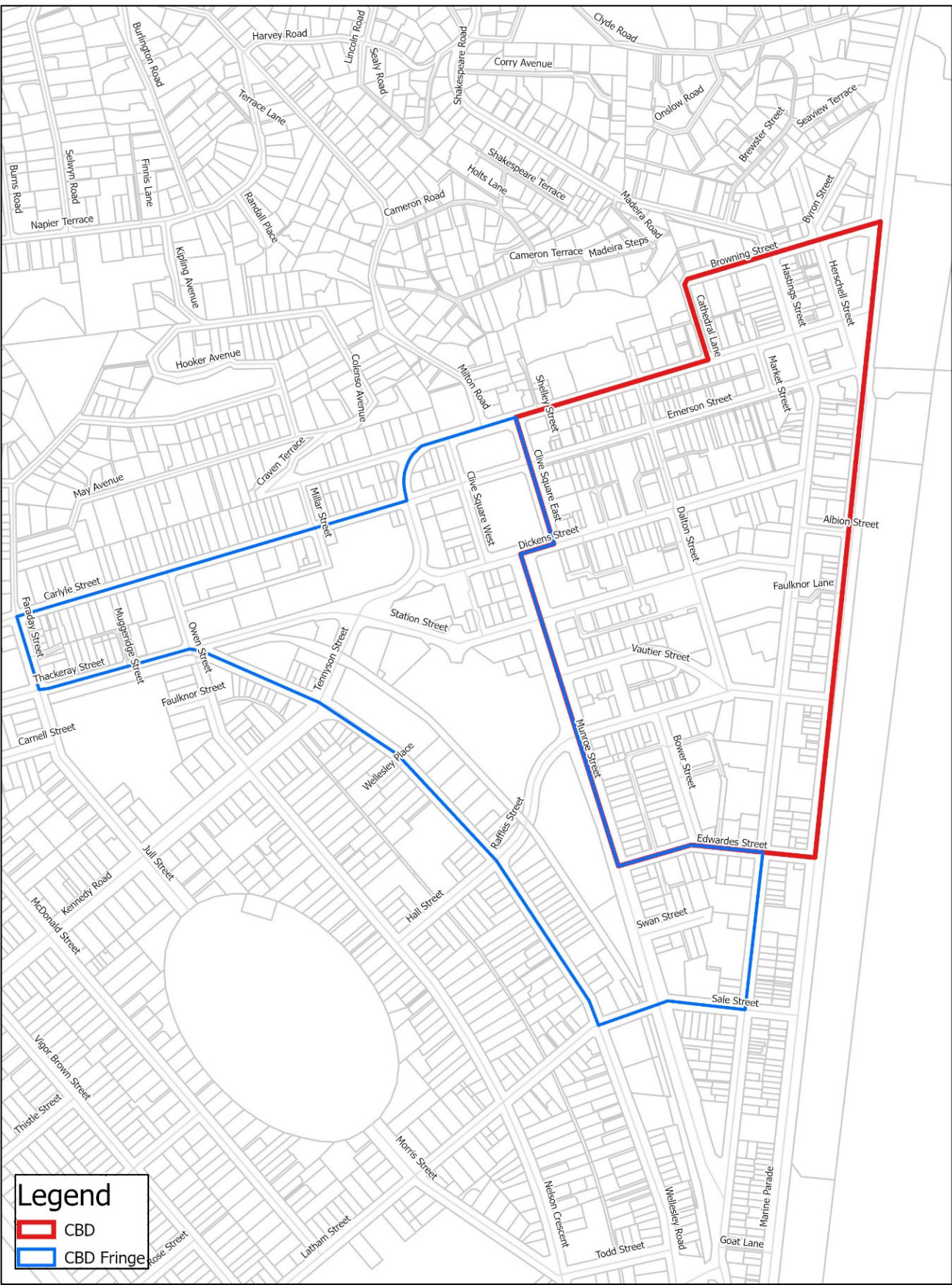


TARADALE VEHICLE LEVY

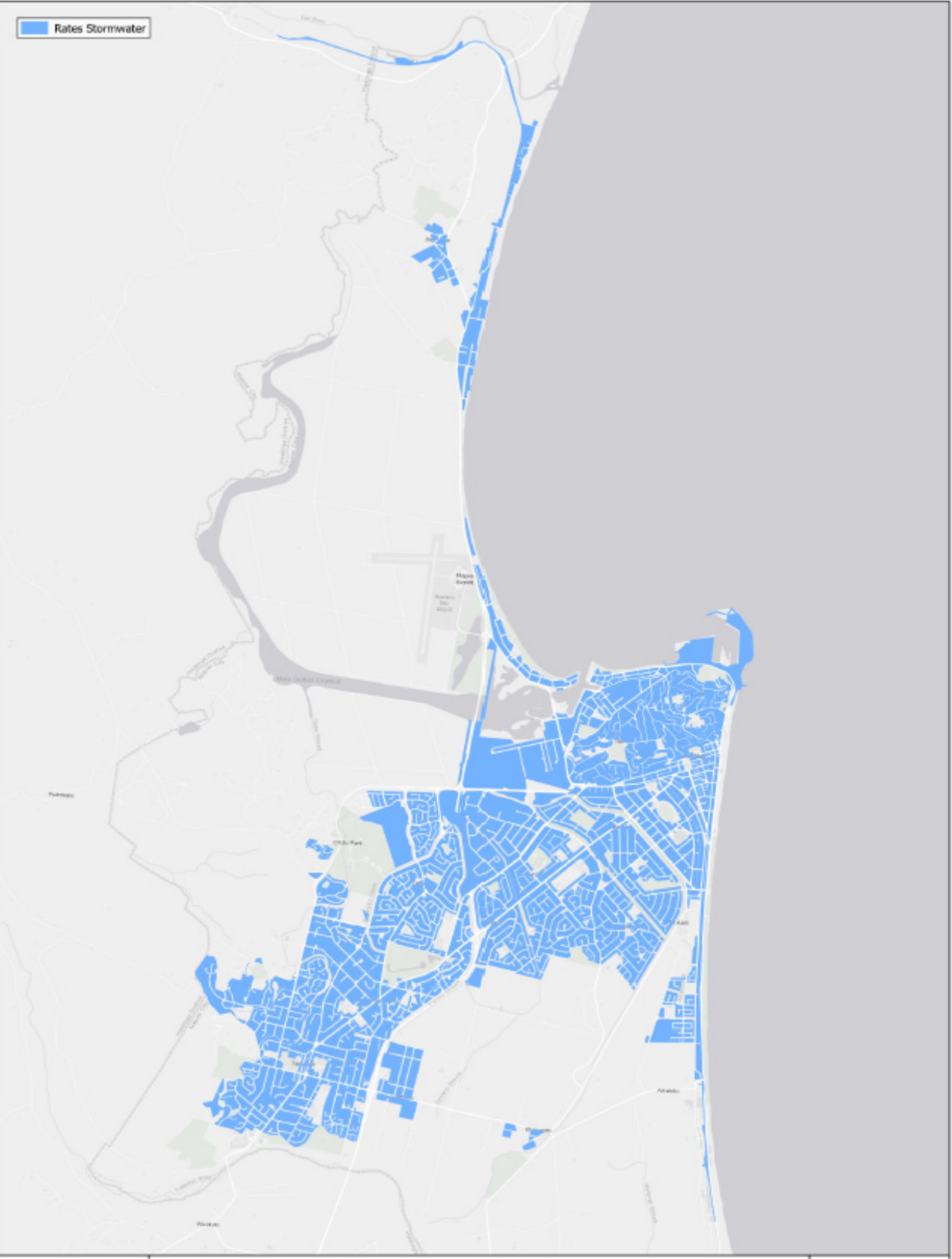


CBD FIRE PROTECTION AREA

CBD AND CBD FRINGE RATE AREA



STORMWATER COVERAGE



OTHER RATING MATTERS

Due Dates for Payment of Rates

INSTALMENT RATING

Rates for 2022/23 are set and assessed effective from Instalment 1 and are due and payable in four equal instalments as follows:

- First Instalment due 17 August 2022;
- Second Instalment due 16 November 2022;
- Third Instalment due 15 February 2023, and
- Fourth Instalment due 17 May 2023.

WATER-BY-METER CHARGES

- Targeted rates for metered water supply are separately invoiced either quarterly in September, December, March, and June for non-domestic supplies or annually in June for metered domestic supplies.
- The payment due date is the 20th of the month after the month of invoice.

Penalties

In accordance with sections 57 and 58 of the Local Government (Rating) Act 2002, a penalty of 10 per cent is added to each instalment or part thereof which is unpaid after the due date for payment. Previous years' rates which remain unpaid will have a further 10% added on 31 July and 31 January.

FEES AND CHARGES

Council applies a range of fees and charges to fully or partially recover the costs of various activities.

The level of fees and charges are reviewed annually, and a schedule of Council Fees and Charges is prepared as a separate document.

The schedule is available upon request from the Council office.



EXAMPLES OF RATES FOR 2022/23

Examples of the impact of rating proposals for 2022/23 are shown in the following table:

Differential Category	Land Value \$	Capital Value \$	Rates 2021/22 \$	Rates 2022-23 \$	Change \$	Weekly Change \$	Change %
Residential							
Average Value & Land Value Increase	299,500	638,300	2,485	2,651	166	3.18	6.7%
Average Value - above average LV movement	310,000	640,000	2,521	2,759	238	4.58	9.4%
Low Value residential	128,000	425,000	1,853	1,894	41	0.79	2.2%
Parklands Residential	320,000	840,000	2,570	2,796	225	4.33	8.8%
Te Awa Residential	290,000	740,000	2,482	2,644	162	3.11	6.5%
Bay View Residential	284,200	614,300	2,259	2,478	219	4.22	9.7%
Ex Rural Residential (City fringe)	668,600	1,389,800	3,384	4,042	659	12.67	19.5%
Commercial / Industrial							
Other Commercial Average	867,900	2,368,800	11,165	12,796	1,631	31.37	14.6%
CBD Average	553,900	1,148,300	8,815	10,007	1,192	22.92	13.5%
Industrial Average	1,069,700	1,777,800	12,030	13,885	1,855	35.67	15.4%
Bay View Average Commercial	473,500	855,500	3,605	5,348	1,743	33.52	48.4%
Rural Average Commercial	457,200	1,610,600	2,525	5,288	2,763	53.13	109.4%
Rural							
Average Rural	1,832,800	2,320,400	4,950	6,450	1,500	28.84	30.3%
Rural Residential							
Bay View Average	375,400	782,700	2,076	2,430	354	6.81	17.1%
Other Rural Residential in Stormwater area	457,500	875,900	1,978	2,424	446	8.57	22.5%
Other Rural Residential outside Stormwater area	457,500	875,900	1,779	2,194	415	7.99	23.4%

The three -yearly revaluation for the city for rating purposes was undertaken in 2020 and those new valuations apply as the basis for setting the rates for 2022-23.

The rating examples should be read having regard for the following:

Council's total rates revenue for 2022/23, excluding rate penalties and water-by-meter charges, will increase by 10.1% which is an average increase of 9.8% for existing properties after an allowance of 0.3% is made for new properties added since last year.

Council consulted on changes to differential categories and differential factors for the 20-21 rating year. The changes are being phased in over 3 years and this results in impacts, in particular on properties previously rated in the Rural and Bay View categories.

As property values directly affect the level of general and targeted rates charged on either land or capital value , changes in property value, above and below the average movements across the city will mean that the rate increase properties will be greater or less than the proposed 9.8% overall increase for individual properties.

Rating Base Information

As at 30 June 2021	All Rating Units	Rateable Units
Number of Rating Units	26,491	26,008
Capital value of Rating Units \$	20,412,338,950	19,641,975,000
Land value of Rating Units \$	9,724,224,950	9,334,401,000

INDICATIVE RATES 2022/23

DESCRIPTION	2022/23 Proposed Rate (Incl GST)	2022/23 Proposed Revenue (Incl GST)
GENERAL RATES		
General Rate (cents per \$ Land Value)		
Differential 1 Residential/Other		
Residential / Other	0.403	26,891
Residential / Other former Miscellaneous	0.403	205
Residential / Other former Ex City Rural	0.354	5
Residential / Other former Other Rural	0.354	90
Residential / Other former Bay View	0.367	124
Differential 2 Commercial and Industrial		
Commercial & Industrial former Residential	1.049	67
Commercial & Industrial	1.060	15,956
Commercial & Industrial former Miscellaneous	0.834	78
Commercial & Industrial former Other Rural	0.784	47
Commercial & Industrial former Bay View	0.797	38
Differential 3 Rural		
Rural former Miscellaneous	0.363	135
Rural former Other Rural	0.314	808
Differential 4 Rural Residential		
Rural Residential former Residential	0.376	42
Rural Residential former Miscellaneous	0.376	4
Rural Residential former Ex City Rural	0.327	29
Rural Residential former Other Rural	0.327	1,816
Rural Residential former Bay View	0.340	519
Total - General Rates on Land Value		47,167
Uniform Annual General Charge (UAGC)	433.00	12,406
TOTAL GENERAL RATES		59,259
TARGETED RATES		
Stormwater Targeted Rate		
Residential	0.026	3,776
Commercial	0.068	1,766
Rural Residential	0.026	144
Fire Protection Rate		
CBD Commercial & CBD Fringe	0.018	133
Other Commercial & Industrial	0.009	255
Residential & Other	0.004	691
Water Supply		
Water Rate (connected)	217.00	5,950
Water Rate - Serviceable (not connected) 50%	108.50	

INDICATIVE RATES 2020/21 CONTINUED

DESCRIPTION	2022/23 Proposed Rate (Incl GST)	2022/23 Proposed Revenue (Incl GST)
Refuse Collection & Disposal Rate		
1 collection per week	165.00	
2 collection per week	330.00	4,380
3+ collection per week	495.00	
Kerbside Recycling Rate	94.00	2,360
Sewerage		
Sewerage Rate (connected)	333.00	8,945
Sewerage Rate - Serviceable (not connected) 50%	166.50	
Bay View Sewerage Connection Rate	941.35	18
Inner City Vehicle Levy		
100% Vehicle Levy area	0.052	85
50% Vehicle Levy area	0.026	48
Taradale Vehicle Levy	0.064	32
Suburban Vehicle Levy	0.064	
Promotion Rate - CBD	0.123	181
Promotion Rate - Taradale	0.129	64
Swimming Pool Safety Rate	65.00	104
Plus Allowance for Rate Penalties		270
Less General Rate for NCC Properties		-886
TOTAL RATES (Excluding water by Meter)		87,735
Water By Meter Charges		
Non-Domestic Supplies	0.673	786
Metered domestic supplies	1.207	
TOTAL RATES (Including water by Meter)		88,521

* SUIP = Separately used or inhabited part