Financials

Pūrongo Pūtea

Rating Funding Impact Statement

Tauākī Pānga mō te Pūtea Reiti

Rating policies, system and indicative rates

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

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

A SUIP is defined as a separately used or inhabited part of a rating unit and includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. Separately used or inhabited parts include:

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

1. General rates

NPDC will set a general rate based on the land value of rateable land in the district together with a uniform annual general charge (UAGC) applied to all SUIPs of a rating unit.

Differential land value categories

NPDC differentiates the general rate based on land use (Schedule 2, Clause 1, Local Government (Rating) Act 2002). The differential categories and percentages of total general rate requirement that apply to each group are:

	Differential factor	Revenue sought 2024/25
Group 1: Commercial/Industrial All rating units that are used primarily for any commercial or industrial purpose.	4.00	$26,676,908
Group 2: Residential All rating units with a land area of one hectare or less, not being rating units in Group 1, used for residential and related purposes.	1.00	$51,375,690
Group 3: Small Holdings All rating units, not being rating units included in Groups 1 or 2, having a land area of more than one hectare but no greater than four hectares.	0.80	$3,633,515
Group 4: Farmland All rating units, not being rating units included in Groups 1, 2 or 3, having a land area in excess of four hectares.	0.75	$12,355,995
TOTAL		**$94,042,108**

Particular rules for differential categories

Commercial/Industrial differential category
Rating units are considered to be used primarily for a commercial or industrial purpose if the Rating Information Database records their primary level code as being 6 Utility, 7 Industrial or 8 Commercial in accordance with the Rating Valuations Rules 2008 (or any rules that supersede those rules).

Vacant land as a result of subdivision
Upon subdivision, vacant land of less than four hectares that is in a commercial or industrial zone in the Operative District Plan will be in the commercial/industrial differential group. Properties that are not in a commercial or industrial zone will be in the residential or small holdings differential group based on the land size.

Upon subdivision, vacant land of greater than four hectares will remain in the farmlands differential until it is used for a commercial/industrial purpose, or is further subdivided.

Application of differential calculation

The Council has made a decision to transition to the differentials over a two year period as shown in the table below. It is noted that this decision is inconsistent with the Revenue and Financing Policy for year one of the LTP.

The differential percentages are applied to the total general rate required. The UAGC component is then deducted and the balance is allocated based on individual land values within each category. Refer to the table below.

	Group 1 Commercial/ Industrial	Group 2 Residential	Group 3 Small Holdings	Group 4 Farmland
Group differential requirement	26,676,908	51,375,690	3,633,515	12,355,995
Total UAGC from Group collected	328,043	4,191,261	240,261	409,174
Group requirement from land value calculation	26,348,865	47,184,429	3,393,254	11,946,821

The differentials per dollar value are set in the table below.

	Differential category	Differential factor		
	Rate cents/$ 2024/25	2024/25	2025/26	2026/27
Commercial/Industrial	1.4100	4.00	3.00	3.00
Residential	0.3525	1.00	1.00	1.00
Small Holdings	0.2820	0.80	0.80	0.80
Farmland	0.2644	0.75	0.75	0.75

2. **Uniform annual general charge**

NPDC will set a UAGC which is a fixed amount assessed on every SUIP. The amount per SUIP (excluding GST) is set in the table below.

	2024/25	2025/26	2026/27
UAGC (excluding GST)	130.43	88.06	94.87

Both the general rate and the UAGC will be used to fund, or assist with funding, all Council activities other than those funded by way of targeted rates for roading, water supply, stormwater, sewage treatment and disposal, refuse collection and kerbside recycling, swimming pool compliance and voluntary targeted rate for Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme.

3. **Targeted roading rate**

NPDC will set a targeted rate - the Uniform Annual Roading Charge (UARC) to partially fund the transportation activity on all rateable land in the district of a fixed amount per SUIP. The amount per SUIP (excluding GST) is set in the table below.

	2024/25
UARC (excluding GST)	110.67

4. **Targeted stormwater rate**

NPDC will set a targeted rate - the Annual Urban Stormwater Charge (AUSC) to partially fund the stormwater Management activity based on all rateable capital values in the urban area of the district. A map identifying the urban area for the purpose of the AUSC is included on page 194.

	2024/25
AUSC (excluding GST)	0.01206

5. **Refuse collection and disposal including kerbside recycling**

NPDC will set a targeted rate for refuse collection and disposal (including kerbside recycling) as a fixed amount per SUIP to which the Council provides the service for which the charge is assessed. The amount per SUIP is $239.13 for 2024/25.

6. **Swimming pool compliance (registration and audit inspection pursuant to the Building Act 2004**

NPDC will set a targeted rate for swimming pool compliance as a fixed amount per SUIP which have a swimming pool/spa pool on the rating unit. The amount per SUIP is $73.91 for 2024/25.

7. **Targeted service charge rates**

NPDC will charge the following targeted rates:

- Water supply.
- Sewage treatment and disposal.
- Refuse collection and disposal.
- Swimming pool compliance.
- Voluntary targeted rate - Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme.

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

8. **Water supply**

Uniform annual water charge

A fixed charge is a targeted rate being a fixed amount per SUIP which is connected to a water supply by an annual water charge or on demand supply of water by meter. The amount per SUIP is $475.65 for 2024/25.

On demand supplies of water by meter

a) A fixed charge of $48.00 per SUIP of a rating unit.

b) A consumption charge per cubic metre of water supplied to each connection which is metered and connected to an urban or rural water supply. A scale of charges is applied as follows:

i) Standard rate for consumption up to or equal to 50,000m^3 per annum $1.894 (per cubic metre) for 2024/25.

ii) Rate for consumption in excess of 50,000m^3 per annum $1.914 (per cubic metre) for 2024/25.

iii) Waitara industrial - untreated supply $1.140 (per cubic metre) for 2024/25.

Restricted flow targeted rate is a fixed charge rate determined by the (user nominated) volume of water able to be supplied within a fixed time period to a SUIP for properties that are not metered and are connected to a rural water supply (in accordance with NPDC's Bylaw Part 14 - Water, Wastewater and Stormwater Services). The amount per cubic metre is $297.39 for 2024/25.

Water half charge is a targeted rate being a fixed amount per SUIP applied to all properties that are within 100 metres of a serviceable pipeline and are not included in assessments above and are not connected to a Council supply, are assessed at $237.83 per SUIP for 2024/25.

Note. For properties that are not connected to a water supply and are further than 100 metres from a water pipe, a targeted rate is not assessed.

9. **Sewage treatment and disposal**

Annual sewer charge for residential is a targeted rate being a fixed amount per SUIP (other than commercial/industrial rating units and schools) connected either directly or indirectly through a private drain to a public sewerage drain. The amount per SUIP is $646.09 for 2024/25.

Annual sewer charge for commercial/industrial (Group 1) and schools is a targeted rate charged per water closet or urinal to each SUIP connected either directly or through a private drain to a public sewerage drain. A scale of charges is applied for 2024/25 as follows.

Number of water closets or urinals	($)
One to two	646.09
Three	548.70
Four	484.35
Five	420.00
Six to 10	387.83
11 to 15	355.65
16 to 20	342.61
21 or more	323.04

Expansion of sewerage scheme charges (Ōākura) is a targeted rate being a fixed amount per SUIP for rating units in the area to which the sewerage scheme was expanded and is now available (Ōākura), where an agreement to connect was obtained but the rating unit has not yet connected. The amount per SUIP for 2024/25 is $323.04 (which is half the annual sewer charge for residential). Once connected the full amount will apply in the next financial year.

Sewer half charge is a targeted rate being a fixed amount per SUIP applied to all properties that are within 100 metres of a serviceable pipeline and are not included in assessments above and are not connected to a Council supply, are assessed at $323.04 per SUIP for 2024/25.

Note. All rating units in the district which are further than 100 metres from a sewerage pipe, or are not serviceable are not liable for these rates.

10. **Voluntary targeted rate - Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme**

The Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme rate is a targeted rate set on properties that have benefited from funding by NPDC in respect of the property for a range of household sustainability initiatives. The rate is calculated at either 11.1 per cent (for those who opted for a nine year repayment period) or 20 per cent (for those who opted for a five year repayment period) of the service amount (the cost of the borrowed amount) until the service amount and the costs of servicing the service amount are recovered and is charged on a rating unit basis. For the avoidance of doubt, this rate includes ratepayers who used NPDC's Voluntary Targeted Rate for Home Energy Scheme prior to its expansion as Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme.

Lump sum contributions

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

Due dates and penalties

NPDC's rates (excluding metered water rates) for the 2024/25 year (1 July 2024 to 30 June 2025) will become due and payable by four equal instalments on the following dates:

Instalment 1:	28 August 2024
Instalment 2:	27 November 2024
Instalment 3:	26 February 2025
Instalment 4:	28 May 2025

NPDC will charge a penalty of 10 per cent on any part of each respective instalment (for rates excluding metered water rates) that remains unpaid after the instalment due dates listed above.

In addition, NPDC will charge a penalty of 10 per cent on any portion of rates (for rates excluding metered water rates) that were assessed or levied in any previous financial years prior to 1 July 2024 and which remain unpaid on 1 July 2024. The penalty will be applied on 30 September 2024 and a further additional penalty of 10 per cent on any portion of rates that were assessed or levied in any previous financial years and which remain unpaid on 31 March 2025.

Metered water rates for the 2024/25 year (1 July 2024 to 30 June 2025) will generally be invoiced on a quarterly basis. However, rating units may be invoiced monthly if the unit has previously been invoiced monthly or NPDC has been notified before 30 June 2024 to be invoiced monthly.

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

Instalment 1:	27 November 2024
Instalment 2:	26 February 2025
Instalment 3:	28 May 2025
Instalment 4:	27 August 2025

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

Instalment 1:	20 August 2024
Instalment 2:	20 September 2024
Instalment 3:	20 October 2024
Instalment 4:	22 November 2024
Instalment 5:	20 December 2024
Instalment 6:	20 January 2025
Instalment 7:	21 February 2025
Instalment 8:	21 March 2025
Instalment 9:	20 April 2025
Instalment 10:	20 May 2025
Instalment 11:	20 June 2025
Instalment 12:	20 July 2025

NPDC will charge a penalty of 10 per cent on any part of each respective instalment (for metered water rates) that remains unpaid after the instalment due dates listed above.

Total rates

	A/Plan 2023/24 ($)	LTP 2024/25 ($)
Uniform annual general charge (UAGC)	16,566,544	5,168,739
General rate	71,462,669	88,873,369
Sub total (general rates)	**88,209,213**	**94,042,108**
Uniform annual roading charge (UARC)	4,989,910	4,385,404
Uniform annual sewage charge (UADC)	19,417,304	21,608,097
Annual urban stormwater charge (AUSC)	-	3,213,247
Uniform annual water charge (UAWC)	10,809,079	14,684,783
Water by meter charges	5,418,779	5,819,937
Uniform annual refuse charge (UARC)	6,308,033	7,357,032
Swimming pool compliance charge (UAPC)	42,163	73,470
Sub total (targeted rates/charges)	**46,985,268**	**57,141,970**
TOTAL	**135,014,481**	**151,184,078**

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

Percentage of rates that are fixed charges

Under the Local Government Rating Act (LGRA), a maximum of 30 per cent of total rates income can come from fixed rates, such as targeted rates or fixed charges. The following table shows the fixed rates set for 2024/25 and the percentage of the total rates that these represent.

	LTP 2024/25 ($)
Uniform annual general charge (UAGC)	5,168,739
Uniform annual roading charge (UARC)	4,385,404
Uniform annual refuse charge (UARC)	7,357,032
Swimming pool compliance charge (UAPC)	73,470
TOTAL	**16,984,645**
TOTAL RATES (excluding GST)	**151,184,078**
Uniform rates as a percentage of total rates	**11.2%**

Rating base information

	A/Plan 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30	Budget 2030/31	Budget 2031/32	Budget 2032/33	Budget 2033/34
Projected number of rating units	37,118	37,338	37,566	37,809	38,074	38,369	38,715	39,089	39,478	39,873	40,263
Projected total capital value of rating units ($m)	24,325	34,193	34,317	34,487	34,673	34,879	35,122	35,383	35,656	35,932	36,205
Projected total land value of rating units ($m)	20,906	20,977	21,061	21,177	21,303	21,443	21,607	21,785	21,970	22,157	22,343

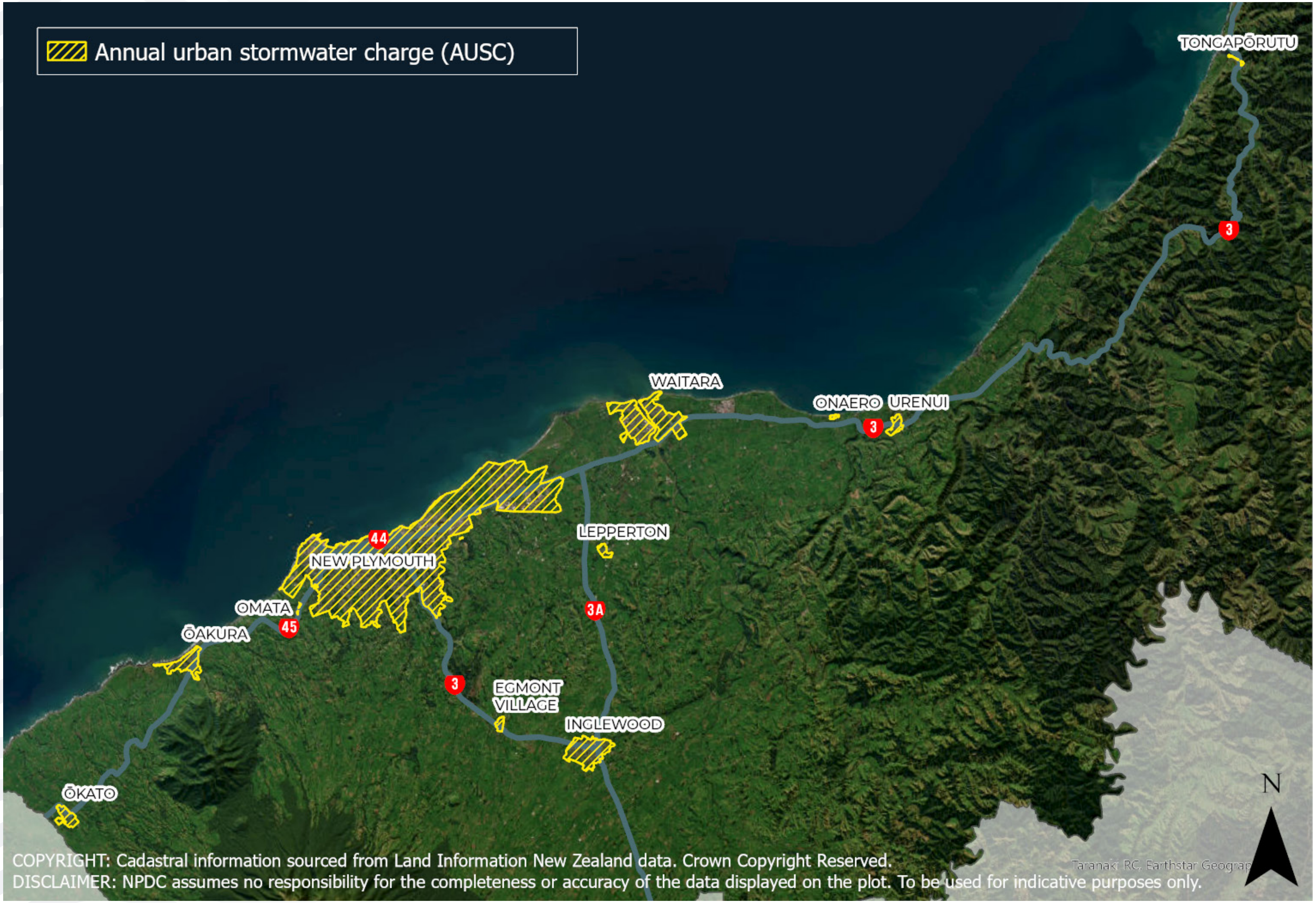
Rates and Charges	A/Plan 2023/24 ($)	LTP 2024/25 ($)
General rates		
Uniform annual general charge	423.08	130.43
Differential rates (cents per dollar of rateable land value):		
- Group 1 (Commercial/Industrial)	1.2168c	1.4100 c
- Group 2 (Residential)	0.2578c	0.3525c
- Group 3 (Small Holdings)	0.1985c	0.2820c
- Group 4 (Farmland)	0.2674c	0.2644 c
Targeted rates/charges		
Uniform annual roading charge	128.05	110.67
Annual urban stormwater charge (cents per dollar of rateable capital value):	-	0.01206c
Uniform annual refuse charge per serviced household	206.10	239.13
Swimming pool compliance charge	44.06	73.91
Water charges		
Uniform annual water charge:	388.83	475.65
On demand supplies by water by meter (WBM):		
- Supply charge (for all metered customers)	37.60	48.00
- Standard rate for consumption up to 50,000m^3 (per cubic metre)	1.42	1.894
- Industrial rate for consumption in excess of 50,000m^3 per annum (per cubic metre)	1.44	1.914
Waitara industrial - untreated supply (per cubic metre)	0.96	1.140
Restricted flow connections (per water unit as defined by Water Supply Bylaw (Part 15))	227.63	297.39
Water half charge	-	237.83

Note: large users are charged the standard WBM rate to 50,000m^3 and the industrial rate for amounts in excess of 50,000m^3

Rates and Charges	A/Plan 2023/24 ($)	LTP 2024/25 ($)
Sewage charges		
Uniform annual sewage charge - all rating units other than commercial/industrial	596.41	646.09
Uniform annual sewage charge - commercial/industrial (including schools) (scale of charges per water closet or urinal):		
- One to two	596.41	646.09
- Three	506.95	548.70
- Four	447.31	484.35
- Five	387.67	420.00
- Six to 10	357.85	387.83
- 11 to 15	328.03	355.65
- 16 to 20	313.12	342.61
- 21 or more	298.21	323.04
Ōākura part charge	298.21	323.04
Sewer half charge	-	323.04

Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme - funding assistance depending on each funding arrangement

The figures above do not include GST. GST will be added at applicable rates at the time the rates are assessed.



Properties that straddle the urban border will have the AUSC applied where the property is greater than 50 per cent urban, or has direct access off a residential road.

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

The following examples show the impact of the rating proposals on a range of properties for each differential for 2024/25 and approximate increase for each group based on average land value and pans for commercial/industrial. The examples exclude the swimming pool compliance targeted rate and the voluntary Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme targeted rate. More information about these rates can be found on page 5.

Residential land value (LV)

	$235,000 LV	$320,000 LV	$390,000 LV	$490,000 LV	$790,000 LV
General rate	952.62	1,297.18	1,589.04	1,986.30	3,202.41
Uniform annual general charge	150.00	150.00	150.00	150.00	150.00
Targeted rates					
Uniform annual roading charge	127.27	127.27	127.27	127.27	127.27
Uniform annual sewage charge	743.00	743.00	743.00	743.00	743.00
Uniform annual urban stormwater charge	59.63	73.49	92.91	109.55	146.99
Uniform annual water charge:	547.00	547.00	547.00	547.00	547.00
Uniform annual refuse charge	275.00	275.00	275.00	275.00	275.00
TOTAL	**2,854.52**	**3,212.95**	**3,524.22**	**3,938.13**	**5,191.67**
Increase $ over 2023/24	**153.84**	**260.27**	**364.02**	**481.45**	**845.59**

Commercial/Industrial land value (LV)

	$138,000 LV	$340,000 LV	$580,000 LV	$1,020,000 LV	$2,700,000 LV
General rate	2,237.63	5,513.01	9,404.55	16,539.03	43,779.78
Uniform annual general charge	150.00	150.00	150.00	150.00	150.00
Targeted rates					
Uniform annual roading charge	127.27	127.27	127.27	127.27	127.27
Uniform annual sewage charge	743.00	743.00	2,415.00	2,415.00	4,460.00
Uniform annual urban stormwater charge	19.14	85.98	187.20	214.94	873.62
Uniform annual water charge:	547.00	547.00	547.00	547.00	547.00
TOTAL	**3,824.04**	**7,166.26**	**12,831.02**	**19,993.24**	**49,937.67**
Increase $ over 2023/24	**126.03**	**641.61**	**1,404.01**	**2,409.22**	**6,955.08**

Small Holdings land value (LV)

	$340,000 LV	$550,000 LV	$610,000 LV	$700,000 LV	$1,100,000 LV
General rate	1,102.60	1,783.62	1,978.20	2,270.06	3,567.24
Uniform annual general charge	150.00	150.00	150.00	150.00	150.00
Targeted rates					
Uniform annual roading charge	127.27	127.27	127.27	127.27	127.27
TOTAL	**1,379.87**	**2,060.89**	**2,255.47**	**2,547.33**	**3,844.51**
Increase/(decrease) $ over 2023/24	**(30.06)**	**171.58**	**229.19**	**315.61**	**699.69**

Farmland land value (LV)

	$320,000 LV	$670,000 LV	$850,000 LV	$1,580,000 LV	$4,950,000 LV
General rate	972.88	2,036.98	2,584.22	4,803.61	15,049.30
Uniform annual general charge	150.00	150.00	150.00	150.00	150.00
Targeted rates					
Uniform annual roading charge	127.27	127.27	127.27	127.27	127.27
TOTAL	**1,250.16**	**2,314.25**	**2,861.49**	**5,080.89**	**15,326.57**
Decrease $ from 2023/24	**(367.68)**	**(379.87)**	**(386.14)**	**(411.57)**	**(528.97)**

Statement of Accounting Policies

Tauākī Kaupapa Here Kaute

1. Reporting Entity

New Plymouth District Council (the Council) is a territorial authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002 (LG(R)A).
The Group consists of the ultimate parent, New Plymouth District Council and its Council Controlled Entities (CCOs) and Joint Ventures:

- Papa Rererangi i Puketapu Limited (100% owned).
- New Plymouth PIF Guardians Limited (100% owned).
- Venture Taranaki Trust (100% owned).
- McKay Family Joint Venture (56.5% owned).
- Duthie Joint Venture (54.82% owned).

The Prospective Financial Statements of the Council are for the 10 years commencing 1 July 2024 and ending 30 June 2034 and where authorised for issue by Council on the date the Plan was adopted.

The main purpose of these statements is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services and the consequent requirement for rate funding.

The level of rate funding required is not affected by subsidiaries, except to the extent that the Council obtains distributions from, borrows money on behalf of, or further invests in those subsidiaries, in which case such effects are included in these parent prospective financial statements. Therefore, the Council is not presenting group prospective financial statements.

2. Basis of preparation

a) Statement of Compliance

The Prospective Financial Statements (financial statements) of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The Council's primary objective is to provide goods or services and benefit for the community, rather than making a financial return. Accordingly, the Council designates itself and the Group as public benefit entities (PBEs) and applies tier 1 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards (IPSAS), with amendments for the New Zealand Environment.

The prospective financial information comply with PBE FRS 42 Prospective Financial Statements. The information in these Prospective Financial Statements have been prepared using the best information available at the time they were prepared.

Events and circumstances may not occur as expected or may not have been predicted or Council may subsequently take actions that differ from the proposed courses of action on which the Prospective Financial Statements are based. Therefore, whilst there is no current intent to update these Prospective Financial Statements, the Council reserves the right to update this plan in the future. The information contained within these Prospective Financial Statements may not be suitable for use in another capacity.

The accounting policies set out below have been applied consistently to all periods presented in the Prospective Financial Statements.

b) Measurement base

The Prospective `Financial Statements have been prepared on a historical cost basis, modified by the revaluation of certain assets.

The Prospective Financial Statements are presented in New Zealand dollars (functional and reporting currency) and all values are rounded to the nearest thousand dollars ($000), unless otherwise stated.

c) Foreign currency transactions

Foreign currency transactions are translated into NZD (the functional currency) using the spot exchange rate at the dates of the transactions.

Foreign exchanges gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

d) Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except billed receivables and payables, which include GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables.

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.

e) Cost allocation

The costs of providing support services for the Council are accumulated and are allocated to each Council activity using direct or indirect costs:

Direct costs are those costs directly attributable and charged to a significant activity.

Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity. Indirect costs are charged to the significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

f) Annual Plan figure

The comparative 2023/24 figures are for those approved by the Council on its Annual Plan 2023/24. The plan figures have been prepared in accordance with NZ GAAP, using accounting policies that are, or will be, consistent with those adopted by the Council for the preparation of the financial statements.

g) Critical accounting estimates and assumptions

Financial statement preparation requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses.

Estimates are continually evaluated and are based on historical experience and other factors including expectations or future events that are considered under the circumstances.

The significant estimates and assumptions that have the greatest risk of causing a material adjustment to the reported amounts are:

- Estimating the fair value of infrastructural assets.
- Estimating the fair value of buildings.
- Estimating the fair value of forestry assets.
- Estimating the landfill afercare provision.

The actual results achieved are likely to vary for the information presented and the variations may be material.

h) Changes in accounting policies

At the time of preparation of this Plan there were no expected significant changes in the accounting policies to these applied in the preparation of these Prospective Financial Statements.

3. Significant accounting policies

a) Revenue

Most of the Council's revenue is from non-exchange transactions accounted for under PBE IPSAS 23 (i.e. rates, subsidies and grants, provision of services partial cost recovery/subsidised, vested assets and financial/development contributions). Exchange transactions are recognised under PBE IPSAS 9 (i.e. targeted rates for water supply, provision of services full cost recovery, sale of goods, interest and dividends).

Professional judgement is exercised to determine whether the substance of a transaction is non-exchange or exchange. For non-exchange revenue there is recognition of a liability to the extent of unfulfilled conditions.

Revenue is measured at fair value which is usually the cash value of a transaction. For non-exchange revenue there is a recognition of a liability to the extent of unfulfilled conditions.

Revenue from non-exchange transactions

Rates

General rates and uniform annual general charges (UAC) are recognised at the amounts due at the start of the financial year to which the Council rates resolution relates. They are set annually, and all rate payers are invoiced within the financial year for which the rates have been set.

The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

Revenue is measured at the fair value of consideration received or receivable. Rates revenue is recognised by Council as being revenue when the Council has set the rates and provided the rates assessment.

Revenue from late payment penalties is recognised when rates become overdue.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statements as the Council is acting as an agent for TRC.

Subsidies and grants

The Council receives funding assistance from NZ Transport Agency Waka Kotahi, which subsidises part of the maintenance costs and capital expenditure on the local roading infrastructure. The NZ Transport Agency Waka Kotahi roading claim payments (reimbursements) are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other subsidies and grants are recognised as revenue when they become receivable. When there is an obligation in substance to return the funds if conditions of the grant are not met, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Development and environmental contributions

Development and environmental contributions are recognised as exchange revenue when received. If the service for which the contribution is charged is not undertaken in the same year it's received, the contribution is allocated to the appropriate reserve until such time that the Council provides, or is able to provide, the service.

Vested assets

Assets vested in Council, with or without conditions, are recognised as non-exchange revenue, at fair value, when control over the assets is obtained.

The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

Fines and levies

Fines and levies, which mostly relate to traffic and parking infringements, are recognised when the infringement notice is issued.

Revenue from exchange transactions

Water billing revenue

Revenue from water by meter rates is recognised on an accrual basis. Revenue is based on the actual usage as a result of meter reading. Unbilled usage as a result of unread meters at year end is accrued on an average usage basis.

Other revenue

User fees and charges are recognised on the basis of actual services provided. Any fees and charges received in advance are recognised as unearned income in advance.

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

Interest and dividend revenue

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

b) Other expenses

Grant expenditure

The Council's grants awarded have no substantive conditions attached.

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.

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 provided an invoice.

Operating leases

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

Interest rate swaps

Interest rate swaps are measured at fair value with gains or losses on remeasurement recognised in the surplus or deficit in the year of remeasurement.

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund and the State Sector Retirement Savings Scheme which are defined contribution superannuation schemes, are expensed as incurred.

c) Property, plant and equipment

Asset classes

The Council has the following classes of property, plant and equipment:

Operational assets: These are land, buildings (including any improvements), vehicles, furniture, fittings and equipment and library books. Land is measured at fair value and buildings and the Puke Ariki book collection are measured at fair value less accumulated depreciation. Vehicles and furniture, fittings and equipment are measured at cost less accumulated depreciation and impairment losses.

Restricted assets: These are land and buildings that are subject to restrictions on use, disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977) or other restrictions (such as bequest land or buildings or donation that restricts the purpose for which the assets can be used). These assets are measured at fair value.

Infrastructural assets: These are the fixed utility systems owned by the Council. They usually display some or all of the following characteristics: part of a system or network, specialised in nature and usually do not have alternative uses, immovable and may be subject to constraints on disposal. Examples are road networks, sewer systems and water systems. These assets are measured at fair value less accumulated depreciation.

Additions

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

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

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or a nominal cost (e.g. vested asset), it is recognised at fair value at the date of acquisition.

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

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

Disposals

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposal are reported net in the surplus or deficit. When revalued assets are sold, any amounts included in asset revaluation reserves are transferred to accumulated funds.

Revaluation

All property, plant and equipment except for operational motor vehicles, furniture, fittings and equipment and work-in-progress are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value, at least every three years.

Fair value is determined by reference to the depreciated replacement cost or market value on an asset class basis.

The carrying values of revalued assets are assessed annually to ensure they do not differ materially from the assets' fair values. If there is a material difference then the off-cycle asset classes are revalued.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset.

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and restricted assets, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation of these assets commences when the assets are ready for their intended use. Depreciation rates and useful lives are reviewed annually. Depreciation on assets is charged to the surplus and deficit.

The useful lives and associated depreciation rates of major classes of assets have been estimated based on the Annual Report 2022/23 rates and are as follows:

	Years	Depreciation
Infrastructural assets		
Roading - infrastructure/formation	7 to 150	0.7% to 14.3%
Roading - land under roads		Not depreciated
Laboratory	5 to 50	2% to 20%
Waste management and minimisation - plant and machinery/landfill	5 to 60	1.7% to 20%
Waste management and minimisation - earthmoving/site works		Not depreciated
Stormwater	3 to 160	0.6% to 33.3%
Flood protection	25 to 200	0.5% to 4%
Water	3 to 170	0.6% to 33.3%
Wastewater	3 to 120	0.8% to 33.3%
New Plymouth Airport runway/services	1 to 70	1.4% to 100%
Work in progress		Not depreciated
Operational assets		
Land		Not depreciated
Buildings/improvements	2 to 200	0.5% to 50%
Vehicles	2 to 20	5% to 50%
Furniture, fittings and equipment	1 to 99	1% to 100%
Puke Ariki book collection (general in-use)	7 to 25	4% to 14.3%
Work in progress		Not depreciated
Restricted assets		
Parks and open spaces		Not depreciated
Waitara Lands Act land		Not depreciated
Puke Ariki museum collection		Not depreciated
Govett-Brewster Art Gallery/Len Lye Centre collection		Not depreciated

Impairment of assets

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in surplus or deficit.

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

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cashflows.

d) Intangible assets

An intangible assets are defined as identifiable non-monetary asset without physical substance. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs, maintenance and web related costs are recognised in the surplus or deficit when incurred.

Software as a Service (SaaS)

SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Costs that do not result in intangible assets are expensed as incurred unless they represent payment for future services to be received. In which case a prepayment is initially recognised and then expensed as those subsequent services are received over the expected term of the cloud computing arrangement.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

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

The useful lives and associated amortisation rates of computer software, the major class of intangible assets, is five to 12 years (8 per cent to 21per cent) based on the Annual Report 2022/23 rates.

e) Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

f) Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

g) Equity accounted investments (joint ventures)

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement that is subject to joint control. Joint control is the agreed sharing of control where decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in joint ventures are accounted for in the Council's financial statements using the equity method of accounting. The investment is initially recognised at cost. The carrying amount is increased or decreased to recognise the Council's share of the change in the net assets of the entity after the date of acquisition. The Council's share of the surplus or deficit is recognised in the Council's surplus or deficit.

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

h) Investment in CCO's and other entities

The Council's investments in its subsidiaries (Papa Rererangi i Puketapu Limited, New Plymouth PIF Guardians Limited and Venture Taranaki Trust) are carried at cost in the Council's financial statements and are consolidated at Group level

i) Other financial assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and Group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include debtors and other receivables, LGFA borrower notes, term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses which are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value, with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and Group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term. Instruments in this category are bonds and shareholding in NZ Local Government Funding Agency (NZ LGFA) and shareholdings in Civic Financial Services Limited.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Instruments in this category include derivatives and Council's investment in Tasmanian Land Company Limited and the Perpetual Investment Fund.

Expected credit loss (ECL) allowance

The Council and Group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and Group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and Group's historical experience and informed credit assessment and including forward-looking information.

j) Cash and cash equivalents

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments, net of bank overdrafts classified under current liabilities. The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their fair value.

k) Debtors and other receivables

Short-term receivables are recorded at the amount due, less an allowance for ECL.

The Council and Group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are 'written-off':

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

l) Borrowings

All loans and borrowings are initially recognised at fair value of the consideration received plus transaction costs.

All borrowing costs are recognised as an expense in the period in which they are incurred and are calculated using 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 balance date.

m) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the contract is entered into. They are subsequently re-measured to fair value each month with the associated gains or losses recognised in the surplus or deficit.

Derivative financial instruments are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative financial instruments that are settled within 12 months are treated as current. The Council does not designate any derivatives as hedging instruments.

n) Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at balance date and are discounted to present value where the effect is material.

o) Employee entitlements

Provision is made in respect of the Council's liability for retiring gratuity allowances, annual and long service leave and sick leave.

The retirement gratuity liability and long service leave liability is assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement.

Liabilities for accumulating short-term compensated absences (e.g. annual and sick leave) are measured as the additional amount of unused entitlement accumulated at the balance sheet date.

Sick leave, annual leave, vested long service leave and non-vested long service leave and retirement gratuities that are expected to be settled within 12 months of balance date are classified as current.

p) Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds.
- Ordinary reserves.
- Restricted reserves.
- Asset revaluation reserves.

Accumulated funds

Accumulated funds are the capital fund made up of accumulated surpluses and deficits. A surplus in any year is added to the fund and a deficit in any year is deducted from the fund.

Ordinary reserves

Ordinary reserves are reserves created by Council decision. The Council may alter the purpose of a reserve without reference to a third party or the Courts. Transfers to and from these reserves is at the discretion of the Council.

Restricted reserves

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

Asset revaluation reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.

q) Creditors and other payables

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of creditors and other payables approximates their fair value. All amounts in creditors and other payables are assessed as exchange as these balances arose from transactions carried out on normal business terms.

r) Income tax

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax and deferred tax are calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

s) Deferred tax

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

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

Prospective Financial Statements

Ngā Tauākī Pūtea

Prospective Statement of Comprehensive Revenue and Expense

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Operating revenue											
Revenue from exchange transactions											
Interest revenue	1.60	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35
Investment revenue	23.77	24.43	24.99	25.53	26.07	26.60	27.16	27.74	28.01	28.08	28.14
Water - targeted metered rates	5.97	6.54	7.86	9.19	9.94	9.54	9.84	9.97	10.23	10.74	11.10
Other revenue	40.57	40.59	41.29	39.31	41.25	43.59	42.28	43.51	44.05	44.77	45.73
Revenue from non-exchange transactions											
Rates (excluding water targeted metered rates)	126.36	141.27	154.44	168.73	183.13	202.80	222.13	245.53	264.18	277.29	284.67
Subsidies and grants	61.92	43.74	29.64	31.26	35.08	42.09	41.34	43.68	43.63	37.97	42.10
Development and financial contributions	3.19	6.63	10.33	13.31	13.23	13.10	13.53	14.13	14.51	14.04	14.99
Fines and levies	1.45	1.46	1.47	1.47	1.47	1.47	1.50	1.50	1.50	1.50	1.50
Vested assets	5.25	5.09	5.21	5.33	5.45	5.58	5.70	5.81	5.93	6.04	6.16
Total operating revenue	**270.08**	**272.10**	**277.58**	**296.48**	**317.97**	**347.12**	**365.83**	**394.22**	**414.39**	**422.78**	**436.74**
Operating expenditure											
Personnel costs	58.75	61.18	63.00	63.76	64.98	66.22	67.41	68.62	69.84	70.97	72.15
Other expenses	95.91	109.03	114.99	114.33	125.76	126.49	129.98	126.91	130.69	134.33	136.04
Depreciation and amortisation expenses	49.53	53.47	60.11	61.23	62.51	69.87	70.45	71.67	79.41	79.54	80.54
Interest expense	11.32	16.44	18.36	20.84	23.06	25.99	29.03	31.60	35.15	37.37	39.18
Total operating expenditure	**215.51**	**240.12**	**256.46**	**260.16**	**276.31**	**288.57**	**296.87**	**298.80**	**315.09**	**322.21**	**327.91**
Surplus/(deficit) before taxation	**54.57**	**31.98**	**21.12**	**36.32**	**41.66**	**58.55**	**68.96**	**95.42**	**99.30**	**100.57**	**108.83**
Taxation refund/(expense)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after taxation	**54.57**	**31.98**	**21.12**	**36.32**	**41.66**	**58.55**	**68.96**	**95.42**	**99.30**	**100.57**	**108.83**
Other comprehensive revenue and expense											
Gain/(loss) on property, plant and equipment and equipment revaluations	-	252.12	-	-	265.91	-	-	309.86	-	-	338.59
Total other comprehensive revenue and expense	**-**	**252.12**	**-**	**-**	**265.91**	**-**	**-**	**309.86**	**-**	**-**	**338.59**
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	**54.57**	**284.10**	**21.12**	**36.32**	**307.57**	**58.55**	**68.96**	**405.28**	**99.30**	**100.57**	**447.42**

Prospective Statement of Changes in Equity

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Equity at the beginning of the year	**3,640.26**	**3,607.46**	**3,891.56**	**3,912.68**	**3,949.00**	**4,256.57**	**4,315.12**	**4,384.08**	**4,789.36**	**4,888.66**	**4,989.23**
Total comprehensive revenue and expense	54.57	31.98	21.12	36.32	41.66	58.55	68.96	95.42	99.30	100.57	108.83
Other comprehensive revenue and expense	-	252.12	-	-	265.91	-	-	309.86	-	-	338.59
EQUITY AT THE END OF THE YEAR	**3,694.83**	**3,891.56**	**3,912.68**	**3,949.00**	**4,256.57**	**4,315.12**	**4,384.08**	**4,789.36**	**4,888.66**	**4,989.23**	**5,436.65**

Prospective Statement of Financial Position

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Non-current assets											
Property, plant and equipment	3,517.19	3,841.52	3,940.38	4,032.67	4,385.29	4,495.78	4,579.93	4,977.81	5,061.28	5,138.50	5,543.56
Intangible assets	10.01	1.05	0.90	0.75	0.60	0.45	0.30	0.15	-	-	-
Forestry assets	5.98	3.80	3.61	3.72	3.84	3.96	3.30	3.40	3.50	3.60	3.71
Investments in CCOs and similar entities	56.69	64.30	63.55	62.80	60.55	58.30	56.05	53.80	51.55	49.30	47.05
Other financial assets	83.01	80.91	78.81	78.81	78.81	78.81	78.81	78.81	78.81	78.81	78.81
Derivative financial assets	0.76	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
Total non-current assets	**3,673.64**	**3,998.84**	**4,094.50**	**4,186.00**	**4,536.34**	**4,644.55**	**4,725.64**	**5,121.22**	**5,202.39**	**5,277.46**	**5,680.38**
Current assets											
Cash and cash equivalents	6.26	4.42	7.00	(1.10)	0.92	(0.37)	(2.40)	38.51	97.11	153.16	216.99
Debtors and other receivables	19.00	19.45	19.51	19.34	19.51	19.70	19.59	19.69	19.74	19.80	19.88
Investments in CCOs and similar entities	4.15	-	-	-	-	-	-	-	-	-	-
Other financial assets	370.27	311.56	322.13	332.83	343.66	354.60	365.66	376.60	387.57	398.57	409.62
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Inventory	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Non-current assets held for sale	0.45	0.48	0.55	0.57	0.28	0.49	0.60	0.68	0.52	0.29	(0.00)
Total current assets	**400.28**	**336.06**	**349.35**	**351.79**	**364.51**	**374.56**	**383.60**	**435.64**	**505.09**	**571.97**	**646.64**
TOTAL ASSETS	**4,073.92**	**4,334.90**	**4,443.85**	**4,537.79**	**4,900.86**	**5,019.11**	**5,109.24**	**5,556.86**	**5,707.47**	**5,849.43**	**6,327.02**
Non-current liabilities											
Borrowings	249.14	310.88	390.88	440.88	497.88	542.88	591.88	646.88	687.88	728.88	768.88
Derivative financial liabilities	21.63	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Provisions	2.69	2.46	2.22	2.01	1.78	1.59	1.37	1.19	1.02	0.84	0.67
Employee entitlements	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Total non-current liabilities	**273.98**	**313.90**	**393.65**	**443.45**	**500.22**	**545.02**	**593.80**	**648.63**	**689.45**	**730.28**	**770.10**
Current liabilities											
Creditors and other payables	**54.97**	60.12	74.06	76.83	77.45	80.26	81.56	79.98	81.37	81.85	81.10
Borrowings	**53.05**	63.05	57.05	62.05	60.05	72.05	43.05	32.05	41.05	41.05	32.05
Provisions	**1.02**	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Employee entitlements	**4.77**	4.95	5.09	5.15	5.25	5.34	5.43	5.53	5.62	5.71	5.80
Derivative financiai liabilities	**0.30**	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Total current liabilities	**114.11**	**129.45**	**137.52**	**145.35**	**144.07**	**158.98**	**131.36**	**118.88**	**129.37**	**129.93**	**120.27**
TOTAL LIABILITIES	**388.09**	**443.34**	**531.17**	**588.80**	**644.29**	**703.99**	**725.16**	**767.50**	**818.82**	**860.20**	**890.37**
NET ASSETS	**3,685.83**	**3,891.56**	**3,912.68**	**3,949.00**	**4,256.57**	**4,315.12**	**4,384.08**	**4,789.36**	**4,888.66**	**4,989.23**	**5,436.65**

Prospective Statement of Financial Position

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Public equity											
Accumulated funds	1,751.00	1,692.47	1,719.77	1,755.97	1,792.24	1,837.01	1,878.15	1,937.46	2,002.66	2,071.47	2,136.86
Ordinary and restricted reserves	34.53	46.66	40.48	40.60	45.99	59.77	87.59	123.70	157.80	189.56	233.01
Asset revaluation reserves	1,900.30	2,152.42	2,152.42	2,152.42	2,418.34	2,418.34	2,418.34	2,728.19	2,728.19	2,728.19	3,066.78
TOTAL EQUITY	**3,685.83**	**3,891.56**	**3,912.68**	**3,949.00**	**4,256.57**	**4,315.12**	**4,384.08**	**4,789.36**	**4,888.66**	**4,989.23**	**5,436.65**

Prospective Cash Flow Statement

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Cash flows from operating activities											
Receipts from rates revenue	132.34	147.81	162.30	177.91	193.06	212.34	231.97	255.50	274.41	288.03	295.77
Interest received	1.60	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35
Other revenue received	103.52	94.06	84.76	85.51	90.86	100.05	98.75	102.72	103.64	98.21	104.24
Payments to suppliers and employees	(143.84)	(162.42)	(163.39)	(174.94)	(189.81)	(189.57)	(194.99)	(196.72)	(198.74)	(204.44)	(208.55)
Waitara Lands Act disbursements	(2.54)	(0.51)	(0.57)	(0.64)	(0.55)	(0.56)	(0.56)	(0.57)	(0.57)	(0.58)	(0.58)
Interest paid	(11.32)	(16.44)	(18.36)	(20.84)	(23.06)	(25.99)	(29.03)	(31.60)	(35.15)	(37.37)	(39.18)
Net cash flows from operating activities	**79.76**	**64.84**	**67.08**	**69.35**	**72.85**	**98.62**	**108.47**	**131.68**	**145.92**	**146.20**	**154.05**
Cash flows from investing activities											
Receipts from sale of property, plant and equipment	8.24	1.32	1.36	1.48	1.54	1.30	1.56	1.45	1.57	1.45	1.27
Investment release to Council	14.51	15.04	15.44	15.85	16.27	16.71	17.16	17.62	17.89	17.96	18.02
Receipts from sale of other financial assets	0.75	0.75	0.75	0.75	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Purchase of property, plant and equipment	(135.02)	(121.75)	(155.03)	(149.52)	(144.87)	(176.12)	(150.41)	(155.26)	(158.19)	(151.93)	(141.83)
Purchase of other financial assets	(5.87)	(1.04)	(1.01)	(1.02)	(1.03)	(1.05)	(1.07)	(0.81)	(0.85)	(0.89)	(0.93)
Net cash flows from investing activities	**(117.39)**	**(105.68)**	**(138.50)**	**(132.46)**	**(125.83)**	**(156.91)**	**(130.51)**	**(134.76)**	**(137.33)**	**(131.16)**	**(121.22)**
Cash flows from financing activities											
Proceeds from borrowings	61.56	60.00	105.00	80.00	85.00	85.00	60.00	55.00	50.00	50.00	40.00
Repayment of borrowings	(35.00)	(21.00)	(31.00)	(25.00)	(30.00)	(28.00)	(40.00)	(11.00)	-	(9.00)	(9.00)
Net cash flows from financing activities	**26.56**	**39.00**	**74.00**	**55.00**	**55.00**	**57.00**	**20.00**	**44.00**	**50.00**	**41.00**	**31.00**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(11.07)**	**(1.84)**	**2.58**	**(8.10)**	**2.02**	**(1.29)**	**(2.03)**	**40.92**	**58.59**	**56.04**	**63.83**
Cash and cash equivalents at the beginning of the year	17.34	6.26	4.42	7.00	(1.10)	0.92	(0.37)	(2.40)	38.51	97.11	153.16
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**6.27**	**4.42**	**7.00**	**(1.10)**	**0.92**	**(0.37)**	**(2.40)**	**38.51**	**97.11**	**153.16**	**216.99**

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Group of activities combined depreciation and amortisation expense

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Community Partnerships	0.3	0.4	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7
Customer and Regulatory Solutions	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Economic Development	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emergency Management and Business Continuance	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Flood Protection and Control Works	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.5	0.5	0.6
Governance	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Govett-Brewster Art Gallery/Len Lye Centre	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8
Management of Investments and Funding	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Parks and Open Spaces	3.8	3.6	4.1	4.3	4.3	4.8	4.8	4.9	5.4	5.4	5.5
Puke Ariki and Community Libraries	2.3	2.4	2.7	2.7	2.7	2.9	3.0	3.2	3.4	3.4	3.4
Stormwater Management	5.2	5.4	6.0	6.2	6.3	7.1	7.2	7.5	8.6	8.9	9.1
Transportation	12.6	14.4	15.9	16.2	16.4	18.2	18.3	18.7	20.6	20.6	20.8
Venues and Events	2.0	2.2	2.7	2.9	3.2	3.8	3.7	3.7	4.0	3.9	3.9
Waste Management and Minimisation	1.0	1.0	1.1	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.4
Wastewater Treatment	11.9	12.7	14.3	14.3	14.6	16.5	16.7	16.9	18.6	18.6	18.9
Water Supply	6.5	7.1	8.0	8.1	8.3	9.3	9.4	9.6	10.6	10.6	10.7
Other	2.5	3.0	3.3	3.3	3.3	3.7	3.7	3.7	4.0	4.0	4.0
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	**49.5**	**53.5**	**60.1**	**61.2**	**62.5**	**69.9**	**70.4**	**71.7**	**79.4**	**79.5**	**80.5**

Statement of Reserve Funds

Ngā Tauaki Pūtea Penapena

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

Summary of Reserve Funds

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

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Opening balances	54.95	45.06	47.25	41.07	41.19	46.58	60.36	88.18	124.29	158.39	190.15
Deposits to reserves	23.63	42.49	53.27	61.32	70.35	84.50	95.57	106.63	109.51	111.95	118.50
Withdrawals from reserves	(41.57)	(40.30)	(59.45)	(61.20)	(64.96)	(70.72)	(67.75)	(70.52)	(75.41)	(80.19)	(75.05)
CLOSING BALANCES	**37.01**	**47.25**	**41.07**	**41.19**	**46.58**	**60.36**	**88.18**	**124.29**	**158.39**	**190.15**	**233.60**

Note. Opening balances for Budget 2024/25 have been adjusted to reflect the actual opening position at 1 July 2023 and impacts of forecast for 2023/24.

1. **Operating reserve funds.** These are set aside to fund short-term operational matters, such as some loan repayments, or to hold short-term surpluses arising from operations.

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Opening balances	0.38	4.48	4.36	1.55	(0.51)	(2.23)	(2.42)	(0.59)	1.49	3.57	3.65
Deposits to reserves	0.20	1.34	1.28	(0.14)	(0.54)	0.96	2.76	2.96	2.96	0.96	0.96
Withdrawals from reserves	(0.93)	(1.46)	(4.09)	(1.92)	(1.18)	(1.15)	(0.93)	(0.88)	(0.88)	(0.88)	(0.88)
Closing balances	**(0.35)**	**4.36**	**1.55**	**(0.51)**	**(2.23)**	**(2.42)**	**(0.59)**	**1.49**	**3.57**	**3.65**	**3.73**

2. **Restricted reserves, trust and bequest funds.** These are funds subject to specific conditions accepted as binding by NPDC, such as bequests or operations in trust under specific Acts, and which may not be revised by the Council without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. These include the Waitara Perpetual Community Fund (held by NPDC for Te Tai Pari Trust), heritage funds, proceeds from sale of Junction Road leases, Solid Waste Development Fund, Urenui and Onaero Sewer Development Fund, Central Landfill Development Fund, Ngamotu Masonic Lodge Bursary Fund and certain bequest funds: Monica Brewster, Molly Morpeth Canaday, J T Gibson. These funds are applied to infrastructural asset activities, Puke Ariki and Govett-Brewster Art Gallery.

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Opening balances	31.79	33.42	35.76	38.22	40.11	42.03	44.03	46.25	48.70	51.40	54.27
Deposits to reserves	3.07	3.04	2.93	2.47	2.63	2.83	3.17	3.52	3.77	3.94	4.05
Withdrawals from reserves	(0.33)	(0.70)	(0.47)	(0.58)	(0.71)	(0.83)	(0.95)	(1.07)	(1.07)	(1.07)	(1.07)
Closing balances	**34.53**	**35.76**	**38.22**	**40.11**	**42.03**	**44.03**	**46.25**	**48.70**	**51.40**	**54.27**	**57.25**

3. **Development funds.** These include development and financial contributions levied by NPDC for capital works and are intended to contribute to the growth related capital expenditure in the infrastructural asset activities of Roads, Flood Protection and Control Works, Parks, Venues and Events, Puke Ariki and Govett-Brewster Art Gallery and for 2024/25 and 2025/26 only for Water Supply, Wastewater Treatment, Stormwater Management.

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Opening balances	0.59	1.17	6.69	15.00	25.41	34.78	42.62	49.39	55.60	60.94	64.19
Deposits to reserves	-	6.63	10.33	13.31	13.23	13.10	13.53	14.13	14.51	14.04	14.99
Withdrawals from reserves	-	(1.11)	(2.02)	(2.90)	(3.86)	(5.26)	(6.76)	(7.92)	(9.17)	(10.79)	(12.61)
Closing balances	**0.59**	**6.69**	**15.00**	**25.41**	**34.78**	**42.62**	**49.39**	**55.60**	**60.94**	**64.19**	**66.57**

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

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Opening balances	22.19	5.98	0.44	(13.70)	(23.82)	(28.02)	(23.90)	(6.90)	18.46	42.42	67.97
Deposits to reserves	20.36	31.49	38.74	45.68	55.02	67.60	76.11	86.01	88.26	93.01	98.49
Withdrawals from reserves	(40.31)	(37.03)	(52.88)	(55.80)	(59.22)	(63.48)	(59.11)	(60.65)	(64.30)	(67.46)	(60.49)
Closing balances	**2.24**	**0.44**	**(13.70)**	**(23.82)**	**(28.02)**	**(23.90)**	**(6.90)**	**18.46**	**42.42**	**67.97**	**105.97**

Disclosure Statement for the period commencing 1 July 2024

Tauāki Whawhāki

What is the purpose of this statement?

The purpose of this statement is to disclose NPDC'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.

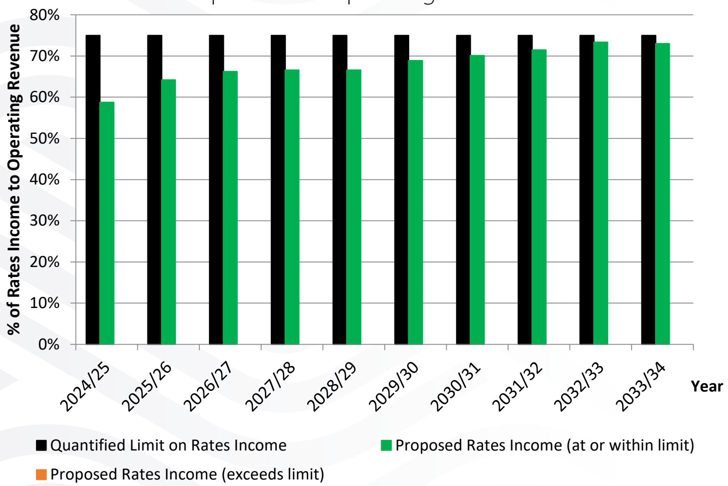
NPDC is required to include this statement in its LTP in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations). Refer to the Regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

NPDC meets the rates affordability benchmark if its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

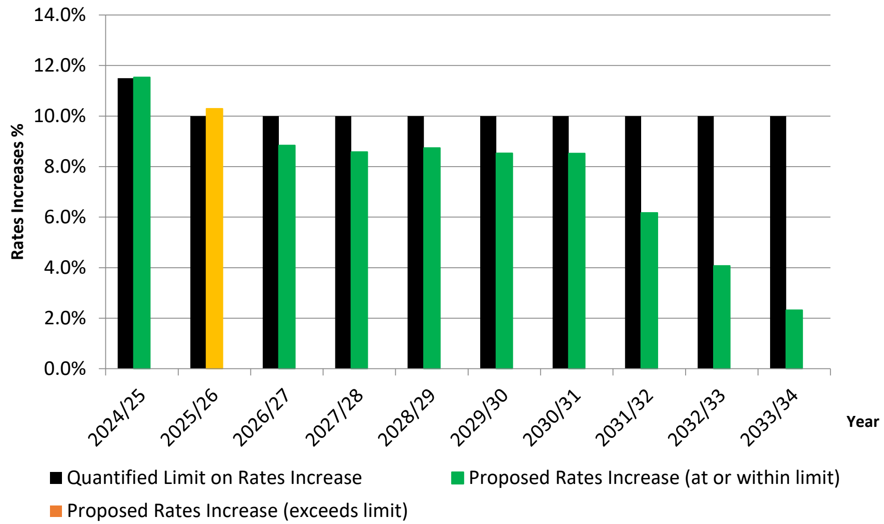
The following graph compares NPDC's planned rates with a quantified limit on rates contained in the Financial Strategy included in this LTP. The quantified limit is that rates will not exceed 75 per cent of operating revenue.



Rates (increases) affordability

The following graph compares NPDC's planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this LTP. The quantified limit is that the average residential rate increase will not exceed 10 per cent, except in year one where the limit is 11.5 per cent.

The 2025/26 proposed rates increase exceeds the 10 per cent limit by 0.3 per cent. NPDC will review and revise the average residential rates increases planned for 2025/26 during the annual plan process.



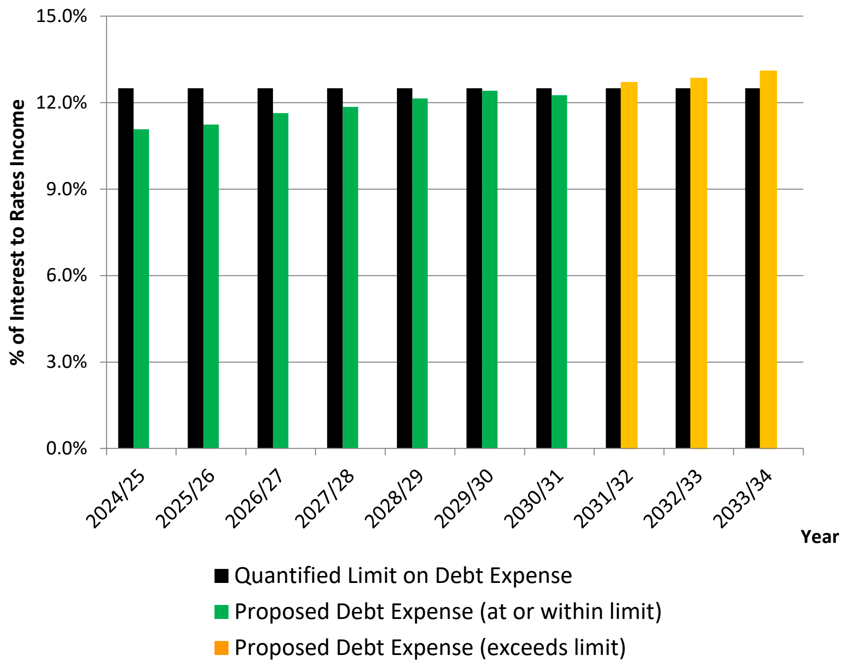
Note. The proposed rates percentage increase for years two to 10 is the percentage increase with the base being the prior year proposed rates. In 2024/25 (year one), the proposed rates increase is the percentage increase with the base being the actual rates set in 2023/24.

Debt affordability benchmark

Debt (expense) affordability

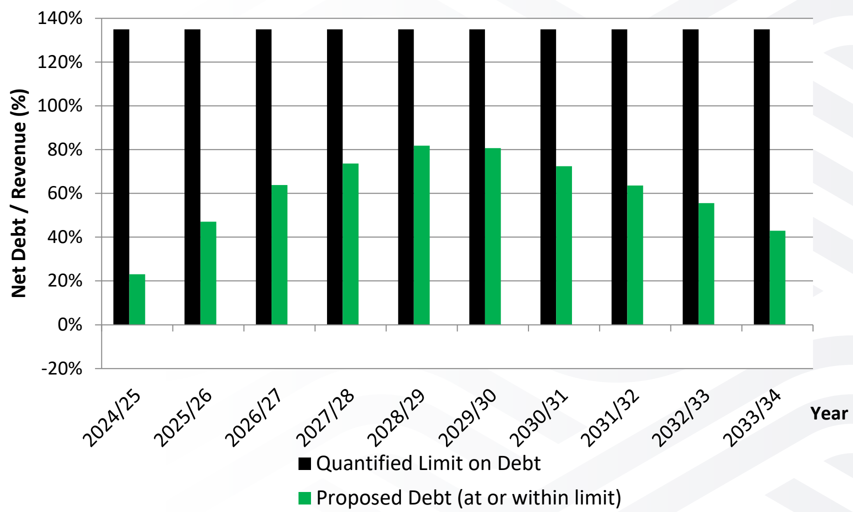
The following graph compares NPDC's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this LTP. The quantified limit per the Financial Strategy is for interest expense on external borrowings to be no more than 12.5 per cent of rates income.

The proposed debt expense exceeds the limit of 12.5 per cent of rates by 0.2 per cent in 2031/32, 0.3 per cent in 2032/33 and 0.6 per cent in 2033/34. NPDC will review and revise the total borrowings and interest rates annually during each annual plan process.



Debt affordability

The following graph compares NPDC's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this LTP. The quantified limit per the Financial Strategy is for net external borrowings to be no more than 135 per cent of total revenue.

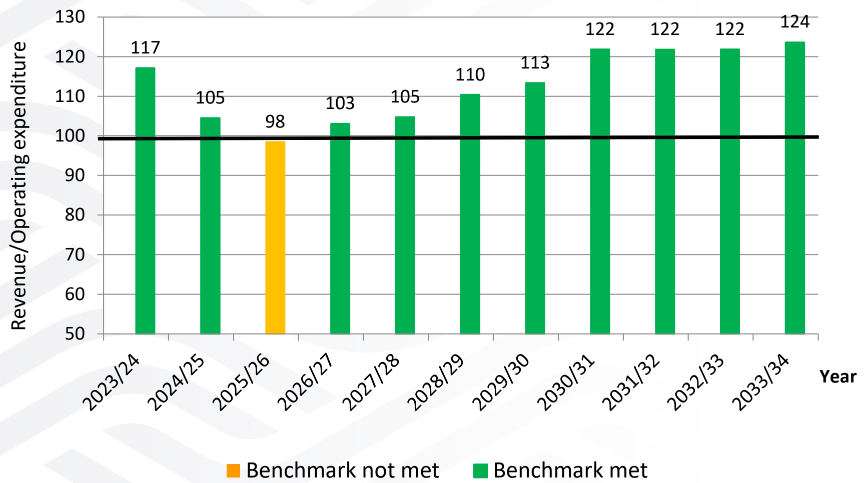


Balanced budget benchmark

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

NPDC meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

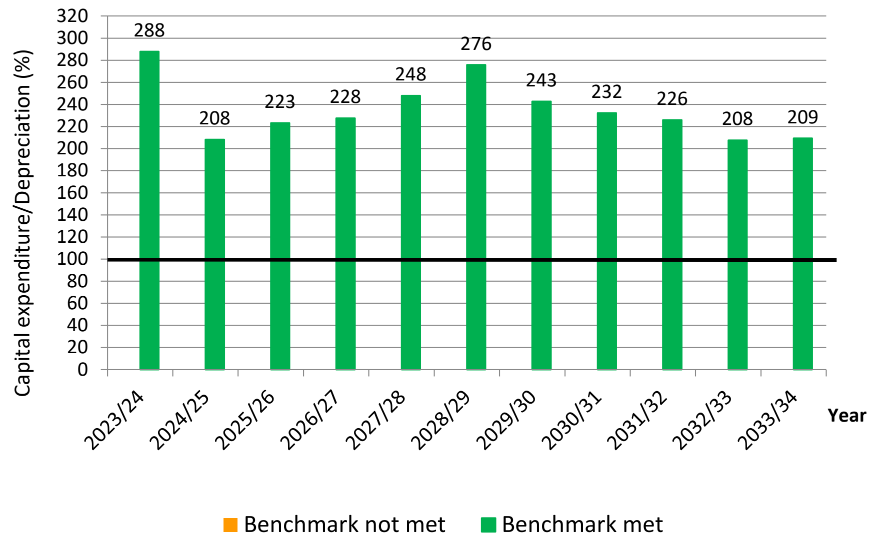
The proposed 2025/26 budget does not meet the balanced budget limit of 100 per cent of rates. NPDC will review and revise the budget planned for 2025/26 during the annual plan process.



Essential services benchmark

The following graph displays NPDC's planned capital expenditure on network services as a proportion of expected depreciation on network services.

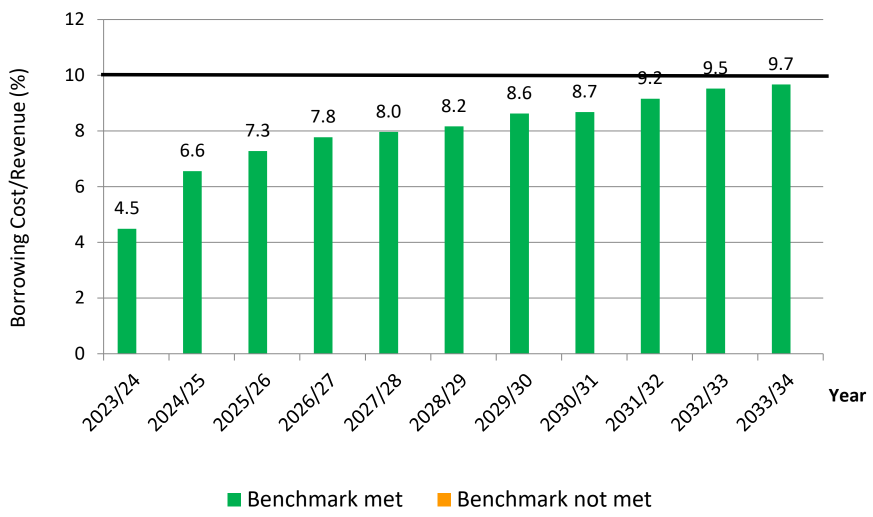
NPDC meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

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

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



Funding Impact Statement
Ngā tuhituhi ki ngā Tauāki Pūtea

New Plymouth District Council: Funding Impact Statement for 1 July 2024 to 30 June 2034 (Whole of Council)	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Sources of operating funding											
General rates, uniform annual charges, rates penalties	**87.16**	91.04	96.77	104.94	111.25	125.01	136.48	154.02	167.00	174.76	177.23
Targeted rates	**45.18**	56.77	65.53	72.98	81.82	87.33	95.49	101.49	107.40	113.27	118.54
Subsidies and grants for operating purposes	**7.40**	10.69	11.17	11.23	13.69	13.87	13.89	14.27	14.43	14.59	14.84
Fees and charges	**35.23**	36.87	38.50	39.44	41.38	41.88	42.44	43.67	44.21	44.93	45.89
Interest and dividends from investments	**16.11**	17.38	17.79	18.19	18.62	19.06	19.51	19.96	20.24	20.30	20.37
Local authorities fuel tax, fines, infringement fees and other receipts	**1.38**	1.33	1.33	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34
Total operating funding (A)	192.46	**214.08**	**231.09**	**248.12**	**268.10**	**288.49**	**309.15**	**334.75**	**354.62**	**369.19**	**378.21**
Applications of operating funding											
Payments to staff and suppliers	**161.80**	168.03	177.79	178.19	190.84	192.83	196.72	195.62	200.62	205.39	208.28
Finance costs	**11.32**	16.44	18.36	20.84	23.06	25.99	29.03	31.60	35.15	37.37	39.18
Internal charges and overheads applied	**(7.01)**	–	–	–	–	–	–	–	–	–	–
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	166.11	184.47	196.15	199.03	213.90	218.82	225.75	227.22	235.77	242.76	247.46
Surplus/(deficit) of operating funding (A-B)	**26.35**	**29.61**	**34.94**	**49.09**	**54.20**	**69.67**	**83.40**	**107.53**	**118.85**	**126.43**	**130.75**
Sources of capital funding											
Subsidies and grants for capital expenditure	**54.52**	33.05	18.47	20.03	21.39	28.22	27.45	29.41	29.20	23.38	27.26
Development and financial contributions	**3.19**	6.63	10.33	13.31	13.23	13.10	13.53	14.13	14.51	14.04	14.99
Increase/(decrease) in debt	**26.57**	39.00	74.00	54.99	55.01	56.99	20.02	43.99	50.01	41.01	31.00
Gross proceeds from sale of assets	**8.63**	5.17	4.28	1.48	1.54	3.14	1.56	1.45	1.57	1.45	1.27
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	92.91	**83.85**	**107.08**	**89.81**	**91.17**	**101.45**	**62.56**	**88.98**	**95.29**	**79.88**	**74.52**
Applications of capital funding											
Capital expenditure:											
- to meet additional demand	**17.30**	16.15	15.00	12.90	19.34	25.13	20.77	15.35	21.21	25.74	21.23
- to improve the level of service	**68.59**	62.50	78.22	75.07	55.83	70.07	55.22	63.88	57.27	40.72	43.24
- to replace existing assets	**49.13**	43.10	61.82	61.55	69.70	80.93	74.41	76.03	79.71	85.47	77.36
Increase (decrease) in reserves	**(15.85)**	(8.29)	(13.02)	(10.62)	0.50	(5.01)	(4.44)	41.25	55.95	54.38	63.44
Increase (decrease) of investments	**0.09**	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	119.26	113.46	142.02	138.90	145.37	171.12	145.96	196.51	214.14	206.31	205.27
Surplus/(deficit) of capital funding (C-D)	**(26.35)**	**(29.61)**	**(34.94)**	**(49.09)**	**(54.20)**	**(69.67)**	**(83.40)**	**(107.53)**	**(118.85)**	**(126.43)**	**(130.75)**
FUNDING BALANCE (A-B) + (C-D)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Other information to be provided
Clause 5(4) Local Government (Financial Reporting and Prudence) Regulations 2014

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Depreciation and amortisation expense											
Depreciation expense	49.53	53.47	60.11	61.23	62.51	69.87	70.45	71.67	79.41	79.54	80.54
less deferred/unfunded	(29.37)	(22.56)	(23.05)	(18.34)	(10.37)	(3.25)	5.58	15.17	9.58	12.10	16.48
NET FUNDING TRANSFERRED TO RENEWALS RESERVES	**20.16**	**30.91**	**37.06**	**42.89**	**52.14**	**66.62**	**76.03**	**86.84**	**88.99**	**91.64**	**97.02**

Reconciliation Summary

He Whakarāpopoto o ngā pono

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

PBE FRS 42: Prospective Financial Statements (specifically paragraph 40) requires reconciliation or narrative explaining differences in presentation of prospective financial information. Earlier in this section, NPDC presented its Prospective Financial Plan, Prospective Financial Statements and Summary Funding Impact Statement. The following reconciliation explains the differences in accounting treatment of the operating sections of each of the prospective financial statements.

	A/Plan 2023/24 ($m)	Budget 2024/25 ($m)	Budget 2025/26 ($m)	Budget 2026/27 ($m)	Budget 2027/28 ($m)	Budget 2028/29 ($m)	Budget 2029/30 ($m)	Budget 2030/31 ($m)	Budget 2031/32 ($m)	Budget 2032/33 ($m)	Budget 2033/34 ($m)
Sources of operating funding											
Total operating funding (A)	192.45	214.08	231.08	248.11	268.08	288.49	309.14	334.75	354.62	369.18	378.19
add sources of capital funding:											
- Subsidies and grants for capital expenditure	54.52	33.05	18.47	20.03	21.39	28.22	27.45	29.41	29.20	23.38	27.26
- Development and financial contributions	3.19	6.63	10.33	13.31	13.23	13.10	13.53	14.13	14.51	14.04	14.99
add statement of comprehensive revenue and expense:											
- Unrealised gain/(loss) on investment funds	9.26	9.40	9.57	9.70	9.82	9.89	10.01	10.12	10.13	10.14	10.14
- Disposals gain/(loss) from sale of assets	5.42	3.85	2.92	-	-	1.84	-	-	-	-	-
- Vested assets	5.25	5.09	5.21	5.33	5.45	5.58	5.70	5.81	5.93	6.04	6.16
TOTAL OPERATING REVENUE AS PER STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	270.09	**272.10**	**277.58**	**296.48**	**317.97**	**347.12**	**365.83**	**394.22**	**414.39**	**422.78**	**436.74**
Applications of operating funding											
Total applications of operating funding (B)	166.11	184.47	196.14	199.03	213.90	218.82	225.75	227.22	235.77	242.76	247.46
add statement of comprehensive revenue and expense:											
- Depreciation and amortisation expenses	49.53	53.47	60.11	61.23	62.51	69.87	70.45	71.67	79.41	79.54	80.54
- Revaluation (gain)/loss on forestry	(0.13)	2.18	0.21	(0.10)	(0.10)	(0.12)	0.67	(0.09)	(0.09)	(0.09)	(0.09)
TOTAL OPERATING EXPENSE AS PER STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	215.51	240.12	256.46	260.16	276.31	288.57	296.87	298.80	315.09	322.21	327.91