



ANNUAL PLAN 2016/17



Thames Coromandel District Council

2016/17 Annual Plan

Table of Contents

Introduction Whakataki.....	1
How to read this plan Me pehea rā e pānui ai	3
What's an Annual Plan? He aha tēnei mea te mahere-ā-tau?	3
What's changed? Ngā whakarerekētanga?	4
Fees and charges Ngā utu	9
Performance measures Ngā mēhua	10
Annual Plan disclosure statement	12
Financial statements Tauākī pūtea.....	14
Funding Impact Statement	40
Capital Expenditure statements.....	62

Introduction | Whakataki

Message from Mayor

This Annual Plan sums up a lot of the hard work our Council has done over the last six years to keep spending under control and rates down. We have also made sure that we are sticking to the decisions made in our 2015-25 Long Term Plan.

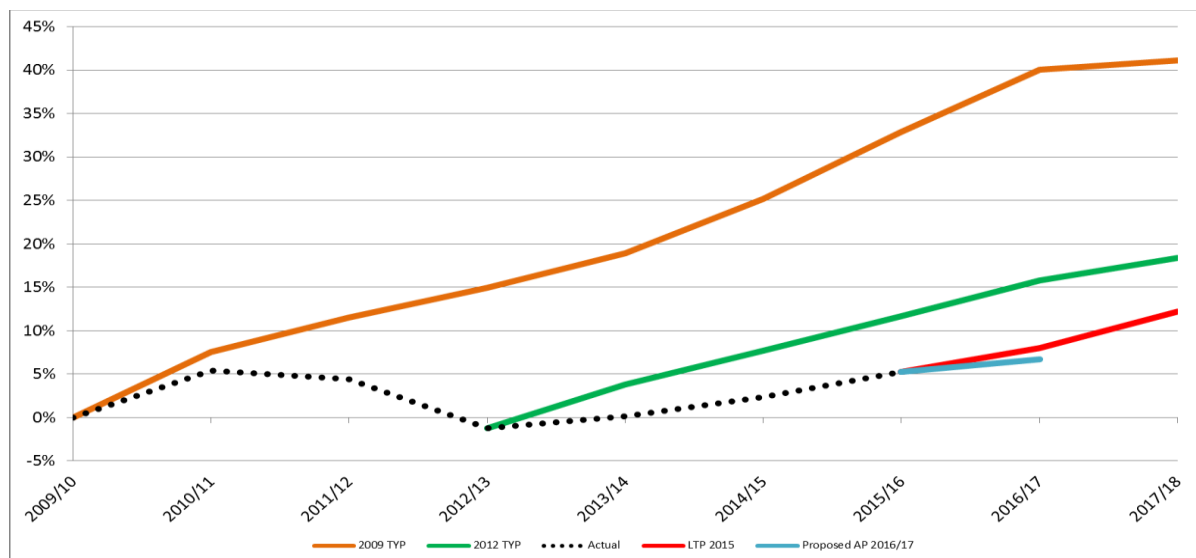
It used to be that for every Annual Plan we'd have to go through a formal public consultation, like we did with the Long Term Plan in 2015. For that LTP we received 567 submissions, and these had a large impact on the final Plan. Due to a change in the law, rather than asking you the same questions two years in a row, we can simply get on with what we said we'd do.

Our work programme for 2016/17 is on track with the LTP apart from some small differences which reflect changes in circumstances through more detailed cost estimates and tender prices. Some projects have seen delays which are pushing them into the new financial year. This Annual Plan explains the differences.

Our focus remains on providing key services such as good quality infrastructure, community facilities, building control and much more. We're also working to stimulate economic development through major projects like the Coromandel Harbour facilities upgrade, the extension of the Hauraki Rail Trail from Kopu to Kaiaua, the Great Walks project and the WWI Memorial Forest. With these projects and others we are minimising the impact on ratepayers by sourcing external funding.

Our financial situation is very good and I'm very happy to say that for 2016/17 we're keeping the average rates increase to 1.4%, which is lower than the 2.61% we projected in last year's LTP. Our financial reserves are in a healthy state and we're narrowing the gap between forecast capital expenditure and actual spending. We have put in place robust project management programmes to further reduce the gap.

The graph below illustrates where we've come with our rates since the 2009/10 financial year. The 2009-19 Long Term Plan indicated our average rates for 2016/17 would be 35% higher than they were in 2009/10. Instead, through efficiencies and constantly keeping an eye on the bottom line, the increase in rates over this time has been held to 5% - that's lower than the rate of inflation, which has increased 9.6% since 2009/10.



We think that last year we achieved a Long Term Plan that enables us to maintain our essential services, provide leadership on some core areas of community development and that has broad community support, so the decision to proceed with this Annual Plan with small changes was an easy one. This puts us in good position to shape our vision that the Coromandel will be New Zealand's most desirable place to live, work and visit.

Glenn Leach
MAYOR

Message from the Chief Executive

Arriving as the new Chief Executive for Council in May 2016 means that I have a steep learning curve before the work starts on delivering the next Annual Plan and I am looking forward to getting to know our team involved with completing this upcoming programme of work.

I feel so privileged to be working within the outstanding Thames-Coromandel District, one of the finest and most renowned visitor destinations in New Zealand. I must also acknowledge and celebrate the historical, environmental and economic potential this whole District has and I really look forward to working with our community to realise that potential.

The 2016/17 work programme demonstrates our Council's commitment to providing quality, affordable services and facilities to ratepayers, residents and visitors to the District and I am pleased to support this and ensure that our team puts every effort into delivering on those promises made.

Rob Williams
CHIEF EXECUTIVE

How to read this plan | Me pehea rā e pānui ai

This plan is broken into the following sections:

How to read this plan	An explanation of each of the section and the new legal requirements for annual plans.
What's changed?	Contains a high level summary of the changes from the Long Term Plan, sorted by Group of Activities and includes fees and charges and updated information on performance measure targets.
Disclosure statement	Discloses the Council's planned financial performance in relation to various benchmarks to show whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.
Financial statements	This section contains the 2016/17 budget and includes: <ul style="list-style-type: none">▪ A statement of accounting policies▪ Funding impact statements (included in forecast financial statements)▪ Identification of reserve funds▪ Rating base information▪ Projected rating units▪ Capital expenditure statements

What's an Annual Plan? | He aha tēnei mea te mahere-ā-tau?

The 2016/17 Annual Plan refines the budget described in year two of the 2015-2025 Long Term Plan and produces an annual budget for the 2016/17 year.

Every three years Council develops a Long Term Plan which has detailed budgets for the following three years as well as a longer term view out to ten years. Council last developed a Long Term Plan in 2015. In the two years between each Long Term Plan we develop an Annual Plan to provide better planning and financial information for those years.

Recent changes to the legislation which governs these documents has meant a change to the way we consult with the community for these Annual Plans. This is the first Annual Plan developed under these rules, so it will look different to our past annual plans.

Historically we have called for formal submissions on the Annual Plan development, but we are now able to be more flexible with consultation. If a formal submission process is to be run, it must focus on just the significant or material changes. If there are no significant or material changes proposed to the budgets as they were described in the Long Term Plan, running a formal submission process is not required. The terms significant and material are defined by legislation and we have tested the changes we've made in the 2016/17 year against this definition.

There was not any significant or material changes identified in the budgets and work programme for the 2016/17 financial year, so Council did not seek formal submissions for the 2016/17 Annual Plan.

We instead used the changes to legislation to interact more meaningfully with the community on the work programme for the coming year. Our Community Boards hosted information sessions to let people know each area's upcoming work programme along with any major district wide projects in the area.

What's changed? | Ngā whakarerekētanga?

We did not make any significant or material changes from the 2015-2025 Long Term Plan, however for your interest below is a summary of the notable changes from what we said we'd do in the 2015-25 Long Term Plan budgets and what we now plan to do for the 2016/17 year, presented by groups of activities. Groups of activities are how we arrange our services for the purposes of our planning instruments like the Long Term Plan and Annual Plan.

More information on our groups of activities including descriptions of the activities within the groups, the rationale for delivery of the activities and performance measurement information is available from pages 86 to 161 in our 2015-25 Long Term Plan. This can be accessed on our website: www.tcdc.govt.nz/ltp.

If you would like to read about the financial information associated with each activity for the 2016/17 year, refer to our financial statements in this document from page 14.

Roads and Footpaths

Hauraki Rail Trail - stage two: CARRIED OVER

Stage two of the Hauraki Rail Trail, one of Council's anchor projects, has been carried over from 2015/16 to continue in the 2016/17 year. The budget for this work is \$1,000,000. The Hauraki Rail Trail will be extended from Kopu to Kaiaua, bringing cyclists from around the North Island closer to the Coromandel. The cycleway will hug the southern shore of the Firth of Thames, passing through a birdwatcher's and geologist's paradise - well away from the traffic on SH25. The lead partner on this project, Hauraki District Council, has begun track construction. For updates see our project webpage: www.tcdc.govt.nz/hrt.

Road legalisation: INCREASED

Funding of this project is being funded as an operational activity (funded from rates) rather than a capital activity (funded from loan) as it has in the past. Greater resourcing within the roading team has enabled the completion of a backlog of road legalisation projects resulting in the budget increasing to \$150,000 in the 2016/17 budget compared to \$52,541 provided for in the Long Term Plan.

Storm events: INCREASED

Over March and April 2016, the district suffered two storm events which brought high rainfall and resulted in significant damage to roads in the area. To aid in repairing this damage we have increased our storm events budget for the 2016/17 year by \$380,000.

Major drainage control and district-wide pavement treatment: TRANSFERRED

After the damage from the March/April 2016 storm events, Council has identified a number of steep sections in our road network which are prone to future storm damage. We have transferred the \$250,000 surplus from our district-wide pavement treatment budget to our major drainage control budget to respond to these areas.

Stormwater

Kopu land purchase: CARRIED OVER

This project has not significantly progressed in the 2015/16 year, so \$505,000 of the budget is being carried forward into the 2016/17 year.

Wastewater

Matarangi wastewater consent: BROUGHT FORWARD

We are responding to both community feedback and earlier than anticipated growth and will renew the Matarangi wastewater consent earlier than identified in the Long Term Plan. This project was budgeted for in the 2019/20 year but has been bought forward to the 2015/16 and 2016/17 year. This has the effect of an additional \$100,000 in the 2016/17 budget.

Whangamata forest harvest: NEW

We're planning on harvesting the forest which receives the discharge from the Whangamata wastewater treatment plant over the 2015/16 and 2016/17 year. For the 2016/17 year this means an expenditure of \$10,000 and revenue of \$800,000.

Sludge handling: INCREASE

In order to remove the sludge from Whangamata's wastewater pond, we require an additional \$200,000 in the 2016/17 budget.

Coromandel treatment plant upgrade:**CARRIED OVER**

A new transformer is required to put aeration requirements in place to reduce ammonia. There is a lengthy lead-in time for this work so we are carrying \$266,000 over from the 2015/16 year into the 2016/17 year.

Water Supply**District renewals: INCREASED**

Priority renewals have been identified through our on-going work in reviewing our water supply infrastructure. Replacements of three Thames water mains on Queen, Mary and Brunton Streets have been added to our renewals programme for the 2016/17 year and will cost \$680,000.

Hahei consent renewal - groundwater:**REMOVED**

This project, which had a budget of \$87,000 has been removed from the 2016/17 year because this work has occurred throughout the 2014/15 and 2015/16 years.

Whitianga consent renewal -**Whangamaroro: REMOVED**

This project has been removed from the 2016/17 budget because the consent does not need to be renewed until 2025.

Tairua river bank filtration (Tairua riverbed filtration): CARRIED OVER AND INCREASED

Due to legal delays, the construction costs of \$307,000 need to be carried forward from the 2015/16 year to the 2016/17 year, and an additional budget of \$70,000 is required to cover delay based variation costs.

Solid Waste**Whitianga transfer station and weighbridge infrastructure: DEFERRED**

In order to complete more planning before starting work on the Whitianga transfer station, we have deferred the budget from the 2016/17 year. This will now occur in the 2017/18 year. This project has a budget of just under \$2,000,000.

Health and safety: NEW

New to this activity is a \$100,000 budget line for health and safety improvements across all refuse transfer stations in the district, in response to requirements in new Health and Safety legislation.

Representation

There are no notable changes from the Long Term Plan within the representation group of activities for the 2016/17 year.

Planning and regulation

There are no notable changes from the Long Term Plan within the planning and regulation group of activities for the 2016/17 year.

Protection of People and the Environment**Macrocarpa Reserve erosion: NEW**

This is a new project to address the coastal and fluvial (river) erosion that is threatening both public land (TCDC) and State Highway 25 (Buffalo Beach Road). The project will span multiple years and for 2016/17 it is planned to install a groyne on the northern end of Buffalo Beach North Reserve next to the Te-Waiti Stream. This project will cost \$100,000 in the 2016/17 year.

Cooks Beach protection: CARRIED OVER

The public notification process of the resource consent to build the Cooks Beach Protection wall has caused delays to this project, and coupled with the development of a new coastal management strategy document which may determine the outcome of the wall; this project has been carried over. This means that \$269,820 of the budget from the 2015/16 year has been carried over to the 2016/2017 year.

Disaster reserve INCREASED

We have added \$200,000 to our disaster reserves to replenish them after the major storm events in March/April 2016.

Community Spaces and Development

Thames

Thames Civic Centre improvements: installation of a hearing loop and bar code reader: NEW

This project will provide a hearing loop to improve the experience of people with hearing impairments, and with the growing popularity of e-ticketing it is also planned to install a bar code reading system which can be used by hirers of the hall. This new project is budgeted to cost \$51,000.

Thames monument works: NEW

Council is providing seed funding of \$20,000 for grant money towards upgrading the Thames monument. This expenditure is subject to receiving external funding.

Porritt Park playground improvements: NEW

It is planned to re-establish the play equipment which was moved as a result of providing space for the Thames Skate Park and the new toilet block in the Porritt Park playground. This will include any existing fit for purpose items including the Junior Swing set, the Playco Train and the Dragon Challenge play equipment. This new project has a budget of \$43,000.

Queen Street pedestrian access improvements: NEW

The Thames Community Board plans to construct two pedestrian refuge crossings on Queen Street to improve accessibility and address safety issues, as well as enable and encourage greater use of Porritt Park. The budget for this new work is \$50,000.

Danby Field carpark northern exit: NEW

A new northern exit from Danby Field carpark, budgeted as \$15,000, will improve accessibility in the busy carpark and make the carpark safer.

Thames skate park: CARRIED OVER

The construction of the skate park has been delayed and \$292,000 has been carried forward into the 2016/17 year from the 2015/16 year.

Thames indoor sports facility: CARRIED OVER

Due to delays in the tendering process of this project and a change in the ownership arrangements of the final asset, we are carrying \$2,839,000 over from the 2015/16 year into the 2016/17 year to continue working on delivering an indoor sports facility in Thames. We have also moved \$1,054,000 of the operational funds into capital expenditure for this project.

Coromandel-Colville

Oamaru boat ramp renewals: NEW

In response to the steady deterioration of the boat ramp and to community feedback, we have a new budget of \$52,000 in the 2016/17 year to demolish and replace the ramp.

Coromandel charter fishing customer 'park and ride' car park - Te Kouma: NEW

This new project, with a budget of \$64,000, will help alleviate congestion on Te Kouma Road and parking issues at Hannaford's Wharf by enabling both a parking and transportation solution for customers of the Sugarloaf wharf to use.

Fureys Creek dredging: REMOVED

Due to a change in priorities for the Community Board, this work, which was to cost \$26,000, has been removed from the 2016/17 budget.

Mercury Bay

Whitianga medical centre: INCREASED

The work on this new project in the 2016/17 year will involve research, investigation and planning for a medical centre in Whitianga. The outcome of this planning will lead to construction of a medical centre in future years. The budget for this work has been increased by \$250,000.

Mercury Bay - Whitianga (previously destination) boat ramps: CARRIED OVER

This project has had some of the budget from the 2015/16 year carried over to 2016/17 because we're still completing the planning and consultation work to progress the project. This project will develop better boat launching facilities for Whitianga that cater for current and future needs of the boating community, as well as reducing congestion and enhancing Mercury Bay as a destination for boating. The amount carried over into the 2016/17 year is \$635,000.

Hahei park and ride development:**CARRIED OVER**

Completing our planning work has taken longer than anticipated. \$414,346 of the budget from 2015/16 has been carried over to the 2016/17 year to complete the project.

Mercury Bay museum roof replacement and condition assessment: NEW

This new project will identify future work required to protect the integrity of the museum building, as well as deliver important repairs to its roof. This project's budget is \$120,000.

Whangapoua public toilet effluent disposal: NEW

This new project will rebuild the effluent disposal beds for the Whangapoua public toilet and will cost \$60,000.

Mercury Bay cemetery stage two:**CARRIED OVER**

We need to re-tender for the work to build the new cemetery internal roading, which means that the majority of this project will occur in the 2016/17 year. We have carried over \$407,000 from the 2015/16 year to the 2016/17 year and will undertake the physical works from October 2016.

Ferry Landing historic wharf: INCREASE

We are seeking to receive an additional \$165,000 from external funding sources to complete the lighting component of this project.

Whangamata**Williamson Park redevelopment: CARRIED OVER AND INCREASED**

Work has already started on increasing the functionality of Williamson Park, and now we plan to complete the work, replant, construct boardwalks and realign the road to create 50% more space for community events and to improve facilities and accessibility of the park. To complete this work \$109,000 has been carried over from 2015/16 with an additional \$100,000 added to the 2016/17 year.

Whangamata Beach Road playground upgrade: BOUGHT FORWARD

The Whangamata Beach Road playground is old and deteriorating fast. The project to replace all the equipment to keep it safe was planned in the 2017/18 year but has been bought forward and will now occur in the 2016/17 year. The work will cost \$108,000.

Onemana toilet upgrade DEFERRED

Currently the public toilet is situated within the existing surf club building, and occupies a large portion of the building footprint. The surf club have designed a new club building and intend to start the consent process in 2016 which means we are deferring this project with a budget of \$126,000 until the 2017/18 year. The toilet upgrade will include relocation to another part of the reserve.

Whangamata harbour walkway/cycleway: DEFERRED

The Whangamata harbour walkway/cycleway was planned to occur in the 2016/17 year but will now occur in the 2017/18 year to give us more time to make sure the pathway strategically aligns with other projects in the area. The cost of this project is \$37,000.

Curb, channel and swale: CARRIED OVER

We are moving \$317,000 over from the 2015/16 budget to the 2016/17 year to complete surveys, design and construction.

Tairua - Pauanui**Mary Beach wharf: INCREASED AND CARRIED OVER**

The project to enhance the Mary Beach Wharf and boat ramp in Tairua is proceeding with an increase in funding. The budget for this work is now \$1,400,000 and this is split across the 2014/15, 2015/16 and the 2016/17 years. Of this, we have carried over \$236,000 from the 2015/16 year into the 2016/17 year budget. Updated plans and associated costs are now known and these were discussed with the working group and the Tairua-Pauanui Community Board, who recommended the final total budget which includes costs associated with resource consenting. As part of the discussions there were some significant cost savings made (including the removal of the additional wharf pontoon) to reduce the overall impact on rates.

Economic Development**Coromandel harbour and Sugarloaf development: DECREASE IN FUNDING**

Our anchor project for the Coromandel Harbour and Sugarloaf development has been redefined to better reflect the current need in this area to improve operational management and to provide a solid platform for future harbour developments. The budget for this work has decreased to \$160,000. This reflects

that we now have a different funding model (it's being driven by the Coromandel Marine Farmers Association) and has reworked options available to achieve the outcome for expanding the Sugarloaf facility. Harbour facilities around Coromandel Town need to be upgraded as we prepare for higher visitor numbers and increased usage of wharf and boat ramp facilities by both recreational and commercial users. Developing this infrastructure to allow for a fast ferry from Auckland will also have major economic benefits for the entire Coromandel District. For updates on this project refer to our project webpage:

<http://www.tcdc.govt.nz/coroharbourproject>.

Kupe/Cook celebrations: BROUGHT FORWARD

In November 2019 it will be the 250th anniversary since Captain Cook came to New Zealand and sailed into Mercury Bay. The work to prepare for the Kupe/Cook celebrations was initially budgeted for in the 2017/18 year but \$43,000 has now been bought forward to the 2016/17 year. For updates on this project see our webpage:

www.tcdc.govt.nz/mb250.

Great Walks: CARRIED OVER AND INCREASED

The Coromandel Great Walks project will create a world-class, multi-day walk that links strongly with towns and communities on the Coromandel and will drive economic development through tourism. This is a partnership project between Council, the Department of Conservation and iwi. We have carried \$1,060,000 in expenditure over from the 2015/16 year to the 2016/17 year for this project. We have also received an external grant of \$166,000 toward this project and expect to receive another \$500,000 in the 2016/17 year. Over the life of the project, the Council will have access to a total of \$1,333,000 of external funding.

Lees Road: CARRIED OVER

This project forms part of our Great Walks work. We are working on extending the Lees Road seal and making a new carpark to alleviate car parking issues in Hahei over the 2016/17 year. To do this, we are carrying \$160,000 over from the 2015/16 year to the 2016/17 year.

Fees and charges | Ngā utu

We have reviewed our fees and charges from the 2015/16 year and have made some changes for the 2016/17 year.

As well as reviewing all our fees and charges, we also had special requirements under legislation to undertake a consultation process for new fees under the Food Act 2014, and on changes made to some of our administrative fees which were set under the Resource Management Act 1991. These consultations were completed in the 2015/16 year and the results of these processes are reflected in the fees and charges for the 2016/17 year.

Although the preparation of an Annual Plan is the main mechanism we use to review our fees and charges, Council may from time to time change fees and charges by resolution in a meeting throughout the year. We are guided by our Revenue and Financing Policy when making these decisions and this can be viewed at www.tcdc.govt.nz/ltp.

A document containing the full list of our fees and charges and how they compare to the fees and charges set in the 2015/16 year can be accessed on our website at www.tcdc.govt.nz/fees. This document will be updated if any changes are made throughout the year.

Our internal reference number for the 2016/17 fees and charges is doc set #4307158

Performance measures | Ngā mēhua

Delivery against performance measures and targets is how we measure performance against the major aspects for each of our groups of activities. This information per activity is available from page 86 to 161 in our 2015-25 Long Term Plan.

The following performance measure targets are defined each year using our Annual Plan:

Planning and regulation

Level of Service	Performance Measure	2016-17 target
Strategic Planning		
Council operates within a current and relevant strategic and legislative framework.	Proportion of work programme milestones completed. (<i>Strategies, policies, bylaws, research projects e.g. peak population study</i>)	<ul style="list-style-type: none"> Undertake a review of Council's Revenue and Financing Policy to be ready for public consultation, in conjunction with finance staff. Undertake a review of Council's Rating Policy to be ready for public consultation, in conjunction with finance staff. Complete a review of the Council's strategic direction with the new council following the 2016 local body election.
District Plan		
The Council prepares reviews and maintains plans and policies for the management of the District's natural and physical resources.	Proportion of work programme progressed to complete and implement District Plan.	<ul style="list-style-type: none"> Report to the 28 September 2016 Council meeting on the number and complexity of appeals to the Environment Court. An 'Appeals Version' of the Proposed District Plan available by 1 October 2016. Line of Enquiry established and operational by 31 March 2017.

Protection of people and the environment

Level of Service	Performance Measure	2016-17 target
The Council will work with other agencies to manage the effects of natural hazards.	Work programmes progressed with other agencies to manage the effects of natural hazards.	Completion of a coastal management strategy which informs the district wide work programme in responding to coastal hazards

Economic development

Level of Service	Performance Measure	2016-17 target
Implement strategies and programmes to support and facilitate sustainable economic growth on the Coromandel.	Proportion of Priority One Economic Development Strategy Work Programme achieved. (Expressed as a number or % dependent on scale and detail of programme)	75% of the economic development 2016/17 work programme* achieved

*Economic development 2016/17 work programme:

- Contract management of Destination Coromandel and ISITE service level agreements

- Deliver the 2016/17 major event sponsorship funding programme
- Contract management of major events fund and work with event managers to develop sustainable events
- Establish permanent event development function via Destination Coromandel
- Establish major exporter and employers forum
- Work with aquaculture, forestry and manufacturing industries on boosting export potentials
- Partnership programme for better broadband
- Facilitate electric vehicle charging stations
- Work with Auckland Tourism, Events and Economic Development (ATEED) on food trail programme
- Deliver the 2016/17 Summertime magazine and marketing programme
- Facilitate business friendly initiatives at Thames-Coromandel District Council
- Establish permanent business broker role
- Deliver a "Blue Highway Programme" to promote Auckland - Coromandel ferry
- Invest in Infometrics economic data profile
- Deliver 2016/17 Project Kopu work programme
- Develop strategic relationship with Callaghan Institute/Waikato Innovation Park
- Review the Economic Development and Events Strategies
- Work with the creative industries sector on a Coromandel arts trail
- Deliver 2016/17 Sugarloaf project milestones
- Deliver 2016-17 Coromandel Walks milestones
- Deliver stage 2 of the Hauraki Rail Trail - Kopu to Kaiaua (K2K)
- Deliver 2015/16 WW1 Forest Programme - stage 2

Annual Plan disclosure statement

Annual Plan disclosure statement for period commencing 1 July 2016

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.

Benchmark		Planned	Met
Rates affordability benchmark			
▪ Income - no more than 80% of total revenue to come from rates	\$68,467,290	\$61,433,724	Yes
▪ Increases - average cumulative district rate increase of no more than CPI	4.53%	4.30%	Yes
▪ Increases - average cumulative district rate increase of less than or equal to LGCI + 2%	6.90%	4.30%	Yes
Debt affordability benchmark			
▪ External debt no more than 150% of total rates revenue	\$92,150,586	\$47,625,102	Yes
▪ Annual interest on external debt no more than 15% of total rates revenue	\$9,215,059	\$2,636,423	Yes
Balanced budget benchmark	100%	100%	Yes
Essential services benchmark	100%	97%	No
Debt servicing benchmark	10%	3.9%	Yes

Notes

1 Rates affordability benchmark

- (1) For this benchmark,—
 - (a) the Council's planned rates income for the year is compared to no more than 80% of total revenue coming from rates, as 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 two quantified limits contained in the financial strategy included in the Council's Long Term Plan. The ultimate target is an average cumulative district rate increase of no more than CPI (%), however the target for the financial strategy is an average district rate increase of less than or equal to LGCI + 2% (%).
- (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.

2 Debt affordability benchmark

- (1) For this benchmark, the Council's planned borrowing is compared with two quantified limits contained in the financial strategy included in the council's Long Term Plan. The first is external debt will not be more than 150% of total rates revenue and secondly, annual interest on external debt will not be any more than 15% of total rates revenue.
- (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.

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 slower than 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.

Additional information or comment

Essential Services Benchmark - the Council does not meet this benchmark, however this is considered financially prudent because we have a large amount of relatively new infrastructure (e.g. three wastewater plants) which will not require renewals for many years yet. We are funding depreciation and building depreciation reserves towards the time that major renewals are required.

Financial statements | Tauākī pūtea

Statement of Accounting Policies for Prospective Financial Statements	15
Prospective Statement of Comprehensive Revenue and Expense	30
Prospective Statement of Changes in Net Assets and Equity	30
Prospective Statement of Financial Position	31
Prospective Statement of Cash Flows	32
Notes to Prospective Financial Statements	33
Statement of Financial Reserves	35
Depreciation reserves	36
Special reserves	37
LGA contributions reserves	39
Funding Impact Statement	40
Thames-Coromandel District Council: Funding Impact Statement for the year ending 30 June 2017 (Whole of Council)	47
Funding Impact Statement	48
Funding Impact Statement rating scenarios (including GST)	58
Allocation of rates to activities 2016/17 (GST inclusive)	60
Capital Expenditure statements	62

Statement of Accounting Policies for Prospective Financial Statements

Reporting entity

Thames-Coromandel District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity for financial reporting purposes.

The financial information contained within the Annual Plan may not be appropriate for purposes other than those described.

Council, who are authorised to do so, believe the assumptions underlying the prospective financial statements are appropriate and as such, have adopted the Annual Plan and have approved it for distribution on 29 June 2016.

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. Estimates have been restated accordingly if required. No actual financial results have been incorporated within the prospective financial statements.

Council and management of Thames-Coromandel District Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and other required disclosures.

Statement of compliance

The prospective financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP), as required under section 93 and section 111 of the Local Government Act 2002, and opening balances for the year ended 30 June 2016.

The prospective financial statements have been prepared in accordance with Tier 1 PBE FRS 42 Prospective Financial Statements. These prospective financial statements comply with PBE standards.

Measurement base

The prospective financial statements have been prepared on an historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

Functional and presentation currency

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Council is in New Zealand dollars.

Judgement and estimations

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

Cautionary note

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

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

Changes in accounting policies

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the prospective statements for the Annual Plan.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods on or after 1 April 2015. The Council has applied these standards in preparing its prospective financial statements. The Council expects that there will be minimal or no change in applying these updated accounting standards.

There have been no other changes in accounting policy.

Assumptions underlying prospective financial information

The financial information contained within these policies and documents is prospective financial information in terms of PBE IPSAS 42 *Prospective Financial Statements*. The purpose for which it has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Council over the financial year from 1 July 2016 to 30 June 2017, and to provide a broad accountability mechanism of the Council to the Community.

Basis of consolidation

Associates

An associate is an entity, over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are recognised under the equity method of accounting whereby the investment in the associate is recognised at cost with the carrying amount adjusted to reflect the ownership interest in the associate.

Council has elected to recognise its interests in both the Hauraki Rail Charitable Trust and Destination Coromandel Trust as associates of Council. However, given that Council does not have an ownership interest in either trust and that no share of the profit or loss is made to Council, it is impractical for Council to recognise its relationship with both trusts through this method of accounting. Nevertheless, the relationship is recognised as a related party with the appropriate disclosures made in accordance with PBE IPSAS 20 *Related Party Disclosures*.

Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Council has a 40% interest in a jointly controlled entity called the Thames Valley Emergency Operating Area (TVEOA). Council is the administering authority of this entity and accounts for its interest in this entity under the equity-method of accounting.

Revenue

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below.

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 at the start of the financial year to which the rate resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water by volume rates is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Development and financial contributions

Development contributions are recognised as revenue when 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.

New Zealand Transport Agency roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

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

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.

Sale of goods

Revenue from sales of goods is recognised when a product is sold to the customer.

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

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

Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

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

Donated services

The work of Council relies on the voluntary services of residents, particularly in the activities of parks and reserves, libraries, and foreshores. Since these services are not purchased by Council and, because of the difficulty of determining their value with reliability, donated services are not recognised in the financial statements.

Sale of goods

Revenue from sales of goods is recognised when a product is sold to the customer.

Expenses

Specific accounting policies for major categories of expenditure are outlined below.

Borrowing costs

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

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.

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 approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rates at the date of the transactions. Foreign exchange 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 prospective surplus or deficit.

Income tax

Income tax expense includes components relating to both current and deferred tax. The Council is exempt from income tax with the exception of income derived from wharf operations. Historically, the deductible operating expenditure has offset any operating revenue that is subject to income tax.

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

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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 profits will be available against which the deductible temporary differences or 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 is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the prospective surplus or deficit over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

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.

Rental income from an operating lease is recognised on a straight-line basis over the term of the relevant lease.

Cash and cash equivalents

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

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

Receivables

Receivables are recorded at their face value, less any provision for impairment.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially measured at fair value on the contract date, and are re-measured to their fair value at each balance date. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. Any gains or losses arising from changes in fair value are recognised in the prospective surplus or deficit.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in the prospective surplus or deficit.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion classified as non-current.

The Council has elected not to apply hedge accounting to its derivative financial instruments.

Other financial assets

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through the prospective surplus and 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 derecognised 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.

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

- fair value through prospective surplus or deficit;
- loans and receivables; and
- Fair value through prospective other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through prospective surplus or deficit include financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the prospective surplus or deficit.

Council's financial assets at fair value through surplus or deficit include derivatives that are not designated as hedges, and include interest rate swaps and foreign exchange options.

Loans and receivables

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

After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the prospective surplus or deficit.

Loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the prospective surplus or deficit as a grant expense. The loans are subsequently measured at amortised cost using the effective interest method.

Council's loans and receivables are comprised of cash and cash equivalents, trade and other receivables, term deposits and loans.

Fair value through other comprehensive income revenue and expense

Financial assets at fair value through prospective other comprehensive income revenue and expense are those that are designated into the category at initial recognition or are not classified in

any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of the balance date.

The Council includes in this category:

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

These investments are measured at their fair value, with gains and losses recognised through prospective other comprehensive income, except impairment losses, which are recognised through the prospective surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in prospective other comprehensive income is reclassified from equity to the prospective surplus or deficit.

Investments in this category include shares held in New Zealand Local Government Insurance Corporation Limited and Local Authority Shared Services Limited.

Council has a one-twelfth ordinary shareholding in the Local Authority Shared Services Limited. The investment also consists of shares in the Shared Valuation Data Service, service shares in the Waikato Region Aerial Photography Service and Waikato Regional Transport Model. These shares have been measured at cost at the date of acquisition and have remained at cost, which may not equate to fair value.

Each year within the Annual Report, Council recognises its interest in its jointly controlled entity, the Thames Valley Emergency Operating Area using the equity method (per PBE IPSAS 7). This allows Council to recognise the investment initially at cost. The carrying amount is then increased or decreased to recognise Council's share of the prospective surplus or deficit of the jointly controlled entity after the date of recognition. However, due to immateriality reasons, Council has elected not to recognise its interest in the TVEOA for the purposes of this report.

Impairment of financial assets

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

Loans and other receivables

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

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the prospective surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Impairment in term deposits, local authority stock, government bonds and community loans are recognised directly against the instrument's carrying amount.

Financial assets at fair value through prospective other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. The cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss of that financial asset previously recognised in the prospective surplus or deficit) recognised in prospective other comprehensive revenue and expense is reclassified from equity to the prospective surplus or deficit.

Equity instrument impairment losses recognised in the prospective surplus or deficit are not reversed through the prospective surplus or deficit.

Inventory

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), and adjusted, when applicable, for any loss of service potential. Inventories acquired through non-exchange transactions are measured at fair value at the current replacement cost at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the prospective surplus or deficit in the period of the write-down.

Non-current assets held for sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the prospective surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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.

Property, plant and equipment

Property, plant and equipment consist of operational assets, restricted assets, and infrastructural assets.

Operational assets

These include land, buildings and improvements, library books, furniture and fittings, plant and equipment, swimming pools, refuse processing and disposal, computer hardware, and motor vehicles.

Restricted assets

Restricted assets are parks and reserves (including public toilets) owned by the Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructural assets

Infrastructure assets are the fixed utility systems owned by the Council including roads, footpaths, bridges and culverts, water, wastewater, storm water, reserve improvements and harbour facilities. Each asset class includes all items that are required for the network to function.

Recognition and measurement

Land (operational, restricted and infrastructural) is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Unformed or paper roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with the Council.

The Council does not recognise land under unformed paper roads in the financial statements because there is little or no service potential from the majority of these paper roads. Valuing these assets is also difficult. It is difficult to measure the service benefit to the public from having access to these routes. There is also limited market data detailing recent sales of such small individual areas arguably due to the high cost of disposal.

Revaluation

Land (operational, restricted and infrastructural) are revalued bi-annually, buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued annually to ensure that their carrying amount does not differ materially from fair value.

The carrying value of land is assessed annually between the revaluation cycles 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.

The opening asset values in the prospective financial statements for the asset classes that are revalued have been based upon estimate fair values as at 1 July 2016. These opening values were derived using a cost adjustment factor for the predicted valuation movement from the date of the last valuation through to 1 July 2016.

The cost adjustment factor is based on movements in the Producer Price Index, Labour Cost Index as well as movements in the Capital Goods Price Index.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to prospective 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 prospective other comprehensive revenue and expense but is recognised in the prospective surplus or deficit.

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

Additions

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

Property, plant, and equipment is initially recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Disposals

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

Subsequent costs

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

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land and assets under construction (work in progress), at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows.

The estimated useful lives of the major classes of property, plant and equipment and associated depreciation are as follows:

Operational Assets	Useful lives	Amortisation rate
Buildings	2-56 years	1.8%-50.0%
Computer Hardware	3-10 years	10.0%-33.3%
Furniture and Fittings	2-50 years	2.0%-50.0%
Library Collections	10 years	10.0%
Plant and Machinery	3-25 years	4.0%-33.3%
Solid Waste	10-80 years	1.3%-10.0%

Infrastructural Assets	Useful lives	Amortisation rate
Reserve Improvements		
Cemeteries	10-80 years	1.3%-10.0%
Equipment	5-50 years	2.0%-20.0%
Fences	10-75 years	1.3%-10.0%
Furniture	10-30 years	3.3%-10.0%
Pavement	8-80 years	1.3%-12.5%
Playground	25 years	4.0%
Signs	10-50 years	2.0%-10.0%
Structures	10-80 years	1.3%-10.0%
Bridges and Culverts	100 years	1.0%
Footpaths	20-50 years	2.0%-5.0%
Harbour Facilities		
Ramp	50-80 years	1.3%-2.0%
Wharf	25-50 years	2.0%-4.0%
Harbour general	20-50 years	2.0%-5.0%
Reclamations	15-100 years	1.0%-6.7%
Slipway	50 years	2.0%
Water		
Plant	5-100 years	1.0%-20.0%
Signs	10 years	10.0%
Hydrants/valves	15-80 years	1.3%-6.7%
Mains	60-100 years	1.0-1.7%
Connections	80 years	1.3%
Wastewater		
Pipes	60-100 years	1.0-1.7%
Connections	80 years	1.3%
Manholes	80 years	1.3%
Plant	5-100 years	1.0%-20.0%
Vents	20-80 years	1.3%-5.0%
Stormwater		
Pits	80-100 years	1.0%-1.3%
Drains	50-100 years	1.0%-2.0%
Plant	10-90 years	1.1%-10.0%
Roads		

Infrastructural Assets	Useful lives	Amortisation rate
Railing	15-20 years	5.0%-6.7%
Drainage	60 years	1.7%
Signs	15 years	6.7%
Lights	10 years	10.0%
Poles	25-50 years	2.0%-4.0%
Brackets	50 years	2.0%
Retaining Walls	99 years	1.0%
Minor Structures	30 years	3.3%
Surface Water Channels	15-50 years	2.0%-6.7%
Surface	3-30 years	3.3%-33.3%
Basecourse	60-80 years	1.3%-1.7%
Subbase	60-70 years with a 100% residual value	0.0%
Formation	Infinite	Not depreciated

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Intangible assets

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 with 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 are recognised in the prospective surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are not cash generating in nature, instead they give Council the right to access private property where infrastructural assets are located.

The Council has not valued and recognised easements as an intangible asset under PBE IPSAS 31 Intangibles. The work required identifying and developing a central register to record easements and paper roads would be considerable and difficult to ensure that it was comprehensive and complete. The Council is also concerned that the cost to establish the register would be substantial with minimal benefits being achieved. Registered valuers would have difficulty determining a fair value for the easements due to their unique nature, and having no active market for this particular asset type. There is also no recognised valuation methodology.

For these reasons, the Council has opted not to recognise easements as an intangible asset because they cannot be quantified and the value of the easements cannot be measured reliably.

Resource consents

It is difficult to determine the fair value of resource consents due to their specialised nature and having no active market to compare values against. For these reasons, the Council holds resource consents at deemed cost and they are amortised over the life of the asset.

Amortisation

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

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

	Useful lives	Amortisation rate
Computer software	5 years	20.0%
Resource consents	3-35 years	2.9%-33.3%
Aerial Photography	5 years	20.0%

Impairment of property, plant and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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. The total impairment loss is recognised in the prospective surplus or deficit. The reversal of an impairment loss is recognised in the prospective 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, 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 the availability of information.

Assets under construction

Assets under construction are not depreciated. The total cost of a completed project is transferred to the relevant asset class at balance date.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated point of sale costs for harvesting, transport, roading and management for one growth cycle. Fair value is determined based on the present value of expected net cash flows that would arise if the asset were harvested today, discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions. The valuation is of standing timber only, exclusive of the underlying land value.

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

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

Payables

Short-term creditors and other payables are recorded at their face value.

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 balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

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

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

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement; and contractual entitlement information; and
- The present value of estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

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

Defined benefit schemes

The Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's prospective surplus or deficit will affect future contributions by individual employers, as there is no prescribed bases for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in Note 29.

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, and it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Landfill post-closure costs

The Council has a legal obligation to provide on-going maintenance and monitoring services at its five closed landfill sites. A provision for post-closure costs is recognised as a liability in the prospective statement of financial position. The provision is measured based on the present value of future cash outflows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all known costs associated with landfill post-closure.

Leaky home settlement costs

As a result of legal precedent that Councils are liable for a share of leaky homes repair costs, a provision for estimated settlement costs has been recognised as a liability in the prospective statement of financial position. The provision is measured based on the present value of future cash outflows expected to be incurred, taking into account future events. The provision includes all expected settlement costs. When there is a high level of uncertainty, a contingent liability is recognised.

Reserve contribution credits

A provision has been established in the statement of financial position for the estimated liability associated with historic reserve contribution credits, as a result of subdivision's vesting of reserves prior to the introduction of the Development Contribution Policy in October 2004. In addition to this, a provision has been established for reserve contribution credits associated with the development of the Whitianga multi-sports complex centre.

Financial guarantee contracts

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 have not been provided for in the prospective statement of financial position because the Council has assessed the probability of a financial guarantee being called up as 'less than likely to occur' and the club or organisation has provided an indemnity to the Council that transfers ownership of the assets to the Council in the event of the guarantee being called up. The Council's exposure to any risk is therefore mitigated and minimal. As such, financial guarantees are disclosed as a contingent liability because it is less likely than not that a present obligation exists.

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;
- restricted reserves;
- property revaluation reserves; and
- Council created reserves.

Accumulated funds

The accumulated surpluses do not represent cash available to offset future rate increases, but rather it represents the community's investment in publicly owned assets resulting from past surpluses.

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

Property revaluation reserves

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

Council created reserves

Council created 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. The Council created reserves consist of specifically named reserves into which funds are put for specific purposes, as well as reserves for unspent revenue from one year that the Council deems appropriate to be expended in the following year, usually to finish incomplete, but previously budgeted work. The Council created reserves also include reserves for depreciation that have been funded but not yet utilised.

Goods and services tax

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

The net amount of GST recoverable from, or payable to, 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.

Prospective statement of cash flows

Operating activities include cash received from all income sources of Council and records the cash payments made for the supply of goods and services. Agency transactions are not recognised as receipts and payments in the prospective statement of cash flows.

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

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

Cost allocation

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

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

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

Prospective Statement of Comprehensive Revenue and Expense

A forecast for the year ending 30 June 2017

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
REVENUE			
Rates ¹	60,120	62,003	61,434
Fees and charges	11,077	9,274	10,061
Development and financial contributions	1,497	1,667	1,667
Subsidies and grants	5,721	5,998	8,639
Interest revenue	12	12	12
Other revenue	1,987	2,001	1,867
Gains	(1,052)	562	1,905
Total revenue	79,363	81,517	85,584
EXPENDITURE			
Personnel costs	14,890	15,128	16,737
Depreciation and amortisation expense	18,329	19,131	19,007
Finance costs	3,179	3,288	2,636
Other expenses	43,937	41,068	42,318
Total operating expenditure ²	80,335	78,615	80,699
Share of associate's surplus (deficit)	0	0	0
Surplus (deficit) before tax	(973)	2,902	4,885
Income tax expense	0	0	0
Surplus (deficit) after tax	(973)	2,902	4,885
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Gain on property revaluation	19,912	28,456	27,842
Total other comprehensive income revenue and expense	19,912	28,456	27,842
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	18,940	31,358	32,727

Prospective Statement of Changes in Net Assets and Equity

A forecast for the year ending 30 June 2017

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
Balance at 1 July	1,254,579	1,273,519	1,283,073
Total comprehensive income and expense for the year	18,940	31,358	32,727
Balance at 30 June	1,273,519	1,304,877	1,315,800

Prospective Statement of Financial Position

A forecast for the year ending 30 June 2017

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
Current assets			
Cash & cash equivalents	484	495	474
Debtors and other receivables	7,119	7,489	7,514
Investments	0	0	0
Inventories	193	193	180
Non-current assets held for sale	0	0	0
Total current assets	7,796	8,177	8,167
Non-current assets			
Postponed rates	443	483	450
Derivative financial investments	0	0	0
Investments in joint ventures	0	0	0
<i>Other financial assets</i>			
Investments in CCO's and similar entities	0	0	0
Investments in other entities	997	997	998
Total other financial assets	997	997	998
Intangible assets	7,674	8,309	7,478
Property, plant and equipment	1,331,991	1,366,910	1,369,962
Forestry assets	2,394	2,452	2,931
Total non-current assets	1,343,499	1,379,151	1,381,819
TOTAL ASSETS	1,351,295	1,387,328	1,389,987
Current liabilities			
Creditors and other payables	14,381	15,129	14,018
Derivative financial instruments	0	16	16
Employee entitlements	1,325	1,384	1,553
Provisions	2,424	2,424	2,688
Borrowings	12,000	0	0
Total current liabilities	30,129	18,952	18,274
Non-current liabilities			
Derivative financial instruments	2,817	2,298	2,298
Employee entitlements	185	193	185
Provisions	5,397	5,355	5,730
Borrowings	39,248	55,654	47,700
Total non-current liabilities	47,647	63,499	55,913
TOTAL LIABILITIES	77,776	82,451	74,187
NET ASSETS	1,273,519	1,304,877	1,315,800
Equity			
Accumulated surplus (deficit)	378,607	381,593	391,293
Other reserves ³	83,341	83,258	85,096
Property revaluation reserves	811,570	840,026	839,412
TOTAL NET ASSETS AND EQUITY	1,273,519	1,304,877	1,315,800

Prospective Statement of Cash Flows

A forecast for the year ending 30 June 2017

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from rates revenue	60,079	61,592	61,396
Interest received	12	12	12
Receipts from other revenue	18,972	17,630	21,069
Payments to suppliers and employees	(58,856)	(55,423)	(59,073)
Interest paid	(3,179)	(3,288)	(2,636)
Net cash flow from operating activities	17,028	20,524	20,768
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from sale of investments	0	0	0
Receipts from sale of property, plant and equipment	0	0	156
Purchase of property, plant and equipment	(20,285)	(24,284)	(29,821)
Purchase of intangible assets	(745)	(635)	(614)
Net cash flow from investing activities	(21,030)	(24,918)	(30,279)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	7,664	7,489	11,528
Repayment of borrowings	(3,592)	(3,083)	(2,134)
Net cash flow from financing activities	4,072	4,406	9,394
Net increase (decrease) in cash and cash equivalents	70	11	(118)
Cash and cash equivalents at the beginning of the year	414	484	591
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	484	495	474

Notes to Prospective Financial Statements

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
NOTE 1			
Rates			
General rate	4,790	4,817	5,216
Uniform annual general charge	9,112	9,796	10,018
Targeted rates on property value	9,586	10,011	9,949
Targeted rates as fixed charges	34,158	34,907	33,779
Targeted rates for servicing loans	178	176	176
Sub total	57,825	59,708	59,139
Penalties	800	800	800
Sub total	58,625	60,508	59,939
Targeted rates for water supply	1,494	1,495	1,495
Rates paid in advance (lump sum options)	0	0	0
Total rates	60,120	62,003	61,434
NOTE 2			
Total operating expenditure			
Planning and Regulation	8,760	8,896	9,681
Stormwater	3,059	3,112	3,006
Wastewater	13,847	14,236	13,115
Water Supply	8,791	9,182	8,710
Solid Waste	5,572	5,738	5,947
Representation	5,693	5,884	6,279
Protection of People and the Environment	3,050	3,083	3,151
Roads and Footpaths	14,490	13,921	15,655
Community Spaces and Development	14,414	12,573	11,611
Economic Development	3,392	2,749	4,200
Less internal rates	732	758	658
	80,335	78,615	80,699

Notes to Prospective Financial Statements

	2015/2016	2016/2017	2016/2017
	Annual plan	Long Term Plan	Annual plan
	(\$000)	(\$000)	(\$000)
NOTE 3			
Other reserves			
Restricted reserves	33,357	33,357	33,357
Depreciation	7,877	8,476	7,370
Retained earnings	7,606	7,226	10,487
Special purpose	34,502	34,199	33,882
	83,341	83,258	85,096
NOTE 4			
Revenue from non-exchange transactions			
Revenue from rates			
Rates	60,120	62,003	61,434
Revenue from transfers			
Fees and charges	9,096	8,355	7,579
Vested assets	1,311	1,311	1,165
Fines and infringements	677	691	702
Subsidies and grants	5,721	5,998	8,639
Other transfer revenue	699	1,246	4,065
Total revenue from non-exchange transactions	77,623	79,603	83,583
Revenue from exchange transactions			
Fees and charges	231	235	322
Development and financial contributions	1,497	1,667	1,667
Interest revenue	12	12	12
Other exchange revenue	0	0	0
Total revenue from exchange transactions	1,740	1,914	2,001
	79,363	81,517	85,584

Revenue is classified as exchange or non-exchange based on the funding of the underlying activity which generates the revenue. As a result revenue from fees and charges and other income can be categorised as exchange or non-exchange based on the funding of the underlying activity which generates the revenue.

Statement of Financial Reserves

A forecast for the year ending 30 June 2017

Retained Earnings

Activities to which the fund relates		Opening Balance 2016/2017 NZ\$000's	Transfers In 2016/2017 NZ\$000's	Transfers Out 2016/2017 NZ\$000's	Closing Balance 2016/2017 NZ\$000's
District	Building Control, Community Health & Safety, Representation, District Roads and Footpaths, Emergency Management, Economic Development, Coastal & Hazard Management, District Plan, Resource Consents, Strategic Planning, Grants & Remissions, Rubbish and Recycling, Wastewater, Water Supply, Stormwater, Domain Board Committees and Moanataiari Flood Protection Loan	(7,660)	(801)	785	(7,676)
Thames Community Board	Airfield, Halls, Harbour Facilities, Library, Local Roads and Footpaths, Moanataiari Flood Protection Loan, Parks & Reserves, Grants & Remissions, Strategic Planning, Swimming Pool, Cemeteries, Public Conveniences	(428)	0	0	(428)
Coromandel/Colville Community Board	Halls, Harbour Facilities, Library, Local Roads and Footpaths, Parks & Reserves, Grants & Remissions, Strategic Planning, Cemeteries, Public Conveniences, Water Supply Loan	(52)	0	0	(52)
Mercury Bay Community Board	Halls, Harbour Facilities, Library, Local Roads and Footpaths, Parks & Reserves, Grants & Remissions, Strategic Planning, Cemeteries, Public Conveniences	(1,733)	0	400	(1,333)
Tairua/Pauanui Community Board	Airfield, Halls, Harbour Facilities, Library, Local Roads and Footpaths, Parks & Reserves, Grants & Remissions, Strategic Planning, Cemeteries, Public Conveniences	(697)	0	162	(535)
Whangamata Community Board	Halls, Harbour Facilities, Library, Local Roads and Footpaths, Parks & Reserves, Grants & Remissions, Strategic Planning, Harbours, Cemeteries, Public Conveniences	(491)	0	30	(461)
Total Retained Earnings Reserves		(11,062)	(801)	1,377	(10,487)

Year end surplus or deficit rate revenue which can only be applied to fund either operating, capital renewals or capital increased levels of service expenditure in the area of benefit for which the rate was collected

Depreciation reserves

Activities to which the fund relates		Opening Balance 2016/2017 NZ\$000's	Transfers In 2016/2017 NZ\$000's	Transfers Out 2016/2017 NZ\$000's	Closing Balance 2016/2017 NZ\$000's
District	Building Control, Strategic Planning, Representation, Emergency Management, Economic Development, Coastal & Hazard Management, Community Health & Safety, Rubbish and Recycling, Wastewater, Water Supply, Stormwater	(6,757)	(12,965)	13,606	(6,116)
Thames Community Board	Airfield, Halls, Harbour Facilities, Library, Local Roads and Footpaths, Moanataiari Flood Protection Loan, Parks & Reserves, Grants & Remissions, Strategic Planning, Swimming Pool, Cemeteries, Public Conveniences	(1,820)	(884)	1,451	(1,253)
Coromandel/Colville Community Board	Halls, Harbour Facilities, Library, Local Transportation, Parks & Reserves, Grants & Remissions, Strategic Planning, Cemeteries, Public Conveniences	(170)	(252)	422	0
Mercury Bay Community Board	Halls, Harbour Facilities, Library, Local Roads and Footpaths, Parks & Reserves, Grants & Remissions, Strategic Planning, Cemeteries, Public Conveniences	0	(1,158)	1,158	(0)
Tairua/Pauanui Community Board	Airfield, Halls, Harbour Facilities, Library, Local Roads and Footpaths, Parks & Reserves, Grants & Remissions, Strategic Planning, Cemeteries, Public Conveniences	(590)	(546)	1,136	0
Whangamata Community Board	Halls, Harbour Facilities, Library, Local Roads and Footpaths, Parks & Reserves, Grants & Remissions, Strategic Planning, Cemeteries, Public Conveniences	0	(506)	506	(0)
Total Depreciation Reserves		(9,337)	(16,311)	18,278	(7,370)

Fixed Assets depreciation expense which can only be applied to fund Renewals or Increased Level of Service capital expenditure in the area of benefit which funded the depreciation expense

Special reserves

Activities to which the fund relates		Opening Balance 2016/2017 (\$'000)	Transfers In 2016/2017 (\$'000)	Transfers Out 2016/2017 (\$'000)	Closing Balance 2016/2017 (\$'000)
District					
Power New Zealand Reserve	Proceeds from sale of Power NZ shares to be used solely to fund internal borrowing with all interest earned applied to subsidise the UAGC rate requirement	(23,928)	0	0	(23,928)
Disaster Reserve	Fund repairs to infrastructure caused by natural disasters after subsidies and insurance have been applied	(1,340)	(700)	622	(1,418)
General Purpose Insurance Excess	Any one off, unbudgeted, Community Board project as approved by Council	(206)	0	0	(206)
	Fund insurance excess of any legal settlements within Building Control, Community Health & Safety and Resource Consents activities	(1,446)	(289)	208	(1,527)
Solid Waste Levy Rooding Property	To fund any Waste Minimisation initiative	(208)	(82)	41	(249)
	Contributions collected under RMA to be used for Rooding	(13)	0	0	(13)
	Proceeds from the sale of Council owned land & buildings to be used to fund purchase of land or buildings	(846)	0	0	(846)
Special Projects	Balance of \$1m allocated from Power NZ Reserve available to fund special 'one-off' Community Board projects as approved by Council	0	0	0	0
Wastewater Headworks Reserve	Reserve contributions collected under RMA to be used for funding of Increased levels of service projects within the water	(29)	0	0	(29)
Rates Postponment	To fund any shortfall between the net realisation on sale of a property and the amount outstanding for postponed rates and accrued charges at the time of sale	(13)	0	0	(13)
Thames Community Board					
Urban General Purpose Reserve	To fund non infrastructural assets within the Thames Urban area	(2,325)	(316)	2,141	(500)
Land Subdivision Reserve	Reserve contributions collected under RMA to be used for acquisition or development of reserves	(0)	0	0	(0)
Off Street Parking Reserve	Reserve contributions collected under RMA to be used for acquisition or development of parking	0	0	0	0
Water Headworks Reserve	Reserve contributions collected under RMA to be used for funding of increased levels of service projects within wastewater	(9)	0	0	(9)
Coromandel/Colville Community Board					
Land Subdivision Reserve	Reserve contributions collected under RMA to be used for acquisition or development of reserves	(402)	0	0	(402)
Off Street Parking Reserve	Reserve contributions collected under RMA to be used for acquisition or development of parking	(7)	0	0	(7)
Water Unused Loan Reserve	Balance of loan raised to fund water extension	(9)	0	0	(9)
Water Headworks Reserve	Reserve contributions collected under RMA to be used for funding of Increased levels of service projects within water	(203)	0	0	(203)

Includes contributions collected under the Resource Management Act which can only be used in the area and for the purpose for which they were levied as well as a few specific reserves such as the Disaster Relief Reserve, Thames Urban General Purpose Reserve and the Power New Zealand Reserve

Special reserves

Activities to which the fund relates		Opening Balance 2016/2017 (\$000)	Transfers In 2016/2017 (\$000)	Transfers Out 2016/2017 (\$000)	Closing Balance 2016/2017 (\$000)
Mercury Bay Community Board					
Whitianga Land Subdivision Reserve	Reserve contributions collected under RMA to be used for acquisition or development of reserves	(29)	0	0	(29)
Off Street Parking Reserve	Reserve contributions collected under RMA to be used for acquisition or development of parking	(26)	0	0	(26)
Hot Water Beach Parking Fees	Proceeds from Hot Water Beach parking fees to be used to fund car park/toilet development	(114)	(66)	181	(0)
Hahei Parking Fees	Proceeds from Hahei parking fees to be used to fund car park maintenance/development	0	(47)	0	(47)
Whitianga Harbours Reserve	Proceeds from Whitianga Boat fees for use in Whitianga harbour activity	(79)	(31)	0	(111)
Purangi/Cooks Beach Boat Ramp	Proceeds from Purangi/Cooks Beach boat ramp fees to fund boat ramp maintenance/development	0	(14)	0	(14)
Kuaotunu Boat Ramp	Proceeds from Kuaotunu boat ramp fees to fund boat ramp maintenance/development	0	0	0	0
Ohuka Park DC Payment Plan	To fund development contributions payable when connecting to Council's water scheme in Ohuka Park	0	(24)	24	0
Tairua/Pauanui Community Board					
Land Subdivision Reserve	Reserve contributions collected under RMA to be used for acquisition or development of reserves	(1,423)	0	0	(1,423)
Off Street Parking Reserve	Reserve contributions collected under RMA to be used for acquisition or development of parking	0	0	0	0
Whangamata Community Board					
Land Subdivision Reserve	Reserve contributions collected under RMA to be used for acquisition or development of reserves	(1,195)	0	0	(1,195)
Off Street Parking Reserve	Reserve contributions collected under RMA to be used for acquisition or development of parking	(78)	0	0	(78)
Water Headworks Reserve	Reserve contributions collected under RMA to be used for funding of Increased Levels of Service Projects within water	(307)	0	0	(307)
Total Special Reserves		(34,235)	(1,569)	3,217	(32,587)

Includes contributions collected under the Resource Management Act which can only be used in the area and for the purpose for which they were levied as well as a few specific reserves such as the Disaster Relief Reserve, Thames Urban General Purpose Reserve and the Power New Zealand Reserve

LGA contributions reserves

Activities to which the fund relates		Opening Balance 2016/2017 (\$000)	Transfers In 2016/2017 (\$000)	Transfers Out 2016/2017 (\$000)	Closing Balance 2016/2017 (\$000)
District	Representation, District Roads and Footpaths, Rubbish and Recycling, Wastewater, Water, Stormwater	184	(911)	994	266
Thames Community Board	Airfield, Library, Swimming Pool, Parks & Reserves, Local Roads and Footpaths, Public Conveniences	(245)	(12)	12	(245)
Coromandel/Colville Community Board	Local Roads and Footpaths, Parks & Reserves	(348)	(35)	35	(348)
Mercury Bay Community Board	Halls, Library, Harbour, Parks & Reserves, Local Roads and Footpaths, Cemeteries, Public Conveniences	(379)	(700)	779	(300)
Tairua/Pauanui Community Board	Library, Halls, Parks & Reserves, Local Roads and Footpaths	3	(7)	5	1
Whangamata Community Board	Local Roads and Footpaths, Halls, Parks & Reserves	(1,037)	(26)	393	(670)
Total LGA Contributions Reserves		(1,822)	(1,691)	2,218	(1,295)

Funds collected under Council's Development Contributions policy. May only be applied to the funding of additional capacity projects for which they were levied.

Funding Impact Statement

The following pages provide detail regarding the calculation of rates. Our use of rates is guided by our Revenue and Financing Policy.

Rating Act

The Local Government (Rating) Act 2002 places some restrictions on the use of rating tools. The Local Government (Rating) Act 2002 limits total fixed charges (excluding water and wastewater charges) to 30% of total rates revenue. Fixed charges include the Uniform Annual General Charge and targeted rates set at a fixed amount. The targeted rates set at a fixed amount exclude those to which a differential rate applies.

General Rate

When using the General Rate, the Local Government (Rating) Act 2002 only allows a choice of one valuation system from three options:

1. the annual value of the land; or
2. the capital value of the land; or
3. the land value.

Currently, Council's general rate is based on land value.

Differentials are applied to the **General Rate** based on the uses to which the land is put, and where the land is situated. These differentials are calculated as a percentage of land value as follows:

- **a differential of 0.6**
- to Farming and Horticultural category to encourage the continued use of these rating units for farming and horticultural purposes
- **a differential of 0.5**
- to the Off-shore islands (used) category on the basis that these communities have less opportunity to consume benefits than communities on the mainland.
- **a differential of 0.1**
- to the Off-shore islands (unused) category on the basis that these islands consume no, or very little, benefits.
- **a differential of 1.0**
- to each of the following categories Residential, Industrial and Commercial, Commercial Forestry, Rural Other and other.

Note: one rating unit may fall into one or more of the above rating differential categories.

Definition of Differential Categories

The following definitions are used to determine the differential category for the General and Works and Services Targeted Rates:

Farming and Horticultural means:

- all rating units categorised within the District valuation roll as arable, dairying, pastoral, specialist¹ or horticulture where the ratepayer's income or a substantial part thereof is derived from the use of the land for such purpose or purposes, except for those rating units which are expressly defined under Commercial Forestry, or Offshore Islands (used).

Rural Other means:

- all rating units used as rural and lifestyle blocks, except those rating units that are expressly defined under Industrial and Commercial, Farming and Horticultural, Commercial Forestry, Offshore Islands (used) or Residential.
- where vacant or idle land adjoining rating units categorised rural other and its best use potential is a use falling within the category "Rural Other", the land will be defined as Rural Other.

¹ Specialist – Aquaculture including all types of Fish Farming, Deer farming, Horse studs and training operations, Poultry, Pigs and all other specialist livestock

Industrial and Commercial means:

- all rating units used principally for commercial and/or industrial purposes other than rating units defined as Farming and Horticultural, Commercial Forestry or Residential. Where the principal use of the rating unit is a business or entity engaged in or relating to retail or wholesale trade, tourist services, manufacturing, marketing, service industries, offices, depots, yards, parking areas of buildings, cool stores and freezers, taverns, restaurants, motels, hotels, rest-homes, medical services, mining activity and commercial nurseries, whether operated for private pecuniary profit or not. The rating unit will be deemed industrial and commercial for the purposes of determining the differential rating category. For the purposes of clarity large scale Bed & Breakfast, Homestay and other similar short stay accommodation, (excluding Bookabach, Batchcare and other similar short stay accommodation whereby the principle residence is rented out), that offer four or more rooms for short stay accommodation (at any one time) will be treated as Industrial and Commercial.
- any rating unit not defined as Farming and Horticultural or Commercial Forestry or not expressly listed under Industrial and Commercial, where activity is carried out for private pecuniary profit
- where vacant or idle land is adjoining rating units categorised Industrial and Commercial and its best use potential is a use falling within the category "Industrial and Commercial", the land will be defined as Industrial and Commercial.

Commercial Forestry means:

- all rating units used for production forestry purposes by a ratepayer whose income or a substantial part thereof, is derived from the use of the land for such purposes.

Residential means:

- all rating units used or capable of being used for occupation as a residence of one or more household units other than property defined as Industrial and Commercial, Farming and Horticultural, Rural Other, and Commercial Forestry and including dwellings, home units, flats, baches, maisonettes and terrace houses. Small scale Bed & Breakfast and Homestay accommodation used principally for residential purposes is deemed Residential for the purposes of determining the differential rating category. For the purposes of clarity, small scale Bed & Breakfast and homestay accommodation (e.g. where 3 rooms or less are offered at any one time for short stay accommodation) will be treated as Residential. Bookabach, Batchcare and other similar short stay accommodation whereby the principal residence is rented out, is considered residential.
- community use land, being rating units used for the purpose of public schools, public hospitals, churches, cemeteries, private and public community centres and halls, recreation areas, sports clubs, sports grounds, art galleries and museums, kindergartens, play centres and private clubs where the use of the land is an activity not performed for private pecuniary profit.
- where vacant or idle land is adjoining rating units categorised Residential and its best use potential is a use falling within the category "Residential", the land will be defined as Residential.
- any land not falling within any other category.

Off-shore Islands (used) means:

- those islands within the District that are used or inhabited, including assessments numbered 04791/00100, 04791/00200, 04791/01400, 04791/01500, 04962/00202, 04962/00203, 04962/00206, 04962/00207, 04962/00208, 04962/00209, 04962/00210, 04962/00213, 04962/00215, 04962/00217, 04962/00218 and 04962/00219.

Off-shore Islands (unused) means:

- those islands within the District, which are substantially unused or uninhabited.

Uniform Annual General Charge (UAGC)

This rate is set at a fixed amount per 'separately used or inhabited part' of every rateable part of a rating unit in the District. It is used where the benefits of an activity are for the whole of the District and where the use of a value based rate would place an unfair burden on high value rating units.

Targeted Rates (Area of Service)

Targeted Rates are rates that are charges to particular communities or groups of ratepayers. They are used to fund services where a particular community or group benefits from the activity being funded. The following activities currently utilise targeted rates funding mechanisms:

Rubbish and recycling	Land drainage	Water by volume
Economic Development	Moanataiari flood protection loan	Roading and Footpaths and Building Control
Wastewater loan charges (Whangapoua Road)	Wastewater	Water Supply
Local works and services	Stormwater	Water Supply loan charges (Coromandel and Ohuka Park)
Water Supply - Ohuka Park Development Contribution	Wastewater loan charges (Cooks Beach existing users)	

(The Council will charge each separately used or inhabited part of a rating unit for some targeted rates).

Rubbish and Recycling

The **Targeted Rate for Rubbish and Recycling** is a rate set as a fixed amount per separately used or inhabited part of every rating unit in the District which is provided with a collection service. Solid waste collection and recycling is a District function operated by a District-wide contract for collection and disposal and operation of refuse transfer stations. The numbers of collections vary among the five Community Board areas of the Council due to the high incidence of holiday homes in certain localities. For this reason, the Council has determined that a differential charge will apply using the number of collections in each Community Board area as a basis for allocating the costs associated with refuse collection and its disposal.

Moanataiari Flood Protection Loan

The **Targeted Rate for Moanataiari Flood Protection Loan** is set as a fixed amount on every rating unit in the area of benefit for which no election was made to pay in advance. The construction of the Moanataiari flood protection works was completed in the 1997/1998 year. Half the costs of the work was funded from the Council reserves and the balance funded by loan. Payment in advance offers have been made to rating units in the defined area of benefit to repay the loan.

Land Drainage

The **Targeted Rates for Land Drainage** are to be set for land drainage on each rating unit in the following designated land drainage areas, as a rate in the dollar on land value:

- Hikutaia/Wharepoa
- Matatoki

The Council administers two land drainage schemes: Hikutaia/Wharepoa and Matatoki. These areas are defined on maps.

Local Works and Services

Two **Targeted Rates for Local Works and Services** are to be set in each community of the District for the purposes of funding local works and services:

- The first is to be set as a fixed amount per separately used or inhabited part of every rateable rating unit in each community, except for rating units designated industrial and commercial and commercial forestry in Council's rating information database.
 - The amount will be set per rating unit for rating units designated industrial and commercial and commercial forestry in the Council's rating information database.
- The second is to be set as a rate in the dollar on land value on every rateable rating unit in each community. It will be set on a differential basis using the following categories of land use:
 - Farming and Horticultural
 - Rural Other
 - Industrial and Commercial
 - Commercial Forestry
 - Residential
 - Off-shore Islands (used)
 - Off-shore Island (unused)

The differentials to be applied to the local works and services rate are:

- Offshore Islands (unused), a differential of 0.1 will apply on the basis that these islands consume no, or very little, benefits.
- Offshore Islands (used), a differential of 0.5 will apply on the basis that these communities have less opportunity to consume benefits than communities on the mainland.
- Farming and Horticultural, Rural Other, Industrial and Commercial, Commercial Forestry and Residential will attract a differential of 1.0.

These differentials apply to the local works and services rate to fund both operating expenses and capital expenditure.

This policy indicates a number of activities, which in the main benefit ratepayers at a local (community) level. It also indicates that a portion of this funding should come from a community-based rate in the dollar on land value and the balance by way of a fixed charge within each community.

Wastewater

A **Targeted Rate for Wastewater** is to be set as a charge per separately used or inhabited part of a rating unit, based on the number of water closets and urinals in each part, within the District.

This charge will be set on a differential basis based on the use to which the land is put (non-residential or residential) and the availability to the land of the service provided.

A rating unit (or part of a rating unit) used primarily as a residence for one household will not be treated as having more than one water closet or urinal.

Wastewater Loan Charges (Whangapoua Road)

A **Targeted Rate for Wastewater Loan Charges (Whangapoua Road)** is to be set as a fixed amount on every rating unit in the area of benefit for which no election was made to pay in advance. In some instances, the Council has offered payment in advance options as an alternative to loan charges for major capital programmes within wastewater schemes. Where this occurs and ratepayers do not elect to take up the options, a loan charge is made to service the loan.

Wastewater Loan Charges (Cooks Beach existing users)

A **Targeted Rate for Wastewater Loan Charges (Cooks Beach Existing Users)** is to be set as a charge per separately used or inhabited part of a rating unit, based on the number of water closets or urinals in each part, in the area of benefit, for which no election has been made to pay a lump sum contribution.

The charge will be set on a differential basis based on the use to which the land is put (non-residential or residential) and the availability to the land of the service provided.

A rating unit (or part of a rating unit) used primarily as a residence for one household will not be treated as having more than one water closet or urinal. This policy indicates that the loan raised to construct the scheme for existing rating units (as distinct from future subdivisions) will be funded on a “per pan” basis. This requires the loan charge to be set on a differential basis.

Water Supply

Targeted Rates for Water Supply, is to be set per separately used or inhabited part of a rating unit.

This targeted rate will be set on a differential based on where the land is situated and the provision or availability to the land of the Council water service.

A further targeted rate for water supply is to be set based on the volume of water supplied through each meter installed where Council carries out cyclic water reading.

Water by Volume

The Targeted Rates for Water By Volume set under section 19 of the Local Government (Rating) Act 2002 are aligned with other rating policies except that:

- such a rate should have its own remission policy (except for penalties); and
- instalments should be two per annum; and
- the due dates of instalments are as follows:
 - Pauanui 10 December and 20 May each year
 - Thames Urban 20 January and 30 May each year
 - Coromandel 30 January and 10 June each year
 - Whitianga 30 January and 10 June each year
 - Thames Rural 20 January and 30 May each year

Water Supply Loan Charges (Coromandel and Ohuka Park)

A **Targeted Rate for Water Supply Loan** is to be set as a fixed amount on every rating unit in the area of benefit, for which no election is made to pay in advance. In some instances, the Council has offered, or intends to offer, payment in advance options as an alternative to loan charges for major capital programmes within water supplies. Where this occurs and ratepayers do not elect to take up the option, a loan charge is made to service the loan.

Water Supply - Ohuka Park Development Contribution

A **Targeted Rate for Ohuka Park Development Contribution** is to be set as a fixed amount on every rating unit in the area of benefit, for which an election has been made to pay the Development Contribution off over a five year period. In this instance Council has elected to provide Ohuka Park existing rating units with an opportunity to pay off the Development Contribution requirement for water as part of the an arrangement or Council to take over the Ohuka Park Water Supply.

Stormwater

Two Targeted Rates for Stormwater are to be set for the purposes of funding stormwater dispersal. The first is to be set as a fixed amount per separately used or inhabited part of every rateable rating unit differentiated depending on location.

The second is to be set as a rate in the dollar on improvement value on every rateable rating unit again, differentiated depending on location as defined by the Council.

For clarification purposes, only properties defined as either ‘Industrial and Commercial’ or ‘Residential’ for the purposes of the general rate and that are located within the catchment areas as defined by Council will be assessed for the targeted rate funding components for stormwater dispersal.

Council operates a District activity for stormwater dispersal. The rating units, which fund this activity by way of targeted rate, are contained within urban areas defined by the Council. This

policy indicates that a portion of this funding should come from a rate in the dollar on improvement value as a proxy for user charges where user charges cannot be made directly to the user, while the balance should be made by way of a fixed amount per separately used or inhabited part of a rating unit.

	Targeted rate assessed per separately used or inhabited part	Targeted rate assessed against improvement value
Tairua	1.0	1.0
Pauanui	1.0	1.0
Thames Community Board Area		
Thames, Thames Coast Communities and Kopu (excluding Kauaeranga Valley, Matatoki, Puriri, Whakatete Bay and Hikutaia)	1.0	1.0
Hikutaia	0.6	0.6
Coromandel / Colville Community Board Area		
Coromandel	1.0	1.0
Kennedy Bay, Tuatēawa and Te Kouma (this excludes rating units 399, 401, 403, 405 and 407 Te Kouma Road)	0.6	0.6
Mercury Bay Community Board Area		
Mercury Bay (excluding Otama, Kuaotunu, Wharekaho and Rings Beach)	1.0	1.0
Kuaotunu West and Wharekaho	0.6	0.6
Whangamata Community Board Area		
Whangamata	1.0	1.0
Opoutere	0.6	0.6

Economic Development (District)

A **Targeted Rate for Economic Development (District)** is to be set as a rate in the dollar, on the value of improvements, of every rating unit in the District, which is designated Industrial and Commercial, in the Council's rating information database. This policy provides for a medium level of funding for Economic Development to be provided from this targeted rate.

Roads and Footpaths and Building Control

A **Targeted Rate for Roads and Footpaths and Building Control** is to be set as a rate in the dollar on capital value on every rateable rating unit in the District. This policy provides for 35% of Roads and Footpaths and 2.6% of the Building Control activity to be funded from a targeted rate set on the capital value of all rating units within the District.

The following definition is used to calculate the number of rates factors applicable.

Separately Used or Inhabited Part of a Rating Unit means:

- A separately used or inhabited part of a rating unit includes any part inhabited or used by a person other than the owner, and who has the right to inhabit or use that part by virtue of a tenancy lease, license, or other agreement. For the purpose of this policy, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

The Council will charge each **separately used or inhabited part** of a rating unit for the UAGC and some targeted rates. Examples of where this policy will apply include:

- a single dwelling with a flat attached
- two or more houses, flats or apartments on one certificate of title
- a business premise with flat above
- a commercial building leased to multiple tenants
- a farm with more than one dwelling

- a council rating unit with more than one lessee
- where part of a rating unit that has a right of exclusive occupation when there is more than one ratepayer/owner
- a vacant rating unit

Note: the list above is of examples and does not constitute an exhaustive list of situations where multiple SUIP's may occur.

Further Definitions:

Water and Wastewater

Connected means:

- in relation to any rate for wastewater disposal purposes, any separately used or inhabited part of a rating unit that is connected, either directly or indirectly, through a private drain to a public drain:
- in relation to any rate for the ordinary supply of water, any separately used or inhabited part of a rating unit to which water is supplied.

Service available but not connected means:

- In relation to any targeted rate for wastewater disposal purposes, any rating unit situated within 30 metres of a public wastewater drain to which it is capable of being effectively connected, either directly or through a private drain, but which is not so connected:
- In relation to any targeted rate for the ordinary supply of water, any rating unit to which water can be but is not supplied (being any rating unit situated within 100 meters from any part of the water reticulation system).

For the purposes of Wastewater targeted rates

Residential means:

All rating units that are used for or capable of being used for occupation as a residence of one or more household units including; dwellings, home units, flats, baches, maisonettes and terraced houses, small scale Bed & Breakfast and homestay accommodation used principally for residential purposes is deemed Residential for the purposes of determining the differential rating category. For the purposes of clarity, small scale Bed & Breakfast and homestay accommodation (e.g. where 3 rooms or less are offered for visitor accommodation) will be treated as Residential.

Non-Residential means:

All rating units or part thereof that are not categorised as Residential above.

Lump Sum Contributions:

The Council does not offer this payment option under Part 4A of the Local Government Rating Act 2002 [LG(R)A 2002]. It does however continue to provide for payments in advance via its internal 'lump sum payments policy' based on section 56 of the LG(R)A 2002 referred to as 'payments in advance' which are a targeted rate. It continues to do this because section 56 provides more flexibility to Council than offering lump sums under the more prescriptive Part 4A of the LG(R)A 2002. Rates Postponement Charges

Council will charge a postponement fee on all rates that are postponed under any of its postponement policies. The postponement fees will be as follows:

- Register statutory land charge \$180.00
- Management fee on the Postponement Policy: 1% on the outstanding balance
- Financing fee on all postponements: Currently set at 5.99% pa but may vary to match Council's average cost of funds

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

Thames-Coromandel District Council: Funding Impact Statement for the year ending 30 June 2017 (Whole of Council)

	2015/2016	2016/2017	2016/2017
	Annual plan	Long Term Plan	Annual plan
	(\$000)	(\$000)	(\$000)
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	14,185	14,864	15,549
Targeted rates	44,375	45,580	45,827
Subsidies and grants for operating purposes	3,969	2,557	3,574
Fees and charges	9,969	10,591	10,061
Interest and dividends from investments	12	12	12
Local authorities fuel tax, fines, infringement fees and other receipts	718	731	759
Total operating funding (A)	73,228	74,335	75,783
Applications of operating funding			
Payments to staff and suppliers	58,856	56,238	59,073
Finance costs	3,179	3,288	2,636
Other operating funding applications	0	0	0
Total applications of operating funding (B)	62,035	59,525	61,709
Surplus (deficit) of operating funding (A - B)	11,193	14,810	14,074
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	4,378	3,643	5,065
Development and financial contributions	1,497	1,667	1,667
Increase (decrease) in debt	4,072	4,406	9,394
Gross proceeds from sale of assets	0	0	156
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	9,948	9,715	16,281
Applications of capital funding			
Capital expenditure			
- to meet additional demand	949	1,001	1,194
- to improve the level of service	10,084	8,369	15,092
- to replace existing assets	9,997	15,549	14,149
Increase (decrease) in reserves	111	(393)	(80)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	21,141	24,525	30,355
Surplus (deficit) of capital funding (C - D)	(11,193)	(14,810)	(14,074)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0

Funding Impact Statement

	2015/2016	2016/2017	2016/2017
	Annual plan	Long Term Plan	Annual plan
	(\$000)	(\$000)	(\$000)
RATING MECHANISMS			
General Rate	4,890	4,920	5,305
Uniform Annual General Charge	9,220	9,907	10,115
Targeted Rates			
Rubbish and Recycling	2,814	2,957	2,972
Moanataiari Flood Protection Loan	5	5	5
Land Drainage	13	13	13
Local Works and Services (rate in \$)	6,115	6,497	6,355
Local Works and Services (fixed charge)	6,863	7,004	6,976
Wastewater	15,815	15,937	15,257
Wastewater Loans	87	85	84
Stormwater	2,356	2,271	2,193
Water	7,288	7,708	7,278
Water Loans	90	89	90
Economic Development	665	665	665
Roading and Building Control	2,339	2,407	2,488
Sub Total	58,558	60,465	59,797
Penalties	800	800	800
Sub Total	59,358	61,265	60,597
Water Supplied by Volume	1,494	1,495	1,495
Sub Total	60,852	62,760	62,092
Less Internal Rates Charged	732	758	658
TOTAL	60,120	62,003	61,434

Funding Impact Statement

Total Revenue Required	Rates 2016/2017 (GST Inclusive)	Categories on which Rate is Set	Factor or Factors	Differential Categories	Differential Calculation	Unit of Measure	Indicative Rate or Charge
6,101,274	General Rate (Partially funds district strategic planning, coastal and hazard management, building control, district roading and footpaths, stormwater, and rubbish and recycling in compliance with the Revenue and Financing Policy)	Every rating unit in the district	Rate in the \$ on land value	Farming and Horticultural Rural Other Industrial and Commercial Commercial Forestry Residential Off-shore Island (used) Off-shore Island (unused)	Ratio 0.6 Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 0.5 Ratio 0.1	706,158,900 832,070,650 454,962,600 36,930,000 7,401,746,850 55,994,000 5,253,000	\$0.000399 \$0.000665 \$0.000665 \$0.000665 \$0.000665 \$0.000332 \$0.000066
11,632,363	Uniform Annual General Charge (Partially funds district representation, local representation, district grants and remissions, district strategic planning, district plan, economic development, coastal and hazard management, building control, emergency management, community health and safety, district roads and footpaths and resource consents in compliance with the Revenue and Financing policy)	Every rating unit in the district	Fixed amount for each separately used or inhabited part of a rating unit			28,513	\$407.97
3,417,999	Targeted Rates and Activities Funded Rubbish and Recycling (Partially funds rubbish and recycling activity in compliance with the Revenue and Financing Policy)	Every rating unit in the district to which there is provision or availability to the land of the solid waste collection and recycling service	Fixed amount for each separately used or inhabited part of a rating unit	Thames community Coromandel/Colville community Mercury Bay community Tairua/Pauanui community Whangamata community	Ratio 1.0000 Ratio 1.0000 Ratio 1.0962 Ratio 1.1731 Ratio 1.1731	5,349 2,140 8,077 3,896 5,380	\$125.55 \$125.55 \$137.63 \$147.28 \$147.28

Funding Impact Statement

Total Revenue Required	Rates 2016/2017 (GST Inclusive)	Categories on which Rate is Set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Unit of Measure	Rate or Charge
5,304	Moanataiari Flood Protection Loan (Funds loan servicing for flood protection)	Every rating unit where the land is situated where no election to make a payment in advance has been made	Fixed amount for each rating unit			20	\$246.68
		Every rating unit where the land is situated where an election has been made to pay half in advance	Fixed amount for each rating unit			3	\$123.34
8,374	Matatoki Land Drainage Scheme (Funds land drainage)	Every rating unit in the defined drainage area	Rate in the \$ on land value			62,877,000	\$0.000133
6,840	Hikutaia/Wharepoa Land Drainage Scheme (Funds land drainage)	Every rating unit in the defined drainage area	Rate in the \$ on land value			49,067,000	\$0.000139
1,593,886	Local Works and Services Themes (Partially funds airfield, halls, parks and reserves, libraries, swimming pool, local grants and remissions, land drainage, coastal and hazard management, local roading and footpaths, public conveniences, cemeteries, local strategic planning, and harbours in compliance with the Revenue and Financing Policy)	Every rating unit in the Thames community area	Rate in the \$ on land value	Farming and Horticultural Rural Other Industrial and Commercial Commercial Forestry Residential Off-shore Island (used) Off-shore Island (unused)	Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 0.5 Ratio 0.1	183,162,400 134,923,250 131,571,500 2,490,000 728,901,900 0 0	\$0.001350 \$0.001350 \$0.001350 \$0.001350 \$0.001350 \$0.001350 \$0.001350

Funding Impact Statement

Total Revenue Required	Rates 2016/2017 (GST Inclusive)	Categories on which Rate is Set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Unit of Measure	Rate or Charge
2,449,101	Local Works and Services Thames (Partially funds airfield, halls, parks and reserves, libraries, swimming pool, local grants and remissions, land drainage, coastal and hazard management, local roading and footpaths, public conveniences, cemeteries, local strategic planning, and harbours in compliance with the Revenue and Financing Policy)	Every rating unit in the Thames community area	Fixed amount for each separately used or inhabited part of a rating unit Fixed amount for each rating unit	Farming and Horticultural, Rural Other, Residential, Off-shore Islands used and Off-shore Islands unused, Industrial and Commercial and Commercial Forestry		5,424	\$420.16
616,788	Local Works and Services Coromandel/Colville (Partially funds halls, parks and reserves, libraries, local grants and remissions, local roading and footpaths, public conveniences, cemeteries, local strategic planning, and harbours in compliance with the Revenue and Financing Policy)	Every rating unit in the Coromandel/Colville community area	Rate in the \$ on land value	Farming and Horticultural Rural Other Industrial and Commercial Commercial Forestry Residential Off-shore Island (used) Off-shore Island (unused)	Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 0.5 Ratio 0.1	121,858,500 189,811,600 38,745,000 3,650,000 458,603,000 13,694,000 4,431,000	\$0.000752 \$0.000752 \$0.000752 \$0.000752 \$0.000752 \$0.000376 \$0.000075
769,862	Local Works and Services Coromandel/Colville (Partially funds halls, parks and reserves, libraries, local grants and remissions, local roading and footpaths, public conveniences, cemeteries, local strategic planning, and harbours in compliance with the Revenue and Financing Policy)	Every rating unit in the Coromandel/Colville community area	Fixed amount for each separately used or inhabited part of a rating unit Fixed amount for each rating unit	Farming and Horticultural, Rural Other, Residential, Off-shore Islands used and Off-shore Islands unused, Industrial and Commercial and Commercial Forestry	0	2,642	\$278.83
						119	\$278.83

Funding Impact Statement

Total Revenue Required	Rates 2016/2017 (GST Inclusive)	Categories on which Rate is Set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Unit of Measure	Rate or Charge
2,735,637	Local Works and Services Mercury Bay (Partially funds halls, parks and reserves, libraries, local grants and remissions, local roading and footpaths, public conveniences, cemeteries, local strategic planning, and harbours in compliance with the Revenue and Financing Policy)	Every rating unit in the Mercury Bay community area	Rate in the \$ on land value	Farming and Horticultural	Ratio 1.0	286,689,000	\$0.000742
				Rural Other	Ratio 1.0	368,611,850	\$0.000742
				Industrial and Commercial	Ratio 1.0	157,010,100	\$0.000742
				Commercial Forestry	Ratio 1.0	11,170,000	\$0.000742
				Residential	Ratio 1.0	2,846,670,350	\$0.000742
				Off-shore Island (used)	Ratio 0.5	33,000,000	\$0.000371
				Off-shore Island (unused)	Ratio 0.1	0	
2,188,688	Local Works and Services Mercury Bay (Partially funds halls, parks and reserves, libraries, local grants and remissions, local roading and footpaths, public conveniences, cemeteries, local strategic planning, and harbours in compliance with the Revenue and Financing Policy)	Every rating unit in the Mercury Bay community area	Fixed amount for each separately used or inhabited part of a rating unit Fixed amount for each rating unit	Farming and Horticultural,		8,995	\$236.18
				Rural Other, Residential,			
				Off-shore Islands used and			
				Off-shore Islands unused,			
				Industrial and Commercial			
1,212,897	Local Works and Services Tairua/Pauanui (Partially funds airfield, halls, parks and reserves, libraries, local grants and remissions, local roading and footpaths, public conveniences, cemeteries, local strategic planning, and harbours in compliance with the Revenue and Financing Policy)	Every rating unit in the Tairua/Pauanui community area	Rate in the \$ on land value	Commercial Forestry		272	\$236.18
				Farming and Horticultural	Ratio 1.0	77,439,000	\$0.000693
				Rural Other	Ratio 1.0	60,000,500	\$0.000693
				Industrial and Commercial	Ratio 1.0	41,791,000	\$0.000693
				Commercial Forestry	Ratio 1.0	7,800,000	\$0.000693
				Residential	Ratio 1.0	1,558,569,000	\$0.000693
				Off-shore Island (used)	Ratio 0.5	9,300,000	\$0.000346
				Off-shore Island (unused)	Ratio 0.1	822,000	\$0.000069

Funding Impact Statement

Total Revenue Required	Rates 2016/2017 (GST Inclusive)	Categories on which Rate is Set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Unit of Measure	Rate or Charge
1,355,343	Local Works and Services Tairua/Pauanui (Partially funds airfield, halls, parks and reserves, libraries, local grants and remissions, local roading and footpaths, public conveniences, cemeteries, local strategic planning, and harbours in compliance with the Revenue and Financing Policy)	Every rating unit in the Tairua/Pauanui community area	Fixed amount for each separately used or inhabited part of a rating unit Fixed amount for each rating unit	Farming and Horticultural, Rural Other, Residential, Off-shore Islands used and Off-shore Islands unused, Industrial and Commercial and Commercial Forestry		4,400 82	\$302.40 \$302.40
1,149,171	Local Works and Services Whangamata (Partially funds airfield, halls, parks and reserves, libraries, local grants and remissions, local roading and footpaths, public conveniences, cemeteries, local strategic planning, and harbours in compliance with the Revenue and Financing Policy)	Every rating unit in the Whangamata community area	Rate in the \$ on land value	Farming and Horticultural Rural Other Industrial and Commercial Commercial Forestry Residential Off-shore Island (used) Off-shore Island (unused)	Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 1.0 Ratio 0.5 Ratio 0.1	37,010,000 78,723,450 85,845,000 11,820,000 1,808,672,600 0 0	\$0.000568 \$0.000568 \$0.000568 \$0.000568 \$0.000568
1,259,844	Local Works and Services Whangamata (Partially funds airfield, halls, parks and reserves, libraries, local grants and remissions, local roading and footpaths, public conveniences, cemeteries, local strategic planning, and harbours in compliance with the Revenue and Financing Policy)	Every rating unit in the Whangamata community area	Fixed amount for each separately used or inhabited part of a rating unit Fixed amount for each rating unit	Farming and Horticultural, Rural Other, Residential, Off-shore Islands used and Off-shore Islands unused, Industrial and Commercial and Commercial Forestry		5,384 195	\$225.82 \$225.82

Funding Impact Statement

Total Revenue Required	Rates 2016/2017 (GST Inclusive)	Categories on which Rate is Set	Factor or Factors	Differential Categories	Differential Calculation	Unit of Measure	Indicative Rate or Charge
17,544,976	Wastewater (Funds wastewater)	Every rating unit in the district to which there is provision or availability of the wastewater service	Fixed amount for each separately used or inhabited part of a rating unit, on each water closet or urinal within the rating unit	Residential Non-residential uses: 1 water closet/urinal > 1 water closet/urinal for each water closet/urinal including the first	Ratio 1.0 Ratio 1.0 Ratio 0.5	17,924 292 3,603	\$835.80 \$835.80 \$417.90
			Fixed amount for each rating unit	The availability to the land of the wastewater service (not connected)	Ratio 0.75	1,299	\$626.85
4,269	Wastewater Loan (Whangapoua Rd) (Funds loan servicing for wastewater)	Every rating unit where the land is situated where no election to make a payment in advance has been made	Fixed amount for each rating unit			9	\$474.36
92,568	Wastewater Loan (Cooks Beach) (Funds loan servicing for wastewater for existing users)	Every rating unit where the land is situated where no election to make a payment in advance has been made	Fixed amount for each separately used or inhabited part of a rating unit, on each water closet or urinal within the rating unit	Residential Non-residential uses: 1 water closet/urinal > 1 water closet/urinal for each water closet/urinal including the first	Ratio 1.0 Ratio 1.0 Ratio 0.5	103 1 0	\$730.32 \$730.32 \$365.16
			Fixed amount for each rating unit	The availability to the land of the wastewater service (not connected)	Ratio 1.0	4	\$730.32
			Fixed amount for each separately used or inhabited part of a rating unit, on each water closet or urinal within the rating unit	Residential Non-residential uses: 1 water closet/urinal > 1 water closet/urinal for each water closet/urinal including the first	Ratio 0.5 Ratio 0.5 Ratio 0.25	31 1 9	\$365.16 \$365.16 \$182.58
			Fixed amount for each rating unit	The availability to the land of the wastewater service (not connected)	Ratio 0.5	1	\$365.16

Funding Impact Statement

Total Revenue Required	Rates 2016/2017 (GST Inclusive)	Categories on which Rate is Set	Factor or Factors	Differential Categories	Differential Calculation	Indicative Unit of Measure	Rate or Charge
1,899,172	Stormwater (Funds stormwater)	Every rating unit where the land is located in the areas as defined by Council	Fixed amount for each separately used or inhabited part of a rating unit		Ratio 1.0	23,069	\$80.59
		Every rating unit where the land is located in the areas as defined by Council	Fixed amount for each separately used or inhabited part of a rating unit		Ratio 0.60	826	\$48.36
622,931	Stormwater (Funds stormwater)	Every rating unit where the land is located in the areas as defined by Council	Rate in the \$ on the value of improvements		Ratio 1.0	3,965,137,900	\$0.000155
		Every rating unit where the land is located in the areas as defined by Council	Rate in the \$ on the value of improvements		Ratio 0.60	101,425,000	\$0.000093

Funding Impact Statement

Total Revenue Required	Rates 2016/2017 (GST Inclusive)	Categories on which Rate is Set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Unit of Measure	Rate or Charge
8,341,644	Water Supply (Funds water)	Every rating unit in the district to which there is provision or availability of the Council water service	Fixed amount for each separately used or inhabited part of a rating unit	The provision to the land of the water service (connected) and metered and within a scheduled reading scheme	Ratio 0.5	7,400	\$273.04
			Fixed amount for each separately used or inhabited part of a rating unit	The provision to the land of the water service (connected) but not metered or metered but not within a scheduled reading scheme	Ratio 1.0	11,301	\$505.38
1,719,332	Water Supplied by Volume (Funds water)	Every rating unit that is connected to a meter where a scheduled reading is undertaken	Fixed amount for each rating unit	The availability to the land of the water service (not connected)	Ratio 0.75	1,609	\$379.03
			Fixed amount for each cubic metre			1,359,156	\$1.27
75,822	Water Loan (Coromandel) (Funds loan servicing for water)	Every rating unit where the land is situated where no election to make a payment in advance has been made	Fixed amount for each rating unit		Ratio 1.0	200	\$365.41
			Fixed amount for each rating unit		Ratio 0.5	15	\$182.70
27,132	Water Loan (Ohuka Park) (Funds loan servicing for water)	Every rating unit where the land is situated where no election to make a payment in advance has been made	Fixed amount for each rating unit		Ratio 1.0	62	\$437.61

Funding Impact Statement

Total Revenue Required	Rates 2016/2017 (GST Inclusive)	Categories on which Rate is Set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Unit of Measure	Rate or Charge
764,750	Economic Development (Partially funds economic development in compliance with the Revenue and Financing Policy)	Every rating unit in the district defined for general rate differential purposes as industrial and commercial	Rate in the \$ on the value of improvements			751,089,500	\$0.001018
2,861,362	District Transportation and Building Control (Partially funds district transportation and building control in compliance with the Revenue and Financing Policy)	Every rating unit in the district	Rate in the \$ on capital value			14,664,775,850	\$0.000195
28,132	Ohuka Park Development Contributions Payment Plan (A targeted rate to fund development contributions payable when connecting to Council's water scheme in Ohuka Park)	Every rating unit where the land is situated and the ratepayer has opted to pay over five years	Fixed amount for each rating unit		Ratio 1.0	47	\$598.56
70,485,462	TOTAL						

N.B. Does not include penalties

Funding Impact Statement rating scenarios (including GST)

Projected number of rating units at 30 June 2016

26,992

Projected total capital value at 30 June 2016

\$14,664,775,850

Projected total land value at 30 June 2016

\$9,493,116,000

RESIDENTIAL Under \$320K	THAMES		COROMANDEL		MERCURY BAY		TAIRUA/PAUANUI		WHANGAMATA	
Current Land Value	140,000		140,000		140,000		140,000		140,000	
Current Imp Value	170,000		170,000		170,000		170,000		170,000	
Current Cap Value	310,000		310,000		310,000		310,000		310,000	
	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17
Gen Rate	86.30	93.07	86.30	93.07	86.30	93.07	86.30	93.07	86.30	93.07
UAGC	374.26	407.97	374.26	407.97	374.26	407.97	374.26	407.97	374.26	407.97
Solid Waste	119.77	125.55	119.77	125.55	131.30	137.63	140.51	147.28	140.51	147.28
Wastew tr	872.54	835.80	872.54	835.80	872.54	835.80	872.54	835.80	872.54	835.80
Roading	57.28	60.49	57.28	60.49	57.28	60.49	57.28	60.49	57.28	60.49
Sub Total	1,510.16	1,522.87	1,510.16	1,522.87	1,521.68	1,534.95	1,530.89	1,544.61	1,530.89	1,544.61
W&S Rate	186.44	188.94	101.04	105.31	99.01	103.89	93.44	97.01	78.59	79.56
W&S Charge	430.13	420.16	268.32	278.83	236.98	236.18	285.52	302.40	218.85	225.82
Stormw tr - Charge	87.12	80.59	87.12	80.59	87.12	80.59	87.12	80.59	87.12	80.59
Stormw tr - Rate	28.56	26.30	28.56	26.30	28.56	26.30	28.56	26.30	28.56	26.30
Water Ln			184.85	182.70						
Water	273.41	273.04	273.41	273.04	507.14	505.38	507.14	505.38	507.14	505.38
TOTAL	2,515.82	2,511.90	2,453.45	2,469.66	2,480.49	2,487.30	2,532.67	2,556.29	2,451.15	2,462.27
% change on previous year		-0.16%		0.66%		0.27%		0.93%		0.45%

RESIDENTIAL \$580-660K	THAMES		COROMANDEL		MERCURY BAY		TAIRUA/PAUANUI		WHANGAMATA	
Current Land Value	225,000		225,000		225,000		225,000		225,000	
Current Imp Value	375,000		375,000		375,000		375,000		375,000	
Current Cap Value	600,000		600,000		600,000		600,000		600,000	
	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17
Gen Rate	138.69	149.57	138.69	149.57	138.69	149.57	138.69	149.57	138.69	149.57
UAGC	374.26	407.97	374.26	407.97	374.26	407.97	374.26	407.97	374.26	407.97
Solid Waste	119.77	125.55	119.77	125.55	131.30	137.63	140.51	147.28	140.51	147.28
Wastew tr	872.54	835.80	872.54	835.80	872.54	835.80	872.54	835.80	872.54	835.80
Roading	110.87	117.07	110.87	117.07	110.87	117.07	110.87	117.07	110.87	117.07
Sub Total	1,616.14	1,635.96	1,616.14	1,635.96	1,627.66	1,648.04	1,636.87	1,657.70	1,636.87	1,657.70
W&S Rate	299.63	303.65	162.38	169.25	159.12	166.96	150.17	155.91	126.30	127.87
W&S Charge	430.13	420.16	268.32	278.83	236.98	236.18	285.52	302.40	218.85	225.82
Stormw tr - Charge	87.12	80.59	87.12	80.59	87.12	80.59	87.12	80.59	87.12	80.59
Stormw tr - Rate	63.00	58.02	63.00	58.02	63.00	58.02	63.00	58.02	63.00	58.02
Water Ln			369.69	365.41						
Water	273.41	273.04	273.41	273.04	507.14	505.38	507.14	505.38	507.14	505.38
TOTAL	2,769.43	2,771.43	2,840.06	2,861.11	2,681.02	2,695.18	2,729.82	2,760.00	2,639.28	2,655.38
% change on previous year		0.07%		0.74%		0.53%		1.11%		0.61%

RESIDENTIAL Over \$850K	THAMES		COROMANDEL		MERCURY BAY		TAIRUA/PAUANUI		WHANGAMATA	
Current Land Value	400,000		400,000		400,000		400,000		400,000	
Current Imp Value	505,000		505,000		505,000		505,000		505,000	
Current Cap Value	905,000		905,000		905,000		905,000		905,000	
	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17
Gen Rate	246.57	265.91	246.57	265.91	246.57	265.91	246.57	265.91	246.57	265.91
UAGC	374.26	407.97	374.26	407.97	374.26	407.97	374.26	407.97	374.26	407.97
Solid Waste	119.77	125.55	119.77	125.55	131.30	137.63	140.51	147.28	140.51	147.28
Wastew tr	872.54	835.80	872.54	835.80	872.54	835.80	872.54	835.80	872.54	835.80
Roading	167.22	176.58	167.22	176.58	167.22	176.58	167.22	176.58	167.22	176.58
Sub Total	1,780.37	1,811.81	1,780.37	1,811.81	1,791.89	1,823.89	1,801.10	1,833.54	1,801.10	1,833.54
W&S Rate	532.68	539.82	288.68	300.89	282.88	296.82	266.97	277.18	224.54	227.33
W&S Charge	430.13	420.16	268.32	278.83	236.98	236.18	285.52	302.40	218.85	225.82
Stormw tr - Charge	87.12	80.59	87.12	80.59	87.12	80.59	87.12	80.59	87.12	80.59
Stormw tr - Rate	84.83	78.14	84.83	78.14	84.83	78.14	84.83	78.14	84.83	78.14
Water Ln										
Water	273.41	273.04	273.41	273.04	507.14	505.38	507.14	505.38	507.14	505.38
TOTAL	3,188.55	3,203.56	2,782.73	2,823.30	2,990.85	3,021.00	3,032.69	3,077.23	2,923.59	2,950.80
% change on previous year		0.47%		1.46%		1.01%		1.47%		0.93%

Funding Impact Statement Rating Scenarios (including GST)

RURAL

	THAMES		COROMANDEL		MERCURY BAY		TAIRUA/PAUANUI		WHANGAMATA	
Current Land Value	4,250,000		4,250,000		4,250,000		4,250,000		4,250,000	
Current Imp Value	570,000		570,000		570,000		570,000		570,000	
Current Cap Value	4,820,000		4,820,000		4,820,000		4,820,000		4,820,000	
	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17
Gen Rate	1,571.87	1,695.18	1,571.87	1,695.18	1,571.87	1,695.18	1,571.87	1,695.18	1,571.87	1,695.18
UAGC	374.26	407.97	374.26	407.97	374.26	407.97	374.26	407.97	374.26	407.97
Solid Waste	119.77	125.55	119.77	125.55	131.30	137.63				
Wastew tr										
Roading	890.63	940.47	890.63	940.47	890.63	940.47	890.63	940.47	890.63	940.47
Econ Dev										
Sub Total	2,956.54	3,169.16	2,956.54	3,169.16	2,968.06	3,181.24	2,836.76	3,043.62	2,836.76	3,043.62
Land Drainage	529.24	566.01								
W&S Rate	5,659.70	5,735.59	3,067.18	3,196.93	3,005.55	3,153.66	2,836.60	2,945.05	2,385.69	2,415.33
W&S Charge	430.13	420.16	268.32	278.83	236.98	236.18	285.52	302.40	218.85	225.82
Water	273.41	273.04			507.14	505.38				
TOTAL	9,849.02	10,163.96	6,292.04	6,644.93	6,717.74	7,076.47	5,958.89	6,291.06	5,441.31	5,684.77
% change on previous year		3.20%		5.61%		5.34%		5.57%		4.47%

ISLANDS/FORRESTRY

	ISLAND		FORRESTRY	
Current Land Value	38,000,000		8,800,000	
Current Imp Value	6,500,000		700,000	
Current Cap Value	44,500,000		9,500,000	
	15/16	16/17	15/16	16/17
Gen Rate	11,711.98	12,630.76	5,424.50	5,850.04
UAGC	2,245.56	2,447.80		
Solid Waste				
Wastew tr				
Roading	8,222.64	8,682.75	1,755.39	1,853.62
Econ Dev				
Sub Total	22,180.18	23,761.32	7,179.89	7,703.66
Land Drainage				
W&S Rate	13,436.58	14,098.73	6,340.64	6,583.05
W&S Charge	1,609.92	1,673.01		
TOTAL	37,226.68	39,533.05	13,520.53	14,286.71
% change on previous year		6.20%		5.67%

COMMERCIAL

	THAMES		COROMANDEL		MERCURY BAY		TAIRUA/PAUANUI		WHANGAMATA	
Current Land Value	3,000,000		3,000,000		3,000,000		3,000,000		3,000,000	
Current Imp Value	10,600,000		10,600,000		10,600,000		10,600,000		10,600,000	
Current Cap Value	13,600,000		13,600,000		13,600,000		13,600,000		13,600,000	
	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17
Gen Rate	1,849.26	1,994.33	1,849.26	1,994.33	1,849.26	1,994.33	1,849.26	1,994.33	1,849.26	1,994.33
UAGC	374.26	407.97	374.26	407.97	374.26	407.97	374.26	407.97	374.26	407.97
Solid Waste	119.77	125.55	119.77	125.55	131.30	137.63	140.51	147.28	140.51	147.28
Wastew tr	872.54	835.80	872.54	835.80	872.54	835.80	872.54	835.80	872.54	835.80
Roading	2,512.99	2,653.61	2,512.99	2,653.61	2,512.99	2,653.61	2,512.99	2,653.61	2,512.99	2,653.61
Econ Dev	10,779.07	10,792.79	10,779.07	10,792.79	10,779.07	10,792.79	10,779.07	10,792.79	10,779.07	10,792.79
Sub Total	16,507.89	16,810.04	16,507.89	16,810.04	16,519.41	16,822.12	16,528.62	16,831.77	16,528.62	16,831.77
W&S Rate	3,995.08	4,048.65	2,165.07	2,256.66	2,121.56	2,226.12	2,002.31	2,078.86	1,684.02	1,704.94
W&S Charge	430.13	420.16	268.32	278.83	236.98	236.18	285.52	302.40	218.85	225.82
Water	273.41	273.04	273.41	273.04	273.41	273.04	273.41	273.04	507.14	505.38
Stormw ater Rate	1,780.69	1,640.11	1,780.69	1,640.11	1,780.69	1,640.11	1,780.69	1,640.11	1,780.69	1,640.11
Stormw ater Charge	87.12	80.59	87.12	80.59	87.12	80.59	87.12	80.59	87.12	80.59
TOTAL	23,074.33	23,272.59	21,082.50	21,339.27	21,019.18	21,278.16	20,957.67	21,206.77	20,806.45	20,988.62
% change on previous year		0.86%		1.22%		1.23%		1.19%		0.88%

Allocation of rates to activities 2016/17 (GST inclusive)

Uniform annual general charge and fixed targeted rates for works and services

The following schedule indicates how the Uniform Annual General Charge, and targeted rates set on a fixed basis, are spent on individual activities

	UAGC District	Thames	Local Works & Services Charge			Tairua Pauanui	Whangamata
			Coromandel Colville	Mercury Bay			
District Representation	\$83.70						
Local Representation	\$33.90						
District Strategic Planning	\$26.91						
Local Strategic Planning		\$7.10	\$10.01	\$5.12	\$2.92	\$6.41	
District Plan	\$30.91						
Coastal & Hazard Management	\$9.36						
Emergency Management	\$15.24						
Economic Development	\$40.40		\$0.00		\$0.00	\$0.00	
Community Health & Safety	\$35.05						
Building Control	\$9.91						
Grants & Remissions	\$22.96	\$71.31	\$57.87	\$28.99	\$26.38	\$36.07	
District Roading & Footpaths	\$54.00						
Local Roading & Footpaths		\$18.95	\$14.62	\$18.53	\$20.52	\$21.62	
Community Spaces and Development							
Airfields		\$4.14			\$7.11		
Cemeteries		\$16.72	\$30.63	\$12.70	\$7.95	\$9.43	
Halls		\$25.31	\$15.53	\$11.34	\$15.45	\$20.25	
Swimming Pools		\$43.60					
Libraries		\$72.74	\$7.91	\$24.24	\$43.55	\$17.90	
Harbour Facilities		\$6.05	\$13.80	\$9.21	\$25.29	\$8.30	
Local Parks & Reserves		\$124.98	\$92.60	\$106.81	\$123.77	\$84.26	
Public Conveniences		\$29.26	\$35.86	\$19.24	\$29.46	\$21.58	
Resource Consents	\$45.63						
	\$407.97	\$420.16	\$278.83	\$236.18	\$302.40	\$225.82	

Allocation of rates to activities 2016/17 (GST inclusive)

General rate and targeted rate for works and services

The following schedule indicates how the proportion of general rates, and targeted rates set as a rate in the dollar on land value, are spent on individual activities, for each \$10,000 of land value (assuming a differential of 1.0)

	General Rate District	Thames	Local Works & Services Rate			
			Coromandel Colville	Mercury Bay	Tairua Pauanui	Whangamata
Strategic Planning		\$0.35	\$0.34	\$0.13	\$0.07	\$0.18
Coastal & Hazard Management	\$0.89	\$0.32				
Building Control	\$0.14					
District Roading & Footpaths	\$2.93					
Local Roading & Footpaths		\$2.18	\$1.15	\$1.09	\$1.23	\$1.39
Community Spaces and Development						
Airfields		\$0.11			\$0.23	\$0.52
Halls		\$0.97	\$0.45	\$0.31	\$0.33	
Swimming Pools		\$1.75				
Harbour Facilities		\$0.26	\$0.38	\$0.56	\$0.55	\$0.42
Parks & Reserves		\$3.64	\$3.07	\$4.06	\$2.69	\$1.97
Land Drainage		\$0.03				
Cemeteries		\$0.95	\$0.92	\$0.28	\$0.25	\$0.31
Public Conveniences		\$0.78	\$0.99	\$0.41	\$0.62	\$0.49
Libraries		\$2.16	\$0.22	\$0.58	\$0.96	\$0.40
Stormwater	\$1.16					
Rubbish & Recycling	\$1.53					
	\$6.65	\$13.50	\$7.52	\$7.42	\$6.93	\$5.68

Capital Expenditure statements

Property, Plant & Equipment Projects - Thames

	2015/2016	2016/2017	2016/2017
	Annual plan	Long Term Plan	Annual plan
	(\$000)	(\$000)	(\$000)
THAMES			
Local Roads and Footpaths			
Footpath Rehabilitation	51	53	53
Footpath Construction	78	80	80
Streetlight Improvements	12	13	13
Streetlight Renewals	83	85	85
Street Furniture Renewals	7	7	10
Mary St Bus & Car Parking	56		
New Bicycle Racks	2	2	2
Mackay St Car Park	268		
Kauaeranga Valley Rd Sealing		32	32
Queen St Pedestrian Refuges			50
Danby Field Carpark Northern Exit			15
Airfield			
Renewals	2	2	2
Improvements	53		
Halls			
Thames Furniture & Fittings	5	5	5
Thames Civic Centre Upgrade	48		51
Harbour Facilities			
Kopu Boat Ramp	2		
Thames Wharf Renewals		5	5
Swimming Pools			
Thames Pool Renewals	25	8	8
Thames Pool Building Compliance & Health & Safety	19		
Thames Pool Toddler Pool & Health & Safety	8		
Libraries			
Thames - Library Books	81	83	74
Thames - Furniture & Fittings	5	5	5
Thames - Building Functionality Improvements	86	79	133
Parks & Reserves			
Renewals	39	46	14
Thames Skatepark	330		292
Minor Reserves Projects	128		
Reserve Carpark Reseals	22	53	53
WWI Monument			200
Porritt Park Playground Equipment			43
Thames Indoor Sports Facility			3,893
Public Conveniences			
Renewals	33	11	11
New/Replacement Facilities	72	158	168
Cemeteries			
Renewals	8	18	18
Coastal & Hazard Management			
Thames Erosion Mitigation	58		
Water			
Thames South Water	791	897	897
Drinking Water Standards Upgrades		429	429
Thames South Water Meters		156	156
Stormwater			
Kopu Stormwater Land Purchase	513		505
TOTAL THAMES	2,883	2,223	7,300

Property, Plant & Equipment Projects - Coromandel

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
COROMANDEL			
Wastewater			
Coromandel Treatment Plant Improvements	431		266
Local Roads and Footpaths			
Footpath Rehabilitation	4	4	4
Footpath Construction	50	51	51
Streetlight Improvements	19	20	20
Streetlight Renewals	14	14	14
Street Furniture Renewals	1	1	5
Wyuna Bay Rd Turning Area	31		
Halls			
Coromandel Improvements	21		
Coromandel Renewals	29	27	27
Harbour Facilities			
Sugarloaf Renewals	8		
Wharf Renewals	5	43	43
Oamaru Bay Boat Ramp			52
Charter Fishing Customer Car Park			64
Parks & Reserves			
Renewals	44	18	18
Minor Reserves Projects	6	47	47
Coro Sportsville		473	473
Public Conveniences			
Renewals	5	5	5
Cemeteries			
Renewals	17	7	22
Water			
Consent Renewal - Karaka		132	132
TOTAL COROMANDEL	684	842	1,244

Property, Plant & Equipment Projects - Mercury Bay

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
MERCURY BAY			
Wastewater			
Matarangi Treatment - Aeration & Filters		108	108
Matarangi Consent Renewal - Land Disposal			100
Whitianga Plant Optimisation		315	315
Hahei Consent Renewal - Wigmore Stream	131		
Solid Waste			
Transfer Station Whitianga		1,912	168
Weighbridge Infrastructure		79	
Public Conveniences			
Renewals	63	65	125
Hot Water Beach Toilet Upgrade	82	613	618
Bull Paddock New Toilet		168	168
Buffalo Beach New Toilet		168	168
Local Roads and Footpaths			
Footpath Rehabilitation	33	35	35
Footpath Construction	256	263	263
Streetlight Improvements	26	26	26
Streetlight Renewals	46	47	47
Victoria St Carpark Construction		53	53
Blacksmith Lane Footpath Legalisation	5		
Whitianga Town Upgrade	190	833	913
Aero Club Land Purchase	66		
Cemeteries			
Renewals	8	8	8
Mercury Bay Cemetery Stage 2 Development	543		407
Halls			
Renewals	21	21	21
Whitianga Hall Redevelopment	4		
Mercury Bay Museum			120
Libraries			
Mercury Bay - Library Books	31	33	32
Mercury Bay - Furniture & Fittings	2	3	3
Harbour Facilities			
Whitianga Boat Ramps (previously Destination Boat Ramp)	712		635
Ferry Landing Historic Wharf Refurbishment	411		165
Ferry Landing Wharf Interpretation Signage	24		24
Renewals	82	84	84
Purangi Ramp Upgrade & New Pontoon		179	179
Matarangi Boat Ramp		210	210
Parks & Reserves			
Renewals	154	158	158
Whitianga Sports Ground	638	263	263
Minor Reserves Projects	154	158	158
Reserve Carpark Rd Reseals/Seals	51	53	53
Hot Water Beach Parking Management	31		
Brophy's Beach Coastal Erosion	775		
Hahei Park & Ride Development	438		414
Coastal & Hazard Management			
Cooks Beach Flood Protection Wall	298		270
Buffalo Beach Coastal Erosion	72	520	549
Macrocarpa Reserve Erosion			100
Water - Whitianga			

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
Consent Renewal - Whangamaroro		132	
Water - Hahei			
Consent Renewal - Groundwater		88	
Stormwater			
Whitianga Sarah Avenue		739	739
TOTAL MERCURY BAY	5,346	7,331	7,697

Property, Plant & Equipment Projects - Tairua/Pauanui

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
TAIRUA/PAUANUI			
District Roads and Footpaths			
Tairua Manaia Rd Causeway	574		
Local Roads and Footpaths			
Footpath Rehabilitation	36	37	37
Footpath Construction	103		38
Streetlight Improvements	13	13	13
Streetlight Renewals	24	25	25
Street Furniture Renewals	1	1	1
Pauanui Gallagher Park Lane Carpark Extension		25	
Airfields			
Pauanui Radio/Computer Equipment	2		
Libraries			
Tairua - Library Books	9	10	9
Tairua - Furniture & Fittings	3	3	3
Harbour Facilities			
Renewals	9	79	34
Tairua Mary Beach Wharf Boat Ramp Improvements	380	772	1,265
Parks & Reserves			
Renewals	15	16	16
Minor Reserves Projects	15	32	32
Reserve Carpark Reseals	12	9	9
Public Conveniences			
Renewals		7	7
Water - Tairua			
Pepe Valley RBF	642		377
Stormwater - Tairua			
Manaia Road Causeway	302		
TOTAL TAIRUA/PAUANUI	2,141	1,028	1,866

Property, Plant & Equipment Projects - Whangamata

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
WHANGAMATA			
Local Roads and Footpaths			
Footpath Rehabilitation	15	16	16
Footpath Construction	233		
Streetlight Improvements	19	20	20
Streetlight Renewals	39	40	40
Xmas Lights & Decorations	2	2	2
Street Furniture Renewal	2	3	3
Curb/Channel/Swale	513	525	843
Harbour Facilities			
Renewals	10	5	5
Parks & Reserves			
Renewals	15	16	16
Minor Reserves Projects	117	89	89
Harbour Walkway/Cycleway	8	37	
Reserve Carpark Reseals		11	11
Williamson Park Redevelopment			370
Beach Road Playground Upgrade			108
Public Conveniences			
Onemana Renewals		126	
Water - Whangamata			
Consent Renewal - Manuka Place	41	94	94
TOTAL WHANGAMATA	1,015	984	1,617

Property, Plant & Equipment Projects - District Wide

	2015/2016 Annual plan (\$000)	2016/2017 Long Term Plan (\$000)	2016/2017 Annual plan (\$000)
DISTRICT WIDE (No specific Community Board area)			
Community Health & Safety			
Plant & Equipment	14		20
Leadership			
Thames Administration Building	21	5	13
Thames Administration Building - Roof		84	84
Coromandel Administration Building		13	13
Strategic Planning			
Computer Software	573	189	288
Computer Hardware	139	312	312
Furniture & Fittings	120	44	77
Plant & Vehicles	170	307	539
Emergency Management			
Warning Systems		63	63
Rural Fire Equipment			20
Economic Development			
Coromandel Harbour Sugarloaf Development		2,087	
Great Walk - Lees Rd Seal Extension		1,051	1,356
District Roads and Footpaths			
Area-wide Pavement Treatment	1,964	2,269	1,100
Unsealed Road Wearing Course Replacement	733	694	694
Unsealed Road Basecourse Replacement	256	305	305
Major Drainage Control	646	662	912
Maintenance Chip Seals	906	1,077	750
Thin AC Surfacing	650	594	632
Seal Widening	174	179	179
Bridge Component Replacement	77	79	79
Minor Safety Projects	614	642	642
Traffic Services	159	179	179
Dust Sealing	154	158	158
Preventative Maintenance	51	53	53
Road Legalisation	51	53	
Coastal & Hazard Management			
Kauri Dieback	42		
Wastewater			
Renewals	536	687	687
Water			
Renewals	251	321	1,000
Stormwater			
Renewals	532	379	429
Solid Waste			
Transfer Station Miscellaneous Improvements	103		103
Community Litter Bin Renewals	26	26	26
TOTAL DISTRICT WIDE (No specific Community Board area)	8,961	12,509	10,710
TOTAL CAPITAL PROJECTS	21,030	24,918	30,435