



SOUTH WAIRARAPA
DISTRICT COUNCIL
Kia Reretahi Tātau

Financial Assumptions and Statements

Date of Approval	xx June 2021
Next Review	30 June 2024

Financial Information and Statements

Forecasting Assumptions

Significant forecasting assumptions and risks underlying the financial estimates in this Long Term Plan 2021/2031 cover the following.

1. General Forecasting Assumptions

Preamble

The Long Term Plan (LTP), along with all forward planning documents, are subject to the risks associated with making assumptions about the future.

Council has taken care to ensure the forecasts are as accurate as possible; the significant forecasting assumptions are discussed below.

In light of the above observations, actual results may vary from that forecast.

Users should note that the information contained in this LTP may not be suitable for other purposes.

Impact of Covid-19

COVID-19 will have long lasting impacts across New Zealand and the uncertainty surrounding the impact on the New Zealand economy makes planning for the future more challenging. In June 2020, BERL developed projections on how the New Zealand economy could respond over the short to medium term. BERL created three economic scenarios to illustrate how the recovery might unfold, depending on a different mix of time spent under lockdown levels, time for vaccine development and distribution, as well as a general idea of the spread of COVID-19.

BERL predicted that the “Best Case” scenario would be the most likely scenario. This assumes that New Zealand’s eradication strategy is successful following one month at level 4 and one month at level 3. The critical trend is that cases grow slowly or decrease. The LTP is based on this being the most likely scenario with the assumption that New Zealand will generally remain at Alert Level 1 with the potential for sporadic but localised community clusters and an associated rise in alert levels; that the uptake in vaccines and strict border controls will reduce the risk of transmission; and that the national and international economy gradually recovers throughout the life of the LTP.

BERL has also modelled three scenarios for economic recovery looking to how GDP and employment might recover over the period 2020 to 2031 for the purposes of local government cost adjusters. The mid scenario is considered to be the likely scenario with the “stalled rebuild scenario” and “faster rebuild scenario” applying to councils whose local circumstances significantly skew the forecast to the negative or positive. The district meets a number of the criteria for a faster rebuild scenario, including the high proportion of employment in agriculture and professional, scientific and technical services, but we do not consider that, on balance, these factors outweigh the risks if a slower growth scenario eventuates, given the uncertainty. We are therefore basing this LTP on BERL’s mid-scenario.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
The prevalence and impact of COVID-19 varies from the assumptions.	High	COVID-19 and its impacts continue to evolve. More transmissible variants are emerging.
The economic recovery varies from the assumptions		If vaccines, containment and elimination measures are effective, economic recovery to pre-COVID-19 levels may be more rapid. The increase in skilled and seasonal labour, international tourism and subsequent impact on the hospitality sector will benefit the district.
		If management measures are not effective, further lockdowns, continued border closures and a slower international economic recovery will negatively impact the district's economy and raise concerns of rates affordability.

Population Growth

Census data shows that the population in the district increased by 11% from 9,800 in 2013 to 10,900 in 2018. This represents an average annual change over the 5-year period of 2.2%. By comparison, population projections used for our last LTP indicated an average annual change of 1.2% over the period. Population data from Infometrics notes that growth has been strong over the last decade, aided by significant net migration flows in the past five years. Growth slowed from 2017 (2.4%) with a spike in 2020 of 2.7% likely due to New Zealanders returning due to COVID-19. Statistics New Zealand estimates the 2020 annual change to be made up of 17% natural increase, with 47% net internal migration and 37% net international migration.

We have obtained population projections for the period 2019 to 2051 from Infometrics. Forecast information projects how the population, age structure and household types will change between now and 2051. The projections were compiled in July 2020 and took into account the impact of Covid-19 in its economic and population forecasts. Due to the rapidly changing economic and social environment, in November 2020 Infometrics provided refreshed projections for population and household numbers, incorporating revised migration forecasts and population estimates from Statistics New Zealand.

The LTP is based on the Infometrics medium growth scenario. We are not a high or medium growth district for the purposes of the National Policy Statement for Urban Development and in terms of local economic growth. The medium growth scenario is therefore more likely over the life of this LTP taking into account the impact of COVID-19 in the short to medium term, previous trends and the local economy.

Infometrics projections indicate that the district's resident population will grow from 11,512 in 2021 to 12,696 in 2031 and 14,476 by 2051. This represents an average annual growth of 1.1% from 2021 to 2031 over the life of this LTP and 0.8% from 2021 to 2051.

By comparison, projections used for our last LTP indicated a population of 12,733 by 2043 and an average annual growth rate of 0.9 % from 2018 to 2028 and 0.7% from 2018 to 2043.

Infometrics anticipates growth to slow in the near term with international net migration falling away due to COVID-19. Net migration is expected to return to the long-term forecasts from 2025 onwards. Sustained levels

of net migration are anticipated over the next 15 years as migrants fill retirees' jobs, with an ease down to low, but positive levels after this.

Migration to the district is influenced by the local and national housing market and development potential. Housing is becoming increasingly unaffordable in the district and is less affordable than the New Zealand average. The Housing Affordability Percentage Measure tells us whether households are spending more or less than 30 percent of their income on housing costs. In December 2018, the share of potential first home buyer households in the South Wairarapa who would be spending over 30 percent of their income on housing costs was 79%, higher than the national level of 75%. This compares to 38% of South Wairarapa renter households spending over 30 percent of their income on housing costs, again higher than the national level of 31%.

The average property value to average annual household income ratio has also increased to 5.5 in Q2 2020 compared to the district average of 4.0 over the period 2004-2020. The district is the least affordable in the Wairarapa with Masterton's Q2 2020 value to income ratio of 5.0 and Carterton's of 5.2. The district's population is increasingly influenced by migration from the wider Wellington region and affordability is worse in the Kapiti Coast with a ratio of 7.1 and Wellington City and Lower Hutt City with a ratio of 6.0.

The Council's 30-year Spatial Plan identifies areas for future growth across the district's three towns to respond to issues of housing affordability and to provide choice for existing and future residents.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Growth occurs at a different rate than assumed	Medium to High	<p>The population growth assumption is based on the Infometrics medium growth projections. There is inherent uncertainty in the base assumptions for population movement, labour market, economic conditions, and development potential. This uncertainty is exacerbated by COVID-19.</p> <p>Growth may occur at a faster rate than assumed due predominantly to the proximity to Wellington for employment and relative housing affordability. Net migration may increase as people are attracted to the lifestyle the district offers and as future growth opportunities are opened up.</p> <p>We are investing heavily in our infrastructure over the life of this LTP to address previous under-investment. This extra capacity will accommodate a degree of growth higher than anticipated. Higher growth will increase the rating database and lower the cost per household. However, significant growth may require investment to be brought forward resulting in increases in debt and/or rates. Higher growth may also impact our ability to deliver services to the same level and we may need to reduce service levels and/or increase debt, rates or fees.</p> <p>Although unlikely to stall, growth may occur at a slower rate than assumed. This is not likely to have a significant impact on our service or funding levels.</p>

Household Growth

Past trends indicate that household growth in the district has fluctuated over the last 10 to 20 years but the district's growth has generally been slow and steady.

The Greater Wellington Regional Council NRV values indicate that in the ten financial years from 2010/11 the number of rural and residential rateable properties has increased from 5532 to 6569, an increase of 18.7%. The annual growth rate over the period ranges from -1.7 in 2016/17 to 6.6% in 2014/15 with a median annual growth rate of 1.5% and an average annual growth rate of 1.75%.

The district has recently been experiencing a new period of building growth. There was steady growth in the number of new building consents issued from 1999 to 2007, followed by a period of decline in numbers to 2011 after the global financial crisis. Numbers then stayed steady until 2017 with a doubling of the number of consents issued for new dwellings compared to the previous year (from 50 to 102). Numbers decreased slightly to 86 in 2019 and 78 in 2020.

Consenting remains strong following COVID-19 with 30 new dwelling consents issued in the first quarter of the 2020/21 financial year and 25 in the second quarter, which is consistent with the number of consents in the high growth period 2017-2018 (25 for the first quarter and 26 for the second quarter in 2017; and 30 for the first quarter and 34 for the second quarter in 2018).

In terms of future projections, Infometrics' medium growth scenario indicates that the number of households in the district will increase from 4,946 in 2021 to 5,498 in 2031 and 6,371 in 2051. This represents an average annual growth of 1.2% from 2021 to 2031 over the life of this LTP and 0.9% from 2021 to 2051. Household growth is projected to be concentrated in the three urban areas, in particular Greytown and Featherston due their desirability for commuting by rail, with lesser growth in Martinborough. This is consistent with the planning direction proposed in the Wellington Regional Growth Framework which encourages Transit Oriented Developments around existing train stations. The Framework identifies Featherston as a "growth node" and an area around Woodside Station in Greytown as a longer-term growth option.

Note that the number of households will be lower than the number of dwellings or rateable properties as "households" are the permanent population and the latter includes second and holiday homes and other unoccupied properties.

Infometrics notes that the growth in the number of households is due to the growing population and decreasing average household size. As is the case for most of New Zealand, the population in South Wairarapa is projected to see an aging population over the next 30 years. The population aged 65 years and older is projected to grow by 77% between 2019 and 2051 (from around one in four to closer to around one in three of the district population). As a result, the average age is projected to rise from 44 in 2019 to 49 in 2051. The working age population is projected to grow by 14%.

The aging population is one component of the increase in smaller households, along with increasing life expectancy and societal trends towards smaller families. Infometrics projects a decline in the average household size going from 2.3 in 2019 to 2.19 in 2051. The strongest growth in household types takes place in one person households and couples without children but growth is expected in every household type as the overall population grows. One person households make up 25% of all households in 2019 and 29% in 2051 and couples without children make up 34% of all households in 2019 and 34% in 2051. The proportion of couples with children declines over the period with 26% of all households in 2019 and 23% in 2051.

The combined population growth and demographic changes have implications for the district's infrastructure and housing needs and the social and cultural wellbeing of our ageing community. The Council's 30-year Spatial Plan identifies areas for future growth across the district's three towns to provide choice for existing and future residents.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Growth and demographic change occur at a different rate than assumed	Medium to High	<p>The population growth assumption is based on the Infometrics medium growth projections. There is inherent uncertainty in the base assumptions for population movement, labour market, economic conditions, and development potential. This uncertainty is exacerbated by COVID-19.</p> <p>Growth may occur at a faster rate than assumed due predominantly to the proximity to Wellington for employment and relative housing affordability. Net migration may increase as people are attracted to the lifestyle the district offers and as future growth opportunities are opened up.</p> <p>We are investing heavily in our infrastructure over the life of this LTP to address previous under-investment. This extra capacity will accommodate a degree of growth higher than anticipated. Higher growth will increase the rating database and lower the cost per household. However, significant growth may require investment to be brought forward resulting in increases in debt and/or rates. Higher growth may also impact our ability to deliver services to the same level and we may need to reduce service levels and/or increase debt, rates or fees.</p> <p>Although unlikely to stall, housing growth may occur at a slower rate than assumed. This is not likely to have a significant impact on our service or funding levels.</p>

Number of Rateable Properties Growth

The number of rateable properties is assumed to be 7,006 by 2030; this is an average growth rate of 1.6% per year from the 2020 year (6,660).

FORECASTING RATING UNITS BY YEAR	
YEAR	FORECASTING RATING UNIT
2020	6,290
2021	6,372
2022	6,440
2023	6,508
2024	6,577
2025	6,646
2026	6,717
2027	6,788
2028	6,860
2029	6,933
2030	7,006

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Growth does not meet assumption	Medium	The growth has been based on figures from ID consultants and takes into account ongoing development in the district. Should such growth not continue then some projects will not go ahead and expenditure will be lower than forecast. If the growth is greater than predicted, then some projects will go ahead earlier than forecast, and expenditure will be higher than forecast.

New Zealand Transport Agency

Subsidies from New Zealand Transport Agency (NZTA) have been included at the approved rates for the three years from July 2021 to June 2024. NZTA confirmed the subsidy rate for most roads local roads will decrease from 53% in 2021 to 52% in 2022 and 51% onwards. An assumption has been made that Special Purpose Roads will remain at 100%.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Changes in subsidy rate and variation in criteria for inclusion in subsidised works programmes.	Medium	<p>The government has increased petrol tax to provide additional funding for roading and this commitment is unlikely to change.</p> <p>A reduction in the Special Purposes Road subsidy, while maintain the planned level of service, would result in expenditure higher than forecast. If this occurs some maintenance may be deferred.</p>

Water Metering

Charging for water use through universal metering of the district's urban water supply is in place. Prices for water used in excess of the current threshold of 350m³ will be charged per cubic metre at a rate of \$1.84 (including GST).

There are a number of external factors that impact delivery of water services, particularly in changes of legislation. Changes of this nature are usually flagged well in advance and are able to be incorporated in planning documents.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Water meters do not generate the level of revenue anticipated.	Low	<p>As the overall fixed charge for water is high, the impact of water by meter revenue being low will not have a material impact on water supply</p> <p>Legislative changes are hard to predict, however the length of time prior to enacting legislation allows the organisation to plan adequately.</p> <p>External Factors</p> <p>There will be no unexpected changes to legislation or other external factors that alter the nature of services provided by Council.</p> <p>Most changes to legislation are phased and known about in advance.</p> <p>Only in extraordinary circumstances would unexpected changes to legislation be made.</p>

Levels of Service

Unless otherwise stated in these assumptions or individual activity sections, service levels are assumed to remain the same through the life of the LTP. Any changes to the services other than those forecast in the LTP will impact on costs.

Three water reforms

Government decisions on the three water reform proposal are not expected to occur until around May 2021 and we are not being asked to decide on our participation until late 2021. This means we will not have access to a fully developed proposal in sufficient detail to be able to meaningfully engage with our community as part of this LTP.

In the absence of a fully developed proposal, and as any transfer of responsibility or assets would likely not occur until 2023/24 should it proceed, this LTP has assumed the current model of delivering three water services over the life of the LTP. There is however a high degree of uncertainty with this assumption and as a major change to the structure of service delivery could be costly and disruptive to services during the transition phase the full impacts will be assessed as part of our analysis of the proposal once further details are received. Financially it is likely to impact on operating revenue, running costs, overhead cost allocations, value of the three water assets, the value of any debt incurred, and any implications that movement of assets, debts of revenue might have. There will also be probable second order impacts.

As information about the basic design parameters for the reform is already available and any changes will be developed with long lead in times and in consultation with our communities, this will allow us to influence the outcome and plan accordingly.

Resource Management Reforms

The reforms of the resource management system involves repealing the Resource Management Act (RMA) and replacing it with three new pieces of legislation. The drafting of the three new pieces of legislation will commence from May – September 2021 and are not expected to be passed until December 2022. As there is a high degree of uncertainty around the proposals coming into force, together with a significant lead-in time to

make the transition to any new arrangements, we have assumed we will continue with existing provisions for the life of this LTP.

We do however anticipate that the review of the Wairarapa Combined District Plan will be adapted to reflect the existence of the RMA reforms. Should the district plan review need to be slowed or suspended as a result of the reforms being pursued by Government there may be some cost savings or overspend dependent on whether our contract for service needs to be suspended or extended. It is also expected that any urgent matters could be addressed through a Plan Change while the reforms are being progressed in which case the costs of the Plan Change would be covered by the existing district plan review budget. The district plan budget also allows for a certain degree of flexibility to ensure that the Plan remains relevant in the future.

2. Financial Forecasting Assumptions

Revaluation of Non-Current Assets

Revaluation assumptions have been included in the Plan. These have been done following the Business & Economic Research Limited (BERL) forecasts of price level change adjusters.

Revaluation movements will be shown in the statement of financial position and the statement of other comprehensive revenue and expense. Revaluations are carried out at three-year intervals.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Actual revaluation results differ from those in the forecast.	Medium	Where the actual inflation rate is different from that forecast, the actual revaluation will be different from that forecast. The LTP for each subsequent year is reviewed by way of the Annual Plan round and a new LTP is produced every three years.

Interest Rates

The range of interest rates on term debt is calculated at 0.81% to 3.49%. To allow for anticipated timing of capital expenditure, on selected loans interest expenditure is provided for on only 50% of forecast new loan amounts each year.

Interest on investments is calculated at 1.00% for 2021/22 increasing incrementally to 3.50% by 2030/31.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
That the interest rate will differ from those used in the calculations.	Medium	This will be managed through the Liability Management Policy and Investment Policy. The financial impact is not able to be measured. A 1% movement in interest rates (on a \$1M loan) increases/decreases total loan repayments by \$10,000. On the total forecast portfolio of \$20M, this would result in an increase/decrease of \$200,000. Council would have the option of mitigating this impact by altering the term of the loans.

Depreciation

Over the term of the Plan, Council has elected to fully fund depreciation on most assets with the exception of land transport (where approximately 50% of depreciation is funded).

For water and wastewater assets, we currently fund 72% of depreciation.

Depreciation has been calculated on asset values at their latest revaluation date, and on additions at cost afterwards.

It is assumed that:

- » existing depreciation will continue;
- » replacement assets (renewals) affect depreciation as follows:
 - » asset renewal will equal that of the assets being replaced;
 - » new assets' depreciation will be the result of their estimated lives and values; and
 - » depreciation on new and renewal programmes will impact in the year following the capital programme.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
That more detailed analysis of planned capital works once complete may alter the depreciation expense. That asset lives may alter due to new technology improving asset lives.	Medium	Council has asset management planning and upgrade programmes in place. Asset capacity and condition is monitored with replacement works being planned in accordance with standard asset management and professional practices. Depreciation is calculated in accordance with normal accounting and asset management practices.

Asset Lives

Useful lives of assets are based on professional advice. These are summarised in the depreciation note within the accounting policies.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
That assets wear out earlier than estimated.	Medium	Asset life is based on estimates of engineers, valuers and asset managers. Capital projects can be brought forward in event of early expiration of assets (this would affect depreciation and interest of which the amounts are unknown).

Asset Condition

Activity and asset management plans have been prepared for all major activities, and include renewal and capital programmes for all major infrastructural assets. These plans include assessments of asset condition, lifecycle and demand management. This planning information is considered by Council to be reasonable and supportable. There are no substantial asset disposals or acquisitions that will impact significantly on the plan.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Asset Management Plans are incomplete. Condition ratings and life cycle demand assumptions are erroneous.	Low to Moderate	Asset management plans are updated annually following 'best practice' as prescribed by the New Zealand Infrastructure Asset Management Manual. For instance, for roading asset inventories and condition ratings are stored and maintained in the RAMM database and in the AMP. The new AMP was audited by NZTA in 2019/20 and found to be adequately maintained.

Sources of Funds for Future Replacement of Assets

This is detailed in Part 3 Significant Activities under each significant activity. Sources of funding are also included in the Revenue and Financing Policy. The funding of the replacement of future assets is based on the following assumptions:

The funding for the replacement of any individual asset will be funded from the following sources in the following order of priority:

- » from prior year credit depreciation reserve balances;
- » from the current year's cash arising from the funding of depreciation;
- » loan funding; and
- » special funds set aside for specific purposes identified by Council.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
That a particular funding source is unavailable.	Low	As the Council operates a central treasury function, should one source of funding be unavailable for asset replacement, a further option would be available.

Inflation

Inflation – Operating Revenues and Expenses

2021/22 revenues and expenses have been predicted. Beyond this, inflation has been included in the LTP. Inflation has been predicted using the mid-scenario BERL (Business & Economic Research Limited) forecasts of price level change adjusters and are as follows.

YEAR	LOCAL GOVT ADMINISTRATION, SALARIES	ROADING	WATER SUPPLY WASTE-WATER STORM-WATER	PLANNING AND REGULATION
2021/22	3.2%	3.3%	6.0%	2.7%
2022/23	2.7%	3.1%	3.5%	2.5%
2023/24	2.5%	3.0%	2.6%	2.3%
2024/25	2.4%	2.9%	2.7%	2.2%
2025/26	2.5%	2.9%	2.9%	2.2%
2026/27	2.4%	2.9%	2.8%	2.2%
2027/28	2.5%	2.9%	3.2%	2.2%
2028/29	2.6%	2.9%	3.3%	2.2%
2029/30	2.6%	2.9%	3.4%	2.2%
2030/31	2.4%	2.9%	3.1%	2.2%

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
That actual inflation differs to that predicted. That decisions are made based on predicted inflation levels.	Moderate	Where the actual inflation rate is different from that forecast, the cost of projects and expenditure will be different from that forecast. The LTP for each subsequent year is reviewed by way of the annual plan round and a new 10-year plan is produced every three years.

Investments and Return on Investments

The Council's long-term special funds will be retained in their present form throughout the Plan. Additions and withdrawals from the funds have been accounted for each year through the Plan where identified and required.

RISK	LEVEL OF UNCERTAINTY	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
That the actual return on investment differs to that budgeted.	Moderate	Movement in the investment fund is difficult to predict but best efforts have been used, using past results. The financial effect is unknown.

Commitments and Contingencies

There are no commitments or contingencies that the Council is aware of that have not been included in this Annual Plan.

Opening Balance Sheet

To provide a more accurate forecast, the opening balance sheet figures are based on a forecast closing balance sheet, not the closing 2019/20 Annual Plan figures.

Rounding Differences

Due to the complexities of the financial model, there is a number of insignificant one dollar rounding differences in the financial statements.

Insurance

The assumption used in the LTP is that insurance cover will be available at similar levels (cost and coverage). Any significant change in the insurance market may impact both the forecast insurance cost, and potentially the level of coverage. Council may alter the level of coverage if circumstances deem this to be the best course of action.

Climate Change

Greater Wellington Regional Council has provided the climate change assumptions for the Wellington region and Wairarapa combined. These projections depend on future greenhouse gas emissions. As these are uncertain, the below information includes projections based on scenarios ranging from low to high greenhouse gas concentrations.

The projected changes are calculated for 2031–2050 (referred to as 2040) and 2081–2100 (2090) compared to the climate of 1986–2005 (1995).

Projected Environmental Changes (Temperature and Seasonality)

	RUAMĀHANGA WHAITUA 2040	WAIRARAPA COAST WHAITUA 2040	RUAMĀHANGA WHAITUA 2090	WAIRARAPA COAST WHAITUA 2090
Average annual T°C	+0.7 to +1°C above present	+0.5 to +1°C above present	+1.2 to +3°C above present	+1 to +3°C above present
Hot days (above 25°C)	Between 0 and 30 days increase	Between 5 and 30 days increase	Between 0 and 80 days increase	Between 15 and 60 days increase
Frost nights	Between 0 and 15 days reduction	Between 0 and 5 days reduction	Between 0 and 40 days reduction	Between 0 and 15 days reduction
Annual Growing Degree Days (GDD) base 10°C GDD = (T°Cmax + T°Cmin)/2) - T°Cbase <i>Measures potential for crop and pasture growth</i>	Increase of 0 to 300 GDD units	Increase of 0 to 300 GDD units	Increase of 200 to 1000 GDD units	Increase of 200 to 900 GDD units
Annual potential evapotranspiration deficit (mm) <i>Measures drought intensity</i>	+20 to +120 mm	+40 to +120 mm	+0 to +180 mm	+40 to +160 mm

Projected Environmental Changes (Wind)

	RUAMĀHANGA WHAITUA 2040	WAIRARAPA COAST WHAITUA 2040	RUAMĀHANGA WHAITUA 2090	WAIRARAPA COAST WHAITUA 2090
Annual number of windy days	0 to 4 days increase	0 to 6 days increase	0 to 12 days increase	0 to 10 days increase
Intensity of wind during windy days (>99 th percentile of daily mean)	0% to 3% increase	0% to 3% increase	1% to 4% increase	1% to 4% increase

Projected Environmental Changes (Rainfall Patterns and Intensity)

	RUAMĀHANGA WHAITUA 2040	WAIRARAPA COAST WHAITUA 2040	RUAMĀHANGA WHAITUA 2090	WAIRARAPA COAST WHAITUA 2090
Average annual rainfall	5% decrease to 5% increase	5% decrease to 5% increase	0% to 10% decrease	10% decrease to 5% increase
Amount of rain falling during heavy rainfall days (>99 th percentile of daily rainfall)	0% to 10% increase	0% to 15% increase	0% to 20% increase	0% to 30% increase
River mean annual low flow discharge (MAL) <i>Measures water shortage in the catchments</i>	Up to 60% decrease	Up to 60% decrease	Up to 80% decrease	Up to 80% decrease
River mean annual flood discharge (MAF) <i>Measures flood potential in the catchments</i>	20% decrease to 40% increase depending on catchment	20% decrease to 20% increase depending on catchment	20% decrease to 60% increase depending on catchment	20% decrease to 60% increase depending on catchment
Days of very high and extreme forest fire danger	100% to 150% increase	100% to 150% increase	100% to 150% increase	100% to 150% increase

Projected Environmental Changes (Sea Level and Coastal Hazards)

	2040	2090
Permanent sea level rise	+0.12 m to +0.24 m above present	+0.68 m to +1.75 m above present

Projected Environmental Changes (Oceanic Changes)

2040	2090
Acidification of the ocean	Acidification of the ocean
General temperature rise of sea water	General temperature rise of sea water
Marine heatwaves	Marine heatwaves

What this might mean for Wellington and Wairarapa

Environmental Implications

Coastal hazards	The region is particularly vulnerable to even a small rise in sea level because of its small tidal range. There may be an increased risk to coastal roads and infrastructure from coastal erosion and inundation, increased storminess and sea-level rise.
Heavy rain	The capacity of stormwater systems may be exceeded more frequently due to heavy rainfall events which could lead to surface flooding. River flooding may also become more frequent, particularly in low-lying areas. Floods are likely to become more intense.
Erosion and landslides	More frequent and intense heavy rainfall events are likely to lead to more erosion and landslides.
Droughts	More frequent droughts are likely to lead to water shortages, increased demand for irrigation and increased risk of wildfires.
Biosecurity	Climate change could lead to changes in pests and diseases over time. A likely increase in weed species and subtropical pests and diseases could require new pest management approaches. Regional biodiversity may be threatened by changing temperature and rainfall patterns, and sea level rise.
Agriculture	Warmer temperatures, a longer growing season and fewer frosts could provide opportunities to grow new crops. Farmers might benefit from faster growth of pasture and better crop growing conditions. However, these benefits may be limited by negative effects of climate change such as prolonged drought, water shortages and greater frequency and intensity of storms.

Impact on the four wellbeings

The expected direct impacts of climate change on the four wellbeings include:

- » Effects on environmental wellbeing:
 - » Biodiversity losses
 - » Increased pests such as wasps and rodents
 - » Reduced soil fertility
 - » High potential for fruit fly establishment
 - » Increased inundations (coastal and rivers)
- » Effects on social wellbeing:
 - » Increased pressure on water storage
 - » Groundwater quality and availability pressures
 - » Impact on human health (physical and psychological health)
- » Effects on economic wellbeing:
 - » Reduced workplace productivity (including for agriculture, forestry and fisheries)
 - » Increased damage on property and infrastructure

- » Effects on cultural wellbeing:
 - » Loss of cultural identity
 - » Loss on taonga species
 - » Loss of important cultural activities (e.g. mahinga kai)
 - » Impact Ko wai, mo wai, no wai (waterways connect communities) – cultural value
 - » Loss in archaeological sites

Impact on our activities

We have identified the following likely impacts of climate change on our activities over the next decade:

- » Physical risks – built environment:
 - » Risks on the 3 waters (increased pressure on potable water, stormwater network etc)
 - » Risks on the roads and buildings due to sea level rise, flooding, landslide and wildfire
 - » Increased pressure to protect communities from climate events
- » Physical risks – natural environment:
 - » Increased risk of climate events (flood, erosion, wildfire, extreme winds, droughts)
- » Governance risks:
 - » Risks of broader impact on local democracy and participation
 - » Risks of maladaptation to climate change
 - » Risk of decreased level of service over time
- » Legal risks:
 - » Risk of non-compliance with legislation
- » Litigation risks:
 - » Increased risk of litigation against the Council's climate change actions (or inaction)
- » Financial risks:
 - » Risk of loss of income due to climate events
 - » Risk of increased pressure on the council's budget (increased price of insurance, etc)
 - » Reputational risk
 - » Risk that the council's reputation drops over time due to maladaptation, lack of engagement and failure to achieve carbon targets.

Coastal vulnerability

The Wellington Region Climate Change Working Group commissioned a report to assess the coastal vulnerability of the Wellington region to climate change, sea level rise and natural hazards.¹ The report is intended to assist Councils in working with affected communities to develop long-term strategies.

¹ <https://www.gw.govt.nz/assets/Uploads/Wellington-Regional-Coastal-Vulnerability-AssessmentJune-2019Final.pdf>

The coastal area of the district was divided into three units – Onoke, Palliser and South Wairarapa Coast. Each unit was assessed against criteria grouped into the following areas: Community, Business, Three Waters, Lifelines Infrastructure, Māori and cultural, Ecological, Erosion, and Civil Defence and Emergency Management.

South Wairarapa Coastal Units in Vulnerability Assessment

Onoke	<p>Western point begins at Onoke beach and the Eastern point is the end of Onoke Beach</p> <p>It includes Lake Onoke and the Ruamahanga River Mouth</p> <p>The coast is characterised by a mix of sand and gravel beach and is primarily populated by baches</p> <p>There is 22.11km of coastline</p>
Palliser	<p>Western point is the end of Onoke beach where the coastline turns south and the Eastern point is Cape Palliser</p> <p>It includes Whatarangi and Ngawi</p> <p>The coast has a mix of small communities facing various degrees of hazards. The geology struggles for vegetation</p> <p>There is 30.59km of coastline</p>
South Wairarapa Coast	<p>Western point is Rocky Point and Eastern/Northern point is Honeycomb Rock</p> <p>It includes White Rock and Pahaoa</p> <p>The coast only a few small settlements (run holding stations) and limited road access</p> <p>There is 68.29km of coastline</p>

Overall, this assessment identified Palliser as the most vulnerable coastal unit within the Wairarapa. This is due to its vulnerability in relation to erosion risk and roading (a combination of single access and priority roads at risk).

While Onoke and South Wairarapa Coast were assessed as moderately vulnerable overall, this is more based on high vulnerability when considering ecological indicators. The ecological indicators considered include environmental sites, significant bird sites and coastal biodiversity.

Maintenance, Renewal and Capital Programme

The maintenance, renewal and capital expenditure programme for Council's core assets is based on the information in Council's asset/activity management plans. This information is the best information available to Council about these assets. For some assets, (e.g. underground pipes) the information around age, type and quality is reliable, however, it is acknowledged that information around condition has some limitations. Where these limitations exist, the information will be reviewed as new information becomes available updated information could result in changes to the costs of timing of planned expenditure.

Authorisation for Issue

The Council is responsible for the prospective financial statements, underlying assumptions and other related disclosures. This document was authorised by Council on Wednesday 30 June 2020.

Statement of Accounting Policies for the year ended 30 June 2020

Reporting Entity

South Wairarapa District Council (SWDC) is a territorial local body governed by the Local Government Act 2002 (LGA 2002 and Local Government Rating Act 2002) and is domiciled in New Zealand.

The SWDC is a separate legal entity and does not have any subsidiaries.

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

Basis of Preparation

The financial reports have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

The financial statements of the SWDC have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Public Benefit Standards with reduced disclosure requirements (Tier 2). The SWDC qualifies for Tier 2 reporting tier as the SWDC has less than \$30 million of expenditure.

These financial statements comply with PBE Accounting Standards.

Measurement Base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructure assets, investment property, playground assets, library books and certain financial instruments.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) and this could result in rounding differences. The functional currency of the SWDC is New Zealand dollars.

Changes in Accounting Policies

There have been no changes in accounting policies during the year.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

SCHEDULE OF PROSPECTIVE CAPITAL EXPENDITURE FOR THE YEARS ENDED 30 JUNE 2021-2031

	CARRIED FORWARD	NEW EXPENDITURE	TOTAL	TOTAL ESTIMATED CAPITAL EXPENDITURE									
	30 JUNE 2021	30 JUNE 2021	30 JUNE 2021	30 JUNE 2022	30 JUNE 2023	30 JUNE 2024	30 JUNE 2025	30 JUNE 2026	30 JUNE 2027	30 JUNE 2028	30 JUNE 2029	30 JUNE 2030	30 JUNE 2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CORPORATE SERVICES													
Council offices	500,000	10,610	510,610	5,000	5,105	5,210	5,300	5,395	5,495	5,600	5,710	5,825	5,945
Furniture		56,671	56,671	12,000	12,252	12,504	12,720	12,948	13,188	13,440	13,704	13,980	14,268
GIS			-	10,000	10,210	10,420	10,600	10,790	10,990	11,200	11,420	11,650	11,890
Intangible		30,000	30,000	20,000	-	-	-	-	-	-	-	-	-
IT hardware		46,684	46,684	50,000	51,050	52,100	53,000	53,950	54,950	56,000	57,100	58,250	59,450
IT software	60,000	33,952	93,952	128,000	60,239	52,100	53,000	53,950	54,950	56,000	57,100	58,250	59,450
Motor vehicles	130,000		130,000	140,000	61,260	62,520	63,600	64,740	65,940	67,200	68,520	69,900	71,340
Office equipment		94,488	94,488	10,000	10,210	10,420	10,600	10,790	10,990	11,200	11,420	11,650	11,890
	690,000	272,405	962,405	375,000	210,326	205,274	208,820	212,563	216,503	220,640	224,974	229,505	234,233
GOVERNANCE, LEADERSHIP & ADVOCACY													
Combined District Plan			-	150,000	153,300	156,600	-	-	-	-	-	-	-
Spatial Plan			-	265,000	122,640	135,720	159,750	-	-	-	-	-	-
	-	-	-	415,000	275,940	292,320	159,750	-	-	-	-	-	-
AMENITIES													
Campgrounds		10,610	10,610	15,000	15,315	15,630	15,900	16,185	16,485	16,800	17,130	17,475	17,835
Cemeteries		35,013	35,013	110,000	35,735	36,470	37,100	37,765	38,465	39,200	39,970	40,775	41,615
Community buildings		30,915	30,915	1,240,000	20,420	177,140	21,200	21,580	21,980	22,400	22,840	23,300	23,780
Community housing		111,830	111,830	60,000	61,260	62,520	31,800	32,370	32,970	33,600	34,260	34,950	35,670
Investment buildings		10,610	10,610	20,000	20,420	20,840	21,200	21,580	21,980	22,400	22,840	23,300	23,780
Library books		101,856	101,856	110,000	112,310	114,620	116,600	118,690	120,890	123,200	125,620	128,150	130,790
Parks & reserves		265,915	265,915	120,000	1,551,920	20,840	1,611,200	21,580	21,980	22,400	22,840	23,300	23,780
Playgrounds		90,185	90,185	50,000	51,050	52,100	53,000	53,950	54,950	56,000	57,100	58,250	59,450
Swimming pools		132,625	132,625	50,000	51,050	52,100	53,000	53,950	54,950	56,000	57,100	58,250	59,450
Toilets		51,050	51,050	50,000	51,050	52,100	53,000	53,950	54,950	56,000	57,100	58,250	59,450
	-	840,609	840,609	1,825,000	1,970,530	604,360	2,014,000	431,600	439,600	448,000	456,800	466,000	475,600
LAND TRANSPORT													
Bridges			-	-	-	-	533,500	544,000	555,000	566,500	578,500	591,000	604,000
Drainage		116,870	116,870	170,000	177,562	185,181	188,718	192,432	196,324	200,391	204,636	209,058	213,656
Footpath additions		72,000	72,000	400,000	409,600	418,800	426,800	435,200	444,000	453,200	462,800	472,800	483,200
Footpath renewals		45,000	45,000	150,000	156,672	163,395	166,516	169,793	173,227	176,816	180,561	184,463	188,520
Other minor works		459,658	459,658	887,500	870,144	892,044	909,084	926,976	945,720	965,316	985,764	1,007,064	1,029,216
Rehabilitation		261,399	261,399	250,000	261,120	272,325	277,527	282,989	288,711	294,693	300,936	307,438	314,201
Reseals		808,617	808,617	860,000	835,584	871,439	888,086	905,565	923,875	943,018	962,994	983,802	1,005,442
Road metalling		335,452	335,452	405,000	423,014	441,166	449,594	458,442	467,712	477,403	487,516	498,050	509,005
Seal extentions		125,829	125,829	-	-	-	-	-	-	-	-	-	-
Signs, guardrails, & safety		30,825	30,825	170,000	174,080	177,990	181,390	184,960	188,700	192,610	196,690	200,940	205,360
Structures		20,538	20,538	130,000	135,782	141,609	144,314	147,154	150,130	153,241	156,486	159,868	163,384
Traffic services		4,890	4,890	52,500	54,836	57,188	58,281	59,428	60,629	61,886	63,196	64,562	65,982
	-	2,281,078	2,281,078	3,475,000	3,498,394	3,621,137	4,223,810	4,306,939	4,394,028	4,485,074	4,580,079	4,679,045	4,781,966

SCHEDULE OF PROSPECTIVE CAPITAL EXPENDITURE FOR THE YEARS ENDED 30 JUNE 2021-2031

	CARRIED FORWARD	NEW EXPENDITURE	TOTAL	TOTAL ESTIMATED CAPITAL EXPENDITURE									
	30 JUNE 2021	30 JUNE 2021	30 JUNE 2021	30 JUNE 2022	30 JUNE 2023	30 JUNE 2024	30 JUNE 2025	30 JUNE 2026	30 JUNE 2027	30 JUNE 2028	30 JUNE 2029	30 JUNE 2030	30 JUNE 2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
PUBLIC PROTECTION													
Dog pound			-	100,000	-	-	-	-	-	-	-	-	-
IT hardware			-	14,000	4,084	4,168	4,240	4,316	4,396	4,480	4,568	4,660	4,756
IT software			-	15,000	1,021	1,042	-	-	-	-	-	-	-
Liquifaction modelling for building regulations			-	140,000	-	-	-	-	-	-	-	-	-
	-	-	-	269,000	5,105	5,210	4,240	4,316	4,396	4,480	4,568	4,660	4,756
SOLID WASTE MANAGEMENT													
Transfer station renewals			-	10,000	10,210	-	-	-	-	-	-	-	-
	-	-	-	10,000	10,210	-	-	-	-	-	-	-	-
WATER SUPPLY													
Consents, models, & plans			-	21,600	102,700	-	649,555	616,075	-	-	75,946	673,358	662,580
Infrastructure growth			-	-	-	-	144,990	1,332,855	-	-	-	12,949	-
Infrastructure renewals		1,500,124	1,500,124	358,000	375,882	393,448	409,194	426,733	445,037	464,130	484,036	504,779	526,383
Smart meters			-	1,000,000	1,027,000	1,052,000	-	-	-	-	-	-	-
Water supply & treatment - Featherston		460,000	460,000	-	99,824	45,446	57,996	-	-	-	-	-	-
Water supply & treatment - Greytown		452,000	452,000	1,458,000	-	-	127,591	-	-	-	-	-	-
Water supply & treatment - Martinborough		258,000	258,000	496,800	443,664	2,840,400	2,899,800	-	-	-	-	-	-
	-	2,670,124	2,670,124	3,334,400	2,049,070	4,331,294	4,289,126	2,375,663	445,037	464,130	559,982	1,191,086	1,188,963
WASTE WATER													
Consents, models, & plans		515,520	515,520	226,800	-	-	11,599	11,848	242,136	-	12,658	12,949	-
Health & safety upgrades			-	108,000	110,916	113,616	23,198	23,695	24,214	24,754	25,315	25,898	26,503
Infrastructure growth	400,000		400,000	-	-	-	-	-	-	-	-	-	-
Infrastructure renewals	2,580,000	540,200	3,120,200	329,000	567,931	361,888	2,696,814	392,726	409,165	427,458	446,532	466,411	487,119
Wastewater treatment & disposal - Featherston			-	1,800,000	1,027,000	1,055,977	8,939,976	5,485,000	-	-	-	-	-
Wastewater treatment & disposal - Greytown			-	307,500	59,771	494,230	68,154	59,238	30,267	-	707,560	-	-
Wastewater treatment & disposal - Martinborough			-	108,000	277,290	72,672	289,980	1,332,855	1,362,015	1,310,703	-	-	-
	2,980,000	1,055,720	4,035,720	2,879,300	2,042,908	2,098,383	12,029,721	7,305,362	2,067,797	1,762,915	1,192,065	505,258	513,622
STORMWATER DRAINAGE													
Consents, models, & plans			-	10,800	-	-	11,599	248,800	-	-	12,658	12,949	265,032
Water races	100,000	57,566	157,566	-	-	1,052,000	-	-	-	-	-	-	-
	100,000	57,566	157,566	10,800	-	1,052,000	11,599	248,800	-	-	12,658	12,949	265,032
TOTAL CAPITAL EXPENDITURE	3,770,000	7,177,503	10,947,503	12,593,500	10,062,483	12,209,978	22,941,066	14,885,243	7,567,361	7,385,239	7,031,126	7,088,503	7,464,172

PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 30 JUNE 2021-2031										
	30 JUNE 2022 \$000	30 JUNE 2023 \$000	30 JUNE 2024 \$000	30 JUNE 2025 \$000	30 JUNE 2026 \$000	30 JUNE 2027 \$000	30 JUNE 2028 \$000	30 JUNE 2029 \$000	30 JUNE 2030 \$000	30 JUNE 2031 \$000
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash was received from:										
Rates	20,003	21,812	22,695	24,093	24,493	25,230	25,309	25,988	26,615	26,907
Government grants & subsidies	3,509	3,745	3,801	3,911	4,024	4,141	4,261	4,385	4,515	4,646
Petrol tax	85	91	94	97	100	103	105	109	112	115
Other income	4,378	4,635	4,748	4,865	4,988	5,110	5,242	5,381	5,525	5,667
Regional council rates	4,969	4,969	4,969	4,969	4,969	4,969	4,969	4,969	4,969	4,969
Income from investments	109	139	254	194	201	318	383	458	538	608
	33,053	35,392	36,561	38,129	38,774	39,870	40,270	41,289	42,274	42,912
Cash was applied to:										
Payments to suppliers & employees	18,851	20,320	20,631	21,294	21,550	22,008	22,214	22,798	23,467	23,939
Regional council rates	4,969	4,969	4,969	4,969	4,969	4,969	4,969	4,969	4,969	4,969
Interest paid	614	771	916	1,225	1,370	1,318	1,310	1,310	1,310	1,310
	24,434	26,059	26,515	27,487	27,889	28,294	28,493	29,077	29,745	30,218
Net cash flow from operating activities	8,619	9,332	10,045	10,642	10,886	11,576	11,777	12,213	12,528	12,694
CASH FLOW FROM INVESTING ACTIVITIES										
Cash was received from:										
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Term investments & shares	-	-	-	-	-	-	-	-	-	-
Investments in loan redemption deposits	-	-	-	2,162	-	-	-	-	-	-
				2,162						
Cash was applied to:										
Purchase of fixed assets	12,594	10,062	12,210	22,941	14,885	7,567	7,385	7,031	7,089	7,464
Term investments & shares										
Investments in loan redemption deposits	1,187	1,641	1,833	-	515	1,456	1,776	1,771	1,771	1,771
	13,781	11,703	14,043	22,941	15,400	9,023	9,161	8,802	8,859	9,235
Net cash flow from investing activities	(13,781)	(11,703)	(14,043)	(20,779)	(15,400)	(9,023)	(9,161)	(8,802)	(8,859)	(9,235)
CASH FLOW FROM FINANCING ACTIVITIES										
Cash was received from:										
Drawdown of public debt	3,947	4,147	5,996	13,227	6,818	-	-	-	-	-
	3,947	4,147	5,996	13,227	6,818					
Cash was applied to:										
Repayment of public debt	-	-	-	4,271	1,271	315	-	-	-	-
				4,271	1,271	315				
Net cash flow from financing activities	3,947	4,147	5,996	8,956	5,547	(315)				
Net increase/(decrease) in cash held	(1,216)	1,776	1,999	(1,181)	1,033	2,238	2,616	3,410	3,669	3,459
Add cash at start of year (1 July)	4,821	3,605	5,381	7,380	6,199	7,232	9,470	12,085	15,496	19,164
BALANCE AT END OF YEAR (30 June)	3,605	5,381	7,380	6,199	7,232	9,470	12,085	15,496	19,164	22,623
REPRESENTED BY:										
Cash and cash equivalents	(260)	(218)	118	334	927	1,543	2,036	2,737	3,360	4,196
Short term deposits and investments	3,865	5,599	7,262	5,865	6,305	7,926	10,049	12,759	15,805	18,428
	3,605	5,381	7,380	6,199	7,232	9,470	12,085	15,496	19,164	22,623

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDING 30 JUNE 2021-2031

	30 JUNE 2022 \$000	30 JUNE 2023 \$000	30 JUNE 2024 \$000	30 JUNE 2025 \$000	30 JUNE 2026 \$000	30 JUNE 2027 \$000	30 JUNE 2028 \$000	30 JUNE 2029 \$000	30 JUNE 2030 \$000	30 JUNE 2031 \$000
OPERATING INCOME										
Rates	19,882,686	21,684,509	22,564,350	23,959,915	24,355,954	25,089,262	25,165,110	25,840,410	26,462,834	26,751,348
Rates Penalty	120,000	127,080	130,320	133,560	136,920	140,280	143,880	147,720	151,680	155,640
Interest	109,205	139,205	253,808	193,808	201,308	318,410	383,410	458,410	538,410	608,410
Fees & Licences	1,528,000	1,616,624	1,653,296	1,689,968	1,728,168	1,766,368	1,806,096	1,845,824	1,887,080	1,929,864
User Levies	771,950	814,865	835,352	857,749	881,486	905,223	932,261	961,880	992,889	1,022,040
Commissions	78,000	82,524	84,396	86,268	88,218	90,168	92,196	94,224	96,330	98,514
NZ Transport Agency Subsidy	1,727,025	1,845,924	1,830,809	1,883,732	1,938,309	1,994,539	2,052,424	2,111,963	2,174,809	2,237,655
Petrol Tax	85,000	91,375	94,095	96,815	99,620	102,510	105,485	108,545	111,775	115,005
Grants, Donations & Subsidies	4,000	4,232	4,336	4,444	4,552	4,660	4,776	4,900	5,028	5,148
Rental / Hire	622,500	657,942	674,348	691,819	709,731	727,644	747,464	768,972	791,323	812,208
Miscellaneous Income	80,300	85,544	87,751	89,960	92,248	94,570	96,974	99,417	101,975	104,572
NZTA CAPEX Subsidy	1,778,100	1,895,010	1,965,960	2,022,790	2,081,396	2,141,778	2,203,935	2,267,869	2,335,355	2,402,840
Grants, Donations & Subsidies	-	-	-	-	-	-	-	-	-	-
Contributions	1,297,000	1,377,925	1,413,279	1,449,683	1,487,734	1,526,182	1,567,327	1,610,269	1,655,255	1,699,741
Total Operating Income	28,083,766	30,422,759	31,592,099	33,160,510	33,805,643	34,901,594	35,301,339	36,320,402	37,304,742	37,942,985
OPERATING COSTS										
Governance, Leadership & Advocacy	1,982,672	2,158,825	2,124,719	2,127,089	2,245,451	2,239,578	2,278,226	2,399,385	2,389,275	2,431,762
Public Protection	2,080,622	2,161,345	2,231,821	2,253,842	2,332,210	2,372,774	2,431,987	2,453,196	2,553,884	2,561,742
Resource Management	1,013,372	1,068,121	1,019,897	1,045,847	1,204,936	1,234,107	1,220,842	1,243,642	1,272,707	1,156,890
Economic, Cultural & Community Development	786,411	799,194	881,335	901,199	922,060	945,839	966,007	988,045	1,012,841	1,034,628
Amenities	3,915,773	4,302,608	4,393,559	4,540,071	4,378,968	4,489,018	4,523,629	4,582,309	4,654,462	4,732,504
Land Transport	6,503,783	6,982,932	7,478,661	7,686,487	7,987,400	8,576,826	8,497,584	8,773,671	9,111,846	9,410,334
Water Supply	3,440,488	3,943,550	4,121,981	4,199,094	4,731,357	4,939,414	4,972,890	5,085,789	5,222,341	5,403,415
Solid Waste Management	1,775,455	1,958,205	1,999,902	2,003,211	2,057,336	2,114,987	2,168,089	2,232,210	2,304,295	2,363,626
Sewerage	2,140,675	2,568,822	2,504,063	3,311,091	3,368,489	3,598,145	3,641,452	3,721,228	3,800,441	3,847,227
Stormwater Drainage	392,613	414,018	424,669	486,973	496,705	557,894	566,747	573,766	586,970	601,547
Rate Debtors Written Off	20,000	21,180	21,720	22,260	22,820	23,380	23,980	24,620	25,280	25,940
Bad Debts	-	-	-	-	-	-	-	-	-	-
Loss on Sale of Assets	-	-	-	-	-	-	-	-	-	-
Total Operating Costs	24,051,863	26,378,800	27,202,326	28,577,163	29,747,733	31,091,961	31,291,433	32,077,861	32,934,342	33,569,615
Total Operating Surplus/(deficit)	4,031,903	4,043,959	4,389,773	4,583,347	4,057,911	3,809,633	4,009,906	4,242,541	4,370,400	4,373,370
Assets Vesting in Council	-	-	-	-	-	-	-	-	-	-
Gain on Asset Revaluations	417,327	339,197	300,891	308,413	328,769	324,343	345,749	368,383	378,329	374,153
Total Surplus/(deficit) after tax	4,449,230	4,383,156	4,690,664	4,891,760	4,386,679	4,133,976	4,355,655	4,610,924	4,748,729	4,747,523
Note: Total Operating Costs include;										
Depreciation	4,586,601	5,288,328	5,655,722	6,058,613	6,827,820	7,766,414	7,766,966	7,969,974	8,157,626	8,320,741
Interest	613,870	770,914	916,050	1,224,888	1,369,723	1,317,990	1,310,115	1,310,115	1,310,115	1,310,115

PROSPECTIVE STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDING 30 JUNE 2021-2031										
	30 JUNE 2022 \$000	30 JUNE 2023 \$000	30 JUNE 2024 \$000	30 JUNE 2025 \$000	30 JUNE 2026 \$000	30 JUNE 2027 \$000	30 JUNE 2028 \$000	30 JUNE 2029 \$000	30 JUNE 2030 \$000	30 JUNE 2031 \$000
ASSETS										
Current assets										
Cash and Bank	(260,360)	(218,336)	118,225	334,103	927,169	1,543,330	2,036,163	2,737,240	3,359,712	4,195,762
Short Term Deposits	11,252,520	14,627,567	18,122,925	14,563,989	15,518,484	18,596,011	22,494,811	26,975,123	31,792,172	36,186,058
Prepayments and Receivables	2,300,283	2,300,283	2,300,283	2,300,283	2,300,283	2,300,283	2,300,283	2,300,283	2,300,283	2,300,283
Inventories	54,418	54,418	54,418	54,418	54,418	54,418	54,418	54,418	54,418	54,418
Properties Intended for Sale	-	-	-	-	-	-	-	-	-	-
Total current assets	13,346,861	16,763,933	20,595,851	17,252,793	18,800,354	22,494,042	26,885,675	32,067,064	37,506,585	42,736,521
Non-current assets										
Intangible Assets	227,556	355,336	323,115	704,804	1,173,082	958,249	775,417	592,584	409,752	363,541
Investment Properties	11,696,442	12,035,639	12,336,530	12,644,943	12,973,712	13,298,055	13,643,804	14,012,187	14,390,516	14,764,669
Properties Intended for Sale	-	-	-	-	-	-	-	-	-	-
Investments	508,298	508,298	508,298	508,298	508,298	508,298	508,298	508,298	508,298	508,298
Property Plant and Equipment	494,645,151	499,291,527	549,760,110	566,260,872	573,850,017	617,061,275	616,862,380	616,106,364	663,572,916	662,762,559
Total non-current assets	507,077,448	512,190,800	562,928,053	580,118,918	588,505,109	631,825,877	631,789,899	631,219,434	678,881,482	678,399,068
Total assets	520,424,309	528,954,733	583,523,904	597,371,712	607,305,463	654,319,919	658,675,574	663,286,498	716,388,067	721,135,589
LIABILITIES										
Current liabilities										
Payables and Accruals	3,654,554	3,654,554	3,654,554	3,654,554	3,654,554	3,654,554	3,654,554	3,654,554	3,654,554	3,654,554
Employee Entitlements	404,341	404,341	404,341	404,341	404,341	404,341	404,341	404,341	404,341	404,341
Public Debt - Current Portion	-	-	-	-	-	-	-	-	-	-
Provisions - Current Portion	34,578	34,578	34,578	34,578	34,578	34,578	34,578	34,578	34,578	34,578
Total current liabilities	4,093,473	4,093,473	4,093,473	4,093,473	4,093,473	4,093,473	4,093,473	4,093,473	4,093,473	4,093,473
Non-current liabilities										
Public Debt - Non Current Portion	29,246,500	33,393,769	39,390,169	48,346,216	53,893,289	53,578,289	53,578,289	53,578,289	53,578,289	53,578,289
Provisions - Non Current Portion	407,538	407,538	407,538	407,538	407,538	407,538	407,538	407,538	407,538	407,538
Total non-current liabilities	29,654,038	33,801,307	39,797,707	48,753,755	54,300,827	53,985,827	53,985,827	53,985,827	53,985,827	53,985,827
EQUITY										
Public Equity	154,863,958	154,414,805	153,903,365	160,677,832	162,032,503	161,072,653	159,666,378	157,764,112	155,783,823	154,042,103
Special Separate and Trust Funds	28,165,495	32,997,804	38,199,909	36,317,202	39,349,210	44,443,036	50,204,966	56,718,156	63,447,174	69,936,416
Asset Revaluation Reserve	303,647,099	303,647,099	347,529,206	347,529,206	347,529,206	390,724,685	390,724,685	390,724,685	439,077,525	439,077,525
Other Reserves	245	245	245	245	245	245	245	245	245	245
Total equity	486,676,798	491,059,953	539,632,724	544,524,484	548,911,163	596,240,619	600,596,275	605,207,199	658,308,767	663,056,290
Total liabilities and equity	520,424,309	528,954,733	583,523,904	597,371,712	607,305,463	654,319,919	658,675,574	663,286,498	716,388,066	721,135,589

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDING 30 JUNE 2021-2031

	30 JUNE 2022 \$000	30 JUNE 2023 \$000	30 JUNE 2024 \$000	30 JUNE 2025 \$000	30 JUNE 2026 \$000	30 JUNE 2027 \$000	30 JUNE 2028 \$000	30 JUNE 2029 \$000	30 JUNE 2030 \$000	30 JUNE 2031 \$000
EQUITY										
Public Equity	151,215,494	154,863,958	154,414,805	153,903,365	160,677,832	162,032,503	161,072,653	159,666,378	157,764,112	155,783,823
Special Separate and Trust Funds	27,364,730	28,165,495	32,997,804	38,199,909	36,317,202	39,349,210	44,443,036	50,204,966	56,718,156	63,447,174
Asset Revaluation Reserve	303,647,099	303,647,099	303,647,099	347,529,206	347,529,206	347,529,206	390,724,685	390,724,685	390,724,685	439,077,525
Other Reserves	245	245	245	245	245	245	245	245	245	245
Equity at start of year	482,227,568	486,676,798	491,059,953	539,632,724	544,524,484	548,911,163	596,240,619	600,596,275	605,207,199	658,308,767
Total Surplus/(deficit) before tax	4,449,230	4,383,156	4,690,664	4,891,760	4,386,679	4,133,976	4,355,655	4,610,924	4,748,729	4,747,523
Asset Revaluation	-	-	43,882,107	-	-	43,195,480	-	-	48,352,840	-
Total Comprehensive Surplus/(deficit) before tax	4,449,230	4,383,156	48,572,771	4,891,760	4,386,679	47,329,456	4,355,655	4,610,924	53,101,568	4,747,523
Public Equity	154,863,958	154,414,805	153,903,365	160,677,832	162,032,503	161,072,653	159,666,378	157,764,112	155,783,823	154,042,103
Special Separate and Trust Funds	28,165,495	32,997,804	38,199,909	36,317,202	39,349,210	44,443,036	50,204,966	56,718,156	63,447,174	69,936,416
Asset Revaluation Reserve	303,647,099	303,647,099	347,529,206	347,529,206	347,529,206	390,724,685	390,724,685	390,724,685	439,077,525	439,077,525
Other Reserves	245	245	245	245	245	245	245	245	245	245
Equity at end of year	486,676,798	491,059,953	539,632,724	544,524,484	548,911,163	596,240,619	600,596,275	605,207,199	658,308,767	663,056,290

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

FUNDING IMPACT STATEMENT FOR Amenities

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

FUNDING IMPACT STATEMENT FOR Land Transport

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

FUNDING IMPACT STATEMENT FOR Public Protection

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

FUNDING IMPACT STATEMENT FOR Wastewater

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

FUNDING IMPACT STATEMENT FOR Water Supply

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

FUNDING IMPACT STATEMENT FOR Corporate Services

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]

HIGH LEVEL FINANCIAL INFORMATION FOR THE YEARS ENDING 30 JUNE 2021 - 2031

[illegible]