

Financial Information

- Prospective Statement of Comprehensive Revenue and Expenses 3
- Notes to Prospective Statement of Comprehensive Revenue and Expenses 4
- Prospective Statement of Financial Position 5
- Prospective Statement of Changes in Net Assets/Equity 7
- Prospective Statement of Cash Flows 8
- Capital Programme for Three Year Plan 2024/2034 10
- Capital Programme Funding Report 12
- Napier City Council Forecast Funding Impact Statement (Whole of Council) for 2024/2034 13
- Rating System 15

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

Forecast for the ten years ending 2024/25 to 2033/2034

AP 2023/24 \$000		PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
Revenue											
85,308	Rates revenue	109,608	121,393	131,421	142,281	154,041	166,776	180,568	195,502	211,674	229,188
-	Finance revenue	166	877	1,272	1,600	1,943	2,276	2,584	2,854	3,091	3,286
7,478	Development and financial contributions	7,665	7,903	8,045	8,190	8,337	8,487	8,640	8,787	8,936	9,088
8,196	Subsidies and grants	10,936	30,857	23,534	25,466	11,556	12,740	14,979	12,313	13,094	14,088
56,967	Other revenue	67,311	64,545	71,724	86,126	88,863	90,000	81,781	70,969	71,749	72,570
294	Other gains/(losses)	5,968	4,727	3,957	2,592	2,630	2,540	2,573	2,606	2,511	2,544
158,243	Total revenue	201,654	230,302	239,953	266,255	267,370	282,819	291,125	293,031	311,055	330,764
Expenditure											
52,494	Employee Benefit Expense	62,730	64,675	67,219	68,430	69,660	70,912	72,192	73,421	74,666	75,936
42,538	Depreciation and Amortisation	44,828	49,042	54,300	58,199	62,963	69,312	73,021	77,731	83,008	86,012
2,048	Finance Costs	3,425	7,776	12,375	15,446	17,730	19,484	21,447	23,419	23,546	21,660
75,537	Other Operating Expenses	91,641	85,374	91,873	100,738	101,492	99,392	97,019	93,992	96,524	97,554
172,617	Total expenditure	202,624	206,867	225,767	242,813	251,845	259,100	263,679	268,563	277,744	281,162
(14,374)	Operating surplus/(deficit) before tax	(970)	23,435	14,186	23,442	15,525	23,719	27,446	24,468	33,311	49,602
239	Share of associate surplus/(deficit)	728	566	584	595	606	617	628	640	651	662
(14,135)	Surplus/(deficit) before tax	(242)	24,001	14,770	24,037	16,131	24,336	28,074	25,108	33,962	50,264
-	Income tax expense	-	-	-	-	-	-	-	-	-	-
(14,135)	Surplus/(deficit) after tax	(242)	24,001	14,770	24,037	16,131	24,336	28,074	25,108	33,962	50,264
Other comprehensive revenue											
6,459	Valuation gains/(losses) taken to equity	42,041	108,248	10,717	56,244	93,642	8,055	42,561	84,167	8,377	45,430
-	Fair value gains/(losses) through comprehensive income on investments	-	-	-	-	-	-	-	-	-	-
(7,676)	Total comprehensive revenue and expenses	41,799	132,249	25,487	80,281	109,773	32,391	70,635	109,275	42,339	95,694

NOTES TO PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

Forecast for the ten years ending 2024/25 to 2033/2034

AP 2023/24 \$000		PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
755	1. Income from targeted rates for metered water supply	789	814	828	843	859	874	890	905	920	936
	2. Depreciation and Amortisation Expense by Group of Activity										
540	City Strategy	547	576	623	644	653	637	529	487	382	373
9,950	Community and Visitor Experiences	11,268	13,097	14,772	16,179	19,345	21,902	23,012	24,557	25,761	26,614
1,388	Other Infrastructure	1,479	1,532	1,083	1,016	995	983	1,011	1,041	1,054	1,030
1,333	Property Assets	2,537	2,959	3,674	4,515	4,622	4,836	4,853	4,992	5,151	5,122
5,443	Stormwater	5,517	5,574	6,106	6,156	6,061	6,747	6,947	7,186	7,889	8,164
2,850	Support Units	2,533	3,184	3,616	4,117	4,563	5,015	5,361	5,807	6,012	6,049
8,527	Transportation	7,777	8,690	9,531	10,449	11,585	12,537	13,500	14,478	15,242	16,253
7,855	Wastewater	8,140	8,302	9,163	9,290	9,241	10,148	11,064	12,167	13,703	14,464
4,653	Water Supply	5,030	5,128	5,732	5,833	5,898	6,507	6,744	7,016	7,814	7,943
42,539	Total directly attributable depreciation and amortisation by group of activity	44,828	49,042	54,300	58,199	62,963	69,312	73,021	77,731	83,008	86,012

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Forecast for ten years ending 30 June 2025 to 30 June 2034

AP 2023/24 \$000		PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
Assets											
Current assets											
6,618	Cash and cash equivalents	6,511	5,674	6,010	5,622	5,784	5,822	5,974	6,323	7,215	8,812
16,717	Debtors and other receivables	25,668	29,179	29,958	33,241	32,372	33,573	33,623	32,488	33,781	35,234
14,728	Inventories	5,246	5,513	11,361	11,317	9,824	5,201	672	684	695	707
310	Biological assets	297	306	312	317	323	329	335	341	346	352
-	Other financial assets	-	-	-	-	-	-	-	534	503	505
38,373	Total current assets	37,722	40,672	47,641	50,497	48,303	44,925	40,604	40,370	42,540	45,610
Non-current assets											
2,228,477	Property, plant and equipment	2,328,516	2,531,128	2,625,300	2,742,143	2,886,246	2,944,016	3,048,060	3,163,558	3,176,789	3,222,918
561	Intangible assets	1,463	1,368	1,372	1,305	1,330	1,354	1,378	1,403	1,427	1,451
14,873	Inventories	16,313	21,027	15,557	9,254	3,557	-	-	-	-	-
107,701	Investment property	108,727	112,967	116,469	118,682	120,937	123,114	125,330	127,586	129,755	131,961
12,914	Investment in associates	14,030	14,285	14,547	14,815	15,087	15,364	15,646	15,934	16,226	16,523
1,968	Other financial assets	7,563	14,223	20,881	26,817	32,868	38,991	43,324	46,708	49,987	52,911
2,366,494	Total non-current assets	2,476,612	2,694,998	2,794,126	2,913,016	3,060,025	3,122,839	3,233,738	3,355,189	3,374,184	3,425,764
2,404,867	Total assets	2,514,334	2,735,670	2,841,767	2,963,513	3,108,328	3,167,764	3,274,342	3,395,559	3,416,724	3,471,374
Liabilities											
Current liabilities											
25,055	Trade payables and other accruals	26,232	26,948	27,761	28,441	28,571	28,604	28,829	28,203	28,220	28,492
6,811	Employee benefit liabilities	7,528	7,809	8,111	8,364	8,679	8,889	9,104	9,315	9,591	9,750
-	Borrowings	-	-	-	-	-	-	-	21,378	41,508	41,527
31,866	Total current liabilities	33,760	34,757	35,872	36,805	37,250	37,493	37,933	58,896	79,319	79,769

PROSPECTIVE STATEMENT OF FINANCIAL POSITION CONTINUED

Forecast for ten years ending 30 June 2025 to 30 June 2034

AP 2023/24 \$000		PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
Non-current liabilities											
811	Employee benefit liabilities	689	653	672	569	411	357	302	246	123	122
67,224	Borrowings	85,565	173,639	253,082	293,684	328,406	355,228	390,751	381,752	340,244	298,717
1,174	Provisions	1,738	1,791	1,824	1,857	1,890	1,924	1,959	1,992	2,026	2,060
69,209	Total non-current liabilities	87,992	176,083	255,578	296,110	330,707	357,509	393,012	383,990	342,393	300,899
101,075	Total liabilities	121,752	210,840	291,450	332,915	367,957	395,002	430,945	442,886	421,712	380,668
2,303,792	Total net assets	2,392,582	2,524,830	2,550,317	2,630,598	2,740,371	2,772,762	2,843,397	2,952,673	2,995,012	3,090,706
Net assets / equity											
830,860	Accumulated revenue & expenses	814,422	838,463	853,327	877,506	894,676	919,202	947,485	972,834	1,007,992	1,058,543
1,472,932	Other reserves	1,578,160	1,686,367	1,696,990	1,753,092	1,845,695	1,853,560	1,895,912	1,979,839	1,987,020	2,032,163
2,303,792	Total net assets / equity	2,392,582	2,524,830	2,550,317	2,630,598	2,740,371	2,772,762	2,843,397	2,952,673	2,995,012	3,090,706

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

Forecast for the ten years ending 30 June 2025 to 30 June 2034

AP 2023/24 \$000		PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
2,311,468	Total net equity balance at 1 July	2,350,783	2,392,581	2,524,830	2,550,317	2,630,598	2,740,371	2,772,762	2,843,398	2,952,673	2,995,012
(7,676)	Total comprehensive revenue for the period	41,799	132,249	25,487	80,281	109,773	32,391	70,635	109,275	42,339	95,694
2,303,792	Total net equity balance at 30 June	2,392,582	2,524,830	2,550,317	2,630,598	2,740,371	2,772,762	2,843,397	2,952,673	2,995,012	3,090,706
	Total comprehensive revenue and expenses attributable to:										
(7,676)	Napier City Council	41,799	132,249	25,487	80,281	109,773	32,391	70,635	109,275	42,339	95,694
(7,676)	Total comprehensive revenue and expenses	41,799	132,249	25,487	80,281	109,773	32,391	70,635	109,275	42,339	95,694

PROSPECTIVE STATEMENT OF CASH FLOWS

Forecast for the ten years 2024/25 to 2033/34

AP 2023/24 \$000		PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
Cash flows from operating activities											
81,734	Receipts from rates revenue	109,358	121,256	131,306	142,156	153,907	166,631	180,411	195,332	211,492	228,991
-	Interest received	166	877	1,272	1,600	1,943	2,276	2,584	2,854	3,091	3,286
-	Dividends received	-	-	-	-	-	-	-	-	-	-
67,597	Receipts from other revenue	78,685	98,822	101,463	115,402	108,433	108,806	102,224	89,898	89,232	91,035
1,559	Goods and services tax (net)	(99)	(107)	(122)	(102)	(19)	(5)	(34)	94	(3)	(41)
(137,844)	Payments to suppliers and employees	(149,631)	(152,984)	(158,465)	(162,388)	(163,804)	(161,844)	(164,007)	(168,424)	(171,473)	(173,116)
(2,048)	Interest Paid	(3,425)	(7,776)	(12,375)	(15,446)	(17,730)	(19,484)	(21,447)	(23,419)	(23,546)	(21,660)
10,998	Net cash from operating activities	35,054	60,088	63,079	81,222	82,730	96,380	99,731	96,335	108,793	128,495
Cash flows from investing activities											
250	Proceeds from sale of property, plant & equipment	988	1,003	999	973	983	989	998	1,007	1,015	1,025
76	Proceeds from withdrawal of investments	-	-	-	-	-	-	-	-	534	1,038
(74,416)	Purchase of property, plant & equipment	(86,426)	(142,960)	(136,169)	(116,884)	(111,852)	(117,652)	(131,383)	(105,065)	(83,894)	(83,088)
448	Purchase of intangible assets	(610)	(629)	(641)	(653)	(665)	(677)	(689)	(701)	(713)	(725)
1,025	Acquisition of investments	(4,151)	(6,413)	(6,375)	(5,648)	(5,756)	(5,824)	(4,028)	(3,606)	(3,465)	(3,640)
(72,300)	Net cash from investing activities	(90,199)	(148,999)	(142,186)	(122,212)	(117,290)	(123,164)	(135,102)	(108,365)	(86,523)	(85,390)

PROSPECTIVE STATEMENT OF CASH FLOWS CONTINUED

Forecast for the ten years 2024/25 to 2033/34

AP 2023/24 \$000		PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
	Cash flows from financing activities										
63,222	Proceeds from borrowings	56,965	88,074	79,443	40,602	34,722	26,822	35,523	12,379	-	-
-	Repayment of borrowings	-	-	-	-	-	-	-	-	(21,378)	(41,508)
63,222	Net cash from financing activities	56,965	88,074	79,443	40,602	34,722	26,822	35,523	12,379	(21,378)	(41,508)
	Net (decrease)/increase in cash, cash equivalents & bank overdrafts	1,820	(837)	336	(388)	162	38	152	349	892	1,597
5,015	Cash, cash equivalents & bank overdrafts at 1 July	4,691	6,511	5,674	6,010	5,622	5,784	5,822	5,974	6,323	7,215
6,618	Cash, cash equivalents & bank overdrafts at 30 June	6,511	5,674	6,010	5,622	5,784	5,822	5,974	6,323	7,215	8,812

The GST (net) component of operating activities reflects the net GST paid or received to or from the Inland Revenue Department.

The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

CAPITAL PROGRAMME FOR THREE YEAR PLAN 2024/2034

	PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
Transportation										
Transportation	13,682	33,244	38,448	41,965	17,171	19,191	25,347	18,246	19,782	21,742
Total Transportation	13,682	33,244	38,448	41,965	17,171	19,191	25,347	18,246	19,782	21,742
Stormwater										
Stormwater	5,083	5,897	6,075	15,602	16,718	6,405	6,461	18,470	19,899	20,037
Total Stormwater	5,083	5,897	6,075	15,602	16,718	6,405	6,461	18,470	19,899	20,037
Wastewater										
Wastewater	9,654	10,181	9,110	17,616	17,919	21,233	28,946	27,947	24,991	21,508
Total Wastewater	9,654	10,181	9,110	17,616	17,919	21,233	28,946	27,947	24,991	21,508
Water Supply										
Water Supply	8,686	9,184	11,033	14,453	13,050	11,611	9,277	10,138	6,082	5,149
Total Water Supply	8,686	9,184	11,033	14,453	13,050	11,611	9,277	10,138	6,082	5,149
Other Infrastructure										
Cemeteries	249	257	254	2,706	859	197	804	138	125	127
Public Toilets	350	464	410	375	599	591	678	230	234	357
Waste Minimisation	4,141	4,140	2,875	2,326	1,641	1,631	1,660	1,725	1,754	1,783
Total Other Infrastructure	4,740	4,860	3,539	5,407	3,100	2,419	3,142	2,093	2,113	2,267
City Strategy										
Animal Control	146	686	836	41	33	42	123	2	2	2
Parking	772	49	50	51	52	53	54	55	56	57
Total City Strategy	918	735	887	92	85	95	177	57	58	59

CAPITAL PROGRAMME FOR THREE YEAR PLAN 2024/2034 CONTINUED

	PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
Community and Visitor Experiences										
Bay Skate	319	280	321	657	41	45	41	82	49	50
Community Facilities	646	1,684	143	228	312	477	216	220	223	227
Faraday Centre	212	40	44	47	51	54	55	56	57	58
Housing	3,322	1,839	1,611	648	3,087	911	1,440	149	152	155
Kennedy Park Resort	2,117	1,762	1,429	2,659	1,135	663	1,233	171	122	113
Libraries	702	1,201	737	668	845	675	940	704	717	718
Marine Parade Pools	1,420	562	675	230	258	72	73	54	55	56
McLean Park	50	825	1,313	268	-	-	-	-	-	-
MTG Hawke's Bay	5,483	3,677	1,774	366	807	1,702	1,207	557	313	458
Napier Aquatic Centre	2,370	279	792	1,216	546	31,567	34,224	19,041	468	476
Napier Conferences & Events	1,360	1,212	725	515	1,005	513	556	82	83	84
Napier i-SITE Visitor Centre	47	148	227	113	41	53	72	98	99	101
Napier Municipal Theatre	1,133	1,965	863	340	253	908	621	221	225	228
National Aquarium of NZ	1,350	165	172	1,311	13,828	1,931	1,282	514	481	1,639
Par2 MiniGolf	64	65	48	121	35	16	16	16	16	17
Reserves	3,076	3,099	4,040	2,678	4,835	8,794	10,838	2,086	3,020	2,690
Sportsgrounds	2,936	4,016	4,092	3,113	9,084	2,735	1,582	2,540	776	1,368
Total Community and Visitor Experiences	26,607	22,821	19,007	15,180	36,163	51,117	54,398	26,589	6,858	8,437
Property Assets										
Inner Harbour	1,750	4,514	155	1,605	2,999	555	-	-	554	1,691
Lagoon Farm	-	37	-	39	-	40	-	-	-	-
Property Holdings	11,190	47,332	45,065	26	26	27	27	28	28	29
Total Property Assets	12,940	51,883	45,221	1,669	3,026	621	27	28	582	1,720
Support Units										
Support Units	4,980	4,392	4,342	6,688	6,161	6,306	6,707	5,473	7,480	5,778
Total Support Units	4,980	4,392	4,342	6,688	6,161	6,306	6,707	5,473	7,480	5,778
Total Capital Plan	87,291	143,199	137,662	118,672	113,392	118,999	134,480	109,042	87,845	86,698

CAPITAL PROGRAMME FUNDING REPORT

Capital Programme Funding for Three Year Plan 2024/2034

	PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
Loan Rates	48,158	90,854	84,937	57,638	71,205	73,702	82,721	54,220	36,985	33,566
Waka Kotahi Subsidies	5,737	18,594	19,237	21,190	7,223	8,351	10,532	7,810	8,534	9,471
Reserves	33,396	33,751	33,488	39,844	34,964	36,946	41,227	47,012	42,326	43,661
Total Capital Plan	87,291	143,199	137,662	118,672	113,392	118,999	134,480	109,042	87,845	86,698

NAPIER CITY COUNCIL FORECAST FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL) FOR 2024/2034

AP 2023/24 \$000		PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
Sources of operating funding											
50,941	General rates, uniform annual general charges, rates penalties	73,185	82,595	90,282	98,115	105,680	113,273	121,620	130,905	139,080	148,409
34,367	Targeted rates	36,423	38,797	41,139	44,166	48,361	53,504	58,948	64,597	72,595	80,780
2,973	Subsidies and grants for operating purposes	5,199	4,242	4,296	4,276	4,332	4,389	4,447	4,503	4,560	4,618
28,227	Fees and charges	34,543	36,829	38,899	41,443	43,577	44,434	45,321	46,041	46,663	47,243
-	Interest and dividends from investments	166	877	1,272	1,600	1,943	2,276	2,584	2,854	3,091	3,286
27,485	Local authorities fuel tax, fines, infringement fees, and other receipts	31,520	26,360	31,443	43,274	43,853	44,106	33,053	21,461	21,559	21,740
143,993	Total operating funding (A)	181,036	189,700	207,331	232,874	247,746	261,982	265,973	270,361	287,548	306,076
Applications of operating funding											
128,017	Payments to staff and suppliers	154,371	150,047	159,091	169,167	171,152	170,305	169,211	167,414	171,191	173,492
2,048	Finance costs	3,425	7,776	12,375	15,446	17,730	19,484	21,447	23,419	23,546	21,660
13	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
130,078	Total applications of operating funding (B)	157,796	157,823	171,466	184,613	188,882	189,789	190,658	190,833	194,737	195,152
13,915	Surplus/(deficit) of operating funding (A - B)	23,240	31,877	35,865	48,261	58,864	72,193	75,315	79,528	92,811	110,924
Sources of capital funding											
5,222	Subsidies and grants for capital expenditure	5,737	26,614	19,237	21,190	7,223	8,351	10,532	7,810	8,534	9,471
7,478	Development and financial contributions	7,665	7,903	8,045	8,190	8,337	8,487	8,640	8,787	8,936	9,088
66,646	Increase/(decrease) in debt	56,965	88,074	79,443	40,602	34,722	26,822	35,523	(8,999)	(20,130)	(41,578)
250	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
79,596	Total sources of capital funding (C)	70,367	122,591	106,725	69,982	50,282	43,660	54,695	7,598	(2,660)	(23,019)

NAPIER CITY COUNCIL FORECAST FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL) FOR 2024/2034 CONTINUED

AP 2023/24 \$000		PLAN 2024/25 \$000	PLAN 2025/26 \$000	PLAN 2026/27 \$000	PLAN 2027/28 \$000	PLAN 2028/29 \$000	PLAN 2029/30 \$000	PLAN 2030/31 \$000	PLAN 2031/32 \$000	PLAN 2032/33 \$000	PLAN 2033/34 \$000
Application of capital funding											
Capital expenditure											
27,058	- to meet additional demand	9,510	5,109	7,251	12,856	12,783	16,333	17,352	16,406	11,366	11,736
19,553	- to improve the level of service	26,350	53,617	52,236	39,695	31,157	37,605	35,025	36,208	27,641	26,101
28,069	- to replace existing assets	50,183	83,117	76,793	64,714	68,018	63,601	78,696	52,960	45,311	45,274
18,831	Increase (decrease) in reserves	7,564	12,625	6,310	978	(2,812)	(1,686)	(1,063)	(18,448)	5,833	4,794
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
93,511	Total application of capital funding (D)	93,607	154,468	142,590	118,243	109,146	115,853	130,010	87,126	90,151	87,905
(13,915)	Surplus/(deficit) of capital funding (C - D)	(23,240)	(31,877)	(35,865)	(48,261)	(58,864)	(72,193)	(75,315)	(79,528)	(92,811)	(110,924)
-	Funding balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

The Funding Impact Statement (FIS) is provided in accordance with section 98 and Schedule 10 of the Local Government Act. The FIS is intended to make the sources and applications of Council funds more transparent than might be the case if only the usual GAAP financial statements were provided.

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

The FIS links the Council's Revenue and Financing Policy, the annual setting of rates, fees, development contributions and annual borrowing requirements. The FIS sets out the revenue and financing mechanisms that have been used.

Rating System

The following describes in full the rating system to apply from 1 July 2024:

General Rates

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

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

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

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

General rate differentials

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

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

Residential/Other

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

Commercial & Industrial

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

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

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

Rural Residential

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

Rural

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

Differentials

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

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

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

Notes on allocation of properties into differential categories

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

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

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

Uniform Annual General Charge

Council's Uniform Annual General Charge (UAGC) is set at a level that enables all rates that are set on a uniform basis as a fixed amount, excluding those related to water supply and sewage disposal, to recover between 20% and 25% of total rates. For 2024-25 Council has determined that the UAGC will be set at a level to recover 25% of total rates from fixed amounts.

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

Targeted Rates

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

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

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

Water

Fire Protection Rate

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

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

This rate is differentially applied, in recognition that the carrying capacity of water required in the reticulation system to protect commercial and industrial properties is greater than that required for residential properties. The rate is further differentiated where a property is not connected but is within 100 metres of a water supply system. 50% of the base rate for each differentiated category applies for each property not connected but located within 100 metres of the systems.

Differential Categories	Connected (%)	Not connected but within 100 m (%)
Central Business District and Fringe Commercial & Industrial	400%	200%
Other Commercial & Industrial	200%	100%
Residential / Other	100%	50%

Water Rate

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

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

The differential categories for the water rates are:

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

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

Stormwater Rate

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

This rate recovers the cost of stormwater activity. The Stormwater rate is based on the capital value of Residential, Rural Residential, and Commercial & Industrial properties within the recognised serviced area as per the Stormwater Coverage map (i.e. non-rural property as defined under the District Plan).

Rural properties are exempted.

The differential categories for stormwater rates are:

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

Sewerage Rate

This rate recovers the net cost of the wastewater activity.

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

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

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

Bay View Sewerage Connection Rate

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

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

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

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

Refuse & Recycling

Refuse Collection and Disposal Rate

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

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

Kerbside Recycling Rate

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

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

Vehicle Levy

Inner City Vehicle Levy

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

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

Refer Council maps:

- Inner City Vehicle Levy - 100%
- Inner City Vehicle Levy - 50%

Taradale Vehicle

This levy is used to support additional off-street car parking in the Taradale Suburban Commercial area.

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

Suburban Vehicle Levy

This levy is used to support additional off-street car parking at each of these areas served by Council-supplied, off-street car parking and to maintain the existing off-street car parking areas.

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

Promotion Rates

CBD Promotion Rate

This rate recovers at least 70% of the cost of the promotional activities run by Napier City Business Inc. The remainder is met from general rates to reflect the wider community benefit of promoting the CBD to realise its full economic potential.

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

Taradale Promotion Rate

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

Other Rates and Charges

Swimming Pool Safety Rate

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

Rangatira Revetment Rate

Revetment construction commenced in 2023 to provide protection from ongoing coastal erosion. The Rangatira Revetment targeted rate is a fixed amount set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit on the north side of Whakarire Avenue. This rate recovers the private funding component of the cost over a period of 25 years.

Resilience Rate

This rate partially funds activities related to emergency preparedness including, but not limited to, infrastructure projects, civil defence planning, emergency equipment, and other disaster-related planning. These costs would otherwise not be budgeted for, or included, in the Long Term Plan. The targeted rate is a fixed amount set on a uniform basis, applied to each separately used or inhabited part of a rating unit. This rate has been introduced according to the procedure set out in Section 23 of the Local Government (Rating) Act 2002.

Water-By-Meter Charges

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

Where any rating unit is suspected to have above average water usage, Council officers may require that a water meter is installed, and excess usage is charged based on the water-by-meter targeted rate.

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

Targeted Rates Note:

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

Separately Used or Inhabited Parts of a Rating Unit Definition

Definition

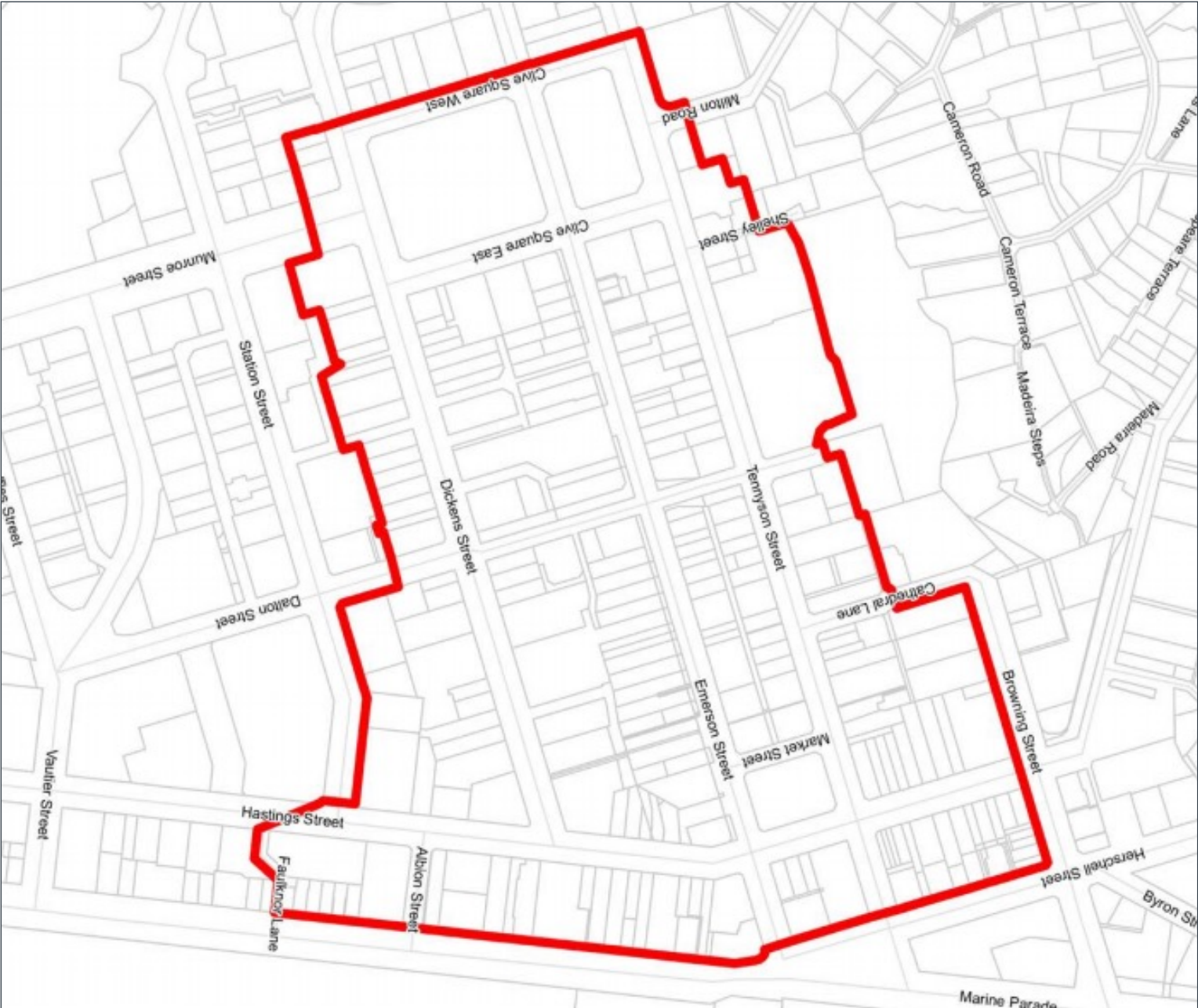
For the purposes of the Uniform Annual General Charge and all uniform (or fixed value) targeted rates, a separately used or inhabited part of a rating unit is defined as: Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having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

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

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

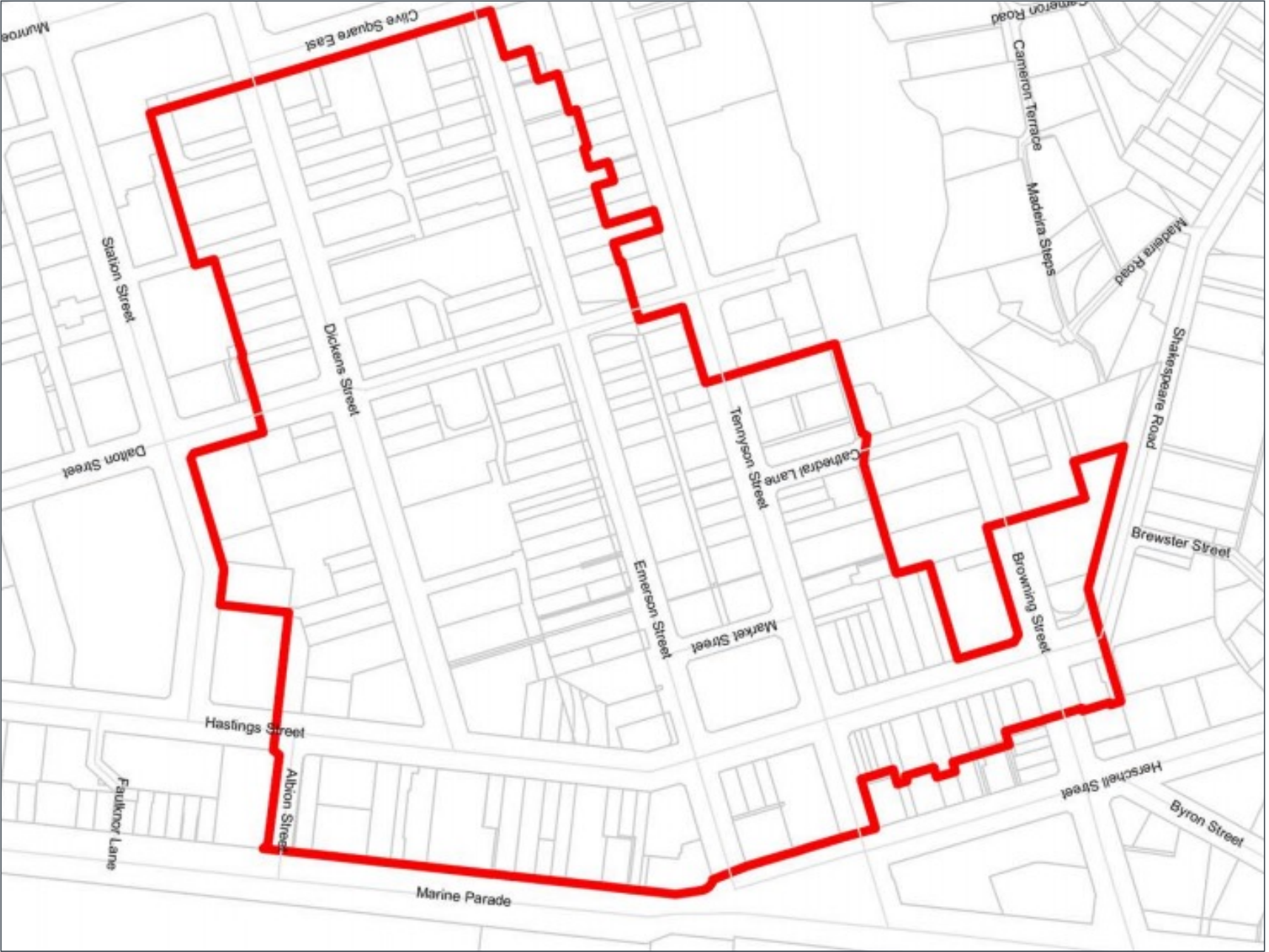
- For residential rating units, each consented supplementary unit is considered a separately used or inhabited part. Each situation is assessed on its merits;
- Residential properties where a separate area that is available to be used as an area independent to the rest of the dwelling is used for the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

These examples are not inclusive of all situations.



CBD Promotion Rate Area

Inner City Vehicle Levy
100% Levy Area

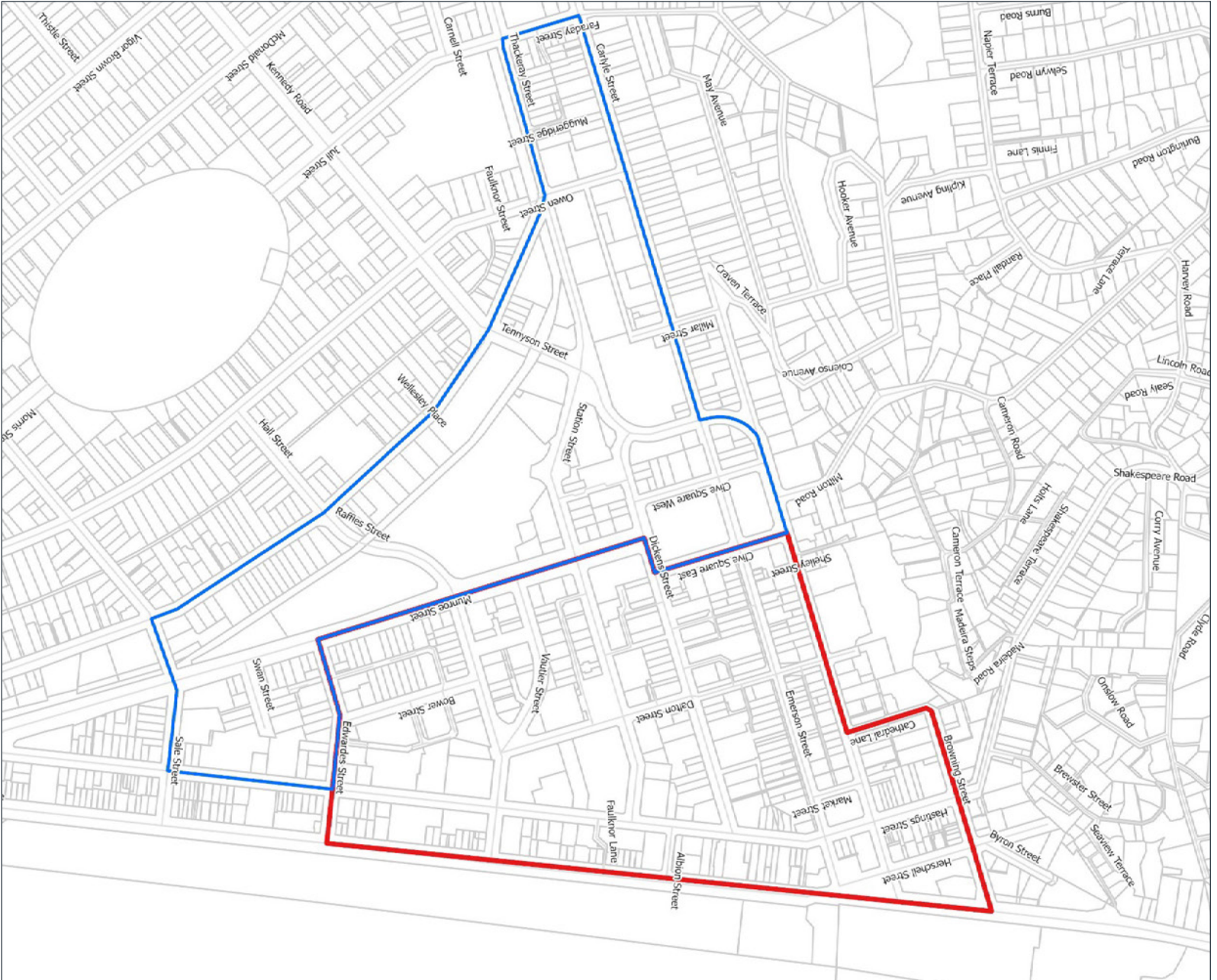


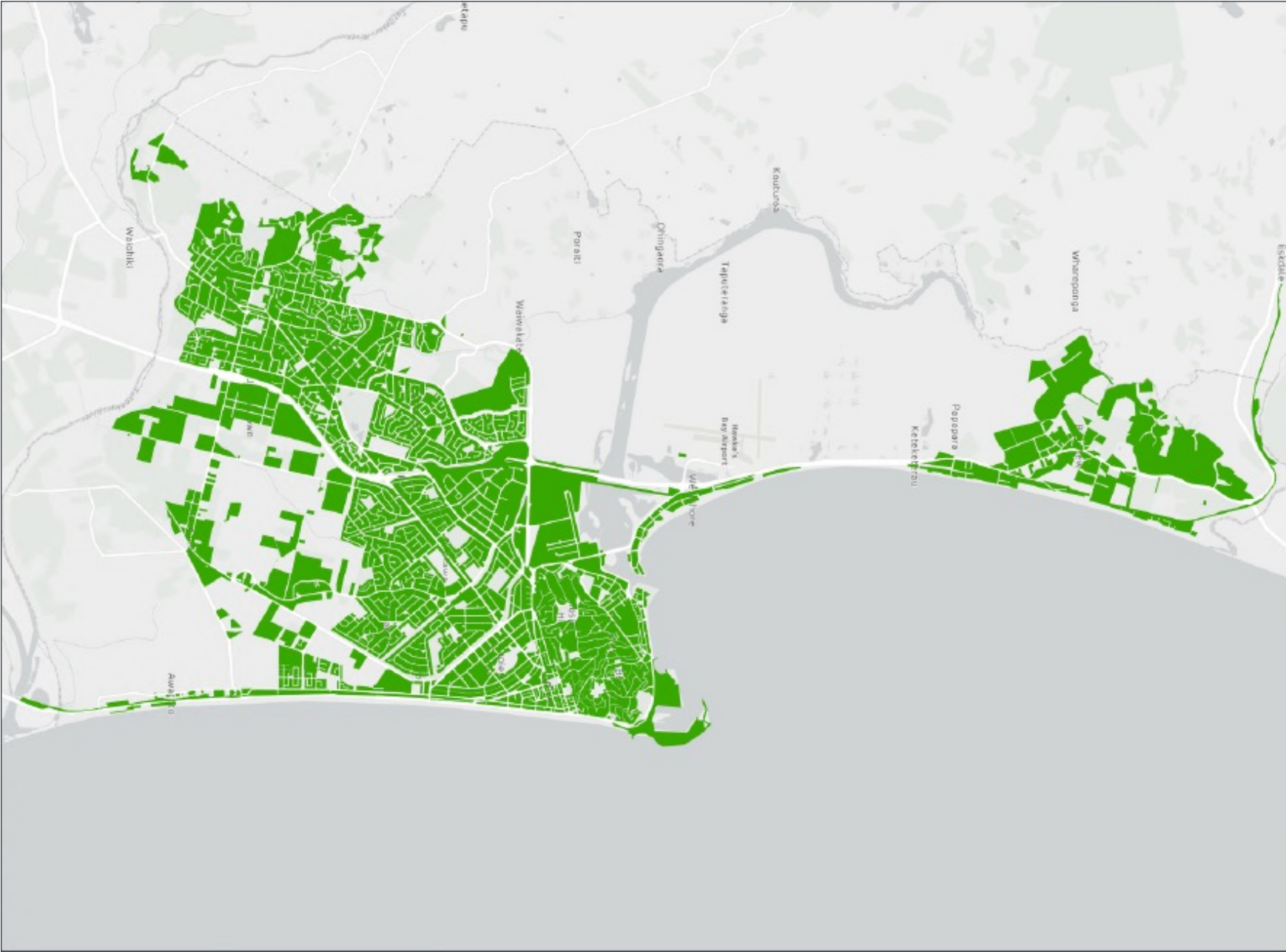
 CBD Off-Street Parking - 100% Parking Dispensation Area

CBD Off Street Parking
50% Levy Area



 CBD Off-Street Parking - 50% Parking Dispensation Area





Other Rating Matters

Due Dates for Payment of Rates

Instalment Rating

Rates for 2024/25 are set and assessed effective from Instalment 1 and are due and payable in four equal instalments as follows:

- First Instalment due 21 August 2024;
- Second Instalment due 20 November 2024;
- Third Instalment due 19 February 2025, and
- Fourth Instalment due 21 May 2025.

Water-by-Meter Charges

Targeted rates for metered water supply are separately invoiced either quarterly in September, December, March, and June for non-domestic supplies or annually in June for metered domestic supplies.

The payment due date is the 20th of the month after the month of invoice.

Penalties

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

Fees and Charges

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

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

The schedule is available upon request from the Council office.

Indicative Rates

Description	Category	Factor		2024-25 Proposed Rate (Incl GST)	2024-25 Proposed Revenue (Incl GST)
General Rates					
General Rate (cents per \$ Land Value)	All rateable property	Land Value	Differential		
Differential 1 Residential/Other			1	0.005	39,487
Differential 2 Commercial and Industrial			2	0.012	23,198
Differential 3 Rural			3	0.004	1,433
Differential 4 Rural Residential			4	0.004	4,445
Total - General Rates on Land Value					68,563
Uniform Annual General Charge (UAGC)	All rateable property	Fixed amount per SUIP*		539.50	15,666
TOTAL GENERAL RATES					84,229
Targeted Rates					
Stormwater Targeted Rate	Mapped service area	Capital Value	Differential		
Residential			100.00	0.000	5,047
Commercial			260.00	0.001	2,522
Rural Residential			100.00	0.000	189
					7,758
Fire Protection Rate	Service available / Connected	Capital Value	Not Connected	Connected	
CBD Commercial & CBD Fringe			0.010	0.020	184
Other Commercial & Industrial	Suburban, shopping centres, hotels, motels & industrial outside CBD		0.005	0.010	344
Residential & Other			0.003	0.005	928
					1,456
Water Supply	Service available / Connected	Fixed amount per SUIP*			
Water Rate (connected)				300.20	8,341
Water Rate - Serviceable (not connected) 50%				150.10	

Description	Category	Factor	2024-25 Proposed Rate	2024-25 Proposed Revenue
Refuse Collection & Disposal Rate	Service available	Fixed amount per SUIP*		
1 collection per week			214.00	6,294
2 collection per week			428.00	
3+ collection per week			642.00	
Kerbside Recycling Rate	Service available	Fixed amount per SUIP*	111.10	2,959
Sewerage	Service available / Connected	Fixed amount per SUIP*		
Sewerage Rate (connected)			403.20	10,966
Sewerage Rate - Serviceable (not connected) 50%			201.60	
Bay View Sewerage Connection Rate	Service available	Fixed amount per SUIP*	941.35	15
Rangatira Revetment Rate	Property in catchment area	Fixed amount per SUIP*	348.86	4
Inner City Vehicle Levy	Commercial in catchment area	Land value		
100% Vehicle Levy area			0.049	94
50% Vehicle Levy area			0.024	27
Taradale Vehicle Levy	Commercial in catchment area	Land value	0.053	32
Suburban Vehicle Levy	Commercial in catchment area	Land value	0.053	
NBCI CBD Promotion Levy	Commercial in catchment area	Land value	0.187	333
Taradale Promotion Rate	Commercial in catchment area	Land value	0.171	102
Swimming Pool Safety Rate	Service provision	Fixed amount per rating unit	72.00	119
Disaster Recovery Rate	All rateable property	Fixed amount per SUIP*	85.90	2,491
Plus Allowance for Rate Penalties				270
Less General Rate for NCC Properties				-1,142
TOTAL RATES (Excluding water by Meter)				124,349
Water By Meter Charges	Connected / Supply	Fixed amount per cubic metre		
Extra-Ordinary Supply			0.720	789
TOTAL RATES (Including water by Meter)				125,138

* SUIP = Separately used or inhabited part

Examples of Rates for 2024/25

Examples of the impact of rating for 2023/24 are shown in the following table:

Differential Category	Land Value	Capital Value	Rates 2023-24	Rates 2024-25	Change \$	Weekly Change \$	Change %
Residential							
Average Value & Land Value	380,000	785,000	2,992	3,642	650	12.50	21.7%
Average Value - above average LV movement	450,000	785,000	3,099	4,031	931	17.91	30.0%
Low Value residential	220,000	495,000	2,210	2,819	609	11.71	27.5%
Parklands Residential	460,000	1,040,000	3,158	4,092	934	17.96	29.6%
Te Awa Residential	345,000	860,000	2,995	3,510	515	9.90	17.2%
Bay View Residential	370,000	570,000	2,920	3,523	602	11.59	20.6%
Ex Rural Residential (City fringe)	870,000	1,390,000	4,794	6,065	1,271	24.44	26.5%
Commercial / Industrial							
Other Commercial Average	1,126,000	2,155,000	13,775	17,453	3,678	70.74	26.7%
CBD Average	771,000	1,463,000	11,318	14,383	3,065	58.95	27.1%
Industrial Average	936,000	1,774,000	13,012	14,131	1,119	21.52	8.6%
Bay View Average Commercial	473,500	855,500	6,980	7,556	576	11.09	8.3%
Rural Average Commercial	457,200	1,610,600	7,031	7,446	415	7.98	5.9%
Rural							
Average Rural	1,832,800	2,320,400	7,147	7,991	844	16.24	11.8%
Rural Residential							
Bay View Average	375,400	782,700	2,801	3,008	208	4.00	7.4%
Other Rural Residential in Stormwater area	457,500	875,900	2,815	3,070	255	4.90	9.1%
Other Rural Residential outside Stormwater area	457,500	875,900	2,505	2,811	307	5.90	12.2%

The three -yearly revaluation for the city for rating purposes was undertaken in 2023 and those new valuations apply as the basis for setting the rates for 2024-25

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

Council's total rates revenue for 2024/25, excluding rate penalties and water-by-meter charges, will increase by 23.7%

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

Rating Base Information

As at 30 June 2022	All Rating Units	Rateable Units
Number of Rating Units	26,655	26,161
Capital value of Rating Units \$	20,674,656,450	19,817,225,500
Land value of Rating Units \$	9,764,984,450	9,363,975,500

Please note that audited 2023 revaluation rating base information was not available at the time of calculation.