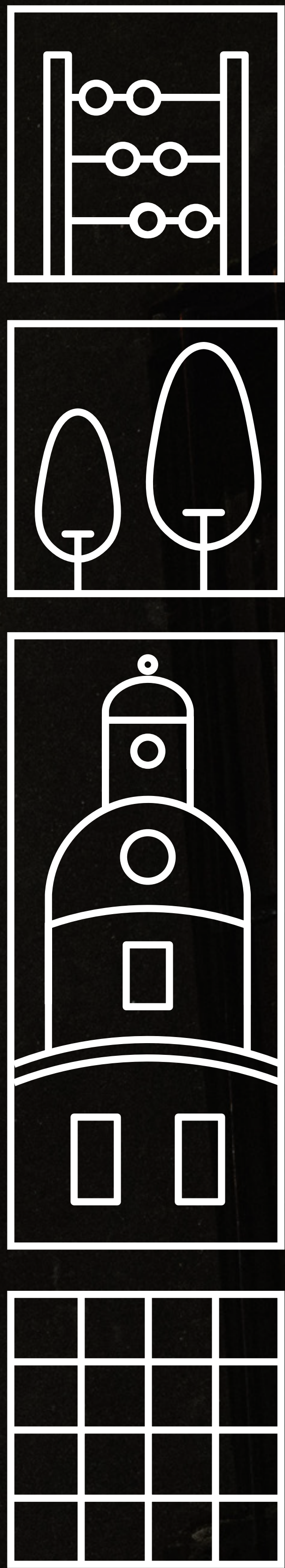
Financial Information



Contents

Prospective Statement of Comprehensive Revenue and Expenses

Forecast for the year ending 30 June 2026

	AP 2025/26 $000	TYP 2025/26 $000	TYP/AP 2024/25 $000
Revenue			
Rates revenue	110,847	114,381	102,478
Finance revenue	626	879	166
Development and financial contributions	7,903	7,903	7,665
Subsidies and grants	26,212	30,407	11,084
Other revenue	63,433	64,906	67,661
Other gains/(losses)	5,407	4,727	5,968
Total revenue	**214,428**	**223,203**	**195,022**
Expenditure			
Employee Benefit Expense	62,042	62,236	60,554
Depreciation and Amortisation	46,902	49,234	44,951
Finance Costs	5,486	7,836	3,425
Other Operating Expenses	82,115	85,226	91,668
Total expenditure	**196,545**	**204,532**	**200,598**
Operating surplus/(deficit) before tax	**17,883**	**18,671**	**(5,576)**
Share of associate surplus/(deficit)	692	566	728
Surplus/(deficit) before tax	**18,575**	**19,237**	**(4,848)**
Income tax expense	-	-	-
Surplus/(deficit) after tax	**18,575**	**19,237**	**(4,848)**
Other comprehensive revenue			
Valuation gains/(losses) taken to equity	45,294	108,223	42,026
Fair value gains/(losses) through comprehensive revenue on investments	-	-	-
Total comprehensive revenue and expenses	**63,869**	**127,460**	**37,178**

Prospective Statement of Financial Position

Forecast for year ending 30 June 2026

	AP 2025/26 $000	TYP 2025/26 $000	TYP/AP 2024/25 $000
Assets			
Current assets			
Cash and cash equivalents	15,921	6,169	6,073
Debtors and other receivables	21,492	28,815	25,386
Inventories	6,720	5,513	5,246
Biological assets	168	306	297
Total current assets	**44,301**	**40,803**	**37,002**
Non-current assets			
Property, plant and equipment	2,476,309	2,523,261	2,324,400
Intangible assets	1,771	1,368	1,463
Inventories	23,052	21,027	16,313
Investment property	97,144	112,967	108,727
Investment in associates	13,994	14,285	14,030
Forestry	93	-	-
Other financial assets	10,269	14,273	7,563
Total non-current assets	**2,622,632**	**2,687,181**	**2,472,496**
Total assets	**2,666,933**	**2,727,984**	**2,509,498**
Liabilities			
Current liabilities			
Trade payables and other accruals	26,649	26,671	26,017
Employee benefit liabilities	6,949	7,809	7,528
Total current liabilities	**33,598**	**34,480**	**33,545**
Non-current liabilities			
Employee benefit liabilities	551	653	689
Borrowings	142,000	175,639	85,565
Provisions	2,543	1,791	1,738
Total non-current liabilities	**145,094**	**178,083**	**87,992**
Total liabilities	**178,692**	**212,563**	**121,537**
Total net assets	**2,488,241**	**2,515,421**	**2,387,961**
Net assets / equity			
Accumulated revenue & expenses	860,081	828,734	809,644
Other reserves	1,628,160	1,686,687	1,578,317
Total net assets / equity	**2,488,241**	**2,515,421**	**2,387,961**

Prospective Statement of Changes In Net Assets / Equity

Forecast for the year ending 30 June 2026

	AP 2025/26 $000	TYP 2025/26 $000	TYP/AP 2024/25 $000
Total net equity balance at 1 July	2,424,372	2,387,961	2,350,783
Total comprehensive revenue for the period	63,869	127,460	37,178
Total net equity balance at 30 June	**2,488,241**	**2,515,421**	**2,387,961**
Total comprehensive revenue and expenses attributable to:			
Napier City Council	63,869	127,460	37,178
Total comprehensive revenue and expenses	**63,869**	**127,460**	**37,178**

Prospective Statement of Cash Flows

Forecast for the year ending 30 June 2026

	AP 2025/26 $000	TYP 2025/26 $000	TYP/AP 2024/25 $000
Cash flows from operating activities			
Receipts from rates revenue	110,042	114,244	102,228
Interest received	626	879	166
Dividends received	-	-	-
Receipts from other revenue	89,930	98,816	79,465
Goods and services tax (net)	(1,000)	(107)	(99)
Payments to suppliers and employees	(146,473)	(150,475)	(147,697)
Interest paid	(5,486)	(7,836)	(3,425)
Net cash from operating activities	**47,639**	**55,521**	**30,638**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	5,158	3,655	4,940
Proceeds from withdrawal of investments	-	-	-
Purchase of property, plant and equipment	(128,072)	(142,062)	(86,400)
Purchase of intangible assets	(629)	(629)	(610)
Acquisition of investments	(4,692)	(6,463)	(4,151)
Net cash from investing activities	**(128,235)**	**(145,499)**	**(86,221)**
Cash flows from financing activities			
Proceeds from borrowings	77,000	90,074	56,965
Net cash from financing activities	**77,000**	**90,074**	**56,965**
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(3,596)	96	1,382
Cash, cash equivalents and bank overdrafts at 1 July	19,517	6,073	4,691
Cash, cash equivalents and bank overdrafts at 30 June	**15,921**	**6,169**	**6,073**

Notes to Prospective Financial Statements

Forecast for the year ending June 2026

	AP 2025/26 $000	TYP 2025/26 $000
1. Income from targeted rates for metered water supply	814	814
2. Depreciation and Amortisation Expense by Group of Activity		
Governance and Representation	26	-
City Strategy	543	576
Community and Visitor Experiences	11,834	13,120
Other Infrastructure	1,483	1,532
Property Assets	2,691	2,959
Stormwater	4,660	5,574
Support Units	3,579	3,363
Transportation	9,058	8,682
Wastewater	7,518	8,302
Water Supply	5,510	5,126
Total directly attributable depreciation and amortisation by group of activity	**46,902**	**49,234**

Statement of Accounting Policies

Reporting Entity

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

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

- Hawke's Bay Airport Limited (26% share of voting rights) equity accounted.
- The Ōmarunui Refuse Landfill is a jointly controlled asset. The Council includes only its 36.32% share of all revenue, expenditure, assets and liabilities of the landfill facility
- Ahuriri Investment Management Limited (100% owned)

The Council provides local infrastructure, local public services and amenities, and performs regulatory functions for the community for social benefit rather than making a financial return. Accordingly, the Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

Basis of Preparation

Statement of Compliance

These prospective financial statements have been prepared in accordance with the requirements of the Act Part 6, Section 95, and Part 2 of Schedule 10, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The accounting policies set out below have been applied consistently to all periods in these prospective financial statements.

Functional and Presentation Currency

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

Goods and Services Tax (GST)

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

Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

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

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Changes in Accounting Standards

All standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to Council or are not expected to have a material impact on the financial statements of Council and, therefore, have not been disclosed.

Other changes in accounting policies

There have been no other changes in accounting policies.

Prospective Financial Information

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

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

The Annual Plan is based on the forecast for the year ended 30 June 2026. The prospective financial statements have been prepared by using the best information available at the time for Annual Plan.

In accordance with the Local Government Act 2002 Part 6, Section 95, the Council adopted and authorised for issue the Consultation Document on 27 March 2025. As the authorising body, the Council is responsible for the Annual Plan presented, along with the underlying assumptions, and all other required disclosures. The prospective financial statements contained in this Annual Plan are in full compliance with PBE Financial Reporting Standards 42 Prospective Financial Statements (PBE FRS 42).

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

Principles of Consolidation

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

Investments

Investment in Associates

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

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

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

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

Subsidiaries

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

The Council will have subsidiaries during the period presented in the financial statements.

Joint Arrangements

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

Joint Operation

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

Foreign Currency Translation

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit of the Statement of Comprehensive Revenue and Expenses.

Revenue Recognition

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

Non-exchange Revenue

Rates Revenue

The following policies for rates have been applied:

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

Subsidies and Grants

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

Donated, Subsidised or Vested Assets

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

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

Parking and Traffic Infringement

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

Exchange Revenue

Licences and Permits

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

Residential Developments

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

Development and Financial Contributions

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

Sales of Goods (Retail)

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

Sales of Services

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

Rental Revenue

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

Interest Revenue

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

Dividend Revenue

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

Building and Resource Consent Revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Income Tax

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

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

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

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

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

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

Leases

The Council is the Lessee

Leases of property, plant, and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases.

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

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

The Council is the Lessor

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

Balance Sheet

Cash and Cash Equivalents

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

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

Trade Receivables

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

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

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

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

Inventories

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

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

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

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

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

Land held for development and future resale

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

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

Non-current Assets Held For Sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell in the Council's operating expenses. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

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

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

Other Financial Assets Excluding Derivatives

Other financial assets are initially recognised at fair value. Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

They are then classified based on its cash flow characteristics and the Council's management model for managing them. Then subsequently measured under the following categories:

Amortised Cost

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

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include cash and cash equivalents, receivables, term deposits and the financial instrument portion of jointly controlled assets.

Fair value through other comprehensive revenue and expense (FVTOCRE)

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

Debt instruments in this category are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council does not currently have debt instrument's in this category.

Equity instruments in this category designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term. Equity instruments in this category are unlisted shares.

Fair value through surplus and deficit (FVTSD)

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

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

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Debt instruments in this category are the Council's borrower note's in the Local Government Funding Agency (LGFA).

Expected credit loss allowance (ECL)

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

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

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

The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Property, Plant, and Equipment

Property, plant, and equipment consist of:

- Operational assets: these include land, buildings, library books, plant and equipment, and motor vehicles;
- Restricted assets: restricted assets are mainly parks and reserves owned by the Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions, and
- Infrastructure assets: infrastructure assets are the fixed utility system owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Additions

Items of property, plant, and equipment are initially recognised at cost, which includes purchase price plus directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Disposals

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

Revaluations

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

Increases in the carrying amounts arising on a revalued class of assets are credited to a revaluation reserve in public equity. To the extent that the increase reverses a decrease previously recognised for the same class of assets in the surplus or deficit, the increase is first recognised in the surplus or deficit. Where the revaluation movement would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

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

Depreciation

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

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

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

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

	Years
Transportation	
Base Course	60-130
Surfacings	20-25
Concrete Pavers	80
Footpaths & Pathways/Walkways	15-80
Drainage	25-100
Bridges & Structures	20-100
Road Lighting	4-50
Traffic Services & Safety	10-25
Water	
Reticulation	56-200
Reservoirs	100
Pump Stations	15-80
Stormwater	
Reticulation	80-100
Pump Stations	15-80
Wastewater	
Reticulation	80-100
Pump Stations	15-80
Milliscreen	10-80
Outfall	60
Others	
Grandstands, Community & Sports Halls	50
Sportsgrounds, Parks & Reserves Improvements	10-50
Buildings on Reserves	10-50
Pools	10-50
Inner Harbour	20-50

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

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

Investment Property

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

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

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

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

Intangible Assets

Trademarks and Licences

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

Computer Software

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

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

Impairment of Non-Financial Assets

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

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

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

Trade and Other Payables

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

Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

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

Borrowing Costs

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

Provisions

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

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

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

Financial Guarantee

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone, arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- the amount determined in accordance with the ECL model described in the financial asset accounting policy on pages 33 and 34, and
- The amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Grant Expenditure

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

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

Employee Benefits

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Wages and Salaries, Annual Leave and Sick Leave

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

Long Service Leave and Gratuities

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

Retirement Benefit Obligations

Current and former employees of the Council are entitled to benefits on retirement, disability, or death from the Council's multi-employer benefit scheme. The scheme manager, National Provident Fund, has advised Council there is no consistent and reliable basis for allocating the obligation scheme assets and cost of the multi-employer defined benefit scheme to individual participating employers. As a result, the scheme is accounted for as a defined contribution plan and contributions are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset if a cash refund or a reduction in the future payments is available.

Defined Contribution Schemes

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

Bonus Plans

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

Biological Assets

Livestock

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

Net Assets / Equity

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

Restricted and Council-Created Reserves

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

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

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

Budget Figures

The Annual Plan and Three Year Plan comparatives in the prospective financial statements are those approved by the Council and adopted as a part of the Council's 2024-27 Three Year Plan or as revised and approved by Council prior to the commencement of the year in the Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Cost Allocation

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

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

Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements, the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

Landfill Aftercare Provision

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

Closure responsibilities:

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

Post-closure responsibilities:

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

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

Capacity of the Site:

The landfill is divided into four valleys as below:	Total Capacity (million)	Useful Life of Valley
Valley A - opened in December 1998, closed 2006	2.6 m^3	closed
Valley D - opened in December 2006 and currently in operation	2.1 m^3	late 2025
Valleys B & C - not yet in operation		

The cash outflows for landfill post-closure are expected to occur in 2025 for Valley D and began in 2007 for Valley A. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 2.3%.

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

- Aftercare will be required for 30 years after the closure of each stage;
- The annual cost of aftercare for Valley A and D is $27,500
- The provision reported is for the Napier City Council's share only (36.32%).

Infrastructural Assets

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

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

If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under in estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expenses. To minimise this risk, the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections and deterioration and condition modelling are also carried out regularly as part of the Council asset management planning activities, which gives the Council further assurance over its useful life estimates.

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

Critical Judgements in applying Napier City Council's Accounting Policies

Classification of Property

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

Reserve Funds

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening 1 July 2025 $000	Deposits $000	Expenditure $000	Closing Balance 30 June 2026 $000
COUNCIL CREATED RESERVES						
Capital Reserve	Derived from rating surpluses. The reserve is available to provide funding for capital projects or debt repayment.	All Activities	2,405	2,865	(2,730)	2,540
Commercial Reserves	Funds established to ring fence profits/losses of business and tourism facilities grouped as commericial so they can be self funding.	Kennedy Park Resort, Napier Conferences & Events, Ocean Spa, Par2 Minigolf	(3,079)	13,505	(16,157)	(5,731)
Cycleway / Walkway Fund	Derived from donations and contributions for the construction and improvements of Cycleways/Walkways	Roading	437	20	-	457
Robson Collection Fund	This fund was set up by the Napier Pilot City Trust in memory of John Robson. Revenue is derived from community donations for the Robson Collection on restorative justice.	Libraries	11	-	-	11
Development Contributions	Collected from development contributions from developers on the subdivision of land and various land use activities. Used to fund capital works and services.	Roading, Stormwater, Water, Wastewater, Reserves, Sportsgrounds, Libraries	809	117	-	926
Financial Contributions	Collected from financial contributions from developers on the subdivision of land and various land use activities. Used to fund capital works and services. Note: Council is itself a developer (Parklands) and contributions are transferred as internal charges.	Roading, Stormwater, Water, Wastewater, Reserves, Sportsgrounds, Libraries	24,101	8,974	(6,046)	27,029
Infrastructural Asset Renewal and Upgrade Funds	Collected from the annual rate funded allocation as per the Capital Plan. Used for capital expenditure on infrastructural asset renewals and associated upgrades.	Water Supply, Stormwater, Wastewater, Solid Waste, Sportsgrounds, Reserves, Public Toilets, Cemeteries, Napier Aquatic Centre	15,902	37,626	(37,851)	15,677

Reserve Funds Contined

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening 1 July 2025 $000	Deposits $000	Expenditure $000	Closing Balance 30 June 2026 $000
Plant & Equipment Renewals	This fund is derived from the depreciation and interest on capital portions of plant hire charges and profit on plant sold. The fund is used for the purchase of new and replacement plant and vehicles.	All Activities	(586)	5,728	(4,950)	192
Marine Parade Disability Hoist	Derived from fundraising carried out by Mr N Bains for the purchase a disability hoist for the Marine Parade Pool.	Marine Parade Pools	3	-	-	3
Mayor's Discretionary Fund	Interest on the fund is used for charitable purposes to assist the needy, including contributions to purposes such as the Christmas Cheer Appeal.	Community Planning	2	-	-	2
Pensioner Housing Upgrade Reserve	Established from a contribution from rates equivalent to the annual depreciation on pensioner flats and houses owned by Council. The reserve is available to provide capital upgrade of these facilities.	Retirement & Rental Housing	353	16	-	369
Parking Contributions Account	Funds derived for the provision of parking facilities.	Parking	2,501	276	(255)	2,522
Parking Account	Funds are derived from the surplus revenue from the Parking Business Unit and are used to provide for parking facilities generally.	Parking	5,122	3,678	(4,155)	4,645
Parking Equipment Reserve Account	To provide funds for replacement of parking equipment on a regular basis.	Parking	1,394	188	(1)	1,581
Parklands Residential Development Fund	Derived from proceeds of section sales of the Parklands Residential Development project less development expenditure.	Parklands Residential Development, Property Holdings, Sportsgrounds, Reserves, Napier Skate Park	(9,969)	3,499	(10,608)	(17,078)
Roading Property Reserve	Derived from the sale or lease of surplus roading property. The proceeds are available for Roading property purchases and improvements.	Roading	199	9	1	209
Property Reserve	Derived from the sale of miscellaneous property. The proceeds are available for the acquisition of other miscellaneous land and buildings. Its purpose in particular is for unscheduled property purchases related to district scheme designations and for private developments which occur from time to time.	Property Holdings	5,057	233	(1)	5,289

Reserve Funds Contined

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening 1 July 2025 $000	Deposits $000	Expenditure $000	Closing Balance 30 June 2026 $000
McLean Park Property Reserve Account	Derived from rental income from the McVay Street and Vigor Brown Street houses less current loan servicing costs. As per Council resolution dated 15 May 2002, the fund may be used to fund future McLean Park property purchases or loan servicing costs on future purchases.	Sportsgrounds	640	328	(77)	891
Hawke's Bay Harbour Board Endowment Land Sale Account	Derived from proceeds from freeholding HB Harbour Board Endowment Land. The Hawke's Bay Endowment Land Empowering Act 2002 provides an unrestricted use of proceeds from leasehold land freeholded after 30 March 2002.	Property Holdings, Parklands Residential Development, Marine Parade Pools, Reserves	20,346	1,334	(3,970)	17,710
Investment Property Portfolio Sale Account	Derived from proceeds from freeholding HB Harbour Board Endowment Land.	Property Holdings	5,576	256	-	5,832
Solid Waste Disposal Income Account	Amount is derived from returns from the Joint Regional Landfill Committee for the operation of the Omarunui Regional Landfill and is used to fund capital development of the landfill and the net operating costs including loan servicing, of the Transfer Station.	Solid Waste	(484)	9,178	(10,307)	(1,613)
Reserve Subdivision of Land	Derived from contributions on the subdivision of land towards the development of reserves and subject to Council approval as part of the annual budget process.	Reserves	35	2	-	37
Resilience Rate	Funds from rate to build resilience to be used for activities related to emergency preparedness.	Emergency Preparedness	(10)	450	(385)	55
Subdivision and Urban Growth Fund	To service all borrowing in relation to Council's share of subdivision and urban growth projects, and to meet any servicing costs on financing the developer's share of projects where expenditure requirements precede the receipt of financial contributions. A part of the surplus is also used to reduce the general rate requirement.	All Activities	2,294	284	(1,094)	1,484
Total Council Created Reserves			**73,059**	**88,566**	**(98,586)**	**63,039**

Reserve Funds Contined

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening 1 July 2025 $000	Deposits $000	Expenditure $000	Closing Balance 30 June 2026 $000
RESTRICTED RESERVES						
Endowment Land Account	Derived from the sale of BCP Faraday Street land and the transfer of the Criterion Account capital sum previously advanced to the Land Development Account. This account is now used for the sale and purchase of other endowment land.	Property Holdings	2,367	109	-	2,476
Hawke's Bay Harbour Board Endowment Land Income Account	Derived from proceeds from the sale of former Harbour Board leasehold properties up to 30 March 2002. To be used to fund maintenance and capital improvements of the Inner Harbour and any other future capital expenditure related to Napier Harbour as defined by the Act.	Inner Harbour, Reserves, Lagoon Farm, Property Holdings	394	1,899	(1,785)	508
Total Restricted Reserves			**2,761**	**2,008**	**(1,785)**	**2,984**
BEQUESTS AND TRUST FUNDS						
Colenso Bequest	Bequest is invested and the income derived used to: i) Provide a fund for the assistance of poor families. (Capital $2500) ii) Provide assistance for prisoners released from Napier jail. (Capital $500) iii) Provide a fund for the assistance of distressed seamen and strangers. (Capital $1000) iv) Provide prizes for senior scholars at Napier Boys, Napier Girls & Colenso High Schools. (Capital $1000)	Community Planning	35	2	(3)	34
Estate Henry Hodge	For charitable purposes, with a wish that it be used for the erection of flats for the needy.	Retirement & Rental Housing	220	10	-	230
Eskdale Cemetery Trust	This Trust fund, comprising a number of bequests totalling $1,400, was taken over from the former Hawke's Bay County Council, and is available for the maintenance and upkeep of the Eskdale Cemetery.	Cemeteries	33	2	-	35
Hawke's Bay Municipal Theatre	Funds held on behalf of Hawke's Bay Arts and Municipal Theatre Trust.	Napier Municipal Theatre	7	-	-	7

Reserve Funds Contined

Name of Reserve	Purpose of Reserve	Activity to which reserve relates	Opening 1 July 2025 $000	Deposits $000	Expenditure $000	Closing Balance 30 June 2026 $000
John Close Bequest	Bequest is invested and income used in two ways: i) Cemetery Trust - for upkeep and maintenance of the Close burial plot, with surplus income to provide ham and ale at Christmas to the poor, old and needy. ii) Coal Trust - provided wood and coal to the needy. A scheme for arrangement for the disposition of income in terms of the Charitable Trusts Act 1957 was to have been initiated in 1993.	Community Planning	59	3	(1)	61
Morecroft Bequest	To provide a Municipal gymnasium or gymnasium equipment, either as a separate building or as part of any memorial or centennial hall which Napier City Council may decide to erect.	Sportsgrounds	19	1	-	20
Napier Christ-mas Cheer	For community fundraising through the HB Today for the preparation of Christmas parcels to be distributed to disadvantaged individuals and families within the Napier District.	Community Planning	10	14	(14)	10
Total Bequests Trust Funds			**383**	**32**	**(18)**	**397**

Capital Expenditure by Activity Group

	AP 2025/26 $000	TYP 2025/26 $000
Governance and Representation	86	-
City Strategy	1,487	735
Community and Visitor Experiences	21,450	22,821
Other Infrastructure	4,929	4,860
Property Assets	60,959	51,883
Stormwater	9,534	5,897
Transportation	38,597	32,363
Wastewater	10,411	10,181
Water Supply	7,699	9,184
Support Units	4,306	4,392
Total	**159,458**	**142,316**

Funding Sources

Forecast for the year ending 30 June 2026

	AP 2025/26 $000	TYP 2025/26 $000
Rates Funded Loans	101,700	88,306
Waka Kotahi Subsidy	18,626	18,145
Other Reserve Funds	39,132	35,865
Total Capital Programme	**159,458**	**142,316**

Borrowing Programme

Forecast for the year ending 30 June 2026

	AP 2025/26 $000	TYP 2025/26 $000	TYP/AP 2024/25 $000
Opening Gross Public Debt	**152,634**	**164,542**	**114,989**
Plus New Loans (Rates Funded)	103,285	88,688	53,406
Less Repayments (Net)	(5,779)	(5,871)	(3,853)
Movement in Debt	**97,506**	**82,817**	**49,553**
Gross Public Debt	**250,140**	**247,359**	**164,542**
Internally funded	(108,140)	(71,720)	(78,977)
Net Public Debt	**142,000**	**175,639**	**85,565**

Funding Impact Statement (Whole of Council)

Financial Overview: Summary of Revenue and Financing Mechanisms

	AP 2025/26 $000	TYP 2025/26 $000	TYP/AP 2024/25 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	72,404	77,550	68,717
Targeted rates	38,443	36,831	33,761
Subsidies and grants for operating purposes	4,383	4,242	5,360
Fees and charges	38,063	37,190	34,893
Interest and dividends from investments	626	879	166
Local authorities fuel tax, fines, infringement fees, and other receipts	24,163	26,360	31,520
Total operating funding (A)	**178,082**	**183,052**	**174,417**
Applications of operating funding			
Payments to staff and suppliers	144,156	147,462	152,222
Finance costs	5,486	7,836	3,425
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**149,642**	**155,298**	**155,647**
Surplus/(deficit) of operating funding (A - B)	**28,440**	**27,754**	**18,770**
Sources of capital funding			
Subsidies and grants for capital expenditure	21,828	26,165	5,724
Development and financial contributions	7,903	7,903	7,665
Increase/(decrease) in debt	77,000	90,074	56,965
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**106,731**	**124,142**	**70,354**
Application of capital funding			
Capital expenditure			
- to meet additional demand	9,017	5,119	9,560
- to improve the level of service	62,965	52,772	26,370
- to replace existing assets	86,269	83,070	50,088
Increase (decrease) in reserves	(23,080)	10,935	3,106
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	**135,171**	**151,896**	**89,124**
Surplus/(deficit) of capital funding (C - D)	**(28,440)**	**(27,754)**	**(18,770)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**

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

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

The FIS links the Council's Revenue and Financing Policy, the annual setting of rates, fees, development contributions and annual borrowing requirements. The FIS sets out the revenue and financing mechanisms that will be used, along with an indicative level of rates, together with examples of the impact of rating proposals for 2025/26 over a range of different categories of property and a range of different values.

Funding Impact Statement - Rating System

The following describes in full the rating system to apply from 1 July 2025:

General Rate

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

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

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

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

General rate differentials

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

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

Residential/Other

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

Commercial & Industrial

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

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

- Professional offices, surgeries etc;
- All retail, wholesale merchandising activities;
- All forms of manufacturing and processing;
- Bars, restaurants, cafes 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 2025-26 Council has determined that the UAGC will be set at a level to recover 22% of total rates from fixed amounts.

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

Targeted Rates

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

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

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

Water

Fire Protection Rate

This rate recovers a portion of the net costs of the water supply systems before the deduction of Water targeted rates.

The Fire Protection targeted rate is based on the capital value of properties 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.

Differential Categories	Connected (%)
Central Business District and Fringe Commercial & Industrial	400%
Other Commercial & Industrial	200%
Residential / Other	100%

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 Water-by-Meter charges.

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 Council's water supply system.

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 the sewerage system.

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.

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.

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 Levy

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 licensed by Council and subject to a 3-yearly pool inspection.

Rangatira Revetment Rate

Revetment construction commenced in 2023 to provide protection from ongoing coastal erosion. The Ragatira 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 defined as being an extraordinary user as per Council Water Bylaw, 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 m^3 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
- These examples are not inclusive of all situations.

Other Rating Matters

Due Dates for Payment of Rates

Instalment Rating

Rates for 2025/26 are set and assessed effective from Instalment 1 and are due and payable in four equal instalments as follows:

- First Instalment due 20 August 2025;
- Second Instalment due 19 November 2025;
- Third Instalment due 18 February 2026, and
- Fourth Instalment due 20 May 2026.

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.
- 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.

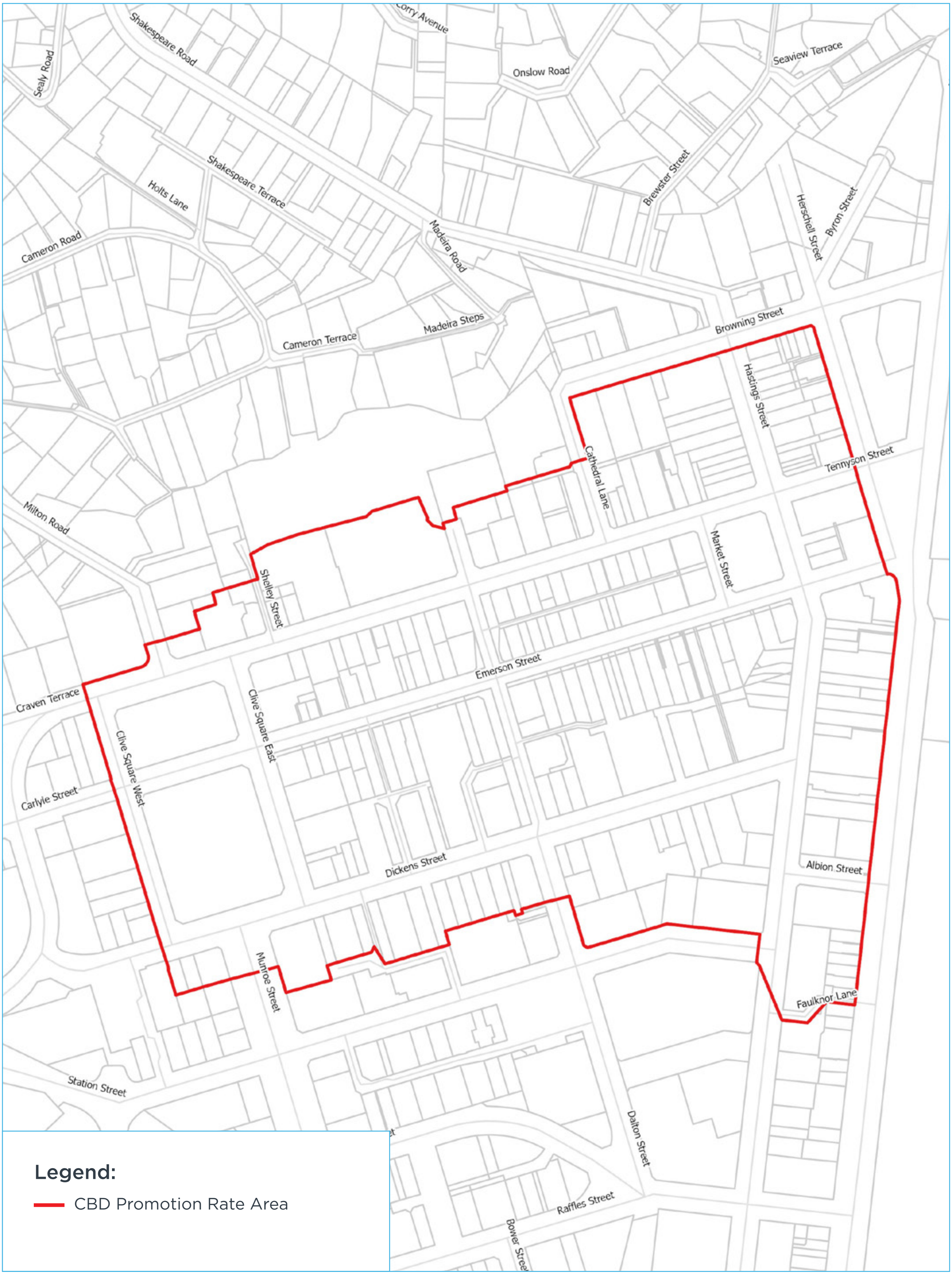
Fees and Charges

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.


We can help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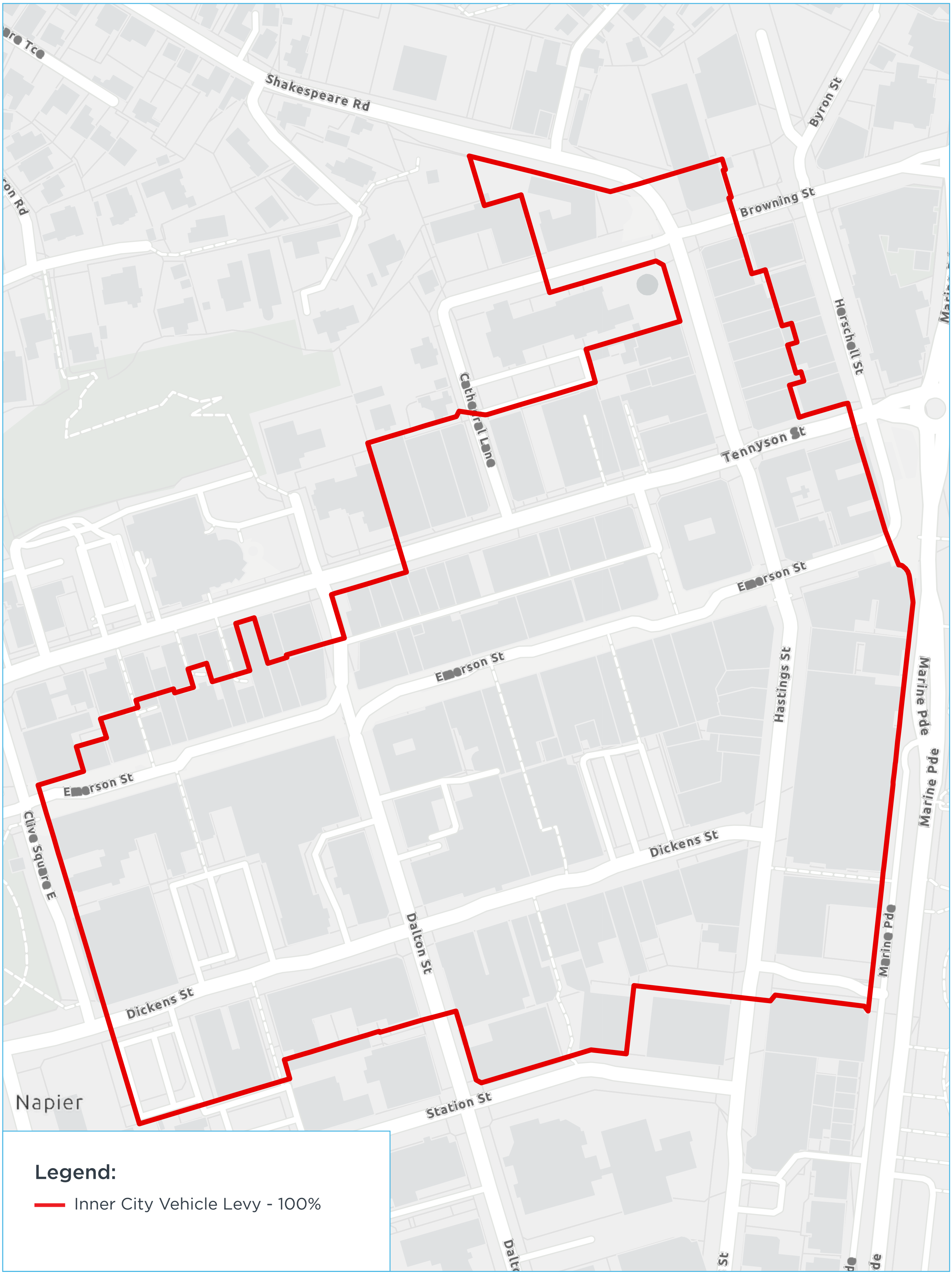
Shakespeare Road
Sealy Road
Onslow Road
Seaview Terrace
Shakespeare Terrace
Holts Lane
Brewster Street
Herschell Street
Byron Street
Cameron Road
Madeira Road
Madeira Steps
Cameron Terrace
Browning Street
Hastings Street
Cathedral Lane
Tennyson Street
Milton Road
Market Street
Shelley Street
Emerson Street
Craven Terrace
Clive Square East
Clive Square West
Carlyle Street
Dickens Street
Albion Street
Munroe Street
Faulknor Lane
Station Street
Dalton Street
Raffles Street
Bower Street
Legend:
CBD Promotion Rate Area

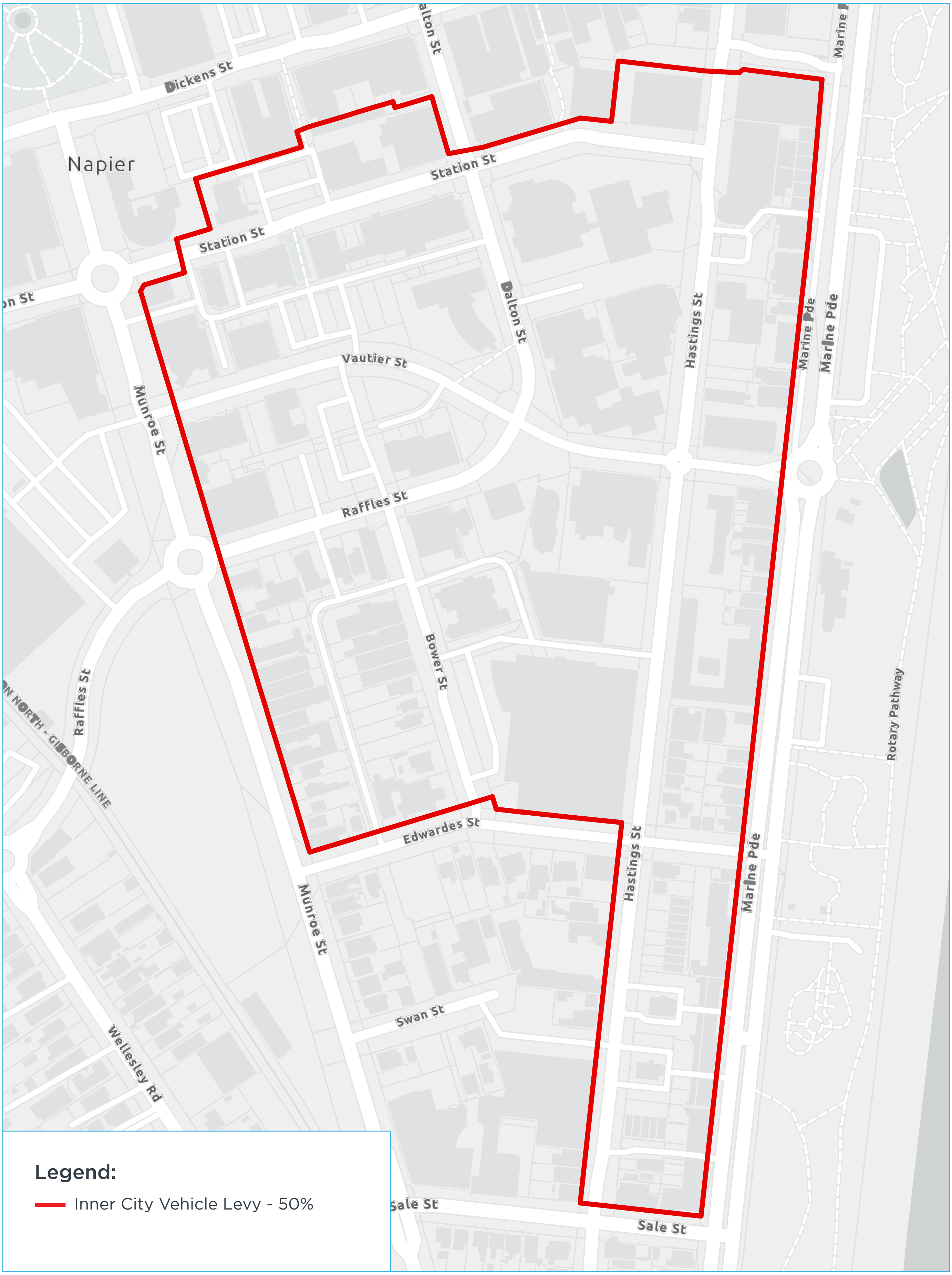
Council Maps Contined

INNER CITY VEHICLE LEVY
100% Levy Area Levy Area



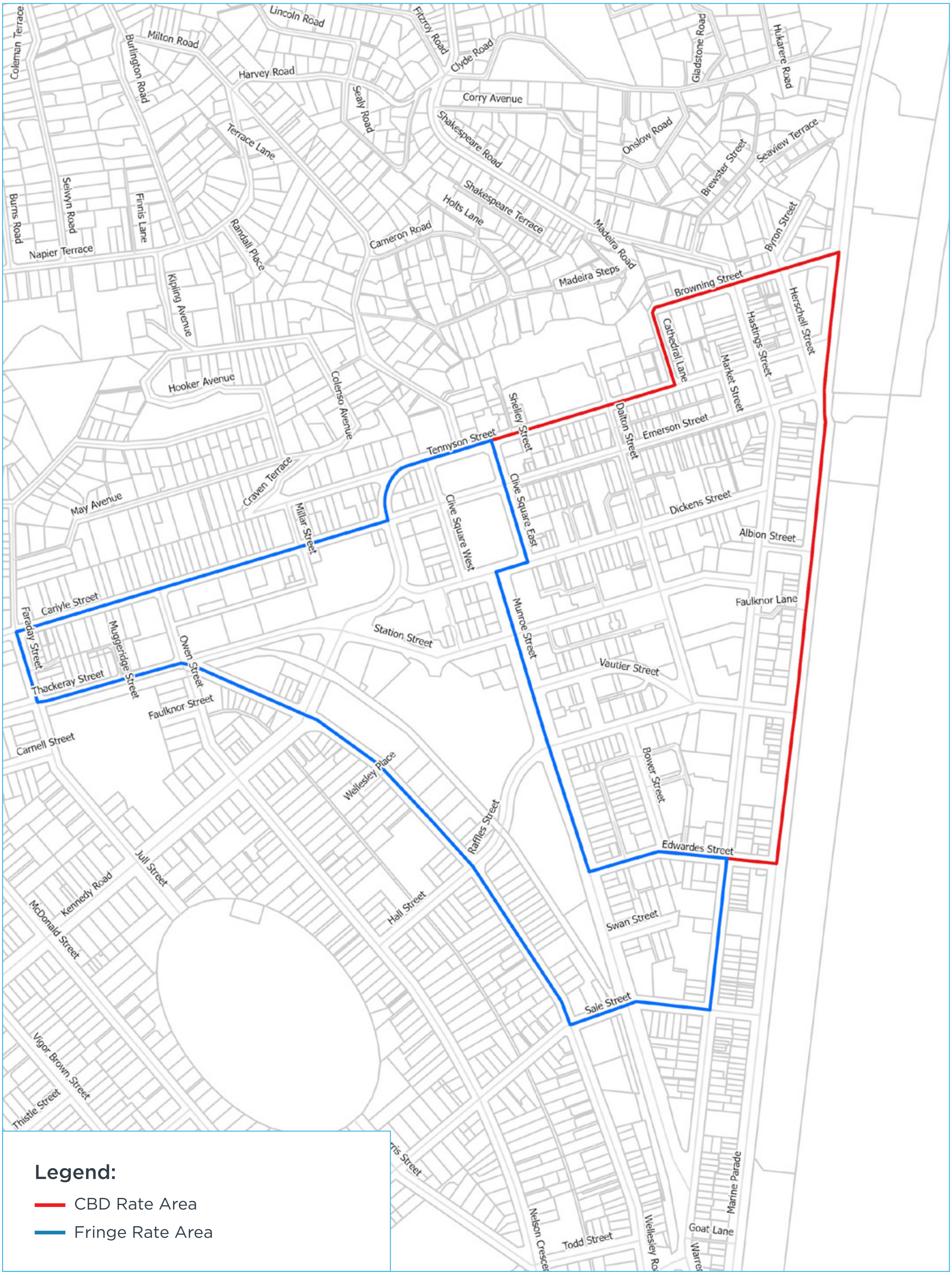
INNER CITY VEHICLE LEVY

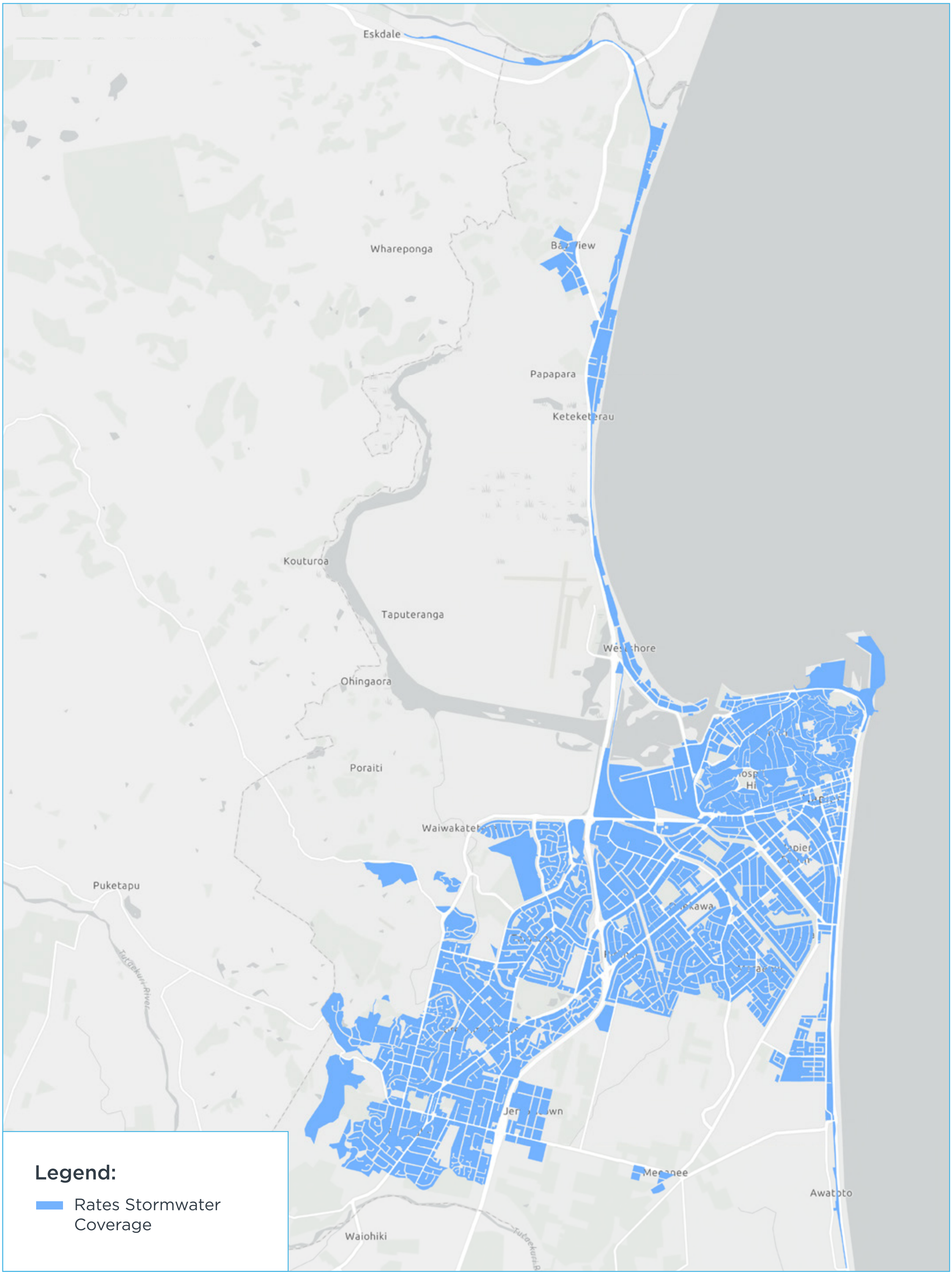
50% Levy Area Levy Area



CBD FIRE PROTECTION AREA

CBD and CBD Fringe Rate Area




Eskdale
Whareponga
Papapara
Kouturoa
Taputeranga
Ohingaora
Poraiti
Puketapu
Waiohiki
Legend:
Rates Stormwater Coverage

Examples of Rates for 2025/26

Examples of the impact of rating for 2025/26 are shown in the following table:

Differential Category	Land Value	Capital Value	Rates 2024-25	Rates 2025-26	Change $	Weekly Change $	Change %
Residential							
Average Value & Land Value	380,000	785,000	3,513	3,785	271	5.22	7.7%
Average Value - above average LV movement	450,000	785,000	3,891	4,177	285	5.48	7.3%
Low Value residential	220,000	495,000	2,718	2,954	236	4.54	8.7%
Parklands Residential	460,000	1,040,000	3,947	4,238	291	5.59	7.4%
Te Awa Residential	345,000	860,000	3,385	3,651	266	5.11	7.8%
Bay View Residential	370,000	570,000	3,399	3,665	266	5.12	7.8%
Ex Rural Residential (City fringe)	870,000	1,390,000	5,856	6,231	376	7.22	6.4%
Commercial / Industrial							
Other Commercial Average	1,126,000	2,155,000	16,870	17,790	920	17.69	5.5%
CBD Average	771,000	1,463,000	14,006	14,872	866	16.65	6.2%
Industrial Average	936,000	1,774,000	13,612	14,311	699	13.45	5.1%
Bay View Average Commercial	473,500	855,500	7,286	7,699	413	7.94	5.7%
Rural Average Commercial	457,200	1,610,600	7,170	7,476	306	5.88	4.3%
Rural							
Average Rural	1,832,800	2,320,400	7,721	8,091	371	7.13	4.8%
Rural Residential							
Bay View Average	375,400	782,700	2,892	3,107	215	4.14	7.4%
Rural Residential in Stormwater area	457,500	875,900	2,956	3,107	151	2.91	5.1%
Rural Residential outside Stormwater area	457,500	875,900	2,709	2,857	148	2.84	5.4%

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 2025-26
The rating examples should be read having regard for the following:
Council's total rates revenue for 2025/26, excluding rate penalties and water-by-meter charges, will increase by 7.9%
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 2023	All Rating Units	Rateable Units
Number of Rating Units	27,017	26,500
Capital value of Rating Units $	25,285,140,950	24,105,746,750
Land value of Rating Units $	12,174,337,700	11,678,101,500

Indicative Rates 2025/26

DESCRIPTION GENERAL RATES	CATEGORY	FACTOR		2025-26 Proposed Rate (Incl GST)	2025-26 Proposed Revenue (Incl GST)
General Rate (cents per $ Land Value)	All rateable property	Land Value	Differential		
Differential 1 Residential/Other			100.00	0.0045669	38,977
Differential 2 Commercial and Industrial			260.00	0.0118739	21,662
Differential 3 Rural			85.00	0.0038819	1,400
Differential 4 Rural Residential			90.00	0.0041102	3,971
Total - General Rates on Land Value					**66,009**
Uniform Annual General Charge (UAGC)	All rateable property	Fixed amount per SUIP*		572.00	16,856
TOTAL GENERAL RATES					**82,866**
TARGETED RATES					
Stormwater Targeted Rate	Mapped service area	Capital Value			
			Differential		
Residential			100.00	0.0002857	5,004
Commercial			260.00	0.0007429	2,746
Rural Residential			100.00	0.0002857	186
					7,936
Fire Protection Rate	Service available / Connected	Capital Value		Connected	
CBD Commercial & CBD Fringe			cents per $	0.0236	187
Other Commercial & Industrial	Suburban, shopping centres, hotels, motels & industrial outside CBD		cents per $	0.0118	415
Residential & Other			cents per $	0.0059	1,115
					1,717
Water Supply	Service available / Connected	Fixed amount per SUIP*			
Water Rate (connected)				363.90	10,313
Refuse Collection & Disposal Rate	Service available	Fixed amount per SUIP*			
1 collection per week				261.20	
2 collection per week				522.40	7,124
3+ collection per week				783.60	
Kerbside Recycling Rate	Service available	Fixed amount per SUIP*		125.80	3,233
Sewerage	Service available / Connected	Fixed amount per SUIP*			
Sewerage Rate (connected)				438.50	12,168
Bay View Sewerage Connection Rate	Service available	Fixed amount per SUIP*		941.35	2
Rangatira Revetment Rate	Property in catchment area	Fixed amount per SUIP*		359.68	4

Indicative Rates 2025/26 Contined

DESCRIPTION GENERAL RATES	CATEGORY	FACTOR		2025-26 Proposed Rate (Incl GST)	2025-26 Proposed Revenue (Incl GST)
Inner City Vehicle Levy	Commercial in catchment area	Land value			
100% Vehicle Levy area			cents per $	0.06020	112
50% Vehicle Levy area			cents per $	0.03010	32
Taradale Vehicle Levy	Commercial in catchment area	Land value	cents per $	0.05969	36
Suburban Vehicle Levy	Commercial in catchment area	Land value	cents per $	0.05969	
NBCI CBD Promotion Levy	Commercial in catchment area	Land value		0.20312	343
Taradale Promotion Rate	Commercial in catchment area	Land value		0.16158	95
Swimming Pool Safety Rate	Service provision	Fixed amount per rating unit		72.00	119
Resilience Rate	All rateable property	Fixed amount per SUIP*		17.50	516
					126,617
Plus Allowance for Rate Penalties					270
Less General Rate for NCC Properties					-1,180
TOTAL RATES (EXCLUDING WATER BY METER)					**125,707**
Water By Meter Charges	Connected / Supply	Fixed amount per cubic metre			
Extra-Ordinary Supply				0.77214	936
TOTAL RATES (Including water by Meter)					**126,643**

* SUIP = Separately used or inhabited part