

Draft Annual Plan2020/21

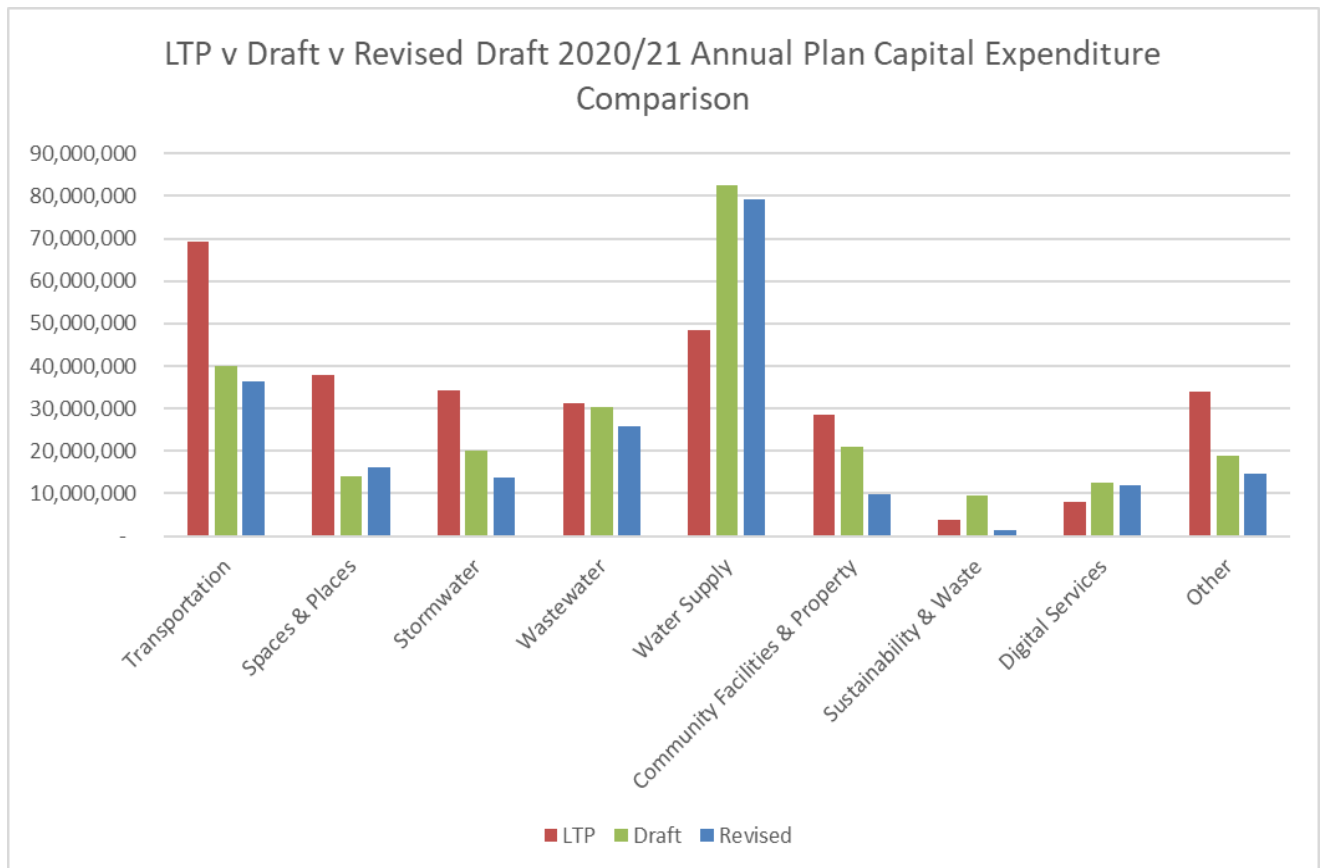
Supporting Financial Information

(Note: that this document is the final draft. The designed version will be tabled at the meeting on 16 June 2020)

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Capital Expenditure





The total revised capital programme above is \$209 million, including \$39 million not funded. Although the extension of our debt to revenue limit to 300% allows us to fund more capital than we could otherwise, we have capped additional debt raised to cover the cost of new capital projects at \$170 million, reflecting the likelihood that not all of the projects planned will be able to be completed in 2020/21.

Movement from LTP to initial draft:

Significant movements from year three of the LTP and the initial draft of the 2020/21 Annual Plan include:

- the deferral of central library rebuild and stormwater expenditure
- \$55 million deferral of spending on growth infrastructure
- \$10 million deferral of spending on road access to Smiths farm
- deferrals of \$17 million of Transportation expenditure (on 15th Ave to Turret Road, Totara street, cycleways, bus infrastructure and western corridor roading)

These deferrals are offset by:

- \$32m increase for delivery of Waiari Water scheme
- \$3m increase for the Tauriko Business Estate and surrounds
- increases in tsunami evacuation expenditure and Harrisons Cut stabilisation

Movement from initial Draft to revised Draft:

Significant movements from the initial draft which we consulted in March and have updated to reflect the impacts of COVID-19 on TCC's financial position include:

- putting on hold the \$10m Harington street carpark Building budget until a final decision on future of the site is made
- purchase of Kerbside bins deferred to 2022 to reflect more realistic timing of the procurement cycle
- \$3m of Stormwater reactive reserve reprioritised to 2022
- \$3m Strategic Acquisition fund reprioritised to 2022
- Bay Venues Capital \$5.5m deferred (High performance Centre Expansion & IT Digital Transformation)
- revised timing and costings of growth project such as Papamoa East Interchange and Oropi Road Water Supply Capacity Improvements
- reduction in Cycle Action Plan budgets relating to timing

Offsetting the above deferrals and savings are increases such as:

- \$7.4m budget brought forward from later years for Elizabeth Street Streetscape
- increase in the LED Streetlight project reflecting updated timing to utilize the significant contribution from NZTA
- a new project for safety improvements on the Matapihi Bridge
- \$35m of projects budgeted in 2019/20 but not yet completed

Programme of Work	Total (\$'000s)	Comments
Transportation		
Growth	10,802	
Papamoa East Interchange	3,261	Works associated with Pāpāmoa East growth areas, including projects linked to construction of Te Okuroa Drive and Pāpāmoa East Interchange.
Western Corridor - Pyes Pa West Growth Area	2,779	Enables development of 190 ha of industrial land and around 3000 lots in Tauriko West.
Domain Road Upgrading	2,500	Continuation of the work to upgrade the road.
Tauriko Business Estate	1,731	Roading investment in the Tauriko Business estate primarily reimbursement of works by developers. Enabling works for development of 190 ha of industrial land and around 3000 residential lots in Tauriko West.
Western Corridor - Bethlehem & Tauriko West	530	Development of further housing and safety features in road corridor.
Level of Service	27,929	
Streetlight Renewals & LED Upgrade	9,699	Planned improvement to the quality of service using LED lighting and largely NZTA funded.
Cycle Action Plan	5,367	General: The work planned in financial year 2021 delivers the following activities and is essential for NZTA to endorse and fund the Cycle Plan implementation •Development of two business cases for full implementation of the cycle network two priority route options areas - Area A: Mount/Pāpāmoa/Arataki to City via Harbour Bridge - Area B: Bellevue/Otumoetai/Brookfield to City-N and City-SW •Scheme design and consultation/engagement for segments of Area A and Area B. - Area A: connection between Otumoetai Roundabout and City Centre (connecting Ngatai Road) - Area B: Either a connection between Bayfair and the Mount or Bayfair to Pāpāmoa (Evans Road) •Professional Services to develop scheme designs Low Risk projects for the financial year 2022 Arataki: Continuation of work in the area for separated cycleway and bus lane on Grenada Street, cycleway through Arataki and intersection upgrades. Chapel Street: This pathway agreed with iwi and central government needs to be progressed when the Mobil service station upgrade is constructed.
Local Roads Upgrades & Improvements	5,492	Elizabeth Street/Takitimu Drive/Glasgow Street Intersection Improvements: Improve network efficiency at congested intersections Fraser Street / Chadwick Road intersection upgrade: Improve network efficiency at congested intersections Improved pedestrian connections for School hopper and Public Transport Blueprint: Provide for planned connections and increase modal shift initiatives Maunganui Road Safety Improvements: Provide for improvement safety and efficiency for pedestrian and vehicle traffic Minor Improvements: Opportunities to make targeted improvements to current levels of service Tweed Street Maunganui Road intersection upgrade: Improve network efficiency at congested intersections Upgrading of Welcome Bay Road (Rural section): Improve level of service to the rural road
Western Corridor - Ring Road Land Purchase	3,082	Enables development of 190 ha of industrial land and around 3000 lots in Tauriko West.
Local Roads Pedestrian Improvements	2,891	Maleme Street: Provide for improvement safety and efficiency for pedestrian and vehicle traffic from Maleme Street industrial area. Fraser street: Improve network efficiency at congested intersections - Fraser St/Courtney Rd/Baycroft Ave. Bethlehem: Pedestrian safety will be improved and provide better accessibility.
Cameron Road Corridor Public Transport & Multi Modal	1,500	Project to improve traffic management along this key route.
Transportation Model	955	Critical project to inform transportation planning and delivery.
City Centre Streetscape	511	Laneway and road upgrades associated with Elizabeth Street and Wharf Street upgrades.
Bus Infrastructure	470	Encouraging modal shifts and maintaining agreed levels of service.
Traffic Signalisations	150	Signals to improve access from Cameron Road to the CBD
Minor Projects	800	Various minor projects.
Property Disposals	(2,990)	Various planned property disposals
Renewals	8,586	Transport renewal programme consistent with audited asset management plans.
Parks & Recreation		
Growth	7,818	
Parks LOS Development	7,652	Planned growth projects for which repayment obligation exists if not delivered across Bethlehem, Pāpāmoa, Pyes Pa and Welcome Bay.
Western Corridor - Bethlehem	167	Works to support residential growth area.
Level of Service	20,146	
City Centre Streetscape	11,767	Upgrades of Elizabeth Street and Wharf Street as part of the multi-year city centre streetscape upgrade.
Parks Developments & Upgrades	5,806	Various projects across the city to meet and maintain agreed levels of service and community expectations.
Wairoa Active Reserve	1,520	Development of a link between the esplanade and a road to improve public access.
Kopurererua Valley Development	521	Broad agreement with a prominent community group/funder and local Hapū to deliver long awaited improvements. Reputational risk if discontinued due to extended public engagement.
Property Management Upgrades	532	Upgrade of buildings on parks and reserves.
Renewals	2,724	Renewal of buildings on parks and reserves.

Stormwater		
Growth	6,208	
Western Corridor - Pyes Pa West Growth Area	1,964	Works associated with Pyes Pa West growth area.
Western Corridor - Tauriko Business Estate	1,684	Stormwater investment in the Tauriko Business estate primarily reimbursement of works by developers. Enabling works for development of 190 ha of industrial land and around 3000 residential lots in Tauriko West.
Wairakei Stream Landscaping	1,328	Part of consent requirements to enable growth.
Domain Rd Upgrading	584	Associated with Domain Road upgrade.
Papamoa East Interchange	333	Works associated with Pāpāmoa East growth areas, including projects linked to construction of Te Okuroa Drive and Pāpāmoa East Interchange.
Western Corridor - Bethlehem	215	Works associated with Bethlehem urban growth area.
Eastern Corridor - Te Tumu	100	Works associated with te Tumu growth corridor.
Level of Service	8,581	
SW Bulk Fund - Reactive Reserve (Priority 1)	3,250	Council agreed on level of service in terms of protection with regards to safety for community in case of one in one hundred year flood event, deferring this programme will mean that we will no longer be able to provide that protection to the community.
Wairakei Stream Culvert Upgrade	2,652	Wairakei Stream culvert upgrade as a result of negotiated comprehensive stormwater consent conditions.
Harrisons Cut Stabilisation	1,845	To stabilise the road that is slumping into the drain. The road may last another couple of years if there are no large storms. If a storm occurs we will lose access to the car park and boat ramp.
CSC Stormwater Treatment	485	Works to meet comprehensive stormwater consent requirements.
Minor Works & Renewals	277	Addresses local flooding events to protect transportation network and private properties.
Te Maunga WW Treatment Plant	120	Stormwater work associated with treatment plant upgrade.
Property Disposals	(48)	Planned minor property proposals.
Wastewater		
Growth	22,302	
Te Maunga WW Treatment Plant	14,390	Bioreactor project and outfall landward section to increase ability to cope with the current flows.
Western Corridor Tauriko Business Estate	5,560	Investment in the Tauriko Business estate primarily reimbursement of works by developers. Enabling works for development of 190 ha of industrial land and around 3000 residential lots in Tauriko West.
Eastern Corridor - Trunk Wastewater	1,850	Works related to new growth areas - 3000 future dwellings will utilise this trunk main.
Western Corridor - Bethlehem	402	Project to allow for the development of further housing and provide further safety features in this road corridor.
Papamoa East Interchange	100	Works associated with Pāpāmoa East growth areas, including projects linked to construction of Te Okuroa Drive and Pāpāmoa East Interchange.
Level of Service	3,303	
Reticulation Upgrades	2,470	Upgrades and restoration of high risk assets across the city.
Te Maunga Wastewater Treatment Plant	778	Bioreactor project and outfall landward section to increase ability to cope with the current flows.
Smiths Farm Development	55	Water main Waters planning to align with the planning and delivery of the Tauranga Northern Link project by NZTA (including a proposed access road to Smiths Farm site).
Renewals	7,344	
		Second digester based in Chapel Street is due for refurbishment- this is done on an 8 year cycle, failure to complete this work will result in loss of capacity of the treatment plant. The wastewater renewals programme has been prioritised to deal with highest risk assets, as such any delays would increase the probability of failures in turn increasing operational costs with regards to repairs and maintenance.
Water Supply		
Growth	73,814	
Waiari Water Treatment Plant	68,847	The new Waiāri water supply and treatment plant will supply current and future zoned areas with water. Current supply is close to its limit with water restrictions occurring in both of the last two summers. The programme is significantly contractually committed.
Water Netwrk Upgrades	2,094	Various water network renewals across the city.
Oropi Capacity Upgrade	1,061	With new water consents due in 2025 and a potential delay in the Waiāri programme, building additional capacity at Oropi Treatment Plant allows better resilience for the water production within TCC network.
Western Corridor - Tauriko Business Estate	598	Investment in the Tauriko Business estate primarily reimbursement of works by developers. Enabling works for development of 190 ha of industrial land and around 3000 residential lots in Tauriko West.
Western Corridor -Tauriko West	520	Mains and connections to support residential growth area.
Western Corridor - Bethlehem	250	Project to allow for the development of further housing and provide further safety features in this road corridor.
Eastern Corridor - Wairakei	200	Provide level of service in growth.
Western Corridor - Pyes Pa West Growth Area	145	Works associated with enabling further residential lots in Pyes Pa West including Hastings Road Upgrade.
Papamoa East Interchange	100	Works associated with Pāpāmoa East growth areas, including projects linked to construction of Te Okuroa Drive and Pāpāmoa East Interchange.
Level of Service	1,998	
Reservoir Upgrades	1,785	Standard programme of work.
Water Netwrk Upgrades	213	Standard programme of work.
Renewals	8,524	
		Includes reservoir, network and plants

Community Facilities & Property		
Level of Service	3,791	
Marine Precinct Upgrades	2,300	Offloading wharf and office construction.
Bay Venues New Capital	1,300	Greerton Pools upgrade (\$1.1m), Mount Hot Pools exterior works (\$0.1m), Baypark AV equipment renewals (\$0.1m).
Baycourt Renewals	14	Replacement of non technical equipment.
Beachside Holiday Park	155	Dining room extension.
Cemeteries Capital Programme	3	Development upgrades.
Historic Village Capital	575	Upgrades and restoration.
Elder Housing Upgrades	658	Heating, ventilation and air conditioning upgrades.
Renewals	7,422	Standard renewal programme for Civic complex, Marine Precinct and Facilities, Baycourt, Beachside Holiday Park, Airport, Cemeteries, Property Management, Historic Village and Elder Housing.
Sustainability & Waste		
Level of Service	1,569	
Kerbside Waste Collection	1,301	Preparation for delivery of Kerbside collection, this includes upgrading facilities and developing a mobile app.
Sustainability & Waste Upgrades	268	Health and safety related initiatives included in this budget.
Renewals	276	Standard renewal programme.
Digital Services		
Level of Service	7,390	Investment in security and upgrade of systems coming to end of life in order to maintain acceptable levels of services to the organisation and community.
Renewals	6,415	
Other		
Level of Service	6,004	
Emergency Management Capital	2,250	Current timeline and budget delivers on the political aspirations to have this project completed as soon as possible, and to meet the public's expectations and needs in regards to tsunami alerting and evacuation plans.
Library Capital	85	To allow critically acclaimed and relevant material published in 2021 to be added to library stock, ensuring the provision of educational, informative and recreational resources to customers.
Parking Upgrades	1,464	Renewals of existing current network to ensure continued level of service to the community. The programme includes \$40k for Electric Vehicles chargers to meet community demand.
Mount Visitor Information Centre	1,351	The project aims to improve the experience of visitors to Tauranga and in turn increase the value of the tourism sector to the city and wider region.
Other minor works	854	Various minor projects across the business for activities not split out above, such as Regulatory and Corporate Services.
Renewals	1,454	
Library Renewals	1,386	To allow critically acclaimed and relevant material published in 2021 to be added to library stock, ensuring the provision of educational, informative and recreational resources to customers. Also includes upgrade of mobile library bus.
Other minor renewals	68	Other minor renewals.
Subtotal (includes rebudgeted projects from 2019/20)	244,398	
Amount rebudgeted from 2019/20	(35,000)	
Grand Total	209,398	

Operational Expenditure

PROSPECTIVE STATEMENT OF OPERATING REVENUE AND EXPENSE						
Draft Annual Plan 2020/21 against LTP year 3						
	19/20	20/21	20/21	20/21		
	Budget	LTP Budget (Inflated)	Initial Draft AP Budget	Revised Draft AP Budget	Variance to LTP	Variance to LTP
	\$ million	\$ million	\$ million	\$ million	\$ million	%
OPERATING REVENUE						
Rates	179	207	194	190	(17)	-8%
Grants & Subsidies	7	7	9	10	4	53%
Fees & Charges	58	59	57	48	(11)	-18%
Finance Revenue	2	3	2	1	(2)	-61%
Total Operating Revenue	246	276	262	249	(26)	-10%
OPERATING EXPENDITURE						
Personnel Expense	64	66	70	65	(2)	-3%
Depreciation & Amortisation Expense	60	71	64	62	(9)	-13%
Finance Expenses	23	30	25	21	(9)	-31%
Other Operating Expenses	115	113	125	125	12	11%
Total Operating Expenditure	262	280	284	273	(8)	-3%
Net Operating Surplus/(Deficit)	(16)	(4)	(22)	(24)	(18)	

Significant variances against year three of the LTP

Category	Variance from Initial Draft	Variance initial draft to LTP Year three
Grants and subsidies	Minor amendments reflecting expected operating expenditure in transport	Primarily due to more NZTA subsidies than anticipated
Fees and charges	A reduction of \$9m to take into account the recessionary environment post Covid-19. Regulatory services, parking, the airport, and property management have been impacted the most.	Most significant changes from the LTP include reductions in parking fees (\$2.3m) and libraries fees (\$1.8m), and increased income from refuse collection (\$1.1m) and the marine precinct (\$1m)
Finance revenue	Interest rates further reduced	Lower than expected due to reduced interest rates
Personnel expense	Savings due to the removal of non-essential recruitment (\$2m), a freeze on all training not required to meet legal, technical, or professional requirements (\$1m), and the removal of the allowance for salary increases (\$2m)	Structural changes to improve transport and infrastructure delivery (\$1.5m), city planning (\$0.7m), community engagement (\$0.9m) and community representation and support (\$0.7m)

Depreciation and amortisation expense	Movements in the capital programme and assessment of the effect of the 2020 revaluation	Driven by movements in the capital programme and 2019 asset revaluation (inflation)
Finance expenses	Movements in the capital programme and reduced interest rates	Driven by movements in the capital programme, weathertight payments, delay in asset sales (Elder Housing)
Other operating expenses	Savings identified have been offset by cost updates and Council resolutions since the initial draft annual plan.	Includes increased budgets required for electricity (\$1.5m), insurance (\$1.2m), grants to Bay Venues Ltd (\$4.1m, primarily the renewals grant which varies greatly from year to year), investment in city and transport planning (\$4m) and the Bayfair underpass investigation (\$2m)

Debt

Debt to Revenue ratio

As part of prudent financial management councils are required to operate within certain financial limits. The limits for Tauranga City in respect of borrowings are as follows:

1. Net interest expense (after interest rate risk management costs/benefits) on external debt as a percentage of annual operating revenue (excluding development contributions) not to exceed 20%
2. Net interest expense (after interest rate risk management costs/benefits) on external debt as a percentage of annual rates revenue not to exceed 25%
3. Net external debt as a percentage of annual (consolidated) operating revenue (excluding development contributions) not to exceed 300% for 2020/21. The debt to revenue limit is currently at 250%.

The third limit above (debt to revenue ratio) is also in line with the maximum level set by the Local Government Funding Agency (LGFA), from which Council obtains the majority of its debt. The LGFA has proposed increase it to 300% for 30 June 2021 and then gradually decrease it to 280% by 30 June 2026 in response to funding challenges faced by some Councils as a result of the Covid-19 epidemic. This proposed change is subject to LGFA shareholders approving at a Special General Meeting to be held on 30 June 2020. In the event LGFA shareholders do not approve this limit change the debt to revenue limit will remain at 250%.

Breaching this debt to revenue ratio would require Council to refinance all borrowings from the LGFA at short notice which would generate a negative impact on rates (as the interest rates would be higher), along with other undesirable consequences such as reputational and governance risks associated with expulsion from the Crown-supported LGFA model. We consider that it is prudent to leave some capacity in this ratio so that Council can respond to the unexpected (such as natural disasters) as and when required.

Debt and its relationship to the capital programme

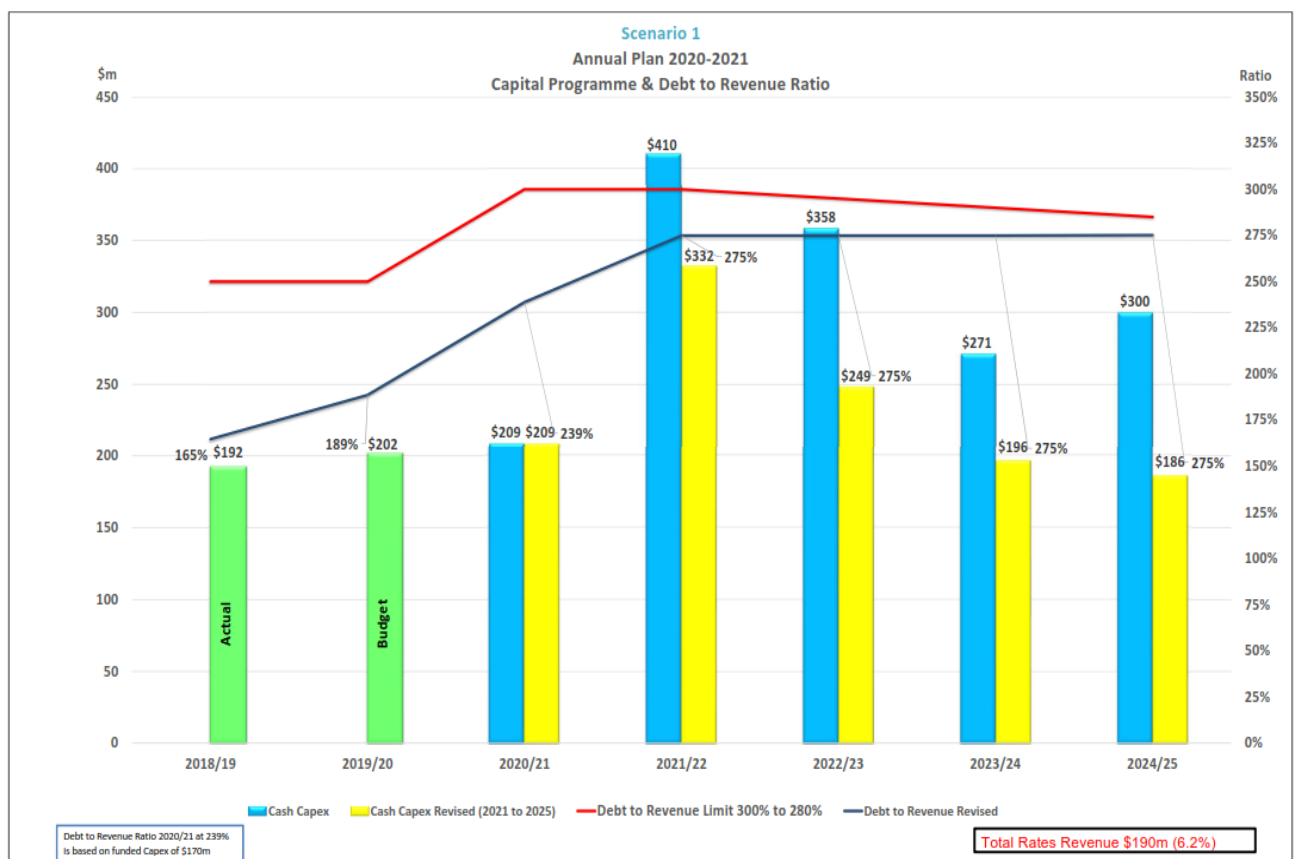
The blue bars in the following graph indicate the proposed capital programme for the current year and what is currently budgeted for future years (based on the programmes of work from the 2018/28 LTP which have been in some cases adjusted for revised timing and costings).

In addition to these programmes of work it is anticipated that a further \$500m to \$1bn of infrastructure projects are likely to be proposed in the 2021/31 LTP.

The horizontal lines show the debt to revenue ratio which is our financial limit at 300% 30 June 2021 (red) and decreasing to 280% by 30 June 2026.

The yellow bars show the level of capital expenditure that is affordable by Council at current revenue levels that would keep us within our new proposed debt to revenue limits.

The difference between the yellow and blue bars shows the amounts that would need to be de-prioritised from the existing capital programme unless alternative funding structures can be accessed.



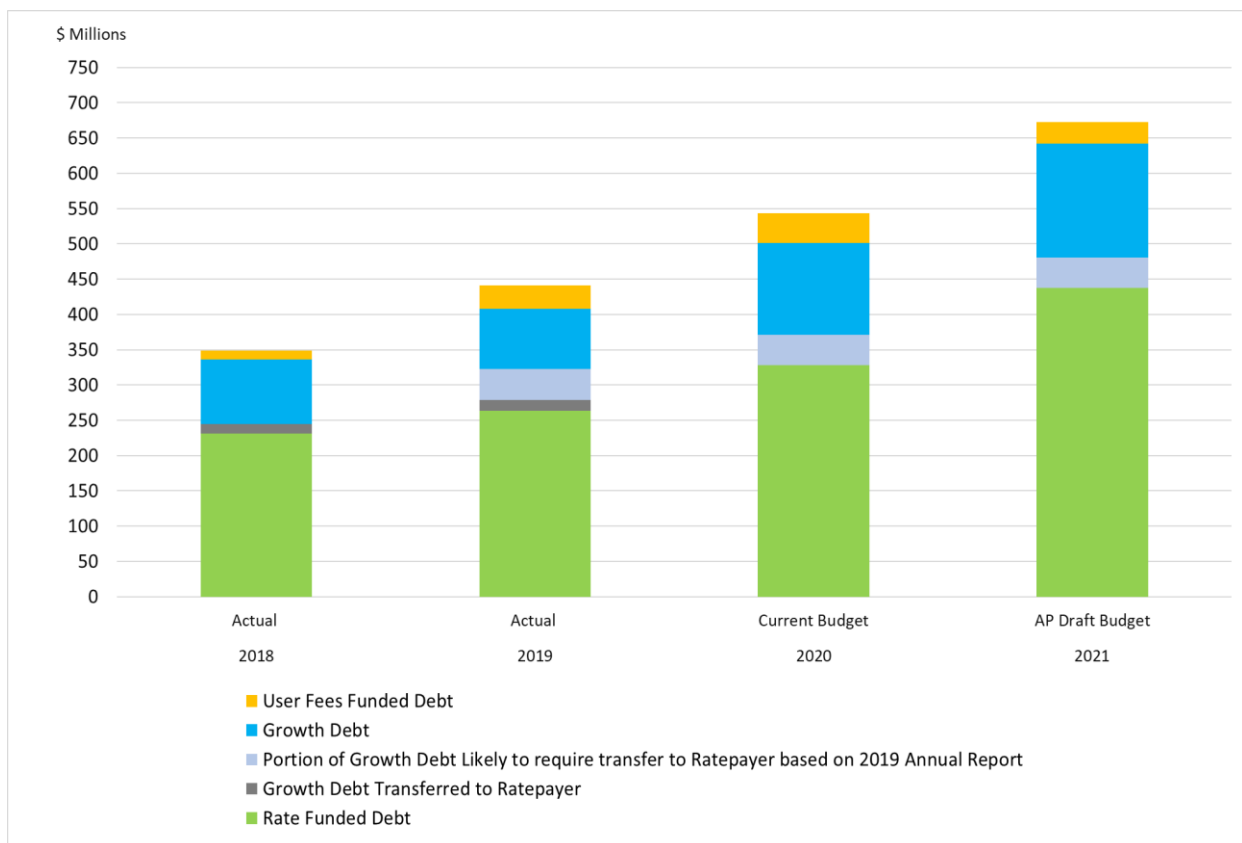
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Breakdown of debt funding

Council borrowings for 2020/21 are proposed to be funded 24% from Growth (development contributions), 71% from rates and 5% through user fees (for example, Airport, Bay Venues Limited, and parking).

Growth funded capital projects are initially funded by borrowing with the repayment of principal and interest recovered over time from development contributions.

However, there is a risk that the development contributions we collect are not sufficient to fund the full costs of this debt and interest. When there is under collection of development contributions the cost of servicing and repaying growth funded debt falls to the ratepayer. Where there is over collection of development contributions they must be repaid.



PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	2018/2019	2019/2020	2020/2021	2020/2021
	All of Council	All of Council	All of Council	All of Council
	Actual	Budget	LTP Budget (Inflation Figure)	AP Budget
	(000's)	(000's)	(000's)	(000's)
OPERATING REVENUE				
Rates	167,351	178,671	207,378	189,927
Grants & Subsidies	7,400	7,142	6,597	10,103
Fees & Charges	51,773	57,653	58,612	48,017
Finance Revenue	2,809	2,220	3,138	1,226
Total Operating Revenue	229,333	245,686	275,725	249,273
ASSET DEVELOPMENT REVENUE & OTHER GAINS				
Development Contributions	26,646	26,067	28,345	17,657
Other Gains	16,819	765	2,405	792
Grants, Subsidies & Other Capital Expenditure Contributions	30,749	24,781	30,706	17,164
Vested Assets to Tauranga City Council	25,392	50,494	35,924	32,635
Total Asset Development Revenue & Other Gains	99,606	102,107	97,380	68,248
TOTAL REVENUE	328,939	347,793	373,105	317,521
OPERATING EXPENDITURE				
Personnel Expense	57,377	63,630	66,458	64,726
Depreciation & Amortisation Expense	52,767	59,863	71,406	62,202
Finance Expenses	21,027	22,841	30,014	20,745
Other Operating Expenses	110,400	115,137	112,952	125,311
Total Operating Expenditure	241,571	261,471	280,830	272,984
OTHER EXPENSES				
Assets Vested to Other Parties	2,394	0	0	0
Other Losses	6,926	0	0	0
Unrealised Loss on Interest Swaps	20,159	0	0	0
Provisions Expense	(2,547)	1,200	1,253	1,200
Total Other Expenses	26,932	1,200	1,253	1,200
TOTAL EXPENDITURE	268,503	262,671	282,083	274,184
SURPLUS/(DEFICIT) BEFORE TAXATION	60,436	85,122	91,022	43,337
Income Tax (Expense)/Benefit	548	0	0	0
Surplus from Continuing Operations	60,436	85,122	90,779	43,337
SURPLUS/(DEFICIT) AFTER TAXATION	60,984	85,122	90,779	43,337
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Asset Revaluation Reserve Gains/(Losses)	321,609	0	177,520	177,520
Taxation on Other Comprehensive Revenue	0	0	0	0
Other Comprehensive Revenue and Expense for the year, net of tax	321,609	0	177,520	177,520
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	382,593	85,122	268,299	220,857

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	2018/2019	2019/2020	2020/2021	2020/2021
	All of Council	All of Council	All of Council	All of Council
	Actual	Budget	LTP Budget (Inflation Figure)	AP Budget
	(000's)	(000's)	(000's)	(000's)
ASSETS				
ASSETS - CURRENT				
Cash and Cash Equivalents	16,556	0	0	0
Debtors & Other Receivables	30,419	47,809	19,848	30,419
Inventories	451	452	386	451
Derivative Financial Instruments	218	264	0	218
Non-Current Assets Held for Sale	14,213	1,808	3,237	4,251
Total Current Assets	61,857	50,333	23,471	35,339
ASSETS NON-CURRENT				
Derivative Financial Instruments	0	583	1,320	0
Other Financial Assets	21,582	21,614	21,786	22,374
Other Investments - CCO's	109,209	114,307	144,404	120,256
Other Investments - Other Entities	364	380	293	364
Investment Properties	56,141	39,019	62,533	56,140
Intangible Assets	15,634	11,189	12,727	15,635
Forestry	10,641	9,798	9,837	10,641
Property, Plant & Equipment	4,248,159	4,046,002	4,419,925	4,683,070
Total Non-Current Assets	4,461,730	4,242,892	4,672,825	4,908,480
TOTAL ASSETS	4,523,587	4,293,225	4,696,296	4,943,819
LIABILITIES				
LIABILITIES - CURRENT				
Payables & Deferred Revenue	63,684	68,754	57,138	63,684
Provisions	19,164	9,128	10,486	4,165
Employee Entitlements	4,330	3,975	3,952	4,331
Deposits Held	5,577	6,228	6,342	5,577
Revenue in Advance	5,175	9,795	6,024	5,175
Derivative Financial Instruments	1,473	690	834	1,473
Borrowings	54,958	45,000	45,081	49,958
Total Current Liabilities	154,361	143,570	129,857	134,363
LIABILITIES NON-CURRENT				
Provisions	4	14	25	4
Employee Entitlements	40	39	75	40
Derivative Financial Instruments	56,054	37,308	33,395	56,054
Borrowings	402,670	498,761	618,390	623,361
Other Non-Current Liabilities	1,354	1,907	0	1,354
Total Non-Current Liabilities	460,122	538,029	651,885	680,813
TOTAL LIABILITIES	614,483	681,599	781,742	815,176
NET ASSETS	3,909,104	3,611,626	3,914,554	4,128,643
EQUITY				
Retained Earnings	1,129,296	1,181,484	1,463,222	1,292,553
Restricted Reserves	(115,039)	(137,639)	(274,430)	(230,672)
Other Council Created Reserves	(5,085)	(8,909)	1,040	(7,044)
Council Created Reserves	132,276	127,643	138,702	128,630
Asset Revaluation Reserve	2,767,656	2,449,047	2,586,021	2,945,176
	3,909,104	3,611,626	3,914,558	4,128,643

PROSPECTIVE STATEMENT OF MOVEMENTS IN EQUITY				
	2018/2019	2019/2020	2020/2021	2020/2021
	All of Council	All of Council	All of Council	All of Council
	Actual	Budget	LTP Budget (Inflation Figure)	AP Budget
	(000's)	(000's)	(000's)	(000's)
EQUITY AT END OF PRIOR YEAR	3,526,509	3,526,507	3,646,254	3,909,104
Total Comprehensive Revenue and Expense	382,593	85,120	268,299	220,857
Other Movements	0	(1)	2	(1,318)
Movements in Equity for the Year	382,593	85,119	268,300	219,539
EQUITY AT THE END OF THE YEAR	3,909,104	3,611,626	3,914,554	4,128,643
COMPONENTS OF EQUITY				
Retained Earnings				
Retained Earnings at beginning of Year	1,045,964	1,045,964	1,315,346	1,129,294
Surplus/(Deficit) after taxation for the Year	60,984	85,120	90,779	43,337
Net Transfers to/ from Other Reserves	22,346	50,402	57,098	121,237
Other Adjustments	0	(6)	(1)	(1,315)
Retained Earnings at end of Year	1,129,294	1,181,480	1,463,222	1,292,553
Restricted Reserves				
Restricted Reserves at beginning of Year	(86,424)	(86,424)	(209,218)	(115,039)
Net Transfers to/ (from) Retained Earnings	(28,615)	(51,214)	(65,212)	(115,633)
Restricted Reserves at end of Year	(115,039)	(137,638)	(274,430)	(230,672)
Restricted Reserves Consists of:				
Trusts	777	868	810	795
Other Restricted Reserves	4,313	4,273	4,238	4,237
Development Contributions	(120,129)	(142,779)	(279,478)	(235,704)
Restricted Reserves at end of Year	(115,039)	(137,638)	(274,430)	(230,672)
Council Created Reserves				
Council Created Reserves at beginning of Year	117,922	117,922	131,627	127,191
Net Transfers to/ (from) Retained Earnings	9,269	812	8,114	(5,605)
Council Created Reserves at end of Year	127,191	118,734	139,742	121,586
Council Created Reserves Consist of:				
Depreciation Reserves	132,276	127,643	138,702	128,630
Other Special Purpose Reserves	(5,085)	(8,909)	1,040	(7,044)
Council Created Reserves at end of Year	127,191	118,734	139,742	121,586
Asset Revaluation Reserves				
Asset Revaluation Reserves at beginning of Year	2,449,047	2,449,047	2,408,501	2,767,656
Net Impact of Revaluations on Revaluation Reserves Gains/(Losses)	321,609	0	177,520	177,520
Net Transfers to/ (from) Retained Earnings on Asset Disposals	(3,000)	0	0	0
Asset Revaluation Reserves at end of Year	2,767,656	2,449,047	2,586,021	2,945,176
Asset Revaluation Reserves Consist of:				
Heritage	602	602	602	602
Distribution Systems	634,474	464,586	465,469	634,474
Library	334	1,041	1,041	334
Land, Building & Improvements	1,902,892	1,911,762	2,047,853	2,080,412
Roading Network	234,946	71,056	71,056	234,946
Deferred Tax on Revaluation	(5,592)	0	0	(5,592)
Asset Revaluation Reserves at end of Year	2,767,656	2,449,047	2,586,021	2,945,176
EQUITY AT THE END OF THE YEAR	3,909,104	3,611,626	3,914,554	4,128,643

The remainder of the prospective financial statements including the funding impact statement, reserves statement, and activity funding impact statements will be provided separately.