

Ngā pūtea

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**Financials**



Ngā pūtea

## Financials

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# Statement of comprehensive revenue and expenditure for the year ended 30 June 2023

	Note	2023 Actual \$'000	2023 Budget \$'000	2022 Actual \$'000
<b>Revenue</b>				
Fees and charges from activities	4	9,893	8,238	9,372
Rate revenue	5, 6 & 7	88,250	87,387	81,706
Financial contributions	11	10,629	14,035	10,925
Subsidies and grants	10	21,765	15,232	22,098
Finance revenue	8	1,979	270	1,350
Other revenue	9,11,16,18 & 21	6,666	5,956	18,464
<b>Revenue Total</b>	<b>2</b>	<b>139,182</b>	<b>131,118</b>	<b>143,915</b>
<b>Expenditure</b>				
Other expenses	9 & 12	64,602	55,395	55,104
Personnel costs	13	29,829	27,944	26,498
Depreciation	21	23,300	24,844	22,708
Amortisation	22	440	287	845
Impairment expense	21	255	-	1,070
Finance costs	8	4,144	4,006	4,146
<b>Expenditure Total</b>	<b>3</b>	<b>122,570</b>	<b>112,476</b>	<b>110,371</b>
Share of associate surplus/(deficit)	19	224	-	58
<b>Net surplus / (deficit)</b>		<b>16,836</b>	<b>18,642</b>	<b>33,602</b>
Other comprehensive revenue and expenses		-	-	-
Gains/(losses) on asset revaluations	21, 22 & 23	150,214	21,965	122,194
<b>Other comprehensive revenue and expense for the year Total</b>		<b>150,214</b>	<b>21,965</b>	<b>122,194</b>
<b>Comprehensive revenue and expense for the year Total</b>		<b>167,050</b>	<b>40,607</b>	<b>155,796</b>
<b>Total comprehensive revenue and expense excluding gains/(losses) on asset revaluations</b>		<b>16,836</b>	<b>18,642</b>	<b>33,602</b>

The accompanying notes form part of these financial statements.

# Statement of financial position as at 30 June 2023

	Note	2023 Actual \$'000	2023 Budget \$'000	2022 Actual \$'000
<b>Equity</b>				
Retained Earnings	28	989,023	955,372	963,429
<b>Reserves</b>				
Restricted reserves	29	326	285	306
Council created reserves	30	22,807	28,575	32,129
Asset revaluation reserves	31	778,442	599,918	627,048
<b>Total reserves</b>		<b>801,575</b>	<b>628,778</b>	<b>659,483</b>
<b>Equity Total</b>		<b>1,790,598</b>	<b>1,584,150</b>	<b>1,622,912</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	14	15,140	39,091	25,541
Receivables	15	18,304	16,371	10,155
Non-current assets held for sale	17	-	1,250	-
Prepayments	15	877	1,008	496
Other current financial assets	18	-	-	-
Derivative financial instruments	16	-	-	138
<b>Current Assets Total</b>		<b>34,321</b>	<b>57,720</b>	<b>36,330</b>
<b>Non-current assets</b>				
Other non-current financial assets	18	12,965	11,519	12,542
Investment in associates	19	512	212	289
Investments in CCO and other similar entities	20	3,379	3,346	3,028
Intangible assets	22	3,885	7,613	4,894
Forestry assets	23	8,266	11,626	8,938
Property, plant and equipment	21	1,845,212	1,652,118	1,661,509
Derivative financial instruments	16	2,580	(12,632)	1,540
<b>Non-current assets Total</b>		<b>1,876,799</b>	<b>1,673,802</b>	<b>1,692,740</b>
<b>Assets Total</b>		<b>1,911,120</b>	<b>1,731,522</b>	<b>1,729,070</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and other payables	24	25,781	32,664	22,529
Current employee entitlements	26	4,147	3,699	3,032
Current borrowings and other financial liabilities	25	15,000	15,000	15,000
Current provisions	27	313	696	313
<b>Current Liabilities Total</b>		<b>45,241</b>	<b>52,059</b>	<b>40,874</b>
<b>Non-current liabilities</b>				
Non current employee entitlements	26	19	-	19
Non current provisions	27	262	313	265
Non current borrowings and other financial liabilities	25	75,000	95,000	65,000
<b>Non-current liabilities Total</b>		<b>75,281</b>	<b>95,313</b>	<b>65,284</b>
<b>Liabilities Total</b>		<b>120,522</b>	<b>147,372</b>	<b>106,158</b>
<b>Net assets</b>		<b>1,790,598</b>	<b>1,584,150</b>	<b>1,622,912</b>

The accompanying notes form part of these financial statements.

# Statement of changes in net assets/equity for year ended 30 June 2023

Statement of Changes in Equity for year ended 30 June 2023	Retained Earnings	Asset Revaluation Reserve	Council Reserves	Equity
<b>Balance at 01 July 2021</b>	<b>929,626</b>	<b>493,121</b>	<b>32,458</b>	<b>1,455,205</b>
Total comprehensive revenue and expense for the year	33,602	-	-	33,602
Reclassification of reserves to equity	175	-	-	175
Gains/Losses on asset revaluations	-	133,927	-	133,927
Other reserve movements and transfers	26	-	(23)	3
<b>Balance at 30 June 2022</b>	<b>963,429</b>	<b>627,048</b>	<b>32,435</b>	<b>1,622,912</b>
Total comprehensive revenue and expense for the year	16,836	-	-	16,836
Reclassification of reserves to equity	-	-	-	-
Gains/Losses on asset revaluations	(1,181)	151,394	-	150,213
Other reserve movements and transfers	9,939	-	(9,302)	637
<b>Balance at 30 June 2023</b>	<b>989,023</b>	<b>778,442</b>	<b>23,133</b>	<b>1,790,598</b>

The accompanying notes form part of these financial statements.

# Statement of cash flows for year ended 30 June 2023

	2023 Actual \$'000	2023 Budget \$'000	2022 Actual \$'000
<b>Cashflow from operating activities</b>			
Receipts from rates, grants and other services	123,435	128,634	134,477
Interest received	409	270	873
Dividends received	245	-	262
Payments to suppliers and employees	(85,650)	(83,651)	(83,162)
Income tax (paid) refund	-	-	54
Interest paid	(4,144)	(4,006)	(4,146)
<b>Net cash inflow from operating activities</b>	<b>34,295</b>	<b>41,247</b>	<b>48,358</b>
<b>Cashflow from investing activities</b>			
Advances to related parties			
Proceeds from sale of property, plant and equipment, investment property and intangible assets	(1,549)	-	3,912
Acquisition of property, plant and equipment, investment property and intangible assets	(53,147)	(70,001)	(42,435)
<b>Net cash outflow from investing activities</b>	<b>(54,696)</b>	<b>(70,001)</b>	<b>(38,523)</b>
<b>Cashflows from financing activities</b>			
Proceeds of borrowings	25,000	56,500	-
Repayment of borrowings	(15,000)	(15,000)	(10,000)
<b>Net cash in flow from financing activities</b>	<b>10,000</b>	<b>41,500</b>	<b>(10,000)</b>
Net (decrease)/increase in cash and cash equivalents and bank overdraft	(10,401)	12,746	(165)
Opening cash and cash equivalents and bank overdraft	25,541	26,344	25,706
<b>Closing cash and cash equivalents and bank overdraft</b>	<b>15,140</b>	<b>39,090</b>	<b>25,541</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

## 1. Proposed statement of accounting policies for the year ended 30 June 2023

### Reporting entity

Western Bay of Plenty District Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

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

The reporting date of the Council and the associate is 30 June.

The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of the Council are for the year ended 30 June 2023. The financial statements were authorized for issue by Council on 14 December 2023.

### Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

### Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with NZ GAAP.

The financial statements have been prepared in line with PBE Accounting Standards, however were adopted after the statutory deadline on 31 October 2023.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all value are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Note 38 and Note 39. The remuneration and severance payments are rounded to the nearest dollar.

## Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.

- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023

However, the financial impact of the transfer of three water assets and associated function, is not certain. With the change in the Government there is a possibility of a change to water services reform programme. Considering the recent developments there is a possibility that the new Government might repeal or substantially amended the three legislations.

## Changes in accounting policies

### Software-as-a-Service (SaaS) arrangements

In April 2021, the International Financial Reporting Interpretations Committee (IFRIC), a committee supporting profit-oriented reporting, published an agenda decision clarifying how configuration and customization costs incurred in implementing SaaS should be accounted for.

The IFRIC concluded that SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customize software in a cloud computing arrangement, can be recognized as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognized as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

The New Zealand Accounting Standards Board has not issued similar guidance, however, in the absence of a PBE standard dealing with these costs, management considers the IFRIC decision relevant to the accounting for similar types of arrangements of Council in accordance with PBE IPSAS 31 Intangible assets.

Council has changed its accounting policy from 1 July 2021 to be consistent with the IFRIC agenda decision.

The impact of the change in accounting policy is that some intangible assets that were previously capitalised no longer meet the criteria for capitalisation and therefore have been expensed.

## Standards, and amendments, issued and that have been applied

### Cash Flow Statements

These amendments require additional disclosures that enable users of financial statements to evaluate cash and non-cash changes in liabilities arising from financial activities. It is effective for reporting periods on or after 1 January 2021. Refer to Note 33 for information on reconciliation of liabilities from financing activities.

### PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments was issued in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022.

### PBE FRS 48 Service Reporting

PBE FRS 48 Service Performance Reporting replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for the year ending 30 June 2023.

## Summary of significant accounting policies

Significant accounting policies that do not relate to a specific note are outlined below.

### Foreign currency transactions

Foreign currency transactions (including those subject to forward exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate 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 rate of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

### Goods and services tax

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

The net amount of GST recoverable from the IRD, including the GST relating to investing and financing activities, is classified as operating cashflow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

### Budget figures

The budget figures are those approved by Council in its 2021-2031 Long Term Plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.



## Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made 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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land and buildings, and infrastructural assets – Note 21
- Estimating the fair value of forestry assets – Note 23
- Estimating the retirement and long service leave obligations – Note 26
- Estimating the landfill aftercare provision – Note 27

## Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies.

### Donated or vested land and buildings with use or return conditions

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received.

The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognize revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

## Classification of property

Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives are part of Council’s social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than investment property.

## Treatment of airport land

The airport land consists of some 225 hectares of land of which some 86 hectares is jointly owned by Tauranga City Council (TCC) and Western Bay of Plenty District Council. TCC are the legal owners of the land and Western Bay of Plenty District Council are the beneficial or equitable owners of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and Western Bay of Plenty District Council. As the legal owner TCC must exercise its rights of ownership in terms of the trust and for the benefit of the trustees.

The terms of the trust are that TCC may use the jointly acquired land rent free provided the land is used as an airport. In the event that the jointly own airport land is sold and the principal use of the land is no longer an airport then a liability to Western Bay of Plenty District Council is created for the sale price of the jointly owned land at that point.

## Summary of Cost of Services

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

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific 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. There have been no changes to the cost allocation methodology during the year.

## Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

### Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognized at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable 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 usages, as a result of unread meters at year-end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its Rates Remission Policy.
- From 1 July 2022 Council no longer collects rates on behalf of Bay of Plenty Regional Council.
- Rating base information is disclosed on page 16 under “Overview of Council’s performance 2022/23”.

### Financial Contributions

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.

## Waka Kotahi NZ Transport Agency roading subsidies

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

## Other grants received

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

## Building and resource consent revenue

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

## Entrance Fees

Entrance fees are fees charged to users of the Councils local facilities, such as pools. Revenue from entrance fees is recognised upon entry to such facilities.

## Landfill fees

Fees for disposing of waste at the Council's landfill are recognised upon waste being disposed by users.

## Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

## Sale of goods

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

## Infringement fees and fines

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

## Vested or donated physical assets

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

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

For long-lived assets that must be used for a specific use (for example, land must be used as a recreation reserve), the Council immediately recognizes the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

## Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

## Interest and dividends

Interest revenue is recognised using the effective interest method.

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

Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery part of the cost of the investment.

## Personnel costs

### Salaries and wages

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

### Superannuation schemes

#### *Defined contribution schemes*

Employer contributions to Kiwi saver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

#### *Defined benefit schemes*

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

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

## Finance Costs

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

## Grant expenses

The Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as an expense when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as an expense when approved by the Council and the approval has been communicated to the applicant.

## Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense of the term of the lease.

## Tax

Council does not pay income tax as Section CW39 of the Income Tax Act 2007 specifically exempts income that is derived by a local authority from income tax, unless that income is derived from a Council Controlled Organisation, a port related undertaking, or as a trustee.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## Receivables

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

## Derivative financial instruments and hedge accounting.

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

Council has elected not to hedge account.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

## Other financial assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories;

- Amortised cost
- Fair value through other comprehensive revenue and expense (FVTOCRE); and
- Fair value through surplus and deficit (FVTSD)

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

The classification of a financial asset depends on its cash flow characteristics and the Council's model for managing them.

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 managing them.

A financial asset is classified as 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.

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

## Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured 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 term deposits, community loans and loans to subsidiaries and associates.

## Subsequent measure of financial assets at FVTOCRE

Financial assets in this category that are debt instruments 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 or deficit. Instruments in this category include Council listed bonds.

Financial assets in this category that are equity instruments 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.

## Subsequent measurement of financial assets at FVTSD

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.

Other than derivatives, the Council has no instruments in this category.

## Investment in associate

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint arrangement.

The Council's associate investment is accounted using the equity method. The investment in the 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 deficit of the associate after the date of acquisition.

Distributions received from an associate reduce the carrying amount of the investment in the Council's financial statements.

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 Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

## Property, plant and equipment

Property, plant and equipment consist of:

**Operational assets** – These include land, buildings, landfill post-closure, 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 and other restrictions.

**Infrastructure assets** – Infrastructure assets are the fixed utility systems owned by Council. 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.

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

## Revaluation

Land and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying value amount does not differ materially from fair value and at least every three years.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in surplus or deficit.

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

## Additions

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.

Work in progress is recognised at cost less impairment and is not depreciated.

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

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

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

## Disposals

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

## Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the asset to their estimated residual values over their useful lives.

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

Buildings		
Buildings	2 - 100 years	Straight line
Land	-	Not depreciated
Plant and equipment	4 - 10 years	Diminishing value
Office equipment and furnishings	4 - 10 years	Diminishing value
Computer systems	2 - 5 years	Diminishing value
Motor vehicles	4 - 5 years	Diminishing value
Library books	10 - 15 years	Straight line
Infrastructural assets		
Roading network		
Top surface (seal)	5 - 60 years	Straight line
Pavements (base course)		
• Seal	5 - 60 years	Straight line
• Unsealed	3 - 5 years	Straight line
Other	5 - 70 years	Straight line
Formation	-	Not depreciated

Bridges		
Bridges	50 - 100 years	Straight line
Reticulation		
• Water	15 - 80 years	Straight line
• Sewerage	40 - 100 years	Straight line
• Stormwater	70 - 120 years	Straight line
• Treatment plant and equipment	15 - 80 years	Straight line
Other structures		
• Reservoirs	80 - 100 years	Straight line
• Dams	100 years	Straight line
• Bores	100 years	Straight line
• Coastal Structures	5 - 75 years	Straight line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

## Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carrying a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

## Intangible assets

### Initial recognition and subsequent measurement

Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead and other direct costs that are incurred in the development phase of the asset.

Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measured. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses, if any.

### Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite life and are not amortised, but are instead tested for impairment annually.

### Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

## Amortisation

The carrying value of an intangible asset with a finite life is amortised based the Diminishing Value method over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

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

Computer software	3-5 years	20%-33.3%
Resource consents	life of asset	5%
Property subdivision rights	19 years	3%-5%

## Impairment of intangible assets

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

For further details, refer to the policy for impairment of property, plant, and equipment. The same approach applies to the impairment of intangible assets.

## Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in surplus or deficit.

Forestry maintenance costs are recognised in surplus or deficit when incurred.

## Payables and deferred revenue

Short-term creditors and other payables are measured at the amount payable.

## Borrowings and other financial liabilities

Borrowings on normal terms are initially recognised at the amount borrowed plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

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

## Employee entitlements

### Short-term employee entitlements

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

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

### Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

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

## Presentation of employee entitlements

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

## Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- There is a present obligation (either legal or constructive) as a result of a past event;
- It is probable that an outflow of future economic benefits will be required to settle the obligation and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash flows. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

## Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Accumulated funds;
- Restricted reserves;
- Property revaluation reserve; and
- Fair value through other comprehensive revenue and expense reserve.

## Restricted reserves

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

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or 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.

## Property revaluation reserve

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

## Fair value through other comprehensive revenue and expense reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of assets classified through other comprehensive revenue and expense.

## 2. Total revenue

	2023 Actual \$'000	2022 Actual \$'000
Representation	4,069	3,568
Planning for the future	4,316	3,584
Transportation	42,343	36,312
Water supply	16,569	14,775
Communities	10,193	8,917
Recreation and open spaces	14,356	13,166
Regulatory services	15,523	12,955
Wastewater	16,618	19,900
Solid waste	4,561	4,669
Stormwater	6,796	7,758
Natural environment and sustainable living	1,212	1,093
Economic development	626	902
Support services	2,000	16,317
<b>Total operating revenue by activity</b>	<b>139,182</b>	<b>143,916</b>

### 3. Total expenditure

	2023 Actual \$'000	2022 Actual \$'000
Representation	4,010	3,500
Planning for the future	4,161	3,435
Transportation	28,686	23,247
Water supply	15,074	15,711
Communities	9,981	8,781
Recreation and open spaces	11,655	10,165
Regulatory services	15,440	12,928
Wastewater	16,213	14,792
Solid waste	4,206	4,131
Stormwater	4,442	4,325
Natural environment and sustainable living	1,390	1,078
Economic development	774	999
Support services	6,538	7,279
<b>Total operating expenditure by activity</b>	<b>122,570</b>	<b>110,371</b>

### 4. Fees and charges from activities

	2023 Actual \$'000	2022 Actual \$'000
Representation	8	1
Planning for the future	-	7
Transportation	380	529
Water supply	527	107
Communities	459	270
Recreation and open spaces	346	284
Regulatory services	7,211	7,076
Wastewater	346	127
Solid waste	498	745
Stormwater	5	4
Economic development	-	-
Support services	113	222
<b>Total revenue from significant activities</b>	<b>9,893</b>	<b>9,372</b>



## 5. General Rate Income

	2023 Actual \$'000	2022 Actual \$'000
Representation	4,059	3,565
Planning for the future	4,316	3,564
Communities	5,683	4,671
Recreation and open spaces	8,945	7,904
Regulatory services	4,938	4,994
Transportation	52	-
Water Supply	-	-
Stormwater	704	209
Natural environment and sustainable living	401	346
Wastewater	304	960
Solid waste	262	388
Economic development	290	578
Support services	1,454	3,482
<b>Total general rates</b>	<b>31,408</b>	<b>30,661</b>

### Remissions and penalties

General rate income is shown net of remissions. Western Bay District Council's general rates remission for 2023 was \$17,552.

Western Bay District Council also charges penalties on overdue general rates which was \$560,695 for 2023.

### Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage and water. Non-rateable land does not constitute a remission.

## 6. Targeted rates attributable to activities

	2023 Actual \$'000	2022 Actual \$'000
Representation	-	-
Planning for the future	-	13
Communities	3,422	3,287
Recreation and open spaces	-	-
Regulatory services	-	-
Transportation	16,450	14,701
Water supply	6,677	6,516
Stormwater	4,724	4,558
Natural environment and sustainable living	665	598
Wastewater	12,854	11,871
Solid waste	3,155	3,045
Economic development	335	334
Support services	1,419	1,417
<b>Total targeted rates</b>	<b>49,701</b>	<b>46,340</b>

### Remissions and penalties

Targeted rate income is shown net of remissions. Western Bay District Council's targeted rates remission for 2023 was \$27,776.

Western Bay District Council also charges penalties on overdue targeted rates which was \$887,262 for 2023.

## 7. Targeted rates for water supply

	2023 Actual \$'000	2022 Actual \$'000
Metered water charges	7,141	4,705
<b>Total targeted rates for water supply</b>	<b>7,141</b>	<b>4,705</b>

### Remissions and penalties

Targeted water rates income is shown net of remissions. Western Bay District Council's water rates remission for 2023 was \$235,621

Western Bay District Council does not charge penalties on overdue water rates.

## 8. Finance revenue and costs

	2023 Actual \$'000	2022 Actual \$'000
<b>Finance income</b>		
Interest income	1,720	1,083
Dividends	245	262
Rates postponement scheme	14	5
<b>Total finance income</b>	<b>1,979</b>	<b>1,350</b>
<b>Finance costs</b>		
Interest on bank borrowings	4,134	1,630
Interest rate swap expense	10	2,516
<b>Total finance costs</b>	<b>4,144</b>	<b>4,146</b>
<b>Net finance income / (costs)</b>	<b>(2,165)</b>	<b>(2,796)</b>

## 9. Vested assets

	2023 Actual \$'000	2022 Actual \$'000
<b>Significant activities</b>		
Communities	-	-
Recreation and open spaces	-	-
Transportation	946	-
Water supply	389	946
Stormwater	649	2,481
Wastewater	413	1,653
Solid waste	-	-
Support services	-	-
<b>Total vested assets to Council</b>	<b>2,397</b>	<b>5,080</b>
Wastewater	(1,822)	-
<b>Total vested assets from Council</b>	<b>(1,822)</b>	<b>-</b>
<b>Total net vested assets</b>	<b>575</b>	<b>5,080</b>

## 10. Subsidies and grants

	2023 Actual \$'000	2022 Actual \$'000
Ministry for the Environment	512	284
Bay of Plenty Regional Council	-	-
Crown Infrastructure Partners	3,021	6,387
Waka Kotahi NZ Transport Agency	17,982	13,890
TECT	-	1,443
Ministry of Business, Innovation and Employment	-	94
Other	250	-
<b>Total subsidies and grants</b>	<b>21,765</b>	<b>22,098</b>

There are no unfulfilled conditions or other contingencies attached to subsidies recognised (2022: Nil).

## 11. Other revenue

	2023 Actual \$'000	2022 Actual \$'000
<b>Financial contributions</b>		
Recreation and open spaces	2,973	2,945
Transportation	3,454	3,820
Water supply	1,656	1,516
Stormwater	712	492
Natural environment	146	150
Wastewater	1,688	2,002
<b>Total revenue from financial contributions</b>	<b>10,629</b>	<b>10,925</b>
Petrol tax	459	436
Sale of goods and services	823	1,464
Cost recoveries	428	228
Rental revenue	1,330	1,180
Fines	117	126
<b>Total other revenue</b>	<b>3,157</b>	<b>3,434</b>

## 12. Other expenses

	2023 Actual \$'000	2022 Actual \$'000
Audit fees for financial statement audit		
· audit fees for financial statement audit	223	159
· audit fees for Long Term Plan		-
· audit fees for debenture trust deed audit	-	-
· audit fees for grant funding assurance	-	-
Insurance premiums	1,076	902
Consultant and legal fees	5,147	2,926
Impairment of receivables	1,518	3,226
Loss on sale of property, plant and equipment	866	2,330
Minimum lease payments under operating leases	63	308
Other operating expenses	53,887	45,252
Asset revaluation	-	1
<b>Total other expenses</b>	<b>62,780</b>	<b>55,104</b>

## 13. Personnel costs

	2023 Actual \$'000	2022 Actual \$'000
Salaries and wages	29,570	26,229
Employer contributions to health insurance scheme	259	269
<b>Total personnel costs</b>	<b>29,829</b>	<b>26,498</b>

## 14. Cash and cash equivalents

	2023 Actual \$'000	2022 Actual \$'000
Cash at bank and on hand	5,138	22,636
Petty cash	2	2
Term deposits with maturities less than 3 months	10,000	2,903
<b>Total cash and cash equivalents</b>	<b>15,140</b>	<b>25,541</b>

The carrying value of cash at bank and term deposits with maturities less than three months approximate time fair value.

### Interest rates

The weighted average effect interest rates on investments (current and non-current) and associated repricing maturities were:

	2023	2022
Short-term deposits	5.71%	1%

## 15. Receivables and payments

	2023 Actual \$'000	2022 Actual \$'000
Rates debtors	5,929	5,730
Metered water debtors	3,391	1,452
Other trade debtors	6,267	2,512
Sundry debtors	5,852	3,270
GST Receivables	894	910
<b>Debtors and other receivables prior to impairment</b>	<b>22,333</b>	<b>13,875</b>
Less provision for impairment of receivables	4,029	3,720
<b>Net receivables</b>	<b>18,304</b>	<b>10,155</b>
Prepayments	877	496
<b>Net receivables and prepayments</b>	<b>19,181</b>	<b>10,651</b>

### Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

### Impairment

Western Bay of Plenty District Council (Western Bay Council) does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future payments if the impact of discounting is material.

These powers allow Western Bay Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then Western Bay Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$Nil (2022: \$Nil). Western Bay Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The status of receivables as at 30 June 2023 and 2022 are detailed below:

	2023 \$'000			2022 \$'000		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	15,043	(754)	14,289	10,179	765	9,414
Past due 90 days - 2 years	1,855	(727)	1,128	998	636	362
Past due 2-3 years	1,536	(674)	862	762	574	188
Past due > 3 years	3,900	(1,875)	2,025	1,935	1,744	191
<b>Total</b>	<b>22,334</b>	<b>(4,030)</b>	<b>18,304</b>	<b>13,875</b>	<b>3,718</b>	<b>10,155</b>

Receivables greater than 90 days are considered past due

The impairment provision has been calculated based on expected losses for Western Bay Council's pool of debtors. Expected losses have been determined based on an analysis of Western Bay Council's losses in previous periods and a review of specific debtors as detailed below:

	2023 Actual \$'000	2022 Actual \$'000
Individual impairment	(1,875)	(1,744)
Collective impairment	(2,154)	(1,974)
<b>As at 30 June</b>	<b>(4,029)</b>	<b>(3,718)</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	2023 Actual \$'000	2022 Actual \$'000
Past due 30-59 days	-	-
Past due 60-89 days	-	-
Past due > 90 days	1,875	1,744
<b>As at 30 June</b>	<b>1,875</b>	<b>1,744</b>

Movement in the provision for impairment of receivables is as follows:

	2023 Actual \$'000	2022 Actual \$'000
As at 1 July	3,718	4,548
Additional provisions made during the year	1,829	2,396
Provisions reversed during the year	-	-
Receivables written off during the year	(1,518)	(3,226)
<b>As at 30 June</b>	<b>4,029</b>	<b>3,718</b>

### Rates are "written off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (where the chief executive of a local authority may, in respect of a rating unit of Māori freehold land)
  - Section 90A: \$81,157.81 (2022: \$727,647.94)
  - Section 90B: Nil. (2022: \$41,819.71).

## 16. Derivative financial instruments

	2023 Actual \$'000	2022 Actual \$'000
Current portion	-	138
Interest rate swaps - fair value hedges	2,580	1,540
<b>Total derivative financial instruments</b>	<b>2,580</b>	<b>1,678</b>
<b>Movement</b>	<b>902</b>	<b>9,244</b>

### Fair value

#### Interest rate swap

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices.

The notional principal amounts of the current outstanding interest rate swap contracts for the Western Bay Council were \$71.5m (2022: \$81.5m).

At 30 June 2023, the fixed interest rates of cash flow hedge interest rate swaps vary from 1.95% to 5.41% (2022: 1.95% to 5.41%). The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current. As at 30 June 2023, the Western Bay Council did not have any current interest rate derivatives.

## 17. Non-current assets held for sale

Western Bay Council held no non-current assets for sale as at 30 June 2023.

## 18. Other financial assets

	2023 Actual \$'000	2022 Actual \$'000
Current portion		
Investments		
Term deposits maturing within 12 months of balance date	-	-
<b>Total investments</b>	<b>-</b>	<b>-</b>
<b>Total current other financial assets</b>	<b>-</b>	<b>-</b>
Non-current portion		
<b>Non-current assets available for sale are:</b>		
<b>Zespri Group Limited</b>		
26,490 shares (26,490 in 2022) with a market value as at 30 June 2023 of \$5.80 (\$9.10 in 2022) per share.	154	241
<b>Seeka Kiwifruit Industries Limited</b>		
11,247 shares (2022: 11,247) with a market value as at 30 June 2023 of \$2.61 (\$4.67 in 2022) per share.	29	53
<b>Total non-current assets available for sale</b>	<b>183</b>	<b>294</b>
Loans and receivables		
<b>Te Tumu investment (note 42)</b>	<b>12,782</b>	<b>12,249</b>
<b>Total loans and receivables</b>	<b>12,782</b>	<b>12,249</b>
<b>Total non-current other financial assets</b>	<b>12,965</b>	<b>12,542</b>
<b>Total other financial assets</b>	<b>12,965</b>	<b>12,542</b>
<b>Movement in other financial assets</b>	<b>422</b>	<b>162</b>
Represented by:		
Change in fair value of shares	(113)	(53)
Change in fair value of loans	(791)	(951)
<b>Change in fair value of other Financial Assets</b>	<b>(904)</b>	<b>(1,004)</b>
Unrealised interest movement in Te Tumu	1,326	1,166
<b>Total</b>	<b>422</b>	<b>162</b>

## 19. Investments in associates

Share in associates	2023 Actual \$'000	2022 Actual \$'000
Western Bay of Plenty Tourism and Visitors' Trust (50%)	512	289
<b>Total share in associates</b>	<b>512</b>	<b>289</b>
<b>Movement</b>	<b>224</b>	<b>58</b>

## 20. Investments in Council controlled organisations (CCO's) and other similar entities

	2023 Actual \$'000	2022 Actual \$'000
<b>Bay of Plenty Local Authority Shared Services Limited</b>	<b>14</b>	<b>14</b>
BOPLASS Limited 9.7% share (2022: 9.7%)		
<b>Civic Financial Services Limited</b>	<b>25</b>	<b>28</b>
28,142 shares (2022: no change) with a market value as at 30 June 2023 of \$0.90 per share (2022: \$0.99)		
<b>Local Government Funding Agency Limited</b>	<b>1,866</b>	<b>1,866</b>
3,731,958 shares (2022: no change) at \$1 per share \$0.50 share paid up capital (2022: no change)		
<b>Local Government Funding Agency Borrower Notes</b>	<b>1,474</b>	<b>1,120</b>
<b>Total Investment in Council Controlled Organisations (CCO's) and other similar entities</b>	<b>3,379</b>	<b>3,028</b>

Bay of Plenty Local Authority Shared Services (BOPLASS)	2023 Actual \$'000	2022 Actual \$'000
Assets	2,719	1,205
Liabilities	2,691	1,153
Revenues	1,927	1,998
Surplus / (deficit)	(23)	6
<b>Western Bay's % interest</b>	<b>9.7%</b>	<b>9.7%</b>

Note: These results are unaudited

## 21. Property, plant and equipment

### Property, plant, and equipment notes

- There were no assets lost or given up during the year.
- Council has not pledged any property, plant or equipment as security for liabilities.
- Land and buildings in the "Restricted Asset" category are subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for which the assets can be used).
- One transportation asset valued at \$255,000 (No 4. Road bridge, Te Puke) was impaired due to the cyclone Gabrielle weather event.

### Reconciliation of property, plant and equipment to statement of financial position

1. In respect of the roading component of infrastructural assets: Western Bay Council has formerly recorded a decision to maintain the network in a defined and appropriate operating capacity by a programme of restoration to ensure that its life will be indefinitely prolonged.
2. An appropriate Asset Management Plan has been adopted by Council.

The Plan provides:

- the level of service required
- the current physical extent, condition and capacity of the network
- the timing, extent and cost of work required to maintain and restore the network's defined operating capacity in future years.

	2023 Actual \$'000	2022 Actual \$'000
<b>Depreciation, amortisation and impairment by activity</b>		
Representation	17	12
Planning for the future	-	-
Communities	494	511
Recreation and open spaces	2,204	1,945
Regulatory services	80	83
Transportation	11,002	11,214
Water supply	3,889	3,522
Stormwater	1,826	1,684
Wastewater	3,447	4,274
Solid waste	25	22
Natural environment and sustainable living	-	-
Economic development	-	-
<b>Total depreciation, amortisation and impairment by activity</b>	<b>22,984</b>	<b>23,267</b>
Depreciation and amortisation related to support services	1,011	1,356
<b>Total depreciation, amortisation and impairment expense</b>	<b>23,995</b>	<b>24,623</b>
<b>Made up of:</b>		
<b>Depreciation</b>	<b>23,300</b>	<b>22,708</b>
<b>Amortisation</b>	<b>440</b>	<b>845</b>
<b>Impairment</b>	<b>255</b>	<b>1,070</b>

	2023 Actual \$'000	2022 Actual \$'000
<b>Revaluation gains by activity</b>		
Representation	-	-
Planning for the future	-	-
Communities	(378)	7,570
Recreation and open spaces	9,889	38,003
Regulatory services	-	-
Transportation	31,853	57,964
Water supply	50,424	1,917
Stormwater	8,880	1,684
Wastewater	50,060	4,105
Solid waste	274	717
Natural environment and sustainable living	-	-
Economic development	-	-
Support services	487	9,635
<b>Property, plant and equipment gains</b>	<b>151,489</b>	<b>121,595</b>
Intangibles (Emission Trading Scheme NZ Units)	(1,181)	1,098
Forestry	(94)	(499)
<b>Total gains</b>	<b>150,214</b>	<b>122,194</b>



Work in progress by activity	2023 Actual \$'000	2022 Actual \$'000
Representation	-	-
Planning for the future	258	120
Communities	1,756	1,025
Recreation and open spaces	7,715	2,674
Regulatory services	76	19
Transportation	9,386	8,575
Water supply	7,549	5,889
Stormwater	3,601	1,955
Wastewater	2,827	2,801
Solid waste	-	117
Natural environment and sustainable living	-	-
Economic development	36	11
Support services	(3,250)	(2,674)
<b>Total work in progress</b>	<b>29,953</b>	<b>20,510</b>

## Valuations

### *Operational and restricted land and buildings*

At fair value, as determined from market based evidence assessed by an independent valuer as at June 2023 and identified a full revaluation was not required. The most recent valuation was performed by Opteon Solutions and the valuation was effective as at 30 June 2022.

### *Coastal and Marine Structures*

At fair value determined on a depreciated replacement cost basis. Unit rates and lives were reviewed by an independent consultant that specialises in these types of assets.

The valuations were prepared internally by Council staff and peer reviewed by an independent valuer. The valuation is effective as at 1 July 2023.

## Infrastructural asset classes

### *Land*

At fair value, as determined from market based evidence assessed by an independent valuer as at June 2023 and identified a full revaluation was not required. The most recent valuation was performed by Opteon Solutions and the valuation is effective as at 30 June 2022.

## *Sewerage and Wastewater*

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by AECOM and the valuation is effective as at 30 June 2023.

## *Stormwater*

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by AECOM and the valuation is effective as at 30 June 2023.

## *Water*

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by AECOM and the valuation is effective as at 30 June 2023.

## *Roading*

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by WSP and the valuation is effective as at 30 June 2023.

## *Land under roads*

Land under roads was valued based on average land values of the comparable surrounding land within wards by Opteon Solutions, effective 1 July 2014. On transition to NZ IFRS Western Bay Council elected to use the fair value of land under roads as at 1 July 2017 as deemed cost. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

## *Vested infrastructural assets*

Valued based on the actual quantities of infrastructural components vested and the current in-ground cost of providing identical services. Assets vested to Western Bay Council are recognised in the statement of comprehensive income as revenue and in the statement of financial position as property, plant and equipment.

## *Library collections*

At fair value determined on a depreciated replacement cost basis. The valuations were prepared internally by Council staff and peer reviewed by an independent valuer. The most recent peer review was performed by Aecom, the valuation is effective at 30 June 2023.

## *Airport Land*

The land consists of some 225ha of land of which some 86ha is jointly owned by Tauranga City Council (TCC) and Western Bay Council. TCC are the legal owners of the land and Western Bay Council are the beneficial or equitable owners of the land. Western Bay Council own 14.45% of the land. The acquired land is held by TCC on Trust for itself and Western Bay Council. As the legal owner TCC must exercise its rights of ownership in terms of the Trust and for the benefit of the trustees. The terms of the Trust are that TCC may use the land rent free provided the land is used as an airport. In the event that the land is sold and the principal use of the land is no longer an airport then a liability to Western Bay Council is created for the sale price of the land at that point.

## Total fair value of property, plant and equipment valued by each valuer:

Fair value	2023 Actual \$'000	2022 Actual \$'000
WSP	714,171	675,790
Interpine Forestry Limited	12,707	8,938
Opteon	337,080	279,271
Internal (reviewed by AECOM)	1,428	-
AECOM	462,860	-
<b>Total fair value</b>	<b>1,528,246</b>	<b>963,999</b>

	2023 Carry amount \$'000	2023 Insured amounts \$'000
<b>Category A Insurance Contracts</b>		
Water	115,938	314,400
Wastewater	134,185	273,740
Stormwater	121,477	181,452
Mobile Plant and Vehicles	1,384	2,215
Forestry	8,266	14,119
	<b>381,250</b>	<b>785,926</b>
<b>Material Damage Cover</b>		
Buildings	57,874	71,895
Parks and reserves	20,900	-
Coastal marine	16,830	-
Libraries	1,427	-
Office Equipment	3,453	14,986
Plant and equipment	56	-
	<b>100,540</b>	<b>86,881</b>
<b>Category A Total</b>	<b>481,790</b>	<b>872,807</b>

	2023 Carry amount \$'000	2023 Insured amounts \$'000
<b>Category B Financial Risk Sharing Arrangements assets</b>		
Nil	-	-
<b>Category B Total</b>	<b>-</b>	<b>-</b>
<b>Category C Self Insured Assets</b>		
Disaster Contingency Reserve	-	-
Land under roads	262,345	-
Roading - Other	93,124	-
Roading - Surfaces	599,024	-
Land	237,349	-
<b>Category C Total</b>	<b>1,191,842</b>	<b>-</b>
<b>Total</b>	<b>1,673,632</b>	<b>872,807</b>

## Work in progress

Total amount of property, plant and equipment in the course of construction is \$30.0m (2022: \$20.5m).

## Core infrastructure asset disclosures

Included within the Council infrastructure assets above are the following core Council assets:

	Closing Book value	Additions: Constructed by Council	Additions: Transferred to Council	Most Recent Replacement Cost Estimate for Revalued Assets
Water	166,361	4,476	389	155,432
Stormwater	130,356	1,713	649	130,920
Wastewater	184,754	503	413	176,218
Roads and footpaths	728,692	23,830	463	714,171
	<b>1,210,165</b>	<b>30,521</b>	<b>1,914</b>	<b>1,176,741</b>

2023	Cost/ Valuation	Opening accumulated depreciation and impairment charges	2022 Carrying Amount	"Current year additions"	Current year transfers from work in progress	"Current year vested assets"	"Current year disposals"	"Current year disposal depreciation"	"Gain and disposal of assets"	"Transfer Accumulated Depn"	"Current year depreciation total"	Revaluation	Revaluation depreciation	2023 Cost/ Valuation	2023 Accumulated Depn	2023 Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operational assets</b>																
Land	61,602	-	61,602	-	-	-	-	-	-	-	-	-	-	61,602	-	61,602
Buildings	30,582	(54)	30,529	2,666	-	-	(30)	-	-	-	(463)	(6)	60	33,212	(457)	32,755
Coastal Marine	17,878	(1,048)	16,830	205	-	-	-	-	-	-	(668)	4,343	1,912	22,426	196	22,622
Libraries	2,008	(509)	1,499	356	-	-	(1)	-	1	-	(168)	(260)	-	2,105	(677)	1,427
Office equipment	8,572	(7,020)	1,552	2,232	-	-	-	-	-	-	(331)	-	-	10,804	(7,351)	3,453
Plant and equipment	236	(175)	61	-	-	-	-	-	-	-	(5)	-	-	236	(180)	56
Vehicles	3,007	(1,699)	1,308	581	-	-	(433)	360	-	-	(431)	-	-	3,154	(1,770)	1,384
<b>Total Operational assets</b>	<b>123,885</b>	<b>(10,505)</b>	<b>113,381</b>	<b>-</b>	<b>6,040</b>	<b>-</b>	<b>(464)</b>	<b>360</b>	<b>1</b>	<b>-</b>	<b>(2,066)</b>	<b>4,077</b>	<b>1,972</b>	<b>133,539</b>	<b>(10,239)</b>	<b>123,299</b>
<b>Infrastructural assets</b>																
Land	36,645	-	36,645	1,445	-	-	-	-	-	-	-	-	-	38,090	-	38,090
Buildings	3,628	(6)	3,622	291	-	-	-	-	-	-	(72)	427	3	4,346	(75)	4,272
Water	122,209	(7,275)	114,934	4,476	389	-	(136)	-	136	-	(3,861)	39,149	11,275	166,223	139	166,361
Stormwater	123,711	(2,865)	120,845	1,713	649	-	-	-	-	-	(1,731)	4,108	4,772	130,180	176	130,356
Wastewater	142,997	(6,669)	136,328	503	413	-	-	-	-	-	(3,354)	40,247	10,087	184,690	64	184,754
Land under roads	262,345	-	262,345	-	-	-	-	-	-	-	-	-	-	262,345	-	262,345
Roading other	91,527	914	92,441	5,995	463	-	-	-	-	-	(3,156)	(1,111)	2,940	96,874	698	97,572
Roading surface	596,723	154	596,877	17,835	483	-	-	-	-	-	(7,548)	15,979	7,495	631,019	101	631,120
<b>Total Infrastructural assets</b>	<b>1,379,785</b>	<b>(15,747)</b>	<b>1,364,037</b>	<b>-</b>	<b>32,257</b>	<b>2,397</b>	<b>(136)</b>	<b>-</b>	<b>136</b>	<b>-</b>	<b>(19,721)</b>	<b>98,799</b>	<b>36,571</b>	<b>1,513,768</b>	<b>1,103</b>	<b>1,514,871</b>
<b>Restricted assets</b>																
Land	133,880	-	133,880	3,087	-	-	(330)	-	-	-	-	1,020	-	137,657	-	137,657
Buildings	23,034	(2,147)	20,887	1,300	-	-	-	-	-	-	(1,287)	5,673	3,377	30,007	(57)	29,950
Improvements	8,832	(16)	8,816	892	-	-	(979)	-	979	-	(226)	-	-	9,724	(242)	9,481
<b>Total Restricted Assets</b>	<b>165,746</b>	<b>(2,163)</b>	<b>163,583</b>	<b>-</b>	<b>5,278</b>	<b>-</b>	<b>(1,309)</b>	<b>-</b>	<b>979</b>	<b>-</b>	<b>(1,513)</b>	<b>6,693</b>	<b>3,377</b>	<b>177,387</b>	<b>(299)</b>	<b>177,088</b>
<b>Total PPE</b>	<b>1,669,416</b>	<b>(28,415)</b>	<b>1,641,001</b>	<b>-</b>	<b>43,575</b>	<b>2,397</b>	<b>(1,909)</b>	<b>360</b>	<b>1,116</b>	<b>-</b>	<b>(23,300)</b>	<b>109,569</b>	<b>41,920</b>	<b>1,824,694</b>	<b>(9,435)</b>	<b>1,815,259</b>
<b>Work in progress</b>	<b>20,558</b>	<b>-</b>	<b>20,510</b>	<b>56,026</b>	<b>(44,187)</b>	<b>(2,397)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,953</b>	<b>-</b>	<b>29,953</b>
<b>Total Council</b>	<b>1,689,974</b>	<b>(28,415)</b>	<b>1,661,511</b>	<b>56,026</b>	<b>(612)</b>	<b>-</b>	<b>(1,909)</b>	<b>360</b>	<b>1,116</b>	<b>-</b>	<b>(23,300)</b>	<b>109,569</b>	<b>41,920</b>	<b>1,854,647</b>	<b>(9,435)</b>	<b>1,845,212</b>

2022	Cost/ Valuation	Opening accumulated depreciation and impairment charges	2021 Carrying Amount	"Current year additions"	Current year transfers from work in progress	"Current year vested assets"	"Current year disposals"	"Current year disposal depreciation"	Transfers	"Transfer Accumulated Deprn"	"Current year depreciation total"	Revaluation	Revaluation depreciation	2022 Cost/ Valuation	2022 Accumulated Deprn	2022 Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operational assets</b>																
Land	52,632	-	52,632	-	-	-	(2,750)	-	-	-	-	11,720	-	61,602	-	61,602
Buildings	24,647	(446)	24,201	-	1,657	-	(176)	7	-	-	(461)	4,456	846	30,582	(54)	30,529
Coastal Marine	17,673	(619)	17,055	-	700	-	(299)	21	-	-	(450)	(197)	-	17,878	(1,048)	16,830
Libraries	1,573	(261)	1,312	-	330	-	-	-	-	-	(248)	105	-	2,008	(509)	1,499
Office equipment	8,572	(6,668)	1,904	-	-	-	-	-	-	-	(352)	-	-	8,572	(7,020)	1,552
Plant and equipment	236	(169)	67	-	-	-	-	-	-	-	(6)	-	-	236	(175)	61
Vehicles	2,494	(1,468)	1,026	-	781	-	(217)	142	-	-	(374)	(51)	-	3,007	(1,699)	1,308
<b>Total Operational assets</b>	<b>107,828</b>	<b>(9,630)</b>	<b>98,197</b>	<b>-</b>	<b>3,468</b>	<b>-</b>	<b>(3,442)</b>	<b>171</b>	<b>-</b>	<b>-</b>	<b>(1,892)</b>	<b>16,032</b>	<b>846</b>	<b>123,885</b>	<b>(10,505)</b>	<b>113,380</b>
<b>Infrastructural assets</b>																
Land	27,513	-	27,513	-	-	-	-	-	-	-	-	9,132	-	36,645	-	36,645
Buildings	3,422	(92)	3,330	-	-	-	-	-	-	-	(13)	206	99	3,628	(6)	3,622
Water - treatment	1,928	-	1,927	-	-	-	-	-	-	-	-	-	-	-	-	-
Water - other	107,812	(3,968)	103,844	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	109,740	(3,968)	105,771	-	10,327	945	(57)	2	-	-	(3,309)	1,254	-	122,209	(7,275)	114,934
Stormwater	113,676	(1,682)	111,994	-	7,951	2,481	-	-	-	-	(1,183)	(397)	-	123,711	(2,865)	120,845
Wastewater - treatment	25,289	-	25,289	-	-	-	-	-	-	-	-	-	-	-	-	-
Wastewater - other	107,333	(3,652)	103,681	-	-	-	-	-	-	-	-	-	-	-	-	-
Wastewater	132,622	(3,652)	128,970	-	8,768	1,653	-	-	-	-	(3,017)	(46)	-	142,997	(6,669)	136,328
Land under roads	262,345	-	262,345	-	-	-	-	-	-	-	-	-	-	262,345	-	262,345
Roading other	80,950	(3,004)	77,946	-	2,659	-	-	-	-	-	(1,844)	7,917	5,762	91,527	914	92,441
Roading surface	549,076	(7,626)	541,451	-	11,214	-	-	-	-	-	(7,688)	36,432	15,468	596,723	154	596,877
<b>Total Infrastructural assets</b>	<b>1,279,343</b>	<b>(20,024)</b>	<b>1,259,320</b>	<b>-</b>	<b>40,919</b>	<b>5,080</b>	<b>(57)</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>(17,054)</b>	<b>54,499</b>	<b>21,329</b>	<b>1,379,784</b>	<b>(15,747)</b>	<b>1,364,036</b>
<b>Restricted assets</b>																
Land	100,354	-	100,354	-	-	-	-	-	-	-	-	33,526	-	133,880	-	133,880
Buildings	19,682	(998)	18,684	-	3,928	-	(112)	8	-	-	(1,157)	(463)	-	23,034	(2,147)	20,887
Improvements	7,149	(154)	6,995	-	196	-	(273)	11	-	-	(175)	1,760	-	8,832	(16)	8,816
<b>Total Restricted Assets</b>	<b>127,186</b>	<b>(1,153)</b>	<b>126,033</b>	<b>-</b>	<b>4,124</b>	<b>-</b>	<b>(385)</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>(1,332)</b>	<b>34,821</b>	<b>-</b>	<b>165,746</b>	<b>(2,163)</b>	<b>163,583</b>
<b>Total PPE</b>	<b>1,514,357</b>	<b>(30,806)</b>	<b>1,483,550</b>	<b>-</b>	<b>(48,510)</b>	<b>5,080</b>	<b>(3,885)</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>(22,708)</b>	<b>105,353</b>	<b>22,478</b>	<b>1,669,415</b>	<b>(28,415)</b>	<b>1,640,999</b>
<b>Work in progress</b>	<b>27,040</b>	<b>-</b>	<b>27,040</b>	<b>42,029</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,558</b>	<b>-</b>	<b>20,510</b>
<b>Total Council</b>	<b>1,541,397</b>	<b>(30,806)</b>	<b>1,510,590</b>	<b>42,029</b>	<b>(48,510)</b>	<b>5,080</b>	<b>(3,885)</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>(22,708)</b>	<b>105,353</b>	<b>22,478</b>	<b>1,689,973</b>	<b>(28,415)</b>	<b>1,661,509</b>

## 22. Intangible assets

There are no restrictions over the title of Western Bay's intangible assets, nor are any intangible assets pledged as security for liabilities.

	Computer software		Resource consents		Emissions trading scheme		Property subdivision rights		Total	
	\$'000		\$'000		\$'000		\$'000		\$'000	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Balance at 1 July</b>										
Cost	6,035	5,692	1,778	1,778	355	355	2,853	2,853	11,021	10,678
Accumulated amortisation and impairment	(5,262)	(4,516)	(396)	(332)	2,209	1,111	(2,678)	(2,678)	(6,127)	(6,415)
	773	1,176	1,382	1,446	2,564	1,466	175	175	4,894	4,263
Work in progress	-	-	-	-	-	-	-	-	-	-
Opening carrying amount	773	1,176	1,382	1,446	2,564	1,466	175	175	4,894	4,263
<b>Year ended 30 June</b>										
Additions	612	407	-	-	-	-	-	-	612	407
<b>Transfer</b>	-	(2)	-	-	-	-	-	-	-	(2)
Amortisation and impairment charge	(376)	(746)	(64)	(64)	-	-	-	-	(440)	(810)
Gains/loss	-	-	-	-	(1,181)	1,098	-	-	(1,181)	1,098
Disposals	-	(62)	-	-	-	-	-	-	-	(62)
Closing carrying amount	1,008	773	1,318	1,382	1,383	2,564	175	175	3,885	4,894
<b>Balance as 30 June</b>	6,647	6,035	1,778	1,778	355	355	2,853	2,853	11,633	11,021
Cost	(5,638)	(5,262)	(460)	(396)	1,028	2,209	(2,678)	(2,678)	(7,748)	(6,127)
Accumulated amortisation and impairment	1,008	773	1,318	1,382	1,383	2,564	175	175	3,885	4,894
Work in progress	-	-	-	-	-	-	-	-	-	-
<b>Closing carrying amount</b>	<b>1,008</b>	<b>773</b>	<b>1,318</b>	<b>1,382</b>	<b>1,383</b>	<b>2,564</b>	<b>175</b>	<b>175</b>	<b>3,885</b>	<b>4,894</b>

### Carbon credits

Carbon credits were vested by the Council in 2011. Fair value initial recognition was \$578k. Council currently holds no credits that were purchased since 2011.

The Council considers that there is no impairment of carbon credits held, as they are expected to be fully utilised in satisfying carbon obligations from its forestry operations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

\*Per statement of comprehensive income this amount is included in Gains.

## 23. Forestry assets

	2023 Actual \$'000	2022 Actual \$'000
Balance at 1 July	8,938	10,490
Gains/(losses) arising from changes attributable to physical changes	(498)	(499)
Gains/(losses) arising from changes attributable to price changes	404	-
Difference in Valuers report opening balance	-	-
Increases due to purchases	-	-
Decrease due to sale	-	-
Decrease due to harvest	(578)	(1,053)
<b>Balance at 30 June</b>	<b>8,266</b>	<b>8,938</b>

### TECT Park Forest

TECT Park owns 331.27 hectares of Pinus Radiata forest, 26.41 hectares of Douglas Fir, and 48.29 hectares other mixed species, which are at varying stages of maturity ranging from 6 to 29 years.

After harvesting and revaluation in 2023, the total value of this forest is \$8.88 million of which Council owns 50%, which is \$4.44 million.

### Waihi Beach Forest

Council owned 6.7 hectares of Pinus Radiata forest at varying stages of maturity ranging from 25 to 26 years with an average age of 25.9 years.

This forest has now been fully harvested and will not be replanted as a production forest.

### Matakana Island Forest

Council owns 116.13 hectares of Pinus Radiata forest which are at varying stages of maturity ranging from 12 to 29 years with an average age of 23.95 years. After revaluation in 2023, the total value of this forest is \$3.57 million.

### Lund Road Forest

Council owns 58.25 hectares of Pinus Radiata forest which are at varying stages of maturity ranging from 8 to 10 years with an average age of 9 years. After revaluation in 2023, the total value of this forest is \$ 0.246 million.

### Valuation assumptions

Independent registered valuer, Interpine Group Limited, valued Councils forestry assets as at 30 June 2023. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- Forests have been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis.
- Costs applied are current average costs for established stands; for immature stands costs are compounded at 3.6% (2022: 3.0%).
- Notional land rental costs have been included for freehold land.
- No allowance for inflation has been provided.
- No allowance has been made for cost improvements in future operations.
- Log prices are based on a twelve quarter rolling average to March 2023, and there are no restrictions on title.

There is no significant movement expected for the period March 2023 to June 2023.

A discount rate of 7.3% (2022: 7.0% to 7.6%) has been used in discounting the present value of expected cash flows.

### Financial risk management strategies

The Council is exposed to financial risks arising from changes in timber prices. The Council and group is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future.

Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

### Securities

There are no restrictions over the title of Western Bay Council's forestry assets, nor are any forestry assets pledged as security for liabilities.

## 24. Creditors and other payables

Current portion	2023 Actual \$'000	2022 Actual \$'000
<i>Payables and deferred revenue under exchange transactions</i>		
Trade payables and accrued expenses	15,868	14,044
Other income in advance	1,580	435
Sundry payables	765	477
<b>Total payables and deferred revenue under exchange transactions</b>	<b>18,213</b>	<b>14,956</b>
<i>Payables and deferred revenue under non-exchange transactions</i>		
Rates in advance	5,021	5,576
Bonds and deposits	1,990	1,599
GST payables	-	-
Bay of Plenty Regional Council rates	557	398
<b>Total payables and deferred revenue under non-exchange transactions</b>	<b>7,568</b>	<b>7,573</b>
<b>Total current portion</b>	<b>25,781</b>	<b>22,529</b>

## 25. Borrowings and other financial liabilities

Current portion	2023 Actual \$'000	2022 Actual \$'000
Secured loans fixed	10,000	-
Secured loans floating	5,000	15,000
<b>Total current secured loans</b>	<b>15,000</b>	<b>15,000</b>
<b>Total current borrowings</b>	<b>15,000</b>	<b>15,000</b>

Non-current portion	2023 Actual \$'000	2022 Actual \$'000
Secured loans fixed	-	10,000
Secured loans floating	75,000	55,000
<b>Total non-current secured loans</b>	<b>75,000</b>	<b>65,000</b>
<b>Total non-current borrowings</b>	<b>75,000</b>	<b>65,000</b>
<b>Total public debt</b>	<b>90,000</b>	<b>80,000</b>

Western Bay Council's secured debt of \$90.0m (2022: \$80.0m) is mostly issued at floating rates of interest. This is converted to fixed rates through the use of interest rate swaps in line with Western Bay Council's adopted treasury policy.

Western Bay Council's secured floating debt of \$80m (2022: \$70m) is issued at an average margin of 58bps (2022: 65bps) above bank wholesale rates BKBM.

Council loans are secured over either separate or general rates of the District.

Repayment Terms	2023 Actual \$'000	2022 Actual \$'000
Payable no later than one year	15,000	15,000
Weighted average interest rate	5.89%	2.59%
Later than one, not later than five years	75,000	65,000
Weighted average interest rate	6.18%	3.11%
Later than five years	-	-
Weighted average interest rate	-	-
	<b>90,000</b>	<b>80,000</b>

Fair values of non-current borrowings	2023 Carrying amounts \$'000	2022 Carrying amounts \$'000	2023 Fair values \$'000
Secured loans	90,000	80,000	62,771
<b>Total</b>	<b>90,000</b>	<b>80,000</b>	<b>62,771</b>

The fair values are based on cash flows discounted using a rate based on the borrowing rates. The carrying amounts of borrowings repayable within one year approximate their fair value, as the impact of discounting is not significant.

The weighted average effective interest rates on borrowings (current and non-current) were:

Interest rates	2023 Actual \$'000	2022 Actual \$'000
Secured loans and debentures	6.13%	3.01%

### Variations from/changes to the borrowing management policy

Western Bay Council has elected not to hedge account for its derivative financial investments.

Western Bay Council manages its borrowings in accordance with its funding and financial policies, which includes a Borrowings Management Policy. These policies have been adopted as part of the Long Term Plan.

As at 30 June 2023 Western Bay Council had \$30.0 million of undrawn cash facilities available (2022: \$30.0 million).

### Debentures

Western Bay Council's secured debt of \$90.0 million (2022: \$80.0 million) is mostly issued at floating rates of interest. This is converted to fixed rates through the use of interest rate swaps in line with Western Bay Council's adopted treasury policy.

For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a 0.32% to 0.85% margin for credit risk.

### Security

The overdraft facility is secured as identified in note 25. The maximum amount that can be drawn down against the overdraft facility is \$600,000 (2022: \$600,000). There are no restrictions on the use of this facility.

## 26. Employee entitlements

	2023 Actual \$'000	2022 Actual \$'000
Accrued pay	903	409
Accrued leave and accrued entitlements	3,328	2,692
Sick pay	(84)	(69)
Retirement gratuities	19	19
	<b>4,166</b>	<b>3,051</b>
Represented by:		
Current	4,147	3,032
Non-current	19	19
<b>Total employee entitlements</b>	<b>4,166</b>	<b>3,051</b>

## 27. Provisions

	2023 Actual \$'000	2022 Actual \$'000
<b>Current portion</b>		
Landfill aftercare provision	15	15
Weathertight Homes Resolution Service	298	298
<b>Total current portion</b>	<b>313</b>	<b>313</b>
<b>Non-current portion</b>		
Landfill aftercare provision	262	265
<b>Total non-current portion</b>	<b>262</b>	<b>265</b>
<b>Total provisions</b>	<b>575</b>	<b>578</b>



Movements for each class of provision are as follows:

	Landfill \$'000	Weathertightness \$'000	Total \$'000
<b>Balance at 1 July 2021</b>	<b>295</b>	<b>298</b>	<b>593</b>
Additional provisions	-	-	-
Amounts used	18	(33)	(15)
<b>Balance at 30 June 2022</b>	<b>313</b>	<b>265</b>	<b>578</b>
<b>Balance at 1 July 2022</b>	<b>313</b>	<b>265</b>	<b>578</b>
Additional provisions	-	-	-
Amounts used	(3)	-	(3)
<b>Balance at 30 June 2023</b>	<b>310</b>	<b>265</b>	<b>575</b>

### Landfill aftercare costs

Western Bay Council gained resource consents to operate the Te Puke and Athenree landfills. Western Bay Council has a responsibility under the resource consents for closure of the landfills and to provide ongoing maintenance and monitoring of the landfills after the sites are closed. The Te Puke landfill was closed in 1999 and the Athenree landfill in 2003.

### Western Bay Council's responsibilities include:

- closure costs
- final cover application and investigation
- incremental drainage control features
- facilities for leachate collection and monitoring
- facilities for water quality monitoring.

### Post closure costs include:

- treatment and monitoring of leachate
- groundwater surface monitoring
- implementation of remedial measures as needed for cover and control systems
- on-going life maintenance of drainage systems, final cover and vegetation.

The estimated remaining liability for closure and post-closure of Athenree is \$0.15 (2022: \$0.15 million) and for post-closure of Te Puke of \$0.11 million (2022: \$0.11 million) over the remaining life (Athenree 12 years, Te Puke 9 years) of the resource consents. This liability has been discounted back to a current value of \$0.28million (2022: \$0.28 million) using a discount rate of 7% (2022: 7%).

### Weathertight Homes Resolution Services

Note 35 on pages 137-138 provides additional information regarding this provision.

## 28. Retained earnings

	2023 Actual \$'000	2022 Actual \$'000
Opening balance	963,429	929,626
<b>Surplus / (deficit)</b>	<b>16,836</b>	<b>33,602</b>
Other surplus /(deficit) through comprehensive income	-	-
Reclassification from prior year		
Reclassification of reserves to equity	-	175
	<b>980,265</b>	<b>963,403</b>
<b>Transfers to:</b>		
Restricted reserves	(20)	(20)
Council created reserves	(8,409)	(8,241)
	<b>(8,429)</b>	<b>(8,261)</b>
<b>Transfers from:</b>		
Restricted reserves	-	5
Council created reserves	17,187	8,282
Asset revaluation reserve	-	-
	<b>17,187</b>	<b>8,287</b>
<b>Closing balance</b>	<b>989,023</b>	<b>963,429</b>

## 29. Restricted reserves

	2023 Actual \$'000	2022 Actual \$'000
Opening balance	306	283
<b>Transfers to:</b>		
Accumulated funds	-	(3)
<b>Transfers from:</b>		
Accumulated funds	20	26
<b>Closing balance</b>	<b>326</b>	<b>306</b>

## 30. Council created reserves

	2023 Actual \$'000	2022 Actual \$'000
Opening balance	32,129	32,170
<b>Transfers to:</b>		
Accumulated funds	(17,731)	(8,282)
<b>Transfers from:</b>		
Accumulated funds	8,409	8,241
<b>Closing balance</b>	<b>22,807</b>	<b>32,129</b>

## 31. Asset revaluation reserve

	2023 Actual \$'000	2022 Actual \$'000
Opening balance	627,048	493,121
Change in asset value	151,408	133,927
Transfer to retained earnings on disposal of property	(14)	-
Reclassification of reserves to equity	-	-
<b>Closing balance</b>	<b>778,442</b>	<b>627,048</b>
<b>Comprising:</b>		
Land	95,097	94,688
Buildings	19,513	19,043
Water supply	109,066	58,642
Roading	344,099	318,797
Wastewater	112,382	61,518
Stormwater	67,772	58,892
Coastal marine structures	18,650	12,395
Library books	754	1,014
Parks and reserves	11,109	2,059
<b>Total asset revaluation reserve</b>	<b>778,442</b>	<b>627,048</b>

## Asset revaluation reserves

This covers all assets that are revalued except for investment properties.

	2023 Actual \$'000	2022 Actual \$'000
<b>Infrastructural</b>		
Road Reserves	68,499	68,500
Road Surface	236,195	212,721
Other Roothing	39,405	37,576
Water supply	109,066	58,642
Wastewater	112,382	61,518
Stormwater	67,772	58,892
<b>Operational</b>		
Land	95,097	94,688
Buildings	19,513	19,043
Coastal marine structures	18,650	12,395
Library books	754	1,014
Parks and reserves	11,109	2,059
<b>Total general asset revaluation reserve</b>	<b>778,442</b>	<b>627,048</b>

## 32. Reserve funds

### Restricted reserves (as at 30 June 2023)

Reserve Name	Purpose	Activity	Opening balance 1 July 2022	Expected deposits to fund to 30 June 2023	Expected withdrawals from fund to 30 June 2023	Closing balance 30 June 2023
<b>Restricted Reserves</b>	Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor.					
Hunter Estate	Established from bequest made in the late 1980s. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and Open Space	44,410	-	-	44,410
l'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Open Space	9,510	-	-	9,510
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	242,357	19,466	-	261,823
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Open Space	9,888	-	-	9,888
<b>Total restricted reserves</b>			<b>306,165</b>	<b>19,466</b>	<b>-</b>	<b>325,631</b>
<b>Asset replacement reserves</b>	Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.					
Asset replacement reserves - general approach	Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.					
Asset Replacement - computers		Support Services	(593,466)	307,605	(1,586,870)	(1,872,731)
District Reserves		Support Services	2,038,902	704,031	(570,853)	2,172,080
Huharua Sub Regional Park		Recreation and Open Space	266,424	22,149	-	288,573
TECT Park		Recreation and Open Space	1,274,220	135,311	-	1,409,531
Asset Replacement - office buildings		Recreation and Open Space	(184,987)	450,529	(1,167,438)	(901,896)
Asset Replacement - vehicles		Support Services	(798,972)	410,394	(616,261)	(1,004,839)
Asset Replacement - civil defence - vehicle		Communities	133,964	4,462	-	138,426
Asset replacement - telemetry		Communities	97,326	3,109	(44,682)	55,754
Asset replacement - swimming pool		Recreation and Open Space	(73,308)	101,092	-	27,784
Asset replacement - library books		Communities	2,271,281	256,042	(331,383)	2,195,940
Asset replacement - cemetery		Communities	316,121	25,168	-	341,289
Asset replacement - Coastal Marine		Recreation and Open Space	(946,583)	466,327	(412,874)	(893,130)
<b>Total asset replacement reserves</b>			<b>3,800,922</b>	<b>2,886,220</b>	<b>(4,730,361)</b>	<b>1,956,781</b>

## Restricted reserves (as at 30 June 2022)

Reserve Name	Purpose	Activity	Opening balance 1 July 2021	Expected deposits to fund to 30 June 2022	Expected withdrawals from fund to 30 June 2022	Closing balance 30 June 2022
<b>Restricted Reserves</b>	Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor.					
Hunter Estate	Established from bequest made in the late 1980s. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and Open Space	42,991	1,419	-	44,410
I'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Open Space	9,510	-	-	9,510
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	216,067	26,290	-	242,357
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Open Space	14,888	-	(5,000)	9,888
<b>Total restricted reserves</b>			<b>283,456</b>	<b>27,709</b>	<b>(5,000)</b>	<b>306,165</b>
<b>Asset replacement reserves</b>						
Asset replacement reserves - general approach	Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.					
Asset Replacement - computers		Support Services	(790,771)	740,943	(543,638)	(593,466)
District Reserves		Support Services	2,014,613	505,955	(481,666)	2,038,902
Huharua Sub Regional Park		Recreation and Open Space	244,258	22,166	-	266,424
TECT Park		Recreation and Open Space	1,152,844	121,376	-	1,274,220
Asset Replacement - office buildings		Recreation and Open Space	653,404	780,118	(1,618,509)	(184,987)
Asset Replacement - vehicles		Support Services	(598,862)	413,645	(613,755)	(798,972)
Asset Replacement - civil defence - vehicle		Communities	129,480	4,484	-	133,964
Asset replacement - telemetry		Communities	94,217	3,109	-	97,326
Asset replacement - swimming pool		Recreation and Open Space	378,326	33,484	(485,118)	(73,308)
Asset replacement - library books		Communities	2,311,673	246,070	(286,463)	2,271,281
Asset replacement - cemetery		Communities	294,942	21,179	-	316,121
Asset replacement - Coastal Marine		Recreation and Open Space	(674,569)	419,984	(691,998)	(946,583)
<b>Total asset replacement reserves</b>			<b>5,209,555</b>	<b>3,312,513</b>	<b>(4,721,147)</b>	<b>3,800,922</b>

## Community Boards (as at 30 June 2023)

Reserve Name	Purpose	Activity	Opening balance 1 July 2022	Expected deposits to fund to 30 June 2023	Expected withdrawals from fund to 30 June 2023	Closing balance 30 June 2023
<b>Community Boards - general approach</b>	We have five community boards but not all of our District is covered by these boards. The Community Board rate is a Fixed amount for their community board area of benefit. The level of rating is determined based on the expected expenditure of the Board and may vary between Boards. Any unspent money at year end is transferred to the respective community board reserve account. Reserve funds can only be used for capital, one-off, or non-recurring expenditure items or grants.					
Waihi Beach Community Board			137,417	16,976	(6,727)	147,667
Katikati Community Board			78,263	20,728	(29,626)	69,365
Ōmokoroa Community Board			184,223	36,743	(108)	220,858
Te Puke Community Board			99,602	36,280	(2,888)	132,994
Maketu Community Board			183,174	56,351	(82,162)	157,363
<b>Total Community Board reserves</b>			<b>682,679</b>	<b>167,078</b>	<b>(121,511)</b>	<b>728,247</b>
<b>Other community reserves</b>						
Other community reserves - general approach	These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates.					
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements as well as encourage business development in Katikati.	Planning for the future	16,738	535	-	17,273
Waihi Beach Town Centre Development	For town centre development.	Economic Development	439,996	25,075	-	465,071
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic Development	514,161	14,752	(55,309)	473,604
Ōmokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic Development	339,200	3,808	(223,921)	119,087
Te Puke Town Centre Development	For town centre development.	Economic Development	19,130	69,245	-	88,375
Pukehina Beach Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a potential future sewerage scheme for the area.	Planning for the future	512,098	15,955	-	528,053
Pukehina Beach Protect Reserve	Beach nourishment and protection.	Planning for the future	281,856	10,143	(38,049)	253,950
General Town Centre Development Reserve	For town centre development	Economic Development	-	226,164	-	226,164
<b>Total other community reserves</b>			<b>2,123,179</b>	<b>365,677</b>	<b>(317,279)</b>	<b>2,171,577</b>
<b>Total Community Board and Other Reserves</b>			<b>2,805,858</b>	<b>532,755</b>	<b>(438,790)</b>	<b>2,899,824</b>

## Community Boards (as at 30 June 2022)

Reserve Name	Purpose	Activity	Opening balance 1 July 2021	Expected deposits to fund to 30 June 2022	Expected withdrawals from fund to 30 June 2022	Closing balance 30 June 2022
<b>Community Boards - general approach</b>	We have five community boards but not all of our District is covered by these boards. The Community Board rate is a Fixed amount for their community board area of benefit. The level of rating is determined based on the expected expenditure of the Board and may vary between Boards. Any unspent money at year end is transferred to the respective community board reserve account. Reserve funds can only be used for capital, one-off, or non-recurring expenditure items or grants.					
Waihi Beach Community Board			178,286	26,750	(67,618)	137,417
Katikati Community Board			53,858	24,405	-	78,263
Ōmokoroa Community Board			212,067	24,866	(52,710)	184,223
Te Puke Community Board			90,439	21,822	(12,659)	99,602
Maketu Community Board			163,660	31,017	(11,504)	183,174
<b>Total Community Board reserves</b>			<b>698,310</b>	<b>128,860</b>	<b>(144,491)</b>	<b>682,679</b>
<b>Other community reserves</b>						
Other community reserves - general approach	These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates.					
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements as well as encourage business development in Katikati.	Planning for the future	16,203	535	-	16,738
Waihi Beach Town Centre Development	For town centre development.	Economic Development	466,435	15,392	(41,831)	439,996
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic Development	447,040	67,121	-	514,161
Ōmokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic Development	115,396	223,804	-	339,200
Te Puke Town Centre Development	For town centre development.	Economic Development	107,184	3,537	(91,591)	19,130
Pukehina Beach Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a potential future sewerage scheme for the area.	Planning for the future	483,502	28,596	-	512,098
Pukehina Beach Protect Reserve	Beach nourishment and protection.	Planning for the future	307,351	10,143	(35,638)	281,856
<b>Total other community reserves</b>			<b>1,943,111</b>	<b>349,128</b>	<b>(169,060)</b>	<b>2,123,179</b>
<b>Total Community Board and Other Reserves</b>			<b>2,641,421</b>	<b>477,988</b>	<b>(313,551)</b>	<b>2,805,858</b>

## Financial contributions (as at 30 June 2023)

Reserve Name	Purpose	Activity	Opening balance 1 July 2022	Expected deposits to fund to 30 June 2023	Expected withdrawals from fund to 30 June 2023	Closing balance 30 June 2023
<b>Financial contributions reserves - general</b>	These are specific reserves that must be applied for a particular purpose and under specific criteria or qualifying conditions. These reserves are not cash reserves.					
Ecological financial contributions - capital	Financial contributions split into capital and operational components that are to be spent based on Council's annually approved ecological education programme. Capital expenditure must be by Council resolution and satisfy criteria for privately owned land. Operational expenditure is based on the prior year's closing operations balance available.	Natural Environment and Sustainable Living	306,176	-	-	306,176
Ecological financial contributions - operational	As above	Natural Environment and Sustainable Living	737,757	210,606	(247,000)	701,363
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Open Space	6,141,826	3,175,600	(5,927,159)	3,390,267
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	49,974	-	-	49,974
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	413,873	13,222	-	427,095
<b>Total financial contribution reserves</b>			<b>7,649,606</b>	<b>3,399,428</b>	<b>(6,174,159)</b>	<b>4,874,875</b>
<b>General reserves</b>	<b>Established reserves for specific purposes</b>					
Community Discretionary	For any under spent expenditure at year end.	Communities	14,386	-	-	14,386
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve	All	4,923,938	1,460,969	(4,500,402)	1,884,505
Re-budgeted Reserve	To allow for the adjustment of timing and cost to Council's capital work programme.	All	1,237,126	-	(1,237,126)	-
Environmental Protection Rate	For the accumulation of any net surplus arising from the Environmental Protection Rate account Deficits are not permitted in this reserve.	All	695,713	-	(592,888)	102,825
Traffic and parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980s. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	186,095	-	-	186,095
<b>Total general reserves</b>			<b>7,057,258</b>	<b>1,460,969</b>	<b>(6,330,416)</b>	<b>2,187,811</b>

## Financial Contributions (as at 30 June 2022)

Reserve Name	Purpose	Activity	Opening balance 1 July 2021	Expected deposits to fund to 30 June 2022	Expected withdrawals from fund to 30 June 2022	Closing balance 30 June 2022
<b>Financial contributions reserves - general</b>	These are specific reserves that must be applied for a particular purpose and under specific criteria or qualifying conditions. These reserves are not cash reserves.					
Ecological financial contributions - capital	Financial contributions split into capital and operational components that are to be spent based on Council's annually approved ecological education programme. Capital expenditure must be by Council resolution and satisfy criteria for privately owned land. Operational expenditure is based on the prior year's closing operations balance available.	Natural Environment and Sustainable Living	306,176	-	-	306,176
Ecological financial contributions - operational	As above	Natural Environment and Sustainable Living	675,723	213,995	(151,961)	737,757
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Open Space	4,781,612	3,102,775	(1,742,561)	6,141,826
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	49,974	-	-	49,974
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	400,652	13,221	-	413,873
<b>Total financial contribution reserves</b>			<b>6,214,137</b>	<b>3,329,991</b>	<b>(1,894,522)</b>	<b>7,649,606</b>
<b>General reserves</b>	<b>Established reserves for specific purposes</b>					
Community Discretionary	For any under spent expenditure at year end.	Communities	14,386	-	-	14,386
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve	All	4,430,618	1,083,901	(590,581)	4,923,938
Re-budgeted Reserve	To allow for the adjustment of timing and cost to Council's capital work programme.	All	1,273,412	-	(36,286)	1,237,126
Environmental Protection Rate	For the accumulation of any net surplus arising from the Environmental Protection Rate account Deficits are not permitted in this reserve.	All	1,275,065	-	(579,352)	695,713
Traffic and parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980s. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	186,095	-	-	186,095
<b>Total general reserves</b>			<b>7,179,576</b>	<b>1,083,901</b>	<b>(1,206,219)</b>	<b>7,057,258</b>



## Special reserves (as at 30 June 2023)

Reserve Name	Purpose	Activity	Opening balance 1 July 2022	Expected deposits to fund to 30 June 2023	Expected withdrawals from fund to 30 June 2023	Closing balance 30 June 2023
<b>Special reserves - disaster contingency</b>	Council's infrastructure self-insurance fund provided from the sale of power company shares in the 1990s. Council's policy is to self insure based on the premise that commercial infrastructure insurance is not available. Major infrastructure, apart from District roading is geographically dispersed throughout our District (primarily stand-alone sewerage and water schemes) and the likelihood of failure of this entire infrastructure at once is assessed as very low.	Communities	9,262,681	-	-	9,262,681
Matakana Island Trust Reserve	Funds available to be used for the improvements to the Matakana Island community.	Planning for the Future	258,803	-	-	258,803
Corporate and property assets	For any surplus arising from the corporate property/land purchase account.	Support services	602,562	-	-	602,562
Weathertight homes	To settle potential weathertightness claims that may arise.	Regulatory	251,792	8,044	-	259,836
Panepane Point	For reserves improvements to planting and forestry including roads, carparks and barge access.	Reserves	282,833	9,334	(46,023)	246,144
Te Tawa ki Tahataharoa Reserve	For improvements to wetland restoration and associated infrastructure in conjunction with Pirirakau hapu.	Reserves	156,288	5,158	(11,269)	150,177
Waihi Beach Dam Forestry Reserve	For funding Waihi Beach trail costs.	Transport	-	107,495	-	107,495
<b>Total Special Reserves</b>			<b>10,814,959</b>	<b>130,031</b>	<b>(57,292)</b>	<b>10,887,698</b>
<b>Council Created Reserves</b>			<b>32,128,603</b>	<b>8,409,402</b>	<b>(17,731,017)</b>	<b>22,806,988</b>
<b>Total Reserves</b>			<b>32,434,768</b>	<b>8,428,868</b>	<b>(17,731,017)</b>	<b>23,132,619</b>

## Special reserves (as at 30 June 2022)

Reserve Name	Purpose	Activity	Opening balance 1 July 2021	Expected deposits to fund to 30 June 2022	Expected withdrawals from fund to 30 June 2022	Closing balance 30 June 2022
<b>Special reserves - disaster contingency</b>	Council's infrastructure self-insurance fund provided from the sale of power company shares in the 1990s. Council's policy is to self insure based on the premise that commercial infrastructure insurance is not available. Major infrastructure, apart from District roading is geographically dispersed throughout our District (primarily stand-alone sewerage and water schemes) and the likelihood of failure of this entire infrastructure at once is assessed as very low.	Communities	9,262,681	-	-	9,262,681
Matakana Island Trust Reserve	Funds available to be used for the improvements to the Matakana Island community.	Planning for the Future	258,803			258,803
Corporate and property assets	For any surplus arising from the corporate property/land purchase account.	Support services	602,562	-	-	602,562
Weathertight homes	To settle potential weathertightness claims that may arise.	Regulatory	243,748	8,044	-	251,792
Panepane Point	For reserves improvements to planting and forestry including roads, carparks and barge access.	Reserves	346,833	21,445	(85,445)	282,833
Te Tawa ki Tahataharoa Reserve	For improvements to wetland restoration and associated infrastructure in conjunction with Pirirakau hapu.	Reserves	210,784	6,956	(61,452)	156,288
<b>Total Special Reserves</b>			<b>10,925,411</b>	<b>36,445</b>	<b>(146,897)</b>	<b>10,814,959</b>
<b>Council Created Reserves</b>			<b>32,170,100</b>	<b>8,240,839</b>	<b>(8,282,336)</b>	<b>32,128,603</b>
<b>Total Reserves</b>			<b>32,453,556</b>	<b>8,268,548</b>	<b>(8,287,336)</b>	<b>32,434,768</b>

### 33. Reconciliation of net surplus/ (deficit) to net cash flow from operating activities

	2023 Actual \$'000	2022 Actual \$'000
<b>Net surplus / (deficit) excluding asset revaluation</b>	<b>16,836</b>	<b>33,602</b>
<b>Add/(less) non-cash items:</b>		
• Depreciation	23,300	22,708
• Amortisation	440	845
• Vested assets	(2,396)	(5,079)
• Vesting of built wastewater assets to Marae	1,822	-
• Fair value movement in financial derivatives	( 902)	(9,244)
• Gains	(1,054)	846
• Asset Impairment	255	-
• Share of associate surplus/deficit	(224)	59
• Unrealised interest on other financial assets at fair value through profit and loss	(422)	(217)
• Provision for impairment of doubtful debts	-	(828)
<b>Add/(less) movement in working capital items:</b>		
• Movement in prepayments	(381)	(332)
• Movement in non-current assets held for sale	-	-
• Movement in accounts receivable	(8,149)	3,594
• Movement in accounts payable	3,252	(1,015)
• Movement in provisions	(3)	15
• Movement in employee entitlements	1,115	57
<b>Add/(less) items classified as investing activities:</b>		
• Loss on sale of assts	866	3,400
• Revaluation of shares	(60)	(53)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>34,295</b>	<b>48,358</b>

### 34. Capital commitments and operating leases

	2023 Actual \$'000	2022 Actual \$'000
<b>Operational</b>		
Land	-	-
Building	985	3,126
Coastal Marine	-	97
<b>Infrastructure</b>		
Water	208	1,367
Wastewater	3,120	2,624
Stormwater	2,668	1,344
Roading	31,029	4,719
Restricted	-	-
Building	-	-
<b>Total capital commitments and operating leases</b>	<b>38,010</b>	<b>13,277</b>

#### Operating leases as lessee

Western Bay Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as noted below:

	2023 Actual \$'000	2022 Actual \$'000
Not later than one year	60	97
Later than one year and not later than two years	56	60
Later than two years and not later than five years	169	169
Later than five years	1,876	1,932
<b>Total non-cancellable operating leases</b>	<b>2,161</b>	<b>2,258</b>

Leases can be renewed at Western Bay Council's option, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on the Western Bay of Plenty District Council by any of the leasing arrangements.

No contingent rents have been recognised in the statement of comprehensive income during the period.

### Other Commitments - roading network and utilities maintenance contracts

In November 2014, Western Bay Council entered into a seven year One Network Maintenance Contract with WSP Global Consultants Limited to provide capital and maintenance work to the District's roading network. In 2021 the value of the contract has been increased from \$75.99 million to \$200 million and extended to October 2023. As at 30 June 2023 \$29.48 million remained committed on this contract for the remaining 4 months, including estimated escalations in the contract.

In July 2021, Western Bay Council entered into a five year contract with Downer Ltd for the provision of maintenance and professional services to the utilities network. The value of the contract as of 30 June 2023 is \$40.00 million.

In July 2021 Western Bay Council entered into a five year contract with Envirowaste Ltd for the provision of kerbside waste services. The value of the contract as of 30 June 2023 is \$26.14 million.

As part of these contracts there is ongoing performance and condition monitoring to ensure compliance with the key deliverables and performance of the contract. Failure to meet the deliverables and performance required can lead to termination of the contract.

## 35. Contingencies

	2023 Actual \$'000	2022 Actual \$'000
Building Act claims	3,000	50
Weathertight Homes Resolution Service (WHRS)	-	400
<b>Total contingent liabilities</b>	<b>3,000</b>	<b>450</b>

### Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities with respect to the issue of building consent and inspection of work done. At the date of this report, there is a potential liability of \$3,007,687 (2022:Nil) under the Act indicating. Although a proportion of the claim relates to weathertightness the bulk of the claim relates to structural issues which the council has insurance cover.

### Unquantified Claims

There were no additional claims lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2023 (2022: Nil). These claims relate to weather-tightness issues of homes in the Western Bay of Plenty District area and name Western Bay of Plenty District Council as well as other parties. There are a total of 3 claims that are still open as at balance date (2022: 3).

It is not yet certain whether these claims are valid and whom will be liable for the building defects, therefore, Western Bay is unable to assess its exposure to the claims lodged with the WHRS.

The costs of any successful claims against Western Bay with a claim date of 30 June 2009 or earlier are expected to be substantially covered under Western Bay's insurance policies, subject to an excess of \$50,000 per claim.

Any costs associated with a successful claim received after 1 July 2009 will be entirely met by Western Bay. As a result, \$3,000,000 has been recognised as a contingent liability. Council underwent mediation with a claimant earlier this year. This has been resolved after financial year end.

## New Zealand Local Government Funding Agency (LGFA)

Western Bay of Plenty District Council is a shareholder of The New Zealand Local Government Funding Agency Limited. This entity was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. Standard and Poors have given the entity a credit rating of AA+ which is equal to the New Zealand Government sovereign rating.

As at 30 June 2023 there were 31 (2022: 31) shareholders made up of 30 local authorities and the crown.

All 30 local authority shareholders have uncalled capital equal to their individual shareholding and totalling \$20million in aggregate which can be called on in the event that an imminent default is identified. The shareholders are also guarantors of the LGFA balance sheet and the borrowings of all other local authorities which totalled \$16,678m (2022: \$15,105m) at 30 June.

New Zealand Financial International Reporting Standards require Western Bay of Plenty Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that;

- We are not aware of any local authority debt default in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

## Riskpool

Western Bay of Plenty District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). In November 2023, Riskpool notified Council that it would be making a call on members to pay a contribution. The contribution amount for Western Bay of Plenty District Council is \$127,053.00 + GST, due late December 2023. At this stage, any additional liability beyond this call is unable to be quantified.

## Share of associates' contingent liability

There are no shared contingent liabilities associated with any associates of Council.

## 36. Prior year adjustments

There were no prior year adjustments.

## 37. Related Party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Western Bay Council would have adopted in dealing with the party at arm's length in the same circumstances.

### Transactions with Councillors and key management personnel compensation

	2023	2022
<b>Councillors</b>		
Full-time equivalent members	12	12
Salaries and other short-term employee benefits	722	658
<b>Senior Management Team, including the Chief Executive</b>		
Full-time equivalent members	5	5
Salaries and other short-term employee benefits	1,449	1,627
<b>Total senior management remuneration</b>	<b>2,171</b>	<b>2,302</b>

Key management personnel include the Chief Executive Officer and other senior management personnel.

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 38.

## Council controlled organisation - Bay of Plenty Local Authority Shared Services Limited (BOPLASS Limited)

The Council controlled organisation was formally established in January 2008. The company was set up by the eight local authorities in the Bay of Plenty region to foster collaboration between councils in the delivery of services particularly back office or support services. Gisborne District Council joined BOPLASS Limited during the 2009/10 financial year.

### Financial performance for the year ended 30 June 2023

2022 Actual \$'000		2023 Actual \$'000
1,998	Revenue	1,927
(1,985)	Expenditure	1,951
12	Surplus/(deficit) before tax	(24)
6	Net surplus/(deficit) year	(24)
1,205	Total assets	2,704
1,153	Total liabilities	2,691

As a Council Controlled Organisation, Bay of Plenty Local Authority Shared Services Limited (BOPLASS Limited) is a separate legal entity from Council and is responsible for delivery of services in accordance with an agreed Statement of Intent. The company is governed by a Board of Directors being the Chief Executives of the constituent local authorities.

### Statement of Intent and Performance

The company has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2023-2026 and associated budget formally adopted by the directors by resolution on 23 June 2023.

From pages 139-144 is a report of performance against targets set in the Statement of Intent for 2022/25.

Outcomes	Result	Performance targets for 2022/23	
			Narration
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	Achieved	<p><b>Contracts negotiated and/or renewed for:</b></p> <p><b>Cyber Insurance</b> - BOPLASS was able to again maintain councils' cyber insurance policies with Berkshire Hathaway by working closely with councils to ensure all underwriter requirements were met and demonstrated. Through the collective approach, BOPLASS was able to secure the renewal on favourable terms and with an increased policy limit across the collective group. Cyber cover is an annual agreement that requires going to market every year.</p> <p><b>GIS software and services -</b></p> <p>Geocortex Essentials</p> <p>Geocortex Analytics</p> <p>NZ Archaeological Association</p> <p>Contracts renegotiated and renewed - no alternative suppliers.</p> <p><b>FME software</b> - Significant price increase negated by negotiating two-year extension of current agreement under the same terms and pricing. Sole NZ provider.</p> <p><b>X-Tools</b> - With the agreement of councils' GIS managers, a decision was made to discontinue the XTools maintenance licence as it was purchased from Russia. This supported the NZ Government's position on trade sanctions and the absence of this software did not have an undue impact on council operations.</p>	

Performance targets for 2022/23		
Outcomes	Result	Narration
		<p><b>LiDAR Capture</b> - The capture of LiDAR data was completed this year across the BOP region ahead of schedule. The early provision of this updated data helps councils with catchment mapping, understanding and preparing for natural hazards, and better planning for climate change.</p> <p><b>My Everyday Wellbeing</b> - BOPLASS renewed the annual subscription for the staff online wellbeing platform with the supplier continuing to provide pricing for all participating councils as a single entity. Increased participation from MW LASS, Co-Lab and BOPLASS councils resulted in further financial savings for the collective.</p> <p><b>Print Media Copyright Agency (PMCA)</b> - A collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils' print and media copyright services. Sole NZ provider of print and media copyright services.</p> <p><b>ESRI Enterprise Licensing Agreement</b> - Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renegotiated and renewed for a further 3-year term with no increases. Retained the same structure, with all councils continuing to participate under a collective MOU. No alternative provider in NZ.</p> <p><b>n3 (previously known as GSB)</b> - Collective purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates. Sole NZ provider.</p> <p><b>Media Monitoring Services</b> - BOPLASS continues to manage a collective media monitoring service with Isentia that provides automatic monitoring and reporting of broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while also providing a significant reduction in internal resource requirements. This service has proven to be invaluable for councils during the pandemic and weather events. Service to be put to tender in 2023-24.</p> <p><b>Inter-Council Network (ICN)</b> - Review, redesign and renegotiation of suppliers and services - the ICN is a shared service high-capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken in 2021 to deliver further cost reductions. Since then, further reviews have been conducted with some service costs reduced. This was balanced out by additional services as requested from councils.</p> <p><b>Zoom Video Conferencing Services</b> - Zoom video conference services continue to provide BOPLASS councils with a centralised account management and shared infrastructure. The collective contract was renewed through BOPLASS. VC infrastructure upgrades underway.</p> <p><b>Standards NZ</b> - BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. No alternative provider in NZ.</p> <p><b>Antenno</b> - This LG community engagement tool is used by the majority of BOPLASS councils. Uptake in the Waikato and MW LASS regions has recently increased. By working in conjunction with the other two LASS a discounted fee was negotiated for any further LASS councils wishing to take up the service.</p> <p><b>Health and Safety Management Software</b> - BOPLASS has negotiated with the collective HandSMS provider on behalf of BOPLASS and Waikato councils for an improvement to reporting systems and an alternative fee structure.</p> <p><b>IPWEA Membership</b> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2022 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements. No alternative provider in NZ.</p>

Performance targets for 2022/23		
Outcomes	Result	Narration
		<p><b>Aerial Imagery</b> – BOPLASS coordinates a regional imagery programme across the region. Two new tenders were run for orthophotography services this year with contracts awarded to AAM NZ for the BOP region and a TCC interim flying programme, including specific requirements for the capture of high growth areas and high specification 8 Pulse LiDAR.</p> <p><b>GIS Training</b> – BOPLASS coordinated specialised GIS ArcPro training across the BOPLASS councils. Substantial savings were achieved through the collective training while also helping to bring all councils up to similar skill levels.</p>
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	Achieved	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p><b>MFDs (Photocopiers/Printers)</b> – Joint procurement for a multi-function device provider resulted in Canon NZ being appointed as preferred provider to the BOPLASS councils. The outcome through the group approach included very competitive pricing, with further savings achieved through bundled services and shared software solutions across the councils. The procurement process maintained a strong focus on achieving broader outcomes, with Canon demonstrating support for local businesses and communities, working with Māori/Pasifika communities through Ākina and Amotai, and practicing sustainable and environmental processes.</p> <p><b>Oblique Aerial Imagery</b> – BOPLASS investigated collaborative opportunities for the capture of Oblique Aerial Imagery for the BOPLASS councils. The imagery provides a more effective visual experience than traditional vertical imagery and is particularly useful for discerning features in the landscape. Delivered through a tailored online viewer and using a subscription-based model through BOPLASS negates the need for councils to store and manage the data. One council has trialled the solution and negotiations with the provider are underway for group pricing.</p> <p><b>Infrastructure Insurance</b> – The international placements for BOPLASS councils' infrastructure insurance are only provided on a 12-month term and all placements need to be procured annually. This involves identifying and negotiating with alternative markets every year and often undertaking placements through new or different insurers. Negotiations for councils' infrastructure insurance were undertaken in late 2022 through direct engagement with the London markets and Lloyds syndicates. The size of the collective BOPLASS account allows us to undertake this direct engagement. Despite the restricted capacity and the underwriters become more risk adverse, very good outcomes were achieved for all councils, in both insurance rates and the level of cover achieved. Insurance markets remain cautious about the risk they are prepared to write but have demonstrated confidence in the BOPLASS programme due to the quality of information provided and our historical relationship.</p> <p><b>Social Listening Services</b> – Although BOPLASS manages a media monitoring contract on behalf of the councils, the growth in social media (and decline in traditional media) requires specific tools for identifying and analysing online conversations about councils' brand, to help better understand our communities and their feedback through these channels. A collective procurement process has been initiated.</p> <p><b>Crime Prevention Co-Funding</b> – BOPLASS successfully secured co-funding from the Ministry of Social Development (MSD) to undertake crime prevention initiatives and programmes within the Bay of Plenty. BOPLASS councils identified the key areas as installation of CCTV equipment and monitoring services; and Crime Prevention Through Environmental Design (CPTED) projects. \$1M co-funding has been received and the below projects initiated.</p> <p><b>CCTV Monitoring</b> – BOPLASS has worked with councils to identify opportunities for improved CCTV coverage and to collaborate with CCTV monitoring. Joint procurement of systems and technologies are being undertaken as well as shared project management resource. Project is still underway.</p> <p><b>Crime Prevention Through Environmental Design (CPTED)</b> – To support further crime reduction initiatives, BOPLASS is working with councils on the effective use of the environmental design to reduce criminal opportunity, with designs also fostering positive social interaction within community spaces. Project is still underway.</p>



Performance targets for 2022/23		
Outcomes	Result	Narration
		<p><b>24/7 Emergency Communications</b> - The BOPLASS IT Managers group have reviewed the harsh lessons learned about telecommunication interruptions in the aftermath of Cyclone Gabrielle. They have undertaken a project to identify improved technologies for councils' usage that are not reliant on traditional methods of delivery. Starlink has been identified as a reliable solution during severe weather events and investigations are underway to determine the opportunities for councils to share membership and/or hardware or leverage improved pricing through collective procurement. Project is still underway.</p> <p><b>New Service For ICN</b> - Following a redesign of some aspects of the Inter-Council Network (ICN) new links were required. BOPLASS engaged with suitable vendors and Spark were appointed to provision this service. Discounted rates were achieved on behalf of the councils. Procurement was undertaken for the addition of a service in Whakatāne for a new council site and reinstatement of a service to provide backup/redundant services for councils between Whakatāne and Tauranga.</p> <p><b>Waste Operator and Licensing Data System (WOLDS)</b> - The second phase of this project has been initiated with procurement underway for a WOLDS service provider including the provision of an Information Management System. This BOPLASS led project covers all BOPLASS and Co-Lab councils, with a number of other councils expressing interest in participating once the service is established. A single shared service provides the opportunity for standardisation across all regions, improved waste data, and savings through a centralised service. Project is still underway.</p> <p><b>NAMS+ Subscription</b> - BOPLASS negotiated discounted rates for NAMS+ subscription used by council asset managers.</p> <p><b>Electronic Signing</b> - BOPLASS has led a project undertaking investigation into a shared agreement for DocuSign for councils. Project is still underway.</p>
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p> <p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	Achieved	<p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads engaging regularly and formally meeting on a quarterly basis.</p> <p>Shared services projects being undertaken by other LASS have been offered to BOPLASS councils, with the board making a decision utilise these opportunities to avoid any duplication of services where we can work with other LASS.</p> <p>Some of the shared service projects offered to BOPLASS councils include:</p> <ul style="list-style-type: none"> <li>• Debt Management Central</li> <li>• Archives Central</li> <li>• Building Consent services</li> </ul>

		Performance targets for 2022/23	
Outcomes	Result	Narration	
		<p>BOPLASS is leading or managing, on behalf of other LASS:</p> <ul style="list-style-type: none"> <li>• Waste Operator and Licensing Data System</li> <li>• Postal services</li> <li>• Courier services</li> <li>• HandS management system</li> <li>• Staff wellbeing portal</li> <li>• Regional contractor database</li> <li>• Occupational Health Services</li> </ul> <p><b>Broader Outcomes in Procurement</b> – The BOPLASS Procurement Group have identified the need to develop a framework around broader outcomes in procurement. To assist this process, BOPLASS are also working closely with Co-Lab and MW LASS for extended understanding, sharing of best practice, and to explore the opportunity for establishing a standard framework across the three regions.</p> <p>In conjunction with this shared work, MWLASS are leading a specific project on social procurement and sharing the outputs with the other two LASS.</p> <p><b>Health and Safety Training</b> – BOPLASS and Co-Lab have established aligned contracts with H and S trainers. To provide improved market leverage and ensure the best value is delivered to all councils, it was agreed to tender for service as a collective covering all BOPLASS and Co-Lab councils. This project is being led by Co-Lab on behalf of both LASS.</p> <p><b>Managing Conflict and Aggressive Behaviour</b> – The BOPLASS Health and Safety Advisory Group identified an increase in aggressive behaviour across all BOPLASS councils. Working in collaboration with Waikato councils allowed the group to share resources between regions ensuring best practice was shared and to reduce the duplication of effort to the benefit of all parties.</p> <p><b>SHE Prequalification</b> – Co-Lab have funded full access to the SHE prequalification database and extended this access to cover BOPLASS councils opting into the scheme.</p> <p><b>Insurance Markets Joint Communications</b> – To ensure an aligned approach to insurance renewals, and leverage maximum benefits from an aggregated approach, LASS leads collaborated to develop joint underwriter communications that emphasised the geographical spread of assets and the diversity of risk across the greater region. The communications also highlighted risk management and resiliency work undertaken by LASS councils that had proved to perform well through recent events. Continued collective messaging and leveraging of our underwriter relationships remains critical to reinstalling confidence within the markets we engage with.</p> <p><b>Insurance Forum</b> – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island.</p>	

Performance targets for 2022/23		
Outcomes	Result	Narration
		<p><b>Engagement with other LG collaborative groups</b> - Taranaki councils have formed an informal corporate services group to collaborate and share information across the District. BOPLASS and Co-Lab presented to the group on how our formal arrangements work and the benefits achieved, both within the LASSes and inter-regionally. An offer has been made to include Taranaki councils in any BOPLASS contracts that will be beneficial to all parties.</p> <p>A similar presentation and offer was provided to the Canterbury Mayoral Forum (10 TAs and the regional council), with the group expressing strong interest in utilising the MahiTahi Portal and widening their collaboration</p>
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 5% per year.</p> <p>Number of active users to increase by 5% per year.</p>	Achieved	<p>Projects continue to be added to the MahiTahi LG Collaboration Portal, increasing 5% from 88 to 93 this year. Over time, usage of the dedicated project area has declined, with project activity increasing but now being mainly run from within specific Teams or Channels within the Portal. Given this change in usage, and the difficulty of monitoring individual Channels, this target has been removed for future years.</p> <p>Continued promotion of the MahiTahi LG Collaboration Portal has seen a 13% increase in registered users with numbers increasing from 429 to 485.</p> <p>On-boarding and training material has been helpful in creating a smooth transition for any new members.</p> <p>The Regional Software Holdings Limited migration has resulted in exponential growth, with the Te Uru Kahika hub (regional and unitary councils) now hosted within the same environment as the MahiTahi Collaboration Portal. Both the MahiTahi LG Collaboration Portal and Te Uru Kahika sit side-by-side, with regional council users able to interact on both platforms.</p> <p>A Teams environment was developed for Entity B of the Affordable Water Reform in order to provide a secure workspace and assist the group with communications and collaboration. The development of this Team was conducted in conjunction with the Entity B stakeholders and a third-party Teams developer.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with members of Executive Leadership Team.</p> <p>At least one meeting per year.</p>	Achieved	<p>BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Engagement with individual ELT members was regularly undertaken but formal meetings with all executive teams was unable to be completed with all councils this year.</p>
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	Achieved	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions were levied with annual council contributions now CPI adjusted.</p> <p>Contributions were received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements and budget variances reported and reviewed at Board meetings.</p>

Above performance targets are unaudited results.

### ***New Zealand Local Government Funding Agency Limited (LGFA)***

The Council controlled organisation was formally established in December 2011. The company was set up by the eighteen local authorities and the Crown to provide debt funding to local authorities in New Zealand.

As a Council Controlled Organisation, New Zealand Local Government Funding Agency Limited (LGFA) is a separate legal entity from Council and is responsible for delivery of services in accordance with an agreed Statement of Intent. The company is governed by a Board of Directors.

#### **Financial performance for the year ended 30 June 2023**

<b>2022 Actual \$'000</b>		<b>2023 Actual \$'000</b>
18,606	Revenue	11,642
(7,933)	Expenditure	(9,138)
10,673	Surplus/(deficit)	2,504
10,673	Net surplus/(deficit) year	2,505
16,250	Total assets	18,175
16,146	Total liabilities	18,069

#### **Statement of Intent and Performance**

The company has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2022/23 and associated budget formally adopted by the company on 30 June 2023.

On pages 146-147 is a report of performance against targets set in the Statement of Intent for 2022/23.

Outcomes	Performance targets for 2022/23	
	Measure	Result
Comply with the Shareholder. Foundation Polices and the Board approved Treasury Policy at all times.	No breaches	LGFA has met this performance measure for 2022/23
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency	LGFA credit ratings equivalent to NZ Sovereign.	LGFA has met this performance measure for 2022/23 LGFA's ratings remain equivalent to the New Zealand Government for both SandP Global Ratings and Fitch Ratings. Fitch Ratings upgraded LGFA Foreign Currency Rating to AA+ on 16 Sept 2022. SandP Global Ratings affirmed our domestic currency credit rating at AAA in March 2023.
LGFA's total operating income for the period to 30 June 2023.	> \$12.2 million.	LGFA has not met this performance measure for 2022/23 LGFA's total operating income was \$11.6 million as at 30 June 2023.
LGFA's total operating expenses for the period to 30 June 2023.	< \$9.4 million.	LGFA has met this performance measure for 2022/23 The LGFA's Operating expenses were \$9.1 million at 30 June 2023.
Share of aggregate long-term debt funding to the Local Government sector.	> 80%	LGFA has met this performance measure for 2022/23 The LGFA had 93.3% share of the Local Government Sector as at 30 June 2023.
Total lending to Participating Borrowers.	> \$15,004 million	LGFA has met this performance measure for 2022/23 The LGFA had \$16,314 million in total lending as at 30 June 2023.
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score	LGFA has met this performance measure for 2022/23 The LGFA had 100% satisfaction score in August 2022 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	LGFA has met this performance measure for 2022/23 The LGFA refinanced all existing loans to councils and LGFA Bond maturities during the period ending 30 June 2023.
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	LGFA has met this performance measure for 2022/23
Review each participating borrower's financial position under LGFA policies.	100%	LGFA has met this performance measure for 2022/23
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%	LGFA has met this performance measure for 2022/23 The LGFA met with all Councils.
Comply with the Health and Safety at Work Act 2015.	No breaches	LGFA has met this performance measure for 2022/23 The LGFA has not had any breaches.
Maintain Toitū net carbonzero certification.	Net carbonzero certification maintained.	LGFA has met this performance measure for 2022/23 Toitū Net Carbon-zero recertification approved for the LGFA on 11 October 2022.

Outcomes	Performance targets for 2022/23	
	Measure	Result
Meet reduction targets outlined in their carbon reduction management plan.	Reduction targets met.	LGFA has met this performance measure for 2022/23
Increase their GSS lending book.	Two new participating borrowers entered into GSS loans.	LGFA has met this performance measure for 2022/23 The LGFA had three new participating borrowers approved for GSS lending.
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	LGFA has met this performance measure for 2022/23 The LGFA 2023 Annual Report was prepared to meet the requirements of the Global Reporting Initiative (GRI) Standards (core option).

### ***Western Bay of Plenty Tourism and Visitors Trust (Tourism Bay of Plenty)***

Tourism Bay of Plenty is a Council Controlled Organisation of both the Tauranga City Council (TCC) and Western Bay of Plenty District Council and was formally established in July 2002.

As a Council Controlled Organisation, Tourism Bay of Plenty is a separate legal entity from Council and is responsible for delivery of services in accordance with an agreed Statement of Intent. The Trust is governed by a Board of Trustees.

#### **Financial performance for the year ended 30 June 2023**

2022 Actual \$'000		2023 Actual \$'000
3,585	Revenue	4,430
(3,470)	Expenditure	(4,020)
116	Surplus/(deficit)	410
116	Net surplus/(deficit) year	410
2,232	Total assets	1,731
1,655	Total liabilities	706

#### **Statement of Intent and Performance**

The Trust has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2022/23 and associated budget formally adopted by the company. On pages 148-149 is a report of performance against targets set in the Statement of Intent for 2022/23.

Performance targets for 2022/23		
Outcomes	Measure	Result
<b>Economic</b>		
Growing the economic value of the tourism industry.	Monitor and report on changes in visitor spend to YE June 2023 and use the information to set new goals for future years.	Achieved. In the YE June 2023, visitor spend in Te Moananui ā Toi   the Coastal Bay of Plenty was up 8% compared to YE June 2022, and up 17% compared to the YE June 2019 (pre-COVID-19). Goals to continue to grow domestic and international visitor spend have been set for the next financial year.
<b>Environmental</b>		
Improving the environmental wellbeing of the region through environmental sustainability and regeneration projects.	A total of 40 tourism or hospitality businesses to complete The Green Room programme during the year.	Achieved. A total of 51 tourism and hospitality businesses participated in The Green Room   Te Rūma Kākāriki programme during the YE June 2023
<b>Cultural</b>		
Improving the cultural wellbeing of the community through tourism.	Managed online gallery and associated ambassador app content, integrating cultural narrative with key destination messaging.	Achieved. TBOP worked in partnership with Tauranga City Council to develop a cultural intelligence app. This digital platform includes regional history, stories, key information, experiences, significant sites and more. The app has been developed and is undergoing beta testing as of June 2023. The plan is to launch the app during Te Wiki o te Reo Māori in September 2023.
<b>Social</b>		
Enhancing the value tourism brings to the community (according to the community).	Implemented actions identified from TBOP's community perceptions survey to help enhance the perceived value of tourism to the community. Measured by 68% or more residents agreeing that tourism has a positive impact on the community.	Not Achieved. <ul style="list-style-type: none"> <li>• Tauranga City Council: 64% agree. Down 4% compared to the Jul-Dec 2021 result and compared to the goal of 68%.</li> <li>• Western Bay of Plenty District Council: 71% agree. Up 9% compared to Jul-Dec 2021 and exceeded goal of 68%.</li> <li>• Whakatāne District Council: 72% agree. Up 3% compared to YE Dec 2021 result.</li> </ul>
<b>TBOP team</b>		
Enhance TBOP's ability to achieve its goals through high staff engagement.	Employee Engagement score: at least 70% of employees are 'happy' or 'very happy' working at TBOP.	Achieved. Employee Engagement score: 77% of the team are 'happy' or 'very happy' working at TBOP. Target exceeded by 7%.
<b>Destination Management</b>		
Elevate the region's cycling offering	Combined Western Bay of Plenty and Tauranga cycle trails booklet and storytelling produced and shared via TBOP channels.	Achieved. Tauranga and Western Bay of Plenty cycle trails booklet was released in September. A total of 5,000 copies were printed and distributed to visitor information centres, accommodation providers, bike shops and other retail outlets, local cycle groups, Tauranga Airport, libraries and more.
Build operator capability to enhance the quality of the region's tourism offering	Provided 1-to-1 digital marketing training to 10 tourism businesses.	Achieved. Provided 1-to-1 digital marketing training to 10 tourism operators during the year.
Coordinate opportunities to bring business events to the region.	Facilitated 15 leads or bids for business events in the region.	Achieve. Bid proposals were submitted in response to 17 conference/event enquiries, with two conferences confirmed for 2022 and two conferences (so far) confirmed for 2023.

Outcomes	Performance targets for 2022/23	
	Measure	Result
<b>Destination Marketing</b>		
Elevate the region's food story and proposition	Promoted the Flavours of Plenty Festival to help sell 80% of festival event tickets.	Not Achieved. Over 4,000 Flavours of Plenty Festival event tickets were sold. This equates to 56% of overall tickets available, shy of the targeted 80%. This was primarily due to large events that are difficult to sell out, such as First We Eat, choosing to come under the Flavours of Plenty Festival banner. More than 5,000 people attended Festival events (both ticketed and un-ticketed).
Promote the destination to our target markets (outdoor adventurers, surf and beach lovers, cultural explorers, and eco-travellers)	Identify effective channels for marketing to international and domestic audiences to ensure value for money.	Achieved. TBOP has consistently reviewed reach, engagement (quantity and quality), and EAV (where possible) of various marketing channels, both domestically and internationally. This has resulted in a more targeted approach for international marketing and trade, a stronger focus on digital channels, and the ability to selectively pursue media opportunities that have a worthwhile potential return on the investment.

### Waikato Local Authority Shared Services Limited (CO-Lab)

Local Authority Shared Services Limited was incorporated in December 2005, and changed its name to WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED (WLASS) in April 2016. WLASS is owned by 12 local authorities. WLASS provides a legal entity, representative of all the shareholding councils, which can enter into contracts and agreements with external suppliers and provide value to the shareholders by reducing costs. WLASS contracts are available to be joined by any shareholder that so chooses.

Western Bay District Council became a shareholder in 2023 but as at 30 June 2023 no financial transactions had taken place.

#### Financial performance for the year ended 30 June 2023

2022 Actual \$'000		2023 Actual \$'000
8,572	Revenue	9,101
8,029	Expenditure	8,595
543	Surplus/ (deficit) before tax	505
542	Net surplus/(deficit) for the year	505
4,280	Total assets	5,600
2,289	Total liabilities	3,103

#### Statement of Intent and Performance

The company has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2022-2023 and associated budget as reviewed by the external auditors on 1st September 2023.

From pages 149-152 is a report of performance against targets set in the Statement of Intent for 2022/23.



Performance targets for 2022/23		
Outcomes	Measure	Result
Priorise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives.		
Business cases will include measurable benefits linked to one or more of the outcomes sought.	Projected savings to councils of \$300K*	<p>Seven significant projects monitored during the year. However, each of these projects -which were largely guided by feedback from councils -were principally focused on valuation creation (rather than cost savings) and/or are at an early stage where potential costs savings are yet to be quantified. The Customer Digital Enablement (CDE) project has the potential to save significant amounts by pooling council investment. For example, market feedback suggested a ten-fold increase in the number of councils involved only bore a 16% increase in investment. Unfortunately, as noted earlier, most councils did not support progressing to RFP and product build. For these reasons, the target has not been met.</p> <p>The Strategic Case for the 'Right People, Right Place' project (see page 9) was approved by the Board in June 2023.</p> <p>A paper covering the 'People Post 3 Waters' project (see page 9) was presented to council Chief Executives in November 2022, with an update to the Board in March 2023. While we await feedback from councils on what resource might become available to redeploy, we are investigating a project management shared service to address one area where many councils are resource constrained.</p> <p>Neither of these investigations can yet claim to give projected savings to councils, although both have the potential to reduce costs and create value in the future.</p>
Opportunity assessments are supported by councils (evidenced by Board minutes)	75% of councils	<p>We can't reasonably measure performance against this target because no opportunity assessments have been presented to the Board during the period. Having said that, as noted above, CDE is not expected to progress to this point, because of the lack of support to progress the opportunity. To that extent, it is an opportunity that, while initially supported by councils, has not ultimately been.</p> <p>Last year we reported that 9 of 12 councils agreed to participate in Co-Lab Learning. A 10th confirmed their involvement in the current period.</p> <p>Some opportunities have been capitalised on without a formal business case. An example of this in the current period is Co-Lab Procurement Support. That shared service came about from discussions with councils who had a need for procurement skills, but only on a part-time basis, or only as and when required to supplement their current resources.</p> <p>In July 2023 and August 2023, councils were presented with proposals to participate in a Building Consent Cadetship and in the RATA Spaces and Places Ropu. Decisions are pending in early FY24.</p>

Performance targets for 2022/23		
Outcomes	Measure	Result
<b>Develop opportunities and deliver projects within agreed budgets and timelines</b>		
Opportunities/projects are developed/delivered within agreed timelines.	80%	<p>14%: (1/7 projects)</p> <p>The low proportion of projects delivered within agreed timelines is disappointing. However, this should be considered in the context that most Co-Lab investigations commence with significant uncertainty, including council staffs capacity to get involved in the projects, which makes reliably estimating the time to complete challenging. While capacity is the most prominent unknown when setting timelines, the LiDAR project has been delayed by vendor performance issues.</p> <p>We acknowledge that we must be more realistic when estimating timelines.</p> <p>It is important to note that none of the delays have caused costs to escalate (i.e., the anticipated work is simply spread over a longer period, or the contract protects against cost escalation).</p>
Opportunities/projects are developed/delivered, within approved budget	90%	80%: Four of the five projects were completed within budget. The exception was the Co-Lab Learning Implementation where the cost of the project team went over project budget. The remaining of two projects have not started in the current year.
Overall, Company Management/Support functions will be undertaken within budget, unless additional expenditure has board pre- approval		Actual Company Management & Support expenditure exceeded budget, mainly because the LAPP insurance cost, which is recovered from councils, was not included in the budget.
<b>Ensure projects realise their expected benefits</b>		
Measurable benefits are actively monitored and reported against	six-monthly	<p>During the current financial year, management reported to the Audit &amp; Risk Committee on:</p> <ul style="list-style-type: none"> <li>Shared Valuation Data Service (SVDS): All benefits in the business case have been met</li> <li>Co-Lab Water Services: The assessment considered benefits realised since the services inception. Of the 10 KPIs in the business case, only 1 (relating to service expectations) was determined to be 'not met' and action is already underway to remedy that.</li> </ul>
Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	<p>For \$200k+ projects (based on cost of opportunity development and ongoing investment within 15 months.</p> <p>90% of projected quantifiable benefits are realised.</p>	

Performance targets for 2022/23		
Outcomes	Measure	Result
<p><b>Ensure existing services are meeting the needs of councils.</b></p> <p>The services we provide are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey).</p>	80% of councils	Based on our annual survey of councils, the target of 80% has not been met. 79.8% of respondents (0.2% less than the target) said that the services met or exceeded expectations. The survey response rate was 45% (200 were surveyed with 91 responses received).
<p><b>Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice.</b></p> <p>Across these groups, ideas for future consideration and/or initiatives are identified each year</p>	Four per annum	<p>Ideas received and triaged in FY23:</p> <ul style="list-style-type: none"> <li>• One digital library book database</li> <li>• Common LGOIMA manager tool</li> <li>• Councillor Induction Programme</li> <li>• Common staff induction content</li> <li>• Shared resources for election years</li> <li>• Parking enforcement app</li> <li>• Joint Procurement for contracted resources</li> </ul>

## 38. Remuneration

The Chief Executive of Western Bay of Plenty District Council under section 42 of the Local Government Act 2002 received a salary of \$356,412 (2022: \$326,824).

In terms of the contract, the Chief Executive also received the following additional benefits:

Chief Executive	2023	2022
Salary	356,412	326,824
Employer contributions to KS superannuation	10,692	9,805
Vehicle (Market Value plus FBT)	22,937	5,878
Other benefits (incl. medical insurance)	-	2,453
<b>Total remuneration</b>	<b>390,041</b>	<b>344,960</b>

Councillors	2023	2022
Coxhead, Tracey	28,700	-
Crawford, Richard	32,184	-
Dally, Grant Ronald	41,397	40,717
Dean, Mark	13,766	44,145
Denyer, James Edward	112,499	44,145
Grainger, Murray	44,087	40,717
Gray, Monique Anne (previously Lintz, Monique Anne)	12,697	40,717
Henry, Anne Moreen	41,397	40,717
Joyce, Rodney Laurence	28,700	-
Marsh, Kevin Alexander	13,766	44,145
Murray-Benge, Margaret Elizabeth	44,087	40,717
Scrimgeour, John Robert	56,237	60,890
Sole, Allan	41,397	40,717
Thwaites, Donald Alan	46,580	48,712
Webber, Garry John	41,619	139,410
Wichers, Andrew Albertus	28,700	-
<b>Councillors Sum</b>	<b>627,814</b>	<b>625,749</b>

Community Board	2023	2022
Anaru, William Ra	922	2,956
Beech, Shane William	1,844	5,913
Bell, Benjamin Trevor	2,845	-
Clements, John Richard	9,150	5,586
Corbett, Phillip Rewi	2,076	-
Crawford, Richard John	-	11,171
Earl, Andrew Stuart	3,922	-
Ellis, Kassie Dawn	9,150	5,586
Evans, John Graeme	1,264	4,052
Goudie, Ross	8,969	9,199
Guptill, Heather Marie	3,230	-
Harray, Neil Bronte	1,742	5,586
Hopping, Tippianny Anne	2,076	-
Hughes, Allan Dennis	2,845	-
Hulme, Robert Leigh	1,434	4,599
Kurtovich, Alan	3,230	-
Mayo, Norman	3,922	-
Neilsomn, Greig Antony	2,845	-
Paudel, Anish	3,922	-
Presland, Peter John	6,638	4,052
Rae, Laura Andrea	4,843	2,956
Roberts, Marilyn Kathleen	1,434	4,599
Rolleston, Tupaea James	1,742	5,586
Ryan, Donald Clement	1,434	4,599
Sage, Derek Keith	1,264	4,052
Sage, Teresa	6,449	8,106
Simpson, Danielle	3,230	-
Simpson, Stephan	922	2,956
Snell, Dale	5,664	5,586
Summerhays, Karen Mary	3,922	-
Sutherland, Katherine Netta	1,742	5,586
Walters, Donna-Marie Rangimarie	2,076	-
Warren, Benjamin Christian	3,484	11,594
<b>Community Board Sum</b>	<b>110,233</b>	<b>114,322</b>

Remuneration scale	2023	2022
<\$60,000	42	45
\$60,000 - \$79,999	94	88
\$80,000 - \$99,999	77	63
\$100,000 - \$119,999	48	45
\$120,000 - \$139,999	24	16
\$140,000 - \$159,999	12	10
\$160,000 - \$179,999	6	7
\$180,000 - \$299,999	7	8
>\$300,000	2	2
<b>Total employees</b>	<b>312</b>	<b>284</b>

Total remuneration includes any non-financial benefits provided to employees.

At balance date, the Council employed 255 (2022: 231) full-time employees, with the balance of 57 staff representing 53 (2022: 33) full-time equivalent employees.

A full-time employee is determined on the basis of a 40-hour working week.

## 39. Severance payment disclosure

For the year ended 30 June 2023 Western Bay of Plenty District Council made one (2022: one) severance payment to employees totalling \$12,000 (2022: \$214,567).

## 40. Events after balance date

There were no events which have caused significant impacts on the essential services of the organisation since balance date.

## 41. Financial instruments

	Note	2023 \$'000	2022 \$'000
<b>Financial Assets</b>			
Fair value through surplus and deficit			
New Zealand Local Government Funding Agency	20	1,866	1,866
<b>Total fair value through surplus and deficit</b>		<b>1,866</b>	<b>1,866</b>
<b>Loans and receivables</b>			
Te Tumu Investment	18	12,782	12,249
Cash and cash equivalents	14	15,140	25,541
Debtors and other receivables	15	19,181	10,651
LGFA Borrower Notes	20	1,474	1,120
<b>Total loans and receivables</b>		<b>48,577</b>	<b>49,561</b>
<b>Fair value through other comprehensive income</b>			
Other financial assets:			
Local authority stock	20	25	28
Listed shares	18	183	294
<b>Total fair value through other comprehensive income</b>		<b>208</b>	<b>322</b>
<b>Financial liabilities</b>			
Fair value through surplus and deficit			
Derivative financial instrument liability	16	(2,580)	(1,678)
<b>Total fair value through surplus and deficit</b>		<b>(2,580)</b>	<b>(1,678)</b>
<b>Financial liabilities at amortised cost</b>			
Creditors and other payables	24, 26 & 27	30,522	26,158
Borrowings:			
Secured loans	25	90,000	80,000
<b>Total financial liabilities at amortised cost</b>		<b>120,522</b>	<b>106,158</b>

## 42. Te Tumu financial instruments

In 2007, Western Bay of Plenty District Council and Tauranga City Council (TCC) together acquired a block of land referred to as Te Tumu. This land was purchased with the condition of providing the vendor the option to acquire it sometime from December 2016 to December 2026. The rationale for the councils purchasing the land was to ensure development of this land was consistent with the SmartGrowth strategy. With this purchase of land, the vendor has the right to use the land in its undeveloped state until December 2016 (extendable annually for a further ten years). As Western Bay Council does not have the right to use this land over this period, it is not recognised as a traditional land purchase in the Western Bay Council's accounts.

Instead, this transaction gives rise to the creation of a financial asset where Western Bay Council has a right to receive cash when the vendor exercises their option to repurchase the property. This asset is recognised as an interest free loan. If the vendor does not exercise their right, the land reverts to Western Bay Council and will be recognised as land in Western Bay Council's accounts.

Fair value of the interest free loan is \$10m (2022: \$10m) determined as the present value of future cash flows based on a fixed investment financing rate of 11.5% discounted at 4%. In December 2016, as per the agreement, the interest rate was renegotiated to a market related rate.

In the 2013 financial year, the value of the loan was determined based on the underlying "fair value" of the land. Western Bay Council assumed that due to the general slowdown in growth at that time, the option would not be exercised in 2016. The Western Bay Council extended its assumptions and the exercise of the option to the end of the 10-year period. However, in December 2016, the vendor indicated that they would exercise the option prior to 2026.

In addition, a property subdivision right has been recognised. This represents the right the Western Bay Council has obtained in ensuring development of this land is consistent with SmartGrowth. The initial impairment of the loan has been recognised as the amount payable for the right to use the land in its undeveloped state, which in turn created a "Property Subdivision Right" asset. The subdivision right was recognised as an intangible asset and amortised over the period the vendor was expected to exercise their option to repurchase the property. Refer Note 22 Intangible Assets.

This intangible asset was measured as the difference between the amount paid by the Western Bay Council for this land and the present value of the future cash flow discounted on the option if exercised, at the difference in rate between the investment finance rate of 11.5% and the agreed rate of 7.5%.

During December 2020 Council entered into an unconditional agreement to dispose of its interest in Te Tumu to Tauranga City Council. This sale is backed by a registered loan, which requires Tauranga City Council to settle the full value of the loan by December 2026.

## 43. Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
<b>30 June 2023</b>				
<b>Financial Assets</b>				
Local authority stock	25	25	-	-
Shares	183	183	-	-
Te Tumu investment	12,782	-	-	12,782
NZ Local Government Funding Agency Limited	3,340	-	3,340	-
<b>Financial Liabilities</b>				
Derivatives	(2,580)	-	(2,580)	-
<b>30 June 2022</b>				
<b>Financial Assets</b>				
Local authority stock	28	28	-	-
Shares	294	294	-	-
Te Tumu investment	12,249	-	-	12,249
NZ Local Government Funding Agency Limited	2,986	-	2,986	-
<b>Financial Liabilities</b>				
Derivatives	(1,678)	-	(1,678)	-

## Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	2023 Actual \$'000	2022 Actual \$'000
Balance at 1 July	12,249	12,032
Gains/(losses) recognised in surplus and deficit	533	217
Reversal of impairment	-	-
<b>Balance at 30 June</b>	<b>12,782</b>	<b>12,249</b>

## 44. Financial instrument risks

Western Bay Council has a series of policies to manage the risks associated with financial instruments. Western Bay Council is risk averse and seeks to minimise exposure from its treasury activities. Western Bay Council has established Council approved liability management and investment policies. These policies do not allow any transactions to be entered into that are speculative in nature.

### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

Western Bay Council is exposed to equity securities price risk on its investments. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of Western Bay Council's investment portfolio in accordance with the limits set out in Western Bay Council's investment policy.

### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Western Bay Council purchases plant and equipment associated with the construction of certain infrastructural assets from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is the Western Bay Council's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above \$100,000 by entering into forward foreign exchange contracts to manage the foreign currency risk exposure. This means the Western Bay Council is able to fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas.

### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Western Bay Council to fair value interest rate risk. Western Bay Council's liability management policy is to maintain a certain level of its borrowings in fixed rate instruments. Interest rate swaps are entered into to hedge the fair value interest rate risk arising from Western Bay Council's borrowings to ensure they remain within these limits.

### Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Western Bay Council to cash flow interest rate risk.

Generally, Western Bay Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Western Bay Council borrowed at fixed rates directly. Under the interest rate swaps, Western Bay Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to Western Bay Council, causing Western Bay Council to incur a loss. Due to the timing of its cash inflows and outflows, Western Bay Council invests surplus cash into term deposits and local authority stock which gives rise to credit risk.

Western Bay Council's investment policy limits the amount of credit exposure to any one financial institution or organisation. Investments in other Local Authorities are secured by charges over rates. Other than other local authorities, the Western Bay Council only invests funds with entities that have a Standard and Poor's or Moody's credit rating of A- or above for long-term investments.

Western Bay Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

## Maximum exposure to credit risk

	\$'000 2023	\$'000 2022
Cash at bank and term deposits	15,140	25,541
Debtors and other receivables	19,181	10,651
Local authority, CCO's (or similar) and listed shares	208	322
New Zealand Local Government Funding Agency	3,340	2,986
Derivative financial instruments	2,580	1,678
Financial instruments	12,782	12,249
<b>Total credit risk</b>	<b>53,231</b>	<b>53,427</b>

## Credit quality of financial assets

	\$'000 2023	\$'000 2022
<b>Counterparties with credit ratings</b>		
Cash at bank and term deposits		
A-1+	15,140	25,541
<b>Total cash at bank and term deposits</b>	<b>15,140</b>	<b>25,541</b>
<b>Local authority and government stock</b>		
AA+	3,340	2,986
A	25	28
<b>Total local authority and government stock</b>	<b>3,365</b>	<b>3,014</b>
<b>Derivative financial instrument assets</b>		
AA-	2,580	1,678
<b>Total derivative financial instruments</b>	<b>2,580</b>	<b>1,678</b>
<b>Financial instrument assets</b>		
No rating	12,782	12,249
<b>Total financial instrument assets</b>	<b>12,782</b>	<b>12,249</b>
<b>Counterparties without credit ratings</b>		
Existing assets with no defaults in the past	183	294
<b>Total counterparties without credit ratings</b>	<b>183</b>	<b>294</b>

Debtors and other receivables mainly arise from Western Bay Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Western Bay Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers and Western Bay Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

## Liquidity risk

### Management of liquidity risk

Liquidity risk is the risk that Western Bay Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Western Bay Council aims to maintain flexibility in funding by keeping committed credit lines available.

Western Bay Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Western Bay Council's Long Term Plan. Western Bay Council has a maximum amount that can be drawn down against its overdraft facility of \$600,000 (2022: \$600,000). There are no restrictions on the use of this facility.

### Contractual maturity analysis of financial liabilities

The table below analyses Western Bay Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.



## Liquidity risk

### Contractual maturity analysis of financial liabilities

Council 2023	Carrying amount \$'000	Contractual cashflow \$'000	less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Creditors and other payables	30,522	30,522	30,522	-	-	-
Net settled derivatives	(2,580)	(2,580)	-	(280)	(593)	(1,707)
Secured Loans	90,000	104,431	15,729	27,705	60,998	-
<b>Total</b>	<b>117,942</b>	<b>132,373</b>	<b>46,251</b>	<b>27,424</b>	<b>60,405</b>	<b>(1,707)</b>
<b>Council 2022</b>						
Creditors and other payables	26,158	26,158	26,158	-	-	-
Net settled derivatives	(1,678)	(1,678)	422	795	3,314	(6,208)
Secured Loans	80,000	126,017	27,982	11,998	49,036	37,001
<b>Total</b>	<b>104,480</b>	<b>150,497</b>	<b>54,562</b>	<b>12,792</b>	<b>52,350</b>	<b>30,793</b>

### Contractual maturity analysis of assets liabilities

Council 2023	Carrying amount \$'000	Contractual cashflow \$'000	less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Cash and cash equivalents	15,140	15,140	15,140	-	-	-
Debtors and other receivables	19,181	19,181	19,181	-	-	-
Net settled financial instruments	12,782	10,414	-	-	-	10,414
Other financial assets:						
· Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	-	-	-	-	-	-
· Local authority and government stock	3,365	-	-	-	-	3,365
<b>Total</b>	<b>50,468</b>	<b>44,735</b>	<b>34,321</b>	<b>-</b>	<b>-</b>	<b>13,779</b>
<b>Council 2022</b>						
Cash and cash equivalents	25,541	25,541	25,541	-	-	-
Debtors and other receivables	10,651	10,651	10,651	-	-	-
Net settled financial instruments	12,249	10,414	-	-	-	10,414
Other financial assets:						
· Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	-	-	-	-	-	-
· Local authority and government stock	3,013	-	-	-	-	3,013
<b>Total</b>	<b>51,454</b>	<b>46,606</b>	<b>36,192</b>	<b>-</b>	<b>-</b>	<b>13,427</b>

## Sensitivity analysis

Interest rate risk	Note	2023 \$'000				2022 \$'000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other equity	Profit	Other equity	Profit	Other equity	Profit	Other equity
<b>Financial assets</b>									
Cash and cash equivalents	1	(151)		151		(255)		255	
Financial instruments	2	(128)		128		(122)		122	
Other financial assets:									
- Local authority stock	3		(15)		15		(12)		12
<b>Financial liabilities</b>									
Derivatives - interest rate swaps	4	629		4,448		(1,632)		3,221	
Borrowings:									
Debentures	5	(800)		800		(700)		700	
<b>Total sensitivity to interest rate risk</b>		<b>(450)</b>	<b>(15)</b>	<b>5,527</b>	<b>15</b>	<b>(2,710)</b>	<b>(12)</b>	<b>4,299</b>	<b>12</b>
Equity price risk	Note	-10%		+10%		-10%		+10%	
		Profit	Other equity	Profit	Other equity	Profit	Other equity	Profit	Other equity
<b>Financial assets</b>									
Other financial assets:									
- Quoted share investments	6		(2.9)		2.9		(5.3)		5.3
<b>Total sensitivity to equity price risk</b>		<b>-</b>	<b>(2.9)</b>	<b>-</b>	<b>2.9</b>	<b>-</b>	<b>(5.3)</b>	<b>-</b>	<b>5.3</b>

## Explanation of sensitivity analysis

### 1. Cash and Cash equivalents

Cash and cash equivalents include deposits on call totalling \$15,140,226 (2022: \$25,540,541) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$151,402 (2022: \$255,405).

### Derivatives

#### 2. Financial instruments

Financial instruments include Te Tumu land purchase totalling \$12.78m (2022: \$12.24m). A movement in interest rates of 1.0% has an effect of \$127,800 (2022: \$122,400) on the unrealised value of the financial instruments.

#### 3. Local authority stock

A total of \$1,474,000 (2022: \$1,120,000) of investments in local authority stock are classified at fair value through equity. A movement in interest rates of plus or minus 1.0% has an effect of \$14,740 (2022: \$12,000) on the fair value through other comprehensive income reserve.

#### 4. Financial liabilities

Derivative financial assets not hedge accounted includes interest rate swaps with a fair value totalling \$2.58m (2022: \$1.63m). A movement in interest rates of plus 1.0% has an effect of increasing the swap value to \$4.448m (2022: \$3.221m). A movement in interest rates of minus 1.0% has an effect of reducing the swap value by \$1.951m (2022: \$2.508m).

### 5. Debentures - secured loans

Council has floating rate debt with a principal amount totalling \$80.0 million (2022: \$70.0m). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$800,000 (2022: \$700,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

### 6. Listed shares

Western Bay holds equity instruments in Zespri Group Limited valued at \$154,000 (2022: \$241,059) and Seeka Kiwifruit Industries Limited valued at \$29,000 (2022: \$53,000). Zespri shares are not publicly traded, however Seeka shares are publicly traded. If there was a movement of plus or minus 10% in the share price the effect would be a movement in the fair value through other comprehensive income reserve of \$2,900 (2022: \$5,300).

### Creditors and other payables

Trade payables do not include any foreign currency denominated payables in relation to plant and equipment purchases. Therefore there is no currency price risk and no movement under sensitivity analysis.

## 45. Capital market

The Western Bay Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Western Bay Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Western Bay Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Western Bay Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Western Bay Council has in place asset management plans for all major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Western Bay Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Western Bay Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the LTP.

Western Bay Council has the following council created reserves:

- reserves for different areas of benefit
- self-insurance reserves, and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Western Bay Council.

Trust and bequest reserves are set up where Western Bay Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose for which they were donated.

## 46. Explanation of major variances

Explanations for major variations from Western Bay Council's estimated figures in the Annual Plan 2022/23 and 2023 actuals are as follows:

### Statement of Comprehensive Income

Actual 2023 surplus of \$16.8 million versus 2023 budget surplus of \$18.6 million.

An unfavourable variance of \$1.8 million.

Total revenue was \$8.1 million better than budget.

**The major contributors to the variance are noted on the following page.**

Note		
1	Fees and charges	1,655
2	Rates revenue	863
3	Fincos	(3,406)
4	Subs	6,533
5	Finance revenue	1,709
6	Other revenue	710
		<b>8,064</b>

Total expenditure was \$4.6 million over budget.

Note		
7	Other exp	9,206
8	Personnel	1,885
9	Depreciation and Amortisation	(1,391)
10	Impairment Cost	255
11	Finance costs	138
12	Share of associate	(224)
		<b>9,869</b>

## 2023 explanations

1. Above average income for Waste fees and Refuse Tag income received compared to budgeted fees.
2. Increase in rates revenue is primarily due to an increase in growth for rating units.
3. Financial contributions were lower in 2023 due to slowing down of activities.
4. Subsidies and grant income was higher than budget due to timing and availability of capital works eligible for Waka Kotahi NZ Transport Agency funding and additional funding received for storm damage.
5. Finance revenue was higher than budget due to higher than planned interest income.
6. Other revenue was higher than budget mainly due to higher than planned gains on asset disposals.

7. Other expenses were higher than budget due to higher costs associated with delivering operational contracts.
8. Personnel costs was higher than budget. Increased workloads resulting in staff working more hours, new initiatives and new services which were not budgeted.
9. Depreciation and amortisation costs was lower than budget.
10. Impairment costs were recognised for the Te Puke No. 4 Bridge, which were not budgeted.
11. Finance costs was higher than budget. This is a result of unfavorable movements due to rising interest rates.
12. Share of associate income was not budgeted.

Actual net equity increased to \$1,791 million in 2023 versus \$1,623 million in 2022.

Decrease in cash held at year end	(10,401)
Increase in debtors and prepayments	7,916
Increase in investments and financial assets	574
Decrease in non-current assets held for sale	-
Decrease in forestry assets	(672)
Increase in intangible assets	172
Increase in property, plant and equipment	183,703
Increase in debt for the year	10,000
Decrease in interest rate swap liability	(1,040)
Increase in creditors and other payables	2,638
<b>Net movement</b>	<b>192,890</b>

## 2023 explanations

Property, plant and equipment has been impacted by favourable revaluations plus additions resulting from completed projects.

Collections have been slower with increased debtors balances and lower cash balances.

Additional funding was also secured with loans increased to facilitate the delivery of the capital works programme.

# Funding impact statement for year ended 30 June 2023

## Whole of Council

	2023		2022	
	Annual Plan 2022/23 \$'000	Actual 2022/23 \$'000	Annual Plan 2021/22 \$'000	Actual 2021/22 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	32,303	31,408	31,515	30,661
Targeted rates	55,044	56,842	51,859	51,045
Subsidies and grants for operating purposes	11,178	21,565	10,108	17,266
Fees and charges	8,749	9,893	8,418	9,305
Interest and dividends from investments	270	1,979	263	262
Local authorities fuel tax, fines, infringement fees, and other receipts	3,184	3,156	3,230	5,297
<b>Total operating funding</b>	<b>(A)</b>	<b>110,728</b>	<b>124,843</b>	<b>113,836</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	83,651	92,608	79,250	80,156
Finance costs	4,006	4,144	3,675	4,146
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>87,657</b>	<b>82,925</b>	<b>84,302</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>23,072</b>	<b>28,090</b>	<b>22,468</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	4,053	200	6,874	4,890
Development and financial contributions	14,035	10,629	11,221	10,925
Increase (decrease) in debt	31,500	10,299	13,400	( 5,236)
Gross proceeds from sale of assets	-	460	-	880
Lump sum contributions	2,313	2,397	2,240	-
Other dedicated capital funding	-	-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>51,901</b>	<b>33,735</b>	<b>11,458</b>
<b>Applications of capital funding</b>				
Capital expenditure –				
· to meet additional demand	27,949	25,418	35,506	21,609
· to improve the level of service	26,855	6,808	11,112	11,469
· to replace existing assets	14,474	10,770	11,451	6,850
Increase (decrease) in reserves	2,349	9,302	( 5,047)	1,122
Increase (decrease) of investments	3,346	(223)	3,181	( 58)
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>74,972</b>	<b>56,203</b>	<b>40,992</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>(23,072)</b>	<b>(28,090)</b>	<b>( 22,468)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement for year ended 30 June 2023

### Whole of Council - Reconciliation of summary funding impact statement to statements of comprehensive income

	Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Operating funding per FIS</b>	<b>105,394</b>	<b>110,341</b>	<b>124,843</b>
Add: Subsidies and grants for capital expenditure	6,873	7,939	200
Financial contributions	11,221	14,035	10,629
<b>Total</b>	<b>123,488</b>	<b>132,315</b>	<b>135,672</b>
<b>Total Revenue per Statement of Comprehensive Income</b>	<b>125,340</b>	<b>134,227</b>	<b>139,182</b>
Less: Gains	(388)	(401)	(1,115)
Less: Financial assets at fair value through other comprehensive revenue and expenses	-	-	904
Less: Fair value movement in derivative financial instruments	-	-	( 902)
Less: Vested assets revenue	2,240	2,313	(2,397)
<b>Total</b>	<b>123,488</b>	<b>132,315</b>	<b>135,672</b>
<b>Total application of operating funding per FIS</b>	<b>82,925</b>	<b>88,329</b>	<b>96,753</b>
<b>Total expenditure per Statement of Comprehensive Income</b>	<b>106,832</b>	<b>113,472</b>	<b>122,570</b>
Less: Depreciation and amortisation	23,907	25,143	23,740
Less: Vested assets expense	-	-	1,822
Less: Other adjustments	-	-	255
<b>Total</b>	<b>82,925</b>	<b>88,329</b>	<b>96,753</b>
<b>Net Variance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year ended 30 June 2023

## Representation

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		3,093	2,779	4,059
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	8
Internal charges and overheads recovered		1,052	1,068	1,235
Local authorities fuel tax, fines, infringement fees, and other receipts		-	77	2
<b>Total operating funding</b>	<b>(A)</b>	<b>4,144</b>	<b>3,924</b>	<b>5,304</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		2,035	1,730	2,474
Finance costs		-	-	-
Internal charges and overheads applied		2,083	2,149	2,754
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>4,118</b>	<b>3,879</b>	<b>5,229</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>26</b>	<b>44</b>	<b>75</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure –				
• to meet additional demand		-	-	-
• to improve the level of service		20	36	-
• to replace existing assets		-	-	-
Increase (decrease) in reserves		6	8	75
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>26</b>	<b>44</b>	<b>75</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>(26)</b>	<b>(44)</b>	<b>(75)</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year ended 30 June 2023

## Planning for the future

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		3,873	4,180	4,316
Targeted rates		13	13	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-
<b>Total operating funding</b>	<b>(A)</b>	<b>3,886</b>	<b>4,193</b>	<b>4,316</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		2,933	3,193	2,958
Finance costs		-	-	(16)
Internal charges and overheads applied		940	987	1,219
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>3,873</b>	<b>4,180</b>	<b>4,161</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>13</b>	<b>13</b>	<b>154</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure—				
• to meet additional demand		-	-	138
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase (decrease) in reserves		13	13	16
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>13</b>	<b>13</b>	<b>154</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>(13)</b>	<b>(13)</b>	<b>(154)</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Funding impact statement for year 30 June 2023

## Communities

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		5,754	5,811	5,746
Targeted rates		3,123	3,245	3,359
Subsidies and grants for operating purposes		-	-	-
Fees and charges		80	82	459
Internal charges and overheads recovered		502	481	1,334
Local authorities fuel tax, fines, infringement fees, and other receipts		502	518	630
<b>Total operating funding</b>	<b>(A)</b>	<b>9,961</b>	<b>10,137</b>	<b>11,527</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		6,488	6,358	7,120
Finance costs		-	-	42
Internal charges and overheads applied		3,253	3,417	3,659
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>9,741</b>	<b>9,774</b>	<b>10,821</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>220</b>	<b>363</b>	<b>706</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		161	(229)	2,319
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>161</b>	<b>(229)</b>	<b>2,319</b>
<b>Applications of capital funding</b>				
Capital expenditure–				
• to meet additional demand		320	53	151
• to improve the level of service		85	51	33
• to replace existing assets		676	1,049	2,841
Increase (decrease) in reserves		( 700)	(1,020)	-
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>381</b>	<b>133</b>	<b>3,025</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>( 220)</b>	<b>(363)</b>	<b>(706)</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year 30 June 2023

## Recreation and open spaces

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		7,691	8,100	8,945
Targeted rates		215	432	-
Subsidies and grants for operating purposes		-	82	-
Fees and charges		20	21	346
Internal charges and overheads recovered		1,780	1,858	1,856
Local authorities fuel tax, fines, infringement fees, and other receipts		1,339	1,166	1,815
<b>Total operating funding</b>	<b>(A)</b>	<b>11,045</b>	<b>11,659</b>	<b>12,962</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		6,017	6,387	8,299
Finance costs		-	-	(241)
Internal charges and overheads applied		2,941	3,075	3,249
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>8,958</b>	<b>9,462</b>	<b>11,307</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>2,087</b>	<b>2,196</b>	<b>1,654</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		919	1,122	-
Development and financial contributions		2,576	4,613	2,973
Increase (decrease) in debt		552	1,600	5,013
Gross proceeds from sale of assets		-	-	(265)
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>4,047</b>	<b>7,335</b>	<b>7,721</b>
<b>Applications of capital funding</b>				
Capital expenditure–				
• to meet additional demand		2,309	2,303	5,939
• to improve the level of service		1,879	2,855	2,278
• to replace existing assets		1,788	4,379	1,158
Increase (decrease) in reserves		158	(6)	-
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>6,134</b>	<b>9,532</b>	<b>9,375</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>(2,087)</b>	<b>(2,196)</b>	<b>(1,654)</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year 30 June 2023

## Regulatory services

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		4,496	4,866	4,143
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		7,224	7,424	7,212
Internal charges and overheads recovered		1,058	1,218	811
Local authorities fuel tax, fines, infringement fees, and other receipts		274	280	168
<b>Total operating funding</b>	<b>(A)</b>	<b>13,052</b>	<b>13,789</b>	<b>12,334</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		8,437	8,778	6,594
Finance costs		-	-	(8)
Internal charges and overheads applied		4,603	4,913	5,586
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>13,040</b>	<b>13,691</b>	<b>12,172</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>12</b>	<b>98</b>	<b>162</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure–				
• to meet additional demand		-	-	32
• to improve the level of service		-	31	-
• to replace existing assets		-	-	-
Increase (decrease) in reserves		12	67	130
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>12</b>	<b>98</b>	<b>162</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>(12)</b>	<b>(98)</b>	<b>(162)</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year 30 June 2023

## Stormwater

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		700	718	704
Targeted rates		4,619	4,765	4,724
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	5
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	3
<b>Total operating funding</b>	<b>(A)</b>	<b>5,319</b>	<b>5,484</b>	<b>5,435</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		1,197	1,259	1,019
Finance costs		-	-	707
Internal charges and overheads applied		771	804	889
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>1,968</b>	<b>2,064</b>	<b>2,616</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>3,351</b>	<b>3,420</b>	<b>2,819</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,600	1,676	712
Increase (decrease) in debt		2,649	6,409	(888)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		300	310	649
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>4,549</b>	<b>8,395</b>	<b>473</b>
<b>Applications of capital funding</b>				
Capital expenditure–				
• to meet additional demand		3,251	4,132	1,588
• to improve the level of service		310	1,337	351
• to replace existing assets		417	3,643	1,353
Increase (decrease) in reserves		3,922	2,702	-
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>7,900</b>	<b>11,815</b>	<b>3,292</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>(3,351)</b>	<b>(3,420)</b>	<b>(2,819)</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year 30 June 2023

## Transportation

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		50	52	-
Targeted rates		14,695	16,072	16,502
Subsidies and grants for operating purposes		9,935	10,324	21,053
Fees and charges		10	10	380
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		261	270	8
<b>Total operating funding</b>	<b>(A)</b>	<b>24,951</b>	<b>26,728</b>	<b>37,943</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		11,260	13,395	16,615
Finance costs		-	-	(353)
Internal charges and overheads applied		1,351	1,415	1,677
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>12,611</b>	<b>14,810</b>	<b>17,939</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>12,340</b>	<b>11,918</b>	<b>20,004</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		5,655	4,334	-
Development and financial contributions		3,089	3,663	3,454
Increase (decrease) in debt		50	1,697	(8,518)
Gross proceeds from sale of assets		-	-	32
Lump sum contributions		1,400	1,445	946
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>10,194</b>	<b>11,140</b>	<b>(4,085)</b>
<b>Applications of capital funding</b>				
Capital expenditure–				
• to meet additional demand		19,095	19,033	14,958
• to improve the level of service		6,725	8,469	961
• to replace existing assets		3,205	4,294	-
Increase (decrease) in reserves		( 6,491)	(8,738)	-
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>22,534</b>	<b>23,058</b>	<b>15,919</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>( 12,340)</b>	<b>(11,918)</b>	<b>(20,004)</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year 30 June 2023

## Water supply

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		-	-	-
Targeted rates		11,750	12,041	13,826
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	527
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		47	42	172
<b>Total operating funding</b>	<b>(A)</b>	<b>11,797</b>	<b>12,082</b>	<b>14,525</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		6,313	6,775	7,378
Finance costs		-	-	1,116
Internal charges and overheads applied		2,392	2,478	2,691
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>8,705</b>	<b>9,253</b>	<b>11,185</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>3,092</b>	<b>2,829</b>	<b>3,340</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		100	468	-
Development and financial contributions		2,045	2,122	1,656
Increase (decrease) in debt		4,865	3,881	172
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		200	207	389
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>7,210</b>	<b>6,678</b>	<b>2,216</b>
<b>Applications of capital funding</b>				
Capital expenditure–				
• to meet additional demand		5,787	4,726	2,446
• to improve the level of service		995	805	939
• to replace existing assets		2,052	2,961	2,171
Increase (decrease) in reserves		1,468	1,016	-
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>10,302</b>	<b>9,508</b>	<b>5,556</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>(3,092)</b>	<b>(2,829)</b>	<b>(3,340)</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year 30 June 2023

## Natural environment and sustainable living

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		358	382	459
Targeted rates		573	592	607
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-
<b>Total operating funding</b>	<b>(A)</b>	<b>931</b>	<b>974</b>	<b>1,066</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		1,154	1,204	1,369
Finance costs		-	-	(75)
Internal charges and overheads applied		77	80	96
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>1,231</b>	<b>1,284</b>	<b>1,390</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>(300)</b>	<b>(310)</b>	<b>(324)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	146
Increase (decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>-</b>	<b>-</b>	<b>146</b>
<b>Applications of capital funding</b>				
Capital expenditure–				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase (decrease) in reserves		(300)	(310)	(178)
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>(300)</b>	<b>(310)</b>	<b>(178)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>300</b>	<b>310</b>	<b>324</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year 30 June 2023

## Wastewater

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		-	-	-
Targeted rates		11,681	12,041	12,854
Subsidies and grants for operating purposes		-	-	-
Fees and charges		2	2	346
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		48	49	215
<b>Total operating funding</b>	<b>(A)</b>	<b>11,731</b>	<b>12,092</b>	<b>13,415</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		5,744	5,885	6,975
Finance costs		-	-	1,727
Internal charges and overheads applied		2,130	2,207	2,243
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>7,874</b>	<b>8,092</b>	<b>10,944</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>3,857</b>	<b>4,000</b>	<b>2,471</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	1,033	200
Development and financial contributions		1,911	1,960	1,688
Increase (decrease) in debt		2,422	5,475	(3,201)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		340	351	413
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>4,673</b>	<b>8,819</b>	<b>(900)</b>
<b>Applications of capital funding</b>				
Capital expenditure –				
• to meet additional demand		3,810	6,577	(322)
• to improve the level of service		100	10	1,592
• to replace existing assets		2,025	7,178	301
Increase (decrease) in reserves		2,595	(946)	-
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>8,530</b>	<b>12,819</b>	<b>1,571</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>( 3,857)</b>	<b>(4,000)</b>	<b>(2,471)</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Funding impact statement for year 30 June 2023

## Solid waste

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		122	134	262
Targeted rates		3,350	3,629	3,155
Subsidies and grants for operating purposes		173	179	512
Fees and charges		771	798	498
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		37	37	135
<b>Total operating funding</b>	<b>(A)</b>	<b>4,453</b>	<b>4,777</b>	<b>4,561</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		4,494	4,816	3,483
Finance costs		-	-	(97)
Internal charges and overheads applied		648	670	796
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>5,142</b>	<b>5,486</b>	<b>4,182</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>( 689)</b>	<b>(709)</b>	<b>380</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		200	981	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		-	-	(380)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>200</b>	<b>981</b>	<b>(380)</b>
<b>Applications of capital funding</b>				
Capital expenditure–				
• to meet additional demand		-	-	-
• to improve the level of service		200	981	-
• to replace existing assets		-	-	-
Increase (decrease) in reserves		( 689)	(708)	-
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>( 489)</b>	<b>273</b>	<b>-</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>689</b>	<b>708</b>	<b>(380)</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year 30 June 2023

## Economic development

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		737	753	301
Targeted rates		367	379	325
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-
<b>Total operating funding</b>	<b>(A)</b>	<b>1,104</b>	<b>1,132</b>	<b>626</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		744	760	712
Finance costs		-	-	(37)
Internal charges and overheads applied		56	59	99
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>800</b>	<b>818</b>	<b>774</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>304</b>	<b>314</b>	<b>(148)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure–				
• to meet additional demand		564	479	242
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase (decrease) in reserves		(260)	(164)	(166)
Increase (decrease) of investments		-	-	(224)
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>304</b>	<b>314</b>	<b>(148)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>(304)</b>	<b>(314)</b>	<b>148</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Funding impact statement for year 30 June 2023

## Support services

		Long Term Plan 2021/22 \$'000	Long Term Plan 2022/23 \$'000	Actual 2022/23 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		4,642	5,187	2,473
Targeted rates		1,474	1,474	1,491
Subsidies and grants for operating purposes		-	-	-
Fees and charges		311	320	114
Internal charges and overheads recovered		19,870	20,796	22,984
Local authorities fuel tax, fines, infringement fees, and other receipts		985	1,014	1,989
<b>Total operating funding</b>	<b>(A)</b>	<b>27,282</b>	<b>28,791</b>	<b>29,051</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		22,437	23,138	27,612
Finance costs		3,675	4,651	1,380
Internal charges and overheads applied		3,014	3,167	3,262
Other operating funding applications		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>29,126</b>	<b>30,956</b>	<b>32,254</b>
<b>Surplus (deficit) of operating funding</b>	<b>(A-B)</b>	<b>(1,844)</b>	<b>(2,165)</b>	<b>(3,203)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		2,701	19,167	15,780
Gross proceeds from sale of assets		-	-	693
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total capital funding</b>	<b>(C)</b>	<b>2,701</b>	<b>19,167</b>	<b>16,473</b>
<b>Applications of capital funding</b>				
Capital expenditure–				
• to meet additional demand		369	225	246
• to improve the level of service		799	822	654
• to replace existing assets		1,289	2,099	2,945
Increase (decrease) in reserves		(4,781)	9,725	9,425
Increase (decrease) of investments		3,181	4,131	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>857</b>	<b>17,002</b>	<b>13,270</b>
<b>Surplus (deficit) of capital funding</b>	<b>(C-D)</b>	<b>1,844</b>	<b>2,165</b>	<b>3,203</b>
<b>Funding balance</b>	<b>((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Waitekohekohe Opening, Katikati

Photographer: Anna Menendez