



ANNUAL — REPORT —

For Year Ended 30 June 2017



Western Bay of Plenty
District Council



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OUR DISTRICT

OUR HISTORY

The Western Bay of Plenty has a long history of settlement by Māori. The western area of the District (Tauranga Moana) was occupied by the iwi of Ngati Ranginui, Ngaiterangi and Ngati Pukenga from the waka Takitumu and Mataatua. Te Arawa descendants from the waka Te Arawa inhabited much of the eastern area of the District and south to Rotorua.

Traders and missionaries were among the first European settlers who developed communities at Maketu and Tauranga. George Vesey Stewart founded Ulster settlements at both Katikati in 1875 and Te Puke in 1880. Tauranga, Te Puke and Katikati formed the nucleus for subsequent expansion of European pastoral farms. Te Puke and Katikati have grown steadily over the years and are the largest settlements in the District.



OUR PEOPLE

Western Bay of Plenty District is one of the faster growing areas in New Zealand with its current 2018 estimated population of just over 49,000 people expected to reach around 58,300 by 2033. Between the 2006 and 2013 censuses, the population of the District grew by 4.5%; it is estimated that the population will grow by 6.8% in 2018. Most of this growth has come from migration from other parts of New Zealand.

AT A GLANCE (2013 CENSUS)

- Of the District's population 18% identify themselves as Māori, which is a little lower than the national average of 19%.
- 19% of residents in the District are over 65 years old, higher than the national average of 14%.
- Unlike the rest of New Zealand the most common family type in the District is couples without children (50%), reflecting the older age structure of the population.
- The average household size in the District is slightly lower at 2.6 than the national average of 2.7.
- In 2013 there were 16,941 occupied dwellings in the Western Bay of Plenty District, an increase of 1,284 dwellings or 8% compared with the 2006 Census.
- Overall the District has a lower level of socio-economic deprivation than the country as a whole.
- District residents had a lower than the national average personal income of \$26,300, compared to the national average income of \$28,500 in 2013.
- 70% of the District's residents own their own home, compared with 65% nationally.
- Weekly average rent is considerably lower than nationally (\$250 compared to \$280 nationally, based on 2013 census data).

OUR ENVIRONMENT

The Western Bay of Plenty District surrounds Tauranga, a fast-growing city of 115,000 people. The District covers 212,000 hectares of coastal, rural and urban areas. Almost half of the District is covered by forest, both planted (12.8%) and indigenous (35.4%) and a further 40% is pastoral land. Less than 1% of the total area of the District is urban and includes the townships of Waihi Beach, Katikati, Omokoroa, Te Puna, Te Puke and Maketu. Smaller rural settlements are at Paengaroa, Pongakawa and Pukehina in the east and at Kauri Point, Tanners Point, Ongare, Tuapiro and Athenree in the western part of the District.

The District has a warm, sunny climate with an average of 1,900 - 2,300 sunshine hours per year with moderate rainfall of 1,200 - 2,400 mm per year. This diverse landscape, combined with a favourable temperate climate, provides an area rich in resources such as indigenous flora and fauna, highly versatile soils, rivers and harbours.

The land of the Western Bay of Plenty faces north-east to the sea. To the west are the rugged bush-covered Kaimai Ranges. Numerous streams drain the Kaimais, flowing down through the hills and coastal lowlands, into the swampy estuaries and mudflats of the Tauranga Harbour.

In the east, the Kaituna River drains the lakes of Rotorua and Rotoiti into the Maketu Estuary and out to sea, while smaller streams drain the eastern District into the Waihi Estuary.

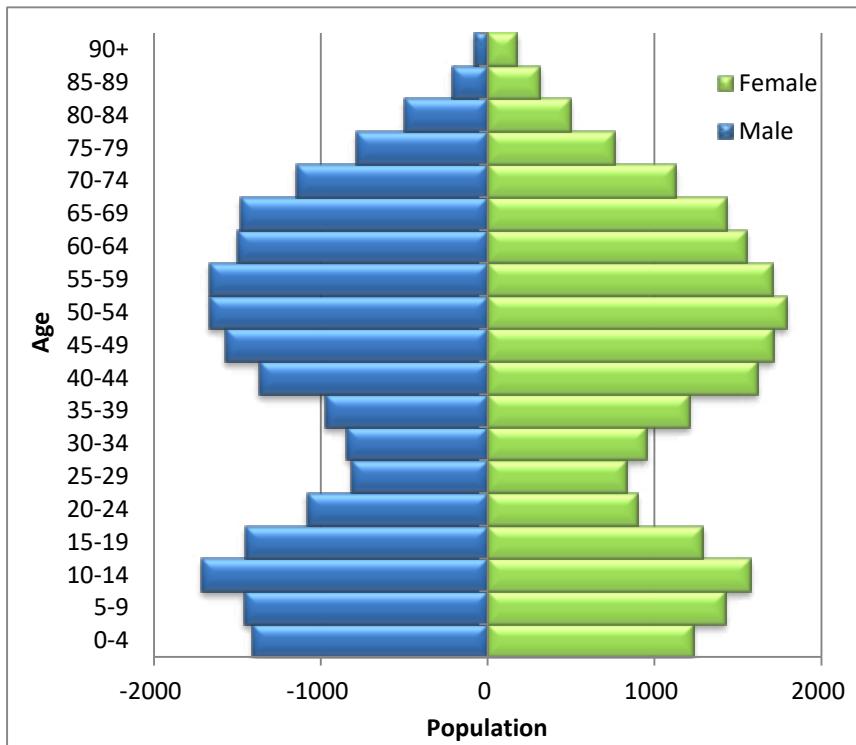
Matakana Island forms a natural barrier between Tauranga Harbour and the Pacific Ocean.

OUR ECONOMY

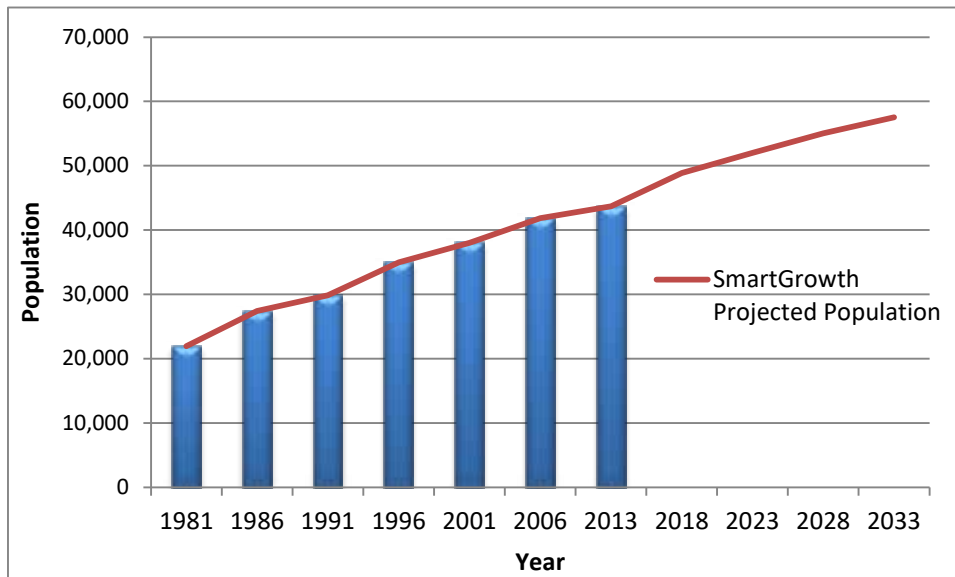
Agriculture and horticulture are the main economic drivers of the Western Bay of Plenty District and the greater Tauranga and Western Bay sub-region. These two primary sectors fuel a multitude of professional businesses and service industries, employing a diverse labour force. Our environment, soils and climate are not only attractive for agricultural production but are also a magnet for people wanting a relaxed outdoor lifestyle. We are close to the amenities of Tauranga, yet we retain a rural and small town atmosphere. Manufacturing, commerce and trades are also vital to the sub-region's economic growth.

Our District is three times more reliant on horticulture and agriculture for its economic output than New Zealand as a whole. This dependence presents challenges for the District, as well as opportunities. The outbreak of the kiwifruit vine disease Psa-V in November 2010 is an example of the risks associated with economic dependence on single crops.

Age sex distribution (as at the 2013 Census)



Population projection as at the 2013 Census



STATEMENT OF COMPLIANCE

Western Bay of Plenty District Council hereby confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.



Garry Webber
His Worship The Mayor
Western Bay of Plenty District



Miriam Taris
Chief Executive Officer
Western Bay of Plenty District Council

THE MAYOR'S INTRODUCTION

2016/17 has been a year of sustained growth for the Western Bay of Plenty District.

We're where we thought we would be at this time last year - our level of debt has gone down, growth is continuing, and Council's financial contributions have gone up.

These three factors mean that we can continue to manage our debt effectively, making sure we are financially sound and able to mitigate any short term setbacks.

The level of debt is a topic the community have told us they want Council to reduce and I'm pleased to say that we are doing this.

In 2016/17 we reduced our net debt by \$10.6m.

Population growth in the Western Bay is reflected in our rate payer base and our rateable income. In the last year rates income has grown by \$1.97m (3%) and based on the growth in subdivision consents and building activity this trend is expected to continue for the coming year.

With this increased demand on building services, Council has needed to increase the number of staff in the building consents area. While there is cost associated with increasing staff, this is offset by regulatory fee income which was \$687k (14%) ahead of forecast.

Ongoing growth means we can also continue with our capital works programme - recently we added the Ongare Point Wastewater scheme to this.

Over the coming year work will continue on other major projects such as Omokoroa Road, the building of the new Katikati Library, Service Centre and Community Hub, as well as the continuation of community development contracts with Waihi Beach Events and Promotions, Katch Katikati, Te Puke EDG and Epic Te Puke.

While we're increasing our amenities and working with businesses that add value to the District, we are continuing to identify areas that will cater for population growth without putting strain on our infrastructure - such as Katikati and Te Puke.

This focus will see the Western Bay of Plenty sustainably grow while continuing to be a fantastic place to live.



Garry Webber
His Worship the Mayor

In closing, Council's 2016/17 results show that we have made solid progress towards our goals and are in a strong position for the coming year.

Thanks go to my fellow elected members for their direction, Chief Executive Miriam Taris for her leadership, and all Council staff for their expertise and willingness to work as a team for the benefit of Western Bay of Plenty residents.

A handwritten signature in black ink that reads "Garry Webber". The signature is written in a cursive, flowing style.

Garry Webber
His Worship the Mayor
Western Bay of Plenty District Council



A DISTRICT FORGING AHEAD



Our economy is strong

6.0% GDP growth vs 2.5% national average in 2016



There are more jobs available

5.9% growth in employment vs 2.7% nationally in 2016



To sustain a thriving primary sector

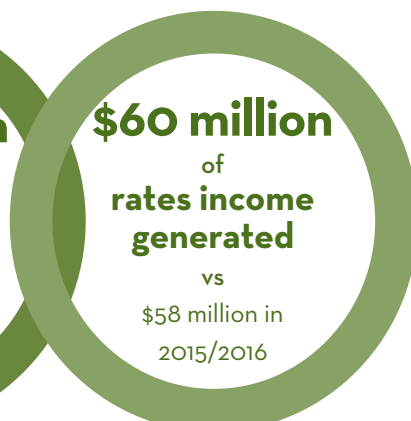
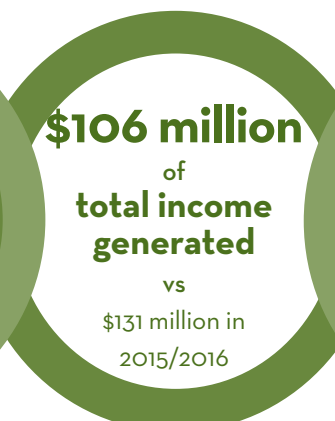
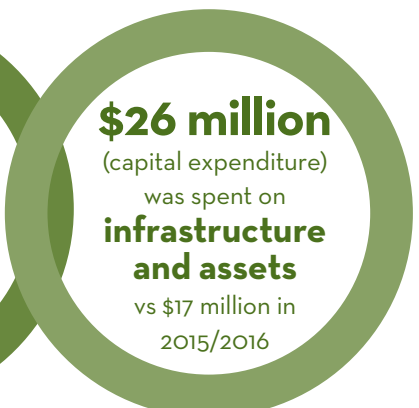
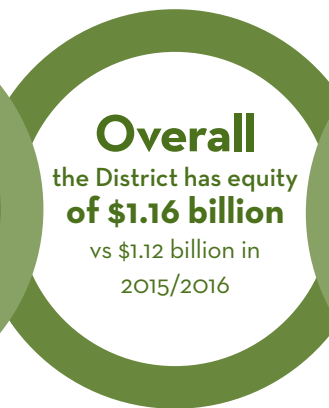
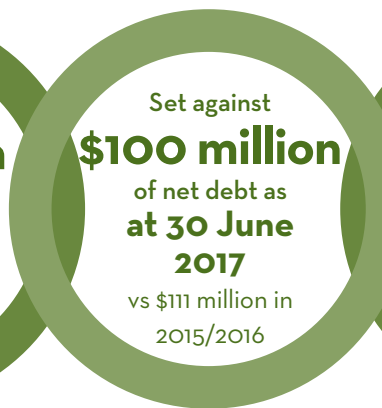
46 million trays of Zespri SunGold were sold in 2016/17 up 70% from 2015/16



And a burgeoning building industry

2016/2017 building consents issued to the value of \$255.3m vs \$243.5m in 2015/2016

PLAYING OUR PART

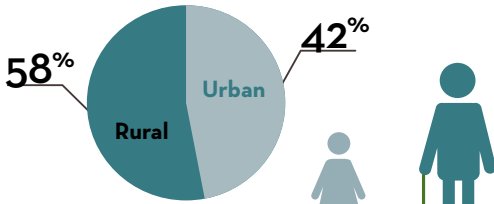


COUNCIL AT A GLANCE - KEY FACTS

OUR PEOPLE



Population 43,695



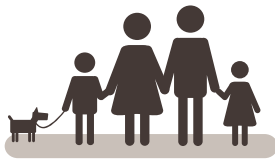
- 18% Māori
- Median age - 44.8 years



0-14 yrs
20%



65+ yrs
19%



OUR COMMUNITIES

- Rich tapestry of small thriving communities.
- Three wards - Katikati/Waihi Beach, Kaimai, Maketu/Te Puke.
- An incredibly strong sense of place, resilience and ability to adapt.
- An expectation to engage at a community level - grass roots, town hall, road side.



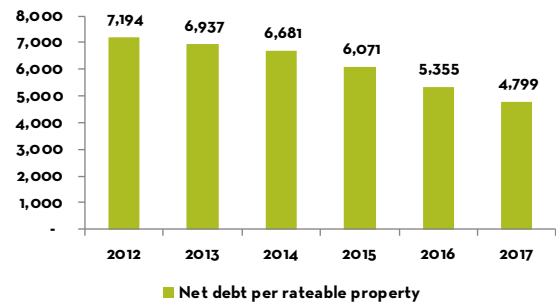
OUR LAND

- 212,000 hectares
- 202 kilometres of harbour
- 55 kilometres of ocean beach
- Outstanding soil conditions that grow a basket of 'super foods' - from Kiwifruit to some of the world's highest grade dairy, beef and lamb products



OUR DEBT

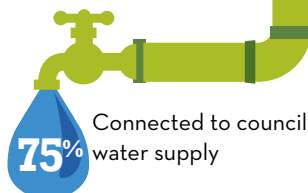
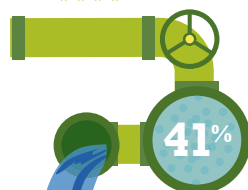
Net debt per rateable property



OUR CUSTOMERS



Ratepayers
20,884



Connected to council water supply

Connected to council wastewater treatment and disposal

- Travel on 122 kilometres of state highway and 1,057 kilometres of local roads

ROLE OF THIS ANNUAL REPORT

This Annual Report is provided to compare Western Bay of Plenty Council's actual performance for the year against what was forecast in the Long Term Plan or Annual Plan

PLANNING AND REPORTING FRAMEWORK

Under the Local Government Act 2002, a Local Authority must prepare and adopt the following documents:

LONG TERM PLAN (LTP)

(Section 93) identifies Western Bay Council's plans for the Western Bay over a 10 year period. It is reviewed every three years. Western Bay Council's latest LTP was agreed in 2015.

ANNUAL PLAN

(Section 95) is produced in the two intervening years between each LTP. It outlines any significant changes Council has made to the LTP and contains the annual budget.

ANNUAL REPORT

(Section 98) provides details of Council's actual performance for all activities against the plans for a specific year of the LTP or Annual Plan.

SUMMARY ANNUAL REPORT

(Section 98(4)(b)) provides a summary of information contained in Council's Annual Report.

BRINGING THE PLANNING PROCESS TOGETHER

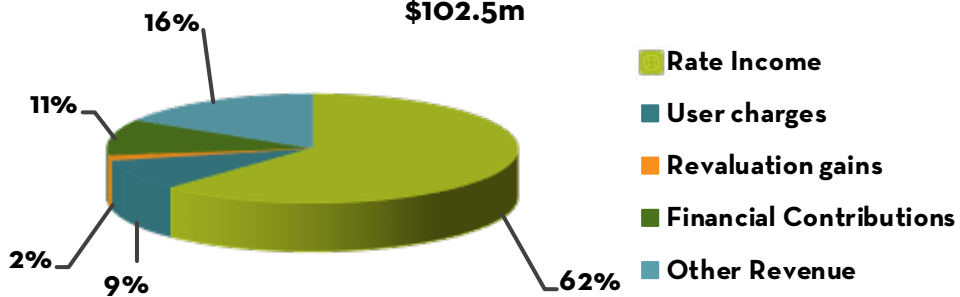


FINANCE SUMMARY OVERVIEW

Council has reported a net surplus of \$25.59million compared with a budgeted operating surplus of \$11.94 million. The major contributor to this increased surplus was financial contributions, vested assets and unrealised hedging movements.

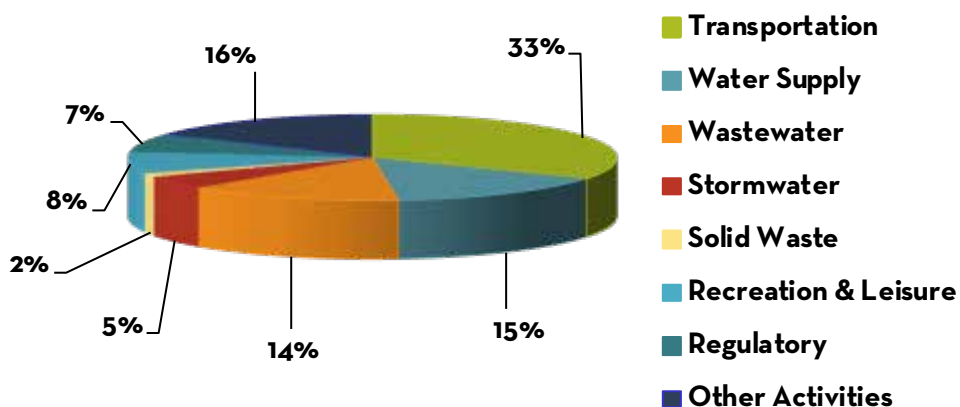
**Council Revenue 2016/17
(excluding vested assets)**

\$102.5m



Council Capital and Operating Expenditure 2016/17

\$80.4m



CHAPTER ONE

Overview



CHAPTER ONE

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OVERVIEW OF COUNCIL'S PERFORMANCE

FIVE YEAR SUMMARY - FINANCIAL OVERVIEW

COUNCIL'S FIVE YEAR FINANCIAL PERFORMANCE SUMMARY

	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000
Rate revenue (excluding water by meter)	50,014	54,017	55,500	58,416	59,892
Vested assets revenue	1,345	979	720	42,408	3,658
Financial contributions revenue	4,833	4,177	2,607	7,862	10,993
Total expenditure	74,578	78,110	94,619	83,388	80,454
Total operating revenue	80,119	83,889	105,026	131,146	106,247
Operating surplus/(deficit)	5,541	6,124	10,338	47,733	25,587
Capital expenditure	15,424	18,378	15,449	17,142	26,826
Working capital/(deficit)	(15,478)	(4,425)	(12,104)	(17,068)	(12,663)
Total external debt	174,505	156,003	138,000	128,000	150,000
Net external debt	140,023	134,970	125,187	110,819	100,221
Fixed assets (net book value)	1,116,531	1,102,494	1,200,946	1,239,804	1,248,923
Short term investments	-	-	-	-	35,000
Cash on hand	9,482	21,033	12,813	17,181	14,779

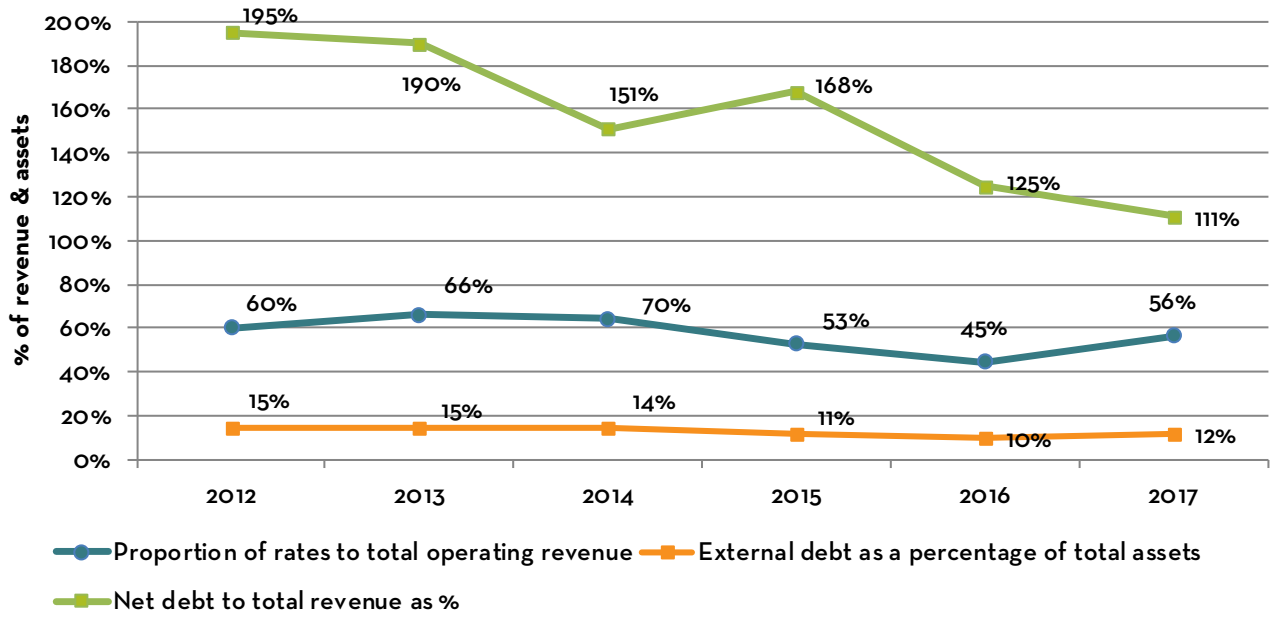
COUNCIL'S FIVE YEAR FINANCIAL STATISTICS SUMMARY

	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000
¹ Proportion of rates to revenue	68%	70%	72%	45%	56%
Total external debt as a percentage of total assets	15%	14%	11%	10%	12%
External debt per rateable property (\$'000s)	8.65	7.72	6.69	6.19	7.18
Net external debt per rateable property (\$'000)	6.94	6.67	6.07	5.35	4.80
² Net debt to revenue as a percentage	190%	151%	168%	125%	111%
Total capital value of rating units within the District (\$m)	12,525	12,594	14,207	14,820	14,820
Total land value of rating units within the District (\$m)	7,216	7,216	7,828	7,851	7,851
Rateable properties	20,185	20,207	20,621	20,696	20,884

¹Restated. Now agrees with Rates Income (affordability) Benchmark Revenue which excludes financial contributions, gains and vested assets (refer to page 22).

²Restated. Now agrees with Debt Affordability Benchmark Revenue which excludes financial contributions, gains and vested assets (refer to page 26).

TREASURY RATIOS



This graph shows that for each rateable property in the District there was \$4,799 of net debt at 30 June 2017 this is a reduction of \$556 per property.

SERVICE DELIVERY PERFORMANCE

Council has structured its activities into 12 groups which comprise a total of 32 activities. The 12 Activity Groups provide the main means of delivering Council's services and work programmes. Our Achievements section of this document (from page 34 provides a detailed assessment of how well Council's activities performed during 2016/17).

PERFORMANCE AGAINST 2016/17 TARGETS

The LTP 2015 - 2025 identifies performance measures and targets for each activity. These measures reflect the diversity of the activities and were developed from a range of sources. Opportunities to benchmark Council activities with other local authorities or external agencies have been used where data is available.

Our Achievements section (from page 34) provides detailed financial and non-financial results for each activity. A summary of Council's performance against the 2016/17 targets is shown in the table below.

ACTIVITY GROUP	TARGET MET	PARTIAL MET*	NOT MET	NOT MEASURED	TOTAL
Representation	11	4	3		18
Planning for future	4	1	-	1	6
Communities	16	3	1	1	21
Recreation and Leisure	9	6	-	2	17
Regulatory services	5	2	5		12
Transportation	7	6	-		13
Water supply	13	1	-		14
Stormwater	13	-	1		14
Natural environment	2	1	2		5
Wastewater	7	-	3		10
Solid waste	6	-	1		7
Economic	5	1	1	1	8
TOTAL	98	25	17	5	145

Target Met	Target has been achieved.
Partial Met	Target has not been fully achieved, it is within 5% of target.
Not Met	Target was not achieved.
Not Measured	No survey or review required during the financial year.

REPORT ON DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO DECISION MAKING 2016/2017

ON-GOING PROCESSES

Māori representation arrangements	Tauranga Moana / Te Arawa ki Takutai Partnership Forum	Following the local government elections held in 2016, iwi and hapū members were asked to confirm their mandate to participate in the Partnership Forums. There were very few responses to this request so Council leadership went about engaging with iwi and hapū to confirm their desire for strong relationships with iwi and hapū and to gauge their views on the best representation model going forward. As a result iwi and hapū confirmed their desire for a strong relationship with Council at both a governance and operational level. As a result the Partnership Forums were reconvened as a single entity as opposed to the two forums in the previous triennium. The strategic plan Te Ara Mua, was developed by the Partnership Forums outlining issues of significance for iwi and hapū and how they will work with Council to address them. This document forms the basis of the work program for the Partnership Forum going forward.
Formal relationship agreements	Te Arawa Māori Trust Board Maketu Committee	Te Arawa Māori Trust Board is not part of the newly established Partnership Forums.
Engagement with Māori communities	Tangata Whenua Consultation Guidelines	The Workforce Development and Cultural Advisor is in the process of reviewing the guidelines and protocols and how they are being used by staff members.
	Consultation Protocols	The Takawaenga unit (Māori Relationships and Engagement Advisor and Workforce Development and Cultural Advisor) are currently in the process of delivering the third phase of training to all staff, this third phase being on tikanga Māori including appropriate engagement with Tangata Whenua.
	Consideration of Māori Interests - Roding	Status quo.

ON-GOING PROCESSES

<p>Building relationships with our Māori communities</p>	<p>Marae Maintenance Fund</p>	<p>The Takawaenga Unit works closely with staff on issues requiring engagement with our Māori communities ensuring that we provide appropriate support. The unit also acts as a conduit for our Māori Communities as a means of building confidence for members of that community to engage with staff.</p> <p>A working example of this support can be seen in Council's recent application for a renewal of the Discharge Consents for Te Puke and Katikati Wastewater Treatment Plants. The Takawaenga Unit worked closely with staff involved in those applications as the Maori communities within those two areas were heavily involved in progressing the respective consent applications.</p> <p>Māori communities typically use Marae for community purposes (as opposed to community halls) despite paying the community hall rates. In recognition of this, the Marae Maintenance Fund provides a contestable fund for those Marae that have interests in Council's district to get financial support for maintenance work on their Marae. The fund is currently \$33,000.00 per annum.</p>
<p>Co-management regimes</p>	<ul style="list-style-type: none"> • Papamoa Hills Cultural Heritage Regional Park • TECT All Terrain Park • Panepane Point 	<p>Council is represented on Te Maru o Kaituna (the statutory co-governance established over the Kaituna River).</p> <p>Council will be represented on the Tauranga Moana Harbour co-governance body which has yet to be established.</p> <p>Council is continuing to work towards an agreement that would provide for the transfer of ownership of Panepane/ Purakau to an entity representative of relevant tangata whenua subject to certain principles being agreed including the retention of access to harbour navigational aids and that the land be used for protecting the harbour from erosion.</p> <p>A Panepane project group was established to progress the above resolution. This project group is made up of Council staff and representatives of the five hapū of Matakana and Rangiwaewa Islands. Work on this matter is ongoing and will ultimately involve a formal community consultation process.</p>

ON-GOING PROCESSES

SmartGrowth	Combined Tangata Whenua (CTWF)	<p>The Māori Relationships and Engagement Advisor provides support to the SmartGrowth Combined Tangata Whenua Forum, through attendance at meetings and advocating within Council relevant issues raised by the Forum.</p> <p>The Māori Relationships and Engagement Advisor together with colleagues from Tauranga City Council (TCC) and Bay of Plenty Regional Council (BOPRC) meets with CTWF members that are on the SmartGrowth implementation committee to provide support to those members where needed.</p>
Policy Development	Input to reviews of policies and strategies through Māori Forum workshops.	<p>Te Ara Mua has identified opportunities for policy development in line with the scope of the Partnership Forums' responsibilities.</p> <p>Council is progressing a Road Naming policy with input from iwi and hapū. The policy will be socialised at the first meeting of the Partnership Forum.</p> <p>Council is progressing a policy that considers using Council land to provide for the establishment of Urupa.</p> <p>Both of the above policies are in line with policy imperatives identified in Te Ara Mua.</p>
Strategic Planning	Hapū and Iwi management plans	<p>Council continues to support the development of Hapū and Iwi Management Plans through the provision of funding for this purpose.</p> <p>Council is in the process of developing clear procedural guidelines about the development and implementation of these plans, ensuring that iwi and hapū are involved in the process to ensure expectations are aligned.</p>

ANNUAL REPORT DISCLOSURE STATEMENT

ANNUAL REPORT DISCLOSURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

What is the purpose of this statement

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

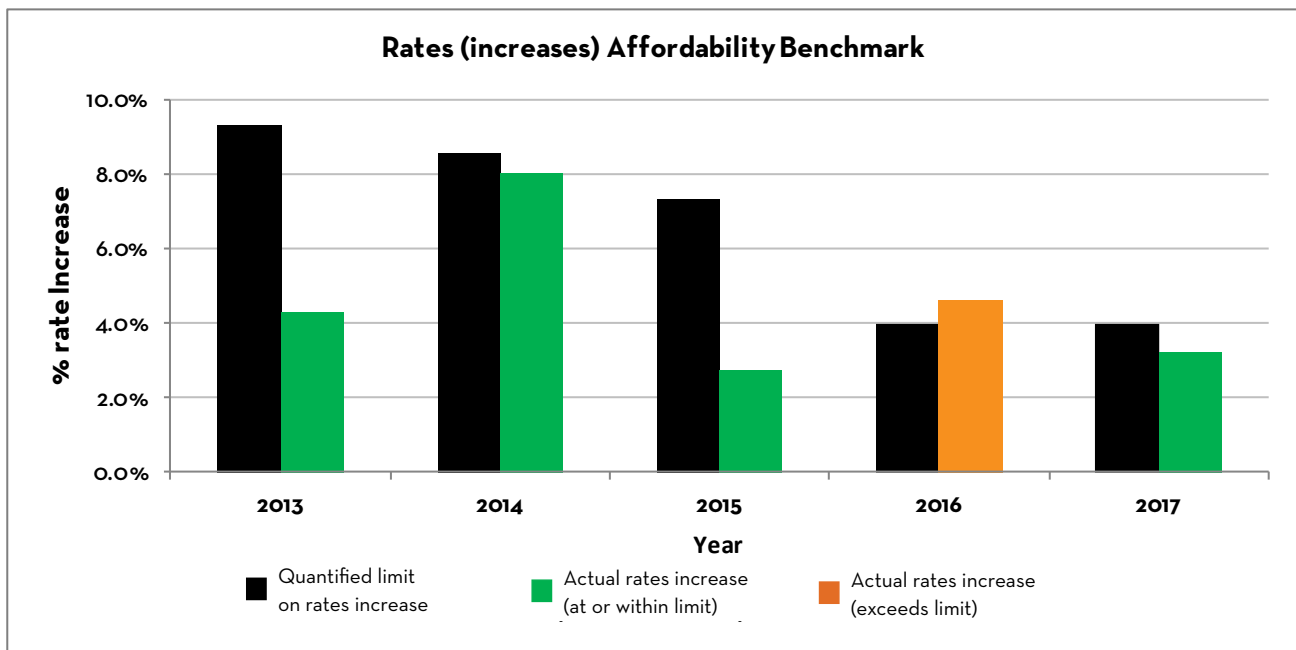
Page 26 provides a breakdown of how these benchmarks were calculated for 2016 and 2017.

Rates Affordability Benchmark

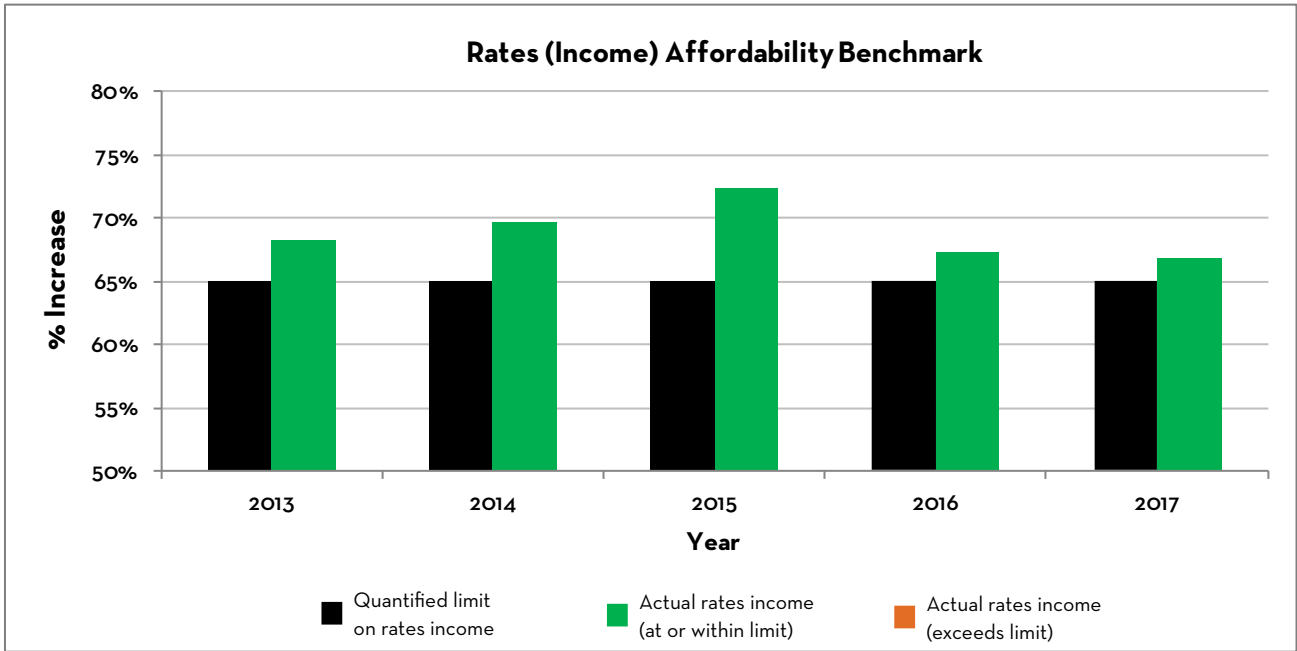
The Council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit for 2017 is 4%.



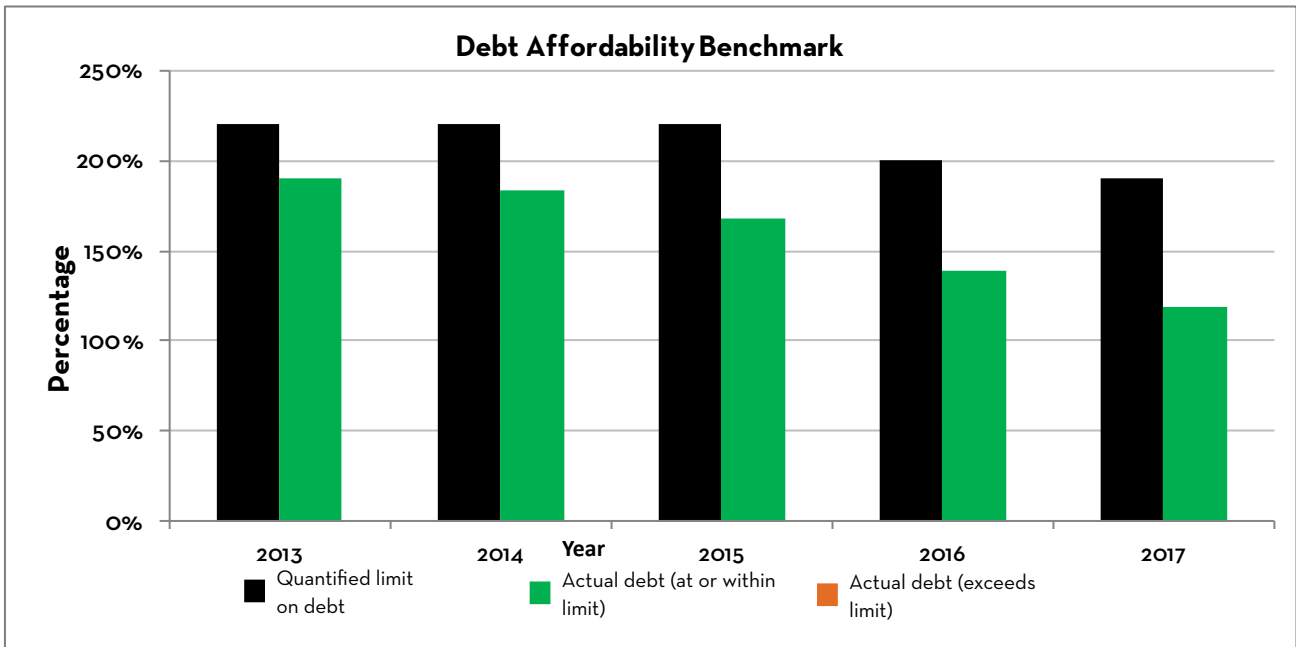
The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is that rates will be at least 65% of revenue. Revenue is defined as total revenue as per the Statement of Comprehensive Revenue and Expenditure less Financial Contributions, Gains and Vested Assets.



Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

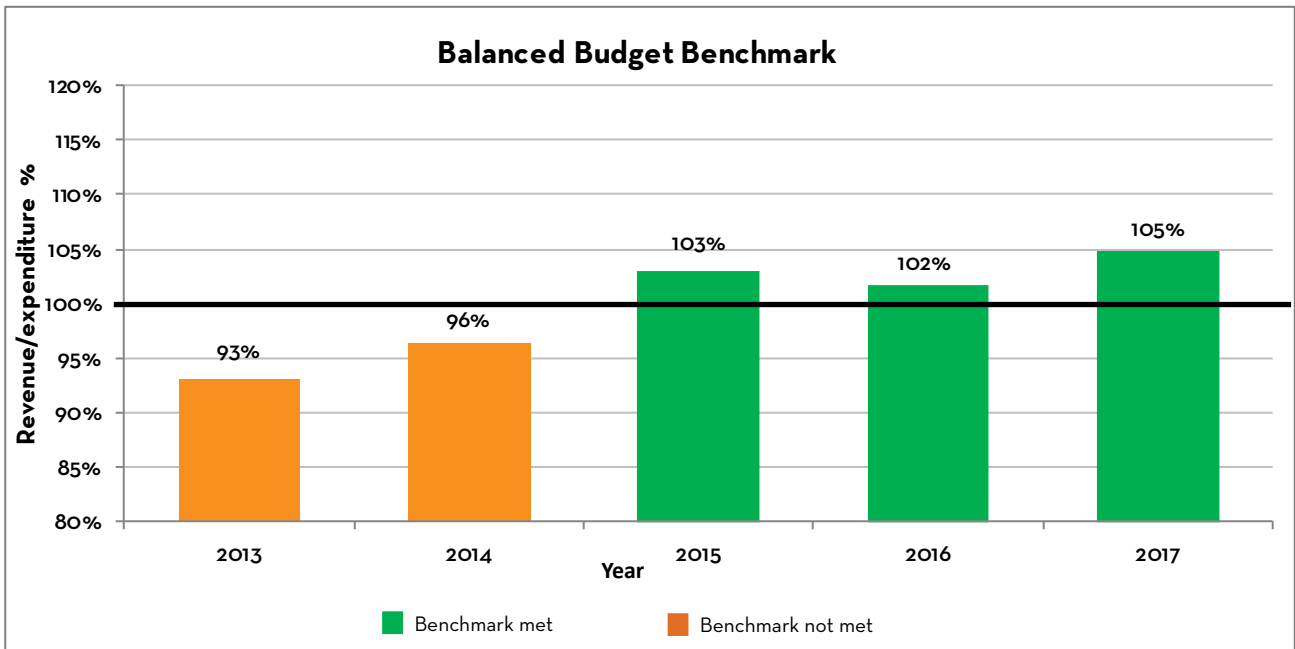
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is that debt will not exceed 190% of revenue in 2017, reduced from 200% in previous years.



Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

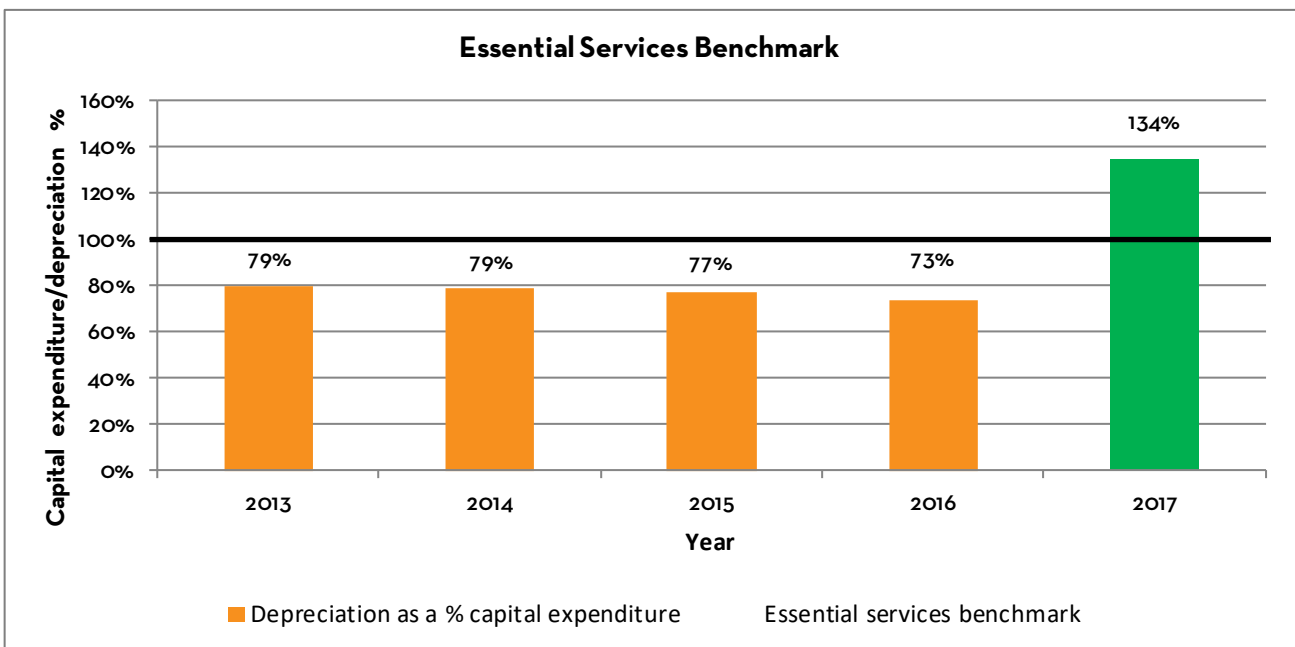
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

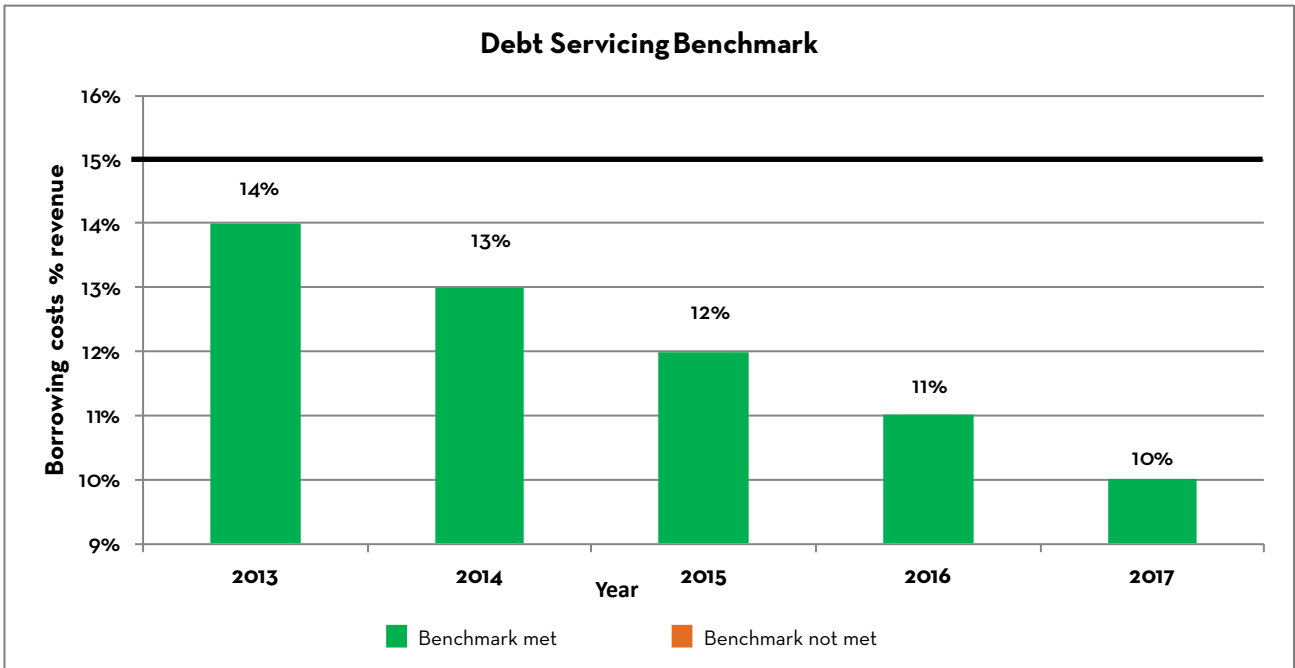
The Council meets this benchmark if its capital expenditure on network services (being; transportation, water, wastewater and Stormwater) equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

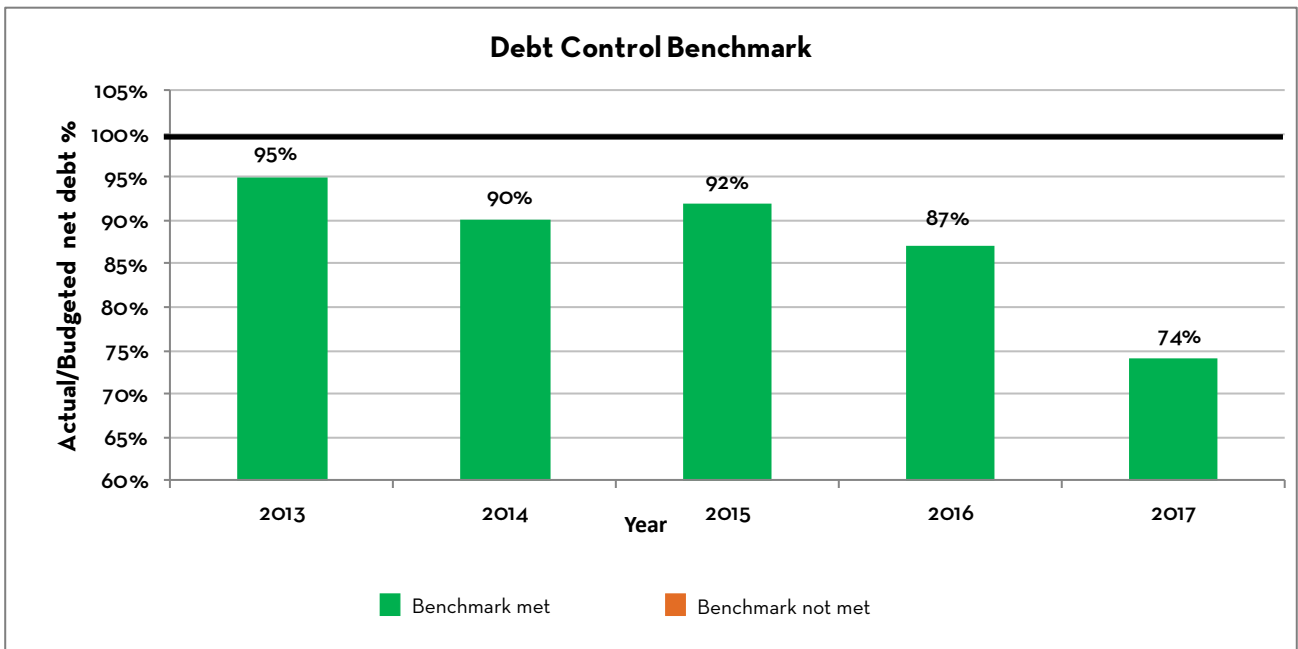
Because Statistics New Zealand projects the council's population will grow faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

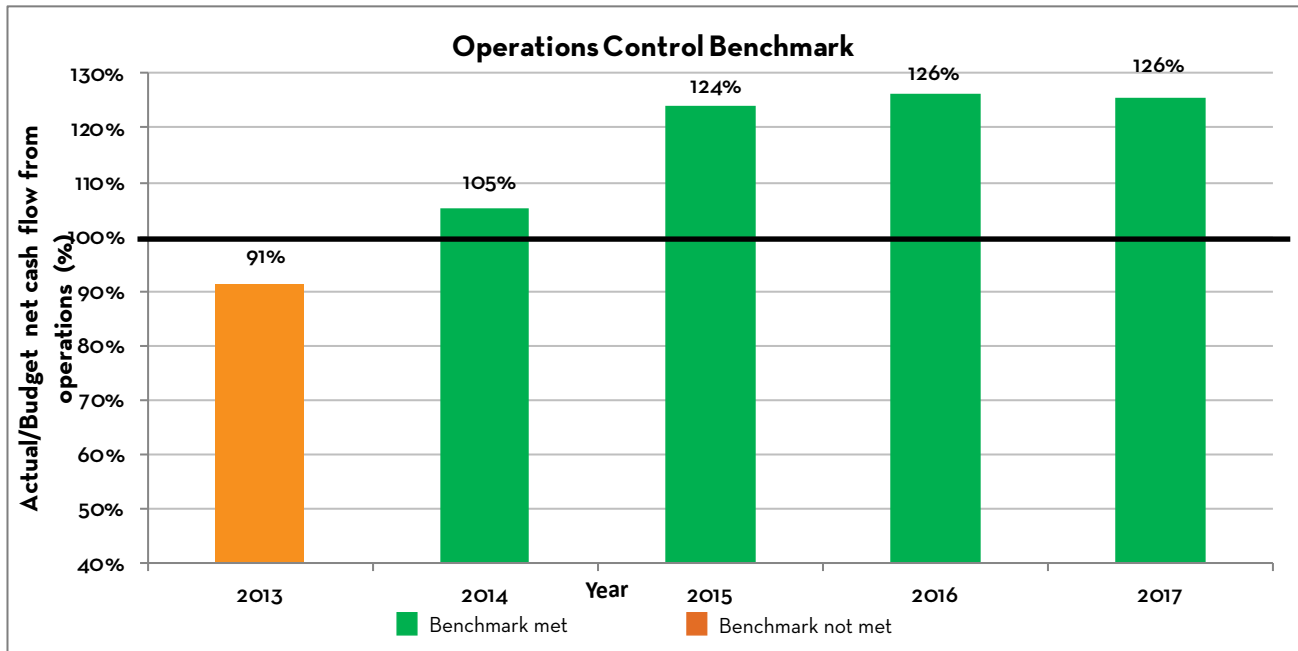
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Additional information

Increased properties in the District and increased values of these properties has contributed to a 2.5% increase in rates income over the 2017 financial year. Rating penalties have been removed from the calculations as these are the result of non-payment of rates rather than an actual charge made up front.

The balanced budget benchmark was not met in 2013. This is due to the exclusion of financial contribution revenue from the benchmark. Had this income been included Council would have complied with the benchmark in all years.

The essential services benchmark was not met in 2013, 2014, 2015 and 2016. This was due to the completion of large scale infrastructure works in previous years, with the majority of works undertaken being renewals. In addition some growth related capital works were deferred as they were not required.

Debt control benchmark lower than previous years due to debt funded capex being deferred to later years due to weather and limited resources.

DISCLOSURE STATEMENT CALCULATIONS

	ACTUAL \$'000	ACTUAL \$'000
	2016	2017
Rates income	58,416	63,657
Penalty rates	(1,250)	(1,272)
Rates income excluding penalties	57,166	62,385
Rates affordability benchmark	4.6%	3.2%
Rates income	58,416	63,657
Total revenue	131,146	106,247
less - vested assets	(42,408)	(3,658)
less - unrealised income	(692)	(5,777)
less - gains	(1,079)	(1,542)
Revenue for benchmark	82,116	95,270
Rates income affordability benchmark	67%	67%
Total revenue	131,146	106,247
Less financial contributions	(7,862)	(10,993)
Less gains	(1,079)	(1,542)
Less vested assets	(42,408)	(3,658)
Less - unrealised income	-	(5,777)
Revised revenue	79,798	84,277
Total external debt	128,000	150,000
Less short term Investments	-	(35,000)
Less cash	(17,181)	(14,779)
Net borrowings	110,819	100,221
Debt affordability benchmark	139%	119%
Total revenue	131,146	106,247
Less - financial contributions	(7,862)	(10,993)
Less - vested assets	(42,408)	(3,658)
Less - revaluation adjustments	(1,079)	(1,542)
Less - unrealised income	-	(5,777)
Revenue for benchmark	79,798	84,277
Total expenditure	83,388	80,454
Less - revaluation adjustments	(124)	-
Less - unrealised interest/derivative loss	(4,851)	-
Expenditure for benchmark	78,413	80,454
Balanced budget benchmark	102%	105%
Capital expenditure		
Roading	6,639	13,970
Water	4,142	4,982
Wastewater	1,436	1,258
Stormwater	217	1,244
Total capital expenditure	12,433	21,454
Depreciation expense		
Roading	9,452	8,381
Water	2,828	2,929
Wastewater	3,501	3,783
Stormwater	1,156	1,144
Total depreciation	16,936	16,237
Essential services benchmark	73%	132%

	ACTUAL	ACTUAL
	\$'000	\$'000
	2016	2017
Total revenue	131,146	106,247
Less - financial contributions	(7,862)	(10,993)
Less - vested assets	(42,408)	(3,658)
Less - revaluation adjustments	(1,079)	(1,542)
Less - derivative gains	-	(5,777)
Revenue for benchmark	79,798	84,277
Interest expense	8,709	8,246
Debt servicing benchmark	11%	10%
Actual		
Liabilities		
Debt	128,000	150,000
Payables	11,413	14,548
Interest rate swaps	14,797	9,655
Assets		
Cash	(17,181)	(14,779)
Investment	(3,466)	(38,825)
Financial assets	(1,698)	(10,273)
Actual net debt	131,865	110,327
Budget		
Liabilities		
Debt	148,003	135,000
Payables	10,855	12,885
Interest rate swaps	3,831	9,946
Assets		
Cash	(5,940)	(2,895)
Investments	(3,357)	(3,469)
Financial assets	(957)	(2,673)
Budget net debt	152,435	148,794
Debt control benchmark	87%	74%
Budgeted cashflow from operations	23,752	28,785
Actual cashflow from operations	30,012	36,155
Operations control benchmark	126%	126%

AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Western Bay of Plenty District Council's annual report for the year ended 30 June 2017

The Auditor-General is the auditor of Western Bay of Plenty District Council (District Council). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 21 September 2017. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 129 to 194:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2017;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 195 to 196, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the Service Performance results on pages 34 to 127:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2017, including:1

AUDIT REPORT

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 197 to 209, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 197 to 209, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 21 to 27, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

AUDIT REPORT

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Service Performance results, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant

AUDIT REPORT

doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 20 and 212 to 215, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this audit which includes our report on the disclosure requirements, we have carried out engagements in the area of the Debenture Trust Deed, which is compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the District Council.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

CHAPTER TWO

Council Activities



CHAPTER TWO

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Communities	49
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Supporting our economy	
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Support services	126

COUNCIL'S GROUP OF ACTIVITIES

GUIDE TO THIS SECTION OF THE ANNUAL REPORT

Chapter Two - Our achievements reports on how well Council's activities performed during 2016/17 against the goals and targets set out in Chapter three of the 2015-25 LTP. The reporting covers how effectively services have been delivered to the community and financial results.

Reporting on service performance is provided for each activity group and includes the following information:

Overview

This provides a high level overview or explanation of the activity and the outcomes agreed in Western Bay of Plenty District Council's 2015-2025 LTP.

2016/17 highlights


Highlights can include key initiatives undertaken, projects completed, and milestones achieved for the activity. A graph will also be included to show the results and trends for Western Bay Council's measures for performance and customer satisfaction.

Service performance results

- Results trends for key measures
- How we have tracked progress towards our goals
- How we have tracked progress - levels of service

The 2015-2025 LTP identifies performance measures and targets to monitor Council's achievement of the agreed outcomes and levels of service. This section reports the results and provides explanation for any significant variances. Results are classified as follows:

 Target met

 Partial met (within 5% of target)

 Not met

Future initiatives

This section looks ahead and identifies key initiatives planned for the next 2-3 years.

Cost of service statements

The cost of service statement shows financial information for that activity, comparing actual expenditure against budget and the previous year's actual. The statements provide details of income and expenditure and, where relevant, capital expenditure.

Major variances

Where there are major variances between actual expenditure and budget a further explanation is provided.

Customer satisfaction

In the statements of service performance there are references to an Annual Resident Survey.

This survey was undertaken by Key Research and the sample included all residents within the Western Bay of Plenty District Council area with a sample size of 726 and margin of error of +/- 3.6%, with a confidence level of 95%.

Effects on community wellbeing

The table overleaf identifies the activity groups and their primary contribution to the Community Outcome.

The Long Term Plan (LTP) has identified significant or potential negative effects that may occur as a result of providing the following activities:

- Wastewater
- Solid waste
- Communities (Interment)
- Transportation
- Water supply
- Stormwater
- Economic

Council has structured its activities into 12 groups. These activity groups are comprised on individual activities which have a similar nature. The following table identifies each of the Activity Groups and their corresponding activities. It also shows the Community Outcomes the activity primarily contributes to.

ACTIVITY GROUPS	ACTIVITIES	PRIMARY COMMUNITY OUTCOMES	PAGE
Representation	<ul style="list-style-type: none"> • Sub-regional, District and Community representation • Financial Planning 	<ul style="list-style-type: none"> ▪ Effective, informed and inclusive leaders 	37
Planning for the future	<ul style="list-style-type: none"> • Policy and planning • Resource management planning • Infrastructure planning 	<ul style="list-style-type: none"> ▪ Vibrant and welcoming communities ▪ Effective, informed and inclusive leaders ▪ Thriving economy 	43
Communities	<ul style="list-style-type: none"> • Community development • Cultural development • Information centres • Emergency management • Community facilities 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Vibrant and welcoming communities 	49
Recreation and leisure	<ul style="list-style-type: none"> • Coastal and marine • Recreation reserves and facilities • Sub-regional reserves 	<ul style="list-style-type: none"> ▪ Vibrant and welcoming communities ▪ Clean, green and valued environment 	60
Regulatory services	<ul style="list-style-type: none"> • Animal control • Building and health services • Compliance • Regulatory services • Resource consents 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle 	66
Transportation	<ul style="list-style-type: none"> • Roding • Network development • Network optimisation • Environmental mitigation • Transportation health and safety 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Thriving economy 	73
Water supply	<ul style="list-style-type: none"> • Council water supply 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Thriving economy 	79
Stormwater	<ul style="list-style-type: none"> • Stormwater network • Waihi Beach coastal protection 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle 	89
Natural environment	<ul style="list-style-type: none"> • Environmental protection 	<ul style="list-style-type: none"> ▪ Clean, green and valued environment 	95
Wastewater	<ul style="list-style-type: none"> • Wastewater 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Clean, green and valued environment 	102
Solid waste	<ul style="list-style-type: none"> • Solid waste 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Clean, green and valued environment 	114
Economic	<ul style="list-style-type: none"> • Economic development • Land drainage 	<ul style="list-style-type: none"> ▪ Thriving economy 	120

REPRESENTATION



REPRESENTATION

OVERVIEW

The Representation Strategy underpins Council's democratic processes and provides the community and the organisation with leadership and direction. The Strategy informs decisions about our representation arrangements, for example, the number of wards and their boundaries, community boards and number of Councillors.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Leaders are informed by the views of residents to make effective decisions which improve our communities and environment, now and for the future.

OUR GOALS

- We have effective representation arrangements for our communities
- We engage with our communities, listen well, lead effectively and make well informed decisions
- We actively seek and consider the full range of residents' views on our plans, policies and projects
- We have strong relationships with Tangata Whenua and work together in a range of ways so that Tangata Whenua perspectives inform our decisions
- Our strategic relationships at all levels are maintained and strengthened
- Our financial management is prudent, effective and efficient.

2016/2017 HIGHLIGHTS

The Council triennial elections were held in October 2016. The incumbent Mayor, Ross Paterson decided not to stand after three terms in office. As a result, a new Mayor, Garry Webber, was elected along with 11 Councillors and community representatives for the five Community Boards. A by-election was required for the Te Puke Community Board as two of the community board members were elected onto Council which left an insufficient number of candidates for the community board. This by-election was held in February 2017 and Ron Spratt was elected.

The new Mayor changed the committee structure that resulted in two new Council committees, Rural Committee and Long Term Plan & Annual Plan Committee. All elected members (Councillors and community board members) received a comprehensive induction-training programme. The purpose of this is to familiarise Elected Members with Council structure, regulatory requirements and operational activities.

The Mayor and Councillors started conversations with each of our communities about the upcoming Long Term Plan (LTP) 2018-2028. The Long Term Plan sets the budget and dictates what projects Council will focus on for the next ten years. The first phase of the three LTP engagement phases facilitated the opportunity for Councillors to listen to residents and learn about their concerns, and identify potential LTP topics. There were 14 events held throughout the District.

The remaining two engagement phases (to check direction and feedback on the draft LTP), will occur in the 2017/18 year.

It has been another significant year with continued growth in population and development. Elected Members are continually lobbying the case of Western Bay with Central Government. Of particular note in this area was the announcement by the NZ Transport Agency that the SH2 bypass for Katikati will be included in the SH2 Waihi to Tauranga works programme.

WHAT WE PROVIDE

REPRESENTATION IS PROVIDED BY:



1 MAYOR



11 COUNCILLORS



PARTNERSHIP FORUM

Comprising iwi and hapu representatives

Participation in a range of COMMUNITY ORGANISATIONS, BOARDS & CO-GOVERNANCE STRUCTURES

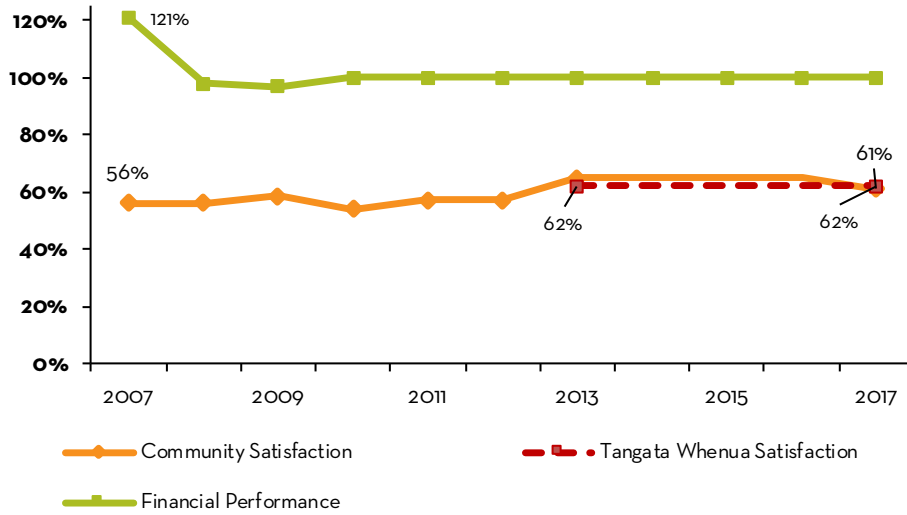
within the Western Bay of Plenty District



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

REPRESENTATION - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage achievement in the financial performance index which monitors Council's financial stewardship. <i>(the index monitors Council's financial trends and level of compliance with 5 key treasury ratios. 100% is total compliance).</i>	100%	100%	100%		😊
Supporting Measures Level of satisfaction with representation provided by Councillors and Community Boards members:					
• Community	≥70%	61%	NO SURVEY	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is: Community 56% Maori 58%	😞
• Māori	≥70%	62%	NO SURVEY		😞
Level of Māori satisfaction with representation provided by the Partnership Forums (Te Arawa - East and Tauranga Moana - West).	≥55%	46%	NO SURVEY	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 39%.	😞
Percentage of residents confident that Council makes decisions that are in the best interest of the District.	≥60%	57%	NO SURVEY	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 55%.	😐
Affordability of rates Percentage movement in total rates income (after allowance for growth).	≤7%	2.5%	4.6%		😊

SERVICE PERFORMANCE RESULTS

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Representation will be provided by:					
<ul style="list-style-type: none"> • 1 Mayor • 11 Councillors • 5 Community Boards • 1 Partnership Forum (refer to page 18) 					
Number of meetings held per annum:					
• Council based on 6 weekly cycle.	≥8%	10	12	Number of meetings are down due to the elections in 2016.	😊
• Community Boards based on 6 weekly cycle.	≥8%	6	9	The Partnership Forums met once each before the elections and have not yet, been re-established for the current triennium.	😐
Partnership Forum based on quarterly meeting cycle.	≥2%	1	3		😐
Percentage attendance of elected members (Councillors and Mayor) at Council and Committee meetings.	≥80%	87.5%	82%		😊
Percentage attendance of Community Board members at Community Board meetings.	≥80%	91.8%	87%		😊
Level of compliance with statutory timeframes.	100%	100%	100%		😊
Council will engage with communities about decisions that impact on their community					
Level of community satisfaction with the opportunities to participate in decision making.	≥60%	56%	NO SURVEY	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 49%.	😐
Number of Council Committee meetings held in the community.	≥4	4	2	In addition to this the Maori Partnership Forum met in Te Puke and there were 13 informal consultation events throughout the District.	😊
Finances will be managed to comply with the limits identified in the Treasury Policy					
Interest expense on external debt as a percentage of rates revenue (Maximum identified in Treasury Policy is 25%).	≤25%	13.0%	14.9%		😊
Liquidity ratio - this ratio monitors Council's ability to pay all current liabilities if they became due immediately.	≥110%	130%	127%		😊
Percentage of net external debt to total revenue.	≤190%	119%	139%		😊
Council will be financially prudent in the management of rates levied					
The percentage of District rates income not spent or committed at the end of the financial year.	≤2%	(0.4%)	2.3%		😊

FUTURE INITIATIVES

The Representation Review begins in 2017. This review is a statutory requirement and takes place every three years. The purpose of this is to review the level of representation provided to the District. Council will make recommendations to the Local Government Commission which will make the final decisions that come into effect for the 2019 local government elections.

The re-establishment of the Joint Governance Committee between Tauranga City Council and ourselves is to be considered by both Councils in 2017/18.

We will continue to represent the District in regard to matters of sub-regional importance such as the growth management strategy SmartGrowth and the Bay of Plenty Regional Strategy (Bay of Connections).

COST OF SERVICE STATEMENT

REPRESENTATION

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Representation	2,720	3,108	2,834
Total operating expenditure	2,720	3,108	2,834
Analysis of expenditure by class			
Direct costs	1,686	1,882	1,503
Overhead costs	1,022	1,220	1,323
Depreciation	12	6	8
Total operating expenditure	2,720	3,108	2,834
Analysis of funding required			
Community Board	441	427	392
Other income	68	75	5
Total revenue	509	502	397
Net cost of service - surplus/(deficit)	(2,211)	(2,606)	(2,437)
Capital expenditure	-	-	-
Total other funding required	(2,211)	(2,606)	(2,437)
Other funding provided by			
General rate	2,246	2,575	2,493
Reserves and future surpluses	(35)	31	(56)
Total other funding	2,211	2,606	2,437

MAJOR VARIANCES

Lower overhead costs and higher revenues have resulted in a lower general rate requirements compared to prior year.

PLANNING FOR THE FUTURE



PLANNING FOR THE FUTURE

OVERVIEW

The Planning for the Future activity includes policy and planning, resource management and infrastructure planning activities. These activities plan for the future guided by our sustainable development approach and the SmartGrowth Strategy.

SMARTGROWTH - AN OVERVIEW

SmartGrowth is the growth management strategy for the western Bay of Plenty sub-region. The sub-region encompasses both the Western Bay of Plenty District and Tauranga City. This area has experienced rapid population growth since the 1950s.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

In consultation with our communities and guided by our sustainable development approach, we plan for the future.

OUR GOAL

- Develop, monitor, review and advocate policy and plans that support the achievement of our vision for the District, our community outcomes and the direction provided by SmartGrowth.

2016/2017 HIGHLIGHTS

A significant level of growth continues throughout the District. In response to this our District Plan has been reviewed and updated to accommodate that growth.

Plan Change 75: Te Puke. This was a review of the floodable areas and a review of the structure plan for McLaughlin Drive.

Plan Change 72: Rangiuru Business Park. This was a private plan change with Quayside Holdings. The plan change modified the structure plan to take into account the change in location of the connection to the Tauranga Eastern Link (TEL). Other alterations were included to make development in this area more feasible.

The Package of Plans process was heavily used throughout the year due to the amount of development that occurred throughout the District. This process facilitates early discussions between developers and Council and seeks to ensure acceptable urban design outcomes.

Work has commenced on planning for a new urban growth area in Katikati. This involves a review of the Busby Rd area and assess its feasibility for development.

Other key planning initiatives include:

- SmartGrowth settlement pattern review: commencing the investigation for the inclusion of Tauriko West as the next urban growth area in the western corridor adjoining Tauranga City.
- Regional Coastal Environment Plan: the Environment Court appeal on Matakana Island outstanding natural features and landscape hearing was held in May 2017. We are waiting for the Courts decision.
- National Policy Statement on Urban Development Capacity was gazetted in 2016. This requires Council to modify its growth monitoring systems to meet the requirement of the Act.
- Seasonal worker accommodation: working with the industry to identify issues and investigate options and solutions.

We completed a review of the Dog Control Policy and Bylaw which became effective from October 2016. Following this policy and bylaw review, it is now mandatory to neuter menacing and dangerous dogs. It also introduced new welfare standards and changed some public place restrictions to protect sites of environmental significance and high public use, while balancing the needs of dog owners.

The community engagement campaign for the 2018 – 2028 Long Term Plan commenced. Entitled 'It's About You', it is a journey focussed on planning for the next decade and what that looks like for the Western Bay and its residents. We completed the pre-engagement in May and June 2017 with 14 community conversation events throughout the district, as well as an online presence in a range of social media and more traditional print media. These conversations explored why people like living in the Western Bay and what is important to them. We are currently considering feedback received from these conversations before going back to our communities with the proposals regarding what can be progressed in our LTP.

There were also a number of plans, policies and by-laws reviewed. This included:

- Alcohol Control Bylaw. Due to requests received from both the community and Police this bylaw was adopted by Council in October 2016. As a result an alcohol ban was imposed in Te Puke and continues bans in Waihi Beach and Katikati.
- Inner Harbour and Coastal Erosion Management Policy was adopted for consultation in April 2017. Deliberations are underway and the final policy will be confirmed in July/August 2018.
- 2016/17 Annual Plan was completed together with a review of twelve rates remission policies.

WHAT WE PROVIDE

PLANNING FOR THE FUTURE INCLUDES:



POLICY & PLANNING



RESOURCE MANAGEMENT

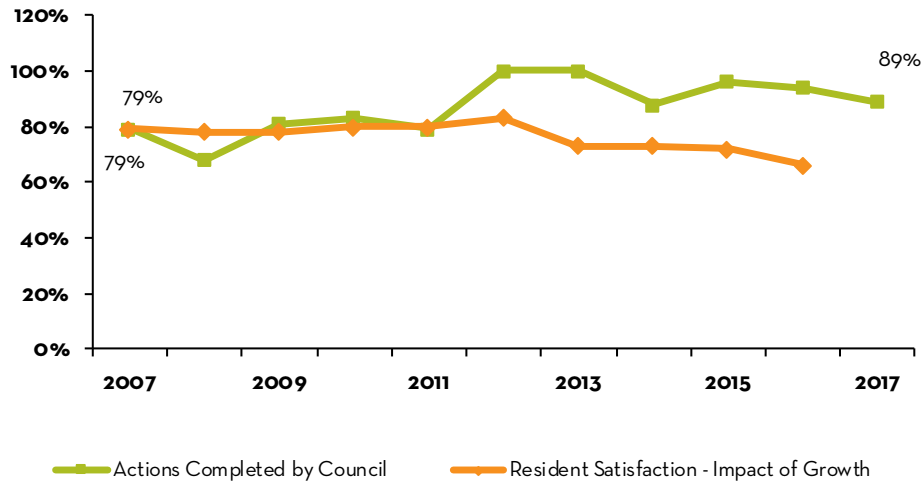


INFRASTRUCTURE PLANNING ACTIVITIES

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

PLANNING FOR THE FUTURE - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage completion of the annual work programme as identified in the Leadership - Planning for the Future Strategy and Action Plan	≥90%	89%	94%	Katikati Urban Growth Study: The Feasibility Study for the Busby Road area presented to Policy Committee Workshop in May. Further work being taken, including investigating other options.	😊
Key Resident Measure Resident satisfaction with the impact of growth on: <ul style="list-style-type: none"> • Range of housing choices • Personal safety • Time taken to travel around their area • Employment opportunities • Road safety • Overall pleasantness. *Based on a two yearly surveys.	NO SURVEY	NO SURVEY	66%	The next survey is scheduled for 2018.	

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED								
	TARGET	RESULT	RESULT										
District Plan updated to meet the needs of our District													
Number of sustained challenges by the Environment Court to District Plan changes.	NIL	NIL	NIL	One appeal received for Plan Change 2 Rangiuru which was resolved by a consent order.	😊								
Structure Plans are developed and reviewed to ensure there is 'greenfield' land to accommodate growth.	≥5 YEARS SUPPLY	9.27 YEARS SUPPLY	11.5	<p>Supply of greenfield land available:</p> <table border="0"> <tr> <td>Waihi Beach</td> <td>4.09 years</td> </tr> <tr> <td>Katikati</td> <td>10.67 years</td> </tr> <tr> <td>Omokoroa</td> <td>8.97 years</td> </tr> <tr> <td>Te Puke</td> <td>14.2 years</td> </tr> </table> <p>There was no material change from 2016 except for Katikati that had 16.1 years supply.</p> <p>Supply of greenfield land for all areas will be reviewed to meet the requirements of the National Policy Statement on Urban Development Capacity. This was gazetted in 2016.</p>	Waihi Beach	4.09 years	Katikati	10.67 years	Omokoroa	8.97 years	Te Puke	14.2 years	😊
Waihi Beach	4.09 years												
Katikati	10.67 years												
Omokoroa	8.97 years												
Te Puke	14.2 years												
Our strategies are aligned with direction provided in SmartGrowth Strategy													
Percentage of Council's strategies aligned with SmartGrowth direction.	100%	100%	100%		😊								
We will work with communities to develop and review Community Development Plans. These detailed plans set the vision for the community and actions required to achieve it													
The number of community plans developed or reviewed where Council has provided support to the community.	≥1	2	1	Support provided in the review of the Omokoroa and Te Puna Community Plans.	😊								

FUTURE INITIATIVES

The development of our next LTP will continue. We will be review our Regulatory Services and Solid Waste strategies that determine our direction and actions in these activities in the next ten years. In conjunction with this, we will be reviewing our Infrastructure and Financial Strategies, as well as our Significance and Engagement Policy. This LTP will become effective on 1 July 2018.

We will continue to review our policies, plans and bylaws to ensure they meet legislative requirements and our communities needs. Work includes review of the Water Supply System Bylaw and the Katikati/Waihi Beach Reserve Management Plan.

In 2018 the Katikati Urban Growth Study will be completed which will identify the area for the future growth of Katikati. In Omokoroa we will progress the structure planning of the area between the railway and SH2 as the next phase of development. This is to meet the requirements of the National Policy Statement on Urban Development Capacity.

COST OF SERVICE STATEMENT

PLANNING FOR THE FUTURE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Policy and planning	1,033	1,220	1,017
Resource management	1,171	883	923
District development	(33)	(169)	(27)
Total operating expenditure	2,171	1,934	1,913
Analysis of expenditure by class			
Direct costs	1,523	1,268	1,233
Overhead costs	643	658	672
Depreciation	5	8	8
Total operating expenditure	2,171	1,934	1,913
Revenue			
Target rates	13	13	13
Other income	2	-	1
Total revenue	15	13	14
Net cost of service - surplus/(deficit)	(2,156)	(1,921)	(1,899)
Capital expenditure	-	-	-
Total other funding required	(2,156)	(1,921)	(1,899)
Other funding provided by			
General rate	2,204	2,103	1,939
Reserves and future surpluses	(48)	(182)	(40)
Total other funding	2,156	1,921	1,899

MAJOR VARIANCES

Expenditure on Resource Management was \$247k higher than last year, partly due to costs incurred for the Coastal Environmental Plan.

COMMUNITIES



COMMUNITIES

OVERVIEW

The importance of sustainable, resilient communities is paramount. In these communities residents feel included, support and look out for each other, influence decisions that affect them, collaborate to achieve the collective good and foster tolerance and acceptance of others.

Sustainable and resilient communities need strong social and cultural infrastructure to be able to respond to challenges and changes in society. We aim to ensure that the things needed for individuals, families, groups and communities to meet their social needs, maximise their potential for development and enhance their well-being are in place, such as community facilities, services and networks or social infrastructure. Not all social infrastructure in a community is provided by Council but we make a significant contribution to community well-being in the following ways:

- Providing places to learn, meet and socialise, for example halls and libraries (for further information see Libraries and Service Centres [page 140](#) and Community Facilities [page 149](#) in our Long Term Plan 2015-2025)
- Supporting communities through a range of community building activities (for further information see the Community Building section [page 129](#) in our Long Term Plan 2015-2025)
- Encouraging communities to be prepared and able to look after themselves in a civil defence emergency (for further information see the Civil Defence and Emergency Management section [page 162](#) in our Long Term Plan 2015-2025).

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Social infrastructure (community facilities, services and networks that help individuals, families, groups and communities) meets the diverse needs of communities; communities are strong and can influence their futures.

OUR GOALS

- Communities are healthy and safe
- Communities are vibrant and diverse
- Communities participate in the development of their futures.

2016/2017 HIGHLIGHTS

Throughout the year we continued to support and engage with our various communities. Key initiatives included:

- The Tauranga Western Bay Safety Communities adopted a sub regional safety strategy.
- The review of both the Te Puna and Omokoroa Community Plans
- Community conversations: meetings were held throughout the District. This facilitated the necessary conversations with residents and stakeholders to guide our approach to the Long Term Plan and be responsive to our customers
- Building capacity within our communities through the matching fund and supporting the development of our communities. In November 2016 we held a successful funding expo in Te Puke
- Providing support to youth development. The YES (Youth in Emergency Services) initiative implemented in June 2017, funded by the Ministry of Social Development was held in Maketu and Katikati. Participants included 30 young people, eight elected members and two community groups. The purpose of this was to provide leadership and development opportunities for youth in our communities and help build resilience within the community.

A housing accord between the Ministry of Housing and Council has resulted in the promulgation of a Special Housing Area (SHA) located in Omokoroa. With the necessary resource

consents obtained civil earthworks are complete and stage one of the lot related earthworks have commenced. Construction of houses will commence in 2018.

The development of the Katikati Library, Service Centre and Community Hub is progressing. There has been an opportunity for the people of Katikati to help us plan how the spaces will be used in the new facility and the Community Reference Group has been instrumental in this process which has provided valuable input to the design process. The value engineering process has been completed which has given council the confidence to progress to the detailed design phase. A land use consent has been obtained and the contract is out for tender.

Community halls are managed by the various hall committees, whom council continues to support in the management of the buildings. This year we have been working with the Te Puna hall committee and (New Zealand Transport Agency) NZTA to deliver a purpose built hall to replace the Te Puna War Memorial Hall. Te Puke hall is identified as a building requiring seismic strengthening so we have been working in close consultation with the hall committee to address this. Oropi Hall requested further funding for works completed. Council has approved additional funding of \$145,000 which will be recovered from ratepayers within the Oropi Hall area of benefit.

We continued to develop, maintain and update our library services to optimise our product offering to meet the needs of our various communities. This included:

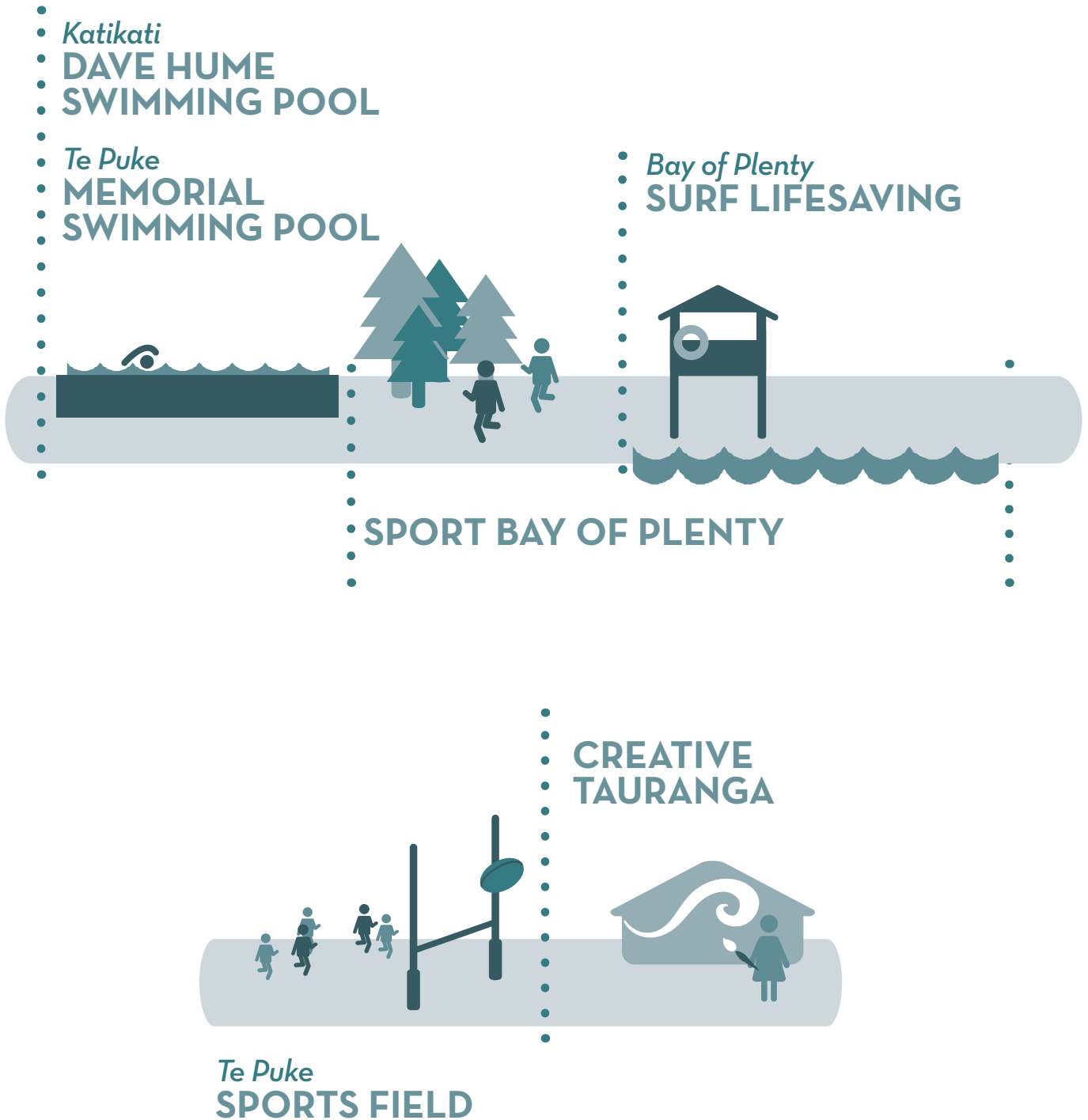
- The development of a new strategic framework to be considered as part of Councils 2018 – 2028 Long Term Plan. This framework identifies a Western Bay response to key issues impacting public libraries nationally and internationally
- The strengthening and expansion of regional and national initiatives including Aotearoa People's Network Kaharoa (APNK), provision of free Wi-Fi via a public libraries network throughout NZ and Kotui, provision of a national Library Management System.
- Continued development of the regional consortium between this council and Opotiki, Taupo, Rotorua and Whakatane District Councils. Through this consortium the purchasing and cataloguing of books (including e-resources) has been outsourced. It also facilitates free lending for our library cardholders at both the Rotorua and Whakatane libraries.
- The creation of a district children's team enables a consistent approach for children and youth programming and events across our district. We also seek to go out into the community where the children are e.g. schools, play centres etc.
- A District library Facebook page.

WHAT WE PROVIDE - COMMUNITY BUILDING

SERVICE DELIVERY CONTRACTS

OVERVIEW

Working with our communities and local organisations we achieve healthy, safe, vibrant and diverse communities. Our Community Development Team is fundamental to achieving this outcome.

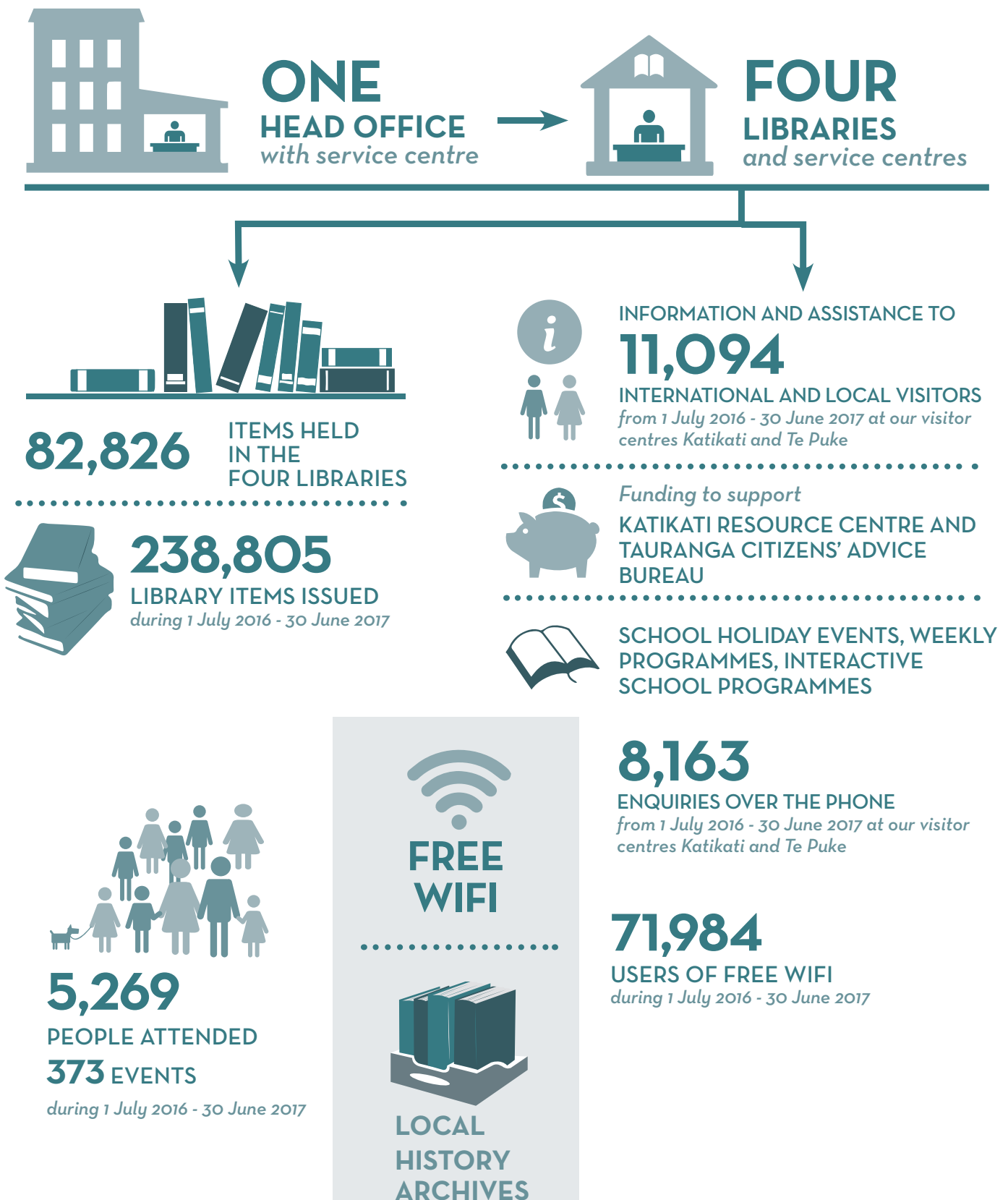


WHAT WE PROVIDE - LIBRARIES AND SERVICE CENTRE

OVERVIEW

Our libraries fulfil an important community function across the District by informing and encouraging people to meet and socialise. Libraries have been described as well-insulated public squares or 'community anchors' demonstrating their value as important community assets. Libraries can contribute to a sense of belonging by collecting and displaying the history of an area.

WHAT WE PROVIDE



WHAT WE PROVIDE - COMMUNITY FACILITIES

OVERVIEW

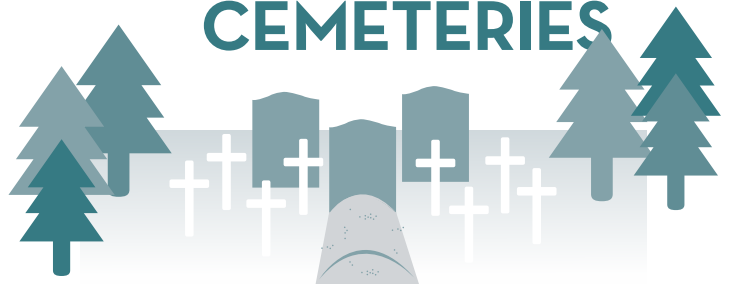
Public spaces and community facilities enable recreation, bring people together and create a sense of belonging, all of which is essential for healthy and vibrant communities. We are a key provider of indoor and outdoor community facilities, for example libraries, parks, playgrounds and halls.

HOUSING FOR OLDER PEOPLE



34 UNITS in Te Puke
17 UNITS in Katikati
19 UNITS in Waihi Beach

CEMETERIES



KATIKATI Cemetery
MAKETU Cemetery
OROPI Cemetery
TE PUKE Cemetery
(and old Te Puke Cemetery where further plots are unavailable)

HELP SUPPORT COMMUNITY HALLS

KAIMAI HALL
 KATIKATI WAR MEMORIAL HALL
 OHAUITI HALL OMANAWA HALL
 OMOKOROA SETTLERS HALL
 OROPI HALL
 TE PUNA COMMUNITY CENTRE
 TE PUNA WAR MEMORIAL HALL
 TE RANGA HALL
 WAIHI BEACH COMMUNITY CENTRE
 WHAKAMARAMA HALL

PAHOIA COMMUNITY HALL
 PAENGAROA HALL
 PUKEHINA BEACH COMMUNITY CENTRE
 PYES PA HALL
 TE PUKE WAR MEMORIAL HALL
 & Settlers Lounge & Pioneer Room

WHAT WE PROVIDE - CIVIL DEFENCE AND EMERGENCY MANAGEMENT

OVERVIEW

Global natural disasters such as the Christchurch earthquakes and tsunami in Japan, combined with the increased frequency of extreme weather events have heightened awareness among Bay of Plenty communities to the risk of tsunami, earthquakes and floods in particular. It is vital that the community and Council are prepared to respond to, effectively manage and recover in emergency situations.



RURAL FIRE RESPONSE

including for Matakana Island



COUNCIL STAFF

trained to respond

WELFARE STAFF



RESCUE TEAM



2 VEHICLES



SUPPORT

TO THE EMERGENCY OPERATIONS CENTRE



CIVIL DEFENCE

WELFARE CO-ORDINATOR

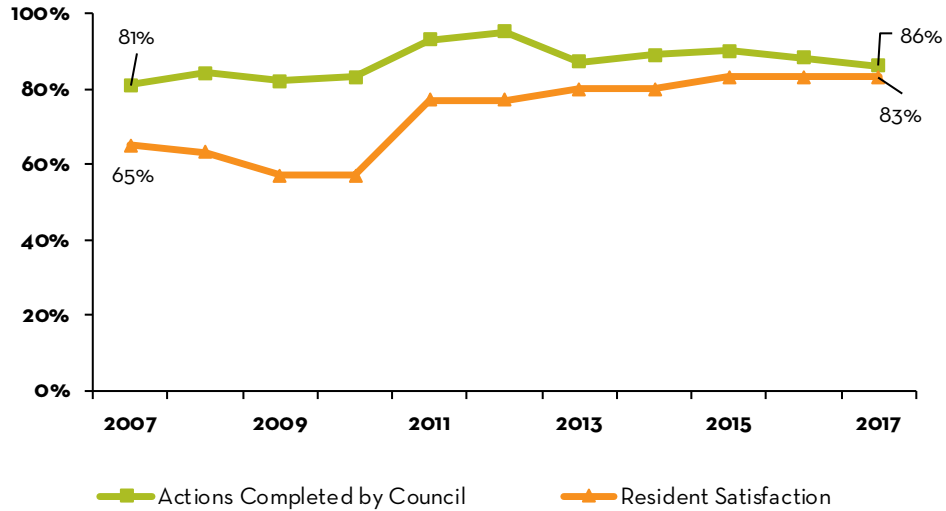
BAY OF PLENTY CIVIL DEFENCE AND EMERGENCY MANAGEMENT GROUP *and Plan*



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

COMMUNITIES - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage completion of the annual work programme as identified in the Community Strategy and Action Plan.	≥90%	86%	88%	Delays experienced with building and alterations as development dependent on other parties.	☹️
Key Resident Measure Level of resident satisfaction with Community Services based on two-yearly survey. This includes community development, library services and cemeteries. (Monitored by the Annual Residents' Survey, those that are 'satisfied' and 'very satisfied').	≥80%	83%	NO SURVEY	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 55%.	😊

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	
	TARGET	RESULT	RESULT		
Develop and deliver a coordinated Community Safety Programme in accordance with the Community Safety Policy					
Number of community safety initiatives supported by Council	9	9	9		😊
We will actively build capability in community organisations					
Number of capability building workshops held.	≥2	4	2		😊
We will engage with Tangata Whenua					
Number of engagement initiatives with Tangata Whenua.	≥4	31	29		😊
Number of new or reviewed iwi/hapu management plans received.	≥2	3	5		😊
Library services will be maintained at Katikati, Omokoroa, Te Puke and Waihi Beach					
Number of library items available per person	≥1.95%	2.19	2		😊
Library space (m2) available per 1,000 residents.	26M ²	20M ²	20	No change will be evident until the new Katikati Library is complete.	😞
Number of physical visits per annum.	≥300,000	305,035	310,889		😊
We will be responsive to customers requests for service					
Percentage of service requests resolved within specified timeframe.	≥95%	94.8%	94%	Benchmark of 95% not achieved due to activities impacted on several major weather events this year.	😞
Percentage of customers that lodged a request for service who are satisfied with action taken.	≥95%	94.8%	94%	This result excluded the 40 incidents where action was taken but not within the agreed timeframes. If these were included our result is 97.5%.	😞
Percentage customer satisfaction with service provided by frontline staff based on two-yearly survey.	NO SURVEY	NO SURVEY	89.5%	The next survey will take place in 2018.	
We will provide cemeteries at Katikati, Maketu, Oropi and Te Puke (excludes old Te Puke cemetery as there are no further plots available for purchase)					
Number of cemeteries where plot availability is >30% of annual plot requirements or 5 plots at any one time.	4	4	4		😊
Partnerships with hall committees will be maintained					
Number of partnership agreements in place with existing hall committees. Three halls are not on Council's land so no agreement in place.	15	15	15		😊
Minimum number of notifications (per year) each hall committee will receive regarding annual budget and policy changes.	2	2	3		😊
We will provide and maintain 70 pensioner units in Katikati, Te Puke and Waihi Beach					
Percentage of service requests actioned within agreed timeframes.	≥90%	94%	100%	All available units tenanted. Units unavailable when maintenance completed between tenancies.	😊
Pensioner housing occupancy rates.	≥90%	100%	97%		😊
Percentage of pensioner housing annual inspections completed.	100%	100%	100%		😊
Emergency Management services will be provided					
Percentage of Emergency Operations Centre (EOC) staff trained to operate the emergency operations centre.	≥75%	84%	134%		😊

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	
	TARGET	RESULT	RESULT		
Percentage of roles in the Emergency Operation Centre (EOC) that are filled.	≥75%	126%	75%	Council has 38 roles to fill in the EOC, and have 48 staff appointed to the roster.	😊
Number of community initiatives to promote emergency readiness and response (i.e. emergency plans and actions identified).	8	11	8		😊

FUTURE INITIATIVES

Council will be taking the opportunity to review its role in regard to community development. Future communication and engagement tools are moving to online channels and targeted communications for key communities of interest.

The place of libraries in our communities is changing to meet community needs. We have recognised the future opportunities and joined a futures thinking group for library managers. This group will be considering what libraries may look like in the future for the Bay of Plenty region.

We will continue to support the government 'Stepping UP' initiative, a free community-based training that helps people build their digital skills in small easy steps, in subjects that enhance their work and home lives. Council provides the venue and computers to assist with this learning opportunity.

COST OF SERVICE STATEMENT

COMMUNITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Libraries, information and service centers	2,999	2,807	2,743
Community building and service contracts	1,859	1,506	1,268
Housing for older people	527	498	471
Cemeteries	142	150	156
Community halls	300	411	251
Civil defence emergency management	642	531	602
Total operating expenditure	6,468	5,903	5,490
Analysis of expenditure by class			
Direct costs	4,373	4,174	3,736
Overhead costs	1,661	1,283	1,432
Interest	(108)	(48)	(73)
Depreciation	542	494	395
Total operating expenditure	6,468	5,903	5,490
Revenue			
Targeted rates	2,066	2,005	1,846
User fees	65	75	75
Subsidies	18	634	37
Other income	754	526	522
Total revenue	2,904	3,240	2,480
Net cost of service - surplus/(deficit)	(3,564)	(2,663)	(3,010)
Capital expenditure	480	4,428	342
Total other funding required	(4,044)	(7,091)	(3,352)
Other funding provided by			
General rate	3,523	3,175	3,288
Debt increase/(decrease)	102	1,299	(4)
Proceeds from sale of assets	(32)	-	63
Reserves and future surpluses	451	2,617	5
Total other funding	4,044	7,091	3,352

MAJOR VARIANCES

Capital expenditure was \$3.95m lower than budget, resulting in work being re-budgeted to 2017/18. This includes the Katikati Library and Te Puke Hall strengthening projects, which both incurred delays. As a result, subsidy income and reserve funding is lower.

General Rate allocation increased by \$235k compared to last year. This increase partly funded the \$380k increase in staff resources for the activity.

RECREATION AND LEISURE



RECREATION AND LEISURE

OVERVIEW

A sustainable, liveable community is one which can draw on well-planned recreational opportunities which are part of the 'live, learn, work, play' SmartGrowth philosophy. Whether it's fishing, hunting, swimming at the beach, river rafting, a concert in a park, strolling along the harbour edge, kicking a ball around, the outdoors is the place to do it.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Recreation and leisure facilities are well planned and safe to meet the diverse and changing needs of our community.

OUR GOALS

- Provide safe, healthy and appropriate facilities
- Provide a basic range of public facilities across our District
- Work and collaborate with the wider community including Tangata Whenua to provide and promote recreation and leisure facilities
- Support provision of sub-regional recreation and leisure opportunities
- Protect important natural environment, cultural and heritage values
- Ensure resources are secured to provide for future public recreation and leisure needs in response to population growth, changing recreational trends and the changing demographics of our communities.

2016/17 HIGHLIGHTS

We have made significant gains in the development of cycle ways throughout our district. This development is a local response to the national cycle way initiatives and the changing recreation choices of our growing population. Key cycle way developments include:

- Completion of the Uretara cycle way bridge which provides a link within the Katikati community that was previously divided by the Uretara Stream.
- Completion of section two of the Omokoroa cycle way from Tinopai Reserve to Lynley Park which was officially opened in July 2017. This cycle way is the result of the council and community board working with NZ Transport Agency and NZ Community Trust.
- The completion of the planning, design and the resource consent process for the cycle ways network in and around Waihi Beach and Bowentown.

The Te Puke skate park facility opened in May 2017. This was the culmination of a successful collaboration between council and the Te Puke community. While council and the community board committed funds to this project. Additional funding received from Sovereign Trust and TECT as well as donations from the community were central to the completion and success of this project.

The development of the Waihi Beach trig walking trail is an extremely popular project with local residents and visitors to our district. This trail connects the water reservoir reserve up to the trig lookout point and provides panoramic views of the magnificent Bay of Plenty.

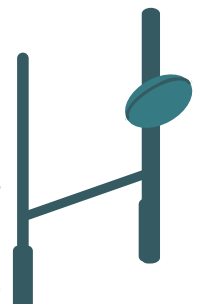
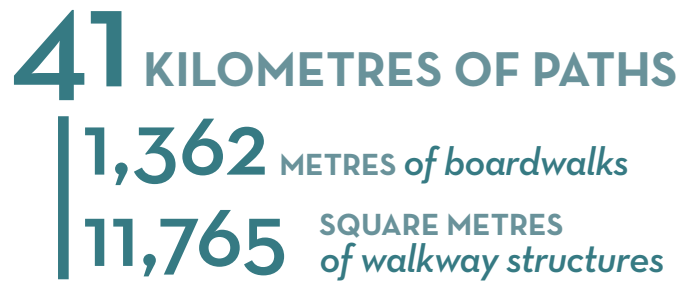
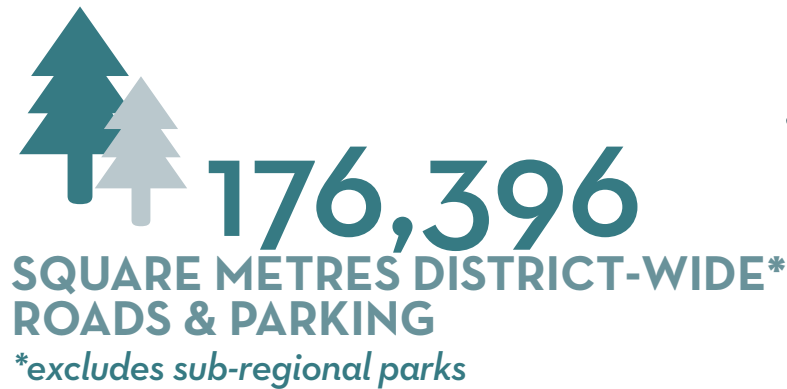
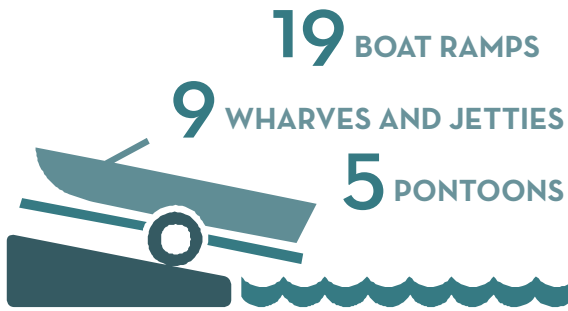
The visitor numbers to the TECT All Terrain Park continue to grow. This is largely a result of the number of user groups utilising facilities and the investment by the groups in developing their facilities.

In May 2017 Council adopted the Regional Spaces and Places Strategy. Sport BOP co-ordinated the development of this strategy which was 50 % funded by Sport NZ. The councils within the Bay of Plenty region have worked with Sport BOP to develop the strategy regarding the provision of new and replacement recreation facilities through out the region. Sport BOP will champion the implementation of this strategy.

Other key developments and initiatives include:

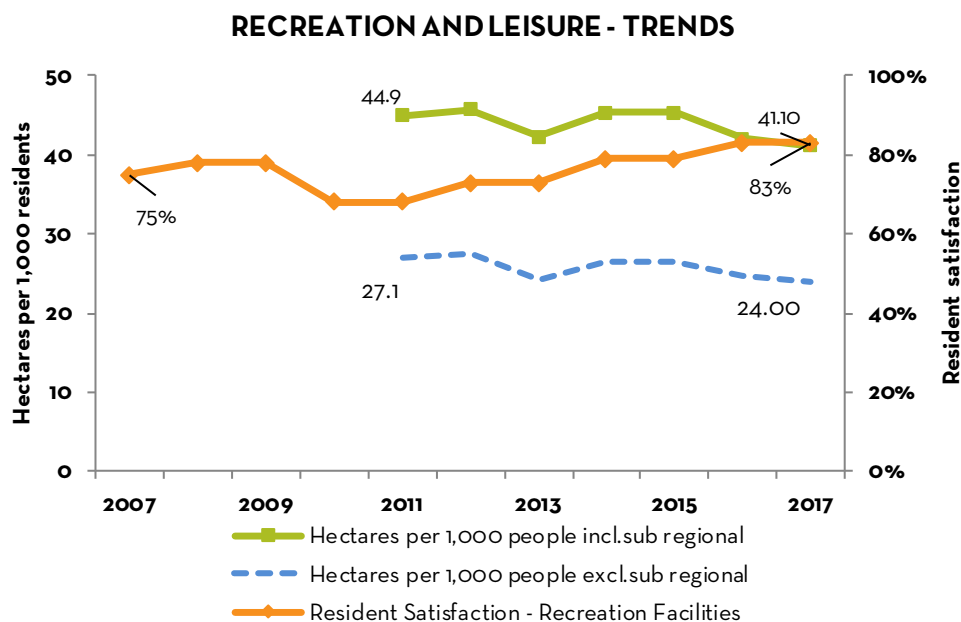
- Kaimai Reserve Management Plan was adopted in October 2016
- New playgrounds were installed at Ngaparoa Reserve in Maketu and Midway Park in Pukehina
- Clearing walking tracks as recent weather events caused a number of slips around the harbour
- National recognition of the Omokoroa skate path through a NZ Recreation Association Merit Award.

WHAT WE PROVIDE



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Total hectares of park land provided for recreation or conservation purposes per 1,000 residents.					
<ul style="list-style-type: none"> Excluding sub regional parks (TECT All Terrain Park and Huharua Harbour Park) 	≥25.0 HA	24.0	24.6	There has been significant population growth in the District, so existing reserves are shared by more people. New reserves from recent residential development are not yet in effect. When developed this may enhance the ratio.	☹️
<ul style="list-style-type: none"> Including Council's share of sub-regional parks. 	≥40 HA	41.1	42.0		😊
Please note: The decreasing trend is recognising population growth in the District and that facilities will be shared by more people.					
Key Resident Measure Two-yearly survey of resident satisfaction with reserves and recreational facilities and amenities. Based on residents who are 'very satisfied' and 'satisfied'.	≥75%	83%	83%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 57%.	😊
Supporting Measures Percentage of recreational facilities that have a condition rating ≤ 3 (1 excellent, 5 very poor as defined in the NZ Park and Recreation Asset Grading Standard manual).	≥90%	94.9%	94.7%		😊
Percentage of annual work programme completed as identified in the Recreation and Leisure Strategy and Action Plan. This identifies the total annual actions required for this strategy.	≥90%	86%	97%	Project delays due to awaiting actions from third parties and unplanned asset renewals affecting the timing of scheduled renewals.	☹️

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Percentage of reserve management plans that have been reviewed (3 yearly cycle) in accordance with the Reserve Management Act 1977.	NO REVIEW	NO REVIEW	100%	Next review will take place in 2017/18.	

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
We will provide a basic range of public facilities across our District					
Number of community safety initiatives supported by Council,					
• Actively maintained parkland (excludes sports parks)	≥5	4.89	5.0	Due to the population growth in the district park land available per 1,000 residents in reducing.	☹️
• Natural land	≥20	18.71	19.1		☹️
• Sports parks.	≥1.5	1.45	1.5	New reserves from recent residential development are not yet in effect.	☹️
<i>Please note: this excludes the joint sub-regional TECT All Terrain Park and Huharua Harbour Park.</i>					
Number of recreational facilities provided:					
• Playgrounds per 1,000 children (under 15 years old)	≥3	2.9	2.9	Due to population, growth in the district playgrounds per 1,000 children is reducing.	☹️
• Skateparks/paths facilities	6	6	6		😊
• Boat ramps	18	18	18		😊
• All tide boat ramps.	2	2	2		😊
Number of Council funded swimming pools (Katikati and Te Puke).	2	2	2		😊
Number of toilet facilities provided.	68	71	71		😊
Level of reserve-user satisfaction as monitored by the two-yearly intercept surveys ('satisfied' or 'very satisfied').	NO SURVEY	NO SURVEY	NO SURVEY	Next survey is scheduled for 2018.	
<i>Please note: the decreasing trend is recognising population growth in the District and that existing facilities will be shared by more people.</i>					
We will provide sub-regional parks per the joint partnership with Tauranga City Council					
Achieve Green Flag accreditation for the TECT All Terrain Park on a three yearly basis.	ACHIEVED	ACHIEVED	ACHIEVED		😊

FUTURE INITIATIVES

It is anticipated that the district will continue to grow, which increases the demand for recreation facilities. Additional neighbourhood reserve land and esplanade reserves are being vested in council. This is a result of ongoing subdivisions being undertaken in the current growth phase. Over time, this land will be developed into facilities to meet the recreation needs of communities.

We will continue to develop the cycle ways within our district. This will include further development and linkages to existing cycle ways in the eastern area of our district. The development

of cycle ways in and around Waihi Beach and Bowentown will commence in 2018. The Omokoroa to Tauranga cycle way will be completed in the 2018/19.

In collaboration with the various communities within our district we will continue to develop facilities that meet their recreational needs. This includes the tennis court and playground facilities at Omokoroa.

The current Reserves Maintenance Contract will finish in June 2018. This is a 10 year contract, and a new contract will be retendered in early 2018.

COST OF SERVICE STATEMENT

RECREATION AND LEISURE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
District reserves	4,362	4,264	4,027
Motor camps	64	46	48
Swimming pools	368	335	377
Harbour structures	865	781	814
Sub-regional parks	850	925	689
Total operating expenditure	6,509	6,351	5,955
Analysis of expenditure by class			
Direct costs	4,068	3,665	3,331
Overhead costs	864	964	931
Interest	(101)	120	9
Revaluation movement	25	-	-
Depreciation	1,652	1,602	1,684
Total operating expenditure	6,509	6,351	5,955
Revenue			
Targeted rates	-	174	-
User fees	15	24	28
Financial contributions	2,302	1,690	1,788
Subsidies	72	476	124
Vested assets	-	-	220
Forestry revaluation	911	-	847
Other income	1,008	675	750
Total revenue	4,308	3,039	3,757
Net cost of service - surplus/(deficit)	(2,201)	(3,312)	(2,199)
Capital expenditure	1,550	3,513	1,979
Vested assets	-	-	220
Total other funding required	(3,751)	(6,825)	(4,398)
Other funding provided by			
General rate	5,044	4,899	(4,329)
Debt increase/(decrease)	(11)	185	(10)
Reserves and future surpluses	(1,283)	1,741	79
Total other funding	3,751	6,825	4,398

MAJOR VARIANCES

Financial contributions were \$513k higher than budget due to increased growth in the District.

Direct costs were \$737k higher than the previous year due to higher costs including site maintenance, plant / pest control and grants.

Other income was higher than the previous year due to proceeds from forestry harvesting at the TECT All Terrain Park.

REGULATORY SERVICES



REGULATORY SERVICES

OVERVIEW

As a regulator we are required to take a balanced response to decision-making by considering the competing rights of individuals and groups to undertake particular activities.

Our decisions on these activities are influenced by:

- Legislation, regulations and national standards that we are required to comply with
- The opportunities we take to develop local policies, plans and by-laws to regulate local issues.

Our Regulatory Services Strategy includes activities which protect people and the environment by regulating and licensing aspects of commercial services and private behaviour where well-being issues arise. These activities include:

- Animal control services
- Building services
- Resource consent services
- Community protection.

Overall we aim to provide high quality regulatory services in a fair and impartial manner, ensuring that customers are kept fully informed at key stages in the service delivery process.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Regulatory services support community well-being.

OUR GOALS

- Animal control services - provide a safe environment for the public taking into account the needs of animal owners
- Building services - building work is regulated to ensure the health and safety of people and sustainability in design and construction methods
- Resource consent services - the quality of the environment enjoyed by residents and visitors is maintained and enhanced
- Community protection - protect and preserve the environment and public health and safety by minimising risks from nuisance and offensive behaviour.

2016/17 HIGHLIGHTS

Animal Services

The Wander Dog Walk series was a successful initiative and provided an opportunity for dog owners to engage with our animal services team. Over a six-month period eight walks were held throughout the District.

In conjunction with the Department of Internal Affairs, we participated in the de-sexing campaign. The purpose of this national campaign was to reduce the risk of harm from high risk dogs. This campaign has resulted in 43 dogs being de-sexed.

The significant growth in the District has resulted in an increase in the number of dogs by 2%. In spite of this, we have achieved our target of 98% registration of known dogs within our District.

Compliance and Monitoring

The implementation of the Food Act 2014 required changes to the registration of all food businesses within our District. Our Environmental Health Inspector has worked closely with these food outlets to ensure that the government targets were met and food businesses have now transitioned in year one.

In response to the changes in the Building Act, we commenced swimming pool inspections. The purpose of this is public safety and to ensure that swimming pool areas are fenced.

In the area of resource consent compliance monitoring there has been a significant increase of approx. 200 additional resource consents requiring monitoring. This is reflective of the increase of resource consents granted in prior years.

The growth within the District has led to the identification of more non-compliant activities i.e. illegal work or illegal use of a building. Under the Building Act 15 notices to fix have been issued and where necessary infringement fines have been used to achieve compliance. For resource consents one infringement notice has been issued and 18 abatement notices have been issued. Non-compliance with an abatement notice may result in court action.

Resource Consents

During the year we continued to respond to the significant growth and development in the District. This is reflected by the increase in both land use consents (18%) and subdivisions (5%), although the latter has seen subdivisions of much greater lot numbers received for processing. In Omokoroa nearly 1,000 new lots have been created which will consequently have a flow into the building consents function.

We completed our Land Information Memorandum (LIM) development which provides an end to end on-line electronic service. This electronic process went live in May and has proved very successful. Overall, our LIM applications have reduced by 32% in the past year.

Building Consents

There was significant growth in the building consents area particularly in building inspections which increased by 28.5% from 2016. The high number of building consents granted in 2016 was the main reason for this. Overall, the value of building works is \$129.5m, a decrease of 5.43% from the previous year.

We continued working on the earthquake prone building national register. An assessment process has been created to ensure a consistent and accurate approach. Our focus is on critical buildings, which is defined as those that are on the main transport routes. Where issues are identified, we serve notice to the building owner.

Ministry for Business and Innovation is working on a 'Go Shift' project across a number of councils. This initiative will develop an on-line portal that holds process documentation. While we are not actively pursuing this initiative due to systems we have in place it does facilitate councils cross working i.e. other councils can assist in processing consents, which is considered beneficial to us.

We have developed an on-line building consent process, which enables consents to be lodged and processed electronically. This had a soft launch in June 2017 and it will be fully implemented by September 2017.

WHAT WE PROVIDE



RESOURCE CONSENT AND MONITORING

BUILDING INSPECTIONS

.....



BUILDING CONSENT PROCESSING



PARKING WARDENS

MOBILITY CAR PARKS



FOOD PREMISES INSPECTION LICENSING - FOOD AND LIQUOR

NOISE CONTROL



DOG POUNDS

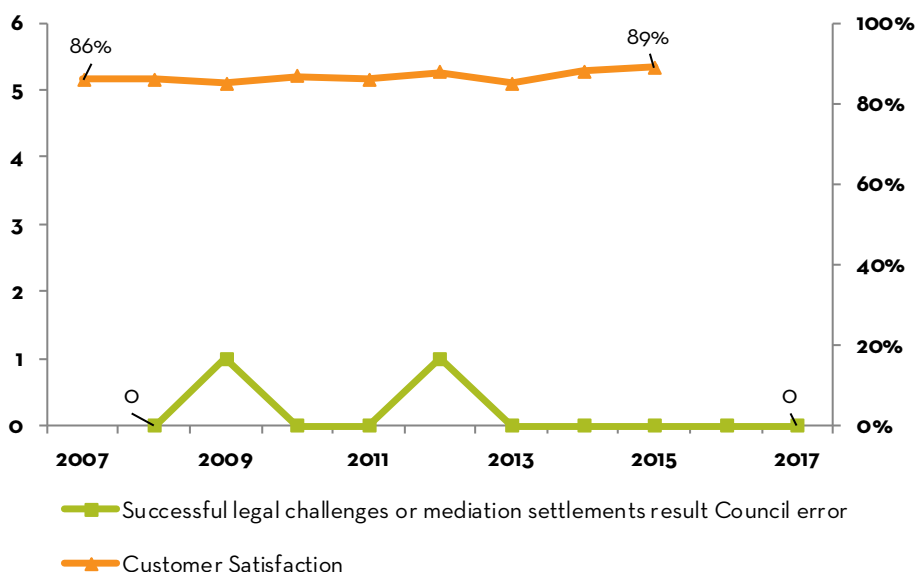
ANIMAL CONTROL OFFICERS



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES











REGULATORY SERVICES - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Number of successful legal challenges or mediation settlements made as a result of Council staff error (excludes weathertightness claims).	0	0	0		☺
Key Resident Measure Percentage level of customer satisfaction based on customer survey of regulatory services. (This survey includes resource consents, building and animal control services, liquor licencing and registered premises).	≥85%	0	NO SURVEY	Survey not completed as Council is moving to 'real time' surveys.	☹

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Resource consent applications will be processed within the statutory timeframe and their compliance monitored					
Percentage of all resource consent applications processed within statutory timeframes.	100%	94.2%	99%	18% increase in land use consents received and 5% increase in subdivision applications. The subdivision applications received have been more complex due to high number of lots involved.	
Percentage resource consents monitoring schedule completed to ensure compliance with consent conditions	100%	94%	96%	Increase of 212 consents requiring monitoring from the previous year. In addition to this the biannual toe of the dune monitoring was required.	
Number of successful resource consent appeals.	0	1	0	There was one successful challenge. An Environment Court Appeal overturned in Council's Regulatory Hearings Committee decision for the Z Energy service station at Paengaroa.	
Building and health applications and plan checking will be processed within statutory timeframes					
Percentage of building and health applications and plan checking processed within the statutory timeframes	100%	99%	81%	High number of building applications received, and ability to obtain staff to process applications impacted on ability to meet statutory timeframes.	
Land Information Memoranda (LIM) and Project Information Memoranda (PIM) will be processed within the statutory timeframe (10 days)					
Percentage of LIM and PIM applications processed within the statutory timeframe (10 days).	100%	99.8%	99.8%	All LIM applications were processed within statutory timeframes however only 99.6% PIM's processed within statutory timeframes.	
Known dogs in our District are registered					
Percentage of known dogs in our District that are registered.	≥98%	98%	98.4%	8720 of 8893 dogs were registered.	
We will respond to customer service requests in a timely manner					
Percentage of service requests received that are actioned within specified timeframe.					
• Animal	≥90%	98%	98%		
• Building	≥90%	80%	73%	The processing of building consent customer service requests is dependent on building inspector availability and urgency of the request.	
• Health	≥90%	92%	89%		
• Resource consent compliance and enforcement.	≥90%	97%	99%		

FUTURE INITIATIVES

The Resource Law Amendment Act passed in April 2017. As a result, a number of consenting matters come into effect by October 2017. This Act will enable fast track consenting and national plan standards. It will also require Council to move from charging financial contributions to the development contributions regime under the Local Government Act by 2022. This Act also formalises the participation and engagement of iwi and tangata whenua in the resource management process through Mana Whakahono A Rohe guidelines.

There have been changes to the Building Accreditation Regulation effective on 1 July 2018. This introduced changes to how IANZ and MBIE undertake the BCA audit process. Our next accreditation audit will take place in February 2018.

There are changes proposed to the Dog Control Act. The Bill encompassing the changes will be considered by government in early 2018. It is anticipated these changes will focus on owner behaviour of high risk dogs and owner suitability.

We are currently working on the design for purpose built animal shelters at Katikati and Te Puke to meet animal welfare standards. It is anticipated that construction of these shelters will commence in 2018.

COST OF SERVICE STATEMENT

REGULATORY

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
District Plan implementation	1,621	1,528	1,495
Building and health	4,019	3,062	3,709
Animal control	701	701	689
Compliance and monitoring	944	731	800
Total operating expenditure	7,285	6,022	6,693
Analysis of expenditure by class			
Direct costs	4,820	4,352	4,899
Overhead costs	2,412	1,654	1,748
Interest	(10)	(10)	(8)
Depreciation	64	26	54
Total operating expenditure	7,285	6,022	6,693
Revenue			
User fees	5,548	4,861	5,350
Other income	93	49	72
Total revenue	5,641	4,910	5,422
Net cost of service - surplus/(deficit)	(1,645)	(1,112)	(1,271)
Capital expenditure	-	-	-
Total other funding required	(1,645)	(1,112)	(1,271)
Other funding provided by			
General rate	1,911	1,936	1,938
Reserves and future surpluses	(266)	(824)	(667)
Total other funding	1,645	1,112	1,271

MAJOR VARIANCES

Continued growth and development activity within the housing market has seen an increase in user fees compared to both budget and prior year.

An increase in staffing costs and consultation fees to manage the increased activity has been offset by savings in legal fees when compared to the previous year.

An increase in overhead costs is primarily due to increased staffing levels.

TRANSPORTATION



TRANSPORTATION

OVERVIEW

Provision of a safe and effective transportation network contributes to the health and well-being of the community. An efficient transport network enables economic development that is of district, regional and national importance. The network provides strategic transport links to the major Port of Tauranga that has the largest maritime import/export freight volumes in New Zealand.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Transportation networks are safe, affordable, sustainable and planned to meet our Community's needs and support economic development.

OUR GOALS

- Transportation networks support and promote economic development
- The impact on the environment of the transportation system is mitigated where practicable
- Transport systems enable healthy activity and reduce transport-related public health risks
- Transport systems improve access and mobility
- Land use and transportation network planning are integrated.

2016/17 HIGHLIGHTS

The revocation of State Highway 2 to become a local road continued in 2017. The new road, Te Puke Highway runs from the railway over bridge near the Domain Road round about to the Paengaroa roundabout. Rehabilitation work and the installation of safety line marking completed the revocation process in June 2017.

The Te Puke town centre was also part of this revocation process. The status of Jellicoe St changed from SH2 to become a local road. Significant work was completed including changes to the parking layout, kerb and channelling work, drainage improvements, safety improvements to the pedestrian crossing and streetscape work. These improvements were undertaken in close consultation with the Te Puke community.

There were three significant storm events during the year. These storms resulted in several slips and fallen trees. Emergency works were undertaken to maintain access for road users.

The Omokoroa Road capacity upgrade commenced. This is year one of a two year project and includes pavement

rehabilitation, seal widening and safety improvements. It will also accommodate additional utility infrastructure works to meet the needs of this growing community. This work includes new trunk stormwater and sewerage main, an upgraded water main as well as partially undergrounding the power supply and the installation of fibre optic cables, in conjunction with the utilities companies.

We continued to work through our agreed work programme for the year. Works included:

- Seal extension work on Leyland Road, Alley Road, Martha Lane and Sharp Road was completed. These roads were previously unsealed
 - Seales Road bridge replacement
 - Re-seal programme resulted in 185 lane kilometres of reseals
- During the year we applied for and received \$10m co-investment funding for the half share of the Council's roading maintenance, operations and asset renewals expenditure.

WHAT WE PROVIDE

1,057 KILOMETRES

of network with connections to state highways



Urban roads:

157.3 KILOMETRES

Rural roads:

899.2 KILOMETRES

Sealed roads:

866.76 KILOMETRES

Un-sealed roads:

182.50 KILOMETRES

101
BRIDGES

73
CULVERTS
greater than 1.4m diameter

162.7 KILOMETRES
HARD SURFACED FOOTPATHS

1,371 METRES
METALLED SURFACED FOOTPATHS

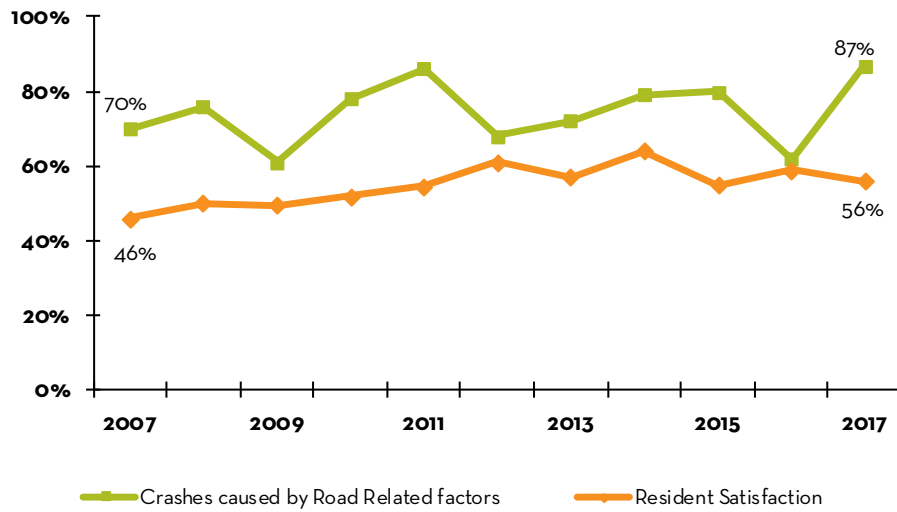
2,408
STREETLIGHTS

6,164
ROAD SIGNS

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

TRANSPORTATION - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVE
	TARGET	RESULT	RESULT		
Key Performance Measure The percentage of crashes caused by road-related factors compared to Council's peer group. (Small-medium councils as grouped by the New Zealand Transport Agency). Note: (A lower percentage is a favourable result for us).	≤90%	87%	62%		😊
Key Resident Measure Facilities and services provide social benefits to the whole community. The level of satisfaction with our Transportation activities (roading, cycling and walkways) as monitored by the Annual Residents' Survey, the percentage of residents who are 'very satisfied' and 'satisfied'.	≥60%	56%	59%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 54%.	😞
Supporting Measure The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	0	(6)	4	There were 13 fatal/serious injury crashes during the year compared to 19 the previous year. This calculation uses the crash analysis system reports at a point in time. As a result the 2016 initial result of 15 was updated to a final result of 19.	😊

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVE
	TARGET	RESULT	RESULT		
We will respond to customers transport related issues					
The percentage of customer service requests relating to roads and footpaths to which Council responds within 10 days.	≥90%	85%	92%	The service requests that take longer to resolve are trees on local roads and drainage.	☹️
Level of customer satisfaction with action taken to resolve service requests.	≥90%	90%	93%		😊
The network and its facilities are up to date, in good condition and fit for purpose					
The average quality ride on a sealed local road network, measured by smooth travel exposure.	96%	95%	94%	Slightly below target. Te Puke Highway post construction High Speed Data Survey next year (post construction) will improve the result for 2018.	☹️
There are a number of potential defects that develop within the pavement structure and its surface. This condition index is a weighted measure of the fault types.					
• Sealed Roads	0.3	0.2	0.28	Condition index for both sealed and unsealed roads was better than target.	☹️
• Unsealed roads	3.0	2.3	2.51		☹️
Please note: (0 = defect free; 5 = unsatisfactory).					
The percentage of the sealed local road network that is resurfaced.	≥7%	17.9%	7.6%		😊
Adverse environmental effects, such as dust, noise and vibration are managed effectively					
Length of unsealed roads (km).	185KM	182.5KM	190 KM		😊
Number of successful prosecutions for non-compliance with Resource Management Consents and Heritage New Zealand Pouhere Taonga Act 2014 by the Bay of Plenty Regional Council or Heritage New Zealand.	0	0	0		😊
The road network is convenient, offers choices for travel and is available to the whole community					
The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths as identified in the transportation asset management plan.	100%	100%	94.4%		😊
Total length of cycleways and walkways	172,000M	168,103	165,997M	Target not achieved due to delays with the Omokoroa - Tauranga cycleway. This is scheduled for completion in June 2018.	☹️

FUTURE INITIATIVES

New Zealand Transportation Agency are currently working with stakeholders in regard to state highway corridor safety and capacity improvements. Council as a stakeholder is involved in the development of the programme business cases which are looking at the future demand of each corridor and the types of interventions that will over time address the projected user demands. The areas of focus are:

- State Highway 29, State Highway 1 and the East Coast Main Trunk Railway
- Tauriko and Western Corridor
- Tauranga Network (city)
- SH2 Waihi to Te Puna safety improvements
- SH2 Katikati Urban and Katikati bypass

- SH33 safety improvements
- Public transport operating model (Regional).

We will continue to respond to the growth that is occurring throughout our District through the implementation of structure plans and working closely with our communities.

We will seek to obtain an 85% co-investment contribution from NZ Transport Agency for the installation of low energy light emitting diode (LED) lighting throughout the District. This is a one off opportunity and if successful, it will reduce our power consumption for street lighting by 60%.

COST OF SERVICE STATEMENT

TRANSPORTATION

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Transportation	19,862	19,361	21,451
Total operating expenditure	19,862	19,361	21,451
Analysis of expenditure by class			
Direct costs	9,391	8,783	9,771
Overhead costs	1,069	1,225	1,161
Interest	1,020	988	1,066
Depreciation	8,381	8,366	9,453
Total operating expenditure	19,862	19,362	21,451
Revenue			
Targeted rates	44	43	44
User fees	43	-	36
Subsidies	10,087	6,775	6,764
Roading rate	13,963	13,609	13,490
Financial contributions	3,396	2,260	2,542
Vested assets	1,970	217	40,936
Other income	343	261	1,440
Total revenue	29,846	23,165	65,252
Net cost of service - surplus/(deficit)	9,985	3,803	43,802
Capital expenditure	13,970	17,954	6,639
Vested assets	1,970	217	40,936
Total other funding required	(5,956)	(14,368)	(3,773)
Other funding provided by			
General rate	51	51	50
Debt increase (decrease)	(265)	(265)	(363)
Proceeds from sale of assets	-	-	4
Reserves and future surpluses	6,170	14,582	4,083
Total other funding	5,956	14,368	3,773

MAJOR VARIANCES

Capital expenditure totalled \$13.97m and included Omokoroa Road development (\$3.1m), Eastern Arterial Road in Te Puke (\$1.8m), One Network Maintenance Contract, managed by Opus/Westlink (\$3.7m), minor improvements (\$4.0m) and cycling/walkways (\$1.4m).

Direct costs are \$608k higher than budget. Additional pavement maintenance was carried out in the year.

Subsidy income was \$3.3m higher than both budget and prior year. This relates to the timing of capital works and minor improvements eligible for New Zealand Transport Authority Funding.

Financial contributions were higher than both budget and prior year due to continued growth and development in the District.

Vested assets in the prior year included the Te Puke Highway (formally State Highway 2) vested from the New Zealand Transport Authority.

WATER SUPPLY



WATER SUPPLY

OVERVIEW

We supply potable (drinking) water to approximately 37,000 people in our District through the water infrastructure operating in the Western, Central and Eastern supply zones. We have a varied customer base including residential, commercial, horticultural and agricultural users.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Water supply is provided to our Community in a sustainable manner.

OUR GOALS

- Provide potable water of an appropriate standard and quality to meet the needs of consumers within the three supply zones
- Sustainably manage our water resource, water supply infrastructure and consumer use of water across the three supply zones.

2016/17 HIGHLIGHTS

We continued to identify appropriate water sources to meet the needs of our growing communities. Construction has commenced on a second bore at Ohourere, and it is expected that the water will be online in the next eight months. This will cater for growth in the Omokoroa and Te Puna supply area. A second bore was installed at Pongakawa and a filtration trial to treat the high levels of manganese and iron in the raw water. A significant upgrade will be required at the treatment plant to bring this bore online.

Due to the population in Omokoroa considerable work has been undertaken. This includes construction of a new main trunk line along Omokoroa and Youngson Roads. At the special housing area a raw water bore has been commissioned for dust control. This means we are not using potable water from the network.

In the eastern supply zone the water metering has been completed and we are half way through the installations required in the western supply zone. As planned, this water metering initiative will be completed in 2018 and it will include backflow protection devices fitted to all customers throughout the district. This meets the statutory requirements of the NZ Drinking Water Standards and the NZ Drinking Water Amendment Act.

Maintenance and upgrades to our water systems continued. The majority of work was completed, in spite of difficulties in obtaining contractors to undertake work.

WHAT WE PROVIDE



Water reticulation operated in three supply zones:

-
- **WESTERN** ●
Waihi Beach, Katikati
- **CENTRAL** ●
Omokoroa, Te Puna
- **EASTERN** ●
Te Puke, Maketu, Pukehina Beach, Paengaroa

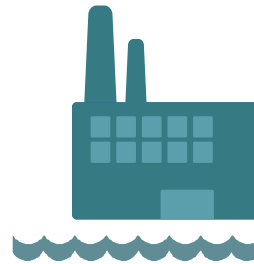


DISTRICT-WIDE WATER METERING
to be completed 2018

24 BOOSTER PUMP STATIONS

9 BORE FIELDS

10 WATER TREATMENT PLANTS



1 SURFACE SUPPLY
(Bush Dam)



24 RESERVOIRS & TANK SITES

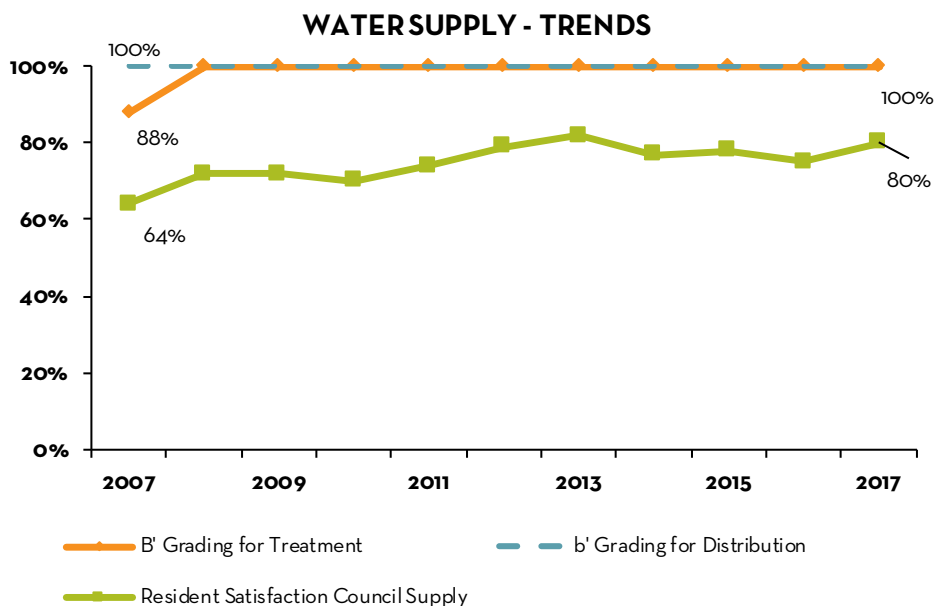


15,200 out of **15,900**

water main fronting properties are connected to Council's water supply

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES




HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure For the three supply zones the percentage of Council's treated water supply with a Ministry of Health grading as per the New Zealand Drinking Water Standards 2005 (amended 2008).					
B or better for treatment	100%	100%	100%		😊
b or better for reticulation	100%	100%	100%		😊
Key Resident Measure Level of resident satisfaction with the quality of Council's water supply as monitored by the Annual Residents' Survey, percentage of residents who are 'very satisfied' and 'satisfied'.	79%	80%	75%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 79%.	😊
Supporting Measure In a one-in-50-year drought event the ability to supply water to meet the normal daily water demand (1,100 litres per person per day).	100%	100%	100%		😊
Ability of reservoirs to provide a minimum of 24 hour average daily demand.	100%	100%	100%		😊

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED																					
	TARGET	RESULT	RESULT																							
We will provide good quality water to service growth within the three supply zones																										
Percentage of year where reservoirs are maintained at a minimum of 50% full, in accordance with Ministry of Health requirements.	100%	100%	100%		😊																					
We will monitor sustainable delivery and effectively manage the risks associated with the quality and quantity of the public water supply																										
The extent to which Council's drinking water supply complies with: <ul style="list-style-type: none"> Part 4 of the drinking-water standards (bacterial compliance criteria), and Part 5 of the drinking-water standards (protozoal compliance criteria). 	≥99%	100%	100%	<table border="1"> <thead> <tr> <th>Distribution Zone</th> <th>Part A</th> <th>Part B</th> </tr> </thead> <tbody> <tr> <td>Athenree</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Katikati</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Omokoroa Minden</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Pongakawa</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Te Puke</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Te Puke Bush</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table> <p>These results are provisional, pending the assessment of compliance by the independent Drinking-Water Assessor due to water supply results being provisional.</p>	Distribution Zone	Part A	Part B	Athenree	Yes	Yes	Katikati	Yes	Yes	Omokoroa Minden	Yes	Yes	Pongakawa	Yes	Yes	Te Puke	Yes	Yes	Te Puke Bush	Yes	Yes	😊
Distribution Zone	Part A	Part B																								
Athenree	Yes	Yes																								
Katikati	Yes	Yes																								
Omokoroa Minden	Yes	Yes																								
Pongakawa	Yes	Yes																								
Te Puke	Yes	Yes																								
Te Puke Bush	Yes	Yes																								
The percentage of real water loss from Council's networked reticulation system. (this will be monitored through the water metering for the central supply area. Until water metering is completed in the eastern and western supply areas water loss will be based on a pre-defined calculation.)	≤25%	21% CENTRAL ZONE 23% EASTERN AND WESTERN ZONES	19%		😊																					
The average consumption of drinking water per day per resident.	≤270 LITRES	240 LITRES	180 LITRES		😊																					
Respond to customer issues with the water supply																										
The median response time for Council to respond to a fault or unplanned interruption to the networked reticulation system. Attendance for call-outs: from the time notification is received to the time service personnel reach the site																										
• Urgent call outs	≤2 HOURS	30 MINUTES	38 MINUTES		😊																					
• Non urgent call outs	≤8 HOURS	4.9 HOURS	6.2 HOURS		😊																					
Resolution of call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption.																										
• Urgent call outs	≤8 HOURS	2.7 HOURS	2 HOURS & 46 MINUTES	Contractual arrangements require resolution within 48 hours. Contractor was within that timeframe but did not achieve this target.	😊																					
• Non urgent call outs	≤24 HOURS	24.5 HOURS	24 HOURS & 11 MINUTES		😐																					

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
<p>Total number of complaints received by Council about drinking water:</p> <ul style="list-style-type: none"> • clarity • taste • odour • pressure or flow • continuity of supply and <p>Council's response to any of these issues expressed per 1000 connections to the networked reticulation system.</p>	≤40	19.03	21		

FUTURE INITIATIVES

There is increasing pressure from central government and regional council in regard to our water allocation and water conservation measures. We are working in collaboration with Tauranga City Council and other councils in the region to make submissions to the Bay of Plenty Regional Council Plan Change 9 Regional Water and Land. This is in response to the National Policy Statement Freshwater Management 2014.

Water demand management will be our focus as we seek to reduce losses through the network. This will include accurate network and bulk flow metering as well as customer demand initiatives.

A review of the water charging regime and water supply by-laws will occur in 2017/2018 year.

COST OF SERVICE STATEMENT

WATER SUPPLY (DISTRICT-WIDE)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Western water supply	3,513	3,587	3,494
Central water supply	2,853	2,781	2,521
Eastern water supply	4,169	4,296	4,068
Total operating expenditure	10,535	10,664	10,083
Analysis of expenditure by class			
Direct costs	4,847	4,601	4,380
Overhead costs	1,447	1,494	1,398
Interest	1,499	1,555	1,476
Depreciation	2,742	3,014	2,829
Total operating expenditure	10,535	10,664	10,083
Revenue			
Targeted rates	6,401	6,271	6,414
User fees	3,815	3,508	3,281
Financial contributions	1,726	898	1,277
Vested assets	280	102	236
Forestry revaluation	113	-	180
Other income	-	-	51
Total revenue	12,336	10,779	11,439
Net cost of service - surplus/(deficit)	1,801	115	1,356
Capital expenditure	4,982	4,707	4,142
Vested assets	280	102	236
Total other funding required	(3,462)	(4,694)	(3,022)
Other funding provided by			
Debt increase (decrease)	(54)	(688)	(761)
Reserves and future surpluses	3,516	5,382	3,783
Total other funding	3,462	4,694	3,022

MAJOR VARIANCES

Direct costs are higher than both budget and prior year due to increased maintenance costs.

As a result of on-going growth and development, including additional water meters, user fees and financial contributions were higher than budget and prior year.

Capital expenditure, being higher than both budget and prior year, included higher reticulation improvement costs.

COST OF SERVICE STATEMENT

WATER SUPPLY (WESTERN WATER)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Western water supply	3,513	3,587	3,494
Total operating expenditure	3,513	3,587	3,494
Analysis of expenditure by class			
Direct costs	1,699	1,617	1,600
Overhead costs	489	557	515
Interest	322	343	354
Depreciation	1,002	1,070	1,025
Total operating expenditure	3,513	3,587	3,494
Revenue			
Targeted rates	3,079	2,999	2,787
User fees	1,068	969	925
Financial contributions	442	231	591
Vested assets	7	52	78
Forestry revaluation	113	-	180
Other income	-	-	19
Total revenue	4,708	4,250	4,580
Net cost of service - surplus/(deficit)	1,195	664	1,086
Capital expenditure	2,296	2,248	1,306
Vested assets	7	52	78
Total other funding required	(1,108)	(1,636)	(298)
Other funding provided by			
Debt increase (decrease)	(284)	(284)	(261)
Reserves and future surpluses	1,392	1,920	559
Total other funding	1,108	1,636	298

COST OF SERVICE STATEMENT

WATER SUPPLY (CENTRAL WATER)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2015
Analysis of expenditure by activity			
Central water supply	2,853	2,781	2,521
Total operating expenditure	2,853	2,781	2,521
Analysis of expenditure by class			
Direct costs	1,362	1,219	1,115
Overhead costs	459	393	365
Interest	379	503	371
Depreciation	653	666	670
Total operating expenditure	2,853	2,781	2,521
Revenue			
Targeted rates	1,255	1,238	1,073
User fees	1,120	951	962
Financial contributions	827	375	351
Vested assets	205	30	74
Other income	-	-	14
Total revenue	3,407	2,593	2,474
Net cost of service - surplus/(deficit)	554	(188)	(47)
Capital expenditure	1,249	767	678
Vested assets	205	30	74
Total other funding required	(900)	(985)	(799)
Other funding provided by			
Debt increase (decrease)	500	(132)	(168)
Reserves and future surpluses	400	1,117	967
Total other funding	900	985	799

COST OF SERVICE STATEMENT

WATER SUPPLY (EASTERN WATER)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2016	2016	2015
Analysis of expenditure by activity			
Eastern water supply	4,169	4,296	4,068
Total operating expenditure	4,169	4,296	4,068
Analysis of expenditure by class			
Direct costs	1,785	1,765	1,665
Overhead costs	499	544	518
Interest	798	709	751
Depreciation	1,087	1,278	1,134
Total operating expenditure	4,169	4,296	4,068
Revenue			
Targeted rates	2,067	2,035	2,554
User fees	1,628	1,589	1,394
Financial contributions	457	292	335
Vested assets	68	20	84
Other income	-	-	18
Total revenue	4,220	3,935	4,385
Net cost of service - surplus/(deficit)	51	(361)	317
Capital expenditure	1,437	1,691	2,158
Vested assets	68	20	84
Total other funding required	(1,453)	(2,072)	(1,925)
Other funding provided by			
Debt increase (decrease)	(270)	(272)	(332)
Reserves and future surpluses	1,724	2,344	2,257
Total other funding	1,453	2,072	1,925

STORMWATER



STORMWATER

OVERVIEW

Stormwater systems are built to protect buildings and property from the effects of flooding and coastal erosion. These systems include watercourses, open channels, swales and structures that channel stormwater to a final discharge point. Our systems include primary and secondary overland flow paths, stormwater detention and stormwater treatment.

There are legislative requirements regarding the quality and quantity of stormwater released and we must meet these statutory obligations. Under the Resource Management Act 1991 district councils must manage land use in a way that minimises environmental effects.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Stormwater approaches are innovative, affordable and sustainable and lead to a reduction in flooding events. (Flooding events are defined as an overflow of stormwater from a stormwater system that enters a habitable floor).

OUR GOALS

To develop a catchment based flood risk management framework that recognises and allows for the nature and behaviour of surface water systems to improve community resilience from potential flooding; by ensuring that:

- There is a localised reduction of the risk of flooding events in existing floodable areas
- There is no increase in flooding event risk to existing development from new development or land use change
- Urban development is avoided in flood-prone areas unless mitigation measures can be provided that do not affect the capacity / effective functioning of existing downstream stormwater systems
- Communities are engaged and informed about various approaches to stormwater management and their views are sought and taken into account
- Compliance and monitoring activities are carried out
- Communities are engaged and informed about various approaches to coastal erosion management and their views are sought and taken into account.

2016/17 HIGHLIGHTS

In February and March of this year we experienced significant rain events. While some flooding occurred to housing in identified flood areas the impact was significantly less than it could have been. This has been attributed to the encouragement given to Waihi Beach residents to raise their houses and the pro-active checks by the operations team to ensure all drains are clear and running well before the rain arrives.

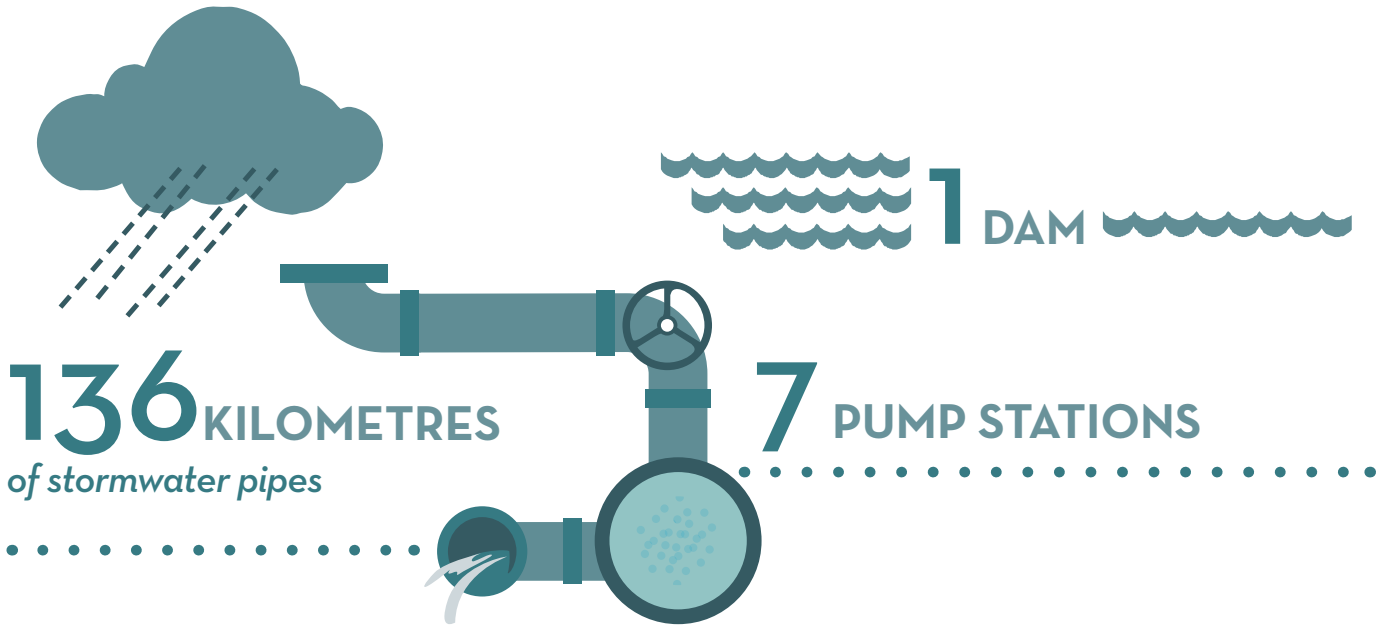
Work continued on the property erosion protection at Two Mile Creek Waihi Beach. Construction of the bank protection downstream commenced and will be completed in July 2017. The resource consent for upstream works has been lodged with the Regional Council.

The move to four comprehensive resource consents to manage stormwater throughout the district continued. A resource consent application has been lodged with the Bay of Plenty Regional Council for the Central - Te Puna and Minden area.

The stormwater modelling for Waihi Beach was completed. This modelling exercise has identified floodable areas in the Waihi Beach area and will inform future development plans in this community.

The design for a stormwater pond in Omokoroa has commenced. This pond will meet the stormwater requirements for the new developments in Omokoroa.

WHAT WE PROVIDE



2,633 MANHOLES

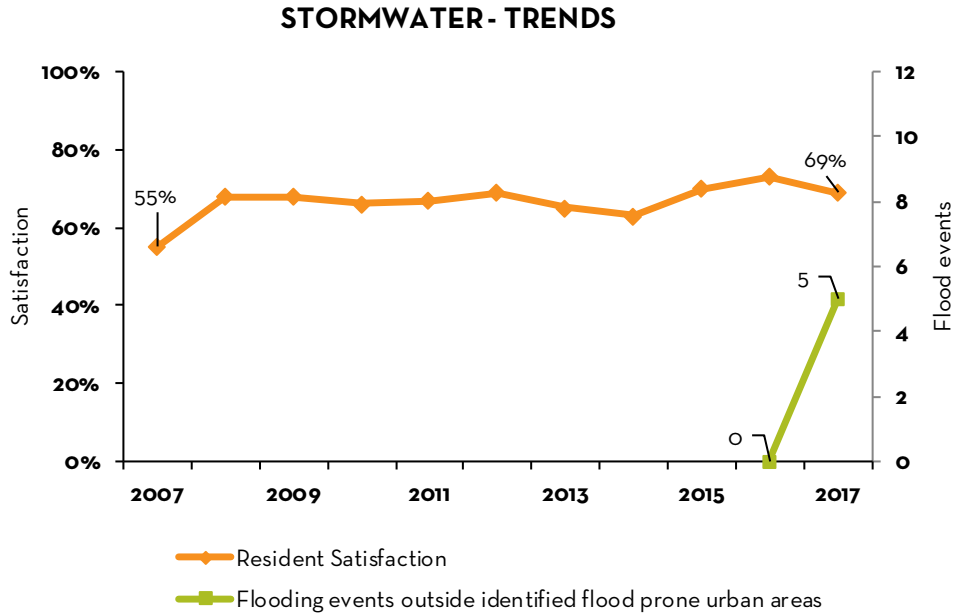
9 SOAKHOLES
CATCHPITS

34.8 KILOMETRES
of open drains

1.2 KILOMETRES
of rising mains

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
<p>Key Performance Measure The number of times flooding occurs outside identified flood-prone urban areas during a one-in-50 year or less storm event.</p> <p>This performance measure is assessed on a per event basis i.e. flooding in more than one location in a single event will be counted as 1.</p>	≤3 EVENTS	5	0 (EVENTS)	<p>There were a total of five storm events and flooding occurred outside of flood prone areas in each event.</p> <p>This result only relates to the number of flooding to houses reported and known houses flooded. It does not include habitable floors affected and not reported.</p>	☹️
<p>Key Resident Measure Resident satisfaction level with stormwater systems, as monitored by the Annual Residents Survey; percentage of residents who are “very satisfied” or “satisfied”.</p>	≥65%	69%	73%	<p>The target and result were calculated excluding those surveyed who ‘don’t know’. The survey result including those that ‘don’t know is 60%.</p>	😊

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
We will provide stormwater assets to minimise risks of flooding events					
Based on the number of flooding events that occur within the District.	≤30 (3%) PER EVENT	0.05%	0		😊
For each flooding event (district wide), the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system).					
For a one in ten year flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to Council's stormwater system).	PER EVENT				
Waihi Beach	≤60 (6%)	0	0	There were no one in ten year flooding event in the 2016/17 year	😊
Katikati	≤10 (1%)	0	0		😊
Omokoroa	≤10 (1%)	0	0		😊
Te Puke	≤30 (3%)	0	0		😊
Maketu	≤30 (3%)	0	0		😊
Compliance with Council's resource consents for discharge from our stormwater system, measured by the number of:					
• Abatement notices	0	0	0		😊
• Infringement notices	0	0	0		😊
• Enforcement orders, and	0	0	0		😊
• Convictions	0	0	0		😊
received by Council in relation to those resource consents					
We will be responsive to customer's stormwater issues					
The median response to attend a flooding event, measured from the time that Council receives the notification to the time that service personnel reach the site.	≤120 MINUTES	13 MINUTES	NO EVENTS		😊
The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the Councils stormwater system.	≤30	10.8	0.8		😊

FUTURE INITIATIVES

We will continue to progress resource consent negotiations for Two Mile Creek Waihi Beach with the Regional Council and property owners. Funding is available to commence construction however work cannot commence until the resource consent is finalised.

With all the comprehensive stormwater consents now lodged with the Bay of Plenty Regional Council, we will continue the process required to finalise these consents.

The Bay of Plenty Regional Council's Regional Policy Statement provides a framework for sustainably managing the region's natural and physical resources. In compliance with this document, we are required to undertake a risk based approach to stormwater mapping. As a result, we will complete stormwater modelling throughout the district which will update information for future plan changes.

COST OF SERVICE STATEMENT

STORMWATER

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Stormwater	3,716	3,998	3,882
Waihi Beach coastal protection	105	124	115
Total operating expenditure	3,820	4,122	3,997
Analysis of expenditure by class			
Direct costs	750	803	643
Overhead costs	415	584	530
Interest	1,530	1,573	1,669
Depreciation	1,125	1,162	1,155
Total operating expenditure	3,820	4,122	3,997
Revenue			
Targeted rates	3,836	3,823	3,681
User fees	2	-	1
Financial contributions	585	704	551
Vested assets	950	274	629
Other income	207	113	2
Total revenue	5,581	4,914	4,864
Net cost of service - surplus/(deficit)	1,761	792	867
Capital expenditure	1,244	1,913	217
Vested assets	950	274	629
Total other funding required	(433)	(1,395)	21
Other funding provided by			
General rate	1,468	1,468	1,134
Debt increase/(decrease)	241	524	(401)
Reserves and future surpluses	(1,277)	(597)	(754)
Total other funding	433	1,395	(21)

MAJOR VARIANCES

Vested assets were \$676k higher than budget as a result of increased development in the District. These assets are installed by developers and vested to Council upon completion.

Other income in the year relates to contributions received for the construction of coastal protection and creek bank protection in the District, which formed a large part of the capital expenditure.

NATURAL ENVIRONMENT



NATURAL ENVIRONMENT

OVERVIEW

The natural environment of the Western Bay is one of our most valuable assets covering 212,000 hectares of coastal, rural and urban areas. The land of the Western Bay of Plenty faces north-east to the sea. To the West are the rugged bush-covered Kaimai ranges. Numerous streams drain the Kaimais, flowing down through the hills and coastal lowlands into the swampy estuaries and mudflats of the Tauranga Harbour.

The activities that are provided within the Natural Environment Strategy include:

- Environmental education programmes and initiatives delivered mostly through service delivery contracts with Wild About New Zealand and Coastcare
- Support for community based environmental projects provided by our Environmental Development Officer who helps communities to realise their capacity to drive and implement environmental projects
- Fencing subsidies to encourage the protection of important ecological areas on private land
- A small fund that can be used to support projects or initiatives that enhance the quality of the environment.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Areas of our natural environment with important environmental, cultural and heritage values are protected.

OUR GOALS

- Support the provision of environmental education and information across our District
- Support community based environmental projects.

2016/17 HIGHLIGHTS

Otanewainuku Kiwi Trust

This year Council has been involved in an agreement with Volunteer BOP to supply services as a volunteer co-ordinator for the Otanewainuku Kiwi Trust. This position is being funded by Council for one year to support this flagship environmental group. The role will provide coordination of the 100-strong volunteers already involved with the Kiwi Trust as well as undertaking recruitment, retention, induction and welcoming processes. Continued funding of this initiative will be considered as part of the long term planning process.

Community Education

We've continued to deliver environmental education programmes to our communities through our contract with Wild About NZ who currently deliver to four schools and facilitate six care groups throughout the District.

Council has continued supporting environmental education in Maketu through the Maketu Ongatoro Wetland Society. Each month they deliver a day long programme to the Maketu and Paengaroa schools which incorporates in-school lessons and field trips. These lessons make the connection between environmental science and the environment in their part of the Western Bay. Private sponsors enable Te Duke Primary to be included.

Council has also been involved in assisting environmental groups to attend training needed to complete their volunteer work such as First Aid certificates, funding workshops, and Controlled Substances Licenses (poisons).

Other initiatives include

- Wild About NZ is working with the Uretara Estuary Managers to expand their current wetland restoration programme to include four catchments. This expansion is a direct result of the success enjoyed by the group and the increasing support it is receiving from the local community.
- The Community Matching Fund continues to assist environmental projects with its dedicated environmental \$40,000 per annum.
- Pest Free Omokoroa is also being assisted by Wild About NZ and continues to successfully eradicate pests on the Peninsula and preserve their environment.
- At Matakana Island we contracted a local environmental group to undertake monitoring in three wetland areas. Although not analysed yet, the results are in, and they will provide valuable comparisons to baseline monitoring that was undertaken six years ago using the same methodologies and at the same sites. This should provide the group with some strong direction on what has worked and what hasn't and hopefully outline some of the next steps forward.

Biodiversity Management Plans

Expenditure on the biodiversity management protection programmes on private land was less than prior years. This is a natural result of the completion of protection works on many identified biodiversity areas.

The current trend is for farmers to fence and plant unprotected stream areas in conjunction with the Bay of Plenty Regional Council. Our current fund contributes up to 25% of some of

this work, (our role is the protection of existing biodiversity, not creating new sites) and this trend from biodiversity protection to soil and water conservation, highlights our traditional role within this activity is diminishing.

However the number of Biodiversity Management Plans for care groups has increased to five. These are quite comprehensive 5 year plans for the management of biodiversity sites such as dunes, foreshore, back dunes, estuaries, etc.





EDUCATION PROGRAMMES & INITIATIVES

Support for
**ENVIRONMENTAL
SERVICE DELIVERY
PROVIDERS**



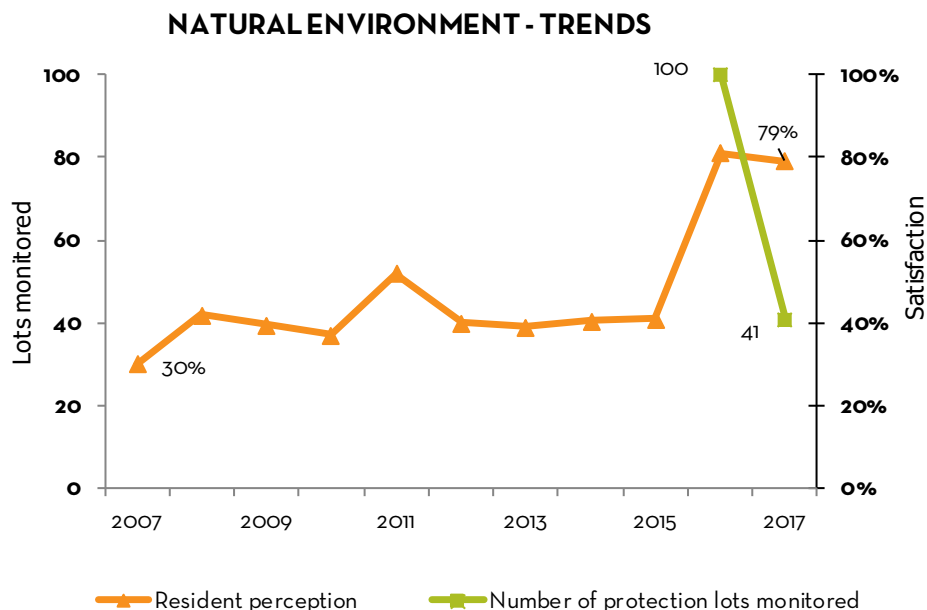
FENCING SUBSIDIES
(protected bush lots)

COMMUNITY GROUP SUPPORT

**LIAISON WITH THE REGIONAL COUNCIL
AND PARTNERS**
with a focus on environmental issues

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	
	TARGET	RESULT	RESULT		
Key Performance Measure Number of protection lots monitored to ensure compliance with covenants.	≥40%	41	100		😊
Key Resident Measure Percentage of residents surveyed who perceive the environmental attributes monitored have improved or being maintained. <i>Please note: the environmental features monitored include the quality of streams and rivers, harbours and estuaries, air quality, the amount of noxious weeds, protection of historic places, general level of cleanliness and the amount and quality of native plants and animals.</i>	≥40%	79%	81%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 70%.	😊
Supporting Measure Annual number of training initiatives supported.	≥5	3	5	Council did not lead this initiative during the 2016/17 year.	😞

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Facilitate and support community involvement in protecting and enhancing the natural environment					
Percentage of environmental groups that Council actively supports.	≥50%	47.5%	37.5%	19 groups were actively supported during the year.	☹️
Number of individual landowners actively supported to protect remnant bush and riparian zones.	≥50	5	21	The Regional Council has changed their funding model and structure, going back to 'Environmental Plans' and offering higher subsidies to land owners. Also, much of the current work is now restoration and soil and water conservation which doesn't trigger our RMA goal of 'protecting indigenous biodiversity'.	☹️

FUTURE INITIATIVES

The significant growth throughout the District has heightened the need to protect and enhance key environmental areas.

The District's urban growth studies provides a mechanism for the promotion of environmental interests and also a chance to

identify opportunities to protect our environment sooner rather than later for these new urban areas.

We will continue to work with, support and assist environmental



COST OF SERVICE STATEMENT

NATURAL ENVIRONMENT

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2017	2017	2016
Analysis of expenditure by activity			
Environment protection grants	39	101	96
Natural environment support	292	233	271
Coastcare	42	55	46
Ecological impact fees	-	-	5
Waihi District Drainage - drains	134	121	110
Waihi District Drainage - pumps	185	190	168
Total operating expenditure	691	700	696
Analysis of expenditure by class			
Direct costs	625	655	646
Overhead costs	61	40	42
Depreciation	5	5	8
Total operating expenditure	691	700	696
Revenue			
Targeted rates	325	328	316
Financial contributions	244	180	158
Interest	-	-	-
Total revenue	569	508	474
Net cost of service - surplus/(deficit)	(123)	(192)	(222)
Capital expenditure	-	-	-
Total other funding required	(123)	(192)	(222)
Other funding provided by			
General rate	168	119	146
Environmental protection rate	45	45	45
Reserves and future surpluses	(90)	29	31
Total other funding	123	192	222

WASTEWATER



WASTEWATER

OVERVIEW

Our long term goal for wastewater is to ensure that wastewater treatment and disposal systems are sustainable and continue to meet environmental and health and safety standards. We will continue to encourage households to explore and implement measures that reduce wastewater volume per person.

We have five wastewater treatment plants at Katikati, Omokoroa, Maketu/Little Waihi, Te Puke and Waihi Beach.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Wastewater services are well planned and maintained to ensure a clean and healthy environment.

OUR GOALS

- All areas in our District served by reticulated wastewater disposal systems meet acceptable health, safety and environmental standards
- Assist small urban communities along the Tauranga Harbour to ensure that the wastewater disposal options available to them meet health and safety requirements.

2016/2017 HIGHLIGHTS

The resource applications for Katikati and Te Puke wastewater discharge were completed and lodged with the Bay of Plenty Regional Council. If applications are successful they will allow the continued operation of the treatment plants and the discharge of treated wastewater to water (Katikati to the sea, 650m off Matakana Island and Te Puke to the Waiari River). As part of the resource consent process a significant level of consultation was undertaken with the Community and Iwi.

The non-performance of sewerage tanks has been attributed to the degradation in Tauranga Harbour. To address this wastewater options have been identified for both Te Puna West and Ongare Point. The design of the wastewater scheme was completed for Te Puna and physical works have commenced. Works are scheduled for completion by December 2017. At Ongare Point community consultation was completed and the best option for a wastewater scheme has been selected. Work will commence in 2017/2018 year.

The maintenance and upgrade of existing plants continued through out the year. This included:

- **Te Puke:** replacement of air blowers which will ensure a constant flow of air which ensures the wastewater is treated to a high quality
- **Waihi Beach:** an additional aerator was installed to increase aeration specifically for the summer months
- **Maketu:** there were significant blockages at this plant which resulted in high maintenance costs. A letter drop was undertaken to inform the Maketu Community of the issue and how to prevent it. This has resulted in a marked decline in blockages
- **Waihi Beach:** completed the desludging of the bio lagoon to improve the overall functioning of the treatment plant.

WHAT WE PROVIDE

MAKETU

37.8

- KILOMETRES
- of pipes

522

HOUSEHOLD PUMPS

2

BOOSTER PUMPS

- treatment plant with two sequential batch reactor tanks and emergency pond
- discharge to land via subsurface drip irrigation

OMOKOROA

64.4

- KILOMETRES
- of pipes

14

PUMP STATIONS

- sewage is pumped to the Tauranga City Chapel Street plant for treatment

TE PUKE

71.5

- KILOMETRES
- of pipes

7

PUMP STATIONS

- treatment plant with a sequentially activated sludge system, ultraviolet disinfection and wetland

KATIKATI

73.2

- KILOMETRES
- of pipes

14

PUMP STATIONS

- treatment plant with aerated lagoons, ultraviolet disinfection and wetland

WAIHI BEACH

79.0

- KILOMETRES
- of pipes

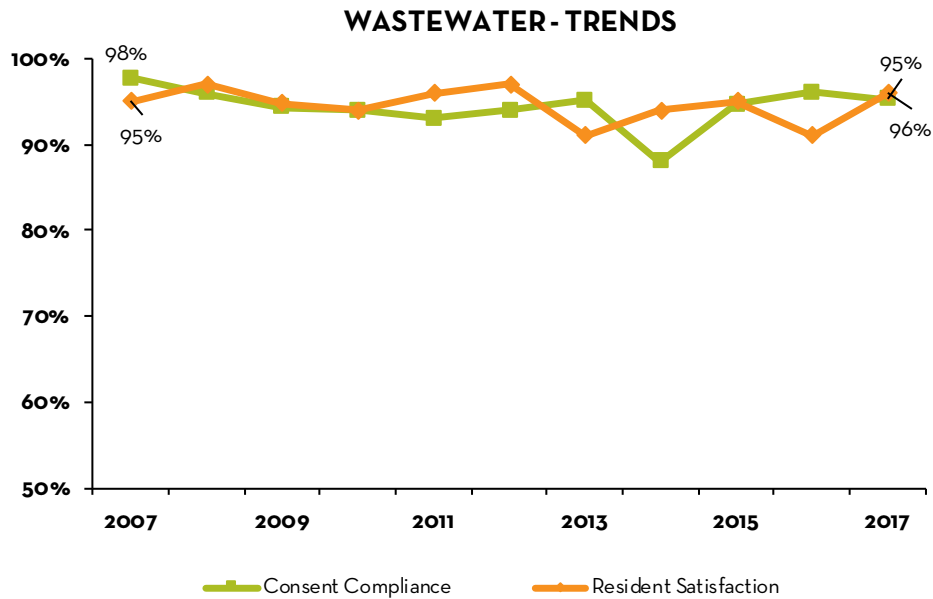
23

PUMP STATIONS

- treatment plant with aerated lagoons, ultraviolet disinfection and wetland

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage compliance with Resource Consents for each wastewater scheme:					
• Katikati	≥94%	90.6%	96.9%	Katikati non compliance due to trials and operational issues. Te Puke non compliance when plant over stressed due to transfer of sewerage from Maketu.	☹️
• Maketu/Little Waihi	≥94%	100%	95.8%		☹️
• Te Puke	≥97%	92.5%	92.5%		☹️
• Waihi Beach	≥97%	97.9%	99.2%		😊
Key Resident Measure Level of resident satisfaction with Councils reticulated wastewater disposal system as monitored by the Annual Residents' Survey, those residents who are 'very satisfied' and 'satisfied'.	≥95%	96%	91%	The target and result calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 92.5%.	😊

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Maintain wastewater systems and have capacity to meet demand					
The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system. NOTE: only applies when, 1mm of rain has fallen in a 24 hr period.	≤2	1.83	3.3		😊
Compliance with resource consents for discharge from the sewerage system measured by the number of; <ul style="list-style-type: none"> • Abatement notices • Infringement notices • Enforcement orders • Convictions. received in relation to those resource consents.	0	0	0	The Te Puke and Katikati resource consent renewal applications were lodged six months prior to the original consents lapsing. This enables us to continue operating under the original consents.	😊
Provide wastewater services that meet customer needs					
The median response time for Council to attend to sewerage overflows resulting from a blockage or other fault in the Council sewerage system. <ul style="list-style-type: none"> • Attendance time: from the time that Council receives notification to the time that service personnel reach the site. 	≤1 HOUR	26 MINUTES	31 MINUTES		😊
<ul style="list-style-type: none"> • Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault. 	≤24 HOURS	2 HOURS 47 MINUTES	2 HOURS & 40 MINUTES		😊
The total number of complaints received by Council about: <ul style="list-style-type: none"> • Sewerage odour • Sewerage system faults • Sewerage system blockages • Council's response to issues with sewerage system. <i>Expressed per 1000 connections to the Councils sewerage system.</i>	≤45	29.27	22.6		😊

FUTURE INITIATIVES

The Bay of Plenty Regional Council will make a decision on our resource consent applications for Katikati and Te Puke wastewater discharge options. If successful it is likely that one of the consent conditions is to identify alternative 'non water' discharge options for both Katikati and Te Puke. A working group including Councillors, Iwi, Community representatives will work with staff and consultants to identify options.

At Ongare Point the physical works will commence and scheduled to be completed by December 2017.

Work will continue to maintain and upgrade plant and equipment through the capital and renewals programme.

COST OF SERVICE STATEMENT

DISTRICT-WIDE WASTEWATER

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Waihi Beach wastewater	3,332	3,302	3,427
Katikati wastewater	2,720	2,182	1,856
Omokoroa wastewater	4,175	4,103	3,938
Te Puke wastewater	1,618	1,721	1,796
Maketu wastewater	1,330	1,257	1,291
Ongare wastewater	140	35	6
Total operating expenditure	13,316	12,599	12,314
Analysis of expenditure by class			
Direct costs	4,692	4,339	3,981
Overhead costs	1,417	1,348	1,294
Interest	3,443	3,425	3,539
Depreciation	3,764	3,487	3,500
Total operating expenditure	13,316	12,599	12,314
Revenue			
Targeted rates	9,447	9,297	9,323
User fees	9	2	5
Financial contributions	2,739	1,319	1,545
Subsidies	-	1,891	-
Vested assets	457	90	386
Other income	10	-	30
Total revenue	12,663	12,599	11,289
Net cost of service - surplus/(deficit)	(653)	1	(1,025)
Capital expenditure	1,258	4,654	1,436
Vested assets	457	90	386
Total other funding required	(2,369)	(4,744)	(2,847)
Other funding provided by			
General rate	1,500	1,500	950
Environmental protection rate	503	452	444
Debt increase/(decrease)	(660)	73	(803)
Reserves and future surpluses	1,026	2,719	2,256
Total other funding	2,369	4,744	2,847

MAJOR VARIANCES

Direct costs were \$711k higher than the previous year, as a result of higher expenditure on consultancy, maintenance and sludge disposal.

Financial contributions were higher than both budget and prior year due to continued growth and development in the District. There was no subsidy income compared to budget due to the delay in the Te Puna West wastewater system capital project, which has now been deferred to the 2017/18 year.

COST OF SERVICE STATEMENT

WAIHI BEACH WASTEWATER

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2017	2017	2016
Analysis of expenditure by activity			
Waihi Beach wastewater	3,332	3,302	3,427
Total operating expenditure	3,332	3,302	3,427
Analysis of expenditure by class			
Direct costs	1,197	1,111	1,158
Overhead costs	282	284	273
Interest	1,022	1,036	1,098
Depreciation	831	870	898
Total operating expenditure	3,332	3,302	3,427
Revenue			
Targeted rates	2,683	2,575	3,159
User fees	6	-	3
Financial contributions	334	89	344
Vested assets	-	-	44
Other income	9	-	11
Total revenue	3,032	2,664	3,561
Net cost of service - surplus/(deficit)	(300)	(638)	134
Capital expenditure	181	277	194
Vested assets	-	-	44
Total other funding required	(480)	(915)	(104)
Other funding provided by			
General rate	700	700	350
Environmental protection rate	107	107	124
Debt increase/(decrease)	(560)	(560)	(513)
Reserves and future surpluses	233	667	143
Total other funding	480	915	104

COST OF SERVICE STATEMENT

KATIKATI WASTEWATER

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2017	2017	2016
Analysis of expenditure by activity			
Katikati wastewater	2,720	2,182	1,856
Total operating expenditure	2,720	2,182	1,856
Analysis of expenditure by class			
Direct costs	1,265	1,082	718
Overhead costs	305	302	293
Interest	92	73	115
Depreciation	1,058	724	730
Total operating expenditure	2,720	2,182	1,856
Revenue			
Targeted rates	2,079	2,021	1,830
User fees	1	-	1
Financial contributions	402	303	560
Vested assets	22	20	116
Other income	-	-	9
Total revenue	2,505	2,344	2,516
Net cost of service - surplus/(deficit)	(215)	162	660
Capital expenditure	288	649	930
Vested assets	22	20	116
Total other funding required	(526)	(506)	(386)
Other funding provided by			
Environmental protection rate	84	84	76
Debt increase/(decrease)	(89)	(74)	(60)
Reserves and future surpluses	531	497	370
Total other funding	526	506	386

COST OF SERVICE STATEMENT

ONGARE POINT WASTEWATER

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2017	2017	2016
Analysis of expenditure by activity			
Ongare Point wastewater	140	35	6
Total operating expenditure	140	35	6
Analysis of expenditure by class			
Direct costs	120	35	6
Overhead costs	20	-	-
Total operating expenditure	140	35	6
Revenue			
Targeted rates	-	-	-
User fees	-	-	-
Financial contributions	-	-	-
Vested assets	-	-	-
Other income	-	-	-
Total revenue	-	-	-
Net cost of service - surplus/(deficit)	(140)	(35)	(6)
Capital expenditure	-	-	-
Vested assets	-	-	-
Total other funding required	(140)	(35)	(6)
Other funding provided by			
General rate	-	-	-
Environmental protection rate	71	21	6
Debt increase/(decrease)	-	-	-
Reserves and future surpluses	69	14	-
Total other funding	140	35	6

COST OF SERVICE STATEMENT

OMOKOROA WASTEWATER

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2017	2017	2016
Analysis of expenditure by activity			
Omokoroa wastewater	4,175	4,103	3,938
Total operating expenditure	4,175	4,103	3,938
Analysis of expenditure by class			
Direct costs	808	788	685
Overhead costs	343	295	283
Interest	2,277	2,271	2,230
Depreciation	747	748	740
Total operating expenditure	4,175	4,103	3,938
Revenue			
Targeted rates	1,187	1,250	1,464
User fees	1	-	1
Financial contributions	1,751	742	557
Vested assets	376	70	161
Other income	1	1,891	2
Total revenue	3,316	3,954	2,184
Net cost of service - surplus/(deficit)	(859)	(149)	(1,754)
Capital expenditure	390	2,804	2
Vested assets	376	70	161
Total other funding required	(1,625)	(3,023)	(1,917)
Other funding provided by			
General rate	800	800	600
Environmental protection rate	97	97	118
Debt increase/(decrease)	29	718	(181)
Reserves and future surpluses	699	1,407	1,379
Total other funding	1,625	3,023	1,917

COST OF SERVICE STATEMENT

TE PUKE WASTEWATER

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Te Puke wastewater	1,618	1,721	1,796
Total operating expenditure	1,618	1,721	1,796
Analysis of expenditure by class			
Direct costs	773	846	838
Overhead costs	294	310	299
Interest	(121)	(125)	(49)
Depreciation	673	689	708
Total operating expenditure	1,618	1,721	1,796
Revenue			
Targeted rates	2,968	2,979	2,422
User fees	2	-	-
Financial contributions	251	178	82
Vested assets	59	-	65
Other income	-	-	7
Total revenue	3,280	3,157	2,576
Net cost of service - surplus/(deficit)	1,662	1,437	780
Capital expenditure	273	725	217
Vested assets	59	-	65
Total other funding required	1,330	712	498
Other funding provided by			
Environmental protection rate	123	123	102
Debt increase/(decrease)	(40)	(11)	(49)
Reserves and future surpluses	(1,413)	(824)	(551)
Total other funding	(1,330)	(712)	(498)

COST OF SERVICE STATEMENT

MAKETU WASTEWATER

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2017	2017	2016
Analysis of expenditure by activity			
Maketu wastewater	1,330	1,257	1,291
Total operating expenditure	1,330	1,257	1,291
Analysis of expenditure by class			
Direct costs	529	477	576
Overhead costs	172	156	146
Interest	174	169	145
Depreciation	455	455	424
Total operating expenditure	1,330	1,257	1,291
Revenue			
Targeted rates	529	471	448
User fees	-	2	-
Financial contributions	-	6	2
Other income	-	-	2
Total revenue	529	480	452
Net cost of service - surplus/(deficit)	(801)	(777)	(839)
Capital expenditure	126	200	92
Vested assets	-	-	-
Total other funding required	(927)	(977)	(931)
Other funding provided by			
Environmental protection rate	20	20	17
Reserves and future surpluses	907	958	914
Total other funding	927	977	931

SOLID WASTE



SOLID WASTE

OVERVIEW

Human activity is inextricably linked to the health of our natural environment. A healthy environment is essential for overall well-being and prosperity. With our population growing, so demands on our natural resources will increase. The challenge is to lessen our impacts on the environment and reduce consumption and waste. Our Solid Waste Strategy sets out our sustainable development approach to the management of solid waste activities across our District.

The primary aim of this Strategy is to reduce the amount of waste produced by reducing, reusing, recycling and recovering.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Efficient waste management practices minimise environmental harm and waste.

OUR GOALS

- Minimise the total quantity of residual waste for disposal through effective planning, education and enforcement so people reduce, reuse and recycle
- Provide good information so people dispose of residual waste in an environmentally acceptable manner
- Work with our communities to create a clean environment by encouraging and recognising innovative solutions to waste problems.

2016/2017 HIGHLIGHTS

We completed our first Waste Management & Minimisation Plan (WMMP) jointly with Tauranga City Council in 2010. Under the Waste Minimisation Act 2008 this plan is reviewed every six years and requires Councils to promote effective and efficient waste management and minimisation within its district. We commenced the review of this plan for our district by undertaking the necessary research to inform the direction of this plan. Council is reviewing the WMMP in conjunction with the development of the Long Term Plan (LTP) 2018 - 2028, and the review of the solid waste strategy. As part of the review two SWAP audits of kerbside rubbish were completed which revealed 48% of the content of rubbish bags are organic in nature. To divert the organics from landfill residents can composting it, use worm farming or feed it to animals. To assist residents in changing their behaviour Council introduced subsidised home worm composting workshops in the district.

Community conversations are underway as part of the development of the next LTP. One of the conversations focusses on the community's response to questions asked about kerbside collections. These conversations will provide valuable community input into the direction of the Solid Waste Strategy and actions to the WMMP.

The three community recycling centres remain a hub of activity for residents to drop off their recyclables free of charge. Change in behaviour and a consciousness of wanting to contribute to keeping the district and environment healthy has increased volumes of traffic through the centres. Health and safety is a significant risk in the operation of our recycling centres. To address this there have been a number of improvements to ensure the safety of both staff and users of the centres. This includes improvements to the forklift operating areas, replacing most bags with pallet bins and introducing a hook bin system for collecting paper.

Over the Christmas / New Year holidays the opening hours at Katikati and Athenree were increased. A large number of holidaymakers visit the area during this time and this ensured facilities were able to respond to the increased demand. The communities responded well to this initiative.

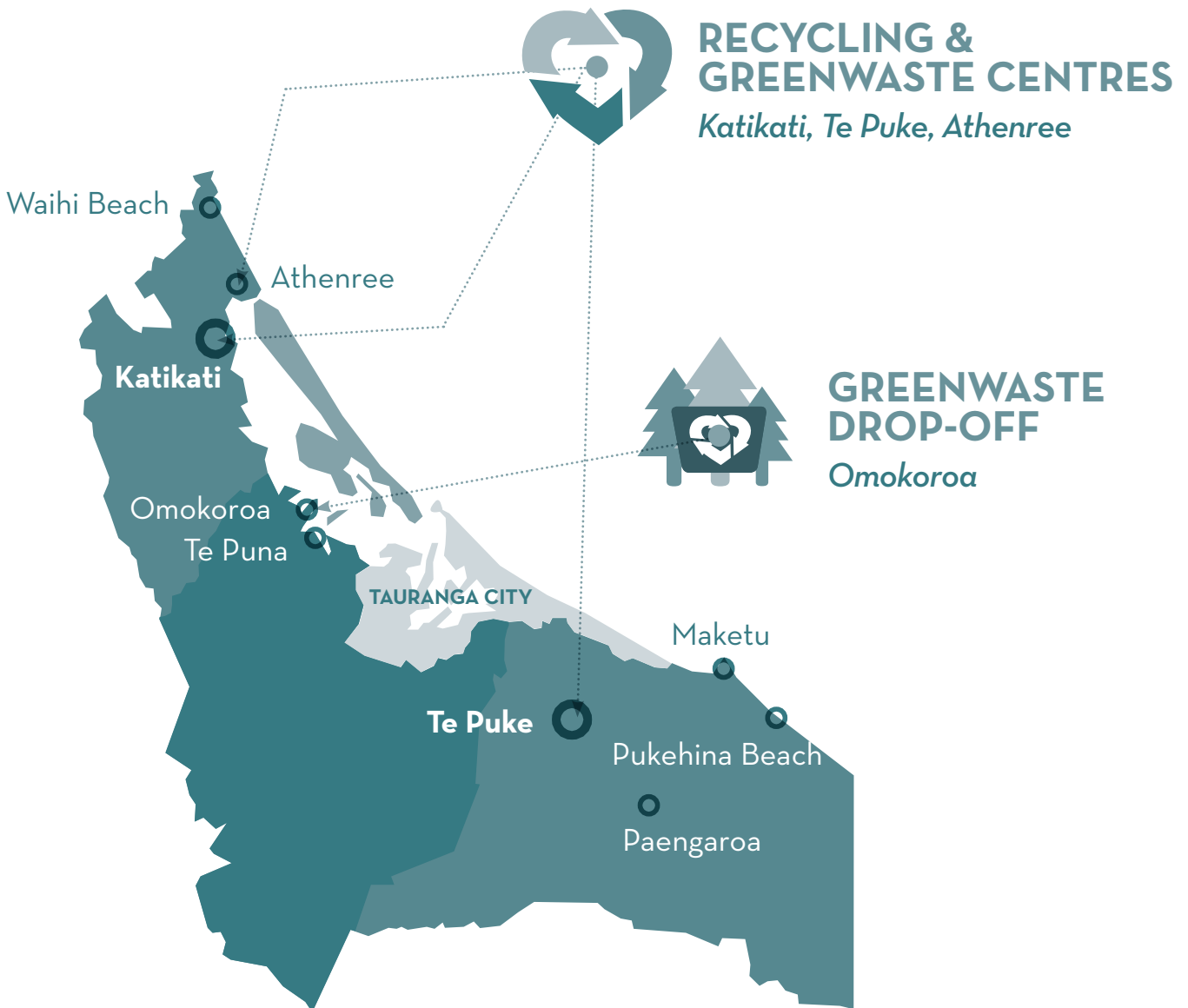
Council continues to support various waste minimisation programmes and initiatives aimed at educating our children and the public to ensure we minimise waste to landfill. This includes:

- Para Kore, a marae based waste minimisation initiative introducing recycling systems and training waste champions
- Reducing business waste in the district by delivering a business waste minimisation programme to businesses free of charge. Waste Watchers Ltd undertake onsite audits, educate staff, and encourage the efficient use of resources. Successful case studies include Trevelyan's pack house and Comvita
- Zero Waste Education programme in most pre-school, primary and secondary schools. The curriculum is substantive and includes litter free lunches and composting units. Excellent feedback from schools for the programme and its educators
- Paper4Trees, is an initiative focused on encouraging paper recycling in schools. Schools receive native plantings for their school at the end of the year based on the volume of paper recycled
- Council supported the Love Food, Hate Waste campaign with movie nights and Food Lovers master class presentations as well as displays in our service centres. This campaign aims to change behaviour related to food waste by educating on use by dates, how much to buy; and
- Kate Meads held waste free parenting classes in the district reintroducing cloth nappies and educating parents on alternatives to plastic and bottled baby products.

We supported and promoted recycling at various events throughout the district. To do this we provide equipment and support to event organisers. Events supported include: Waihi Beach market, AIMS games, balloons over Waihi Beach, Katikati Avocado Festival and the Kaimoana Festival in Maketu.

Illegal dumping and abandoned vehicles in the district remains an issue. Council approach these with a view to prosecute. We follow up on evidence found but it requires lots of staff time with often disappointing results.

WHAT WE PROVIDE



EDUCATION PROGRAMMES

ONGOING MONITORING OF
**CLOSED & CAPPED
LANDFILLS**

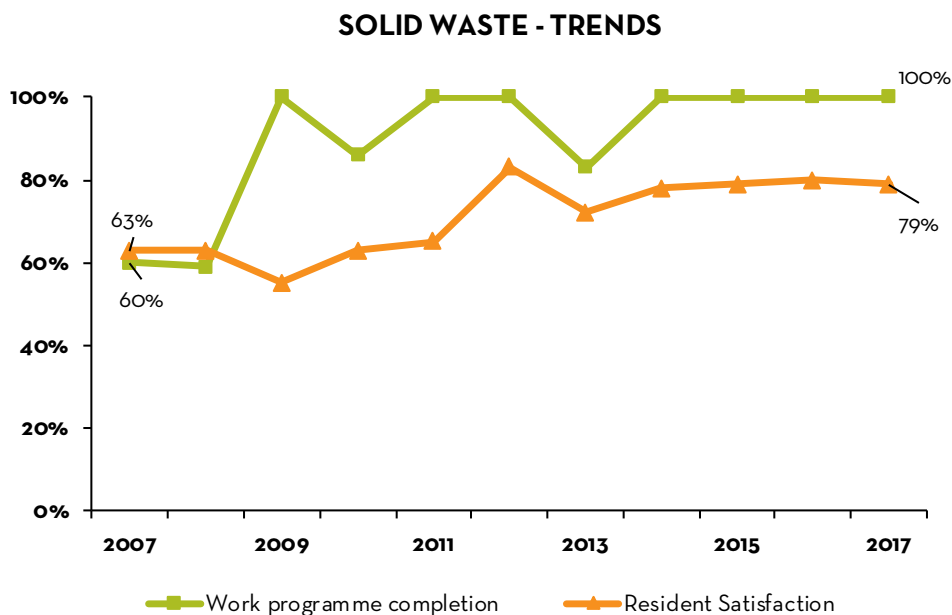
Athenree, Te Puke, Waihi Beach

MONITOR
**ILLEGAL DUMPING
(FLY-DUMPING)**

across our District

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage of actions, identified in the Solid Waste Action Plan for the year that have been completed. This identifies the total annual actions required for this strategy. Actions are required within specification and budget.	97%	100%	100%		😊
Key Resident Measure Percentage level of customer satisfaction with household rubbish disposal methods. As measured through our Annual Residents' Survey, those customers who are 'very satisfied' and 'satisfied'.	78%	79%	80%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 63%.	😊
Supporting Measures Percentage of waste recycled or recovered as estimated and reported by licensed operators (excludes waste disposed of privately). We include estimates because we do not have weighbridges.	40%	20%	NOT REPORTED	Council do not control this waste stream, so reliance placed on external contractor to monitor. New targets will be identified as part of the Waste Management & Minimisation Plan process.	😞
Number of initiatives funded by the Ministry for the Environment Waste Minimisation Scheme.	1	6	1		😊

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
All Council-owned solid waste facilities, including closed landfills, meet environmental standards					
Number of abatement/infringement notices received.	0	0	0		😊
Provide and maintain drop-off recycling services					
Number of greenwaste and/or recycling facilities provided.	4	4	4		😊
Assist in the provision of opportunities for the removal of hazardous waste					
Number of hazardous waste drop off points.	3	3	3		😊

FUTURE INITIATIVES

The review of the Waste Management and Minimisation Plan (WMMP) will provide actions to be completed in the next 6 years. To achieve the agreed direction their implementation will result in a number of initiatives. In particular, the WMMP will determine the services provided and our response to the pressures to accept additional waste for recycling i.e. example plastics grade 3 - 7.

The greenwaste drop-off facility at Omokoroa needs to be re-sited due to the housing development in the area. Community consultation is happening to see if a recycle centre and transfer station should be established in Omokoroa to keep up with the development in the region.

Our recycling centres at Katikati and Athenree are operating at capacity. As a result, we will be focussing on how we can best service our customers without further increasing costs.

Katikati Community Board is seeking to promote Katikati as an environmentally sound green town. They are currently talking with council to identify opportunities to work towards this goal.

COST OF SERVICE STATEMENT

SOLID WASTE

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2017	2017	2016
Analysis of expenditure by activity			
District solid waste	526	706	349
Western solid waste	551	470	479
Eastern solid waste	347	517	348
Omokoroa greenwaste	112	159	129
Total operating expenditure	1,536	1,852	1,305
Analysis of expenditure by class			
Direct costs	964	1,299	789
Overhead costs	538	508	463
Interest	4	18	22
Depreciation	31	27	31
Total operating expenditure	1,536	1,852	1,305
Revenue			
Targeted rates	1,031	1,000	1,069
User fees	87	68	93
Subsidies	200	150	168
Other income	101	10	119
Total revenue	1,420	1,228	1,448
Net cost of service - surplus/(deficit)	(116)	(623)	144
Capital expenditure	4	-	118
Total other funding required	(120)	(623)	26
Other funding provided by			
Environmental protection rate	363	556	271
Debt increase / (decrease)	7	-	-
Reserves and future surpluses	(250)	67	(297)
Total other funding	120	623	(26)

MAJOR VARIANCES

Direct costs were \$335k lower than budget, due to savings on maintenance and trade waste projects.

Other income slightly lower than prior year and relates to income generated by recycling centres.

ECONOMIC



ECONOMIC

OVERVIEW

Economic development focuses on promoting the standard of living and economic health of a specific area. This strategy focuses on Council's role in supporting economic development, tourism, promotions, events and town centre development.

At a more strategic level Council is also a funder of Priority One, the Western Bay of Plenty subregion economic development agency who is focused on attracting businesses to the subregion and has been instrumental in progressing the development of a university campus in the central business district of Tauranga. Tourism Bay of Plenty, to which Council provides funding, has been instrumental in increasing the number of tourists to the District.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

To encourage the sustainable use of local resources in a way which strengthens economic opportunities and improves social outcomes.

OUR GOALS

- Foster partnerships between organisations, including local and central government and businesses to support economic, social, cultural and environmental development
- Council services are committed to being business friendly to encourage and enable businesses to flourish and contribute to building vibrant communities
- Enable an environment where community groups and business can collaborate and work together on shared outcomes for communities.

2016/2017 HIGHLIGHTS

During the year the Te Puke service delivery contract was split into two parts. This means Te Puke EDG will focus on economic development while EPIC Te Puke, a new organisation, will focus on town centre promotion.

Tourism BOP have developed a ten year Visitor Economic Strategy in conjunction with key agencies, including Council. The purpose of this strategy is to identify actions to increase the visitor spend in the Bay of Plenty. In 2016 the visitor expenditure was \$901m and this plan seeks to increase this to \$1.45b by 2028.

Creative BOP has led the development of an Arts and Culture Strategy in conjunction with key agencies. This draft strategy contains a vision for a vibrant Tauranga City and Western Bay of Plenty region, where our shared history with tangata whenua is celebrated, our creative industries thrive and prosper, and our diverse community is enriched by arts and cultural experiences – every day, for everyone. The six proposed goals are visionary, vocalising, vibrancy, valuing, viability and vitality. The public engagement process was completed in June 2017.

We continued to work with Priority One, Tauranga City, Bay of Plenty Regional Council and the University of Waikato to deliver the Instep Young Leaders programme. This programme provides leadership and networking opportunities for senior high school students.

Work continued across the district in the development of the town centres. This included:

- **Waihi Beach:** a Council owned section is currently under offer. If this is successful it will provide the opportunity for new mixed premises (retail and accommodation)
- **Katikati:** purchased land to facilitate car parking in the town centre. Work to be completed to enable cars to park in this area.
- **Omokoroa:** there will be a review of the structure plan in 2017/18 and once completed this will guide any future development.
- **Te Puke:** as highlighted in the transportation activity the focus was on the revocation of SH2 and development of the Jellicoe Street
- **Maketu:** working with the Hauora developers to facilitate improved car parking facilities.

WHAT WE PROVIDE



TOWN CENTRE PROMOTION

Te Puke, Katikati Waihi Beach



SUPPORT FOR
EXTERNAL
ORGANISATIONS

FOCUSED ON STRENGTHENING

our local economics

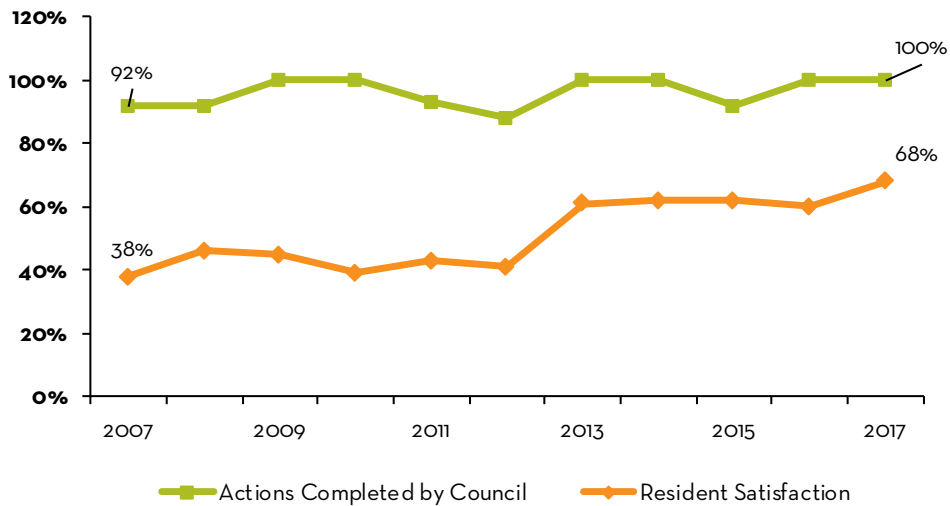
SUPPORTING

ECONOMIC DEVELOPMENT & TOURISM

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES






SUPPORTING THE ECONOMY - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage completion of the annual work programme as identified in our Economic Strategy and Action Plan.	≥90%	100%	100%		😊
Key Resident Measure Level of resident satisfaction with our role in promoting employment, tourism and business opportunities within the sub-region. Monitored by the Annual Residents' Survey, those residents that are 'satisfied' and 'very satisfied'.	≥60%	68%	60%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 49%.	😊

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2016/17		2015/16	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Council will support external organisations tasked with developing economic activity in the District					
Level of resident satisfaction with the promotion of town centres and events in Katikati, Te Puke and Waihi Beach. Monitored by the Annual Residents' Survey, those Residents that are 'satisfied' and 'very satisfied'.	≥65%	64%	65%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 57%.	
Number of service delivery contracts related to economic development activity.	4	5	7		
Percentage of economic contracts where contract requirements have been achieved.	≥90%	100%	90%		
Number of joint economic initiatives identified in the service delivery contracts that have been implemented.	2	10	4		
Council will facilitate economic development through the community development plans that have been developed for the District's urban growth node towns or communities					
Satisfaction of businesses with Councils role in economic development (two yearly survey).	NO SURVEY	NO SURVEY	69%	The next survey is scheduled for 2018.	
Number of economic action plans derived from our Community Development Plans.	7	0	8	There has been a change in the development and ownership of the Community Plans. These plans are now developed by and on behalf of the community. Council provides support to develop the Community Plans but no longer lead this process. While these plans are valuable inputs to our planning process Council is not obliged to action these plans.	

FUTURE INITIATIVES

The Arts and Culture Strategy when adopted by Council will move into the implementation phase. To achieve this we will work collaboratively with the key parties involved in the strategy.

The review of current structure plans and urban growth strategies in response to current growth is ongoing. Once these plans are finalised they will provide direction in regard to further development of commercial areas.

COST OF SERVICE STATEMENT

ECONOMIC

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Economic support	376	416	383
Visitor information	73	54	63
Town centre promotion	188	179	372
Total operating expenditure	637	649	818
Analysis of expenditure by class			
Direct costs	598	606	802
Overhead costs	109	102	101
Interest	(70)	(85)	(85)
Depreciation	-	26	-
Total operating expenditure	637	649	818
Revenue			
Targeted rates	271	271	259
Interest	-	-	-
Other income	3	2	46
Total revenue	274	273	305
Net cost of service - surplus/(deficit)	(363)	(376)	(513)
Capital expenditure	1	267	(266)
Total other funding required	(364)	(643)	(247)
Other funding provided by			
General rate	681	675	675
Interest in associates	-	-	(25)
Reserves and future surpluses	(317)	(32)	(403)
Total other funding	364	643	247

MAJOR VARIANCES

Direct costs were \$203k lower than the previous year, as last year incurred \$211k of costs for Katikati Town Centre feasibility.

(Note: 2016 capital expenditure credit relates to an adjustment of costs between capital and operating costs).

SUPPORT SERVICES



SUPPORT SERVICES

OVERVIEW

A number of internal corporate services support the delivery of services and activities to the community. Our Long Term Plan contains strategies that determine the activities Council provides to serve our community, for example water supply and transportation. Our Corporate Plan contains strategies for our support services. Corporate support activities have a crucial part to play in enabling staff to produce their best work and deliver the highest standards of service to customers. The key strategic approach for each of the corporate support activities is broadly described below:

CORPORATE SUPPORT ACTIVITY	WHAT THIS ACTIVITY DOES	STRATEGIC APPROACH
Customer services	Ensure customers receive timely, accurate and user friendly information, service and advice.	Focus on understanding the diversity of customers, and their needs and respond to them more effectively.
Communications	Ensure customers and communities are kept informed.	Provide communications that are targeted to identified customer needs.
Relationship management	Maintain effective relationships with residents and key communities of interest.	The purpose of the relationships is clearly understood, diversity is recognised and our obligations to Māori under the Treaty of Waitangi are fulfilled.
Human resources	Manage workforce capability and capacity.	Future workforce needs are understood so that staffing levels, skills and competencies are retained to deliver the agreed services to the community.
Information management	Ensure data is accessible, clear and secure.	Information is managed to ensure it is easily accessible and the integrity of the data is maintained
Information technology	Ensure information systems are integrated, secure and responsive to business needs.	Smart use of technology to achieve agreed strategic initiatives and optimise the customer experience.
Financial management	Provide comprehensive financial planning and monitoring services.	Timely, accessible and reliable information is available to inform decision-making, both for staff and elected members.
Corporate assets	Sustainably manage Council's corporate buildings, equipment, vehicles and land.	Assets, planning and property staff work together to enable the sustainable development of infrastructure.
Procurement	Ensure services purchased provide the best value for money, are sustainable and environmentally responsible.	Sustainable purchasing practices that demonstrate value for money and are environmentally responsible.
Risk management	Identify, minimise or mitigate risks.	Integrated risk management information to inform decision making and ensure continuity of Council services.
Quality management	Document and review key processes to ensure knowledge is maintained and opportunities for improvement identified.	Documentation of key processes secures knowledge and facilitates opportunities for improvement.

2016/17 HIGHLIGHTS

Council is a shareholder of the New Zealand Local Government Funding Agency Limited (LGFA). This entity was created to provide more cost effective financing specifically to local authorities, and Western Bay estimates that the on-going and enduring impact of the LGFA has saved approximately \$400,000 - \$500,000 per annum in interest costs that would not have been made had the LGFA not been established.

Council has continued to work on the digitisation of its property files and key records.

FUTURE INITIATIVES

Council will continue to participate in the BOPLASS initiatives.

COST OF SERVICE STATEMENT

SUPPORT SERVICES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Analysis of expenditure by activity			
Support services	780	1,318	912
Corporate assets	1,835	1,351	2,006
Treasury	2,364	1,099	6,953
Total operating expenditure	4,979	3,768	9,871
Analysis of expenditure by class			
Direct costs*	14,333	13,559	13,651
Overhead recoveries	(11,659)	(11,080)	(11,095)
Interest**	1,140	589	6,020
Depreciation	1,164	701	1,295
Total operating expenditure	4,979	3,768	9,871
Revenue			
Targeted rates	18	(153)	153
General rate	2,330	2,274	3,717
User fees	61	14	13
Interest**	6,414	1,183	1,087
Other income including General Rates	9,596	926	1,337
Total revenue	18,419	4,243	6,307
Net cost of service - surplus/(deficit)	13,440	475	(3,564)
Capital expenditure	3,336	3,843	2,541
Vested assets	-	-	-
Total other funding required	10,104	(3,368)	(6,105)
Other funding provided by			
Debt increase / (decrease)	369	119	(2,993)
Proceeds from sale of assets	-	85	89
Reserves and future surpluses	(10,473)	3,163	9,009
Total other funding	(10,103)	3,368	6,105

*Net direct cost of support services after overhead recoveries

** Net interest income/expense after internal interest recoveries

MAJOR VARIANCES

Interest expense in 2016 included a \$4.85m unrealised hedging movement (cost). When removed the interest was \$1.17m.

Interest income in 2016 included a \$5.14m unrealised hedging movement (income). When removed the interest income was \$1.27m. Both the movements are non-cash items.

Within other income is \$7.9m relating to the revaluation of the Te Tumu financial instrument.

When removed, other income is \$1.73m.

CHAPTER THREE

Finances



CHAPTER THREE

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WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDED 30 JUNE 2017

		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2017	2017	2016
Revenue from non-exchange transactions				
Fees and charges from activities	4	6,282	6,434	6,909
Rate revenue	5, 6 & 7	63,657	62,459	61,683
Fines		201	295	198
Vested assets	9	3,658	683	42,408
Financial contributions	11	10,993	7,051	7,862
Subsidies and grants	10	10,359	8,817	7,098
Other revenue	11	464	360	452
Unrealised hedging movement		5,142	-	-
Gains	21	1,542	-	1,079
Revenue from non-exchanged transactions total		102,296	86,099	127,689
Revenue from exchange transactions				
Finance revenue	8	1,272	1,183	1,096
Dividends		227	-	249
Rental Revenue		1,093	1,050	1,200
Other exchange revenue	11	1,357	634	912
Total revenue	2	106,247	88,966	131,146
Expenditure				
Other expenses	12	35,966	33,921	33,677
Personnel costs	13	16,830	16,295	15,293
Depreciation	21	19,052	18,786	19,992
Amortisation	22	360	138	396
Impairment expense		-	-	471
Unrealised hedging movement		-	-	4,851
Finance costs	8	8,246	7,890	8,708
Expenditure total	3	80,454	77,030	83,388
Share of associate surplus/(deficit)		(205)	-	(25)
Net surplus / (deficit)		25,587	11,936	47,733
Other comprehensive revenue and expenses				
Gains/(Losses) on asset revaluations	31	-	15,957	-
Reversal of impairment		7,868	-	-
Other assets at fair value through other comprehensive revenue and expense	28	76	-	31
Total other comprehensive revenue and expense for the year		7,944	15,957	31
Total comprehensive revenue and expense for the year		33,531	27,893	47,764

Explanations of major variances against budget are detailed in note 46 from page 193.

The accompanying notes form part of these financial statements.

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2017	2017	2016
Equity				
Retained earnings	28	784,184	738,025	754,269
Restricted reserves	29	266	257	261
Council created reserves	30	29,556	18,889	25,946
Asset revaluation reserves	31	341,279	372,247	341,279
Equity total		1,155,286	1,129,418	1,121,755
Assets				
Current assets				
Cash and cash equivalents	14	14,779	2,895	17,181
Receivables	15	7,721	11,380	6,461
Non-current assets held for sale	17	875	-	455
Prepayments	15	837	713	465
Other current financial assets	18	35,000	-	-
Current assets total		59,212	14,988	24,562
Non-current assets				
Other non-current financial assets	18	10,273	2,673	1,699
Investment in associates	19	222	427	427
Investments in CCO and other similar entities	20	3,603	3,042	3,039
Intangible assets	22	3,443	2,723	3,404
Forestry assets	23	6,843	5,819	5,819
Property, plant and equipment	21	1,248,923	1,260,192	1,239,804
Non-current assets total		1,273,307	1,274,876	1,254,192
Assets total		1,332,519	1,289,864	1,278,753
Liabilities				
Current liabilities				
Creditors and other payables	24	14,547	12,885	11,413
Current employee entitlements	26	2,360	1,793	2,109
Borrowings and other financial liabilities	25	45,000	13,000	13,000
Derivative financial instruments	16	9,655	9,946	14,797
Current portion provisions	27	312	310	311
Current liabilities total		71,875	37,934	41,630
Non-current liabilities				
Non current employee entitlements	26	24	150	22
Non current provisions	27	334	362	346
Non current borrowings and other financial liabilities	25	105,000	122,000	115,000
Other non current liabilities		-	-	-
Non-current liabilities total		105,358	122,512	115,368
Liabilities total		177,233	160,446	156,998
Net assets		1,155,286	1,129,418	1,121,755

The accompanying notes form part of these financial statements.

Garry Webber
His Worship the Mayor
 Western Bay of Plenty District Council

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2017

	NOTE	RETAINED EARNINGS	ASSET REVALUATION RESERVE	COUNCIL RESERVES	TOTAL EQUITY
Balance at 1 July 2015 as restated	36	710,230	341,242	22,433	1,073,905
Total comprehensive income for the year		44,039	37	3,774	47,850
Balance at 30 June 2016		754,269	341,279	26,207	1,121,755
Total comprehensive income for the year		29,915	-	3,615	33,531
Balance at 30 June 2017		784,184	341,279	29,822	1,155,286

The accompanying notes form part of these financial statements.

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2017

		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2017	2017	2016
Cash flows from operating activities				
Receipts from rates revenue		62,592	58,103	62,675
Regional Council rates		6,439	5,546	5,903
Interest received		637	408	404
Dividends received		227	360	249
Receipts from other revenue		31,138	27,804	25,021
Payments to suppliers and employees		(50,833)	(50,000)	(49,942)
Interest paid		(7,966)	(7,890)	(8,533)
Regional Council rates		(6,439)	(5,546)	(5,903)
Goods and services tax (net)		360	-	138
Net cash from operating activities	33	36,155	28,785	30,012
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		1,175	85	654
Purchase of property, plant and equipment		(26,129)	(41,130)	(16,151)
Purchase of intangible assets		(399)	(150)	(147)
Purchase of investments		(35,205)	(320)	-
Net cash from investing activities		(60,558)	(41,515)	(15,644)
Cash flows from financing activities				
Proceeds from borrowings		35,000	20,000	-
Repayment of borrowings		(13,000)	(13,000)	(10,000)
Net cash from financing activities		22,000	7,000	(10,000)
Net (decrease)/increase in cash held		(2,402)	(5,730)	4,368
Cash, cash equivalents and bank overdrafts at the beginning of the year		17,181	8,625	12,813
Cash, cash equivalents and bank overdrafts at the end of the year	14	14,779	2,895	17,181

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

Refer to Note 33 for reconciliation from net surplus to cash flows from operating activities.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017

Reporting entity

Western Bay of Plenty District Council (Western Bay 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 Western Bay Council's operations includes the LGA and the Local Government (Rating) Act 2002.

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

Western Bay Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

The financial statements of Western Bay Council are for the year ended 30 June 2017. The financial statements were authorised for issue by Council on 21 September 2017.

Basis of preparation

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

Statement of compliance

The financial statements of Western Bay Council have been prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE Standards.

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Western Bay Council has applied these standards in preparing the 30 June 2017 financial statements.

Standards issued and not yet effective and not early adopted

In July 2015, the PBE IPSAS 1 accounting standard was updated to incorporate requirements and guidance for not-for-profit public benefit entities. The updated standard applies to PBEs with reporting periods beginning on or after 1 January 2016. Western Bay Council will apply this updated standard in preparing its 30 June 2017 financial statements. The Council expects that there will be minimal or no change in applying this updated accounting standard.

Presentation currency and rounding

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

Statement of Significant Accounting Policies

Basis of consolidation

Associate

Western Bay Council's entities associate investment is accounted for in the financial statements using the equity method. An associate is an entity over which Western Bay Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Western Bay Council has a 9.7% share in Bay of Plenty Local Authority Shared Services Limited (BOPLASS), and a 50% ownership in Western Bay of Plenty Tourism and Visitors' Trust.

The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Western Bay 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.

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

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 recognised at the amounts due. Western Bay Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue
- Rates arising from late payment penalties are recognised as revenue when rates become overdue
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis
- Rates remissions are recognised as a reduction of rates revenue when Western Bay Council has received an application that satisfies its rates remission policy
- Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements, as Western Bay Council is acting as an agent for the BOPRC.

Financial contributions

The Resource Management Act 1991 is the governing legislation regarding the charging of financial contributions.

Financial contributions are recognised as revenue when Western Bay 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 Western Bay Council provides, or is able to provide, the service.

New Zealand Transport Agency roading subsidies

Western Bay Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs 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 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 Western Bay Council's local pools. Revenue from entrance fees is recognised upon entry to such facilities.

Sales 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 fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when Western Bay 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 (e.g. land must be used as a recreation reserve), Western Bay Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Western Bay 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 released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately and an expense in the surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less losses, the net amounts are presented as a liability.

Borrowing costs

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

Grant expenditure

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

Discretionary grants are those grants where Western Bay Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by Western Bay Council and the approval has been communicated to the applicant. Western Bay Council's grants awarded have no substantive conditions attached.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Income tax

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

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial

position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Western Bay Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Western Bay Council does not currently have any finance leases.

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 over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at 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 Western Bay Council's operational activities and interest rate risks arising from Western Bay Council's financing activities. In accordance with its treasury policy, Western Bay 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 remeasured 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.

Western Bay 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

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which Western Bay Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Western Bay Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit
- loans and receivables
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. Western Bay Council includes in this category:

- investments that Western Bay Council intends to hold long-term but which may be realised before maturity; and
- shareholdings that Western Bay Council holds for strategic purposes.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Non-current assets held for sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

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 Western Bay Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by Western Bay Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

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. 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 amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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

Transportation assets including roads, bridges and footpaths were revalued at depreciated replacement cost at 1 July 2014 and certified by Opus International Consultants Limited.

Water, wastewater and stormwater assets including reticulation, treatment plants, reservoirs and bores were revalued at depreciated replacement cost at 1 July 2014 and certified by Aecom New Zealand Limited.

Land and buildings (except land under roads) were revalued at fair value at 1 July 2014 by Landmass Technology Limited. Library books were revalued at fair value by Aecon at 1 July 2014 and Marine assets were revalued at fair value by Tonkin and Taylor at 1 July 2014.

All other asset classes are carried at depreciated historical cost.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Western Bay 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.

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 the 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.

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 Western Bay Council of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all buildings, bridges, reticulation assets and other structures, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Diminishing value is used for motor vehicles, office equipment and furnishings, library books and computer systems. Land and drains are non-depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as provided below

Buildings		
• concrete	100 years	Straight line
• wooden	40 years	Straight line
• improvements	10 years	Straight line
Land (not depreciated)		
Other plant and equipment	10 years	Diminishing value
Office equipment and furnishings	10 years	Diminishing value
Computer systems	5 years	Diminishing value
Motor vehicles	5 years	Diminishing value
Library books	10-15 years	Straight line
Infrastructure		
Roading network		
Pavement (base course)	25 to 75 years	Straight line
Seal	12 years	Straight line
Unsealed	3 to 5 years	Straight line
Other	5 to 70 years	Straight line
Formation (not depreciated)		
Bridges		
• concrete	100 years	Straight line
• steel	50 years	Straight line
Reticulation		
Water	20 to 60 years	Straight line
Sewerage	60 to 100 years	Straight line
Stormwater	80 to 120 years	Straight line
Treatment plant and equipment	25 to 50 years	Straight line
Other structures		
Wooden reservoirs	80 years	Straight line
Concrete reservoirs	100 years	Straight line
Dams	100 years	Straight line
Bores	100 years	Straight line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful 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 on a straight-line basis 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 period is recognised in the surplus or deficit.

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

Computer software	3 to 5 years	20% to 33.3%
Resource consents	life of the asset	5%
Property subdivision right	19 years	5.3%

Impairment of property, plant, and equipment and intangible assets

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

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment 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 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. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions.

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 the surplus or deficit.

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

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value 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 or group 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 expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured 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, retirement gratuity and long-service leave expected to be settled within 12 months and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Western Bay Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff 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 long service leave and retirement gratuities expected to be settled within 12 months of balance date are 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 using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

Landfill post-closure provision

Western Bay Council as operator of the Te Puke and Athenree landfills, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfills post-closure.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Western Bay Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

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

Financial guarantees are subsequently measured at the higher of:

- the present value of the estimated amount to settle the guarantee obligation if it is probable there will be an outflow to settle the guarantee, or
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Equity

Equity is the community's interest in the Western Bay 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
- fair value through other comprehensive revenue and expense reserve, and
- council created reserves.

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 Western Bay Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Western Bay 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 Western Bay 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 Western Bay 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 cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Council created reserves

These reserves are made up general reserves and form a component of equity. They include Asset replacement reserves, disaster contingency reserves and general reserves.

Goods and services tax

All items in the financial statements are stated exclusive of 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, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its Long Term Plan 2015-2025. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

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.

Cost of service statement policies

Council has derived the cost of service for each significant activity of the Western Bay of Plenty District Council using the cost allocation system set out below:

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

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 a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Infrastructural assets

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

- the physical deterioration and condition of an asset, for example Western Bay could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, stormwater, wastewater and water supply pipes which are underground. This risk is minimised by Council performing a combination of physical inspections and condition modeling assessments of underground assets.
- estimating any obsolescence or surplus capacity of an asset.
- estimates being made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the assets, then Western Bay could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk Western Bay's infrastructural assets useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and

Depreciation Guidelines, published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modeling are also carried out regularly as part of the Western Bay's asset management planning activities, which gives Western Bay further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2017:

Treatment of airport land

The airport land consists of some 225Ha of land of which some 86ha is jointly owned by Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC). TCC are the legal owners of the land and WBOPDC are the beneficial or equitable owners of the jointly owned land. WBOPDC own 14.45% of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and WBOPDC. 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 owned airport land is sold and the principal use of the land is no longer an airport then a liability to WBOPDC is created for the sale price of the jointly owned land at that point.

Classification of property

Western Bay 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 as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

Accounting for donated or vested land and buildings with use or return conditions

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

SUMMARY OF COST OF SERVICES

2. TOTAL OPERATING REVENUE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Significant activities			
Representation	2,755	3,077	2,890
Planning for the future	2,219	2,115	1,950
Communities	6,427	6,414	5,768
Recreation and leisure	9,352	7,939	8,114
Regulatory services	7,551	6,846	7,360
Transportation	29,897	23,215	65,302
Water supply	12,336	10,779	11,439
Stormwater	7,050	6,382	5,999
Natural environment	782	671	664
Wastewater	14,665	14,552	12,682
Solid waste	1,783	1,785	1,721
Economic	955	948	980
Council services	10,475	4,243	6,276
Total operating revenue by activity	106,247	88,966	131,146
Council services	106,247	88,966	131,146

3. TOTAL OPERATING EXPENDITURE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Significant activities			
Representation	2,720	3,108	2,834
Planning for the future	2,171	1,934	1,913
Communities	6,468	5,887	5,490
Recreation and leisure	6,509	6,366	5,955
Regulatory services	7,285	6,022	6,692
Transportation	19,862	19,361	21,451
Water supply	10,535	10,663	10,083
Stormwater	3,820	4,122	3,997
Natural environment	691	700	696
Wastewater	13,316	12,599	12,314
Solid waste	1,536	1,852	1,305
Economic	637	649	818
Council services	4,904	3,767	9,840
Total operating expenditure by activity	80,454	77,030	83,388
Council services	80,454	77,030	83,388

4. FEES AND CHARGES FROM ACTIVITIES

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2017	2017	2016
Significant activities			
Representation	67	75	5
Planning for the future	-	-	1
Communities	391	209	166
Recreation and leisure	47	20	111
Regulatory services	4,871	4,065	4,671
Transportation	334	261	1,466
Water supply	73	-	38
Stormwater	209	-	1
Natural environment	-	-	-
Wastewater	19	2	5
Solid waste	94	78	211
Economic	-	-	-
Council services	177	1,725	234
Total revenue from significant activities	6,282	6,434	6,909

GENERAL RATE INCOME

5. GENERAL RATE INCOME

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2017	2017	2016
Representation	2,246	2,575	2,493
Planning for the future	2,204	2,103	1,937
Communities	3,683	3,175	3,288
Recreation and leisure	5,044	4,899	4,321
Regulatory services	1,911	1,936	1,938
Transportation	14,014	13,660	13,540
Stormwater	1,468	1,468	1,134
Natural environment	213	164	190
Wastewater	2,003	1,952	1,394
Solid waste	363	556	272
Economic	681	675	675
Council services	1,260	1,221	2,964
Total general rates	35,088	34,384	34,146

6. TARGETED RATES ATTRIBUTABLE TO ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Targeted rates attributable to activities			
Representation	441	427	392
Planning for the future	13	13	13
Communities	2,066	2,005	1,846
Recreation and leisure	-	174	-
Regulatory services	-	-	-
Transportation	44	43	44
Water supply	6,401	6,271	6,414
Stormwater	3,836	3,823	3,681
Natural environment	325	328	316
Wastewater	9,447	9,297	9,323
Solid waste	1,031	1,000	1,069
Economic	271	271	259
Council services	928	900	914
Total targeted rates	24,804	24,550	24,270

Environment Protection is included as part of targeted rates.

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..

Rates remissions

Rates revenue is shown net of rates remissions of \$37,677 (2016: \$37,494). Western Bay Council's rates remission policy allows Western Bay Council to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport and land protected for historical or cultural purposes.

7. TARGETED RATES FOR WATER SUPPLY

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Metered water charges	3,765	3,524	3,267
Total rates revenue	63,657	62,458	61,683

8. FINANCE INCOME AND FINANCE COSTS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Finance income			
Interest income	1,262	1,175	1,082
Rates postponement scheme	10	8	14
Total finance income	1,272	1,183	1,096
Finance costs:			
- interest on bank borrowings	4,908	7,890	5,193
- interest rate swap expense	3,337	-	3,515
Total finance costs	8,246	7,890	8,708
Net finance income / (costs)	(6,974)	(6,706)	(7,611)

9. VESTED ASSETS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Significant activities			
Recreation and leisure	-	-	220
Transportation	1,970	217	40,936
Water supply	280	102	236
Stormwater	950	274	629
Wastewater	457	90	386
Council services	-	-	-
Total significant activities	3,658	683	42,408

The Te Puke Highway (formerly State Highway 2) was vested to Council on Saturday, August 1 2015 from NZTA for \$39.5m.

10. SUBSIDIES AND GRANTS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Ministry for the Environment - territorial authority levy for trade waste	176	150	168
NZ Lotteries	-	-	43
Land Transport NZ subsidy	10,087	6,775	6,764
TECT	43	126	43
First Sovereign	-	-	43
Creative NZ	18	-	-
Glass Packaging Forum Scheme	24	-	-
Other	10	1,766	37
Total subsidies and grants	10,359	8,817	7,098

There are no unfulfilled conditions or other contingencies attached to subsidies recognised (2016: nil).

11. OTHER REVENUE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2017	2017	2016
Petrol tax	446	360	416
Sale of goods and services	1,313	952	851
Cost recoveries	62	45	97
Total other revenue	1,821	1,357	1,364
Made up of:			
Exchange	1,357	997	912
Non exchange	464	360	452
Financial contributions			
Recreation and leisure	2,302	1,690	1,788
Transportation	3,396	2,260	2,542
Water supply	1,726	898	1,277
Stormwater	585	704	551
Natural environment	244	180	158
Wastewater	2,739	1,319	1,545
Total revenue from financial contributions	10,993	7,051	7,862

12. OTHER EXPENSES

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Audit fees for financial statement audit		
- audit fees for financial statement audit	142	127
- audit fees for Long Term Plan	-	-
Insurance premiums	334	351
Consultant and legal fees	2,073	2,194
Impairment of receivables	2,408	1,386
Loss on sale of property, plant and equipment	818	124
Minimum lease payments under operating leases	78	141
Other operating expenses	30,088	29,354
Asset revaluation	25	-
Total other expenses	35,966	33,677

13. PERSONNEL COSTS

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Salaries and wages	16,664	15,138
Employer contributions to health insurance scheme	166	154
Total personnel costs	16,830	15,293

Council's total Kiwisaver contributions to 30 June 2017 were \$425k (2016: \$351k).

14. CASH AND CASH EQUIVALENTS

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Cash at bank and on hand	4,861	3,168
Petty cash	2	2
Term deposits with maturities less than 3 months	9,916	14,010
Total cash and cash equivalents	14,779	17,180

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

Interest rates

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

	2017	2016
Short-term deposits	3.47%	2.86%

15. DEBTORS AND OTHER RECEIVABLES

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Rates debtors	6,596	7,422
Metered water debtors	1,062	1,104
Other trade debtors	1,995	1,425
Sundry debtors	1,876	700
GST Receivables	-	255
Debtors and other receivables prior to impairment	11,529	10,906
Less provision for impairment of receivables	3,808	4,445
	7,721	6,461
Prepayments	837	465
	8,558	6,926
¹ Receivables from non-exchange transactions	8,240	6,743
Receivables from exchange transactions	318	183
	8,558	6,926

¹This includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates.

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 (2016:\$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 2017 and 2016 are detailed below:

	2017			2016		
	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not past due	7,229	811	6,418	6,004	742	5,262
Past due 90 days - 2 years	1,187	477	710	1,372	787	585
Past due 2-3 years	913	679	234	1,066	824	242
Past due > 3 years	2,200	1,841	359	2,464	2,092	372
Total	11,529	3,808	7,721	10,906	4,445	6,461

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:

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
Individual impairment	1,841	2,092
Collective impairment	1,967	2,353
As at 30 June	3,808	4,445

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:

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
Past due 30-59 days	-	-
Past due 60-89 days	-	-
Past due > 90 days	1,841	2,092
As at 30 June	1,841	2,092

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

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
As at 1 July	4,445	4,082
Additional provisions made during the year	1,771	1,749
Provisions reversed during the year	-	-
Receivables written off during the year	(2,408)	(1,386)
As at 30 June	3,808	4,445

16. DERIVATIVE FINANCIAL INSTRUMENTS

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
Current portion		
Interest rate swaps - not hedge accounted	(9,655)	(14,797)
Total derivative financial instruments	(9,655)	(14,797)

Fair value

Interest rate swaps

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices. This valuation has been performed by ETOS Limited, independent valuers.

The notional principal amounts of the current outstanding interest rate swap contracts for the Western Bay Council were \$173m (2016: \$180.5m). At 30 June 2017, the fixed interest rates of cash flow hedge interest rate swaps vary from 3.04% to 5.99% (2016: 2.66% to 5.99%).

17. NON-CURRENT ASSETS HELD FOR SALE

Western Bay Council owns four residential sections (2016: two). Two of these are all located at Waihi Beach and two are located at Pukehina Beach. These properties have been identified as being surplus to requirements and have been approved for sale. These properties are expected to be sold within the next twelve months. There is no accumulated property revaluation reserve on these properties.

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Non-current assets held for sale are:		
- land	875	455
Total non-current asset held for sale	875	455

18. OTHER FINANCIAL ASSETS

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Current portion		
Investments		
Term deposits maturing within 12 months of balance date	35,000	-
Total investments	35,000	-
Total current other financial assets	35,000	-
Non-current portion		
Non-current assets available for sale are:		
Zespri Group Limited		
17,660 shares (no change from 2016) with a market value as at 30 June 2017 of \$5.35 (\$2.58 in 2016) per share.	95	45
Seeka Kiwifruit Industries Limited		
11,247 shares (2016: 7,693) with a market value as at 30 June 2017 of \$5.10 (\$4.52 in 2016) per share.	57	35
Total non-current assets available for sale	152	80
Loans and receivables		
Te Tumu investment (note 42)	10,121	1,618
Total loans and receivables	10,121	1,618
Total non-current other financial assets	10,273	1,698
Total other financial assets	45,273	1,698

Quoted shares

The fair values of listed shares are determined by reference to published current bid price quotations in an active market.

19. INVESTMENTS IN ASSOCIATES

Share in associates	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Western Bay of Plenty Tourism and Visitors' Trust (50%)	222	427
Total share in associates	222	427

20. INVESTMENT IN COUNCIL CONTROLLED ORGANISATIONS (CCO'S) AND OTHER SIMILAR ENTITIES

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Bay of Plenty Local Authority Shared Services Limited 3 shares (2016: no change) in BOPLASS Limited being a 9.7% share (2016: 9.7%)	14	14
NZ Local Government Insurance Company Limited 28,142 shares (2016: no change) with a market value as at 30 June 2017 of \$1.54 per share (2016: \$1.40)	43	39
Local Government Funding Agency Limited 3,731,958 shares (2016: no change) at \$1 per share \$0.50 share paid up capital (2016: no change)	1,866	1,866
Local Government Funding Agency Borrower Notes	1,680	1,120
Total Investment in Council Controlled Organisations (CCO's) and other similar entities	3,603	3,039

Bay of Plenty Local Authority Shared Services (BOPLASS)	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Assets	995	1,542
Liabilities	945	1,494
Revenues	1,742	1,524
Surplus / (deficit)	2	(11)
Western Bay's % interest	9.7%	9.7%

Balance date of all Council Controlled Organisations is 30 June.

21. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment notes

- There were no assets impaired, 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).

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

- 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.
- 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.

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation and Amortisation Expense	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Representation	12	8
Planning for the future	5	7
Communities	542	395
Recreation and leisure	1,652	1,684
Regulatory services	64	54
Transportation	8,381	9,453
Water supply	2,742	2,828
Stormwater	1,125	1,156
Natural environment	5	8
Wastewater	3,764	3,501
Solid waste	31	30
Economic	-	-
Total depreciation and amortisation by activity	18,324	19,124
Depreciation and amortisation related to support services	1,089	1,264
Total depreciation and amortisation expense	19,413	20,388
Made up of:		
Depreciation	19,052	19,992
Amortisation	360	396
Gains	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Representation	1	-
Planning for the future	2	-
Communities	3	-
Recreation and leisure	-	29
Transportation	52	-
Support services	460	23
Property plant and equipment gains	518	52
Intangibles (Emission Trading Scheme NZ Units)	-	384
Forestry	1,024	643
Total gains	1,542	1,079
Work in Progress	BUDGET \$'000	ACTUAL \$'000
	2017	2016
Communities	289	120
Recreation and leisure	1,095	324
Transportation	4,337	676
Water supply	2,044	1,001
Stormwater	1,610	758
Wastewater	1,696	784
Economic	-	5
Support services	2,333	71
Total work in progress	13,405	3,739

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuations

Operational and restricted land and buildings

At fair value as determined from market based evidence by an independent valuer. The most recent valuation performed by Landmass Technology and the valuation was effective as at 1 July 2014. Once the ownership structure has been determined a revaluation movement will be taken up to reflect the correct value of Western Bay's share. Management are satisfied that the carrying value approximates fair value.

Coastal and Marine Structures

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Tonkin and Taylor Limited, and the valuation is effective as at 1 July 2014.

Infrastructural asset classes

Land

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Landmass Technology Limited and the valuation is effective as at 1 July 2014.

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 Limited, and the valuation is effective as at 1 July 2014.

Stormwater

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Aecom Limited, and the valuation is effective as at 1 July 2014.

Water

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Aecom Limited and the valuation is effective as at 1 July 2014.

Roading

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Opus International Consultants Limited and the valuation is effective as at 1 July 2014.

Land under roads

Land under roads was valued based on average land values of the comparable surrounding land within wards by Landmass Technology Limited, 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 2014 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 depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of New Zealand in May 2002. Library stock has been valued effective 1 July 2014 by independent registered valuers, Aecom Limited.

Airport land

The airport land consists of some 225Ha of land of which some 86ha is jointly owned by Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC). TCC are the legal owners of the land and WBOPDC are the beneficial or equitable owners of the jointly owned land. WBOPDC own 14.45% of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and WBOPDC. 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 owned airport land is sold and the principal use of the land is no longer an airport then a liability to WBOPDC is created for the sale price of the jointly owned land at that point.

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

Fair value	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Aecom	284,676	284,676
Opus	525,921	525,921
Landmass	379,272	379,272
Tonkin and Taylor	6,560	6,560
Interpine Forestry Limited	6,843	5,819
Total fair value	1,203,272	1,202,248

Insurance disclosure as required under the Local Government Act 2002

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	CARRY AMOUNT \$'000	INSURED AMOUNTS \$'000
	30 JUNE 2017	30 JUNE 2017
Category A Insurance Contracts		
Water	81,422	159,514
Wastewater	117,124	180,332
Stormwater	77,924	101,863
Mobile Plant & Vehicles	1,140	1,553
Forestry	6,843	8,830
	284,454	452,092
Material Damage cover	-	39,898
Buildings	36,257	-
Coastal Marine	6,928	-
Libraries	885	-
Office Equipment	1,625	-
Plant & Equipment	52	-
	45,747	39,898
Category A Total	330,201	491,990
Category B Financial Risk Sharing Arrangements assets		
Nil	-	-
Category B Total	-	-
Category C Self Insured Assets		
Disaster Contingency Reserve	-	-
Land under roads	261,523	-
Roading - Other	52,288	-
Roading - Surfaces	497,021	-
Land	101,793	-
Category B Total	912,625	-
Total	1,242,825	491,990

Work in progress

The total amount of property, plant and equipment in the course of construction is \$13.4m (2016: \$3.74m).

Impairment

There were no impairment losses in the year 30 June 2017 (2016: \$nil).

Core infrastructure asset disclosures

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

Core infrastructure assets	CLOSING BOOK VALUE	ADDITIONS: CONSTRUCTED BY COUNCIL	ADDITIONS: TRANSFERRED TO COUNCIL	MOST RECENT REPLACEMENT COST ESTIMATE FOR REVALUED ASSETS
	\$'000	\$'000	\$'000	\$'000
Water				
- treatment plants and facilities	2,220	205	-	3,996
- other assets (such as reticulation systems)	79,202	3,774	280	145,544
Stormwater drainage	77,924	129	950	101,651
Wastewater				
- treatment plants and facilities	12,169	117	-	25,087
- other assets (such as reticulation systems)	104,955	247	464	150,004
Flood protection and control works	-	-	-	-
Roads and footpaths	549,309	10,309	1,402	125,849
Total core infrastructure assets	825,779	14,782	3,096	552,131

2017	Cost / Valuation	Accumulated depreciation and impairment charges	Carrying amount	Current year additions	Current year vested assets	Current year disposals	Current year disposal depreciation	Transfers	Current year depreciation	Revaluation	Revaluation depreciation	Cost / Valuation	Accumulated depreciation and impairment charges	Carrying amount
	1 July 2017 \$'000	1 July 2017 \$'000	1 July 2017 \$'000									30 June 2017 \$'000	30 June 2017 \$'000	30 June 2017 \$'000
Council 2017														
Operational assets														
Land	28,702	-	28,702	-	-	-	-	-	-	-	-	28,702	-	28,702
Buildings	14,716	(589)	14,128	200	-	(20)	1	-	(298)	-	-	14,896	(886)	14,010
Coastal Marine	7,702	(775)	6,928	141	-	-	-	-	(417)	-	-	7,843	(1,192)	6,651
Libraries	1,672	(641)	1,031	240	-	-	-	-	(386)	-	-	1,912	(1,027)	885
Office equipment	6,391	(4,745)	1,646	330	-	-	-	-	(351)	-	-	6,721	(5,096)	1,625
Plant and equipment	218	(143)	75	-	-	-	-	(11)	(12)	-	-	207	(155)	52
Vehicles	1,949	(839)	1,110	471	-	(255)	174	11	(371)	-	-	2,177	(1,037)	1,140
Work in progress	196	-	196	2,423	-	-	-	-	-	-	-	2,619	-	2,619
Total operational assets	61,547	(7,731)	53,816	3,805	-	(275)	175	-	(1,836)	-	-	65,076	(9,392)	55,684
Infrastructural assets														
Land	12,509	-	12,509	-	-	(670)	-	-	-	-	-	11,839	-	11,839
Buildings	1,633	(168)	1,465	-	-	(549)	35	-	(38)	-	-	1,084	(170)	914
Water - treatment	2,498	(337)	2,162	205	-	-	-	-	(147)	-	-	2,703	(483)	2,220
Water - other	82,963	(5,230)	77,733	3,587	280	-	32	-	(2,617)	-	-	86,830	(7,815)	79,015
Stormwater	80,289	(2,303)	77,985	129	950	(20)	-	-	(1,121)	-	-	81,349	(3,425)	77,924
Wastewater - treatment	14,499	(1,420)	13,079	117	-	-	17	-	(1,044)	-	-	14,616	(2,447)	12,169
Wastewater - other	112,511	(5,523)	106,988	247	464	(40)	5	-	(2,709)	-	-	113,182	(8,227)	104,955
Land under roads	260,955	-	260,955	-	569	-	-	-	-	-	-	261,523	-	261,523
Roading other	53,120	(3,502)	49,618	3,761	715	-	-	-	(1,806)	-	-	57,596	(5,308)	52,288
Roading surface	510,085	(13,759)	496,326	6,548	687	-	-	-	(6,540)	-	-	517,319	(20,298)	497,021
Work in progress	3,191	-	3,191	6,499	-	-	-	-	-	-	-	9,690	-	9,690
Total infrastructural assets	1,134,253	(32,243)	1,102,010	21,094	3,665	(1,279)	89	-	(16,021)	-	-	1,157,733	(48,174)	1,109,559
Restricted assets														
Land	61,672	-	61,672	-	-	-	-	(420)	-	-	-	61,252	-	61,252
Buildings	18,698	(2,141)	16,557	656	-	(25)	4	-	(1,137)	-	-	19,328	(3,275)	16,054
Improvements	5,556	(159)	5,397	5	-	(34)	-	-	(89)	-	-	5,528	(248)	5,279
Work in progress	352	-	352	743	-	-	-	-	-	-	-	1,095	-	1,095
Total restricted assets	86,278	(2,301)	83,978	1,403	-	(59)	4	(420)	(1,226)	-	-	87,202	(3,523)	83,680
Total Council	1,282,078	(42,274)	1,239,804	26,302	3,665	(1,613)	268	(420)	(19,084)	-	-	1,310,012	(61,089)	1,248,923

2016	Cost /	Accumulated	Carrying	Current	Current	Current	Current year	Transfers	Current year	Revaluation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	depreciation	amount	year	year	year	disposal		depreciation		depreciation	Valuation	depreciation	amount
	1 July 2015	1 July 2015	1 July 2015	additions	vested	disposals	depreciation					30 June 2016	30 June 2016	30 June 2016
	\$'000	\$'000	\$'000		assets							\$'000	\$'000	\$'000
Council 2016														
Operational assets														
Land	28,525	-	28,525	177	-	-	-	-	-	-	-	28,702	-	28,702
Buildings	14,239	(291)	13,948	477	-	-	-	-	(298)	-	-	14,716	(589)	14,128
Coastal Marine	6,795	(376)	6,419	907	-	-	-	-	(399)	-	-	7,702	(775)	6,928
Libraries	1,533	(320)	1,213	139	-	-	-	-	(321)	-	-	1,672	(641)	1,031
Office equipment	6,122	(4,436)	1,686	269	-	-	-	-	(309)	-	-	6,391	(4,745)	1,646
Plant and equipment	188	(129)	59	(3)	33	-	-	-	(14)	-	-	218	(143)	75
Vehicles	2,007	(875)	1,132	713	56	(827)	404	-	(368)	-	-	1,949	(839)	1,110
Work in progress	2,067	-	2,067	(1,871)	-	-	-	-	-	-	-	196	-	196
Total operational assets	61,476	(6,427)	55,049	809	89	(827)	404	-	(1,708)	-	-	61,547	(7,731)	53,816
Infrastructural assets														
Land	12,527	-	12,527	227	-	(245)	-	-	-	-	-	12,509	-	12,509
Buildings	1,619	(117)	1,502	14	-	-	-	-	(51)	-	-	1,633	(168)	1,465
Water - treatment	2,493	(166)	2,327	5	-	-	-	-	(171)	-	-	2,498	(337)	2,162
Water - other	78,811	(2,574)	76,237	3,916	236	-	-	-	(2,656)	-	-	82,963	(5,230)	77,733
Stormwater	79,640	(1,155)	78,485	19	629	-	-	-	(1,148)	-	-	80,289	(2,303)	77,985
Wastewater - treatment	12,690	(691)	11,999	1,809	-	-	-	-	(729)	-	-	14,499	(1,420)	13,079
Wastewater - other	112,092	(2,748)	109,344	33	386	-	-	-	(2,775)	-	-	112,511	(5,523)	106,988
Land under roads	241,902	-	241,902	-	19,053	-	-	-	-	-	-	260,955	-	260,955
Roading other	45,643	(1,577)	44,066	2,342	5,134	-	-	-	(1,925)	-	-	53,120	(3,502)	49,618
Roading surface	488,873	(6,264)	482,609	4,463	16,749	-	-	-	(7,495)	-	-	510,085	(13,759)	496,326
Work in progress	2,250	-	2,250	941	-	-	-	-	-	-	-	3,191	-	3,191
Total infrastructural assets	1,078,540	(15,292)	1,063,248	13,770	42,188	(245)	-	-	(16,951)	-	-	1,134,253	(32,243)	1,102,010
Restricted assets														
Land	60,972	-	60,972	479	220	-	-	-	-	-	-	61,672	-	61,672
Buildings	17,557	(1,292)	16,265	1,141	-	-	-	-	(849)	-	-	18,698	(2,141)	16,557
Improvements	4,737	163	4,900	819	-	-	-	-	(322)	-	-	5,556	(159)	5,397
Work in progress	514	-	514	(162)	-	-	-	-	-	-	-	352	-	352
Total restricted assets	83,780	(1,129)	82,651	2,278	220	-	-	-	(1,172)	-	-	86,278	(2,301)	83,978
Total Council	1,223,794	(22,848)	1,200,946	16,858	42,496	(1,072)	404	-	(19,830)	-	-	1,282,078	(42,274)	1,239,804

Note: In 2016 prior year depreciation was adjusted by \$162,000 to reflect updates to the fixed asset register. Council's full year depreciation for the year is \$19,992,000.

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.

Property subdivision rights - refer to Note 42.

	COMPUTER SOFTWARE \$'000		RESOURCE CONSENTS \$'000		EMISSIONS TRADING SCHEME NZ UNITS		PROPERTY SUBDIVISION RIGHTS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Balance at 1 July										
Cost	4,212	4,055	600	600	219	219	2,627	2,627	7,658	7,501
Accumulated amortisation and impairment	(3,228)	(2,979)	(166)	(147)	384	-	(1,245)	(1,107)	(4,254)	(4,232)
	984	1,076	434	453	603	219	1,382	1,520	3,404	3,269
Work in progress	-	-	-	-	-	-	-	-	-	-
Opening carrying amount	984	1,076	434	453	603	219	1,382	1,520	3,404	3,269
Year ended 30 June										
Additions	424	157	-	-	-	-	-	-	424	157
Amortisation & impairment charge	(204)	(249)	(17)	(19)	(25)	-	(137)	(138)	(384)	(406)
Gains	-	-	-	-	-	384	-	-	-	384
Disposals	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	1,204	984	417	434	578	603	1,245	1,382	3,444	3,404
Balance as 30 June										
Cost	4,636	4,212	600	600	219	219	2,627	2,627	8,082	7,658
Accumulated amortisation and impairment	(3,432)	(3,228)	(184)	(166)	359	384	(1,382)	(1,245)	(4,639)	(4,254)
	1,204	984	417	434	578	603	1,245	1,382	3,443	3,404
Work in progress	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	1,204	984	417	434	578	603	1,245	1,382	3,443	3,404

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

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
Balance at 1 July	5,819	5,176
Gains/(losses) arising from changes attributable to physical changes	665	635
Gains/(losses) arising from changes attributable to price changes	359	8
Increases due to purchases	-	-
Decrease due to sale	-	-
Decrease due to harvest	-	-
Balance at 30 June	6,843	5,819

TECT All Terrain Park Forest

The TECT All Terrain Park owns 471.9 hectares of Pinus Radiata forest, 42.4 hectares of Douglas Fir, 13.7 hectares of Larch, 15.9 hectares of Redwood, 12.8 hectares of Cyprus and 2.5 hectares of mixed varieties which are at varying stages of maturity ranging from 2 to 23 years. The total value of the forestry stand is \$7.19 million of which Council owns 50%.

Waihi Beach Forest

Council owns 30.9 hectares of Pinus Radiata forest, 26.9 hectares have a maturity of 22 years and 4.0 hectares have a maturity of 21 years. June 2012 was the first date in which this forestry has been identified for valuation purposes. The total value of this forestry stand is \$671,735.

Matakana Island Forest

Council owns 126.4 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 6 to 33 years with an average age of 18.5 years. The total value of the forestry stand is \$2.46 million.

Lund Road Forest

Council owns 58.9 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 2 to 4 years with an average age of 3 years. The total value of the forestry stand is \$123,242.

Valuation assumptions

Independent registered valuer, Interpine Forestry Limited, valued Councils forestry assets as at 30 June 2017. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- a discount rate of 8.7 % (2016: 8.9%) has been used in discounting the present value of expected cash flows
- notional land rental costs have been included for freehold land
- the forest has been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis
- no allowance for inflation has been provided
- costs are current average costs for established stands. Immature stands cost are compounded at 3.5% (2016: 3.0%)
- no allowance has been made for cost improvements in future operations
- log prices are based on a twelve quarter rolling average to March 2017, and
- there are no restrictions on title.

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's forestry assets, nor are any forestry assets pledged as security for liabilities.

24. PAYABLES AND DEFERRED REVENUE

CURRENT PORTION

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
<i>Payables and deferred revenue under exchange transactions</i>		
Trade payables and accrued expenses	8,801	6,452
Other income in advance	263	261
Sundry payables	522	390
Total payables and deferred revenue under exchange transactions	9,586	7,103
<i>Payables and deferred revenue under non-exchange transactions</i>		
Rates in advance	3,365	2,967
Bonds and deposits	1,137	859
GST payables	105	-
Environment Bay of Plenty Regional Council rates	354	484
Total payables and deferred revenue under non-exchange transactions	4,961	4,310
Total current portion	14,547	11,413

NON-CURRENT PORTION

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
<i>Payables and deferred revenue under exchange transactions</i>		
Employee entitlements	24	22
Total payables and deferred revenue	14,571	11,435

Trade payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade payables approximates their fair value.

25. BORROWINGS

CURRENT

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
Secured loans fixed	-	-
Secured loans floating	45,000	13,000
Total current secured loans	45,000	13,000
Total current borrowings	45,000	13,000

25. BORROWINGS (CONTINUED)

NON-CURRENT

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Secured loans fixed	20,000	20,000
Secured loans floating	85,000	95,000
Total non-current secured loans	105,000	115,000
Total non-current borrowings	105,000	115,000
Total public debt	150,000	128,000

Western Bay Council's secured debt of \$130.000m (2016: \$108.000m) is 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 \$45.000m (2016: \$13.000m) is issued at a margin of 155bps, 120bps and 134bps (2016: 18bps) above bank wholesale rates BKBM.

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

SECURITY

Council loans are secured over either separate or general rates of the District. The following is a maturity analysis of total public debt

REPAYMENT TERMS

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Payable no later than one year	45,000	13,000
<i>Weighted average interest rate</i>	3.33%	2.51%
Later than one, not later than five years	55,000	70,000
<i>Weighted average interest rate</i>	3.14%	3.54%
Later than five years	50,000	45,000
<i>Weighted average interest rate</i>	3.36%	4.29%
	150,000	128,000

FAIR VALUES OF NON-CURRENT BORROWINGS

	CARRYING AMOUNTS \$'000	CARRYING AMOUNTS \$'000	FAIR VALUES \$'000	FAIR VALUES \$'000
	2017	2016	2017	2016
Secured loans	105,000	115,000	104,210	113,916
Total	105,000	115,000	104,210	113,916

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

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Secured loans and debentures	3.27%	3.70%

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.

As at 30 June 2017 Western Bay Council had \$30.0 million of undrawn cash facilities available (2016: \$30.0 million).

Debentures

Western Bay Council's secured debt of \$150.0 million (2016: \$128.0 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 0.69% to 1.55% 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 (2016: \$600,000). There are no restrictions on the use of this facility.

26. EMPLOYEE ENTITLEMENTS

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
Accrued pay	509	516
Accrued leave and accrued entitlements	1,778	1,557
Sick pay	73	36
Retirement gratuities	24	22
	2,384	2,131
Represented by:		
Current	2,360	2,109
Non-current	24	22
Total employee entitlements	2,384	2,131

27. PROVISIONS

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
Current portion		
Landfill aftercare provision	12	11
Weatheright Homes Resolution Service	300	300
Total current portion	312	311
Non-current portion		
Landfill aftercare provision	334	346
Total non-current portion	334	346
Total provisions	646	657

Movements for each class of provision are noted overleaf:

27. PROVISIONS (CONTINUED)

	LANDFILL \$'000	WEATHERTIGHT HOMES \$'000	TOTAL \$'000
Balance at 1 July 2015	367	300	667
Additional provisions	-	-	-
Amounts used	(10)	-	(10)
Balance at 30 June 2016	357	300	657
2016			
Balance at 1 July 2016	357	300	657
Additional provisions	-	-	-
Amounts used	(11)	-	(11)
Balance at 30 June 2017	346	300	646

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 \$0.34 (2016: \$0.36 million) and for post-closure of Te Puke of \$0.26 million (2016: \$0.27 million) over the remaining life (Athenree 18 years, Te Puke 15 years) of the resource consents. This liability has been discounted back to a current value of \$0.35m (2016: \$0.35 million) using a discount rate of 7% (2016: 7%).

Weatheright Homes Resolution Services

Note 35 from page 173 provides additional information regarding this provision.

EQUITY

28. RETAINED EARNINGS

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Opening balance	754,269	710,230
Surplus / (deficit)	25,587	47,733
Other surplus /(deficit) through comprehensive income	7,944	31
Reclassification from prior year	-	48
Reclassification of reserves to equity	-	-
	787,800	758,042
Transfers to:		
Restricted reserves	(16)	(6)
Council created reserves	(22,056)	(23,861)
	(22,072)	(23,866)
Transfers from:		
Restricted reserves	11	-
Council created reserves	18,446	20,093
Asset revaluation reserve	-	-
	18,457	20,093
Closing balance	784,184	754,269

29. RESTRICTED RESERVES

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Opening balance	261	255
Transfers to:		
Accumulated funds	(11)	-
Transfers from:		
Accumulated funds	16	6
Closing balance	266	261

30. COUNCIL-CREATED RESERVES

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Opening balance	25,946	22,178
Transfers to:		
Accumulated funds	(18,446)	(20,093)
Transfers from:		
Accumulated funds	22,056	23,861
Closing balance	29,556	25,946

For a breakdown of Council created reserves see note 32 on page 164.

31. GENERAL ASSET REVALUATION RESERVE

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Opening balance	341,279	341,242
Change in asset value	-	-
Transfer to retained earnings on disposal of property	-	-
Reclassification of reserves to equity	-	37
Closing balance	341,279	341,279
Comprising:		
Buildings	175	175
Water supply	28,014	28,014
Roading	214,798	214,798
Wastewater	51,153	51,153
Stormwater	42,215	42,215
Coastal marine structures	3,896	3,896
Library books	810	810
Improvements	218	218
Total asset revaluation reserve	341,279	341,279

Asset revaluation reserves

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

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Infrastructural:		
Water supply	28,014	28,014
Road Reserves	68,500	68,500
Road Surface	135,952	135,952
Other Roding	10,345	10,345
Wastewater	51,153	51,153
Stormwater	42,215	42,215
Operational assets:		
Buildings	175	175
Coastal marine structures	3,896	3,896
Library books	810	810
Improvements	218	218
Total general asset revaluation reserve	341,279	341,279

32. RESERVE FUNDS

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2016	DEPOSITS TO FUND TO 30 JUNE 2017	WITHDRAWALS FROM FUND TO 30 JUNE 2017	CLOSING BALANCE 30 JUNE 2017
Restricted Reserves	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 Leisure	33,278	1,997	-	35,275
l'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Leisure	8,464	508	-	8,972
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	204,721	12,283	(10,553)	206,451
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Leisure	14,247	855	-	15,102
Total Restricted Reserves			260,710	15,643	(10,553)	265,800
Asset Replacement 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	583,224	507,820	(405,914)	685,130
District Reserves		Support Services	2,202,319	738,591	(431,067)	2,509,843
Huharua Sub Regional Park		Recreation and Leisure	130,064	25,598	-	155,662
TECT All Terrain Park		Recreation and Leisure	554,180	107,527	-	661,707
Asset Replacement - office buildings		Recreation and Leisure	1,253,158	292,344	(158,641)	1,386,860
Asset Replacement - vehicles		Support Services	90,997	377,845	(474,860)	(6,018)
Asset Replacement - civil defence vehicle		Communities	156,507	-	-	156,507
Asset Replacement - telemetry		Communities	72,683	4,361	-	77,044
Asset Replacement - swimming pool		Recreation and Leisure	150,012	26,960	-	176,972
Asset Replacement - library books		Communities	2,039,944	520,624	(239,554)	2,321,014
Asset Replacement - library computers		Communities	1,566	-	-	1,566
Asset Replacement - Cemetery		Communities	170,316	30,156	-	200,472
Asset Replacement - coast marine		Recreation and Leisure	217,557	13,053	(203,551)	27,060
Total Asset Replacement Reserves			7,622,526	2,644,880	(1,913,587)	8,353,819

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2015	DEPOSITS TO FUND TO 30 JUNE 2016	WITHDRAWALS FROM FUND TO 30 JUNE 2016	CLOSING BALANCE 30 JUNE 2016
Restricted Reserves	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 Leisure	31,543	1,735	-	33,278
l'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Leisure	5,073	3,391	-	8,464
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	204,721	-	-	204,721
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Leisure	13,484	763	-	14,247
Total Restricted Reserves			254,821	5,889	-	260,710
Asset Replacement 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	423,037	512,716	(352,530)	583,224
District Reserves		Support Services	1,856,304	562,091	(216,076)	2,202,319
Huharua Sub Regional Park		Recreation and Leisure	106,588	23,476	-	130,064
TECT All Terrain Park		Recreation and Leisure	482,258	99,398	(27,476)	554,180
Asset Replacement - office buildings		Recreation and Leisure	734,937	544,121	(25,901)	1,253,158
Asset Replacement - vehicles		Support Services	347,493	367,817	(624,314)	90,997
Asset Replacement - civil defence vehicle		Communities	144,018	12,489	-	156,507
Asset Replacement - telemetry		Communities	68,894	3,789	-	72,683
Asset Replacement - swimming pool		Recreation and Leisure	125,175	24,837	-	150,012
Asset Replacement - library books		Communities	1,707,501	332,443	-	2,039,944
Asset Replacement - library computers		Communities	1,566	-	-	1,566
Asset Replacement - Cemetery		Communities	142,539	27,777	-	170,316
Asset Replacement - coast marine		Recreation and Leisure	206,215	140,495	(129,153)	217,557
Total Asset Replacement Reserves			6,346,526	2,651,449	(1,375,449)	7,622,526

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2016	DEPOSITS TO FUND TO 30 JUNE 2017	WITHDRAWALS FROM FUND TO 30 JUNE 2017	CLOSING BALANCE 30 JUNE 2017
Community Board Reserves						
Community Boards - general approach	We have five community boards but not all of our District is covered by these boards. The Community Board rate is a fixed charge 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		Communities	247,593	28,631		276,225
Katikati Community Board		Communities	120,070	19,509	(22,250)	117,329
Omokoroa Community Board		Communities	330,353	33,911	(66,300)	297,964
Te Puke Community Board		Communities	147,464	9,544	(32,816)	124,192
Maketu Community Board		Communities	154,564	34,388	(39,542)	149,410
Total Community Board Reserves			1,000,045	125,983	(160,908)	965,120
Other Community Reserves						
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.		12,542	753	-	13,295
Waihi Beach Town Centre Development	For town centre development.		(13,074)	-	(76)	(13,150)
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.		67,235	250,456	-	317,691
Omokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.		32,069	1,924	-	33,993
Te Puke Town Centre Development	The development of Te Puke's town centre is currently underway and is planned to be completed in 2013.		634,310	37,918	-	672,228
Pukehina Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area.		540,762	60,346	-	601,108
Total Other Community Reserves			1,273,844	351,396	(76)	1,625,164
Total Community Board and Other Reserves			2,273,889	477,379	(160,984)	2,590,284

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2015	DEPOSITS TO FUND TO 30 JUNE 2016	WITHDRAWALS FROM FUND TO 30 JUNE 2016	CLOSING BALANCE 30 JUNE 2016
Community Board Reserves						
Community Boards - general approach	We have five community boards but not all of our District is covered by these boards. The Community Board rate is a fixed charge 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		Communities	259,285	10,599	(22,291)	247,593
Katikati Community Board		Communities	111,556	14,719	(6,204)	120,070
Omokoroa Community Board		Communities	309,199	21,154	-	330,353
Te Puke Community Board		Communities	136,430	18,723	(7,689)	147,464
Maketu Community Board		Communities	135,076	19,488	-	154,564
Total Community Board Reserves			951,546	84,683	(36,184)	1,000,044
Other Community Reserves						
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.		11,888	654	-	12,542
Waihi Beach Town Centre Development	For town centre development.		24,225	-	(37,299)	(13,074)
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.		461,657	357,750	(752,172)	67,235
Omokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.		30,737	1,332	-	32,069
Te Puke Town Centre Development	The development of Te Puke's town centre is currently underway and is planned to be completed in 2013.		554,054	80,256	-	634,310
Pukehina Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area.		486,125	54,637	-	540,762
Total Other Community Reserves			1,568,686	494,629	(789,471)	1,273,844
Total Community Board and Other Reserves			2,520,232	579,312	(825,655)	2,273,889

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2016	DEPOSITS TO FUND TO 30 JUNE 2017	WITHDRAWALS FROM FUND TO 30 JUNE 2017	CLOSING BALANCE 30 JUNE 2017
Financial Contributions Reserves						
Financial contributions reserves - general	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	377,627	-	(56,388)	321,239
Ecological financial contributions - operational	As above	Natural Environment	179,697	-	(100,411)	79,286
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	(2,398,812)	2,635,226	(578,636)	(342,222)
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	50,105	-	-	50,105
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	348,467	-	-	348,467
Total Financial Contribution Reserves			(1,442,915)	2,635,226	(735,435)	456,876
General Reserves	Established reserves for specific purposes					
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	5,427,293	972,781	(1,244,090)	5,155,984
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	2,015,123	188,048	(11,729)	2,191,442
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	165,624	9,937	-	175,561
Total General Reserves			7,622,427	1,170,766	(1,255,819)	7,537,373

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2015	DEPOSITS TO FUND TO 30 JUNE 2016	WITHDRAWALS FROM FUND TO 30 JUNE 2016	CLOSING BALANCE 30 JUNE 2016
Financial Contributions Reserves						
Financial contributions reserves - general	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	445,256	-	(67,629)	377,627
Ecological financial contributions - operational	As above	Natural Environment	90,115	152,877	(63,295)	179,697
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	(2,951,847)	1,728,031	(1,174,996)	(2,398,812)
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	50,105	-	-	50,105
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	330,300	18,167	-	348,467
Total Financial Contribution Reserves			(2,036,070)	1,899,075	(1,305,920)	(1,442,915)
General Reserves	Established reserves for specific purposes					
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	3,075,658	3,304,370	(952,734)	5,427,293
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	2,529,867	3,823	(518,567)	2,015,123
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	148,875	16,749	-	165,624
Total General Reserves			5,768,786	3,324,942	(1,471,301)	7,622,427

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2016	DEPOSITS TO FUND TO 30 JUNE 2017	WITHDRAWALS FROM FUND TO 30 JUNE 2017	CLOSING BALANCE 30 JUNE 2017
Special Reserves						
Disaster Contingency	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. Assumes New Zealand Transport Agency (NZTA) would provide 93% of the funds for roading replacement and the Government would provide 50% on the failure of any other infrastructural assets. 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	7,813,174	468,790	-	8,281,964
Matakana Island Trust	Reserves accumulated several years ago from the appeal against the Katikati Reserve extension across to Matakana Island. The funds are available to be used for improvements to the Matakana Island community.	Planning for the future	258,803	-	-	258,803
Corporate Property and Assets	For any surplus arising from the corporate property/land purchase account.	Support Services	1,400,857	173,811	(118,722)	1,455,945
Civil Defence Contingency	We expect this balance to be maintained at \$20,000 being our costs for a specific civil defence emergency.	Communities	(1)	1	-	-
Weathertight Homes		Regulatory	-	200,000	-	200,000
Panepane Point Development Reserve			397,564	23,854	-	421,418
Total Special Reserves			9,870,397	866,455	(118,722)	10,618,130
Total Council Created Reserves			25,946,325	7,794,705	(4,184,547)	29,556,483
Total All Council Reserves			26,207,034	7,810,348	(4,195,100)	29,822,282

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2015	DEPOSITS TO FUND TO 30 JUNE 2016	WITHDRAWALS FROM FUND TO 30 JUNE 2016	CLOSING BALANCE 30 JUNE 2016
Special Reserves						
Disaster Contingency	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. Assumes New Zealand Transport Agency (NZTA) would provide 93% of the funds for roading replacement and the Government would provide 50% on the failure of any other infrastructural assets. 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	7,394,611	418,563	-	7,813,174
Matakana Island Trust	Reserves accumulated several years ago from the appeal against the Katikati Reserve extension across to Matakana Island. The funds are available to be used for improvements to the Matakana Island community.	Planning for the future	258,803	-	-	258,803
Corporate Property and Assets	For any surplus arising from the corporate property/land purchase account.	Support Services	1,554,902	82,336	(236,380)	1,400,857
Civil Defence Contingency	We expect this balance to be maintained at \$20,000 being our costs for a specific civil defence emergency.	Communities	-	-	-	(1)
Weathertight Homes		Regulatory	(6,201)	6,201	-	-
Panepane Point Development Reserve			376,838	20,726	-	397,564
Total Special Reserves			9,578,952	527,825	(236,380)	9,870,397
Total Council Created Reserves			22,178,425	8,982,604	(5,214,704)	25,946,325
Total All Council Reserves			22,433,246	8,988,492	(5,214,704)	26,207,034

33. RECONCILIATION OF NET SURPLUS / (DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Net surplus / (deficit)	25,587	47,733
Add/(less) non-cash items		
Depreciation	19,052	19,992
Amortisation	360	396
Vested assets	(3,658)	(42,408)
Unrealised hedging movement	(5,142)	4,851
Gains	(1,542)	(1,079)
Share of associate surplus/deficit	205	25
Add/(less) movements in working capital items:		
Movement in prepayments	(372)	(101)
Movement in non-current assets held for sale	(420)	497
Movement in accounts receivable	(878)	1,412
Movement in accounts payable	2,854	(1,777)
Movement in provisions	(894)	(10)
Movement in employee entitlements	261	388
Add/(less) items classified as investing activities		
Loss on sale of assets	818	124
Revaluation of shares	(76)	(31)
Net cash inflow (outflow) from operating activities	36,155	30,012

34. CAPITAL COMMITMENTS AND OPERATING LEASES

Capital commitments represent capital expenditure contracted at balance date but not yet incurred.

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Operational		
Land	-	-
Building	41	452
Coastal Marine	224	507
Infrastructure		
Water	1,313	850
Wastewater	2,689	-
Stormwater	248	-
Roading	19,828	23,522
Restricted		
Building	-	-
Total capital commitments	24,343	25,331

34. CAPITAL COMMITMENTS AND OPERATING LEASES (CONTINUED)

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 overleaf:

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Not later than one year	107	154
Later than one year and not later than two years	103	124
Later than two years and not later than five years	133	198
Later than five years	929	952
Total non-cancellable operating leases	1,272	1,428

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 Western Bay 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 Opus International Consultants Limited to provide capital and maintenance work to the District's roading network. The value of the contract is \$75.99 million and as at 30 June 2017 \$48.38 million remained committed on this contract for the remaining 52 months, including estimated escalations in the contract.

In July 2015, Western Bay Council entered into a four year contract with Veolia Water Services (ANZ) PTY Ltd for the provision of maintenance and professional services to the utilities network. The value of the contract as of 1 July 2015 is \$17.24 million and as at 30 June 2017 \$8.62 million remained committed on this contract for the remaining 24 months, including estimated escalations in the contract.

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

Contingent liabilities

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Building Act claims	50	50
Weathertight Homes Resolution Service (WHRS)	400	600
Local Authority Protection Programme Disaster Fund (LAPP)	380	380
Goldenlight Enterprises Ltd	-	600
Total contingent liabilities	830	1,630

Other legal proceedings

Building Act claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. At the date of this report, there were no matters under the Act indicating potential liabilities (2016: \$Nil). The \$50,000 disclosed relates to the expected cost to Western Bay of Plenty District Council. The balance is expected to be covered through insurance.

Unquantified claims

There were no additional claims lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2017 (2016: three additional claims). These claims relate to weathertightness issues of homes in the Western Bay of Plenty District area and name Western Bay of Plenty District Council as well as other parties. None of these claims have been closed. There are a total of 8 claims that are still open as at balance date (2016: 12).

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

The costs of any successful claims against Western Bay Council with a claim date of 30 June 2009 or earlier are expected to be substantially covered under Western Bay Council'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 Council. As a result \$400,000 has been recognised as a contingent liability.

35. CONTINGENCIES (CONTINUED)

Carter Holt Harvey Ltd

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Western Bay of Plenty District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The Councils have applied for orders setting aside and striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings, 16 of which are located within the Western Bay of Plenty District. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

Goldenlight Enterprises Ltd

During 2015/16 a property owner filed a claim for up to \$600,000 for the failure of a private right of way within a subdivision consented by Western Bay of Plenty District Council in 1992. This claim was resolved during the year.

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 top New Zealand Government sovereign rating.

As at 30 June 2017 there were 31 (2016: 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 \$2,500 million 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 \$7,946 (2016: \$5,376m) at 30 June.

New Zealand Financial International Reporting Standards require Western Bay Council to recognise the guarantee liability at fair value. However, the Western Bay Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Western Bay 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.

Local Authority Protection Programme Disaster Fund (LAPP)

Western Bay of Plenty District Council's underground infrastructure assets are insured through a fund held jointly with the majority of other Local Authorities. This fund was nearly exhausted through the two Christchurch earthquake claims. Subsequently, in order to keep premiums at a more affordable level, the fund has incorporated a risk sharing scheme. This means that Western Bay Council may have to contribute up to \$380,000 if there are two Christchurch type events in the next financial year.

Share of associates' contingent liabilities

There are no shared contingent liabilities associated with any associates of Western Bay of Plenty District 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 condition no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Transactions with Councillors and key management personnel compensation

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Councillors		
Full-time equivalent members	17	12
Salaries and other short term employee benefits	505	497
Senior Management Team, including the Chief Executive		
Full-time equivalent members	5	5
Salaries and other short term employee benefits	1,275	1,073
Total senior management remuneration	1,780	1,570

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

The reason for higher remuneration in 2017 relates to the market value of vehicle benefits (not included in 2016).

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.

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.

Financial performance for the year ended 30 June 2017

ACTUAL \$'000		ACTUAL \$'000
2015/16		2016/17
1,524	Revenue	1,742
(1,535)	Expenditure	(1,740)
(11)	Surplus / (deficit)	2
(11)	Net surplus / (deficit) year	2
1,060	Total assets	995
(1,012)	Total liabilities	945

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 2017/18 and associated budget formally adopted by the directors at the meeting held on 14 June 2017.

From page 176 - 178 is a report of performance against targets set in the Statement of Intent for 2016/17.

PERFORMANCE TARGETS FOR 2016-2017

OUTCOMES	MEASURE	RESULT
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	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.	Joint procurement initiatives undertaken for: <ul style="list-style-type: none"> • Health and Safety Training Preferred Supplier Vertical - Horizonz NZ were appointed as the preferential Health and Safety training supplier for the BOPLASS and Waikato LASS councils. Access to improved and consistent levels of service achieved at significantly reduced costs through a collaborative agreement covering both LASS.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils (continued).	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.	<ul style="list-style-type: none"> • Security Services - BOPLASS investigated the opportunity for a consolidated security contract across multiple councils - covering manpower services, alarm systems, CCTV. It was determined that this was not feasible given local requirements and little benefit would be derived from consolidating the services. Geographical grouping of councils for security service contracts was recommended. • Health & Safety Elected Members Training - Collective Health and Safety at Work Act 2015 training was completed for elected members of BOPLASS and Waikato LASS councils, with BOPLASS engaging a qualified presenter from Simpson Grierson at a fraction of the cost of councils arranging individual training. • Additional Infrastructure Insurance - Representing a collective group of 39 councils in negotiations for placement of councils' infrastructure insurance in the London markets significant leverage was obtained and, despite increased limits and higher insured values for the councils, a 16% overall reduction of premiums was achieved for BOPLASS councils. In anticipation of future changes to the current 60/40 natural hazard arrangements, capacity for further coverage was also secured through the London markets. BOPLASS has been managing a project to insure 100% of the first \$10M of any natural hazard loss to councils' infrastructure to reduce potential exposure/shortfall of the on-guaranteed 60% portion provided from Central Government. The 2016/17 programme limit has been increased with an additional \$250M layer negotiated. The extra layer provides councils with a total loss limit of \$500M, with a negotiated premium achieved at a lower cost than the 2015 loss limit of \$140M. • GIS Training - NSG was engaged by BOPLASS to provide collaborative training on Geocortex Workflow for BOPLASS councils GIS staff. Significant cost savings and inter-council information sharing. • EMA Membership - In conjunction with Waikato LASS BOPLASS investigated the opportunity for councils' to participate in discounted joint membership with Employers and Manufacturers Association (EMA). Following fluctuating and diminishing offers from EMA during negotiations, the LASS and councils elected not to enter into an agreement. • Environmental Insurance / Gradual Contamination Insurance - BOPLASS project to investigate environmental impairment insurance to cover councils for: gradual pollution, most types of pollutant (including asbestos), 1st 3rd party loss and restorative/clean-up costs. • Event Management Liabilities Legal Opinion - In conjunction with Waikato LASS BOPLASS sought legal opinion from Tompkins Wake Lawyers on event engagement liabilities. Collaboration in this procurement delivered significant savings and provided for consistent standards across all BOP and Waikato councils.

PERFORMANCE TARGETS FOR 2016-2017

OUTCOMES	MEASURE	RESULT
Provide support to BOPLASS councils that are managing or investigating shared services projects.	Quarterly satisfaction reviews with participating councils. Resource assignment measured from project job tracking.	<ul style="list-style-type: none"> • Aerial Photography 2016-17 - Two tenders for BOPLASS councils' specific areas and requirements within the BOPLASS regional flying calendar were awarded to AAM NZ Ltd. The collaborative approach has provided further savings in the cost of capture and production of imagery. • Health, Safety & Risk Management Software - Working collectively with Waikato LASS councils, BOPLASS was able to leverage improved services from Vault and provide for discounted pricing for Eastern Bay councils joining the agreement. <p>0.25 FTE provided through engagement of a contractor and IT Manager's time committed directly to individual council support - measured by fortnightly timesheets. Support provided to councils in development of the following services:</p> <ul style="list-style-type: none"> • Solid Waste Services - Following completion of a solid waste benchmarking survey by all BOPLASS councils, several potential areas for greater collaboration were identified for further analysis. Eunomia Research have been engaged to review the current state of solid waste services across the BOPLASS councils, identify collaboration currently being explored or undertaken, and recommend further areas for collaboration. • Information Services Strategic Plan (ISSP) - Working with MWLASS, reviews of the development of other LASS Regional ISSPs and business cases has been undertaken by BOPLASS councils through a series of workshops. Able to leverage off work being undertaken in other regions. • Historical Aerial Imagery - Working in conjunction with the Local Government Geospatial Alliance (LGGA), a portal has been developed specifically for the storage and delivery of BOPLASS councils' historical aerial imagery. The portal www.retrolens.nz facilitates taking historical imagery directly from LINZ and converting it for consumption by councils for publication. By collaborating with other regions a valuable national resource for the councils and the public has been created at a fraction of the cost of individual council services. • Contractor Health and Safety Prequalification - BOPLASS - and Waikato LASS have worked together to develop an online contractor Health and Safety prequalification scheme. The prequalification portal provides a simple and costeffective process for contractors to engage with councils while also standardising and simplifying contractor management for council staff. The service is now being rolled out nationally. • Inter-Council Health and Safety Auditing - Establishment of cross-council auditing processes to provide councils with an external viewpoint on their Health and Safety management and provide council PCBU Officers, CEOs and managers with an alternative opinion and verification through auditing, without the expense of having to engage external consultants. • Audit and Risk Insights Panel Sessions - BOPLASS coordinated workshops with senior leaders of the KPMG advisory team to share their insights and experience in the areas of health and safety, procurement and risk management based upon their learnings across the greater group of councils and other clients. Workshops provided at no cost to councils and included inter-council sharing of invaluable information.

PERFORMANCE TARGETS FOR 2016-2017

OUTCOMES	MEASURE	RESULT
		<ul style="list-style-type: none"> • Health and Safety in Procurement of Machinery – Collective development of a standard health and safety template for council procurement of machinery to be used across all BOP and Waikato councils. Created a simple, robust and standard process at reduced cost for all councils. • Shared Health and Safety Training Register – Shared training register established in Collaboration Portal for Waikato and BOP councils enabling Health and Safety training requirements to be planned and coordinated across multiple councils.
Provide support to BOPLASS councils that are managing or investigating shared services projects (continued).	Quarterly satisfaction reviews with participating councils. Resource assignment measured from project job tracking.	<ul style="list-style-type: none"> • Inter-Council Network review, redesign and renegotiation – High capacity fibre network connecting the majority of BOPLASS councils. A full review of Inter-Council (ICN) costs, usage and council apportionment undertaken to deliver an improved service and reduce costs. Key contracts renegotiated with further savings achieved.
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.	All NZ councils are made aware of the Collaboration Portal and its benefits. Portal is operational outside of the LASS groups with a minimum of ten additional councils having utilised the portal.	<ul style="list-style-type: none"> • Collaboration Portal further developed to include options for central government agencies and an activity area dedicated to the Department of Internal Affairs to engage and network with councils. New LASS and councils signed up to the Collaboration Portal. • On-boarding and training provided to new councils to maximise usage and ensure increased uptake. • National awareness of Collaboration Portal created through BOPLASS presentation to LG Commissioner. • During 2016-17FY, 15 new local government organisations outside of the BOPLASS councils joined the Portal and have licensed users with access to the Collaboration Portal and shared information. • The Collaboration Portal now has a membership of 40 councils, 59 organisations in total and 516 users.
Ensure appointed vendors remain competitive and continued best value is returned to shareholders.	Contracts due for renewal are tested for competitiveness in the marketplace. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors.	<p>Contracts negotiated and/or renewed for:</p> <ul style="list-style-type: none"> • Video Conferencing Services. • ESRI Enterprise Licensing Agreement • Multi-Function Devices (copiers/printers) – full tender completed. Total upgrade of equipment across all of the BOPLASS council, additional functionality, significant cost savings, and a common technology platform supporting the future development of collaborative solutions between councils. • Councils' liability insurance providers reviewed and renewed. • GIS software and services – FME, Geocortex Essentials, Geocortex Optimizer, X-Tools, NZAA. • Print Media Copyright Agency (PMCA) contract renewed. • Media Monitoring services contract renewed.
Review governance performance and structure to ensure it supports BOPLASS' strategic direction.	Affirmative feedback received from shareholding councils at least annually.	<ul style="list-style-type: none"> • Strategic reviews completed by the Board. • Board reviews of operations governance structure and performance. • 2017-20 Statement of Intent developed to include and independent governance review. • 2017-20 Statement of Intent, including governance changes, accepted by all shareholding councils.
Communicate with each shareholding council at appropriate levels.	At least one meeting per year.	Executive-level meetings held with councils.
Ensure current funding model is appropriate.	Performance against budgets reviewed quarterly. Company remains financially viable.	<ul style="list-style-type: none"> • Council contributions levied. • Contributions received from activities producing savings. • Vendor rebates collected. • Monthly and quarterly performance reviewed.

Above performance targets are unaudited preliminary 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 2017

ACTUAL \$'000		ACTUAL \$'000
2015/16		2016/17
15,530	Revenue	17,514
(5,970)	Expenditure	(6,468)
9,560	Surplus/(deficit)	11,046
9,560	Net surplus/(deficit) year	11,046
7,257	Total assets	8,491
7,213	Total liabilities	8,438

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 2017/18 and associated budget formally adopted by the company on 27 June 2017.

From page 179 - 180 is a report of performance against targets set in the Statement of Intent for 2016/17.

PERFORMANCE TARGETS FOR 2016-2017		
OUTCOMES	MEASURE	RESULT
Providing savings in annual interest costs for all Participating Local Authorities of at least 30 basis points based on the methodology set out in LGFA's Annual Report 2016-2017	LGFA measures the pricing performance of bond tenders against two key benchmarks.	<ul style="list-style-type: none"> • LGFA have continued with their base on-lending margins to 9 bps (2017s and 2019s), 10 bps (2020s and 2021s) and 11 bps (2023s and 2027s). • LGFA's average margin across all LGFA maturities is 10 bps. • LGFA continues to provide savings in borrowing cost for councils relative to other sources of borrowing. We compare our secondary market spreads on LGFA bonds to those of Auckland Council and Dunedin City Treasury (as a proxy for councils borrowing in their own name) and a mix of banks (as a proxy for general market conditions). • LGFA is delivering on the 30 bps savings target for councils as outlined in the original business case for LGFA and provided councils with access to long dated tenors at these record lows in yields.
Making longer-term borrowings available to Participating Local Authorities	Maturities available to participating local authorities.	<ul style="list-style-type: none"> • In April 2017, LGFA commenced issuance of a 16-year bond (April 2033). Because of this issuance, LGFA now offers councils the ability to extend their longest dated LGFA borrowing out to April 2033 from the previous maximum maturity date of April 2027. • The average term of borrowing by councils over the 12-month period to 30 June 2017 was 96 months compared to the average borrowing term over the previous 12-month period to June 2016 of 94 months.

PERFORMANCE TARGETS FOR 2016-2017		
OUTCOMES	MEASURE	RESULT
Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice	Volume to bid ratio.	<ul style="list-style-type: none"> • LGFA listed its bonds on the NZX Debt Market in November 2015 and this has led to greater awareness and participation in LGFA bonds by domestic retail and offshore investors. Average turnover on the NZX Debt Market since listing has been \$16 million per month or 10% of the total turnover of the NZX Debt Market. • LGFA held nine bond tenders during the 12-month period to 30 June 2017, with an average tender volume of \$143 million and a range of \$90 million to \$190 million in size. All tenders were successful and fully subscribed. The average bid-coverage ratio across the nine bond tenders was 2.96 times and this compared to the average of 3.30 times for all 47 bond tenders held since LGFA first commenced issuance in February 2012.
Offering more flexible lending terms to Participating Local Authorities		<ul style="list-style-type: none"> • Since LGFA introduced the ability for councils to have greater flexibility regarding borrowing maturity and date of loan drawdown in February 2015, they have lent \$1.193 billion in bespoke transactions to 36 councils. During the 12-month period to 30 June 2017 they lent \$707 million on a bespoke basis to 29 councils. This was 49% of total term lending to their council members over that period. • Short-term borrowing by councils as at 30 June 2017 was \$222 million comprising borrowing from 18 councils for terms between one and 12 months.
Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities.	Percentage of market share.	<ul style="list-style-type: none"> • Three councils joined LGFA in the 12-month period to June 2017, bringing the total number of council members to 53. Waitomo District Council joined as a borrower and guarantor while Central Hawkes Bay District Council and Northland Regional Council both joined as a borrower. • Councils have strongly supported LGFA by joining as members and borrowing from LGFA. As at 30 June 2017, 50 participating councils have so far borrowed from LGFA.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	Credit rating of AA+ is maintained.	Met.

Above performance targets are audited results.

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 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 2017

ACTUAL \$'000		ACTUAL \$'000
2015/16		2016/17
2,043	Revenue	2,350
(2,150)	Expenditure	(2,430)
(107)	Surplus/(deficit)	(80)
(107)	Net surplus/(deficit) year	(80)
855	Total assets	867
336	Total liabilities	428

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 2017/18 and associated budget formally adopted by the company on 26 June 2017.

From page 181 - 182 is a report of performance against targets set in the Statement of Intent for 2016/17.

PERFORMANCE TARGETS FOR 2016-2017		
OUTCOMES	MEASURE	RESULT
Destination Marketing	Further develop the international and domestic tourism market and increase visitor numbers to the region and visitor spend. Strengthen the region's brand and compete on our unique offerings	<p>Key deliverables met throughout July 2016 - June 2017 such as:</p> <ul style="list-style-type: none"> • Increase overall visitor spend by 3.7%. Achieved - \$950m MBIE RTE June 2017, a 9.7% increase - June 2017. • Increase WBOPDC TA Visitors Spend by 3.7%. Achieved - \$93m MBIE RTE June 2017, an increase of 6.9% from baseline of 87m as RTE changed during the FY. • Increase WDC visitor spend by 3.7%. Achieved - \$132m MBIE RTE June 2017 - an 8.1% increase. • Increase international visitor spend by 4%. Achieved - \$220m MBIE RTE June 2017 - a 23.6% increase. Marketing internationally in conjunction with our partners TNZ, Air NZ and ECNI over the past year has continued to create awareness and help push into shoulder months. • Grow visitation by 4%. While there is no data source, international spend has increased by 23.6% which implies TBOP will achieve 4% international growth. • Increase domestic visitor spend by 3.35%. Achieved - \$730m MBIE RTE June 2017, a 6.3% increase. • Increase domestic share volume by 3%. While there is no data source, domestic spend has increased by 6.3% which implies TBOP will achieve 4% domestic growth. • Increase our off-peak and shoulder season visitation by 5%. Achieved - \$69m average monthly shoulder and off-peak spend (July-Nov 2016 and Mar-June 2017) MBIE MRTE to June 2017, a 41% increase. • Increase Facebook followers Instagram, Twitter, eDM. Achieved. • Engage with Cruise lines, Port of Tauranga, Operators, Council to ensure visitor satisfaction. Achieved.

PERFORMANCE TARGETS FOR 2016-2017		
OUTCOMES	MEASURE	RESULT
Destination Management	Grow the capability of the tourism industry in a sustainable way. Implement the TBoP strategic plan, manage human and financial resources and act in accordance with Council code of conduct.	Key deliverables met throughout July 2016 - June 2017, such as: <ul style="list-style-type: none"> • Annual Plan completed and implementation in progress. • TBoP Monthly Management Reports. 6 monthly & 12 monthly reports. Achieved. • Manage budgets to P&L forecast. Achieved. • Risk Management Framework in development. Achieved.
Destination Development	Increase the region's tourism infrastructure and resources; contribute to the regions event strategy, help develop new tourism product and assist the 'export ready' development of existing product.	Key deliverables met throughout July 2016 - June 2017 such as: <ul style="list-style-type: none"> • Facilitate regular outcome focussed meetings with iwi, the iwi collective, Maori Business Association & Maori Tourism NZ - Achieved. • Develop a robust platform for measuring visitor numbers, visitor spend, origin of visitor, visitor flow and any other information which clarifies who, where, how and when visitor activity occurs. Achieved. • Launch brand proposition. Launched the Regional Brand Story at TRENZ trade show in May 2017 with a newly branded stand - Achieved. • Collaborate with the wider central North Island RTOs as well as our collective stakeholders to determine gaps and opportunities to grow our visitor economy collectively - Achieved. • VIC funding approved and TBoP are actively engaged in the next steps for design of new visitor centre.
Destination Leadership	Provide leadership for Tourism as a major contributor to regional economy. Encourage collaboration and partnerships between council, economic development agencies, tourism operators, other regions and other stakeholders to gain alignment and commitment to our vision.	Key deliverables met throughout July 2016 - June 2017 such as: <ul style="list-style-type: none"> • Promotion of 5 x Major Events per annum - Achieved. • Attendance at 6 weekly Event stakeholder meetings - Achieved. • Completion of Stakeholder Engagement and Communications Plan and implementation of Management System - Achieved. • Work with economic development individuals and agencies to encourage business growth within the tourism sector - Achieved.

Above performance targets are audited results.

38. REMUNERATION

Chief Executive

The Chief Executive of Western Bay of Plenty District Council under section 42 of the Local Government Act 2002 received a salary of \$294,348 (2016: \$285,115).

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

	ACTUAL	ACTUAL
	\$	\$
	2017	2016
Salary	294,348	285,115
Employer contributions to superannuation fund	8,830	8,533
Vehicle (Market Value plus FBT)	26,098	39,082
Other benefits (including medical insurance)	2,651	2,682
Total remuneration	331,927	335,412

Elected Representative

Elected representatives received the following remuneration:

	ACTUAL	ACTUAL
	\$	\$
	2017	2016
Councillors		
Dally, Grant Ronald	22,755	-
Dean, Mark	22,755	-
Goudie, Andrew Ian Ross	9,225	31,138
Gunn-Thomas, Karyl	9,225	32,458
Lally, Michael Patrick	22,755	-
Mackay, Peter	37,241	33,076
Marsh, Kevin Alexander	37,241	31,138
Marshall, David Clark	22,755	-
Matthews, Susan	9,225	31,138
Merriman, Gwenda	12,978	43,593
Murray-Benge, Margaret Elizabeth	31,980	32,804
Palmer, John Richard	22,755	-
Paterson, Ross James	32,537	109,349
Scrimgeour, John Rob	37,241	31,138
Thwaites, Donald Alan	39,603	39,828
Webber, Garry John	92,467	41,006
Williams, Michael	42,699	40,589
Total Councillors	505,436	497,255

38. REMUNERATION (CONTINUED)

Community Board Members

Community board members received the following remuneration:

	ACTUAL	ACTUAL
	\$	\$
	2017	2016
Community Board Members		
Beech, Shane William	5,343	5,395
Button, Beverley Joyce	3,720	-
Cameron, Donald Richard	2,188	7,390
Cantlon, Gary Lewis	2,768	2,698
Clark, Rachel Ann	2,768	2,698
Dally, Grant Ronald	1,508	5,078
Dugmore, Joan Elizabeth	3,720	-
Dunlop, Francis Miles (Sam)	3,016	10,157
Gibbs, Brendan	5,228	5,078
Grainger, Murray	5,134	-
Henderson, Kelly Marie	-	1,659
Hepenstall, Brian	3,063	-
Hobbs, Jennifer Robyn	8,585	5,078
Maurice, Timothy Edward	1,094	3,695
Mayo, Norman Frederick	3,720	-
Mcfadyen, Wendy	1,970	-
Miller, Peter	10,093	10,157
Mills, Derek	1,242	4,190
Nielsen, Fernley-Ann	1,508	5,078
Palmer, John Richard	1,094	3,695
Parsons, Ruth Miriam	4,305	4,190
Presland, Peter John	2,626	-
Roberts, Marilyn Kathleen	4,305	4,190
Sage, Derek Keith	2,837	-
Sage, Teresa	2,837	-
Sole, Allan James	8,312	8,379
Spratt, Ronald Parker	3,418	5,078
Warren, Benjamin Christian	3,720	-
Woods, Christopher	1,094	3,695
Wratt, Keith Allan	1,508	5,078
Total Community Board Members	102,725	102,656

Non-monetary remuneration

Paterson, Ross James (until 16 October 2016)	8,783	31,960
Webber, Garry John (from 17 October 2016)	28,141	-

38. REMUNERATION (CONTINUED)

Remuneration scale

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
<\$60,000	87	97
\$60,000 - \$79,999 per annum	69	57
\$80,000 - \$99,999 per annum	37	30
\$100,000 - \$119,999 per annum	10	15
\$120,000 - \$139,999 per annum	12	
\$140,000 - \$239,999 per annum	6	
>\$240,000 - \$339,999 per annum	2	9
Total employees	223	208

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

At balance date, the Council employed 180 (2016: 169) full-time employees, with the balance of 43 staff representing 23 (2016: 23) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

39. SEVERANCE PAYMENTS

For the year ended 30 June 2017 Western Bay of Plenty District Council made two (2016: nil) severance payments to employees totalling \$114,849 (2016: nil).

The value of each of the severance payments made in 2017 was \$20,371 and \$94,478.

40. EVENTS AFTER THE BALANCE

There were no significant events after the balance date.

41. FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS CATEGORIES

The accounting policies for financial instruments have been applied to the line items below:

		ACTUAL \$'000	ACTUAL \$'000
	NOTE	2017	2016
Financial assets			
Fair value through surplus & deficit			
- New Zealand Local Government Funding Agency	20	1,866	1,866
Total fair value through surplus and deficit		1,866	1,866
Loans and receivables			
Cash and cash equivalents	14	14,779	17,181
Debtors and other receivables	15	7,721	6,461
LGFA Borrower Notes	20	1,680	1,120
Te Tumu Investment	18	10,121	1,619
Term deposits	18	35,000	-
Total loans and receivables		69,301	26,381
Fair value through other comprehensive income			
Other financial assets:			
- local authority stock	20	43	39
- listed shares	18	152	80
Total Fair value through other comprehensive income		195	119
Financial liabilities			
Fair value through surplus and deficit			
Derivative financial instrument liability	16	9,655	14,797
Total Fair value through surplus and deficit		9,655	14,797
Financial liabilities at amortised cost			
Creditors and other payables	24, 26 & 27	17,577	13,833
Borrowings:			
- secured loans	25	150,000	128,000
Total financial liabilities at amortised cost		167,577	141,833

42. TE TUMU FINANCIAL INSTRUMENTS

Interest Free Loan

In 2007, Western Bay of Plenty District Council and Tauranga City Council 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 Western Bay of Plenty District Council and Tauranga City Council 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 (2016: \$2m) 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%.

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:

	VALUATION TECHNIQUE			
	Total	Quoted Market Price	Observable Inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
30 June 2017				
Financial Assets				
Local authority stock	43	43		
Shares	152	152		
Te Tumu investment	10,121			10,121
New Zealand Local Government Funding Agency Ltd	3,546		3,546	
Financial Liabilities				
Derivatives	9,655		9,655	
30 June 2016				
Financial Assets				
Local authority stock	39	39		
Shares	80	80		
Te Tumu investment	1,619			1,619
New Zealand Local Government Funding Agency Ltd	2,986		2,986	
Financial Liabilities				
Derivatives	14,797		14,797	

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.

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Balance at 1 July	1,619	1,396
Gains/(losses) recognised in surplus and deficit	635	223
Reversal of impairment	7,868	-
Balance at 30 June	10,122	1,619

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.

Market risk

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 \$15,000 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 between 50% and 95% 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.

44. FINANCIAL INSTRUMENT RISKS (CONTINUED)

Maximum exposure to credit risk

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Cash at bank and term deposits	49,779	17,181
Debtors and other receivables	7,721	6,789
Local authority and government stock	195	119
New Zealand Local Government Funding Agency	3,546	2,986
Derivative financial instruments	(9,655)	(14,797)
Financial instruments	10,121	1,617
Total credit risk	61,707	13,895

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	ACTUAL \$'000	ACTUAL \$'000
	2017	2016
Counterparties with credit ratings		
Cash at bank and term deposits		
A-1+	49,779	17,181
Total cash at bank and term deposits	49,779	17,181
Local authority and government stock		
AA+	3,546	2,986
A	43	31
Total local authority and government stock	3,589	3,017
Derivative financial instrument assets		
AA	-	-
Total derivative financial instruments	-	-
Financial instrument assets		
No rating	10,121	1,619
Total financial instrument assets	10,121	1,619
Counterparties without credit ratings		
Existing assets with no defaults in the past	152	80
Total counterparties without credit ratings	152	80

Debtors and other receivables mainly arise from Western Bay'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 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 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 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 aims to maintain flexibility in funding by keeping committed credit lines available.

Western Bay 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 has a maximum amount that can be drawn down against its overdraft facility of \$600,000 (2016: \$600,000). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities

The table below analyses Western Bay'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.

44. FINANCIAL INSTRUMENT RISKS (CONTINUED)

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Council 2017						
Creditors and other payables	17,577	17,577	17,577	-	-	-
Net settled derivative liabilities	9,655	9,907	577	1,917	4,663	2,750
Secured loans	150,000	171,402	49,857	28,214	18,169	75,162
Total	177,232	198,886	68,011	30,131	22,832	77,912
Council 2016						
Creditors and other payables	13,833	13,833	13,833	-	-	-
Net settled derivative liabilities	14,797	15,313	516	1,451	8,021	5,325
Secured loans	128,000	143,408	17,893	74,472	28,937	22,106
Total	156,630	172,554	32,242	75,923	36,958	27,431

Contractual maturity analysis of financial assets

The table below analyses Western Bay's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Council 2017						
Cash and cash equivalents	14,779	14,779	14,779	-	-	-
Debtors and other receivables	7,721	7,721	7,721	-	-	-
Net settled financial instruments	10,121	19,996	-	-	-	19,996
Other financial assets:						
- Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	35,000	35,000	35,000	-	-	-
- Local authority and government stock	3,741	-	-	-	-	3,741
Total	71,362	77,496	57,500	-	-	23,737
Council 2016						
Cash and cash equivalents	17,181	17,181	17,181	-	-	-
Debtors and other receivables	6,789	6,789	6,789	-	-	-
Net settled financial instruments	1,617	19,996	-	-	-	19,996
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	3,097	-	-	-	-	3,097
Total	28,684	43,966	23,970	-	-	23,093

44. FINANCIAL INSTRUMENT RISKS (CONTINUED)

Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Western Bay's financial instrument exposures at the balance date.

INTEREST RATE RISK	NOTE	2017 \$'000				2016 \$'000			
		PROFIT	- 100BPS OTHER EQUITY	PROFIT	+ 100BPS OTHER EQUITY	PROFIT	- 100BPS OTHER EQUITY	PROFIT	+ 100BPS OTHER EQUITY
Financial assets									
Cash and cash equivalents	1	(148)		148		(172)		172	
Financial instruments	2	(101)		101		(16)		16	
Other financial assets:									
- Local authority stock	3		(17)		17		(12)		12
Financial liabilities									
Derivatives - interest rate swaps	4	(5,036)		4,683		(5,658)		5,309	
Borrowings:									
Debentures	5	1,300		(1,300)		1,180		(1,180)	
Total sensitivity to interest rate risk		(3,985)	(17)	3,632	17	(4,666)	(12)	4,317	12

EQUITY PRICE RISK	NOTE	PROFIT	- 10% OTHER EQUITY	PROFIT	+10% OTHER EQUITY	PROFIT	- 10% OTHER EQUITY	PROFIT	+10% OTHER EQUITY
Financial assets									
Other financial assets:									
- Quoted share investments	6		(15)		15		(8)		8
Total sensitivity to equity price risk		-	(15)	-	15	-	(8)	-	8

Explanation of sensitivity analysis

1. Cash and cash equivalents

Cash and cash equivalents include deposits on call totalling \$14,777,906 (2016: \$17,180,977) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$147,779 (2016: \$171,810).

Derivatives

2. Financial instruments

Financial instruments include Te Tumu land purchase totalling \$10.12m (2016: \$1.61m). A movement in interest rates of 1.0% has an effect of \$101,211 (2016: \$16,175) on the unrealised value of the financial instruments.

3. Local authority stock

A total of \$1,723,000 (2016: \$1,159,000) 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 \$17,233 (2016: \$11,594) on the fair value through other comprehensive income

4. Financial liabilities

Derivative financial assets not hedge accounted includes interest rate swaps with a fair value totalling \$9.66m (2016: \$14.80m). A movement in interest rates of plus 1.0% has an effect of reducing the swap deficit value by \$5.04m (2016: \$5.66m). A movement in interest rates of minus 1.0% has an effect of increasing the swap deficit value by \$4.68m (2016: \$5.31m).

5. Debentures - secured loans

Council has floating rate debt with a principal amount totalling \$130.00 million (2016: \$108.00m). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$1,300,000 (2016: \$1,080,000). 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 \$95,000 (2016: \$45,000) and Seeka Kiwifruit Industries Limited valued at \$57,000 (2016: \$35,000). 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 \$15,000 (2016: \$8,000).

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 MANAGEMENT

The 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 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 Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the 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 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 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 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 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 Council.

Trust and bequest reserves are set up where 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's estimated figures in the Annual Plan 2016-17 and 2017 actuals are as follows:

Statement of Comprehensive Income

Actual 2017 surplus of \$25,587 million versus 2017 budget surplus of \$11,936 million. A favourable variance of \$13,651 million.

The major contributors to the variance were:

Total revenue was \$17,281 million over budget.

	\$'000
Revenue variances positive / (negative):	
¹ Fees and charges from activities	(152)
² Rates revenue including target water supply rates	1,198
³ Financial contributions	3,942
⁴ Vested assets	2,975
⁵ Subsidies & grants	1,542
⁶ Gains	1,542
⁷ Other revenue	1,092
⁸ Unrealised hedging movement	5,142
	17,281

Total expenditure was \$3,630 million over budget.

	\$'000
Expenditure positive / (negative):	
⁹ Other expenses	2,044
¹⁰ Personnel costs	535
¹¹ Depreciation and amortisation	489
¹³ Finance cost - realised	356
¹⁵ Share of associate surplus	205
	3,630

¹ Fees and charges from activities were \$152k lower than the budget, therefore in line with the budget of \$6.434m.

² Rate income of \$63.657m is \$1.198m higher than the \$62.459m budget. This is due to increased properties in the District and increased values of these properties.

³ Financial contribution revenue of \$10.993m is \$3.942m higher than the \$7.051m budget due to increased activity seen in the housing market in the District.

⁴ Vested assets income of \$3.658m is \$2.975m higher than the \$0.683m budget.

⁵ Subsidies & grants income of \$10.359m was \$1.542m higher than budget of \$8.817m due to the timing of capital works that are eligible for NZTA funding. Subsidies are predominately from the New Zealand Transport Authority and dependent on the level of work carried out in the One Network Maintenance Contract (ONMC).

⁶ Gains income of \$1.542m predominantly relates to the revaluation movements in Council held forestry.

⁷ Other revenue of \$4.615m is \$729k higher than the budget of \$3.886m and includes dividends of \$227k of dividends that are not a budgeted item, and rental income including pensioner housing and motor camps where receipts were higher than budget.

⁸ Unrealised hedging movement of \$5.142m are not a budgeted item. This is a non cash accounting entry.

⁹ Other expenses of \$35.966m were \$2.044m higher than the \$33.921m budget. This variance is the result of losses on disposal of assets and impairment of receivables.

¹⁰ Personnel costs of \$16.830m were \$535k higher than budget of \$16.295m. Significant staff resourcing pressures in the consents and building departments has lead to increased costs to process the increase in activity. This has been more than offset by an increase in user fee income.

¹¹ Depreciation and amortisation costs of \$19.413m were \$489k higher than the budget of \$18.924m.

¹² Finance costs realised of \$8.246m were \$356k higher than the budget of \$7.890m.

46. EXPLANATION OF MAJOR VARIANCES (CONTINUED)

Explanations of variances between 2016 and 2017 are as follows:

Statement of Financial Position

Actual net equity of \$1,155,286 million versus \$1,121.755 million in 2016.

There was an increase in overall net equity from actual 2016 of \$33.531 million. The majority of this movement was due to:

	\$'000
Decrease in cash held at year end	(2,402)
Increase in debtors and prepayments	1,632
Increase in investments and financial assets	43,933
Increase in non-current assets held for sale	420
Increase in forestry assets	1,024
Increase in intangible assets	39
Increase in property plant and equipment	9,119
	53,765
Increase in debt for the year	(22,000)
Decrease in interest rate swap liability	5,142
Increase in creditors and other payables	(3,134)
Increase in other liabilities	(242)
	(20,234)
Net movement	33,531

The major variances to prior year were:

- Property, plant and equipment was \$9.119m higher than last year. The increase reflects capitalisation of completed projects.
- Other current financial assets was \$35.0m higher than last year due to short term cash deposit.
- Borrowings were \$22.000m higher than last year due to short term borrowing of \$35.0m which was placed on deposit at a more favourable rate.
- Council's unrealised interest rate swaps liability was \$9.655m compared to \$14.797m in 2016. This is due to the volatility of interest rate movements and as a result Council does not budget for this.

Statement of Cash flows

2017 actual movement was a net increase in cash held of \$14.779m versus a budgeted net increase of \$2.895m and actual 2016 net increase in cash held \$17.181m.

Net cash flows from operating activities of \$36.155m versus \$28.785m budget and last year actual of \$30.012m.

Compared to budget, receipts from rates has increased \$4.489m due to increased properties in the District and increased values of these properties. Other revenue income has increased by \$3.334m due to increased building activity in the District and associated consent fees. This has been offset by increased payment to suppliers of \$833k.

Net cash flows from investing activities of (\$60.558)m versus (\$41.515)m budget and last year actual of (15.644)m.

This is due to a \$35.000m short term deposit, offset in part by reduced purchases of property, plant and equipment.

Net cash flows from financing activities of \$22.000m versus \$7.000m budget and last year actual of (\$10.000)m.

This reflects Council's borrowing from LGFA and placing funds on short term deposit with a more favourable rate.

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 (WHOLE OF COUNCIL)

For the years ended 30 June		ANNUAL PLAN \$'000 2016	ACTUAL \$'000 2016	ANNUAL PLAN \$'000 2017	ACTUAL \$'000 2017
Sources of operating funding					
General rates, uniform annual charges, rates penalties		21,637	21,138	21,261	21,637
Targeted rates		42,021	37,278	37,712	42,021
Subsidies and grants for operating purposes		9,901	5,055	3,779	9,901
Fees and charges		5,881	8,882	8,515	5,881
Interest and dividends from investments		226	249	-	227
Local authority and fuel tax, fines, infringement fees, and other receipts		18,373	5,147	3,706	5,362
Total operating funding	(A)	98,039	77,748	74,973	85,029
Applications of operating funding					
Payments to staff and suppliers		52,575	49,343	50,034	52,575
Finance costs		13,388	8,709	7,890	8,246
Other operating funding applications		195	29	183	195
Total applications of operating funding	(B)	66,158	58,081	58,107	61,016
Operating funding - surplus/(deficit)	(A-B)	31,881	19,668	16,865	24,012
Sources of capital funding					
Subsidies and grants for capital expenditure		476	2,080	6,259	476
Development and financial contributions		10,993	7,862	7,051	10,993
Increase/(decrease) in debt		(5,232)	(8,847)	9,363	(5,232)
Gross proceeds from sale of assets		268	157	85	268
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	6,504	1,252	22,758	6,504
Applications of capital funding					
Capital expenditure					
• to meet additional demand		8,867	4,276	14,608	8,867
• to improve the level of service		8,516	6,741	14,275	8,516
• to replace existing assets		9,442	6,129	12,396	9,442
Increase/(decrease) in reserves		3,615	3,773	(1,656)	3,615
Increase/(decrease) in investments		7,944	-	-	76
Total applications of capital funding	(D)	38,385	20,919	39,624	30,516
Capital funding - surplus/(deficit)	(C-D)	(31,881)	(19,668)	(16,865)	(24,012)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 (WHOLE OF COUNCIL)

RECONCILIATION OF SUMMARY FUNDING IMPACT STATEMENT TO STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 30 June	LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
	2016	2017	2017
Operating funding per Funding Impact Statement	98,040	72,979	85,029
Add: Subsidies and grants for capital expenditure	477	8,780	476
Swap revaluation movement			
Financial contributions	10,993	6,990	10,993
Lump sum contributions	-	-	-
Revaluation adjustments	1,024	-	7,648
Total	110,533	88,750	104,145
Total Revenue per Statement of Comprehensive Income	114,191	91,041	107,728
Less: Loss on shares adjustment			(76)
Less: Vested Assets	3,658	2,291	3,658
Less: Gains	-	-	-
Total	110,533	88,750	111,310
Variance	-	-	-
Application of operating funding per Funding Impact Statement	66,158	58,255	61,016
Total expenditure per Statement of Comprehensive Income	80,454	78,542	75,312
Less depreciation and amortisation	19,413	20,287	19,413
Less revaluation movement	25	-	25
Less unrealised hedging movement	(5,142)	-	(5,142)
Less asset impairment/loss on sale	-	-	-
Less other adjustments	-	-	-
	66,158	58,255	61,016
Variance	-	-	-
Net Variance	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR REPRESENTATION

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2,943	3,137	2,687
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		580	601	577
Local authority and fuel tax, fines, infringement fees, and other receipts		-	77	68
Total operating funding	(A)	3,523	3,815	3,332
Applications of operating funding				
Payments to staff and suppliers		1,487	1,520	1,366
Finance costs		(45)	(24)	(65)
Internal charges and overhead costs applied		2,032	2,125	1,788
Other operating funding applications		40	188	195
Total applications of operating funding	(B)	3,515	3,808	3,285
Operating funding - surplus/(deficit)	(A-B)	8	7	47
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		-	-	85
Gross proceeds from sale of assets		-	-	(1)
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	-	-	84
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		8	7	131
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	8	7	131
Capital funding - surplus/(deficit)	(C-D)	(8)	(7)	(47)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR PLANNING FOR THE FUTURE

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2,195	2,138	2,204
Targeted rates		-	-	13
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	2
Total operating funding	(A)	2,195	2,138	2,219
Applications of operating funding				
Payments to staff and suppliers		1,433	1,350	1,499
Finance costs		(160)	(169)	(33)
Internal charges and overhead costs applied		752	779	700
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,025	1,961	2,166
Operating funding - surplus/(deficit)	(A-B)	170	177	53
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	(2)
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	-	-	(2)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		170	177	51
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	170	177	51
Capital funding - surplus/(deficit)	(C-D)	(170)	(177)	(53)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR COMMUNITIES

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		3,098	3,259	3,523
Targeted rates		1,780	1,943	2,066
Subsidies and grants for operating purposes		-	-	18
Fees and charges		75	77	65
Internal charges and overhead costs recovered		779	827	816
Local authority and fuel tax, fines, infringement fees, and other receipts		458	476	754
Total operating funding	(A)	6,190	6,581	7,243
Applications of operating funding				
Payments to staff and suppliers		3,680	3,678	4,369
Finance costs		(47)	29	(108)
Internal charges and overhead costs applied		2,042	2,235	2,481
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	5,675	5,942	6,742
Operating funding - surplus/(deficit)	(A-B)	515	639	501
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		1,417	51	276
Gross proceeds from sale of assets		-	-	(33)
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	1,417	51	244
Applications of capital funding				
Capital expenditure				
• to meet additional demand		2,384	49	164
• to improve the level of service		-	-	-
• to replace existing assets		434	336	316
Increase/(decrease) in reserves		(887)	305	264
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	1,932	690	745
Capital funding - surplus/(deficit)	(C-D)	(515)	(639)	(501)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR RECREATION AND LEISURE

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		4,986	5,285	5,044
Targeted rates		194	199	15
Subsidies and grants for operating purposes		70	655	72
Fees and charges		-	-	-
Internal charges and overhead costs recovered		1,009	1,037	1,078
Local authority and fuel tax, fines, infringement fees, and other receipts		687	671	1,008
Total operating funding	(A)	6,946	7,847	7,217
Applications of operating funding				
Payments to staff and suppliers		3,636	3,711	4,063
Finance costs		60	64	(101)
Internal charges and overhead costs applied		1,875	1,935	1,948
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	5,571	5,710	5,910
Operating funding - surplus/(deficit)	(A-B)	1,375	2,137	1,308
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,554	1,585	2,302
Increase/(decrease) in debt		49	161	(252)
Gross proceeds from sale of assets		-	-	33
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	1,602	1,746	2,083
Applications of capital funding				
Capital expenditure				
• to meet additional demand		1,067	1,900	768
• to improve the level of service		270	276	6
• to replace existing assets		765	948	776
Increase/(decrease) in reserves		876	758	1,841
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	2,971	3,883	3,390
Capital funding - surplus/(deficit)	(C-D)	(1,375)	(2,137)	(1,308)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR REGULATORY SERVICES

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2,025	1,858	1,911
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		3,387	3,697	5,548
Internal charges and overhead costs recovered		28	29	22
Local authority and fuel tax, fines, infringement fees, and other receipts		37	37	93
Total operating funding	(A)	5,477	5,621	7,573
Applications of operating funding				
Payments to staff and suppliers		3,553	3,598	4,809
Finance costs		(10)	(11)	(10)
Internal charges and overhead costs applied		1,610	1,707	2,444
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	5,153	5,294	7,243
Operating funding - surplus/(deficit)	(A-B)	323	327	330
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(18)	(19)	(85)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(18)	(19)	(85)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		305	308	244
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	305	308	244
Capital funding - surplus/(deficit)	(C-D)	(323)	(327)	(330)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR TRANSPORTATION

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	-	-
Targeted rates		13,093	13,703	14,058
Subsidies and grants for operating purposes		6,881	7,169	10,087
Fees and charges		-	-	43
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		262	264	343
Total operating funding	(A)	20,236	21,135	24,530
Applications of operating funding				
Payments to staff and suppliers		8,872	8,997	9,346
Finance costs		1,369	1,371	1,020
Internal charges and overhead costs applied		1,257	1,298	1,114
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	11,498	11,667	11,480
Operating funding - surplus/(deficit)	(A-B)	8,737	9,468	13,050
Sources of capital funding				
Subsidies and grants for capital expenditure		6,011	-	-
Development and financial contributions		2,791	2,330	3,396
Increase/(decrease) in debt		818	(891)	(2,288)
Gross proceeds from sale of assets		-	-	112
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	3,609	1,440	1,221
Applications of capital funding				
Capital expenditure				
• to meet additional demand		1,924	1,119	4,405
• to improve the level of service		6,391	5,703	7,145
• to replace existing assets		4,031	4,086	2,420
Increase/(decrease) in reserves		-	-	300
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	12,346	10,908	14,271
Capital funding - surplus/(deficit)	(C-D)	(8,737)	(9,468)	(13,050)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR WATER SUPPLY

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	-	-
Targeted rates		6,258	5,967	10,088
Subsidies and grants for operating purposes		51	-	-
Fees and charges		3,080	3,387	128
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	-
Total operating funding	(A)	9,389	9,354	10,217
Applications of operating funding				
Payments to staff and suppliers		4,447	4,748	4,845
Finance costs		1,594	1,763	1,499
Internal charges and overhead costs applied		1,446	1,485	1,448
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	7,486	7,997	7,793
Operating funding - surplus/(deficit)	(A-B)	1,903	1,357	2,423
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		820	784	1,726
Increase/(decrease) in debt		2,836	2,115	646
Gross proceeds from sale of assets		-	-	187
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	3,656	2,899	2,559
Applications of capital funding				
Capital expenditure				
• to meet additional demand		950	461	917
• to improve the level of service		1,122	1,127	961
• to replace existing assets		3,487	2,668	3,104
Increase/(decrease) in reserves		-	-	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	5,559	4,256	4,982
Capital funding - surplus/(deficit)	(C-D)	(1,903)	(1,357)	(2,423)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR STORMWATER

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,260	1,635	1,590
Targeted rates		3,571	3,741	3,717
Subsidies and grants for operating purposes		160	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	207
Total operating funding	(A)	4,990	5,376	5,514
Applications of operating funding				
Payments to staff and suppliers		752	750	750
Finance costs		1,728	1,671	1,530
Internal charges and overhead costs applied		585	601	415
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	3,065	3,022	2,695
Operating funding - surplus/(deficit)	(A-B)	1,925	2,354	2,819
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		733	731	585
Increase/(decrease) in debt		(950)	(1,403)	(2,177)
Gross proceeds from sale of assets		-	-	20
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(217)	(672)	(1,572)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		100	208	148
• to improve the level of service		640	716	18
• to replace existing assets		968	758	1,078
Increase/(decrease) in reserves		-	-	3
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	1,708	1,682	1,247
Capital funding - surplus/(deficit)	(C-D)	(1,925)	(2,354)	(2,819)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR NATURAL ENVIRONMENT

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		175	178	213
Targeted rates		313	320	325
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	-
Total operating funding	(A)	487	498	538
Applications of operating funding				
Payments to staff and suppliers		676	693	627
Finance costs		(38)	(40)	(3)
Internal charges and overhead costs applied		45	48	62
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	684	701	686
Operating funding - surplus/(deficit)	(A-B)	(197)	(203)	(148)
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		111	184	244
Increase/(decrease) in debt		1	1	14
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	112	186	257
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		(84)	(17)	109
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	(84)	(17)	109
Capital funding - surplus/(deficit)	(C-D)	197	203	148
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR WASTEWATER

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,418	1,884	2,003
Targeted rates		9,338	9,278	9,447
Subsidies and grants for operating purposes		-	-	(476)
Fees and charges		2	2	9
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	10
Total operating funding	(A)	10,757	11,164	10,993
Applications of operating funding				
Payments to staff and suppliers		3,728	4,138	4,497
Finance costs		3,651	3,527	3,443
Internal charges and overhead costs applied		1,497	1,544	1,611
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	8,876	9,208	9,551
Operating funding - surplus/(deficit)	(A-B)	(1,881)	1,956	1,441
Sources of capital funding				
Subsidies and grants for capital expenditure		-	4,024	476
Development and financial contributions		1,382	1,375	2,739
Increase/(decrease) in debt		(2,255)	391	(3,417)
Gross proceeds from sale of assets		-	-	18
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(872)	5,790	(183)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		100	831	158
• to improve the level of service		180	5,882	386
• to replace existing assets		729	1,033	714
Increase/(decrease) in reserves		-	-	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	1,009	7,746	1,258
Capital funding - surplus/(deficit)	(C-D)	(1,881)	(1,956)	(1,441)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR SOLID WASTE

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		617	639	363
Targeted rates		1,055	990	1,031
Subsidies and grants for operating purposes		65	135	200
Fees and charges		67	71	87
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		10	10	101
Total operating funding	(A)	1,814	1,845	1,783
Applications of operating funding				
Payments to staff and suppliers		1,216	1,325	962
Finance costs		30	26	4
Internal charges and overhead costs applied		490	504	540
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	1,736	1,855	1,506
Operating funding - surplus/(deficit)	(A-B)	78	(9)	277
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(78)	11	(271)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(78)	11	(271)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	4
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		1	2	2
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	1	2	6
Capital funding - surplus/(deficit)	(C-D)	(78)	9	(277)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR ECONOMIC

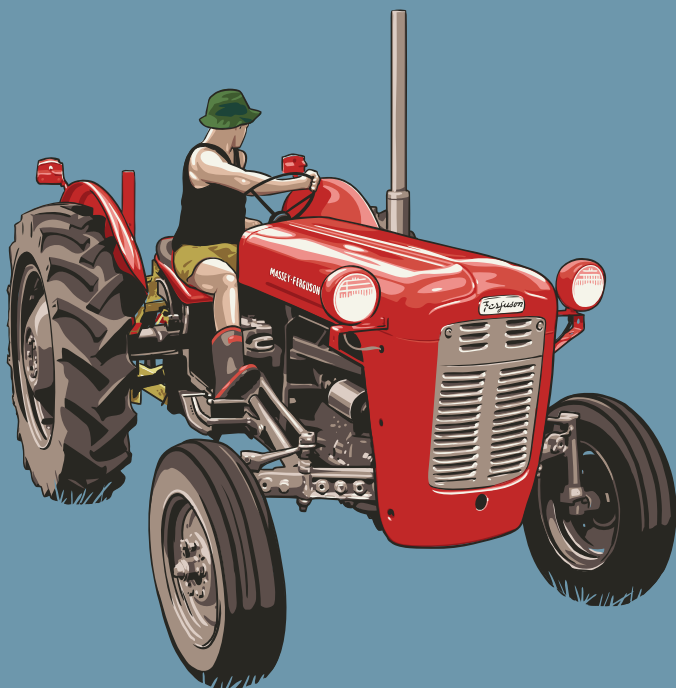
For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		715	733	681
Targeted rates		276	274	271
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		2	2	3
Total operating funding	(A)	993	1,009	955
Applications of operating funding				
Payments to staff and suppliers		603	608	598
Finance costs		(83)	(84)	(70)
Internal charges and overhead costs applied		124	127	109
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	645	651	637
Operating funding - surplus/(deficit)	(A-B)	348	358	318
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(28)	(27)	(26)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(28)	(27)	(26)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		1,151	581	1
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		(831)	(250)	290
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	320	331	291
Capital funding - surplus/(deficit)	(C-D)	(348)	(358)	(318)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2017 FOR SUPPORT SERVICES

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2016	2017	2017
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,420	812	1,420
Targeted rates		989	936	989
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		14,171	14,097	14,171
Local authority and fuel tax, fines, infringement fees, and other receipts		16,010	2,097	3,000
Total operating funding	(A)	32,590	17,943	19,579
Applications of operating funding				
Payments to staff and suppliers		14,842	14,011	14,842
Finance costs		6,281	816	1,140
Internal charges and overhead costs applied		2,004	2,205	2,004
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	23,127	17,032	17,986
Operating funding - surplus/(deficit)	(A-B)	9,463	911	1,593
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		2,263	(760)	2,263
Gross proceeds from sale of assets		(66)	87	(66)
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	2,197	(673)	2,197
Applications of capital funding				
Capital expenditure				
• to meet additional demand		2,302	71	2,302
• to improve the level of service		-	588	-
• to replace existing assets		1,034	440	1,034
Increase/(decrease) in reserves		378	(861)	378
Increase/(decrease) in investments		7,944	-	76
Total applications of capital funding	(D)	11,658	239	3,790
Capital funding - surplus/(deficit)	(C-D)	(9,462)	(911)	(1,593)
Funding balance	((A-B) + (C-D))	1	-	-

CHAPTER FOUR

Governance and Monitoring



CHAPTER FOUR

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OUR COUNCIL



WESTERN BAY OF PLENTY DISTRICT

MAYOR

Garry Webber

Ph 07 548 2224

garry.webber@westernbay.govt.nz

KATIKATI / WAIHI BEACH WARD



1 Mike Williams
Deputy Mayor
Ph 07 552 0360
mike.williams@westernbay.govt.nz

2 Peter Mackay
Ph 07 552 0988
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3 David Marshall
Ph 022 185 4263
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KAIMAI WARD



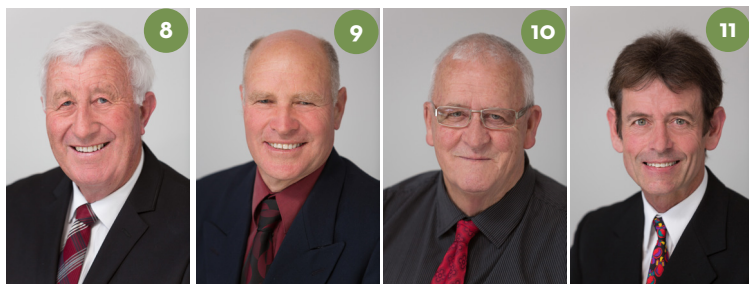
4 Don Thwaites
Ph 07 552 5103
don.thwaites@westernbay.govt.nz

5 Margaret Murray-Benge
Ph 07 579 3459
margaret.murray-benge@westernbay.govt.nz

6 John Palmer
Ph 07 548 1107
john.palmer@westernbay.govt.nz

7 Mark Dean
Ph 07 543 3021
mark.dean@westernbay.govt.nz

MAKETU / TE PUKE WARD



8 Kevin Marsh
Ph 07 533 3877
kevin.marsh@westernbay.govt.nz

9 John Scrimgeour
Ph 07 533 3681
john.scrimgeour@westernbay.govt.nz

10 Mike Lally
Ph 07 573 6736
mike.lally@westernbay.govt.nz

11 Grant Dally
Ph 07 573 8336
grant.dally@westernbay.govt.nz

COMMITTEES AND MEMBERSHIP

His Worship the Mayor, Garry Webber

Cr Mike Williams (Deputy Mayor)

Cr Don Thwaites

Cr John Scrimgeour

Cr Kevin Marsh

Cr Margaret Murray-Benge

Cr Peter Mackay

Cr David Marshall

Cr Grant Dally

Cr Mike Lally

Cr John Palmer

Cr Mark Dean

Operations and Monitoring Committee

Cr Don Thwaites (Chairperson)

Cr John Palmer (Deputy)

Mayor Garry Webber

Cr Grant Dally

Cr Mark Dean

Cr Mike Lally

Cr Peter Mackay

Cr Kevin Marsh

Cr David Marshall

Cr Margaret Murray-Benge

Cr John Scrimgeour

Cr Mike Williams

Community Committee

Cr Peter Mackay (Chairperson)

Cr Margaret Murray-Benge (Deputy)

Mayor Garry Webber

Cr Mike Williams

Cr Grant Dally

Cr Mark Dean

Cr Mike Lally

Cr Kevin Marsh

Cr David Marshall

Cr John Palmer

Cr John Scrimgeour

Cr Don Thwaites

Regulatory Hearings Committee

Mayor Garry Webber (Chairperson)

Cr Peter Mackay

Cr David Marshall

Cr Margaret Murray-Benge

Cr John Scrimgeour

Cr Mike Williams

Policy Committee

Cr Mike Williams (Chairperson)

Cr David Marshall (Deputy)

Mayor Garry Webber

Cr Grant Dally

Cr Mark Dean

Cr Mike Lally

Cr Peter Mackay

Cr Kevin Marsh

Cr Margaret Murray-Benge

Cr John Palmer

Cr John Scrimgeour

Cr Don Thwaites

Rural Committee

Cr Kevin Marsh (Chairperson)

Cr Mark Dean (Deputy)

Mayor Garry Webber

Cr Grant Dally

Cr Mike Lally

Cr Peter Mackay

Cr David Marshall

Cr Margaret Murray-Benge

Cr John Palmer

Cr John Scrimgeour

Cr Don Thwaites

Cr Mike Williams

Tauranga Moana / Te Arawa ki Takutai Partnership Forum

Elected Members

Hapū/iwi representatives

COMMUNITY BOARD REPRESENTATIVES

Katikati Community Board

Member Jenny Hobbs (Chairperson)
Member Brendan Gibbs (Deputy Chair)
Member Norm Mayo
Member Ben Warren
Cr Mike Williams
Cr Peter Mackay

Omokoroa Community Board

Member Murray Grainger (Chairperson)
Member Teresa Sage (Deputy Chair)
Member Peter Presland
Member Derek Sage
Cr Margaret Murray-Benge
Cr John Palmer

Maketu Community Board

Member Shane Beech (Chairperson)
Member Gus Cantlon (Deputy Chair)
Member Rachel Clark
Member Wendy McFadyen
Cr Kevin Marsh
Cr John Scrimgeour

Te Puke Community Board

Member Peter Miller (Chairperson)
Member Bev Button (Deputy Chair)
Member Joan Dugmore
Member Ron Spratt
Cr Grant Dally
Cr John Scrimgeour

Waihi Beach Community Board

Member Allan Sole (Chairperson)
Member Marilyn Roberts (Deputy Chair)
Member Ruth Parsons
Member Brian Hepenstall
Cr Mike Williams
Cr David Marshall

ORGANISATION OVERVIEW

CEO SERVICES

Human Resources

- Human resources strategy
- Workforce development
- Cultural support
- Health and safety

Executive Assistance

- Chief Executive
- Mayor

Strategy

- Strategic advice
- Local government reform

Communications

- Strategic and Governance communications

TECHNOLOGY, CUSTOMER AND COMMUNITY SERVICES

Customer Services

- Library and Service Centres
- Governance/ Democracy
- Bylaws
- Catering

Information Technology and Services

- Geographic Information Systems
- Information Systems
- Electronic Document Management System (EDMS)
- Information Services

Community Engagement

- Social (including crime prevention)
- Local Economic
- Environment
- Community Funding
- Community Planning
- Corporate Events
- Community Development

Communications

- Operational communications
- Corporate identity
- Online communications

FINANCIAL SERVICES

Finance

- Financial Policy and Overview
- Financial Auditing
- Treasury
- Rates and Levies
- Income
- Expenditure
- Finance
- Annual Plan
- Annual Report
- Revenue and Finance Policy
- Long Term Plan (LTP)

Corporate

- LTP Project Management
- Corporate Development

Corporate Planning and Development

- Corporate Planning
- Business Planning
- Improvement and Project Management
- Business Excellence
- Quality and Risk Management
- Performance Monitoring and reporting
- Internal (non-financial) Audit
- Benchmarking
- Procurement

INFRASTRUCTURE SERVICES

Transportation

- Roading Network
- Asset Management
- West Roads contract

Utilities

- Utilities Asset Management
- Wastewater
- Stormwater
- Potable Water
- Solid Waste

Reserves and Facilities

- Parks
- Reserves
- Esplanades
- Wharves
- Jetties
- Property
- Cemeteries

Emergency Management

- Response Capability

Management Support

- Secretarial/Support Services
- Legal Administration
- Fleet Management
- Litter Control

Strategic Property

- Corporate assets management
- Fleet management
- Administration support for Infrastructure Services

Development Engineering

- Engineering input into Council strategic documents

Rural Fire

POLICY, PLANNING AND REGULATORY SERVICES

Resource Management

- District Plan
- Structure Planning

Policy, Planning and Monitoring

- Strategic, Infrastructure and Reserves Planning
- Comprehensive Development Planning
- Strategic and Environmental Monitoring
- Long Term Plan (LTP)
- Bylaw Development

Regulatory

- Building and Health
- Animal Services
- Compliance Enforcement, Parking, Monitoring
- Land Information Memorandums
- Resource Consents

Cultural