

It's steady as we grow

Annual Report

For the year ending 30 June 2019



*Western Bay of Plenty
District Council*



CONTENTS

INTRODUCTION

Our District	4
Statement of compliance	6
The Chief Executive Officer's introduction	7
The District at a glance - key facts	8
Council at a glance - key facts	9
Role of this Annual Report	10
Finance summary overview	11

CHAPTER ONE - OVERVIEW

Overview of Western Bay of Plenty District Council's performance	14
Report on development of Māori capacity to contribute to decision making 2018/2019	16
Annual report disclosure statement	18
Disclosure statement calculations	23
Audit Report	25

CHAPTER TWO - COUNCIL ACTIVITIES

Council's group of activities	31
Leadership	
Representation	34
Planning for the future	40
Building communities	
Communities	46
Recreation and leisure	57
Regulatory services	64
Transportation	72
Water Supply	78
Stormwater	88
Protecting the environment	
Natural environment	94
Wastewater	100
Solid waste	112
Supporting our economy	
Economic	118
Support services	123

CHAPTER THREE - FINANCIALS

Statement of comprehensive revenue and expense for year ended 30 June 2019	127
Statement of financial position as at 30 June 2019	128
Statement of changes in equity for year ended 30 June 2019	129
Statement of cash flows for year ended 30 June 2019	130
Notes to the financial statements	131
Summary of cost of services	139
3. Total operating expenditure	139
4. Fees and charges from activities	140
General rate income	140
5. General rate income	140
6. Targeted rates attributable to activities	141

7. Targeted rates for water supply	141
8. Finance income and finance costs	142
9. Vested assets	142
10. Subsidies and grants	142
11. Other revenue	143
12. Other expenses	143
13. Personnel costs	143
14. Cash and cash equivalents	144
15. Debtors and other receivables	144
16. Derivative financial instruments	145
17. Non-current assets held for sale	146
18. Other financial assets	146
19. Investments in associates	147
20. Investment in Council Controlled Organisations (CCO's) and other similar entities	147
21. Property, Plant and Equipment	147
22. Intangible assets	154
23. Forestry assets	155
24. Payables and deferred revenue	156
25. Borrowings	156
26. Employee entitlements	158
27. Provisions	158
Equity	160
28. Retained earnings	160
29. Restricted reserves	160
30. Council-created reserves	160
31. General asset revaluation reserve	161
32. Reserve funds	162
33. Reconciliation of net surplus / (deficit) to net cash flow from operating activities	170
34. Capital commitments and operating leases	170
35. Contingencies	171
36. Prior year adjustments	172
37. Related party transactions	172
38. Remuneration	182
39. Severance payments	184
40. Events after the balance	184
41. Financial instruments	185
42. Te Tumu financial instruments	186
43. Fair value hierarchy disclosures	186
44. Financial instrument risks	187
45. Capital management	191
46. Explanation of major variances	192
Other legislative disclosures	
Summary funding impact statements	194
CHAPTER FOUR - GOVERNANCE AND MONITORING	
Our elected members	211
Committees and membership	212
Community Board representatives	213
Organisational overview	214

Introduction



INTRODUCTION

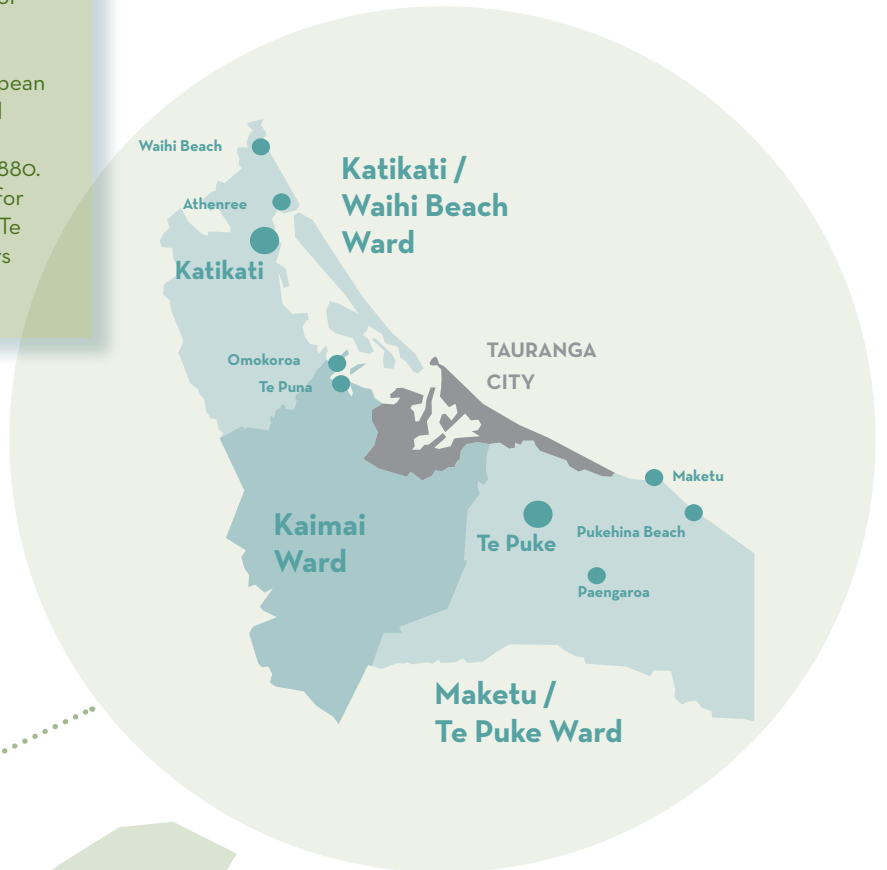
Our District	4
Statement of compliance	6
The Chief Executive Officer's introduction	7
The District at a glance - key facts	8
Council at a glance - key facts	9
Role of this Annual Report	10
Finance summary overview	11

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 descendents 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 estimated population of just over 49,285 people expected to reach around 58,000 by 2033. Between the 2006 and 2013 censuses, the population of the District grew by 4.5%. Most of this growth has come from migration from other parts of New Zealand.

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.



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
Mayor
Western Bay of Plenty District Council



Miriam Taris
Chief Executive Officer
Western Bay of Plenty District Council

THE CHIEF EXECUTIVE OFFICER'S INTRODUCTION

For year ended 30 June 2019

2018/19 has been a year of opportunity and challenge for Council.

For much of the period the District continued to realise opportunities resulting from strong growth. 659 properties were added to the rating base bringing the total to 23,691. Income from financial contributions was \$9.82m higher than budget of \$8.79m, totalling \$18.61m.

Despite these positives, subdivision and development applications began to 'throttle off' in the latter half of the year. Non-notified subdivision consents were down to 153, compared to 199 in 2017/18 and land use consents up from 50 in 2017/18 to 245 this year.

Strong financial position

While these figures highlight some potential challenges ahead, Council is well positioned to deal with them.

Stronger than expected financial contribution income meant Council could pay down debt faster and reduce the overall interest expense over the year.

Council's gross external debt reduced to \$110m, down from \$125m in 17/18. Net debt per ratepayer reduced from \$4,468 last year to \$3,474 this year reflecting both lower debt and a larger ratepayer base. Being in this position means Council has borrowing headroom to withstand next year's expected drop in financial contributions and development related income to continue to build essential infrastructure.

These results validate a continued strong focus on prudent debt management and keeping a tight control of operational and capital expenditure, while not impacting levels of service.

Highlights

Keeping up with growth has meant delivering an annual capital works programme, \$34,919m, of which \$21,805m was upgrades to roads in urban areas and substantial investment in stormwater assets, the majority of which are in Omokoroa.

Other highlights include:

- Completing the new library and service centre in Katikati, Pātuki Manawa, in August 2018
- Opening new cycleways in the east and west of the District
- TECT Park won the internationally recognised inaugural Supreme Green Flag Award for park management
- Commissioning the Ongare Point wastewater scheme and progressing significant upgrades to the Te Puke Wastewater treatment plant
- 13.9km of seal extensions
- Major consent renewals for wastewater at Katikati and Te Puke.

A changing Central Government environment

We remain committed to collaborating with other local authorities in our region, including responding to changes being implemented by the Government, particularly priorities relating to transport, housing and the 'three waters'.

The SmartGrowth collaborative approach, is being used to pilot the Urban Form and Transport Initiative (UFTI). This will test ways of integrating planning for land use, housing, transport and regional development.

The Smart Housing Action Framework is part of this. It focuses on increasing the supply of affordable one and two bedroom homes and providing a better mix of housing types, tenures and sizes.

The outcomes of UFTI are critical to being able to deliver on land and housing provision. Fundamental to delivery is the need for secure funding tools and a partnership approach with Central Government to make this happen.

Looking ahead

Macro economic forces, nationally and globally, are likely to continue to have a slow-down effect on growth in the Western Bay. Against this background, Council will remain focused on prudently managing expenditure and looking for opportunities to improve efficiency and effectiveness.

My thanks to elected members and Council staff for their cooperation, expertise and willingness to work as a team for the benefit of residents across the Western Bay of Plenty.



Miriam Taris
Chief Executive Officer
Western Bay of Plenty
District Council



THE DISTRICT AT A GLANCE - KEY FACTS

Industry

\$\$\$ GDP

9.0% Annual GDP growth vs 6.2% national average.
\$35,365 per capita GDP vs \$56,441 nationally (March 2017)

👜 JOBS

2.3% growth in employment vs 3.0% nationally 67.1% employment rate vs 67.7% nationally (June 2018).

🌱 PRIMARY SECTOR

Kiwifruit grower returns up 6% in 2018 to \$1.47 billion. BOP accounts for 81%.

Avocado returns: \$200m in 2016/17 \$150m in 2017/18 Goal of \$280m by 2023. BOP accounts for 60%.

🔨 BUILDING INDUSTRY

2018/2019 building consent value of \$248m vs \$258.7m in 2017/2018

81.6 new dwelling approvals per 10,000 population vs 68.1 nationally (May 2018)

District



PEOPLE

- Estimated population **50,100**
- **58%** rural, **42%** urban
- Projected population of 66,500 by 2043



LAND

- **212,000** hectares
- **202** kilometres of harbour
- **55** kilometres of ocean beach
- Outstanding soil conditions that grow a basket of 'super foods' like kiwifruit, avocados and dairy, beef and lamb products.



COMMUNITY

- Rich tapestry of small, thriving communities, with a strong sense of place, resilience and ability to adapt.
- **Three wards:**
 - Katikati, Waihi Beach
 - Kaimai
 - Te Puke, Maketu



CUSTOMERS

- **22,016** ratepayers
- 73% connected to council water supply
- 45% connected to council wastewater treatment and disposal.

COUNCIL AT A GLANCE - KEY FACTS



Council currently owns \$1.48 billion worth of physical assets as at 30 June 2019.



Net debt is \$80 million as at 30 June 2019.



Overall the District has equity of \$1.35 billion as at 30 June 2019.



\$35 million of capital expenditure was spent on infrastructure and assets in 2018/19.



\$133.8 million of total income generated in 2018/19.



\$69 million of rates income generated in 2018/19.

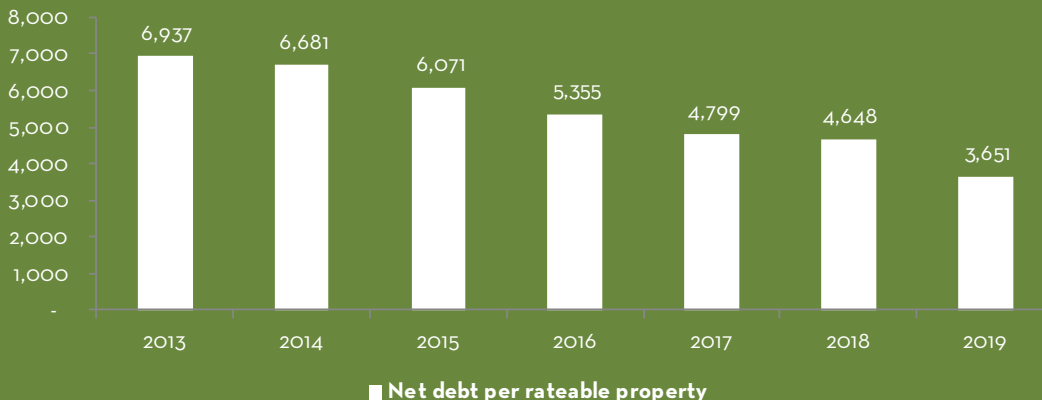
Our debt

Net debt per rateable property



Rates covered 74.8 percent of the operational cost of running the District.

Net debt per rateable property



ROLE OF THIS ANNUAL REPORT

This Annual Report is provided to compare Western Bay of Plenty District 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 of the Local Government Act 2002) 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 2018.

ANNUAL PLAN

(Section 95 of the Local Government Act 2002) 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 of the Local Government Act) 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) of the Local Government Act) provides a summary of information contained in Council's Annual Report.

Bringing the planning process together

Community Outcomes

How the Community wants the District to be

Long Term Plan

How the council will go about achieving the Community Outcomes

Annual Report

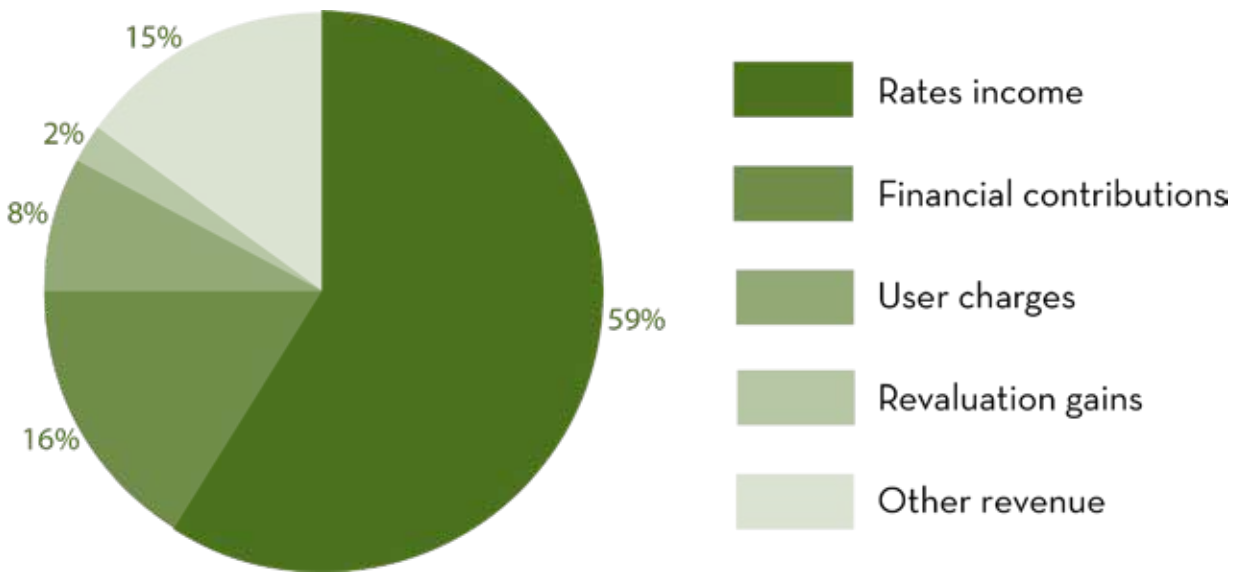
What was achieved

Annual Plan Annual Budget

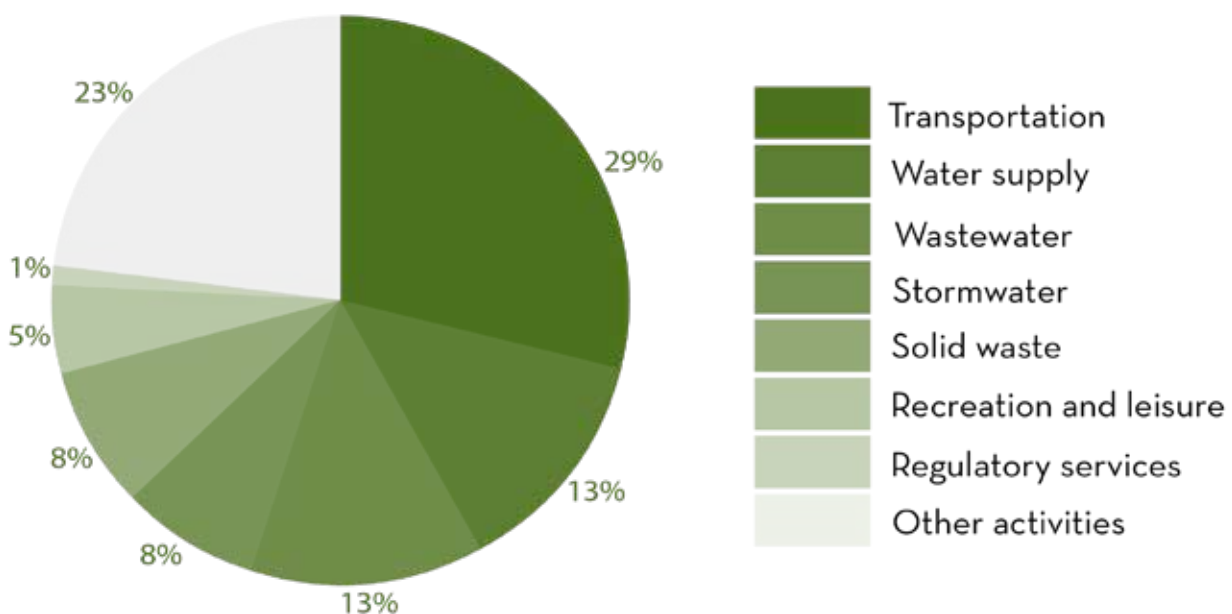
FINANCE SUMMARY OVERVIEW

Western Bay Council has reported a net surplus of \$41.2 million compared with a budgeted operating surplus of \$10.4 million. The major contributor to this increased surplus was financial contributions, vested assets and gains from asset revaluation.

Council Revenue 2018/19 (excluding vested assets) \$117.8m



Council Operating Expenditure 2018/19 \$92.5m





—
CHAPTER ONE

01

Overview

CHAPTER ONE

Overview of Western Bay of Plenty District Council's performance	14
Report on development of Māori capacity to contribute to decision making 2018/2019	16
Annual report disclosure statement	18
Disclosure statement calculations	23
Audit Report	25

OVERVIEW OF WESTERN BAY OF PLENTY DISTRICT COUNCIL'S PERFORMANCE

FIVE YEAR SUMMARY - FINANCIAL OVERVIEW

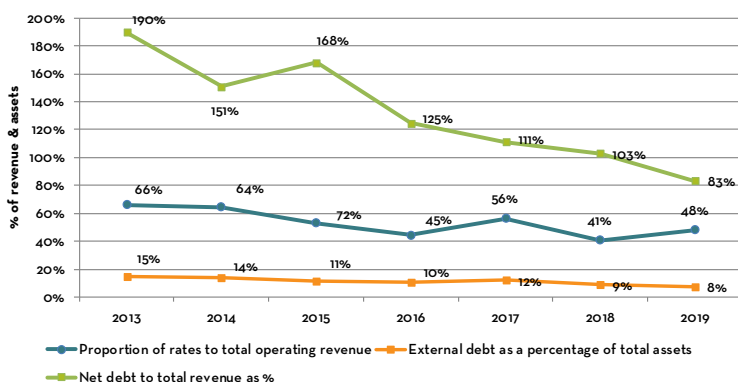
COUNCIL'S FIVE YEAR FINANCIAL PERFORMANCE SUMMARY

	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Rate revenue (excluding water by meter)	55,500	58,416	59,892	60,958	64,128
Vested assets revenue	720	42,408	3,658	10,965	15,891
Financial contributions revenue	2,607	7,862	10,993	9,506	18,605
Total expenditure	94,619	83,388	80,454	82,682	92,580
Total operating revenue	105,026	131,146	106,247	148,997	133,762
Operating surplus/(deficit)	10,338	47,733	25,587	66,299	41,186
Capital expenditure	15,449	17,142	26,826	38,377	34,919
Working capital/(deficit)	(12,104)	(17,068)	(12,663)	(4,054)	19,308
Total external debt	138,000	128,000	150,000	125,000	110,000
Net external debt	125,187	110,819	100,221	98,267	80,378
Property, Plant and Equipment	1,200,946	1,239,804	1,248,923	1,374,476	1,427,988
Short term investments	-	-	35,000	14,983	-
Cash on hand	12,813	17,181	14,779	11,750	29,622

COUNCIL'S FIVE YEAR FINANCIAL STATISTICS SUMMARY

	2015	2016	2017	2018	2019
¹ Proportion of rates to revenue	72%	45%	56%	41%	48%
Total external debt as a percentage of total assets	11%	10%	12%	9%	8%
External debt per rateable property (\$'000s)	6.69	6.19	7.18	5.91	5.00
Net external debt per rateable property (\$'000)	6.07	5.35	4.80	4.65	3.65
² Net debt to revenue as a percentage	168%	125%	111%	103%	83%
Total capital value of rating units within the District (\$m)	14,207	14,820	14,820	19,655	20,391
Total land value of rating units within the District (\$m)	7,828	7,851	7,851	10,783	10,755
Rateable properties	20,621	20,696	20,884	21,144	22,016

TREASURY RATIOS



This graph shows that for each rateable property in the District there was \$3,651 of net debt at 30 June 2019 this is a reduction of \$997 per property.

SERVICE DELIVERY PERFORMANCE

Western Bay 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 Western Bay Council's services and work programmes. Our Achievements section of this document (from page 33 provides a detailed assessment of how well Western Bay Council's activities performed during 2018/19).

PERFORMANCE AGAINST 2018/19 TARGETS

The Long Term Plan 2018 - 2028 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 Western Bay Council activities with other local authorities or external agencies have been used where data is available.

Our Achievements section provides detailed financial and non-financial results for each activity. A summary of Western Bay Council's performance against the 2018/19 targets is shown in the table below.



TARGETS MET

Target has been achieved.

112
(74%)



TARGETS PARTIALLY MET

Target has not been fully achieved, it is within 5% of target.

13
(8%)



TARGETS NOT MET

Target was not achieved.

27
(18%)

ACTIVITY GROUP	TARGET MET	PARTIAL MET	NOT MET	NOT MEASURED	TOTAL
Representation	15		3	1	19
Planning for future	4			1	5
Communities	16	2	4	1	23
Recreation and Leisure	11	2	2	1	16
Regulatory services	9	3	7		19
Transportation	11	0	2		13
Water supply	10	3	1		14
Stormwater	14				14
Natural environment	4		3		7
Wastewater	14				14
Solid waste	4		3		7
Economic	5				5

153
measures
in total
for
2018/19

REPORT ON DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO DECISION MAKING 2018/2019

ON-GOING PROCESSES

Māori representation arrangements	Tauranga Moana / Te Arawa ki Takutai Partnership Forum	The Tauranga Moana and Te Arawa ki Takutai Partnership Forum have been operating as a single forum since the last Local Government election in 2016. They have undertaken significant work in that time progressing their issues of significance which were outlined in Te Ara Mua (their strategic plan). One of the key outcomes in that work was getting Council to make a decision that it would establish a Māori ward in the next election. This decision was agreed to by nine Councillors, opposed by 3. A poll on that decision was demanded by the community and ultimately Council's decision was overturned, however through the whole process significant strides were made in the relationship Council has with iwi/hapū. Iwi/hapū members of the Partnership Forum continue to advocate issues of significance to them, for example one of the member hapū initiated a review of Council's Reserves and Facilities Bylaw to take account of some of the impacts on their cultural practices caused by activities allowed under that bylaw.
Formal relationship agreements	Mana Whakahono ā Rohe agreements	Mana Whakahono ā Rohe agreements are a new mechanism provided for under recent changes to the Resource Management Act. They provide an opportunity for Council and iwi/hapū to outline how they will deal with each other (primarily in relation to resource management matters). Western Bay of Plenty District Council has adopted a broader approach to these agreements and they will apply across the breadth of Council's business. The Takawaenga Team developed Council's approach to developing a Mana Whakahono ā Rohe agreement which has subsequently been adopted by the Management Team. Work is underway to initiate the development of Council's first Mana Whakahono ā Rohe agreement.
Engagement with Māori communities	Tangata Whenua Consultation Guidelines	The guidelines and protocols are being updated to reflect current relationship approaches that have been taken with regard to Māori engagement including Cultural Monitoring and remuneration for iwi/hapū engagement.
	Consultation Protocols	As above.
	Consideration of Māori Interests - Roding	Status quo.
Building relationships with our Māori communities	Marae Maintenance Fund	The Marae Maintenance Fund is now known as the Marae Sustainability Fund, has been very successful. Since its inception the fund has been fully utilised each year to deliver a number of maintenance initiatives for Marae across our District. Through the Long Term Plan process, the fund was increased from \$33,000 per annum to \$50,000 per annum.



ON-GOING PROCESSES

<p>Co-management regimes</p>	<ul style="list-style-type: none"> • Papamoa Hills Cultural Heritage Regional Park • TECT All Terrain Park • Panepane Point • Tauriko for Tomorrow • Eastern Corridor Urban Growth 	<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 Rangiwaea Islands. Work on this matter is ongoing and will ultimately involve a formal community consultation process.</p> <p>The Western Bay of Plenty District Council, Tauranga District Council, Bay of Plenty Regional Council and New Zealand Transport Agency have agreed to progress urban development for the Tauriko West Urban Growth Area within the Western Corridor. One proposed element to achieve the above was a territorial boundary alteration which was initiated by the Western Bay of Plenty District Council to transfer an area of the Western Bay of Plenty District into Tauranga City. A working group comprising the three Councils, NZTA and local hapu was formed which is called, Te Kauae-a-Roopu. This group is progressing the development.</p> <p>A similar undertaking which has been initiated by SmartGrowth and actioned by the Western Bay of Plenty District Council to look at urban development in the Eastern side of the District which will be known as the “Eastern Corridor Urban Growth”. Consultation with local hapu/iwi of Te Arawa is presently underway to see if they agree with development within their rohe before a formal working group is established with Western Bay of Plenty District Council and local hapu/iwi.</p>
<p>SmartGrowth</p>	<p>Combined Tangata Whenua (CTWF)</p>	<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 and Bay of Plenty Regional Council meets with CTWF members that are on the SmartGrowth Leadership Group to provide support to those members where needed.</p>
<p>Policy Development</p>	<p>Input to reviews of policies and strategies through Māori Forum workshops.</p>	<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 review of the communities strategy, which will include how Council deals with iwi/hapū who request Council assistance with the provision of Urupā.</p> <p>A review of Council’s Reserves and Facilities Bylaw, in particular horse riding activity that is permitted under the bylaw, was initiated following a request from iwi/ hapū through Council’s Partnership Forum.</p>
<p>Strategic Planning</p>	<p>Hapū and Iwi management plans</p>	<p>A QMS process has been developed by Council regarding the process for supporting the development of iwi and hapū management plans.</p> <p>Ngati Whakae ki Maketu have recently completed their management plan which has been presented to this Council.</p> <p>It is likely in the future that the development of these plans will coincide with the development of Mana Whakahono ā Rohe agreements.</p>

ANNUAL REPORT DISCLOSURE STATEMENT

Annual Report disclosure Statement for the year ended 30 June 2019

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.

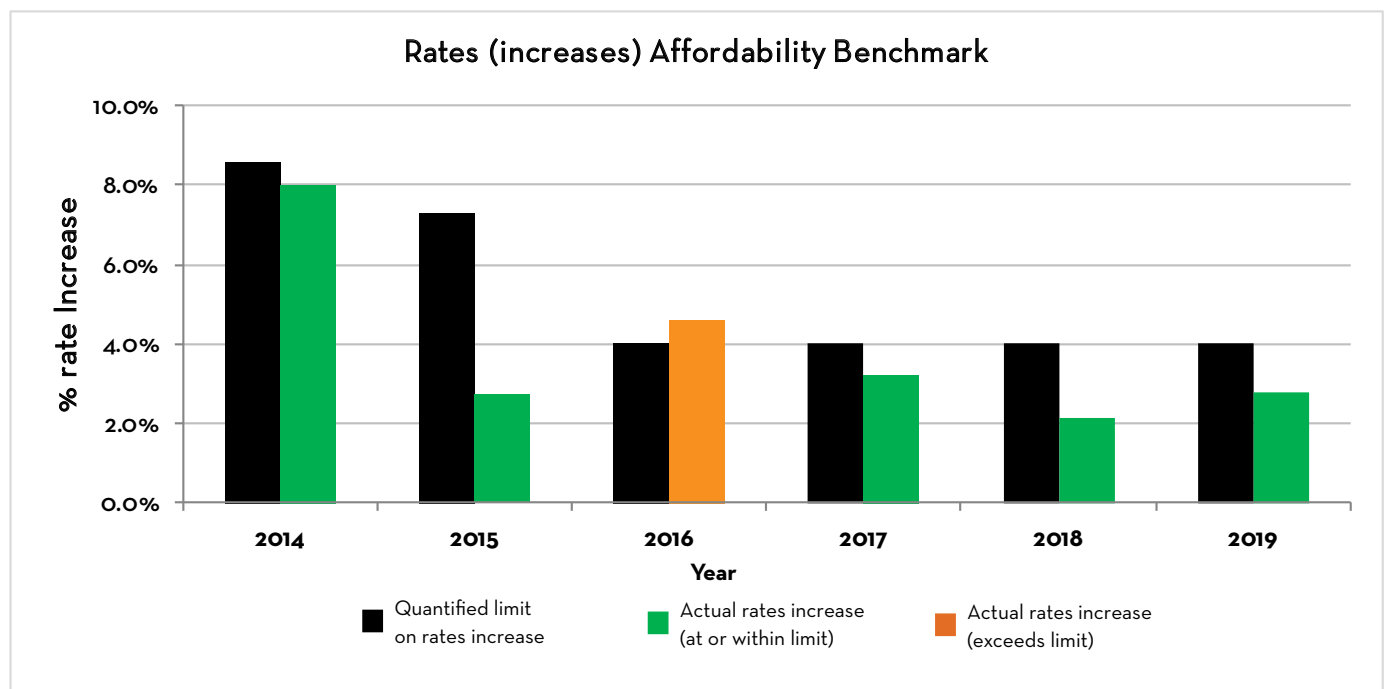
Page 23 provides a breakdown of how these benchmarks were calculated for 2018 and 2019.

Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

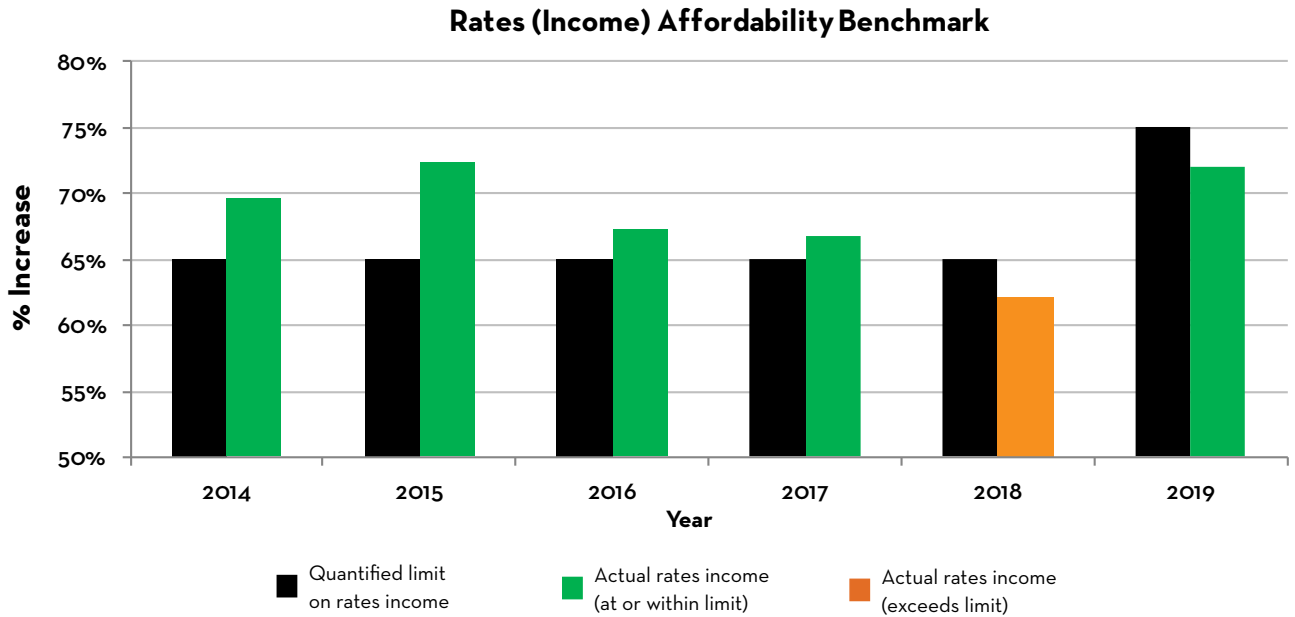
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

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 2019 is 4%.



Rates (Income) Affordability Benchmark

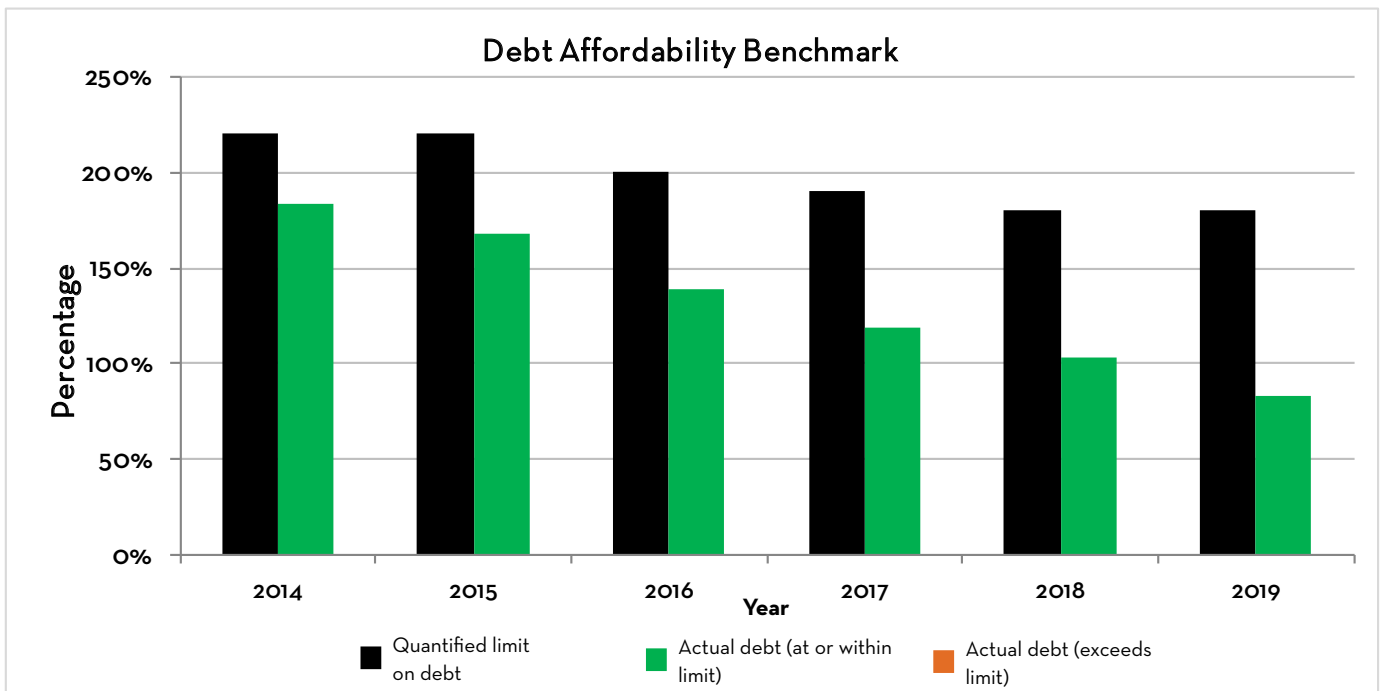
The following graph compares the council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long-term plan. The quantified limit is that rates will be no more than 75% of revenue (2018 at least 65% of revenue). Revenue is defined as total 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.

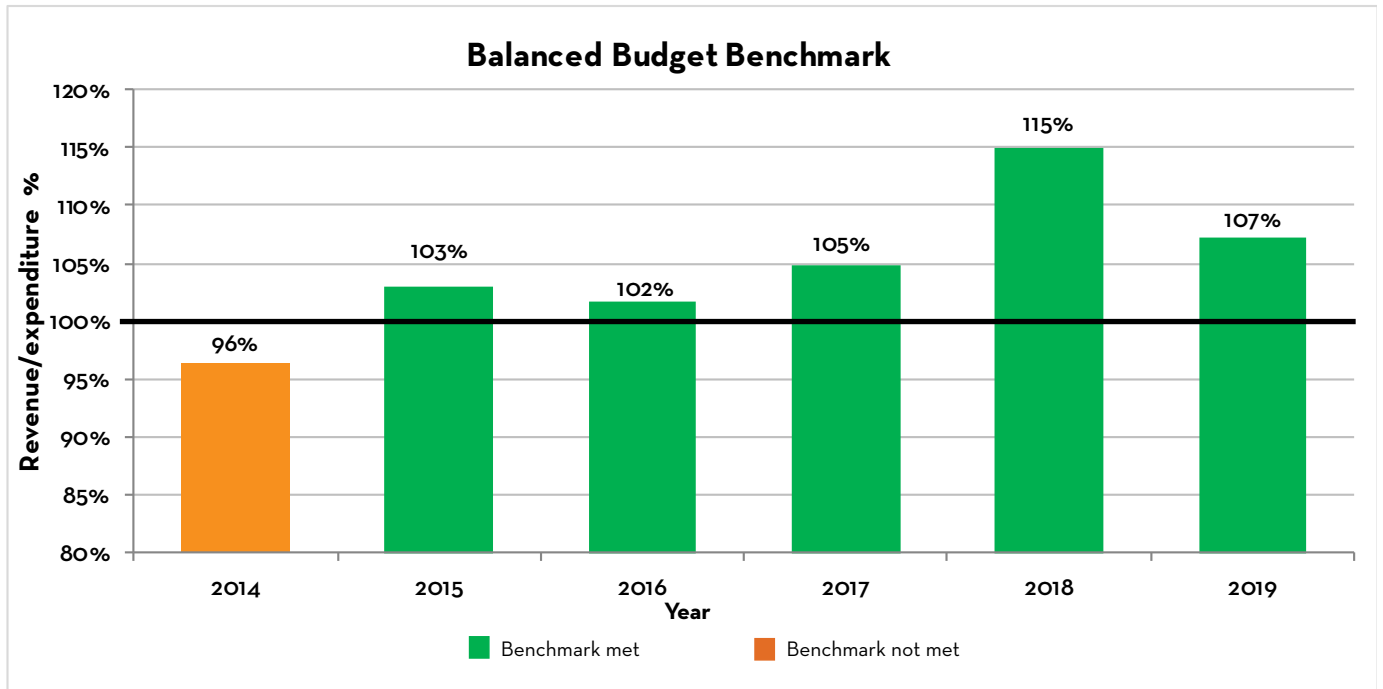
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s long-term plan. The quantified limit is that debt will not exceed 180% of revenue in 2019, reduced from 190% in 2017 and 200% in previous years.



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).

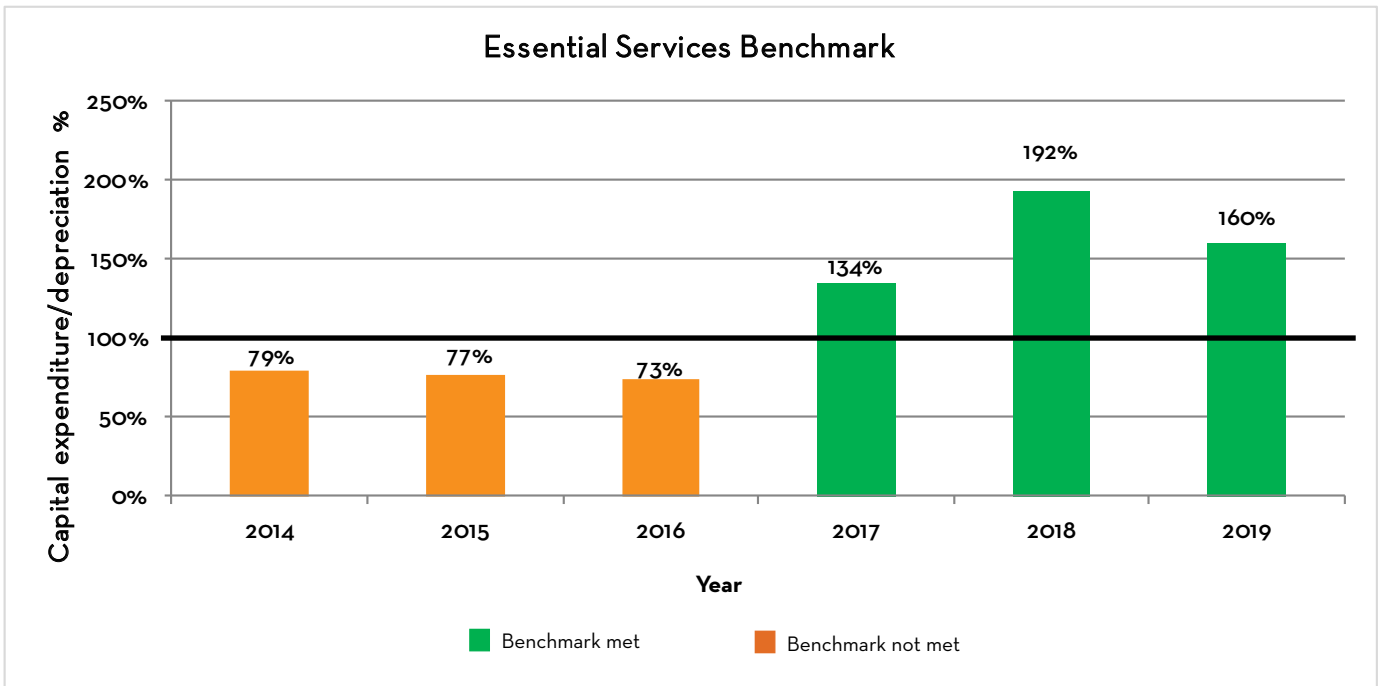
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

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

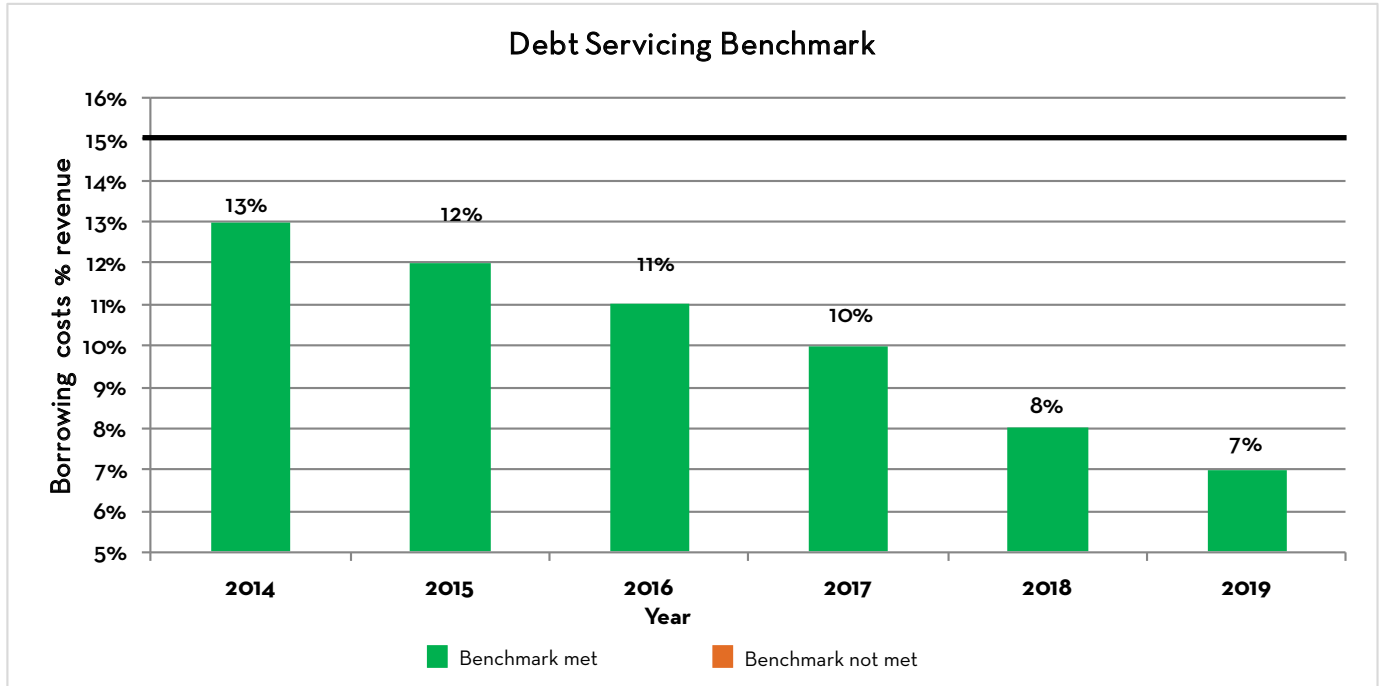
The Council meets this benchmark if its capital expenditure on network services (being; transportation, water, wastewater and Stormwater) equals or is greater than depreciation on network services.



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).

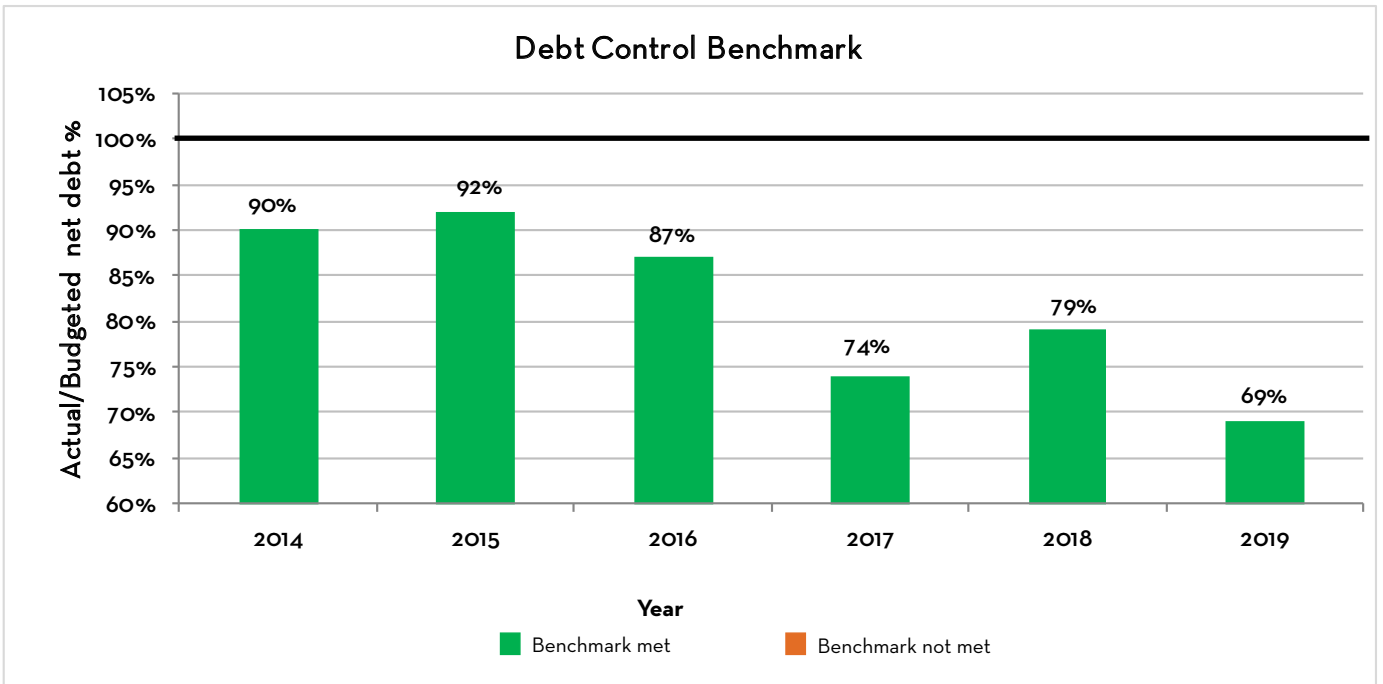
Because Statistics New Zealand projects the council's population will grow faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



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).

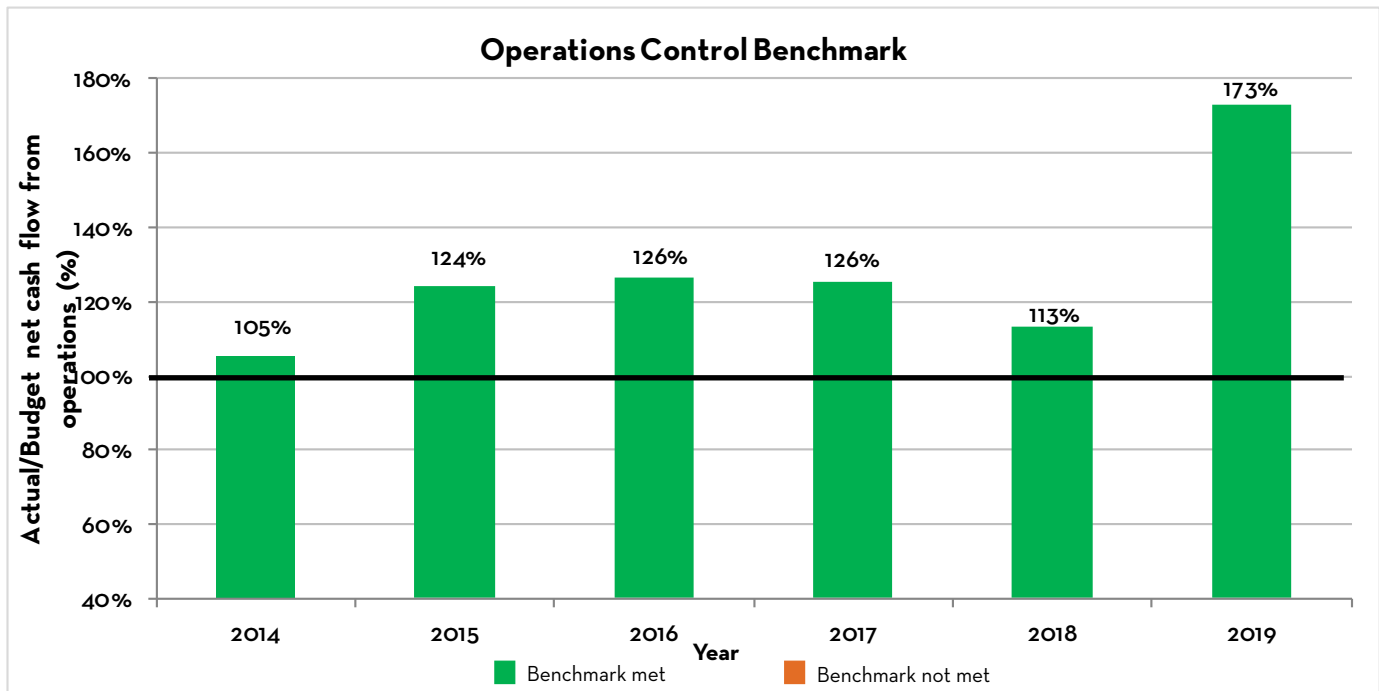
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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

Rates (Increases) Affordability Benchmark

The financial strategy was amended during the 2018-28 LTP to remove the impact of growth from the calculation. For 2019, Western Bay of Plenty District Council rating units increased by 4.1%. Growth is deemed to be the actual increase in rating units as at 30 June 2019 over the prior year.

Increased properties in the District has contributed to a 2.2% increase in rates income over the 2016 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.

Rates (Income) Affordability Benchmark

The financial strategy was amended during the 2018-28 LTP to place a cap on the proportion of rates to total revenue to be no more than 75%. The rates (income) affordability benchmark was not met in 2018. To meet this benchmark for the financial year, rates income has to be at least 65% of revenue (less financial contributions, gains and vested assets). Due to additional unbudgeted revenue of \$4m for transportation and cycleway projects, rates income equated to 62% of revenue. Without this additional income this benchmark would have been met.

Balanced Budget Benchmark

The balanced budget benchmark was not met in 2014. 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.

Essential Services Benchmark

The essential services benchmark was not met in 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.

DISCLOSURE STATEMENT CALCULATIONS

	ACTUAL \$'000	ACTUAL \$'000
	2018	2019
Rates income	65,044	69,284
Penalty rates	(1,309)	(1,176)
Rates income excluding penalties	63,735	68,108
Rates affordability benchmark	2.2%	2.8%
Rates income	65,044	69,284
Total revenue	148,997	133,762
less - vested assets	(10,965)	(15,891)
less - unrealised income	(293)	-
less - gains	(33,055)	(2,963)
less - financial contributions	-	(18,605)
Revenue for benchmark	104,684	96,302
Rates income affordability benchmark	62%	72%
Total revenue	148,997	133,762
Less financial contributions	(9,506)	(18,605)
Less gains	(33,055)	(2,963)
Less vested assets	(10,965)	(15,891)
Less - unrealised income	(293)	-
Revised revenue	95,178	96,302
Total external debt	125,000	110,000
Less short term Investments	(14,983)	-
Less cash	(11,750)	(29,622)
Net borrowings	98,267	80,378
Debt affordability benchmark	103%	83%
Total revenue	148,997	133,762
Less - financial contributions	(9,506)	(18,605)
Less - vested assets	(10,965)	(15,891)
Less - revaluation adjustments	(33,055)	(2,963)
Less - unrealised income	(293)	-
Revenue for benchmark	95,178	96,302
Total expenditure	82,392	92,580
Less - revaluation adjustments	-	-
Less - unrealised interest/derivative loss	-	-
Expenditure for benchmark	82,392	92,580
Balanced budget benchmark	115%	107%
Capital expenditure		
Roading	16,718	18,388
Water	5,492	2,842
Wastewater	6,097	3,477
Stormwater	2,572	3,417



	ACTUAL \$'000	ACTUAL \$'000
	2018	2019
Total capital expenditure	30,879	28,124
Depreciation expense		
Roading	8,167	9,242
Water	3,396	3,697
Wastewater	3,160	3,251
Stormwater	1,353	1,417
Total depreciation	16,076	17,607
Essential services benchmark	192%	160%
Total revenue	148,997	133,762
Less - financial contributions	(9,506)	(18,605)
Less - vested assets	(10,965)	(15,891)
Less - revaluation adjustments	(33,055)	(2,963)
Less - derivative gains	(293)	-
Revenue for benchmark	95,178	96,302
Interest expense	7,920	6,874
Debt servicing benchmark	8%	7%
Actual		
Liabilities		
Debt	125,000	110,000
Payables	17,581	18,623
Interest rate swaps	8,862	11,669
Assets		
Cash	(11,750)	(29,622)
Investment	(18,792)	(3,577)
Financial assets	(10,644)	(11,274)
Actual net debt	110,256	95,818
Budget		
Liabilities		
Debt	125,000	120,000
Payables	11,860	14,295
Interest rate swaps	14,798	9,655
Assets		
Cash	(6,218)	(1,720)
Investments	(3,680)	(4,065)
Financial assets	(2,985)	-
Budget net debt	138,775	138,165
Debt control benchmark	79%	69%
Budgeted cashflow from operations	33,567	29,351
Actual cashflow from operations	38,059	50,873
Operations control benchmark	113%	173%

Independent Auditor's Report

To the readers of Western Bay of Plenty District Council's annual report for the year ended 30 June 2019

The Auditor-General is the auditor of Western Bay of Plenty District Council (the 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 19 September 2019. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 125 to 193:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2019;
 - 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 194 to 195, 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;
- the Group of Activities on pages 31 to 124:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2019, including:

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 196 to 208, 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 196 to 208, 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 performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 18 to 24, 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.

Basis for our 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 long term 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 Groups of Activities, 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 doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty

AUDIT REPORT

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 1 to 17 and 209 to 214, 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 our audit of the audited information and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, 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

02

Council activities



CHAPTER TWO

COUNCIL ACTIVITIES

Council's group of activities	31
Leadership	
Representation	34
Planning for the future	40
Building communities	
Communities	46
Recreation and leisure	57
Regulatory services	64
Transportation	72
Water Supply	78
Protecting the environment	
Stormwater	88
Natural environment	94
Wastewater	100
Solid waste	112
Supporting our economy	
Economic	118
Support services	123



COUNCIL'S GROUP OF ACTIVITIES

GUIDE TO THIS SECTION OF THE ANNUAL REPORT

Our achievements report on how well Council's activities performed during 2018/19 against the goals and targets set out in Chapter three of the 2018-28 Long Term Plan (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 2018-2028 LTP.



2018/19 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 2018-2028 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 727 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. 	34
	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. 	40
	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. 	46
	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. 	57
	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. 	64
	Transportation	<ul style="list-style-type: none"> • Roothing. • Network development. • Network optimisation. • Environmental mitigation. • Transportation health and safety. 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Thriving economy. 	72
	Water supply	<ul style="list-style-type: none"> • Council water supply. 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Thriving economy. 	78
	Stormwater	<ul style="list-style-type: none"> • Stormwater network. • Waihi Beach coastal protection. 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle. 	88
	Natural environment	<ul style="list-style-type: none"> • Environmental protection. 	<ul style="list-style-type: none"> ▪ Clean, green and valued environment. 	94
	Wastewater	<ul style="list-style-type: none"> • Wastewater. 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Clean, green and valued environment. 	100
	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. 	112
	Economic	<ul style="list-style-type: none"> • Economic development . • Land drainage. 	<ul style="list-style-type: none"> ▪ Thriving economy. 	118

REPRESENTATION



REPRESENTATION

OVERVIEW

This Strategy has two areas of focus. It includes both running the process to provide the District with a democratically elected Mayor, councillors and community board members and the governance of the District by these elected members. This involves the organising and preparation of Council meetings, organising civic events such as citizenship ceremonies. The Strategy also includes the combined Partnership Forum and collaborative processes with other councils.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Elected leaders represent the views of residents and 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.



2018/2019 HIGHLIGHTS

The Representation Review was completed in September 2018. This review is a statutory requirement and takes place every six years. The Council passed resolutions in relation to; the Electoral System, Māori Representation and Representation Arrangements and referred their final proposal to the Local Government Commission (LGC). The LGC received 11 appeals and objections regarding the Council's decision. Following a public hearing in April 2019 the Commission announced their determination which was:

- No change to the number of wards or Councillors.
- No change to numbers of Community Boards or members.
- A slight boundary adjustment where 497 owners are transferring to the Katikati/Waihi Beach ward.

This decision will have effect for the 2019 and 2022 Council elections and will apply to the level of representation for the next six years. The rates difference for those properties transferred to the Katikati/Waihi Beach ward will take effect for the year commencing 1 July 2020.

Alongside the Representation Review the Elected Members participated in a National Remuneration Review. The results were fed into the annual review completed by the Remuneration Authority each year. The national determination (including Western Bay of Plenty District Council) was notified in the Gazette in June 2019 and the new remuneration levels will take effect following the triennial election in October 2019.

During the year Elected Members had a significant workload. This included the review of the Solid Waste activity, which resulted in an amendment to the Long Term Plan 2018 - 2028. There were also five Bylaw reviews, which included the General Bylaw, Reserves and Facilities, Trading in Public Places, Traffic and Parking, and Freedom Camping Bylaws. In doing this work the Elected Members were also involved in the community consultation processes which were an opportunity to listen to the various communities impacted by these reviews.

The Tauranga Moana and Te Arawa ki Takutai Partnership Forum has continued to progress their issues of significance identified in their strategic plan - Te Ara Mua. This included a review of the Council's Reserves and Facilities Bylaw, which considered activities allowed under this bylaw and the impact they have on cultural practices.

Elected Members continued to advocate for their various communities and the District. Alongside this, work has continued with the Bay of Plenty Regional Council and Tauranga City Council through joint initiatives such as SmartGrowth for the betterment of the sub-region.

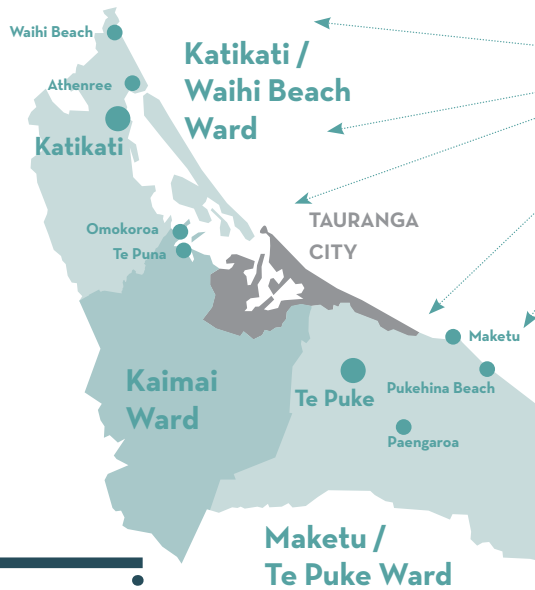
We continued to optimise our systems and processes to support Elected Members as they undertake their role. This included updated technology (iPads) to assist with communications and source the various reports and agendas.

WHAT WE PROVIDE

REPRESENTATION IS PROVIDED BY:



1 MAYOR



5 Community Boards



11 COUNCILLORS



PARTNERSHIP FORUM

Comprising iwi and hapū representatives



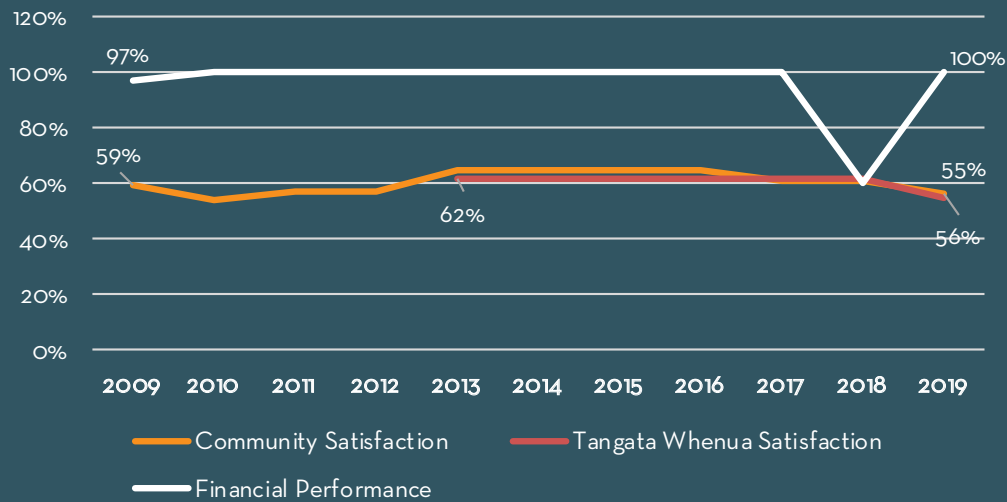
Participation in a range of COMMUNITY ORGANISATIONS, BOARDS & CO-GOVERNANCE STRUCTURES

within the Western Bay of Plenty District

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

Representation



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Key Performance Measure					
Percentage achievement in the financial performance index (the index monitors Council's financial trends and level of compliance with 5 key treasury ratios. Target 100% is total compliance).	100%	100%	60%		✓
Key Resident Measure					
Level of satisfaction with representation provided by elected members:					
• Community	≥70%	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: Community 50% Māori 52%	✗
• Māori	≥70%	59%	No Survey		✗
Supporting Measures					
Percentage of eligible population that votes in Local Body Elections.	No election	No election	New		-
Level of satisfaction with opportunities to participate in decision making.					
• Community	≥55%	56%	New	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is: Community 48% Māori 53%	✓
• Māori	≥55%	59%	New		✓
Percentage of residents satisfied that the decisions Council has made are in the best interests of the District.	≥60%	54%	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 50%.	✗
Percentage movement in total rates income (excluding growth and inflation).	≤4%	2.7%	2.2%		✓

SERVICE PERFORMANCE RESULTS

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET 2018/19	RESULT 2018/19	RESULT 2017/18	NARRATIVE	ACHIEVED
Representation will be provided by:					
• 1 Mayor					
• 11 Councillors					
• 5 Community Boards					
Number of meetings held per annum:	≥6	11	10		✓
• Council.					
• Community.	≥6	8	8 (per community board)		✓
Tangata Whenua governance participation	≥2	5	2		✓
Percentage attendance of elected members (Councillors and Mayor) at Council and Committee meetings.	≥80%	92%	92%		✓
Percentage attendance of Community Board members at Community Board meetings.	≥80%	90%	92%		✓
Level of compliance with statutory timeframes in adopting Annual Plan / Long Term Plan and Annual Report.	100%	100%	100%		✓
Council will engage with communities about decisions that impact on their community.					
Number of engagement opportunities with Elected Members held within the communities around the District.	≥4%	35	4	This includes Annual Plan consultation, Bylaw review pre consultation, Representation Review, and Tauriko Boundary Change.	✓
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%	9.9%	12%		✓
Liquidity ratio - this ratio monitors Council's ability to pay all current liabilities if they became due immediately.	≥110%	184%	130%		✓
Percentage of net external debt to total revenue.	≤180%	60%	103%		✓
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%	(0.6%)	(0.2%)		✓

FUTURE INITIATIVES

The Council triennial elections take place on 12 October 2019. As part of this process an intensive induction programme will be provided to elected members. The committee structures (including, terms of reference), standing orders and Remuneration arrangements will be reviewed and adopted by the new Council.

The Tauranga Moana and Te Arawa ki Takutai Forum will continue its advocacy role on issues of significance as identified in their strategic plan - Te Ara Mua.

The optimisation of systems and processes to support Elected Members will continue.



COST OF SERVICE STATEMENT

Representation

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Representation	2,942	3,773	2,635
Total operating expenditure	2,942	3,773	2,635
Analysis of expenditure by class			
Direct costs	1,852	2,623	1,619
Overhead costs	1,079	1,144	1,007
Depreciation	11	6	9
Total operating expenditure	2,942	3,773	2,635
Analysis of funding required			
Community Board	434	430	433
Other income	9	-	3
Total revenue	443	430	436
Net cost of service - surplus/(deficit)	(2,500)	(3,343)	(2,198)
Capital expenditure	-	-	-
Vested assets	-	-	-
Total other funding required	(2,500)	(3,343)	(2,198)
Other funding provided by			
General rate	2,916	3,343	2,267
Reserves and future surpluses	(416)	-	(69)
Total other funding	2,500	3,343	2,198

MAJOR VARIANCES

Lower direct costs have resulted in a lower generate rate requirement compared to budget, but in line with prior year.

PLANNING FOR THE FUTURE



PLANNING FOR THE FUTURE

OVERVIEW

Planning for the future includes the development of this Long Term Plan and other strategic plans, policies and bylaws to support the health, safety and general well-being of our communities.

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.



2018/19 HIGHLIGHTS

Bylaws are reviewed periodically, as required by legislation or where Council elects to do so to respond to issues. This year we progressed the review and community consultation on six bylaws. The bylaws were Freedom Camping, Traffic and Parking Enforcement, Trading in Public Places. The General Bylaw traditionally encompassed Animals (excluding Dogs), Cemeteries and Public Places. This is now three individual bylaws. Council will adopt these revised Bylaws in August 2019. Council also adopted a revised Reserves and Facilities Bylaw in December 2018.

Growth continues within the Bay of Plenty. As a result, we are working as a district and as a sub-region to plan for and manage the growth. To achieve this there are a number of initiatives underway. This includes:

- Working with SmartGrowth and providing input to the various sub-regional initiatives. This included the draft Future Development Strategy and related consultation. Alongside this the Urban Form and Transport Initiative commenced. This is a joint initiative with Tauranga City Council, Bay of Plenty Regional Council, the New Zealand Transport Agency, and Ministry of Housing and Urban Development. The purpose of this is to integrate the transportation component into the settlement pattern, which identifies housing and business land. This is an ongoing initiative to ensure we integrate transportation needs with housing needs.
- The adoption of the Housing Action Plan in October 2019. This was our response to the SmartGrowth's sub-regional housing demand and need assessment. This plan outlines responses to be taken over the next three to five years.
- We lodged an application for a boundary alteration covering the Tauriko West area to the Local Government Commission (LGC). If successful, this request will result in the transfer of land to Tauranga City Council. The LGC has completed an initial public submission process. They are considering their response to that feedback prior to notifying a draft decision that they will release for further submissions.
- A natural hazards planning charter between Bay of Plenty Regional Council, Tauranga City Council and Western Bay of Plenty District Council to map, plan and provide information for natural hazards throughout the sub-region to give effect to Change 2 - Natural Hazards to the Regional Policy Statement.

This charter ensures that the three Councils work together (sharing information, resources and funding) to produce the required outcomes in a timely and efficient manner. A number of projects were completed including the mapping of coastal erosion and inundation along the Tauranga Harbour. The coastal erosion information was publicly released in April 2019. Council and BOPRC have also been working on mapping flooding and liquefaction for Omokoroa and Katikati.

At a local level, we progressed a number of plans and initiatives for the development of our District. Structure plans are a key tool in identifying how to manage growth and provide the necessary facilities to our communities. The new structure plan is being prepared for Katikati to identify new Urban Growth to accommodate growth in a planned cohesive way. Work is continuing in the development of the Omokoroa Structure Plan stage 3. A preferred option has been identified, and further community consultation is planned for late 2019 or early 2020. Minor changes are underway to ensure Council's District Plan is responsive to the needs within the community. These changes include earthworks in the Rural Zone, Industrial Zone noise limits, rural contractor depots and home enterprises. These updates will clarify how the plan should be administered and refine requirements. The provisions for Post Harvest Zones, and options for seasonal accommodation have also been reviewed.

The reserve management plan (RMP) review for Waihi Beach and Katikati was adopted by Council in December 2018. This plan identifies the reserves provisions for future planning and development. A review of RMP's are undertaken by ward every three years on a rolling rotation. The next plan will be the Te Puke-Maketu ward in 2021.

Work continued in the development of a kerbside waste alternative for the District. Due to the significance of this proposal, we made an Amendment to our 2018 - 2028 Long Term Plan (LTP). The consultation and review process was run in conjunction with the Annual Plan and Budget process. Council formally adopted this in June 2019. The next step is to initiate procurement on the preferred service option, before Council makes a final decision to proceed with delivering the service.

In preparation for the 2021-2031 Long Term Plan (LTP) the review of three strategies has commenced. They are the Communities Strategy, Environment Strategy and the Recreation and Leisure Strategy. Further development will continue next year. The public consultation of these strategies will be incorporated with the 2021-2031 LTP consultation process.

WHAT WE PROVIDE

PLANNING FOR THE FUTURE INCLUDES:



POLICY & PLANNING



RESOURCE MANAGEMENT



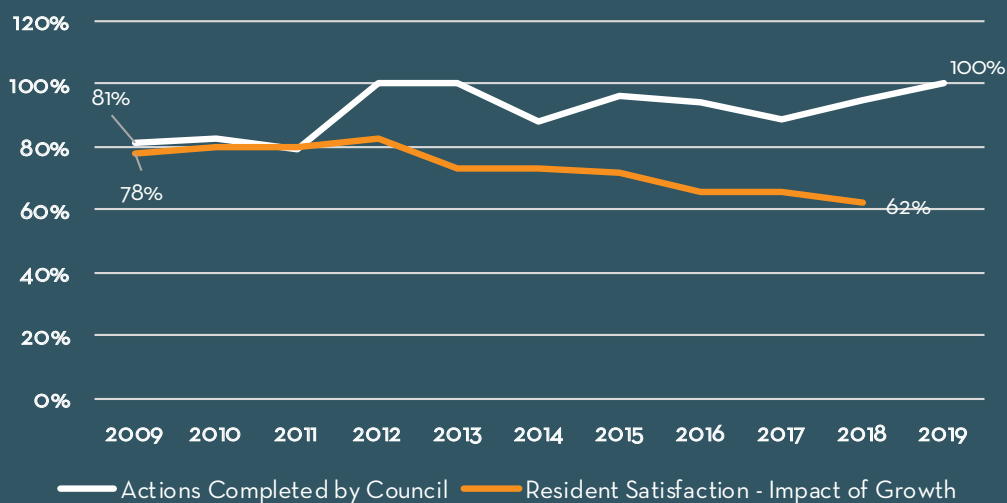
INFRASTRUCTURE PLANNING ACTIVITIES



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

Planning for the Future



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Key Performance Measure Plans, strategies and District Plan changes are developed or reviewed in accordance with Council approved programme.	100%	100%	New		✓
Level of 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.	≥70%	No Survey	62%	Next survey 2020.	-



HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
District Plan updated to meet the needs of our District					
State of the Environment reporting is completed on a five yearly basis.	Yes	Yes	New		✓
Structure Plans are developed and reviewed to ensure there is greenfield land to accommodate growth as required by the National Policy Statement on urban development capacity	≥10 Years supply	≥10 years supply available except for Omokoroa	≥5 years supply (except for Katikati which has 3 years supply)	Supply of greenfield land available: <ul style="list-style-type: none"> • Waihi Beach 5.1 years • Katikati 6.8 years • Omokoroa 21 years • Te Puke 9.9 years Katikati has greenfield land available however, landowners do not wish to develop. Structure planning is underway for Katikati and Omokoroa to address the supply of greenfield land.	✓
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	1	2		✓

FUTURE INITIATIVES

Omokoroa Stage 3 Structure Plan, is designed to enable development of the peninsula from state highway to the railway line. The next phases in this process includes the community consultation and notification of the plan.

The District Plan will continue to be updated and refined in response to the needs of the communities and growth initiatives. This includes a review of the residential section of the District Plan. The focus is on the layout of housing sites and urban amenity. The aim is to facilitate a variety of housing typologies.

We will continue to undertake reviews of our various strategies, policies and bylaws to ensure they remain relevant and appropriate. Investigations for potential recreational facilities are planned. This includes options for horse riding areas and dedicated dog exercise areas, which were signalled through previous policy and bylaw processes. A joint study on sub-regional harbour access assessment with Bay of Plenty Regional Council and Tauranga City Council is also planned.

SmartGrowth, through the Future Development Strategy, has highlighted the need to investigate opportunities for new urban growth areas in the eastern corridor of the sub-region.

Bylaw reviews are ongoing. In 2019/20 bylaws to be reviewed are Wastewater, Water Supply, Trade Waste and a District-wide review of Speed Limits.

The natural hazards planning charter will continue into the 2020 financial year. Wester Bay Council and Bay of Plenty Regional Council intend to finish flooding and liquefaction mapping for Omokoroa and Katikati in August. This information, along with the coastal inundation information for the Tauranga Harbour is to be publicly released on 19 August as a package. Another mapping project which is currently underway is tsunami for Waihi Beach and the Tauranga Harbour. Council is also in the process of carrying out a natural hazards risk assessment for all of the natural hazards studied for the Omokoroa and Katikati Structure Plans. These should all be completed in 2020. Many other projects are being planned for the near future and coming years.





COST OF SERVICE STATEMENT

Planning for the future

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Policy and planning	1,382	1,511	1,391
Resource management	1,287	1,131	885
District development	(37)	(163)	(37)
Total operating expenditure	2,632	2,479	2,239
Analysis of expenditure by class			
Direct costs	1,731	1,690	1,520
Overhead costs	898	784	714
Depreciation	3	6	4
Total operating expenditure	2,632	2,479	2,239
Revenue			
Target rates	13	13	13
Other income	-	-	-
Total revenue	13	13	(13)
Net cost of service - surplus/(deficit)	(2,619)	(2,467)	(2,226)
Capital expenditure	-	-	-
Total other funding required	(2,619)	(2,467)	(2,226)
Other funding provided by			
General rate	2,847	2,642	2,296
Reserves and future surpluses	(227)	(175)	(70)
Total other funding	2,619	2,467	2,226

MAJOR VARIANCES

Higher overhead costs and additional resource management expenditure was incurred during the 2018/19 year due to the high activity within the region.

COMMUNITIES



COMMUNITIES

OVERVIEW

This strategy aims to ensure our communities are sustainable and resilient and that their residents feel included. Residents support and look out for each other, they influence decisions that affect them, they collaborate to achieve the collective good and they foster tolerance and acceptance of others.

Sustainable, connected and resilient communities need strong social and cultural infrastructure to be able to respond to challenges and changes in society.

Our Communities Strategy aims to ensure we have in place what is needed for individuals, families, groups and communities to meet their social needs, maximise their potential for development and enhance their well-being. These include 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 (see Libraries and Service Centres page 148 and Community Facilities page 155 in our Long Term Plan 2018-2028)
- Supporting communities through a range of community building activities (see the Community Building section page 138 in our Long Term Plan 2018-2028)
- Encouraging communities to be prepared and able to look after themselves in a civil defence emergency (see the Civil Defence and Emergency Management section page 164 in our Long Term Plan 2018-2028).

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.



2018/19 HIGHLIGHTS

The new Katikati Library, The Centre - Pātuku Manawa, opened in August 2018. This new facility has had a significant impact within the community. A substantial number of new members have joined the library, new programmes for adults have commenced and the Hub is in high demand for meetings and classes, including art exhibitions and weddings. The Te Puke library continues to facilitate classes / meetings for the community. This includes Knit and Natter, colouring, and digital classes (Stepping UP). Annual cultural festivals e.g. Diwali and Matariki, are also celebrated in both libraries. Children and the various communities are encouraged to participate.

To build on our digital presence across the District a Community Digital Co-ordinator position was established. We have also established a library Instagram page to increase our social media presence and to connect with our communities.

An initiative to reach and cater for youth in our communities is the establishment of two teen advisory boards. Weekly meetings with the children's and teens librarian provide the forum to present ideas, and plan the children's and teens holiday programmes. The teens are also encouraged to assist with the holiday programmes. Another youth initiative is the 'Code Club' where 8 - 12 year olds learn how to write computer code. Each week two sessions per term are held in Te Puke and sessions in Katikati are planned.

In April 2019, a new app Antenno was released. This mobile app sends alerts and notifications about places and topics of interest to the customer. It is also used to report back to council on issues or feedback. Council will send updates on community events, matters up for consultation, water shutdowns, changes to rubbish collections and much more. At the end of June 324 devices had connected to Antenno.

The Community Team continued to work with various communities on a number of initiatives. This includes:

- Animal Rescue and Rehabilitation Centre Wildlife book series - in conjunction with the Libraries and using locally produced materials provide an education opportunity for the care and protection of pets, animals and wildlife.
- Work with the Shakti Ethnic Women's Support Group to reach and provide support services to migrant women in Te Puke.
- The provision of computer training in Maketu. Aim is to provide computer literacy skills to enhance employment skills and encourage digital enablement within the community.

- 100% Summer without Substances programme. This was run in conjunction with the Tauranga Youth Development Team. The events were held on Council reserves throughout the District with an average attendance of 50 - 100.
- World Café style workshop which provided the forum for contractors to report back to Councillors on the Community Committee. All of the contractors provide services on Councils behalf to its communities. This years speed dating format extended to 20 contractors. Rotating amongst them were all the Councillors and some Community Board Chairs. This event received highly favourable feedback from both Councillors and Contractors.

Ara Rau Tangata is a series of conferences designed to build the capacity of Māori communities to participate in Council planning. Trustees of Māori land blocks and Iwi representatives were encouraged to attend and has so far focused on Papakainga housing initiatives and participating in future growth strategies. The conferences have been positively received by those who attended.

The Marae Maintenance fund was increased from \$33k to \$50k per annum in the 2018 Long Term Plan. During the year three Marae were supported through this fund which enabled facilities to be improved.

As part of the Waitangi celebrations, the annual Waitangi dawn service was held at Mount Drury in conjunction with a community day and festivities at both Mount Drury and the Historic Village.

The Housing Affordability Forum is proving to be a successful initiative as the Council is seeking to increase housing of an affordable nature within the District. There is a strong demand for this housing. The initiative at Kaimai Views Omokoroa has sold all housing released to the market. We continued to have 100% occupancy rate for our pensioner housing. A programme is in place to ensure these units are upgraded to healthy home standards.

The Welcoming Communities programme has moved from strength to strength, and has been the catalyst for a flourishing of inclusive activity in both migrant communities and the wider communities themselves. Of note has been the Katikati Festival of Cultures which was extremely successful with 27 cultures represented in the parade; a whakatau (welcome) by Mana Whenua along with a wero (challenge). The international food court attracted many people, and dozens of cultural performers excelled on the three stages.



WHAT WE PROVIDE - COMMUNITY BUILDING

SERVICE DELIVERY CONTRACTS

OVERVIEW

Community Building involves working with our communities and local organisations to provide community facilities, services and networks that help individuals, families, groups and communities. Our Community Team is fundamental to achieving this outcome.



WHAT WE PROVIDE - LIBRARIES AND SERVICE CENTRE

OVERVIEW

Our libraries fulfil an important community function by providing equitable access to technology, space and library services and enable people to meet, learn and be inspired. Libraries have been described as well-insulated public squares or 'community anchors' demonstrating their value as important community assets. Libraries provide digital access to heritage collections facilitating an important community connection to the history of our District.

WHAT WE PROVIDE



ONE
HEAD OFFICE
with service centre



FOUR
LIBRARIES
and service centres



110,905 ITEMS HELD
IN THE
FOUR LIBRARIES

The Centre Pātuki Manawa



323 BOOKINGS / EVENTS



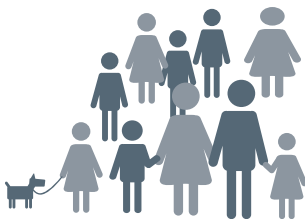
4,516 PEOPLE IN THE HUB



285,967
LIBRARY ITEMS ISSUED
during 1 July 2018 - 30 June 2019



Funding to support
KATIKATI COMMUNITY CENTRE
AND TAURANGA CITIZENS' ADVICE
BUREAU



7,502
PEOPLE ATTENDED
462 EVENTS

from 1 July 2018 - 30 June 2019
at our school holiday, weekly
interactive activities.



**FREE
WIFI**



**LOCAL
HISTORY
ARCHIVES**



SCHOOL HOLIDAY EVENTS,
WEEKLY INTERACTIVE
ACTIVITIES

266,124
PEOPLE VISITED WESTERN BAY
COUNCIL'S LIBRARIES AND SERVICE
CENTRES
from 1 July 2018 - 30 June 2019

76,728
SESSIONS OF FREE WIFI
during 1 July 2018 - 30 June 2019

WHAT WE PROVIDE - COMMUNITY FACILITIES

OVERVIEW

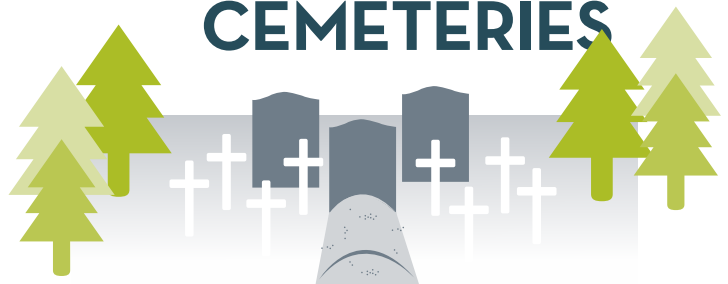
Community Facilities involves the provision of public spaces and community facilities. The strategy enables recreation, brings people together and creates a sense of belonging, all of which is essential for healthy and vibrant communities.

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
 OTAMARAKAU HALL
 PAHOIA COMMUNITY HALL
 PAENGAROA HALL
 PONGAKAWA HALL

PUKEHINA BEACH COMMUNITY CENTRE
 PYES PA HALL
 TE PUKE WAR MEMORIAL HALL
 & Settlers Lounge & Pioneer Room
 TE PUNA COMMUNITY CENTRE
 TE PUNA WAR MEMORIAL HALL
 (Land purchased and construction underway)
 TE RANGA HALL
 WAIHI BEACH COMMUNITY CENTRE
 WHAKAMARAMA HALL

WHAT WE PROVIDE - CIVIL DEFENCE AND EMERGENCY MANAGEMENT

OVERVIEW

This strategy aims to build resilience within communities so they know their risks and can work to reduce them. As a result, communities can cope with, move forward, and learn from emergencies when they occur.



RESILIENCE PLANNING



COUNCIL STAFF *trained to respond*

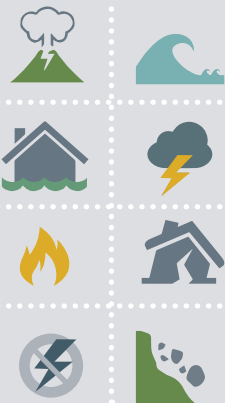


EMERGENCY OPERATIONS CENTRE



COMMUNICATIONS SUPPORT

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

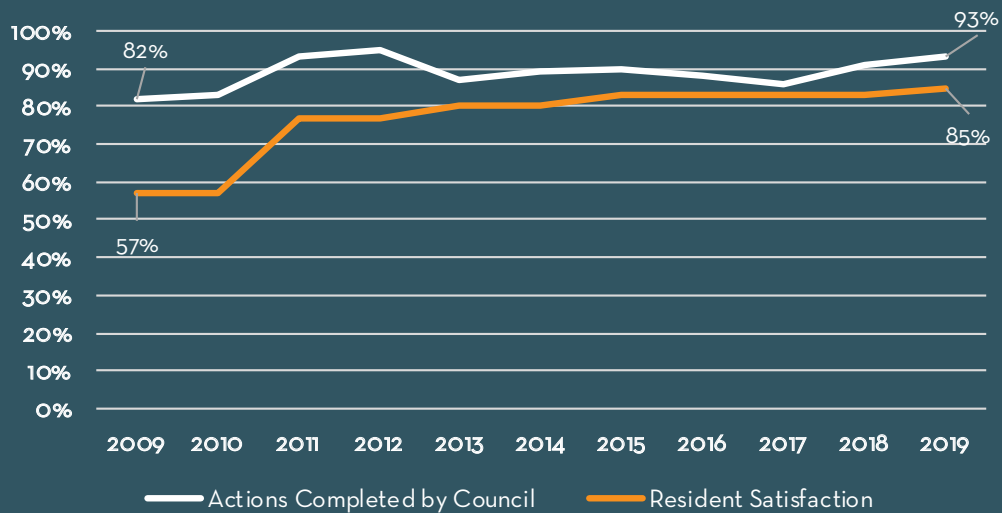


EDUCATION

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

Communities



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Key Performance Measure Percentage completion of the annual work programme as identified in the Community Strategy and Action Plan.	≥90%	93%	91%		✓
Key Resident Measure Level of resident satisfaction with Community Services based on two-yearly survey. This includes community development, library services and cemeteries.	≥80%	85%	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 59%.	✓



HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Develop and deliver a coordinated Community Safety Programme in accordance with the Community Safety Policy.					
Number of Community Safety initiatives supported by Council.	≥2	3	9		✓
We will actively build capability in community organisations.					
Number of capability building workshops held.	≥2	5	3	Community Development Practitioners workshop held in October 2019, was run by Council. Communities are now taking a lead in providing these workshops. During the year there were four community led workshops run by: <ul style="list-style-type: none"> · Katikati Community Centre · Katikati Youth Advisory Group · Te Puke CoLab Collective (2 workshops) 	✓
We will engage with Tangata Whenua.					
Number of engagement initiatives with Tangata Whenua.	≥4	20	15		✓
Number of new or reviewed iwi/hapū management plans received.	≥2	0	1	No new or reviewed iwi/hapū management plans were received this year. With changes to the Resource Management Act providing for new Mana Whakahono a Rohe agreements these may be more common than management plans.	✗
Library services will be maintained at Katikati, Omokoroa, Te Puke and Waihi Beach.					
Number of library items available per person.	1.6	2.5	2.0		✓
Library space (m2) available per 1,000 residents.	32m ²	49,79m ²	20m ²		✓
Number of physical visits per annum.	≥310,000	270,640	281,514	The decrease in door count is due to issues with the sensors on the security gates at Patuki Manawa, Omokoroa and Waihi Beach sites. There has also been an increase in on-line services available. This includes an 11% increase of library e-items available and an 8% increase in e-issues.	✗
Number of free Wi-Fi users.	25,000	76,728	New		✓
Number of events and programmes facilitated by Council library services.	≥400	462	New		✓
We will be responsive to customers requests for service.					
Percentage of service requests resolved within specified timeframe.	≥95%	94%	96%		⊖
Percentage of customers surveyed where service requests were not actioned.	≤5%	≤2%	New		✓
Percentage customer satisfaction with service provided by frontline staff based on two-yearly survey.	No survey	No survey	No survey		-
We will provide cemeteries at Katikati, Maketu, Oropi and Te Puke (excludes old Te Puke cemetery as there are no further plots available).					
Number of cemeteries where plot availability is >30% of annual plot requirements or 5 plots at any one time.	4	4	4		✓

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Partnerships with hall committees will be maintained.					
Number of partnership agreements in place with existing hall committees.	≥14	15	15		✓
Minimum number of notifications (per year) each hall committee will receive regarding annual budget and policy changes.	2	2	2		✓
We will provide and maintain 70 pensioner units in Katikati, Te Puke and Waihi Beach.					
Percentage of service requests actioned within agreed timeframes.	≥90%	85%	100%	Systems were not always updated when service requests were completed.	✗
Annual housing occupancy rate of all available units.	100%	96%	100%	Three major renovations which resulted units being vacant for a longer period of time.	○
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.	≥85%	46%	77%	Insufficient staff were available to complete the ITF intermediate course and participating in an exercise/event.	✗
Percentage of roles in the Emergency Operation Centre (EOC) that are filled.	≥85%	97%	92%		✓
Number of community initiatives to promote emergency readiness and response (i.e. emergency plans and actions identified).	8	10	9%		✓

FUTURE INITIATIVES

An upgrade to the Aotearoa Peoples Network Kaharoa (APNK) is planned in July 2019. This programme provides free access to wifi and internet services from public libraries. This is funded by Government (70%) and Council (30%). The upgrade will increase the number of fixed computers and laptops available from 13 to 33.

Ongoing library initiatives to increase engagement with our communities will continue. This includes the release of PressReader which provides access to over 7000 magazines and newspapers in a variety of languages to library members (July 2019). A 'no fine' policy on the non-return of children's and teens books came into effect 1 July 2019.

Council is currently in discussion with the Omokoroa Sports Club about the development of a new library facility. The resource consents and planning is in place, and Council is currently reviewing cost estimates. Construction of this facility may commence in 2019 year.

Active aging workshops are planned for Te Puke, Katikati and Waihi Beach in conjunction with Age Concern and other agencies for the workshops. This programme will target seniors who are increasingly isolated within each of our communities. The programme will ensure Tauranga Centric services are delivering to our district. The pilot will be held in November 2019 and will be assessed to identify further service opportunities to seniors in our communities.

The current Community Strategy is under review. While this strategy will review all activities within this area, under particular consideration is the role of community halls and how they are funded. Final decisions on this strategy will form part of the next Long Term Plan review in 2021.





COST OF SERVICE STATEMENT

Communities

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Libraries, information and service centers	3,422	3,159	2,740
Community building and service contracts	2,134	2,462	1,959
Housing for older people	538	550	523
Cemeteries	269	192	153
Community halls	1,010	441	331
Civil defence emergency management	397	494	441
Total operating expenditure	7,770	7,297	6,145
Analysis of expenditure by class			
Direct costs	5,242	4,793	4,360
Overhead costs	1,979	1,848	1,538
Interest	161	50	(119)
Depreciation	387	605	367
Total operating expenditure	7,770	7,297	6,145
Revenue			
Targeted rates	1,963	1,838	1,929
User fees	85	75	83
Subsidies	37	-	437
Other income	537	477	594
Total revenue	2,622	2,390	3,043
Net cost of service - surplus/(deficit)	(5,148)	(4,907)	(3,103)
Capital expenditure	44	530	5,069
Total other funding required	(5,192)	(5,437)	(8,172)
Other funding provided by			
General rate	4,782	4,704	3,589
Debt increase/(decrease)	(478)	4	2,670
Reserves and future surpluses	887	729	1,913
Total other funding	5,192	5,437	8,172

MAJOR VARIANCES

Additional expenditure was required on earthquake strengthening for Community Halls during 2018/19 than had been incurred in prior year.

RECREATION AND LEISURE



RECREATION AND LEISURE

OVERVIEW

This strategy supports a sustainable, liveable community that 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, going for a bike ride, or kicking a ball around, the Western Bay outdoors provides the opportunity.

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.



2018/19 HIGHLIGHTS

In the past year Council continued to work with communities in the development of their recreation facilities. This is illustrated in the development of the Omokoroa Sportsground Playground. Members of the community and local schools were involved in the design and planning of the facility. One area of focus was to complement the skatepath, which is beside the playground area. Once the design was agreed the Omokoroa Community Board and Council funded the project and in December 2018, the playground was completed. The feedback received by Council from all ages in the community has been positive.

Development of the cycleway network throughout the District continued. The Paengaroa to Okere Falls connection was completed and opened in June 2019. This connection allows cyclists to ride between Paengaroa and Okere Falls without being on the State Highway. With the completion of this stage, the cycle network between Tauranga and Okere Falls is now in place.

At the Waihi Beach Water Catchment Reserve, the public toilets were refurbished. This provides a facility as a cycle trail head (start and end) for local cycle trails and ultimately the Waihi to Waihi Beach cycleway connection. Also at Waihi Beach, the addition of a new cycleway bridge to the road bridge at Three Mile Creek provides a safe off-road option for cyclists.

There has been significant work on the Omokoroa to Tauranga cycleway, with construction 90% complete. Some sections of this cycleway have been in use for some time now in spite of no official opening. December 2019 is the completion date for all cycle trail connections between Omokoroa and Wairoa River. Contractors have commenced work on the 'clip on' for the Wairoa Bridge. The target for completion of this is in the 2019/20 financial year.

The TECT All Terrain Adventure Park won the supreme award in the inaugural Best of Parks Green Flag Award by Recreation Aotearoa.

With more than 2500, Green Flag parks worldwide the recognition of being the 2019 Green Flag Park of the year for New Zealand is a great achievement. This international programme represents parks that are well managed, sustainable, communicate with their community, are fit for purpose and are accessible.

Throughout the year initial design and planning for various reserves was undertaken. All designs and plans are subject to consultation with the community and may require resource consents. Once completed, the development and construction phase can commence. Planning and design was completed on Maketu Cemetery development, Kauri Point Reserve roadway and slip and the development of the Omokoroa Domain Concept Plan.

A significant example of the planning completed was the acquisition of land adjacent to Moore Park in Katikati. This was a strategic land purchase to enable the approved outcome for the reserve as identified in the reserve management plan. It will enable the construction of multi purpose (cricket and football) sportsfields.

Other key developments and initiatives include:

- Waitui Reserve public toilet renewal with mural provided by local artist.
- Panepane Wharf Matakana Island - major repairs to facilitate continued use of the wharf.
- Opureora Wharf Matakana Island - completion of planning and design with construction to commence in 2019/2020 year.
- A number of pavement renewals to road ways and carparks.
- Kiwi Camp facility - obtained funding from Ministry for Business and Innovation (MBIE). This will be used for buildings, additional monitoring resources, and District-wide compacting rubbish bins.

WHAT WE PROVIDE

18 BOAT RAMPS
 9 WHARVES AND JETTIES
 5 PONTOONS

49 KILOMETRES OF PATHS
 1,418 METRES of boardwalks
 11,772 SQUARE METRES of walkway structures

5,835 METRES OF SEA WALLS



176,396 SQUARE METRES DISTRICT-WIDE* ROADS & PARKING
 *excludes sub-regional parks



2 SUB-REGIONAL PARKS
 54,907 SQUARE METRES of roads and parking
 7 BUILDINGS

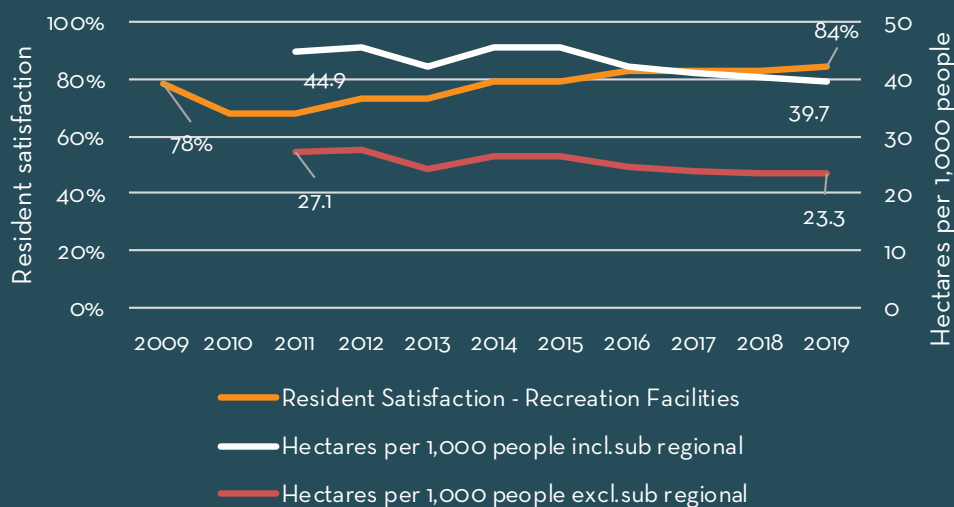
6 CAMPING GROUNDS
 74 PUBLIC TOILETS
 2 SWIMMING POOLS

32 SPORTS FIELDS
 29 PLAYGROUNDS
 44 HARD COURTS
 6 SKATE PARKS

SERVICE PERFORMANCE RESULTS


RESULT TRENDS FOR KEY MEASURES

Recreation & Leisure












HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
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) 	≥23.0 ha	23.3	23.6 ha	Some undeveloped existing reserve land and unformed “paper” roads have been developed for cycleways. New reserves from recent residential development are not yet in effect.	✓
<ul style="list-style-type: none"> Including Council’s share of sub-regional parks. 	≥40 ha	39.7	40.3 ha		●
Please note: The decreasing trend is recognising population growth in the District and that facilities will be shared by more people.					
Key Resident Measure Level of resident satisfaction with reserves and recreational facilities and amenities. This is a two yearly survey based on residents who are ‘very satisfied’ and ‘satisfied’.	≥80%	84%	83%	The target and result were calculated excluding those surveyed who ‘don’t know’. The survey result including those that ‘don’t know’ is 59%.	✓
Key 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%	92.25%	93.8%		✓
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%	82%	79%	Delays were experienced with some projects, which are now planned for 2020. This includes Yeoman Walkway, Swimming Pool – Feasibility study, Omokoroa Boat Ramps and Paengaroa Domain.	✗

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Percentage of Reserve Management Plans that have been reviewed (3 yearly cycle) in accordance with the Reserves Management Act 1977.	100%	100%	33%	Review of Katikati/Waihi Beach Ward Reserve RMP review undertaken.	

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
We will provide a basic range of public facilities across our District					
Number of hectares per 1,000 residents:					
• Actively maintained parkland (excludes sports parks)	≥4.8	7.5	4.79		
• Natural land	≥16.7	14.4	18.32	Natural land has moved to actively maintained parkland for cycleways.	
• Sports parks.	≥1.5	1.4	1.42		
Please note: this excludes the joint sub-regional TECT All Terrain Park and Huharua Harbour Park.					Sports parks have been impacted by the increase in population and no new sports parks have been developed.
Number of recreational facilities provided:					
• Playgrounds per 1,000 children (under 15 years old)	≥3	3.3	2.9		
• Skateparks/paths facilities	6	6	7		
• 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		
Level of reserve-user satisfaction as monitored by the two-yearly intercept surveys ('satisfied' or 'very satisfied').	No survey	No survey	No survey		-
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.	No application	Awarded Best Green Flag Park NZ 2019	Achieved		

FUTURE INITIATIVES

The review and development of the Recreation and Leisure Strategy will continue and will provide a valuable input to the 2021-2031 Long Term Plan. This review will also incorporate a review of harbour access and swimming pools.

At the TECT All Terrain Park we will continue to work with the various interest groups as they develop their areas within the park.

In conjunction with the Omokoroa Community the development of the new pavilion building at the Omokoroa Sportsground is planned. Council will work with the community specifically around funding and the development of the pavilion. The upgrade to the Omokoroa Domain playground will also have community input. Five primary schools will be involved in the design phase. The designs released for the communities to provide their input. Once the design is agreed construction will commence in 2020.

Additional land is required in Katikati for a cemetery. A new site on Hot Springs Road has been identified and this will be developed for both a cemetery and a Urupa.

Completion of the review of the Freedom Camping Bylaw is scheduled for the 2019/20 year. This will define the parameters for freedom camping within Western Bay and will require monitoring to ensure compliance with the Bylaw.

There are also a number of projects to maintain and extend our recreation facilities within the District. This includes:

- Move to construction phase of projects where design completed. For example; Opureora Jetty upgrade, new multi purpose sportsfield at Moore Park, Paengaroa Domain playground renewal.
- Feasibility report on the upgrade of Dave Hume Pool.
- Renewal and upgrade of the public toilet at Waihi Beach (Albacore Avenue).
- Ongoing upgrade to Katikati cycleways.
- Siting of a Kiwi Camp facility at Bowentown.





COST OF SERVICE STATEMENT

Recreation and Leisure

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
District reserves	5,078	4,743	4,473
Motor camps	77	84	77
Swimming pools	449	360	318
Harbour structures	944	965	1,048
Sub-regional parks	893	1,027	871
Total operating expenditure	7,443	7,179	6,788
Analysis of expenditure by class			
Direct costs	5,296	4,430	4,588
Overhead costs	896	1,089	941
Interest	(364)	(193)	(267)
Revaluation movement	-	-	-
Depreciation	1,614	1,853	1,525
Total operating expenditure	7,443	7,179	6,788
Revenue			
Targeted rates	-	20	-
User fees	10	24	25
Financial contributions	3,679	2,130	2,313
Subsidies	-	367	104
Vested assets	-	-	166
Asset revaluation	2,128	-	-
Other income	2,167	692	1,006
Total revenue	7,984	3,234	3,615
Net cost of service - surplus/(deficit)	542	(3,945)	(3,175)
Capital expenditure	2,107	4,861	1,551
Vested assets	-	-	166
Total other funding required	(1,565)	(8,806)	(4,890)
Other funding provided by			
General rate	6,178	6,155	5,423
Debt increase/(decrease)	(12)	918	(12)
Reserves and future surpluses	(4,600)	1,733	(522)
Total other funding	1,565	8,806	4,890

MAJOR VARIANCES

Revenue was \$4.4m higher than the prior year due to higher financial contribution revenue and asset revaluations.

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 are delivered through a balanced compliance approach, promoting the safety and well-being of our communities and enhanced sustainability of our built and natural environments.

OUR GOAL

- **Animal control services:** Provide a safe environment for the public through promoting responsible dog ownership.
- **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 is maintained and enhanced through effective decision-making on resource consents.
- **Community protection:** Improve, protect and preserve the environment and public health and safety by minimising risks from nuisances and offensive behaviour.



2018/19 HIGHLIGHTS

Animal Services

The dog events held over the summer period, proved to be very successful. This included the Doggie Day Out, Dogs in Togs and the inaugural Mud Run where 100 runners and walkers participated. The Mud Run was a joint event with Tauranga City Council and held at the TECT All Terrain Park. Six walks were held over the summer months in different parts of the District. The number of participants was consistent with previous years.

The number of dogs within the District continues to increase. There are approximately 170 (2%) more dogs than last year. In spite of this, 97.4% of all known dogs in the District are registered. There was a subsequent increase in complaints. This is mostly due to barking and roaming dog complaint numbers increasing.

The Adopt a Dog initiative continues to be a success. During the year, 47 dogs were rehomed successfully.

Building Services

The volume of building applications received is consistent with previous year with a total of 1243 (2018: 1294) received. The total value of building works was \$268,935,328. In processing these applications, 94% were within the statutory timeframes.

The digitisation of Council's files continued during the year and now all building files (current and past) are digitised. This will enhance the level of service to the customer by facilitating electronic transactions.

There was one successful prosecution of a builder. The prosecution related to work done without a building consent prior to the work commencing. The builder was fined. It is in the public interest to ensure all building work complies with the Building Act and appropriate consents are obtained.

Compliance & Monitoring

The five yearly review of the District Licensing Committee was completed. This year was the highest number of hearings (4) before a committee, this was due to public interest in a new tavern with a large number of community objections, and changes in the approach from reporting agencies e.g. Medical Officer of Health.

There was 50% growth in the number of abatement notices for non-compliance with the Resource Management Act (RMA) and the District Plan. There are a number of activities undertaken by property owners where compliance breaches continue to identified throughout the District. For example earthworks without a consent, and non-compliant buildings.

There was significant input in the review of Council Bylaws. In particular Trading in Public Places, Traffic and Parking Enforcement, General Bylaw (Public Places, Animals (excluding dogs) and Cemeteries). The Bylaw review and public consultation phases are completed. Adoption and implementation of the Bylaws will occur in August 2019.

The three-year transition to the new Food Act 2014 was completed in March 2019. This means that all food businesses in the Western Bay district are registered under the new Food Act.

Resource Consents

The number of resource consent applications received has reduced from the previous year. Total received were 507 (2018 – 549). Overall, our statutory performance improved with 98.1% of the business completed within statutory timeframes.

The implementation of the electronic LIM system in 2018 has enabled a significant improvement in the provision of LIMs to customers. Within 1-2 days LIMs are processed. All LIM applications were processed within the statutory timeframe. There was one complex hearing for the Pukehina Eco Village resource consent application. This resulted in significant time and effort preparing for the hearing, in July 2019. Currently awaiting the decision. There were no appeals to resource consent decisions during the year



WHAT WE PROVIDE



RESOURCE CONSENT
AND MONITORING

BUILDING
INSPECTIONS



BUILDING CONSENT PROCESSING



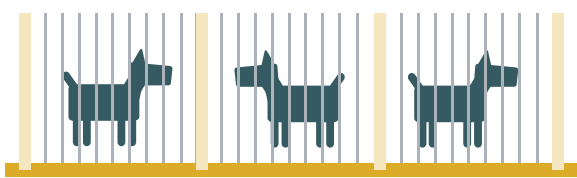
PARKING
WARDENS

MOBILITY
CAR PARKS



FOOD PREMISES
INSPECTION
LICENSING -
FOOD AND LIQUOR

NOISE
CONTROL



DOG POUNDS

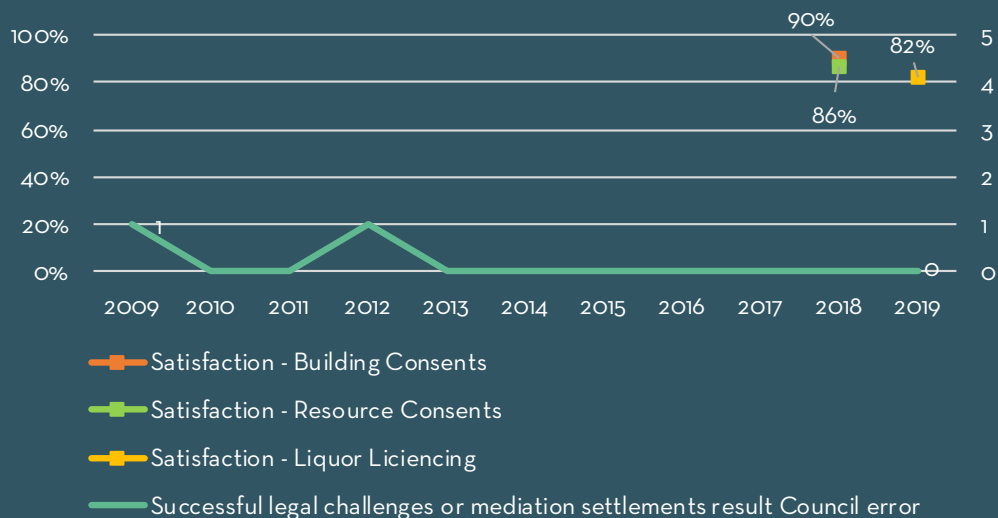
ANIMAL
CONTROL
OFFICERS



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

Regulatory Services



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Key Performance Measure Number of successful legal challenges or mediation settlements (excludes weathertightness claims).	0	0	0		✓
Key Resident Measure Level of customer satisfaction based on customer surveys of regulatory services. (This survey includes resource consents, building and animal control services, alcohol licencing, parking and registered premises).	≥85%	82%	88%	Survey's conducted on a two-yearly basis. This year survey completed for Alcohol Licencing. Next survey for Animal Services, Building Consents and Resource Consents will be completed in 2019/20 year.	○



HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
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%	92.8%	82.3%	The statutory timeframe wasn't achieved due to the complexity of some applications they couldn't be processed within the timeframe. Resourcing to process the applications was also an issue during the year.	
Percentage resource consents monitoring schedule completed to ensure compliance with consent conditions	100%	98%	94%	Delays in monitoring can be due to resourcing, weather constraints or unavailability of property owner.	
Number of resource consent decisions overturned through appeal.	0	0	0		
Building and health applications and plan checking will be processed within statutory timeframes.					
Percentage of building consent applications and plan checking processed within the statutory timeframes.	100%	93%	New	Statutory timeframe not achieved and this is due to resourcing constraints.	
Requests for further information on building consent applications are issued within a reasonable time period.					
Percentage of Requests for Further Information that are issued within 15 working days of the application being accepted.	≥75%	70%	New	Systems issues were experienced during the year.	
Code of Compliance Certificates are issued within the statutory period.					
Percentage of Code of Compliance Certificates that are issued within the statutory timeframe.	100%	100%	New		
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 LIMs were processed within the statutory timeframe. 99.3% of PIMs were processed within the statutory timeframe.	
Known dogs in our District are registered.					
Percentage of known dogs in our District that are registered.	≥98%	97%	98.9%		
Known dogs in our District are microchipped (excluding those meeting the requirements to register as working dogs).					
Percentage of known domestic dogs in our District that are microchipped.	≥78%	83%	New		
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 consents didn't achieve the service request target due to process issues. These were addressed in later half of the year.	
• Building	≥90%	73%	91%		
• Health	≥90%	90%	86%		
• Resource consent compliance and enforcement	≥90%	94%	96%		
• Bylaw and District Plan compliance and enforcement	≥90%	93%	New		

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Food business are regularly monitored and assessed.					
Percentage of food businesses that are scheduled for verification are assessed in accordance with statutory requirements.	95%	100%	New		✓
Alcohol licences are issued within a reasonable period.					
Percentage of licence decisions issued within 5 working days of receipt of completed agency reports.	98%	80%	New	Target not achieved due to resourcing issues.	✗
Parking is monitored within Te Puke and Katikati town centres and largely on a seasonal basis at Waihi Beach.					
Percentage of parking infringements correctly issued.	95%	98%	New		✓

FUTURE INITIATIVES

The completion the new Animal Shelters in Te Puke and Katikati in 2019/20. The new shelters are purpose built and are a significant upgrade from current pound facilities. The new shelter will also incorporate improved health and safety measures for staff working at the shelter.

The Council's building services IANZ re-accreditation will occur in March 2020. This accreditation is a thorough audit of Council's processes to ensure compliance with legislation and regulations. It is an independent validation of our building consent processes and enables us to keep operating as a building consent authority.

There will also be a consultation period for the changes made to the Building Act 2004. The key drivers for the change is to increase responsibility for parties involved in the building process and to increase fines for non-compliance. The completion of the Draft Earthquake Building Policy late 2019. This will be subject to a public consultation process before final adoption of the policy.

The Compliance team will focus on the enforcement of the new Bylaws i.e. Trading in Public Place, Traffic & Parking and General Bylaw. As all the food businesses within the District are registered under the Food Act 2014, Council will now focus on achieving accreditation as a food verification agency in late 2019.

The automation of Resource Consent processes will continue. The customer interface for new applications will be released in 2019. Development will continue to include post applications, section 223 and 224 and consent variations.





COST OF SERVICE STATEMENT

Regulatory

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
District Plan implementation	2,401	2,126	1,757
Building and health	4,750	4,393	4,317
Animal control	1,119	927	949
Compliance and monitoring	1,481	1,265	1,025
Total operating expenditure	9,750	8,711	8,048
Analysis of expenditure by class			
Direct costs	6,751	5,991	5,422
Overhead costs	2,926	2,640	2,578
Interest	(12)	(10)	(23)
Depreciation	85	89	71
Total operating expenditure	9,750	8,711	8,048
Revenue			
User fees	6,031	5,945	5,404
Other income	174	88	94
Total revenue	6,205	6,033	5,499
Net cost of service - surplus/(deficit)	(3,546)	(2,678)	(2,550)
Capital expenditure	-	-	-
Total other funding required	(3,546)	(2,678)	(2,550)
Other funding provided by			
General rate	3,533	2,688	2,529
Reserves and future surpluses	13	(10)	21
Total other funding	3,546	2,678	2,550

MAJOR VARIANCES

Operating expenditure was \$1.7m higher than the prior year due to high volumes of building and consenting within the District, as well as increases in dog pound operational costs. Revenue is also \$700k higher than the prior year representing higher dog registrations and building consent fees.



TRANSPORTATION



TRANSPORTATION

OVERVIEW

Council's transportation strategy aims to provide a safe and effective transportation network which 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 Port of Tauranga which 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 GOAL

- 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.



2018/19 HIGHLIGHTS

It has been another successful year for our One Network Maintenance Contract. This is a joint maintenance contract between this Council and the New Zealand Transport Agency (NZTA) for the state highways within the Western Bay of Plenty District and Tauranga City and for the local roads in the Western Bay.

The contract includes network operations, maintenance, asset renewals and improvements. All the contractual key performance indicators were achieved and the contract completed 6.9 km of seal extensions with associated improvements, 1.9 km of pavement rehabilitation with seal widening and other improvements such as sections of new footpaths and cycleways

The continued growth in Omokoroa has resulted in the need for significant infrastructure upgrades. During the year the Omokoroa Road rural upgrade between state highway 2 and the railway was completed as well as the urban design developed between Western Avenue and Tralee Street section. These upgrades have also included relocated and renewed utility services assets such as power, telecommunications, sewer, storm water and water supply.

The draft Omokoroa Structure Plan 3 for roading, utilities and land use development has been prepared for public consultation in the coming year.

We continued to participate in the Urban Form and Transport Initiative. This initiative is expected to support future network improvements across the Western Bay. The initiative involves representatives from the Bay of Plenty Regional Council, Tauranga City Council, Smart Growth, NZTA, and the Western Bay of Plenty District Council.

We continued to work with each of our five community boards to identify their roading priorities. Once priorities are identified work can proceed to deliver the agreed roading programme for each community. During the year the following physical works requested by the boards were completed:

- **Waihi Beach** - new cycleways at Island View and Bowentown.
- **Katikati** - Fairview Road kerb and channel, new library footpath and plaza, Stewart Street urbanisation, Mulgan Street extension and Henry Road cycleway.
- **Omokoroa** - footpath along Anderley Avenue.
- **Te Puke** - Washer Avenue footpath, Palmer Place carpark.

Throughout the year we continued to work with a number of national and local roading agencies to progress roading initiatives within Western Bay. This included NZTA, Regional Advisory Group, Road Controlling Authorities Forum, the Road Efficiency Group meetings and the sub-regions joint road safety committee.

The development of the cycleway network has progressed with the completion of the Paengaroa to Okere Falls cycleway and most of the sections of the Omokoroa to Tauranga urban cycleway project. The remaining new Wairoa River cycleway bridge and the adjoining state highway sections are planned to be completed by December 2019.

The development of new footpaths and cycleways are expected to provide safe alternatives for multi modal use (walking, cycling and public transport) on the networks state highways and local roads.

WHAT WE PROVIDE

1,061.2 KILOMETRES

of network with connections to state highways



Urban roads:
163.6 KILOMETRES

Rural roads:
897.6 KILOMETRES

Sealed roads:
884.1 KILOMETRES

Un-sealed roads:
177.1 KILOMETRES

142
BRIDGES

39
CULVERTS
greater than 1.4m diameter

159.7 KILOMETRES
HARD SURFACED FOOTPATHS

0.7 KILOMETRES
METALLED SURFACED FOOTPATHS

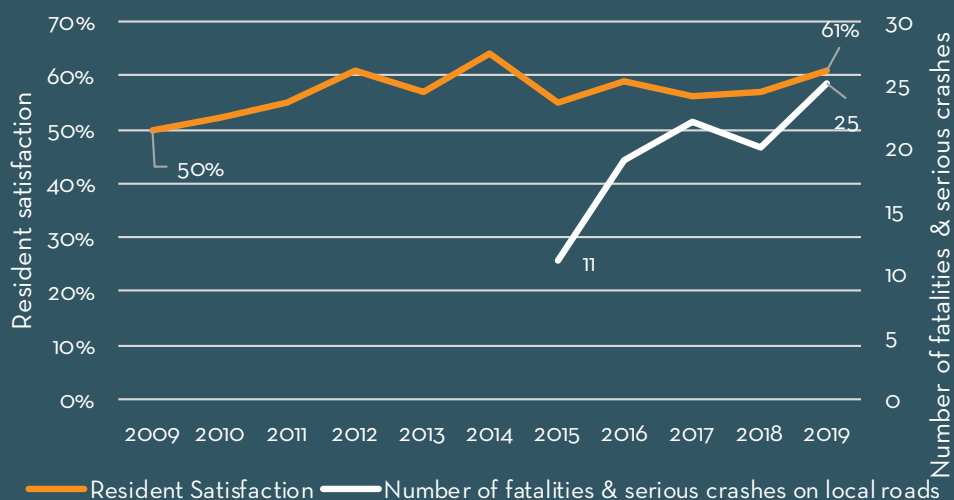
2,643
STREETLIGHTS

6,135
ROAD SIGNS

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

Transportation



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Key Performance Measure The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	≤0	5	(2)	There were 25 fatal and serious injury crashes in 2018/19 compared to 20 in 2017/18. The significant growth in the region and corresponding increase in traffic has resulted in increased crashes.	✗
Key Resident Measure Level of satisfaction with our transportation networks (roads, cycling and walkways).	≥60%	61%	New	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 59%.	✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
We will respond to customer transport related issues.					
The percentage of customer service requests relating to roads and footpaths to which Council responds within 10 working days.	≥90%	57%	68%	A total of 3,392 service requests were received of which 1,942 were in 10 days or less.	✗
Level of customer satisfaction with action taken to resolve service requests.	≥85%	90%	89.3%		✓

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
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.	≥90%	95%	94%		✓
There are a number of potential defects in road pavement structure and its surface. The condition index is a weighted measure of the fault types.					
• Sealed Roads.	0.3	0.2	0.2		✓
• Unsealed roads.	3.0	2.17	2.2		✓
Please note: (0 = defect free; 5 = unsatisfactory).					
The percentage of the sealed local road network that is resurfaced.	≥4%	5.2%	7.02%		✓
Adverse environmental effects, such as dust, noise and vibration are managed effectively.					
Length of unsealed roads (km).	182km	177.1km	182km		✓
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.	≥95%	99.9%	99.8%		✓
The increase in total length of cycleways and walkways within the District.	≥1,000km	8,985m	New		✓
Use of the Omokoroa - Tauranga cycleway.	Increasing	7% increase	New		✓
<i>Cycleway scheduled for completion in 2018/2019.</i>					

FUTURE INITIATIVES

The new coalition government has reset the priorities for investment in the roading network. We will continue to advocate for State Highway improvements and upgrades against the constrained funding available from central government. This change of focus has also impacted on NZTA funding for maintenance and asset renewal projects.

The high level of urban development has resulted in Council inheriting new roading infrastructure built by developers. These new assets generally located in the urban townships are integrated within the existing roading network.

Consequently, any future expenditure on renewals or maintenance to maintain the Councils levels of service will be ratepayer funded.

Community roading improvement projects will continue to be progressed for delivery subject to the available funding allocations.



COST OF SERVICE STATEMENT

Transportation

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Transportation	18,687	19,365	19,853
Total operating expenditure	18,687	19,365	19,853
Analysis of expenditure by class			
Direct costs	8,070	8,950	9,624
Overhead costs	1,130	1,437	1,210
Interest	245	866	851
Depreciation	9,242	8,113	8,167
Total operating expenditure	18,687	19,365	19,853
Revenue			
Targeted rates	-	-	-
User fees	17	10	17
Subsidies	11,505	8,306	14,265
Roading rate	13,200	12,950	13,874
Financial contributions	5,197	2,113	2,659
Vested assets	123	1,400	2,947
Other income	1,183	262	3,655
Total revenue	31,224	25,040	37,417
Net cost of service - surplus/(deficit)	12,536	5,675	17,564
Capital expenditure	18,388	16,895	16,718
Vested assets	123	1,400	2,947
Total other funding required	(5,975)	(12,620)	(2,100)
Other funding provided by			
General rate	50	50	52
Debt increase (decrease)	(22)	(22)	(117)
Reserves and future surpluses	5,947	12,592	2,166
Total other funding	5,975	12,620	2,100

MAJOR VARIANCES

Direct costs were \$1.6m lower than the prior year due to lower roading maintenance expenditure during the year. NZTA subsidies received were \$2.8m lower than the prior year while financial contributions received were \$2.5m higher.

WATER SUPPLY



WATER SUPPLY

OVERVIEW

We supply potable (drinking) water to approximately 41,000 people in our District through the water infrastructure operating in the Western, Central and Eastern supply zones. Our customer base includes 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.



2018/19 HIGHLIGHTS

This was the first full year where the whole District has water meters in place (17,000 in total). These meters now enable us to monitor the level of water extracted and its use within the network. This is a critical tool in the management of water demand, and positively impacted water use over the summer months where no water use restrictions were required.

To meet growth and subsequent increase in water demand we are identifying new water sources in the central and eastern supply zone. Investigations for the central zone identified a suitable source at Ohourere where a new bore will be drilled. This will supply the Minden and Te Puna areas. Investigations continue to identify an additional water source for the eastern supply zone.

In response to the 2016 Havelock North water contamination there are a number of Council and Central Government initiatives underway. At a local level, Council acted to pre-empt changes in legislation and reducing the risk to consumers. This includes securing water bore sources by fencing these sites. At a Central Government level, various options are under consideration. In December 2018 the requirement for additional water testing was released with Councils required to undertake this testing from March 2019. Monitoring test results is ongoing but currently no further action is required. The Drinking Water standards are also under review and the revised standards are due for release by the end of 2019.

The District water assessor, Toi Te Ora Public Health, has reviewed our water status. Council's received a criteria two classification for the 2018/19 year. This means we are meeting our obligations in the supply of water to the District.

We commenced the implementation of the new SCADA system. This is a two year project that will be completed in 2020. Once fully implemented the system will improve the water network service delivery and will identify communication improvements. This is a requirement of the Drinking Water Standards New Zealand.

Various projects were completed to improve and protect the water supply. This includes:

- Trunk main renewals at Beach Road Waihi Beach.
- Reticulation renewals at Waihi Beach and Te Puke.
- Replacement of all pipes in Hamurana Road as they were past their design life.
- Water main renewal as part of the Omokoroa Road widening project.

WHAT WE PROVIDE



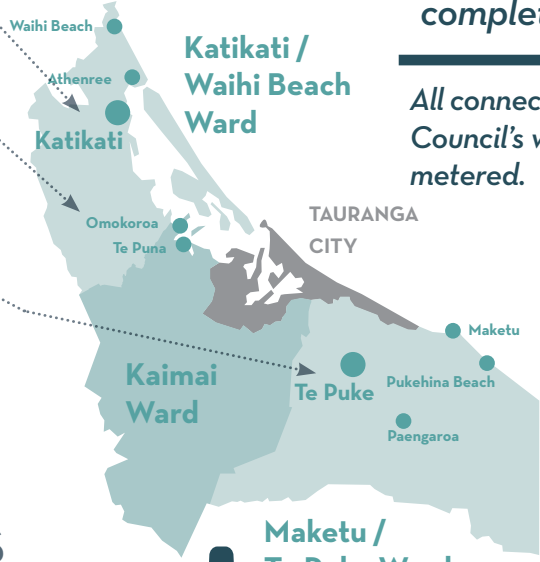
Water reticulation operated in three supply zones:



WESTERN
Waihi Beach, Katikati

CENTRAL
Omokoroa, Te Puna

EASTERN
Te Puke, Maketu,
Pukehina Beach,
Paengaroa



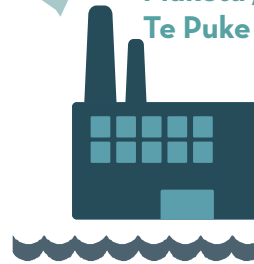
DISTRICT-WIDE WATER METERING completed 2018

All connections to Council's water supply are metered.

26 BOOSTER PUMP STATIONS

9 BORE FIELDS

10 WATER TREATMENT PLANTS



1 SURFACE SUPPLY
(Bush Dam)



24 RESERVOIRS & TANK SITES



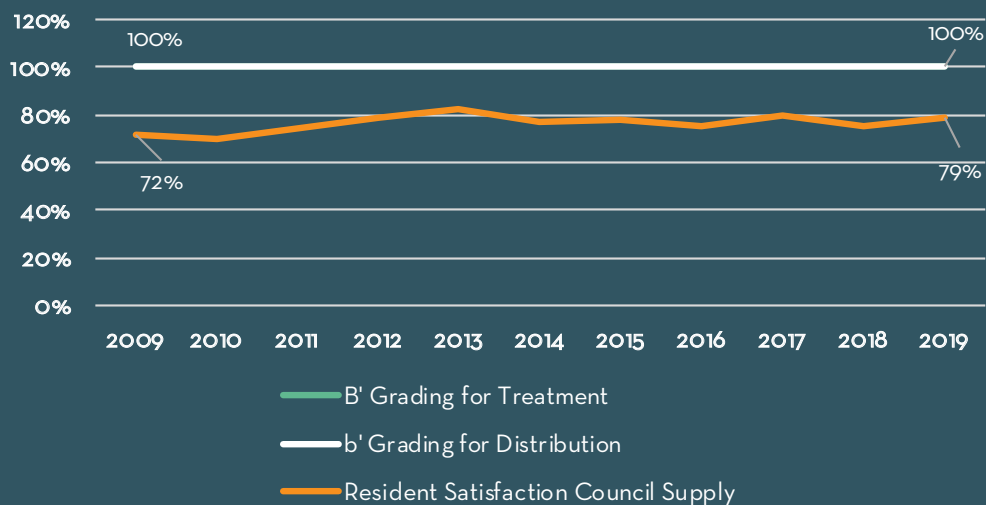
15,600 out of **17,200**

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

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES







Water Supply



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
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.	≥80%	79%	75%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 77%.	○
Supporting Measure In a one-in-50 year drought, 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%	140%	100%	140% of the District's 24 hour average daily demand can be stored.	✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET		RESULT		RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2018/19	2017/18			
We will provide good quality potable 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%	99%		100%		Reservoirs dropped below 50% full at two sites on two occasions due to trunk main failures in the area. Following trunk main repairs reservoir levels returned to normal within several hours. Customer supplies were not directly affected by the temporary lower levels of water in the reservoir.	
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%	98%		100%		2018/19 provisional results revealed one transgression in the Te Puke supply. Subsequent remedial sampling and weekly testing all returned negative. Council is lodging an appeal with Toi Te Ora. Final results for 2017/18 year revealed one non compliance at Pongakawa. Results have been updated to reflect this.	
Distribution Zones (Yes or No)	Part		Part		Part		
	4	5	4	5	4	5	
• Athenree	Y	Y	Y	Y	Y	Y	
• Katikati	Y	Y	Y	Y	Y	Y	
• Omokoroa Minden	Y	Y	Y	Y	Y	Y	
• Pongakawa	Y	Y	Y	Y	N	Y	
• Te Puke	Y	Y	N	Y	Y	Y	
• Te Puke Bush	Y	Y			Y	Y	
The percentage of real water loss from Council's networked reticulation system.	≤25%	19.8%		22%		Decrease from last year (22%) due to ongoing initiatives including metering, leakage surveys, pressure management and targeted renewals of mains and connections.	
The average consumption of drinking water per day per resident within the Council's District.	≤240 litres	187 litres		220 litres		A 15% decrease from last year. This has been influenced by the first full year of water billing after completion of the District wide water metering project	
We will respond to customers issues with the water supply							
Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: Attendance for call-outs: from the time Council receives notification to the time service personnel reach the site:							
• Urgent call outs	≤2 hours	38 minutes		41 minutes			
• Non urgent call outs	≤8 hours	4 hours		7 hours & 48 minutes			

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Resolution of call-outs from the time Council receives notification to the time service personnel confirm resolution of the fault or interruption.				Non-urgent call out data includes internal requests for asset work. This has taken longer than the target 24 hours.	
• Urgent call outs	≤8 hours	4 hours 30 minutes	3 hours & 46 minutes	This process is under review and new systems are being deployed to ensure these requests are treated separately in future.	✓
• Non urgent call outs	≤24 hours	26 hours 43 minutes	25 hours & 22 minutes		✗
Total number of complaints received by Council about any of the following: Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply and • Council's response to any of these issues expressed per 1,000 connections to Council's networked reticulation system.	≤30	6.93	27.5		✓

FUTURE INITIATIVES

We anticipate the growth throughout the District will continue. It is essential that a good supply of potable water is maintained and supplied to our customers. As a result, we have a robust renewal and capital programme in place to ensure the water supply meets these needs.

The review of water supply by central government is ongoing. In August 2019 they announced the intention to establish a new water regulator and regulations. We will respond to these new requirements as they are defined.





COST OF SERVICE STATEMENT

Water supply (District-wide)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Western water supply	4,468	4,029	3,753
Central water supply	3,978	3,381	2,976
Eastern water supply	5,784	5,006	4,403
Total operating expenditure	14,230	12,416	11,131
Analysis of expenditure by class			
Direct costs	7,059	5,223	4,713
Overhead costs	1,869	1,986	1,525
Interest	1,605	1,652	1,498
Depreciation	3,697	3,555	3,396
Total operating expenditure	14,230	12,416	11,131
Revenue			
Targeted rates	6,620	6,302	6,445
User fees	5,219	4,186	4,134
Financial contributions	2,684	1,203	1,534
Vested assets	3,951	200	1,339
Other income	-	-	11
Total revenue	18,474	11,891	13,462
Net cost of service - surplus/(deficit)	4,244	(525)	2,331
Capital expenditure	2,842	4,803	5,492
Vested assets	3,951	200	1,339
Total other funding required	(2,549)	(5,528)	(4,500)
Other funding provided by			
Debt increase (decrease)	(568)	1,033	(859)
Reserves and future surpluses	3,117	4,495	5,358
Total other funding	2,549	5,528	4,500

MAJOR VARIANCES

Higher consumption of metered water and high levels of financial contributions have increased total revenue by \$5m over the prior year.



COST OF SERVICE STATEMENT

Water supply (western water)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Western water supply	4,468	4,029	3,753
Total operating expenditure	4,468	4,029	3,753
Analysis of expenditure by class			
Direct costs	2,234	1,730	1,686
Overhead costs	624	678	517
Interest	289	316	305
Depreciation	1,321	1,305	1,245
Total operating expenditure	4,468	4,029	3,753
Revenue			
Targeted rates	3,008	2,728	2,939
User fees	2,031	1,410	1,280
Financial contributions	439	296	543
Vested assets	375	100	286
Other income	-	-	-
Total revenue	5,853	4,534	5,048
Net cost of service - surplus/(deficit)	1,385	505	1,295
Capital expenditure	809	1,020	1,632
Vested assets	375	100	286
Total other funding required	201	(615)	(623)
Other funding provided by			
Debt increase (decrease)	(309)	(269)	(301)
Reserves and future surpluses	108	884	924
Total other funding	(201)	615	623



COST OF SERVICE STATEMENT

Water supply (central water)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Central water supply	3,978	3,381	2,976
Total operating expenditure	3,978	3,381	2,976
Analysis of expenditure by class			
Direct costs	1,897	1,372	1,270
Overhead costs	620	648	481
Interest	460	486	409
Depreciation	1,002	875	816
Total operating expenditure	3,978	3,381	2,976
Revenue			
Targeted rates	1,323	1,421	1,372
User fees	1,585	1,074	1,122
Financial contributions	1,513	544	617
Vested assets	2,888	50	905
Other income	-	-	6
Total revenue	7,310	3,089	4,022
Net cost of service - surplus/(deficit)	3,332	(291)	1,046
Capital expenditure	1,269	1,961	2,075
Vested assets	2,888	50	905
Total other funding required	(825)	(2,302)	(1,934)
Other funding provided by			
Debt increase (decrease)	(164)	647	(198)
Reserves and future surpluses	989	1,655	2,132
Total other funding	825	2,302	1,934



COST OF SERVICE STATEMENT

Water supply (eastern water)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Eastern water supply	5,784	5,006	4,403
Total operating expenditure	5,784	5,006	4,403
Analysis of expenditure by class			
Direct costs	2,928	2,121	1,757
Overhead costs	625	660	526
Interest	856	851	783
Depreciation	1,375	1,374	1,336
Total operating expenditure	5,784	5,006	4,403
Revenue			
Targeted rates	1,952	2,152	2,134
User fees	1,940	1,702	1,732
Financial contributions	731	363	374
Vested assets	688	50	148
Other income	-	-	4
Total revenue	5,311	4,268	4,393
Net cost of service - surplus/(deficit)	(473)	(739)	(10)
Capital expenditure	764	1,822	1,786
Vested assets	688	50	148
Total other funding required	(1,925)	(2,611)	(1,943)
Other funding provided by			
Debt increase (decrease)	(95)	655	(359)
Reserves and future surpluses	2,020	1,956	2,303
Total other funding	1,925	2,611	1,943

STORMWATER



STORMWATER

OVERVIEW

Council's 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. They 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 networks are designed and managed to meet community and environmental needs.

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 ensure that:

- There is localised reduction of risk in existing floodable areas.
- There is no increase in flood 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.



2018/19 HIGHLIGHTS

Council continued to progress the comprehensive resource consent applications for each of the stormwater catchment areas. The status of each catchment is as follows:

- **Western catchment** - there is one objector to the resource consent application. This was unable to be resolved so a Bay of Plenty Regional Council commissioner will rule on our application. The hearing is scheduled for September 2019.
- **Central catchment** - unable to progress as we continue to wait for direction and a decision on our application for this catchment
- **Eastern catchment** - the resource application was prepared and submitted this year.

A resource consent was granted for council to undertake construction at Two Mile Creek. This means we are able to undertake the necessary construction to install a structure that will protect the properties and provide a watercourse channel.

Several groundwater monitoring bores have been installed to improve monitoring of ground water fluctuations. This will assist in the identification of the different ground water profiles, which will enable better management of stormwater events. Alongside this, we have developed a flood hazard model for Omokoroa and Katikati. This will show where floods are likely to occur and will inform future planning i.e. focus development outside flood zone.

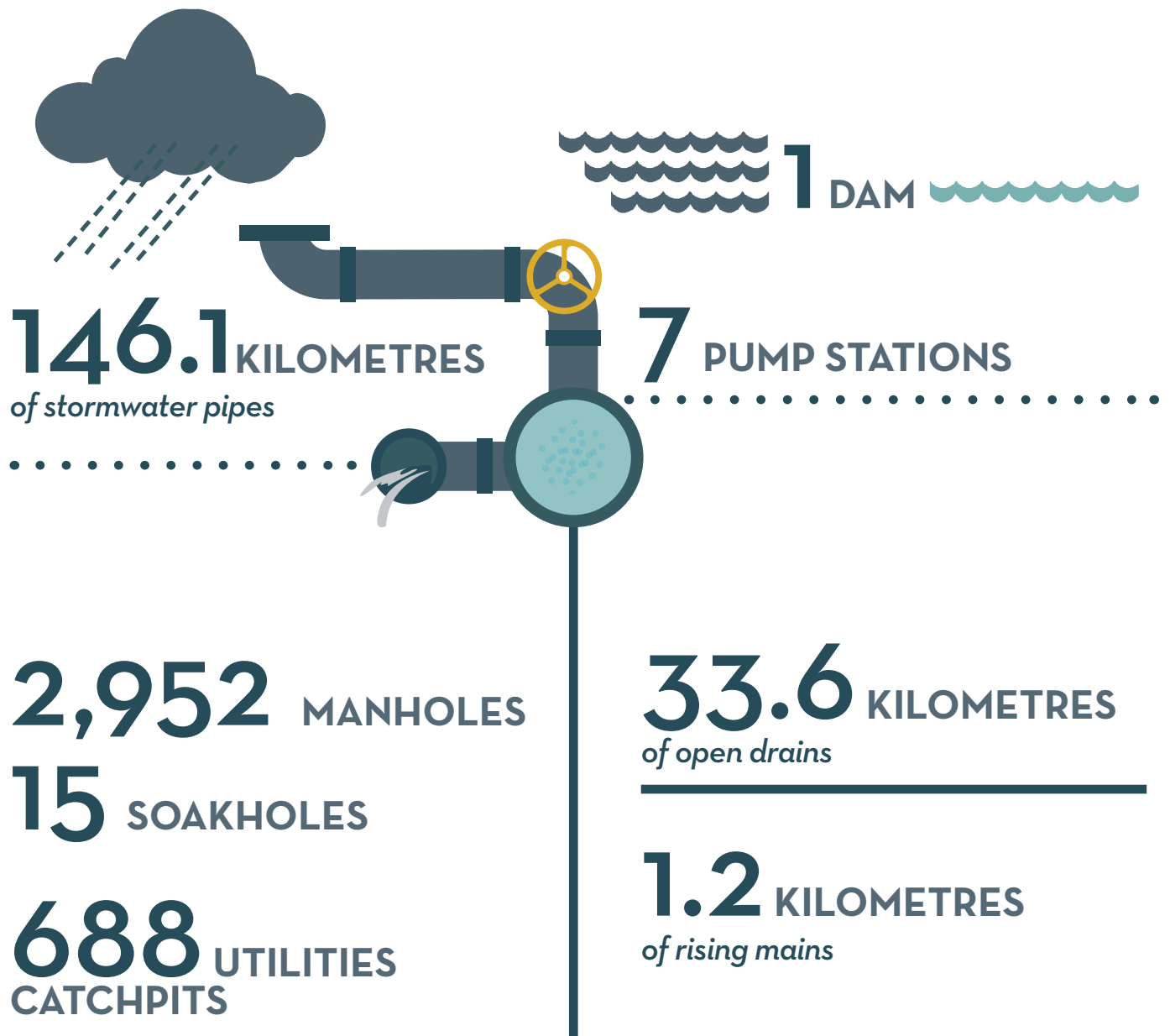
A couple of investigations have commenced in the Waihi Beach area. This includes the identification of a stormwater solution for Pio Shores. This work will continue into the 2019/20 year as we seek to provide a solution and engage with the community. There will also be ongoing discussion with Waihi Beach residents for coastal erosion protection works.

A review of coastal structures on Three Mile Creek, Two Mile Creek and the main beach has been undertaken by BECA. The purpose of this is to:

- Assess the structures performance.
- Provide alternative options for future.

The results of this investigation will be presented to Council for their consideration and direction next year.

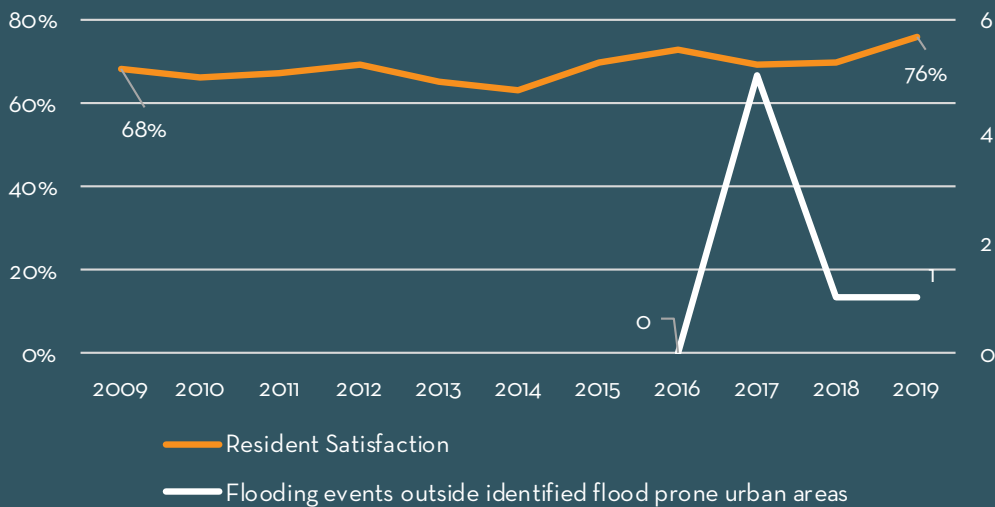
WHAT WE PROVIDE



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

Stormwater



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
<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	1	1		✓
<p>Key Resident Measure Level of resident satisfaction with stormwater systems.</p>	≥65%	76%	70%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 64%.	✓



HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
We will provide stormwater assets to minimise risks of flooding events.					
The number of flooding events that occur within the Western Bay of Plenty District. For each flooding event (district wide), the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system).	≤30 (3%) per event	○	<1%	No habitable dwellings were flooded.	✓
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			No habitable dwellings were flooded.	
Waihi Beach	≤60 (6%)	○	○		✓
Katikati	≤10 (1%)	○	○		✓
Omokoroa	≤10 (1%)	○	○		✓
Te Puke	≤30 (3%)	○	○		✓
Maketu	≤30 (3%)	○	○		✓
Compliance with Council's resource consents for discharge from our stormwater system, measured by the number of:					
• Abatement notices	○	○	○		✓
• Infringement notices	○	○	○		✓
• Enforcement orders, and	○	○	○		✓
• Convictions	○	○	○		✓
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	○	53 minutes	There were no flooding events during the 2018/19 year.	✓
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	0.17	0.18		✓

FUTURE INITIATIVES

We will continue to develop, monitor and improve the stormwater network to accommodate growth, manage storm events and enhance the overall performance of the network. Initiatives include:

- Investigations for Pio Shores and Waihi Beach coastal protection stormwater solutions will continue.
- Working with the consenting agencies to progress the Council's resource applications for District-wide resource consents for stormwater.
- Construction of the watercourse channel at Two Mile Creek will commence in 2020.

- Ongoing modelling to assess risks and consider use of alternatives for stormwater management. For example the use of overland flow paths instead of reliance on pipes.
- Trial at the Highfiled stormwater pond at Katikati in response to community request for a lake.
- Working with the BOP Regional Council to attenuate stormwater in the upper catchment rather than going through Te Puke.

In 2020 Council's stormwater strategy will be reviewed. This will provide direction for the stormwater activity and identify a number of initiatives to achieve that direction.



COST OF SERVICE STATEMENT

Stormwater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Stormwater	4,080	4,149	3,949
Waihi Beach coastal protection	150	209	123
Total operating expenditure	4,230	4,358	4,072
Analysis of expenditure by class			
Direct costs	895	977	749
Overhead costs	567	535	424
Interest	1,351	1,246	1,546
Depreciation	1,417	1,599	1,353
Total operating expenditure	4,230	4,358	4,072
Revenue			
Targeted rates	4,025	4,209	4,066
User fees	3	-	3
Financial contributions	2,016	1,140	622
Vested assets	8,277	300	4,245
Other income	132	38	6
Total revenue	14,453	5,686	8,942
Net cost of service - surplus/(deficit)	10,223	1,329	4,870
Capital expenditure	3,417	5,042	2,572
Vested assets	8,277	300	4,245
Total other funding required	(1,470)	(4,013)	(1,947)
Other funding provided by			
General rate	891	891	1,489
Debt increase/(decrease)	2,336	2,900	(158)
Reserves and future surpluses	(1,756)	223	616
Total other funding	1,470	4,013	1,947

MAJOR VARIANCES

Capital expenditure was \$845k higher than the prior year due to the continued development throughout the district. Financial contributions and vested assets received were also significantly higher than the prior year.

NATURAL ENVIRONMENT



NATURAL ENVIRONMENT

OVERVIEW

Council has an important role in protecting the natural environment of the Western Bay. It 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 Kaimai range, flowing down through the hills and coastal lowlands into the swampy estuaries and mudflats of the Tauranga Harbour.

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.



2018/19 HIGHLIGHTS

Predator Free Bay of Plenty is a new movement inspired by the Wellington Predator Free movement, which enabled home owners to trap a significant part of urban Wellington and consequently increase native bird numbers. The programme targets rats that are responsible for approximately 50% of all predation of native birds. This programme is now catching on all over the District and being facilitated by Envirohub.

Council has dedicated funds through the annual plan to help fund the programme which places a strong emphasis on each suburb being self-sufficient, with a member of the community running the programme in their local area. There are six areas establishing in the Western Bay and several more communities becoming active but still seeking leaders. The areas with established volunteer leaders are Te Puna, Waihi Beach, Maketu and Little Waihi, Paengaroa, Pukehina and Te Puke.

Council continues its contract with Wild About New Zealand to undertake ecological education and care group facilitation. Complementing this, Council is also funding aquatic base line monitoring in four catchments, Te Mania, Uretara, Te Rereatakahia and Tahawai, which are being intensively managed by the Uretara Estuary Managers and Project Parore. The intention is to document the current levels of physical, chemical and biological health indicators such as pH, nitrogen, and aquatic biodiversity. This work will be shared with the community and will inform other parts of the project such as:

- Identifying land use issues in each catchment.
- Encouraging landowners in each catchment to take collective action to reduce impacts.
- Provide information for catchment management plans and prioritisation of actions.
- Ensuring practices, plans and mitigation strategies align with up to date science.

This work will be integrated into other monitoring programmes underway through the Bay of Plenty Regional Council and a recently instigated agrichemical research project.

Eurofins and the local horticulture industry initiated this project, the focus of which, is to quantify the level of agrichemical pollution within the study catchments.

Council continues to support the Maketu Ongatoro Wetland Societies school education programme. Council funds the four core schools of Maketu; Paengaroa; Te Puke Primary and Te Puke Intermediate. Initially this programme started in just Te Kura o Maketu school but quickly expanded over the following years and is now in a total of nine schools. The extra five schools are funded by other funders. Additional schools involved are Otamarakau Primary, Pukehina Primary, Te Puke High School, Fairhaven Primary and Pongakawa Primary. This programme is extraordinarily supported by a host of other agencies, non government agencies and care groups. It involves site visits and school classroom work but also reaches out to the adult population through Board of Trustee presentations, inclusion of parent helpers, competitions and public art displays.

Through the Community Matching Fund, Council supported the Rotoehu Ecological Trust to expand their management area. This group protects and manages a little known but growing population of North Island Kokako who reside in a remote part of the south eastern corner of the District. The Trust manages 670 hectares and works closely with Ngati Makino, Dept of Conservation and Kaingaroa Timberlands. The latest census undertaken by the group in April and May of 2019 revealed a significant increase in the population to 126 pairs and 8 single Kokako making them one of our Districts success stories. This is one of only two places where Kokako still reside in the Western Bay of Plenty.

Council will continue the protection of the ecological features throughout the district through rural subdivision. The protection lot rules ensure that the ecological features are protected. It is evident there is a move to restoration projects for protection lots instead of relying on existing natural features.



EDUCATION PROGRAMMES & INITIATIVES

Support for
**ENVIRONMENTAL
SERVICE DELIVERY
PROVIDERS**



.....
FENCING SUBSIDIES
(protected bush lots)

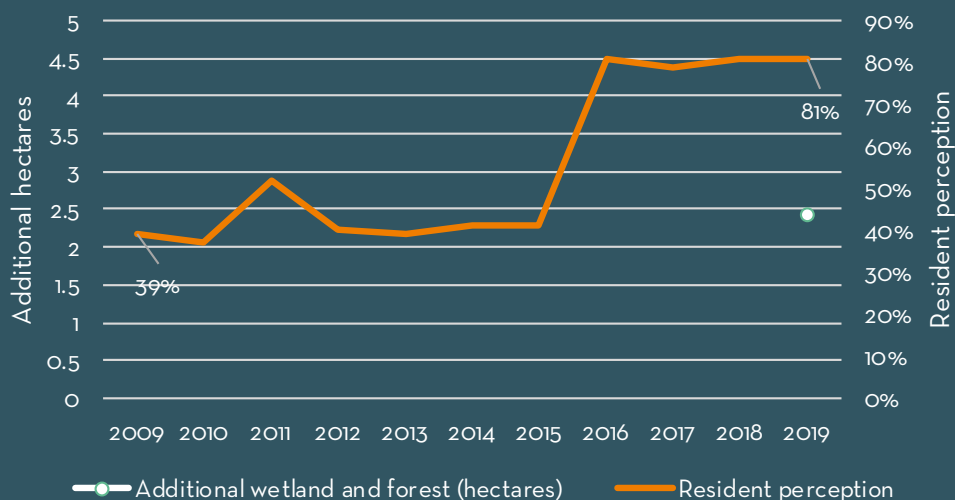
COMMUNITY GROUP SUPPORT

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

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

Natural Environment



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
<p>Key Performance Measure Amount of additional land included in protection lots in accordance with the District plan</p> <ul style="list-style-type: none"> Riparian (kilometres) Wetland (hectares) Tall forest, Regenerating Forest, Shrub land (hectares) 	4.0	1.708	New	The number of protection lot subdivisions is dropping off as the easier features to protect become less. There is a growing interest in regenerating wetlands and riparian margins for protection lot purposes, but these are yet to come to fruition.	✗
	1.5	1.44	New		✗
	60	1.0	New		✗
<p>Key Resident Measure Percentage of residents surveyed who perceive the environmental attributes monitored have improved or are being maintained.</p> <p>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.</p>	≥75%	81%	81%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 57%.	✓

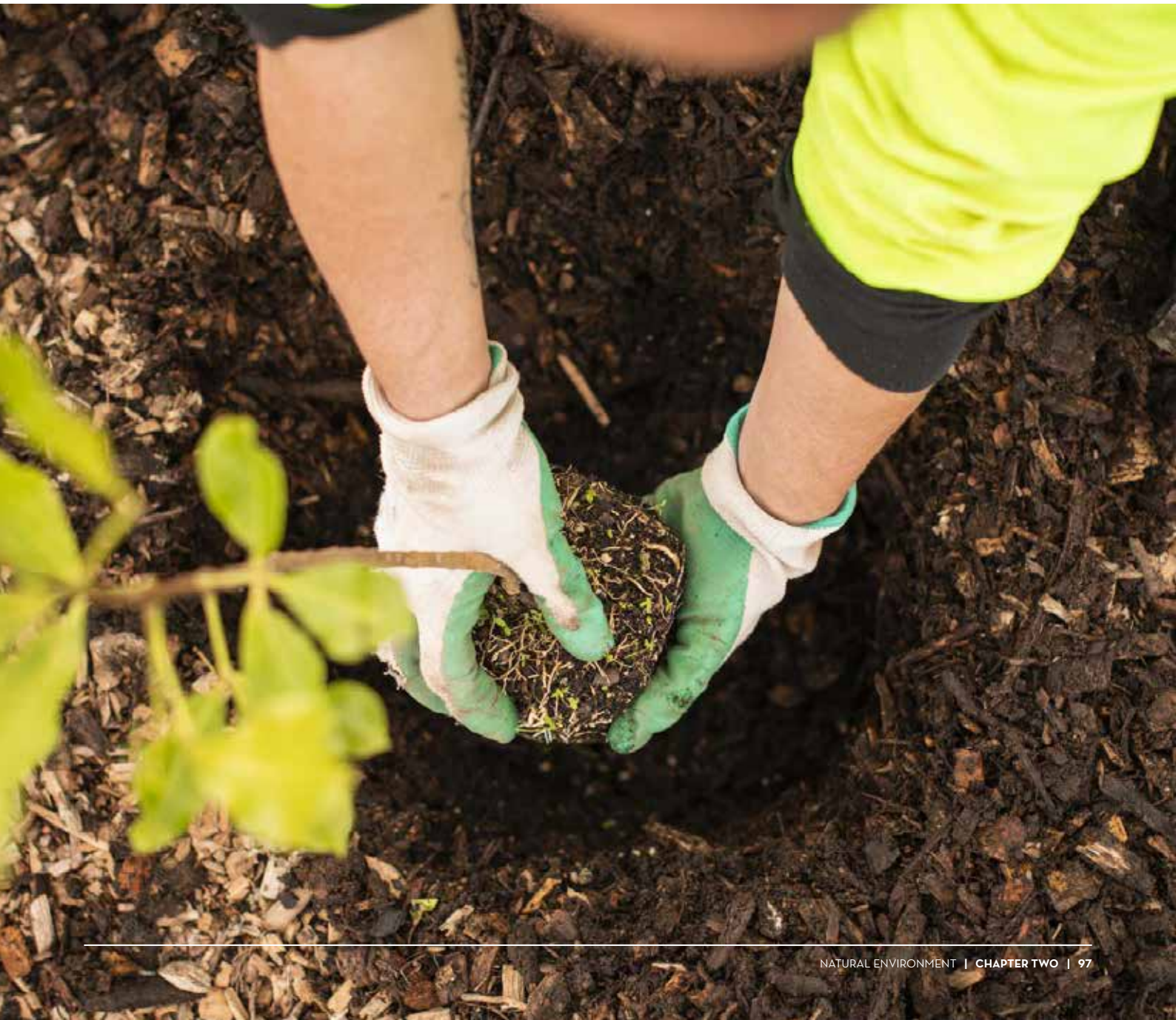
HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Facilitate and support community involvement in protecting and enhancing the natural environment.					
Percentage of environmental groups that Council supports.	≥50%	50	45%		✓
Number of community environmental education initiatives.	≥6	12	7		✓
Ensure protection lots are compliant with terms of covenants.					
Number of protection lots monitored to ensure compliance.	≥40	80	New		✓

FUTURE INITIATIVES

Council will continue to collaborate with Communities in the natural environment activity.

We are aware of the need to act sooner rather than later in protecting our natural environment. As a result, our urban area planning will identify and implement opportunities that enhance the environment.





COST OF SERVICE STATEMENT

Natural environment

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Environment protection grants	48	132	19
Natural environment support	163	256	310
Coastcare	60	55	63
Waihi District Drainage - drains	136	165	136
Waihi District Drainage - pumps	294	292	189
Total operating expenditure	702	900	717
Analysis of expenditure by class			
Direct costs	626	816	646
Overhead costs	74	76	67
Depreciation	2	7	3
Total operating expenditure	702	900	717
Revenue			
Targeted rates	447	455	346
Financial contributions	358	191	219
Other income	-	-	-
Total revenue	805	645	566
Net cost of service - surplus/(deficit)	102	(255)	(151)
Capital expenditure	-	-	-
Total other funding required	102	(255)	(151)
Other funding provided by			
General rate	172	154	201
Environmental protection rate	70	70	45
Reserves and future surpluses	(344)	30	(95)
Total other funding	(102)	255	151



WASTEWATER



WASTEWATER

OVERVIEW

Council aims 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 four wastewater treatment plants at Katikati, Maketu/Little Waihi, Te Puke and Waihi Beach and one wastewater treatment scheme in Omokoroa.

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 Council's 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.



2018/19 HIGHLIGHTS

We were successful in obtaining resource consents for the operation of our Katikati and Te Puke wastewater systems. This was a significant achievement and marks the end of a four year process.

The Katikati consent was granted in August 2018 for a 20 year period. As part of the consent process, an assessment of the discharge pipe that leaves the treatment plan was completed and this underpins the minimum 20 year period. Details of the assessment are currently being finalised and will be provided to Iwi, to address any concerns they may have.

The Te Puke consent was granted in June 2019 for a 35 year period. It is envisaged having this consent will enable us to plan for the future needs of Te Puke.

A working reference group was established looking at alternative discharge options for the treated wastewater leaving the plants at Katikati and Te Puke.

The new wastewater scheme at Ongare Point was completed. This scheme has provided the community with a wastewater solution at a very affordable price. All 58 households are now connected to the scheme.

At Waihi Beach and Katikati there has been a significant study of inflow and infiltration to the wastewater system. Stormwater infiltrating the wastewater system increases the volume and puts the capacity of the plants under pressure. Consequently, costs also increase. Work will continue on reducing the level of infiltration to address these issues.

In Omokoroa there were three households not connected to the scheme since it was built in 2007. One is now connected to the scheme and the remaining two will connect by end of 2019. This means there will be no more septic tanks in use and potential for seepage into the harbour has been alleviated.

In Te Puke a new water recycling system has been installed. This means that treated wastewater replaces the use of fresh water for the purposes of cleaning interval wastewater structures. This not only saves potable water but also has an estimated cost saving of \$50,000 per year. As a result, the installation costs of the new system will be recovered within 2 years.

General maintenance and treatment plant upgrades continued throughout the District. This included:

- Waihi Beach Treatment Plant - upgrade of chemical tanks to aid treatment process and control.
- Katikati Treatment Plant - design process completed for plant upgrades. Building to commence at end of 2019.
- Te Puke Treatment Plant - changes to the outlet within the plant. A new micro screen has been installed to remove solids before discharge.

The Maketu treatment plant is performing to the required standards. The focus is on increasing the efficiency of the plant. There have been some breakdowns due to blockages and/or issues with the grinder pumps. To resolve future issues an education programme is underway to inform residents on use of the system.

We commenced the implementation of the new SCADA system. This is a two year project that will be completed in 2020. Once fully implemented the system will improve the wastewater network service delivery and will identify communication improvements.

WHAT WE PROVIDE

MAKETU

37.8

KILOMETRES
of pipes

525

HOUSEHOLD PUMPS

2

BOOSTER PUMPS

- Treatment plant with two sequential batch reactor tanks and emergency pond.
- Discharge to land via subsurface drip irrigation.

OMOKOROA

84.6

KILOMETRES
of pipes

16

PUMP STATIONS

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

ONGARE POINT

2.3

KILOMETRES
of pipes

57

HOUSEHOLD PUMPS

TE PUNA

64

HOUSEHOLD PUMPS

TE PUKE

73.8

KILOMETRES
of pipes

7

PUMP STATIONS

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

KATIKATI

74.9

KILOMETRES
of pipes

14

PUMP STATIONS

- Treatment plant with aerated lagoons, ultraviolet disinfection and wetland.

WAIHI BEACH

80.8

KILOMETRES
of pipes

23

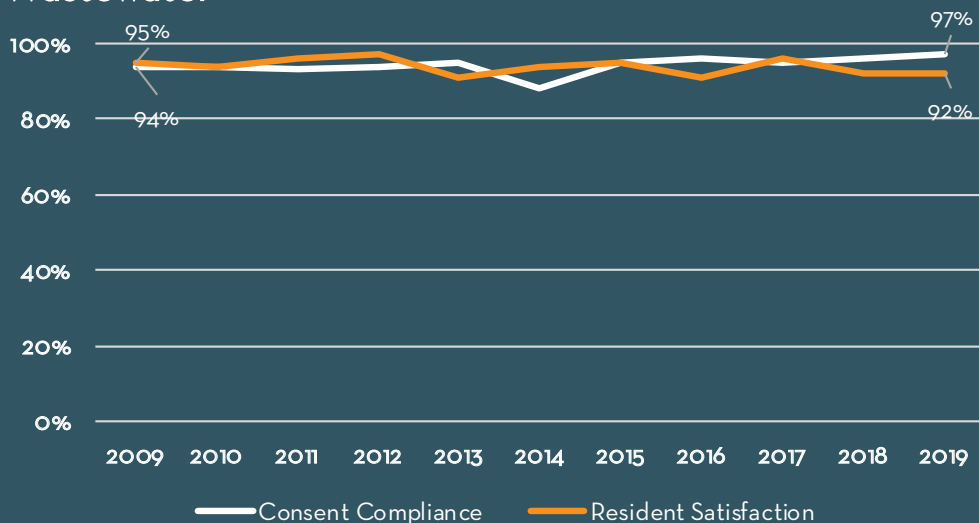
PUMP STATIONS

- Treatment plant with aerated lagoons, ultraviolet disinfection and wetland.

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

Wastewater



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Key Performance Measure Percentage compliance with Resource Consents for each wastewater scheme:					
• Katikati	≥90%	96.67%	97.9%		✓
• Maketu/Little Waihi	≥94%	95.83%	95.8%		✓
• Te Puke	≥90%	95.83%	93.3%		✓
• Waihi Beach	≥97%	97.50%	96.7%		✓
• Ongare Point	≥95%	100%	New		✓
Key Resident Measure Level of resident satisfaction with Councils reticulated wastewater disposal system.	≥90%	92%	92%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 88.7%.	✓



HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Maintain wastewater systems and have capacity to meet demand.					
<p>The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system.</p> <p>NOTE: only applies when less than 1mm of rain has fallen during a continuous 24 hour period.</p>	≤2	1.9	3.6		
<p>Compliance with resource consents for discharge from the sewerage system measured by the number of;</p> <ul style="list-style-type: none"> • Abatement notices • Infringement notices • Enforcement orders • Convictions. <p>received in relation to those resource consents.</p>	<p>○</p> <p>○</p> <p>○</p> <p>○</p>	<p>○</p> <p>○</p> <p>○</p> <p>○</p>	<p>○</p> <p>○</p> <p>○</p> <p>○</p>		
Provide wastewater services that meet customer needs.					
<p>Where Council attends to sewerage overflows resulting from a blockage or other fault in the Councils sewerage system, the following median response times measured:</p> <ul style="list-style-type: none"> • Attendance time: from the time that Council receives notification to the time that service personnel reach the site • Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault. 	<p>≤1.5 hours</p> <p>≤8 hours</p>	<p>9 minutes</p> <p>48 minutes</p>	<p>49 minutes</p> <p>4 hours 35 minutes</p>		
<p>The total number of complaints received by Council about any of the following:</p> <ul style="list-style-type: none"> • Sewerage odour • Sewerage system faults • Sewerage system blockages • Council's response to issues with sewerage system. <p>Expressed per 1000 connections to the Councils sewerage system.</p>	≤40	12.11	18.93		

FUTURE INITIATIVES

We will continue to develop the wastewater network to ensure it has the capacity to meet the growing needs of our communities. This includes:

- **Te Puna** - Work with the Commercial landowners to investigate options for a wastewater solution for the commercial area. The current tanks are not sized appropriately and do not comply with the resource consent.
- **Katikati and Te Puke** - Working to identify better ways to discharge water. This is required as part of our new resource consent. We will work with various community groups and seek to identify viable long-term options for discharge.
- Te Puke treatment plant is currently working at capacity. We will investigate options to accommodate future growth and this will inform the 2021 Long Term Plan.

Central Government, Department of Internal Affairs, is undertaking an independent study to identify plants throughout the country that need to update to current standards. We do not anticipate this will be an issue for Western Bay. We have only one plant that goes to a watercourse; however, we have a 35-year resource consent allowing for this and the plant is performing to the required standards.



COST OF SERVICE STATEMENT

District-wide wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Waihi Beach wastewater	2,859	3,406	3,240
Katikati wastewater	1,823	1,974	1,854
Omokoroa wastewater	4,574	4,519	4,408
Te Puke wastewater	1,805	1,504	1,738
Maketu wastewater	1,717	1,465	1,596
Ongare wastewater	198	129	62
Total operating expenditure	12,976	12,998	12,899
Analysis of expenditure by class			
Direct costs	4,820	4,485	4,871
Overhead costs	1,624	1,798	1,465
Interest	3,282	3,160	3,403
Depreciation	3,251	3,556	3,160
Total operating expenditure	12,976	12,998	12,899
Revenue			
Targeted rates	256	10,358	9,964
User fees	4	2	57
Financial contributions	4,673	2,010	2,160
Subsidies	729	604	1,045
Vested assets	3,540	340	2,268
Other income	11,496	-	64
Total revenue	20,699	13,313	15,558
Net cost of service - surplus/(deficit)	7,723	315	2,659
Capital expenditure	3,477	3,727	6,097
Vested assets	3,540	340	2,268
Total other funding required	706	(3,751)	(5,707)
Other funding provided by			
General rate	860	860	1,500
Environmental protection rate	430	432	412
Debt increase/(decrease)	(436)	(649)	649
Reserves and future surpluses	(1,559)	3,109	3,145
Total other funding	(706)	3,751	5,707

MAJOR VARIANCES

Capital expenditure was \$2.6m lower than the prior year as a number of new schemes were completed last year. Financial contributions and vested assets received were also significantly higher than the prior year.



COST OF SERVICE STATEMENT

Waihi Beach wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Waihi Beach wastewater	2,859	3,406	3,240
Total operating expenditure	2,859	3,406	3,240
Analysis of expenditure by class			
Direct costs	1,036	1,406	1,332
Overhead costs	305	353	293
Interest	889	924	988
Depreciation	630	723	626
Total operating expenditure	2,859	3,406	3,240
Revenue			
Targeted rates	70	2,807	2,770
User fees	2	-	3
Financial contributions	443	141	445
Vested assets	84	200	177
Other income	2,746	(0)	62
Total revenue	3,345	3,149	3,458
Net cost of service - surplus/(deficit)	485	(257)	218
Capital expenditure	494	450	460
Vested assets	84	200	177
Total other funding required	(92)	(907)	(419)
Other funding provided by			
General rate	380	380	700
Environmental protection rate	117	117	114
Debt increase/(decrease)	(632)	(630)	(651)
Reserves and future surpluses	228	1,041	(257)
Total other funding	92	907	419



COST OF SERVICE STATEMENT

Katikati wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Katikati wastewater	1,823	1,974	1,854
Total operating expenditure	1,823	1,974	1,854
Analysis of expenditure by class			
Direct costs	763	817	728
Overhead costs	326	382	316
Interest	(7)	26	86
Depreciation	741	748	724
Total operating expenditure	1,823	1,974	1,854
Revenue			
Targeted rates	49	2,283	2,210
User fees	1	-	52
Financial contributions	467	390	502
Vested assets	77	70	401
Asset revaluation	2,254	-	-
Total revenue	2,848	2,743	3,165
Net cost of service - surplus/(deficit)	1,025	769	1,311
Capital expenditure	426	732	564
Vested assets	77	70	401
Total other funding required	522	(33)	346
Other funding provided by			
Environmental protection rate	95	95	90
Debt increase/(decrease)	(103)	(142)	(239)
Reserves and future surpluses	(515)	81	(196)
Total other funding	(522)	33	(346)



COST OF SERVICE STATEMENT

Ongare Point wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Ongare Point wastewater	198	129	62
Total operating expenditure	198	129	62
Analysis of expenditure by class			
Direct costs	56	25	44
Overhead costs	33	20	18
Interest	109	36	-
Depreciation	-	48	-
Total operating expenditure	198	129	62
Revenue			
Targeted rates	-	48	-
User fees	-	-	-
Financial contributions	-	-	-
Subsidies	729	566	-
Vested assets	-	-	-
Other income	441	-	-
Total revenue	1,170	614	-
Net cost of service - surplus/(deficit)	973	485	(62)
Capital expenditure	979	873	1,688
Vested assets	-	-	-
Total other funding required	(6)	(388)	(1,750)
Other funding provided by			
Environmental protection rate	-	2	-
Total other funding	6	388	1,750



COST OF SERVICE STATEMENT

Omokoroa wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Omokoroa wastewater	4,574	4,519	4,408
Total operating expenditure	4,574	4,519	4,408
Analysis of expenditure by class			
Direct costs	1,022	899	1,043
Overhead costs	384	450	352
Interest	2,379	2,268	2,279
Depreciation	789	903	734
Total operating expenditure	4,574	4,519	4,408
Revenue			
Targeted rates	74	1,627	1,443
User fees	-	-	-
Financial contributions	3,327	1,238	1,159
Subsidies	-	37	1,045
Vested assets	2,777	70	1,462
Other income	2,424	-	-
Total revenue	8,603	2,972	5,109
Net cost of service - surplus/(deficit)	4,029	(1,547)	701
Capital expenditure	463	339	2,873
Vested assets	2,777	70	1,462
Total other funding required	788	(1,955)	(3,633)
Other funding provided by			
General rate	480	480	800
Environmental protection rate	68	68	57
Debt increase/(decrease)	(108)	(217)	1,035
Reserves and future surpluses	(1,229)	1,624	1,741
Total other funding	(788)	1,955	3,633



COST OF SERVICE STATEMENT

Te Puke wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Te Puke wastewater	1,805	1,504	1,738
Total operating expenditure	1,805	1,504	1,738
Analysis of expenditure by class			
Direct costs	1,170	814	951
Overhead costs	342	383	303
Interest	(327)	(330)	(124)
Depreciation	620	638	607
Total operating expenditure	1,805	1,504	1,738
Revenue			
Targeted rates	22	3,136	3,007
User fees	1	-	2
Financial contributions	422	226	46
Vested assets	589	-	228
Other income	3,113	-	1
Total revenue	4,148	3,363	3,285
Net cost of service - surplus/(deficit)	2,343	1,858	1,548
Capital expenditure	955	1,193	452
Vested assets	589	-	228
Total other funding required	799	665	868
Other funding provided by			
Environmental protection rate	131	131	129
Debt increase/(decrease)	74	43	(89)
Reserves and future surpluses	(1,003)	(839)	(908)
Total other funding	(799)	(665)	(868)



COST OF SERVICE STATEMENT

Maketu wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Maketu wastewater	1,717	1,465	1,596
Total operating expenditure	1,717	1,465	1,596
Analysis of expenditure by class			
Direct costs	772	524	773
Overhead costs	235	209	182
Interest	238	235	174
Depreciation	471	496	468
Total operating expenditure	1,717	1,465	1,596
Revenue			
Targeted rates	42	456	534
User fees	-	2	-
Financial contributions	14	15	7
Vested Assets	12	-	-
Other income	518	-	-
Total revenue	586	473	541
Net cost of service - surplus/(deficit)	(1,131)	(992)	(1,056)
Capital expenditure	162	140	61
Vested assets	12	-	-
Total other funding required	(1,305)	(1,132)	(1,117)
Other funding provided by			
Environmental protection rate	19	19	23
Reserves and future surpluses	1,287	1,113	1,095
Total other funding	1,305	1,132	1,117

SOLID WASTE



SOLID WASTE

OVERVIEW

Our Solid Waste Strategy sets out our sustainable development approach to the management of solid waste activities across our District. 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.

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

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Effective waste management practices that minimise waste to landfill and encourage efficient use of resources to reduce environmental harm.

OUR GOALS

- Reduce and recover more waste.
- Apply the latest proven and cost effective waste management and minimisation approaches.
- To collect information to enable decision making.
- To create benefit for our community.



2018/19 HIGHLIGHTS

Council has approved a proposed model for a Council-contracted kerbside rubbish and recycling collection service for urban and rural communities. In June 2019, Council made a final decision to continue with the procurement of contracted kerbside services. Specific services to be provided are:

- Pay-per-pick-up scheme for rubbish.
- Targeted-rate funded glass collection.
- Targeted-rate funded recycling collection.
- Targeted-rate funded food scraps collection (urban areas only).

In its decision Council determined a Council contracted kerbside garden waste service will not be investigated. Implementation of kerbside services is July 2021.

To action the objectives in Council's Waste Management and Minimisation Plan we continued promoting our waste minimisation and education programmes. This included worm composting workshops, zero waste education in schools, waste free living workshops and Paper4Trees initiative. Council supported the collection of agrichemicals through Agrecovery in the district held at the Te Puke Recycle Centre.

Our recycling centres continued to operate effectively during the year. There has been no issue on-selling plastic due to our collection being restricted to grade 1 and 2 plastic only. In response to customer demand the hours at the Athenree centre have been extended to include the Monday of public holidays. This has been well received by the community.

The Omokoroa drop off facility gained resource consent to move next to the Omokoroa wastewater pump site to allow the housing development at the site to proceed. This move is temporary until a suitable site is found near the industrial area at Omokoroa.



WHAT WE PROVIDE



EDUCATION PROGRAMMES

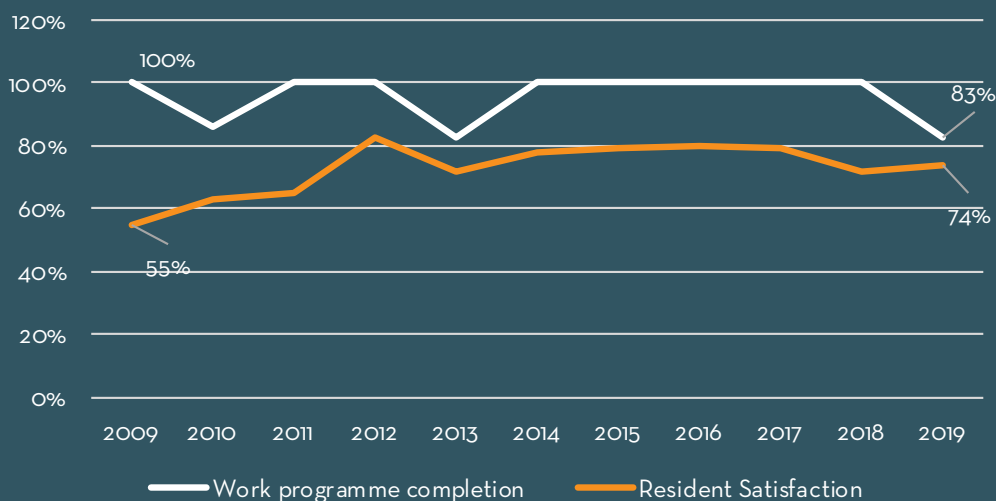
ONGOING MONITORING OF
CLOSED & CAPPED LANDFILLS
Athenree, Te Puke, Waihi Beach

MONITOR
ILLEGAL DUMPING (FLY-DUMPING)
across our District

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

Solid Waste



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
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%	83%	100%	This is a small work programme and was impacted by delays in the Trade Waste Bylaw implementation.	✗
Key Resident Measure Level of customer satisfaction with household rubbish disposal methods.	≥80%	74%	72%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 58%.	✗
Supporting Measures Number of initiatives funded by the Ministry for the Environment Waste Minimisation	≥1	3	8		✓
Percentage of waste recycled or recovered as estimated by solid waste two yearly audit. The audit will be undertaken as per the Solid Waste Analysis protocol issued by the Ministry for the Environment.	≥33%	19.39%	New	Due to low recycling rates and the volume of waste still going to landfill, Council has decided to implement a kerbside rubbish and recycling model that will take effect in July 2021.	✗



HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
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

We will continue to implement the Council's decision to implement the Kerbside Rubbish and Recycling collection. Key actions include:

- Working through kerbside service design elements, raised by submitters, with industry as part of the procurement process.
- Trialling a rural recycling drop-off point over the next two years, in the Eastern area of the District.

- Exploring the establishment of a community-led reuse facility with interested parties.
- Increasing the opening hours of Athenree Community Recycle centre to cover long-weekends.

The procurement process for the kerbside rubbish and recycling collection will be a joint exercise with Tauranga City Council. The intention is to secure contract(s) by July 2020 for services to become operational in July 2021.

A review of the Trade Waste Bylaw will commence in 2020.





COST OF SERVICE STATEMENT

Solid waste

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
District solid waste	512	838	554
Western solid waste	499	575	806
Eastern solid waste	262	338	386
Omokoroa greenwaste	84	167	143
Total operating expenditure	1,357	1,919	1,889
Analysis of expenditure by class			
Direct costs	1,003	1,315	1,155
Overhead costs	355	584	510
Interest	(21)	(8)	4
Depreciation	20	27	220
Total operating expenditure	1,357	1,919	1,889
Revenue			
Targeted rates	1,048	1,110	1,053
User fees	109	90	92
Subsidies	189	173	179
Other income	202	33	121
Total revenue	1,548	1,407	1,445
Net cost of service - surplus/(deficit)	190	(512)	(443)
Capital expenditure	-	-	-
Total other funding required	190	(512)	(443)
Other funding provided by			
General rate	-	20	-
Environmental protection rate	401	688	415
Debt increase / (decrease)	-	-	-
Reserves and future surpluses	(591)	(196)	(29)
Total other funding	(190)	512	443

MAJOR VARIANCES

Western solid waste expenditure was \$300k lower than the prior year due to lower maintenance, overhead costs and depreciation.

ECONOMIC



ECONOMIC

OVERVIEW

This strategy focuses on Council's role in supporting economic development, tourism, promotions, events and town centre development.

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.



2018/19 HIGHLIGHTS

The Government has an initiative through the Provincial Growth Fund to encourage the development of regional digital hubs. In conjunction with the Venture Centre and Priority One and as part of the Digital Enablement Project a funding application has been lodged. If successful, this will enable the establishment of a Regional Digital Hub, to be located in Pātuku Manawa in Katikati. The funding over three years will enable the acquisition of digital technology and provide digital services and programmes to local businesses and the community, enhancing the use of the new centre Pātuku Manawa.

Council continues to work closely with Tourism Bay of Plenty in its role as a destination manager to lead, advocate and coordinate a cohesive, collaborative and balanced approach to managing a destination. The aim being to ensure visitors leave with positive memories, while protecting the region's natural assets and cultural authenticity.

Priority One the economic development agency for the sub-region continues to promote the District and its economy. A key initiative is the establishment of the PlantTech Research Institute. This organisation will lift the sub-region's ability to add value to jobs, products and business by increasing research and development capacity that is aligned with our primary production base. This is a partnership between eight commercial organisations, the University of Waikato and Priority One. Their focus is on the application of technology and innovation in horticulture and other high worth plant-based value chains. Alongside the industry contribution, PlantTech is supported by an \$8.4m investment from central government. Council supports the local economic agencies, Te Puke Economic Development Group, Katch Katikati, Epic Te Puke and Waihi Beach Events and Promotions. These agencies continue to promote economic activity within the towns and provide support to new and existing business.

The Western Bay Museum has had a successful year and continues to grow. Te Papa National Services Te Paerangi continue to support and advise the Museum and have also assisted with an extensive Museum Development Plan. With this assistance and a well planned and strategic approach the Museum has doubled visitor numbers from 2016 to 2019. There is a permanent presence in the Te Puke Library and Service Centre as well as the actual Museum located in Katikati. Strong alliances have been built with Creative Bay of Plenty, Tourism Bay of Plenty, Waihi Beach Events and Western Bay Community Archives.

Katch Katikati took over the old Katikati Library and Service Centre building and created an Arts Junction. The arts community now has a place where they can meet and promote their works.

WHAT WE PROVIDE



TOWN CENTRE PROMOTION

Te Puke, Katikati Waihi Beach

SUPPORT FOR EXTERNAL ORGANISATIONS

FOCUSED ON STRENGTHENING

our local economics

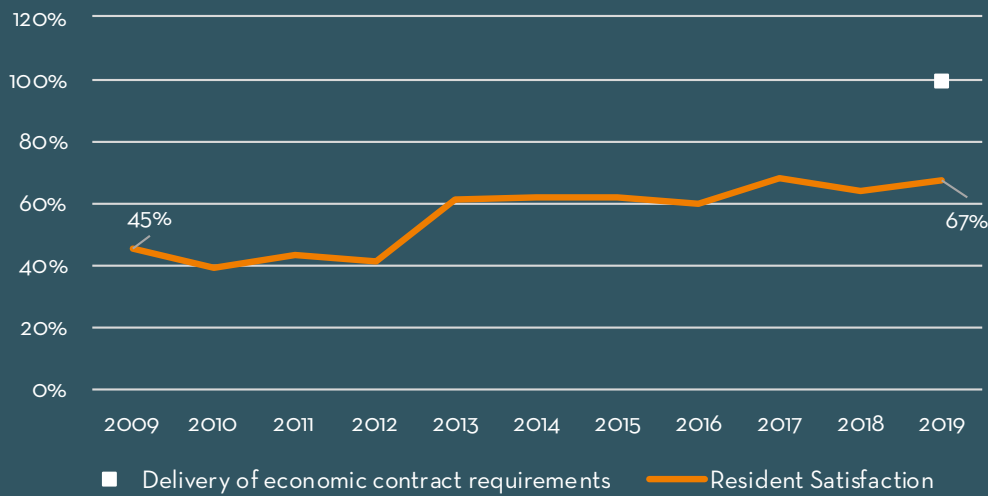
SUPPORTING

ECONOMIC DEVELOPMENT & TOURISM

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

Economic



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Key Performance Measure Percentage of economic contracts where key contract requirements have been achieved.	≥90%	100%	100%		✓
Key Resident Measure Level of resident satisfaction with our role in promoting employment and business opportunities within the sub-region.	≥65%	67%	64%	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	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2018/19	2018/19	2017/18		
Council will support external organisations tasked with developing economic activity in the District.					
Total invested in economic support through service delivery contracts.	≥\$12 per resident	\$16.62 per resident	New		✓
Number of joint economic initiatives identified in the service delivery contracts that have been implemented.	≥2	3	6		✓
Council will facilitate economic development through the development and promotion of the town centres.					
Level of resident satisfaction with the promotion of town centres and events in Katikati, Te Puke and Waihi Beach.	≥65%	68%	No survey		✓

FUTURE INITIATIVES

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

We will continue work with the various economic agencies to promote and develop economic opportunities for the District.





COST OF SERVICE STATEMENT

Economic

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Economic support	438	421	385
Visitor information	58	34	61
Town centre promotion	231	253	180
Total operating expenditure	727	708	626
Analysis of expenditure by class			
Direct costs	679	666	621
Overhead costs	102	102	93
Interest	(55)	(87)	(88)
Depreciation	-	27	-
Total operating expenditure	727	708	626
Revenue			
Targeted rates	323	322	290
Other income	1	2	2
Total revenue	324	324	292
Net cost of service - surplus/(deficit)	(402)	(384)	(334)
Capital expenditure	-	460	-
Total other funding required	(402)	(844)	(334)
Other funding provided by			
General rate	758	754	675
Interest in associates	5	-	(16)
Reserves and future surpluses	(360)	90	(325)
Total other funding	402	844	334

MAJOR VARIANCES

The implementation of various economic strategies (Visitor Economic Strategy, Sub-Regional Arts & Culture Strategy, Western Bay Museum Strategy, BOP Film, etc) will take place and Council will monitor and provide support as necessary.



SUPPORT SERVICES

SUPPORT SERVICES

OVERVIEW

Strategies within our Corporate Plan guide the activities that support our staff to produce their best work and deliver the highest standards of service to our customers. Support services include communications and community engagement, relationship management, customer services, information management, information technology, financial management, corporate assets, procurement, risk management, and quality management.

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 effectively.
Communications and community engagement	Ensure customers and communities are engaged and kept informed.	Provide engagement opportunities and communications that are targeted to identified, diverse customer groups.
Relationship management	Maintain effective relationships with residents and key communities of interest.	The purposes of key relationships are clearly understood 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 available 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, the integrity of the data is maintained and it is used to add value to decision-making.
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 corporate property, equipment and vehicles.
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.



2018/19 HIGHLIGHTS

Council has developed and launched a new internal reporting tool which gives managers and Elected Members greater visibility and planning ability for Council projects and budgets.

Council has created a blueprint for its Business Continuity Management Plan to increase resilience should a disruptive event occur.

FUTURE INITIATIVES

Council will continue to participate in the BOPLASS initiatives.



COST OF SERVICE STATEMENT

Support services

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Analysis of expenditure by activity			
Support services	1,472	1,372	976
Corporate assets	2,177	1,992	2,212
Treasury	5,485	2,165	2,162
Total operating expenditure	9,134	5,528	5,350
Analysis of expenditure by class			
Direct costs*	17,329	16,674	14,686
Overhead recoveries	(13,499)	(14,023)	(12,071)
Interest**	3,665	1,513	1,214
Depreciation	1,639	1,364	1,521
Total operating expenditure	9,134	5,528	5,350
Revenue			
Targeted rates	(191)	(472)	55
General rate	2,071	2,811	1,598
User fees	5	324	18
Interest**	1,507	779	2,262
Other income including General Rates	1,736	691	1,192
Total revenue	5,128	4,133	5,128
Net cost of service - surplus/(deficit)	(4,006)	(1,395)	(222)
Capital expenditure	4,644	2,985	1,498
Vested assets	-	-	-
Total other funding required	(8,650)	(4,380)	(1,719)
Other funding provided by			
Debt increase / (decrease)	172	(92)	(84)
Proceeds from sale of assets	-	85	-
Reserves and future surpluses	8,478	4,387	1,803
Total other funding	8,650	4,380	1,719

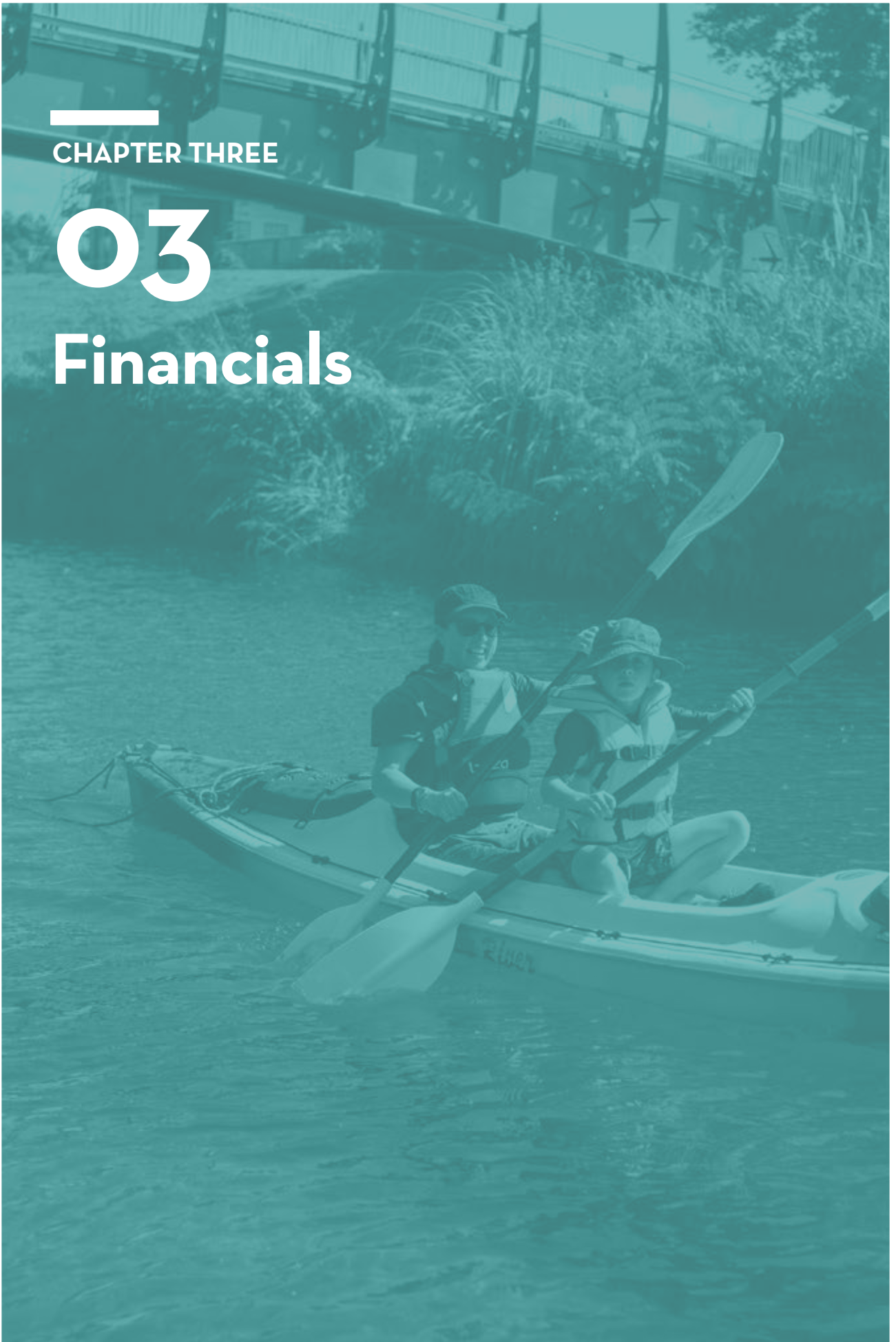
*Net direct cost of support services after overhead recoveries

** Net interest income/expense after internal interest recoveries

CHAPTER THREE

03

Financials



CHAPTER THREE

Statement of comprehensive revenue and expense for year ended 30 June 2019	127
Statement of financial position as at 30 June 2019	128
Statement of changes in equity for year ended 30 June 2019	129
Statement of cash flows for year ended 30 June 2019	130
Notes to the financial statements	131
<i>Other legislative disclosures</i>	
Summary funding impact statements	194

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDED 30 JUNE 2019

FOR THE YEAR ENDED 30 JUNE		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2019	2019	2018
Revenue from non-exchange transactions				
Fees and charges from activities	4	8,878	6,170	9,131
Rate revenue	5, 6 & 7	69,284	67,998	65,044
Fines		200	253	177
Vested assets	9	15,891	2,240	10,965
Financial contributions	11	18,605	8,786	9,506
Subsidies and grants	10	12,423	9,487	15,994
Other revenue	11	547	360	503
Fair value movement in derivative financial instruments	16	-	-	794
Gains	21	2,963	-	33,055
Revenue from non-exchange transactions total		128,792	95,294	145,169
Revenue from exchange transactions				
Finance revenue	8	1,507	779	1,468
Dividends		146	-	132
Rental Revenue		1,048	858	1,001
Other exchange revenue	11	2,268	1,058	1,227
Total revenue	2	133,762	97,990	148,997
Expenditure				
Other expenses	12	40,807	38,162	36,290
Personnel costs	13	20,720	20,662	18,588
Depreciation	21	20,484	20,375	18,678
Amortisation	22	887	432	916
Unrealised hedging movement	16	2,808	-	-
Finance costs	8	6,874	8,000	7,920
Expenditure total	3	92,580	87,630	82,392
Share of associate surplus/(deficit)		5		(16)
Net surplus / (deficit)		41,186	10,359	66,589
Other comprehensive revenue and expenses				
Gains/(Losses) on asset revaluations	21	25,595	30,319	65,960
Reversal of impairment		2	-	-
Other assets at fair value through other comprehensive revenue and expense	28	45	-	78
Total other comprehensive revenue and expense for the year		25,642	30,319	66,040
Total comprehensive revenue and expense for the year		66,828	40,679	132,629

Explanations of major variances against budget are detailed in note 46 from page 192.

The accompanying notes form part of these financial statements.

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

FOR THE YEAR ENDED 30 JUNE		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2019	2019	2018
Equity				
Retained earnings	28	889,720	814,328	849,971
Restricted reserves	29	276	266	271
Council created reserves	30	31,913	26,603	30,434
Asset revaluation reserves	31	432,835	396,492	407,239
Equity total		1,354,744	1,237,689	1,287,915
Assets				
Current assets				
Cash and cash equivalents	14	29,622	1,720	11,750
Receivables	15	11,069	8,894	13,843
Non-current assets held for sale	17	800	-	445
Prepayments	15	681	1,978	731
Other current financial assets	18	-	-	14,983
Current assets total		42,172	12,592	41,753
Non-current assets				
Other non-current financial assets	18	11,274	11,507	10,644
Investment in associates	19	211	222	207
Investments in CCO and other similar entities	20	3,366	3,843	3,603
Intangible assets	22	2,585	2,377	3,265
Forestry assets	23	10,857	6,843	8,539
Property, plant and equipment	21	1,427,988	1,347,642	1,374,476
Non-current assets total		1,456,281	1,372,434	1,400,733
Assets total		1,498,454	1,385,026	1,442,486
Liabilities				
Current liabilities				
Creditors and other payables	24	18,623	14,295	17,580
Current employee entitlements	26	2,780	2,575	2,479
Borrowings and other financial liabilities	25	-	-	25,000
Derivative financial instruments	16 & 44	1,148	9,655	465
Current portion provisions	27	313	312	313
Current liabilities total		22,864	26,837	45,837
Non-current liabilities				
Non current employee entitlements	26	17	150	15
Non current provisions	27	308	350	322
Non current borrowings and other financial liabilities	25	110,000	120,000	100,000
Derivative financial instruments	16 & 44	10,521	-	8,397
Non-current liabilities total		120,846	120,500	108,734
Liabilities total		143,710	147,337	154,571
Net assets		1,354,744	1,237,689	1,287,915

The accompanying notes form part of these financial statements.



Miriam Taris

Chief Executive Officer

Western Bay of Plenty District Council

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2019

	NOTE	RETAINED EARNINGS ACTUAL \$'000	ASSET REVALUATION RESERVE ACTUAL \$'000	COUNCIL RESERVES ACTUAL \$'000	TOTAL EQUITY ACTUAL \$'000
Balance at 1 July 2017		784,184	341,279	29,822	1,155,285
Total comprehensive income for the year		65,787	65,960	883	132,629
Balance at 30 June 2018	28	849,971	407,239	30,705	1,287,915
Total comprehensive income for the year		39,749	25,595	1,484	66,828
Balance at 30 June 2019	28	889,720	432,835	32,189	1,354,744

The accompanying notes form part of these financial statements.



WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2019

FOR THE YEAR ENDED 30 JUNE		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2019	2019	2018
Cash flows from operating activities				
Receipts from rates revenue		69,435	63,906	65,544
Regional Council rates		7,926	6,538	5,865
Interest received		919	413	1,824
Dividends received		146	-	132
Receipts from other revenue		48,107	31,175	32,812
Payments to suppliers and employees		(61,519)	(58,143)	(52,193)
Interest paid		(6,874)	(8,000)	(7,920)
Regional Council rates		(7,926)	(6,538)	(5,865)
Goods and services tax (net)		408	-	(1,136)
Net cash from operating activities	33	50,621	29,351	39,063
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		9,616	85	1,654
Purchase of property, plant and equipment		(42,378)	(39,301)	(38,232)
Purchase of intangible assets		(207)	-	(531)
Purchase of investments		-	80	-
Sale of Investments		15,220	-	20,017
Net cash from investing activities		(17,749)	(39,136)	(17,092)
Cash flows from financing activities				
Proceeds from borrowings		10,000	20,000	-
Repayment of borrowings		(25,000)	(25,000)	(25,000)
Net cash from financing activities		(15,000)	(5,000)	(25,000)
Net (decrease)/increase in cash held		17,872	(14,785)	(3,029)
Cash, cash equivalents and bank overdrafts at the beginning of the year		11,750	16,505	14,779
Cash, cash equivalents and bank overdrafts at the end of the year	14	29,622	1,720	11,750

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 2019

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 2019. The financial statements were authorised for issue by Council on 19 September 2019.

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 2019 financial statements.

Standards issued and not yet effective and not early adopted

Standards, and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council are:

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34-38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6-8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.

- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Employee benefits

In May 2017, the XRB issued PBE IPSAS 39 Employee Benefits. PBE IPSAS 39 replaces PBE IPSAS 25 Employee benefits. PBE IPSAS 39 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted. The Council plans to apply the new standard in preparing the 30 June 2020 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Service Performance Reporting

In November 2017, the XRB issued PBE FRS 48 Service Performance Reporting. PBE IPSAS 48 is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted. The Council plans to apply the new standard in preparing the 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Cash Flow Statements

Disclosure Initiative (Amendments to IAS 7), issued by the IASB in January 2016, amended IAS 7 *Statement of Cash Flows* to require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial assets. The IPSASB subsequently amended IPSAS 2 *Cash Flow Statements in Improvements to IPSAS, 2018* and the NZASB amended PBE IPSAS 2 in 2018 *Omnibus Amendments to PBE Standards*. The Council plans to apply the new standard in preparing the 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Changes in Accounting Policies

There have been no other changes in accounting policies.

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.

Sale of goods

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

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The 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. 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 2018 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 2017 and certified by Aecom New Zealand Limited.

Land and buildings (except land under roads) were revalued at fair value at 1 July 2017 by Opteon Group Holdings Limited. Library books were revalued at fair value by Aecon New Zealand at 1 July 2017 and Marine assets were revalued at fair value by Tonkin and Taylor Limited at 1 July 2017.

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	5 to 60 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
Coastal structures	22 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. 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 2018-2028. 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 Western Bay 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 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 New Zealand 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 Council's asset management planning activities, which gives Western Bay Council further assurance over its useful life estimates.

Experienced independent valuers perform the Western Bay 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 2019:

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. TCC are the legal owners of the land and Western Bay Council are the beneficial or equitable owners of the jointly owned land. Western Bay Council own 14.45% of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and Western Bay Council. As the legal owner TCC must exercise its rights of ownership in terms of the trust and for the benefit of the trustees.

The terms of the trust are that TCC may use the 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 Western Bay Council 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
	2019	2019	2018
Significant activities			
Representation	3,358	3,774	2,704
Planning for the future	2,860	2,656	2,309
Communities	7,404	7,096	8,989
Recreation and leisure	14,162	9,427	27,138
Regulatory services	9,737	8,682	8,027
Transportation	31,274	25,094	38,687
Water supply	18,474	11,893	14,209
Stormwater	15,344	6,579	10,805
Natural environment	1,047	851	812
Wastewater	21,989	14,607	18,741
Solid waste	1,949	2,117	2,113
Economic	1,082	1,080	967
Council services	5,083	4,135	13,496
Total operating revenue by activity	133,762	97,990	148,997
Council services	133,762	97,990	148,997

3. TOTAL OPERATING EXPENDITURE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Significant activities			
Representation	2,942	3,773	2,635
Planning for the future	2,632	2,479	2,239
Communities	7,770	7,297	6,145
Recreation and leisure	7,443	7,179	6,788
Regulatory services	9,750	8,719	8,048
Transportation	18,687	19,365	19,853
Water supply	14,230	12,416	11,131
Stormwater	4,230	4,358	4,072
Natural environment	702	900	717
Wastewater	12,976	12,998	12,899
Solid waste	1,357	1,919	1,889
Economic	727	708	626
Council services	9,134	5,528	5,350
Total operating expenditure by activity	92,580	87,630	82,392
Council services	92,580	87,630	82,392

4. FEES AND CHARGES FROM ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Significant activities			
Representation	3	-	3
Planning for the future	-	-	-
Communities	154	124	242
Recreation and leisure	300	20	236
Regulatory services	5,359	5,520	4,636
Transportation	1,194	272	3,599
Water supply	141	-	89
Stormwater	4	-	9
Natural environment	-	-	-
Wastewater	1,335	2	57
Solid waste	140	90	98
Economic	1	-	-
Council services	247	142	161
Total revenue from significant activities	8,878	6,170	9,131

GENERAL RATE INCOME

5. GENERAL RATE INCOME

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Representation	3,350	3,772	2,267
Planning for the future	2,847	2,641	2,296
Communities	4,783	4,704	3,589
Recreation and leisure	6,183	6,159	5,423
Regulatory services	3,533	2,698	2,529
Transportation	13,250	12,943	13,926
Stormwater	1,021	995	1,489
Natural environment	242	224	246
Wastewater	11,446	11,649	1,912
Solid waste	480	785	415
Economic	758	754	675
Council services	1,171	1,634	726
Total general rates	49,063	48,958	35,493

6. TARGETED RATES ATTRIBUTABLE TO ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
General rates	49,063	48,958	35,493
Targeted rates attributable to activities			
Representation	-	-	433
Planning for the future	13	13	13
Communities	1,938	1,911	1,929
Recreation and leisure	-	-	-
Regulatory services	-	-	-
Transportation	-	-	-
Water supply	6,305	6,302	6,445
Stormwater	4,025	4,104	4,066
Natural environment	447	435	346
Wastewater	256	-	9,964
Solid waste	1,048	1,033	1,053
Economic	323	322	290
Council services	710	718	926
Total targeted rates	15,065	14,837	25,465

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 \$46,676 (2018: \$40,232). 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
	2019	2019	2018
Metered water charges	5,156	4,203	4,086
Total rates revenue	69,284	67,998	65,044

8. FINANCE INCOME AND FINANCE COSTS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Finance income			
Interest income	1,498	767	1,460
Rates postponement scheme	9	13	8
Total finance income	1,507	779	1,468
Finance costs:			
- interest on bank borrowings	3,906	8,000	4,260
- interest rate swap expense	2,968	-	3,660
Total finance costs	6,874	8,000	7,920
Net finance income / (costs)	(5,368)	(7,221)	(6,452)

9. VESTED ASSETS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Significant activities			
Recreation and leisure	-	-	166
Transportation	123	1,400	2,947
Water supply	3,951	200	1,339
Stormwater	8,277	300	4,245
Wastewater	3,540	340	2,268
Total significant activities	15,891	2,240	10,965

10. SUBSIDIES AND GRANTS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Ministry for the Environment - territorial authority levy for trade waste	189	130	180
Bay of Plenty Regional	729	604	1,045
NZ Lotteries	-	-	350
Lion Foundation	-	-	50
Land Transport NZ subsidy	11,505	8,252	14,266
TECT	-	501	103
First Sovereign	-	-	-
Creative NZ	-	-	-
Glass Packaging Forum Scheme	-	-	-
Other	-	-	-
Total subsidies and grants	12,423	9,487	15,994

There are no unfulfilled conditions or other contingencies attached to subsidies recognised (2018: nil).

11. OTHER REVENUE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2019	2019	2018
Petrol tax	511	360	466
Sale of goods and services	2,233	1,013	1,184
Cost recoveries	72	45	79
Total other revenue	2,816	1,418	1,729
Made up of:			
Exchange	2,268	1,058	1,227
Non exchange	547	360	503
Financial contributions			
Recreation and leisure	3,679	2,130	2,313
Transportation	5,197	2,113	2,659
Water supply	2,684	1,203	1,534
Stormwater	2,016	1,140	622
Natural environment	358	191	219
Wastewater	4,673	2,010	2,160
Total revenue from financial contributions	18,605	8,786	9,506

12. OTHER EXPENSES

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Audit fees for financial statement audit		
- audit fees for financial statement audit	137	135
- audit fees for long term plan audit	20	101
- audit fees for debenture trust deed audit	8	8
- audit fees for grant funding assurance audit	-	5
Insurance premiums	517	371
Consultant and legal fees	2,675	1,890
Impairment of receivables	1,837	1,938
Loss on sale of property, plant and equipment	1,268	125
Minimum lease payments under operating leases	101	86
Other operating expenses	34,249	31,653
Asset revaluation	-	(22)
Total other expenses	40,807	36,290

13. PERSONNEL COSTS

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Salaries and wages	20,473	18,399
Employer contributions to health insurance scheme	248	189
Total personnel costs	20,720	18,588

Council's total Kiwisaver contributions to 30 June 2019 were \$545 (2018: \$431k).

14. CASH AND CASH EQUIVALENTS

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Cash at bank and on hand	6,527	3,732
Petty cash	2	2
Term deposits with maturities less than 3 months	23,093	8,016
Total cash and cash equivalents	29,622	11,750

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:

	2019	2018
Short-term deposits	2.10%	3.12%

15. DEBTORS AND OTHER RECEIVABLES

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Rates debtors	6,062	5,971
Metered water debtors	1,669	1,501
Other trade debtors	4,269	2,449
Sundry debtors	1,855	6,169
GST Receivables	783	1,191
Debtors and other receivables prior to impairment	14,638	17,281
Less provision for impairment of receivables	3,569	3,438
	11,069	13,843
Prepayments	681	731
	11,750	14,574
¹ Receivables from non-exchange transactions	11,313	14,033
Receivables from exchange transactions	437	541
	11,750	14,574

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 (2018: \$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 2019 and 2018 are detailed below:

	2019			2018		
	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not past due	10,757	569	10,188	13,372	721	12,571
Past due 90 days - 2 years	1,055	653	402	1,105	484	621
Past due 2-3 years	878	683	195	873	645	228
Past due > 3 years	1,947	1,665	282	1,931	1,588	343
Total	14,638	3,569	11,069	17,281	3,438	13,843

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 \$'000	ACTUAL \$'000
	2019	2018
Individual impairment	1,665	1,588
Collective impairment	1,904	1,850
As at 30 June	3,569	3,438

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 \$'000	ACTUAL \$'000
	2019	2018
Past due 30-59 days	-	-
Past due 60-89 days	-	-
Past due > 90 days	1,665	1,588
As at 30 June	1,665	1,588

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

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
As at 1 July	3,438	3,808
Additional provisions made during the year	1,969	1,568
Provisions reversed during the year	-	-
Receivables written off during the year	(1,837)	(1,938)
As at 30 June	3,569	3,438

16. DERIVATIVE FINANCIAL INSTRUMENTS

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Current portion	(1,148)	(465)
Interest rate swaps - not hedge accounted	(10,521)	(8,397)
Total derivative financial instruments	(11,669)	(8,862)

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 \$146m (2018: \$184m). At 30 June 2019, the fixed interest rates of cash flow hedge interest rate swaps vary from 3.04% to 5.98% (2018: 3.04% to 5.99%).

17. NON-CURRENT ASSETS HELD FOR SALE

Western Bay Council owns one residential section (2018: two). This property is located at Katikati. This property have been identified as being surplus to requirements and have been approved for sale. This property is expected to be sold within the next twelve months. There is no accumulated property revaluation reserve on this property.

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Non-current assets held for sale are:		
- land	800	445
Total non-current asset held for sale	800	445

18. OTHER FINANCIAL ASSETS

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Current portion		
Investments	-	-
Term deposits maturing within 12 months of balance date	-	14,983
Total investments	-	14,983
Total current other financial assets	-	14,983
Non-current portion		
Non-current assets available for sale are:		
Zespri Group Limited		
17,660 shares (no change from 2017) with a market value as at 30 June 2019 of \$8.20 (\$8.75 in 2018) per share.	217	155
Seeka Kiwifruit Industries Limited		
11,247 shares (2018: 11,247) with a market value as at 30 June 2019 of \$6.70 (\$6.70 in 2018) per share.	55	75
Total non-current assets available for sale	272	230
Loans and receivables		
Te Tumu investment (note 42)	11,003	10,414
Total loans and receivables	11,003	10,414
Total non-current other financial assets	11,274	10,644
Total other financial assets	11,274	25,627

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

	ACTUAL \$'000	ACTUAL \$'000
Share in associates	2019	2018
Western Bay of Plenty Tourism and Visitors' Trust (50%)	211	207
Total share in associates	211	207

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

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Bay of Plenty Local Authority Shared Services Limited	14	14
BOPLASS Limited 9.7% share (2018: 9.7%)		
New Zealand Civic Financial Services	46	43
28,142 shares (2018: no change) with a market value as at 30 June 2019 of \$1.63 per share (2018: \$1.54)		
New Zealand Local Government Funding Agency Limited	1,866	1,866
3,731,958 shares (2018: no change) at \$1 per share \$0.50 share paid up capital (2018: no change)		
New Zealand Local Government Funding Agency Borrower Notes	1,440	1,680
Total Investment in Council Controlled Organisations (CCO's) and other similar entities	3,366	3,603

	ACTUAL \$'000	ACTUAL \$'000
Bay of Plenty Local Authority Shared Services (BOPLASS)	2019	2018
Assets	1,239	1,192
Liabilities	1,194	1,152
Revenues	1,360	1,445
Surplus / (deficit)	5	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)

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Depreciation and Amortisation Expense		
Representation	11	9
Planning for the future	3	4
Communities	387	367
Recreation and leisure	1,614	1,525
Regulatory services	85	71
Transportation	9,242	8,167
Water supply	3,697	3,396
Stormwater	1,417	1,353
Natural environment	2	3
Wastewater	3,251	3,158
Solid waste	20	20
Economic	-	-
Total depreciation and amortisation by activity	19,732	18,074
Depreciation and amortisation related to support services	1,639	1,521
Total depreciation and amortisation expense	21,371	19,594
Made up of:		
Depreciation	20,484	18,678
Amortisation	887	916
	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Revaluation gains		
Representation	6	-
Communities	-	-
Transportation	27,587	12,822
Water supply	18	18,320
Wastewater	(1,963)	(3,735)
Stormwater	(29)	14,837
Support services	-	-
Land	572	43,854
Buildings	-	8,063
Coastal marine structures	(15)	1,304
Library books	-	187
Improvements	-	686
Property plant and equipment gains	26,176	96,338
Intangibles (Emission Trading Scheme NZ Units)	65	137
Forestry	2,318	1,695
Total gains	28,559	98,170

The 2019 property, plant and equipment gains of \$25.6m relates to the revaluation movement of Transportation assets with \$26.1m reflected in Other Comprehensive Income. An external revaluation occurs annually. This movement reflects the increase in values between 1 July 2017 and 1 July 2018.

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Work in progress		
Communities	199	5,081
Recreation and leisure	1,688	718
Transportation	7,288	11,203
Water supply	3,646	5,010
Stormwater	7,262	4,088
Wastewater	7,952	4,927
Economic	117	-
Support services	(880)	2,090
Total work in progress	27,273	33,117

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 2017. Once the ownership structure has been determined a revaluation movement will be taken up to reflect the correct value of Western Bay Council'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 along with Council's Reserves and Facilities Projects and Assets Manager, and the valuation is effective as at 1 July 2017.

Infrastructural asset classes

Land

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Opteon Group Holdings and the valuation is effective as at 1 July 2017.

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 along with Council's Project and Design Engineer Team Leader, and the valuation is effective as at 1 July 2017.

Stormwater

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Aecom Limited along with Council's Project and Design Engineer Team Leader, and the valuation is effective as at 1 July 2017.

Water

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Aecom Limited along with Council's Project and Design Engineer Team Leader and the valuation is effective as at 1 July 2017.

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 2018.

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 2017 as deemed cost. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

Vested infrastructural assets

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

Library collections

At 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 2017 by independent registered valuers, Aecom New Zealand 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 Council. TCC are the legal owners of the land and Western Bay Council are the beneficial or equitable owners of the jointly owned land. Western Bay Council own 14.45% of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and Western Bay Council. As the legal owner TCC must exercise its rights of ownership in terms of the trust and for the benefit of the trustees.

The terms of the trust are that TCC may use the 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 Western Bay Council 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:

	ACTUAL \$'000	ACTUAL \$'000
Fair value	2019	2018
Aecom New Zealand Limited and Council's Project and Design Engineer Team Leader	-	296,132
Opus International Consultants Limited	593,790	563,383
Opteon Group Holdings Limited	-	174,714
Tonkin and Taylor Limited and Council's Reserves and Facilities Project and Asset Manager	-	8,691
Interpine Forestry Limited	10,857	8,538
Total fair value	604,647	1,051,458

Insurance disclosure as required under the Local Government Act 2002

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	CARRY AMOUNT \$'000	INSURED AMOUNTS \$'000
	30 JUNE 2019	30 JUNE 2019
Category A Insurance Contracts		
Water	102,405	197,637
Wastewater	114,380	167,287
Stormwater	103,601	115,591
Mobile Plant & Vehicles	1,252	1,345
Forestry	10,857	8,539
	332,495	490,399
Material Damage cover	-	47,770
Buildings	47,831	-
Coastal Marine	8,218	-
Libraries	1,186	-
Office Equipment	2,216	-
Plant & Equipment	112	-
	59,562	47,770
Category A Total	392,057	538,169
Category B Financial Risk Sharing Arrangements assets		
Nil	-	-
Category B Total	-	-
Category C Self Insured Assets		
Disaster Contingency Reserve	-	-
Land under roads	261,734	-
Roading - Other	64,669	-
Roading - Surfaces	542,337	-
Land	150,779	-
Category B Total	1,019,519	-
Total	1,411,576	538,169

Work in progress

The total amount of property, plant and equipment in the course of construction is \$27.3m (2018: \$33.1m).

Impairment

There were no impairment losses in the year 30 June 2019 (2018: \$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	2,022	-	-	3,110
- other assets (such as reticulation systems)	100,383	4,241	2,691	167,741
Stormwater drainage	103,601	95	8,262	118,806
Wastewater				
- treatment plants and facilities	10,290	-	-	24,987
- other assets (such as reticulation systems)	104,090	267	3,540	149,710
Flood protection and control works	-	-	-	-
Roads and footpaths	607,006	22,303	121	787,908
Total core infrastructure assets	927,392	26,905	14,613	1,252,261



2019	Cost /	Accumulated	Carrying	Current	Current	Current	Current year	Transfers	Current year	Revaluation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	depreciation	amount	year	year vested	year	disposal		depreciation		depreciation	Valuation	depreciation	amount
		and impairment		additions	assets	disposals	depreciation						and impairment	
	30 June 2018	30 June 2018	30 June 2018										charges	
	\$'000	\$'000	\$'000										charges	
Council 2018														
Operational assets														
Land	43,527	-	43,527	4,987	-	-	-	(355)	-	-	-	48,158	-	48,158
Buildings	16,625	(324)	16,302	5,397	-	-	-	-	(369)	-	-	22,022	(692)	21,330
Coastal Marine	9,020	(388)	8,632	-	-	-	-	-	(415)	-	-	9,020	(802)	8,218
Libraries	1,367	(234)	1,133	300	-	-	-	-	(247)	-	-	1,667	(480)	1,186
Office equipment	7,122	(5,469)	1,653	899	-	-	-	-	(336)	-	-	8,021	(5,805)	2,216
Plant and equipment	236	(166)	70	57	-	-	-	-	(16)	-	-	293	(182)	112
Vehicles	2,233	(1,240)	993	757	-	(334)	199	-	(364)	-	-	2,657	(1,405)	1,252
Work in progress	71,721	-	7,172	-	-	(7,852)	-	-	-	-	-	(681)	-	(681)
Total operational assets	87,301	(7,820)	79,481	12,398	-	(8,186)	199	(355)	(1,746)	-	-	91,158	(9,367)	81,791
Infrastructural assets														
Land	21,004	-	21,004	-	2	-	-	(1,012)	-	-	-	19,994	-	19,994
Buildings	1,012	(34)	978	-	-	-	-	-	(18)	-	-	1,012	(52)	960
Water - treatment	2,272	(123)	2,149	-	-	-	-	-	(127)	-	-	2,272	(250)	2,022
Water - other	101,188	(3,264)	97,924	4,241	2,691	(1,168)	53	-	(3,188)	(169)	-	106,782	(6,399)	100,383
Stormwater	98,043	(1,378)	96,665	95	8,262	(11)	-	-	(1,381)	(29)	-	106,360	(2,759)	103,601
Wastewater - treatment	11,486	(590)	10,896	-	-	-	-	-	(606)	-	-	11,486	(1,196)	10,290
Wastewater - other	107,467	(2,549)	104,918	267	3,540	(51)	2	-	(2,622)	(1,963)	-	109,260	(5,169)	104,090
Land under roads	261,910	-	261,910	-	-	(176)	-	-	-	-	-	261,734	-	261,734
Roading other	53,759	(1,728)	52,031	4,559	121	-	-	-	(2,159)	10,117	1,728	66,828	(2,159)	64,669
Roading surface	520,594	(6,419)	514,175	17,743	-	-	-	-	(7,048)	17,467	6,419	549,386	(7,048)	542,337
Work in progress	25,227	-	25,227	1,039	-	-	-	-	-	-	-	26,266	-	26,266
Total infrastructural assets	1,203,961	(16,085)	1,187,876	27,944	14,615	(1,407)	55	(1,012)	(17,150)	25,423	8,146	1,261,379	(25,033)	1,236,345
Restricted assets														
Land	80,435	-	80,435	247	1,261	(328)	-	1,012	-	-	-	82,627	-	82,627
Buildings	22,465	(3,854)	18,611	689	-	(12)	1	-	(1,012)	-	-	23,142	(4,865)	18,277
Improvements	7,366	(197)	7,169	-	365	(82)	13	-	(201)	-	-	7,649	(385)	7,264
Work in progress	718	-	718	971	-	-	-	-	-	-	-	1,688	-	1,688
Total restricted assets	110,984	(4,051)	106,933	1,906	1,626	(422)	14	1,012	(1,213)	-	-	115,106	(5,250)	109,856
Total Council	1,402,246	(27,956)	1,374,290	42,248	16,241	(10,015)	269	(355)	(20,110)	25,423	8,146	1,467,643	(39,650)	1,427,988

N.B. Revaluation depreciation has been disclosed in addition to total revaluation and does not form part of the calculation for total carrying amount as at 30 June 2019.

2018	Cost /	Accumulated	Carrying	Current	Current	Current	Current year	Transfers	Current year	Revaluation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	depreciation	amount	year	year vested	year	disposal		depreciation		depreciation	Valuation	depreciation	amount
	1 July 2017	and impairment	1 July 2017	additions	assets	disposals	depreciation					30 June 2018	and impairment	30 June 2018
	\$'000	charges	\$'000									\$'000	charges	\$'000
Council 2018														
Operational assets														
Land	28,702	-	28,702	800	-	(1,340)	-	10	-	15,354	-	43,527	-	43,527
Buildings	14,896	(886)	14,010	43	-	(233)	8	(216)	(227)	2,135	781	16,625	(324)	16,302
Coastal Marine	7,843	(1,192)	6,651	634	-	-	-	448	(405)	95	1,209	9,020	(388)	8,632
Libraries	1,912	(1,027)	885	278	-	-	-	-	(217)	(823)	1,010	1,367	(234)	1,133
Office equipment	6,721	(5,096)	1,625	401	-	-	-	-	(373)	-	-	7,122	(5,469)	1,653
Plant and equipment	207	(155)	52	10	-	-	-	19	(11)	-	-	236	(166)	70
Vehicles	2,177	(1,037)	1,140	255	-	(199)	111	-	(315)	-	-	2,233	(1,240)	993
Work in progress	2,619	-	2,619	4,552	-	-	-	-	-	-	-	71,721	-	7,172
Total operational assets	65,076	(9,392)	55,684	6,973	-	(1,772)	118	262	(1,547)	16,762	3,001	87,301	(7,820)	79,481
Infrastructural assets														
Land	11,839	-	11,839	13	22	-	-	(19)	-	9,149	-	21,004	-	21,004
Buildings	1,084	(170)	914	5	-	-	-	(57)	3	(20)	133	1,012	(34)	978
Water - treatment	2,703	(483)	2,220	2	-	-	-	-	(123)	(434)	484	2,272	(123)	2,149
Water - other	86,830	(7,815)	79,015	2,521	1,339	(32)	6	94	(3,289)	10,435	7,835	101,188	(3,264)	97,924
Stormwater	81,349	(3,425)	77,924	193	4,245	(11)	2	874	(1,399)	11,393	3,444	98,043	(1,378)	96,665
Wastewater - treatment	14,616	(2,447)	12,169	-	-	-	-	-	(565)	(3,130)	2,423	11,486	(590)	10,896
Wastewater - other	113,182	(8,227)	104,955	2,851	2,268	-	-	491	(2,620)	(11,325)	8,297	107,467	(2,549)	104,918
Land under roads	261,523	-	261,523	-	387	-	-	-	-	-	-	261,910	-	261,910
Roading other	57,596	(5,308)	52,288	2,022	988	-	-	-	(1,728)	(6,847)	5,308	53,759	(1,728)	52,031
Roading surface	517,319	(20,298)	497,021	7,660	1,551	-	-	-	(6,419)	(5,937)	20,298	520,594	(6,419)	514,175
Work in progress	9,690	-	9,690	15,537	-	-	-	-	-	-	-	25,227	-	25,227
Total infrastructural assets	1,157,733	(48,174)	1,109,559	30,804	10,799	(43)	8	1,383	(16,139)	3,284	48,222	1,203,961	(16,085)	1,187,876
Restricted assets														
Land	61,252	-	61,252	70	166	(660)	-	257	-	19,351	-	80,435	-	80,435
Buildings	19,328	(3,275)	16,054	1,188	-	(15)	5	(2,920)	(734)	4,884	150	22,465	(3,854)	18,611
Improvements	5,528	(248)	5,279	194	-	-	-	1,266	(257)	378	308	7,366	(197)	7,169
Work in progress	1,095	-	1,095	(377)	-	-	-	-	-	-	-	718	-	718
Total restricted assets	87,202	(3,523)	86,680	1,075	166	(675)	5	(1,397)	(991)	24,613	458	110,984	(4,051)	106,933
Total Council	1,310,012	(61,089)	1,248,923	38,852	10,965	(2,490)	131	248	(18,678)	44,658	51,680	1,402,246	(27,956)	1,374,290

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		RESOURCE CONSENTS		EMISSIONS TRADING SCHEME NZ UNITS		PROPERTY SUBDIVISION RIGHTS		TOTAL	
	\$'000		\$'000		\$'000		\$'000		\$'000	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Balance at 1 July										
Cost	4,863	4,636	793	600	356	219	2,834	2,627	8,846	8,082
Accumulated amortisation and impairment	(3,733)	(3,432)	(202)	(184)	359	359	(2,004)	(1,383)	(5,580)	(4,639)
	1,130	1,204	591	416	715	578	829	1,244	3,265	3,443
Work in progress	-	-	-	-	-	-	-	-	-	-
Opening carrying amount	1,130	1,204	591	416	715	578	829	1,244	3,265	3,443
Year ended 30 June										
Additions	194	227	-	193	-	-	-	-	194	420
Transfer		-						207	-	207
Amortisation & impairment charge	(247)	(276)	(18)	(18)	-	-	(674)	(622)	(939)	(916)
Gains	-	(25)	-	-	65	137	-	-	65	112
Disposals	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	1,077	1,130	574	591	779	715	155	829	2,584	3,265
Balance as 30 June										
Cost	5,057	4,863	794	793	356	356	2,834	2,834	9,041	8,847
Accumulated amortisation and impairment	(3,980)	(3,733)	(220)	(202)	424	359	(2,678)	(2,004)	(6,454)	(5,580)
	1,077	1,130	574	591	779	715	156	829	2,585	3,265
Work in progress	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	1,077	1,130	574	591	779	715	156	829	2,585	3,265

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 \$'000	ACTUAL \$'000
	2019	2018
Balance at 1 July	8,539	6,843
Gains/(losses) arising from changes attributable to physical changes	1,116	645
Gains/(losses) arising from changes attributable to price changes	1,806	1,051
Decrease due to harvest	(604)	-
Balance at 30 June	10,857	8,539

TECT All Terrain Park Forest

The TECT All Terrain Park owns 432.27 hectares of Pinus Radiata forest, 29.24 hectares of Douglas Fir, 51.03 other minor species of mixed varieties which are at varying stages of maturity ranging from 2 to 39 years. The total value of the forestry stand is \$10.97 million of which Council owns 50%.

Waihi Beach Forest

Council owns 30.9 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 23 to 24 years with an average age of 22.9 years. The total value of this forestry stand is \$1,075,849.

Matakana Island Forest

Council owns 126.4 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 8 to 35 years with an average age of 20.5 years. The total value of the forestry stand is \$4.14 million.

Lund Road Forest

Council owns 58.25 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 4 to 6 years with an average age of 4 years. The total value of the forestry stand is \$158,679.

Valuation assumptions

Independent registered valuer, Interpine Forestry Limited, valued Western Bay Council's forestry assets as at 30 June 2019. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A discount rate of 8.7 % (2018: 8.7%) 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% (2018: 3.5%).
- No allowance has been made for cost improvements in future operations.
- Log prices are based on a twelve quarter rolling average to March 2019, and there are no restrictions on title. No significant movement as expected for the period March 2019 to June 2019.

Financial risk management strategies

Western Bay Council is exposed to financial risks arising from changes in timber prices. Western Bay 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. Western Bay Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Securities

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

24. PAYABLES AND DEFERRED REVENUE

CURRENT PORTION

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
<i>Payables and deferred revenue under exchange transactions</i>		
Trade payables and accrued expenses	11,017	11,518
Other income in advance	362	248
Sundry payables	290	381
Total payables and deferred revenue under exchange transactions	11,670	12,147
<i>Payables and deferred revenue under non-exchange transactions</i>		
Rates in advance	4,089	3,679
Bonds and deposits	2,578	1,389
GST payables	-	-
Environment Bay of Plenty Regional Council rates	286	365
Total payables and deferred revenue under non-exchange transactions	6,953	5,433
Total current portion	18,623	17,580

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 \$'000	ACTUAL \$'000
	2019	2018
Secured loans fixed	-	-
Secured loans floating	-	25,000
Total current secured loans	-	25,000
Total current borrowings	-	25,000

25. BORROWINGS (CONTINUED)

NON-CURRENT

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Secured loans fixed	20,000	20,000
Secured loans floating	90,000	80,000

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Total non-current secured loans	110,000	100,000
Total non-current borrowings	110,000	100,000
Total public debt	110,000	125,000

Western Bay Council's secured debt of \$90.000m (2018: \$105.000m) 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 \$nil (2018: \$25.000m) is issued at a margin of nil bps (2018: 62bps) above bank wholesale rates BKBM.

Council loans are secured over either separate or General Rates of the District.

SECURITY

Western Bay 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
	2019	2018
Payable no later than one year	-	25,000
<i>Weighted average interest rate</i>	0.00%	2.62%
Later than one, not later than five years	60,000	45,000
<i>Weighted average interest rate</i>	3.53%	3.31%
Later than five years	50,000	55,000
<i>Weighted average interest rate</i>	2.56%	3.27%
	110,000	125,000

FAIR VALUES OF NON-CURRENT BORROWINGS

	CARRYING AMOUNTS \$'000	CARRYING AMOUNTS \$'000	FAIR VALUES \$'000	FAIR VALUES \$'000
	2019	2018	2019	2018
Secured loans	110,000	100,000	111,042	99,007
Total	110,000	100,000	111,042	99,007

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
	2019	2018
Secured loans and debentures	3.09%	3.16%

VARIATIONS FROM / CHANGES TO THE BORROWING MANAGEMENT POLICY

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

Western Bay Council manages its borrowings in accordance with its funding and financial policies, which includes a Borrowings Management Policy. These policies have been adopted as part of the Long Term Plan 2018-2028.

As at 30 June 2019 Western Bay Council had \$30.0 million of undrawn cash facilities available (2018: \$30.0 million).

Debentures

Western Bay Council's secured debt of \$110.0 million (2018: \$125.0 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 0.42% to 0.66% 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 (2018: \$600,000). There are no restrictions on the use of this facility.

26. EMPLOYEE ENTITLEMENTS

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Accrued pay	618	554
Accrued leave and accrued entitlements	2,089	1,868
Sick pay	73	57
Retirement gratuities	17	15
	2,797	2,494
Represented by:		
Current	2,780	2,479
Non-current	17	15
Total employee entitlements	2,797	2,494

27. PROVISIONS

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Current portion		
Landfill aftercare provision	12	12
Weatheright Homes Resolution Service	301	301
Total current portion	313	313
Non-current portion		
Landfill aftercare provision	308	322
Total non-current portion	308	322
Total provisions	621	635

Movements for each class of provision are noted overleaf:

27. PROVISIONS (CONTINUED)

	LANDFILL \$'000	WEATHERTIGHT HOMES \$'000	TOTAL \$'000
Balance at 1 July 2017	346	301	647
Additional provisions	-	-	-
Amounts used	(12)	-	(12)
Balance at 30 June 2018	334	301	635
2018			
Balance at 1 July 2018	333	301	634
Additional provisions	-	-	-
Amounts used	(12)	-	(12)
Balance at 30 June 2019	321	301	621

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 \$0.30 (2018: \$0.32 million) and for post-closure of Te Puke of \$0.22 million (2018: \$0.24 million) over the remaining life (Athenree 16 years, Te Puke 13 years) of the resource consents. This liability has been discounted back to a current value of \$0.32m (2018: \$0.33 million) using a discount rate of 7% (2018: 7%).

Weatheright Homes Resolution Services

Note 35 page 171 provides additional information regarding this provision.

EQUITY

28. RETAINED EARNINGS

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Opening balance	849,971	784,184
Surplus / (deficit)	41,186	66,589
Other surplus /(deficit) through comprehensive income	45	78
Reclassification from prior year	-	-
Reclassification of reserves to equity	-	-
	891,202	850,851
Transfers to:		
Restricted reserves	(14)	(16)
Council created reserves	(20,598)	(23,201)
	(20,611)	(23,217)
Transfers from:		
Restricted reserves	9	11
Council created reserves	19,121	22,326
Asset revaluation reserve	-	-
	19,130	22,337
Closing balance	889,720	849,971

29. RESTRICTED RESERVES

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Opening balance	271	266
Transfers to:		
Accumulated funds	(9)	(11)
Transfers from:		
Accumulated funds	14	16
Closing balance	276	271

30. COUNCIL-CREATED RESERVES

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Opening balance	30,434	29,556
Transfers to:		
Accumulated funds	(19,121)	(22,323)
Transfers from:		
Accumulated funds	20,598	23,201
Closing balance	31,913	30,434

For a breakdown of Council created reserves see note 32 on page 162.

31. GENERAL ASSET REVALUATION RESERVE

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Opening balance	407,239	341,279
Change in asset value	25,595	65,960
Transfer to retained earnings on disposal of property	-	-
Reclassification of reserves to equity	-	-
Closing balance	432,835	407,239
Comprising:		
Land	13,438	13,439
Buildings	7,843	7,858
Water supply	46,468	46,450
Roading	255,177	227,593
Wastewater	45,365	47,328
Stormwater	56,890	56,918
Coastal marine structures	5,476	5,476
Library books	997	997
Improvements	1,181	1,180
Total asset revaluation reserve	432,835	407,239

Asset revaluation reserves

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

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Infrastructural:		
Water supply	46,468	46,450
Road Reserves	167,782	68,500
Road Surface	68,500	150,314
Other Roding	18,896	8,779
Wastewater	45,365	47,328
Stormwater	56,890	56,918
Operational assets:		
Land	13,438	13,439
Buildings	7,843	7,858
Coastal marine structures	5,476	5,476
Library books	997	997
Improvements	1,181	1,180
Total general asset revaluation reserve	432,835	407,239

32. RESERVE FUNDS

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2018	DEPOSITS TO FUND TO 30 JUNE 2019	WITHDRAWALS FROM FUND TO 30 JUNE 2019	CLOSING BALANCE 30 JUNE 2019
<i>Restricted Reserves</i>	<i>Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor.</i>					
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	37,391	2,056	-	39,447
l'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Leisure	9,510	-	-	9,510
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	207,745	11,426	(8,666)	210,505
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Leisure	16,008	880	-	16,888
Total Restricted Reserves			270,654	14,362	(8,666)	276,350
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	695,620	477,568	(1,177,099)	(3,910)
District Reserves		Support Services	2,672,730	401,696	(238,675)	2,835,750
Huharua Sub Regional Park		Recreation and Leisure	178,173	22,991	-	201,164
TECT All Terrain Park		Recreation and Leisure	775,194	119,086	-	894,280
Asset Replacement - office buildings		Recreation and Leisure	1,182,350	453,983	(809,046)	827,287
Asset Replacement - vehicles		Support Services	(93,711)	359,734	(677,232)	(411,209)
Asset Replacement - civil defence vehicle		Communities	131,507	8,450	(2,972)	136,986
Asset Replacement - telemetry		Communities	81,667	4,492	-	86,159
Asset Replacement - swimming pool		Recreation and Leisure	251,632	77,882	-	329,514
Asset Replacement - library books		Communities	2,290,325	249,285	(281,677)	2,257,933
Asset Replacement - library computers		Communities	1,566	-	(1,566)	-
Asset Replacement - Cemetery		Communities	226,426	26,667	-	253,094
Asset Replacement - coast marine		Recreation and Leisure	(348,670)	271,461	(188,175)	(265,384)
Total Asset Replacement Reserves			8,044,809	2,473,295	(3,376,442)	7,141,664

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2017	DEPOSITS TO FUND TO 30 JUNE 2018	WITHDRAWALS FROM FUND TO 30 JUNE 2018	CLOSING BALANCE 30 JUNE 2018
<i>Restricted Reserves</i>	<i>Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor.</i>					
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	35,275	2,116	-	37,391
I'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Leisure	8,972	538	-	9,510
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	206,451	12,387	(11,093)	207,745
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Leisure	15,102	906	-	16,008
Total Restricted Reserves			265,800	15,947	(11,093)	270,654
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	685,130	571,531	(561,041)	695,620
District Reserves		Support Services	2,509,843	372,637	(209,750)	2,672,730
Huharua Sub Regional Park		Recreation and Leisure	155,662	22,511	-	178,173
TECT All Terrain Park		Recreation and Leisure	661,707	113,487	-	775,194
Asset Replacement - office buildings		Recreation and Leisure	1,386,860	302,081	(506,591)	1,182,350
Asset Replacement - vehicles		Support Services	(6,018)	312,470	(400,164)	(93,711)
Asset Replacement - civil defence vehicle		Communities	156,507	-	(25,000)	131,507
Asset Replacement - telemetry		Communities	77,044	4,623	-	81,667
Asset Replacement - swimming pool		Recreation and Leisure	176,972	74,660	-	251,632
Asset Replacement - library books		Communities	2,321,014	248,013	(278,702)	2,290,325
Asset Replacement - library computers		Communities	1,566	-	-	1,566
Asset Replacement - Cemetery		Communities	200,472	25,954	-	226,426
Asset Replacement - coast marine		Recreation and Leisure	27,060	259,834	(635,564)	(348,670)
Total Asset Replacement Reserves			8,353,819	2,307,801	(2,616,812)	8,044,809

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2018	DEPOSITS TO FUND TO 30 JUNE 2019	WITHDRAWALS FROM FUND TO 30 JUNE 2019	CLOSING BALANCE 30 JUNE 2019
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	278,331	3,291	-	281,622
Katikati Community Board		Communities	126,207	13,827	(78,872)	61,162
Omokoroa Community Board		Communities	246,441	16,820	(17,320)	245,941
Te Puke Community Board		Communities	118,612	23,113	(16,636)	125,088
Maketu Community Board		Communities	158,857	7,651	(6,848)	159,659
Total Community Board Reserves			928,448	64,702	(119,676)	873,472
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.	Planning for the future	14,092	775	-	14,867
Waihi Beach Town Centre Development	For town centre development.	Economic	436,212	24,881	-	461,093
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	256,644	102,395	(45,341)	313,698
Omokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	216,033	231,878	-	447,911
Te Puke Town Centre Development	The development of Te Puke's town centre is currently underway and is planned to be completed in 2013.	Economic	709,109	5,818	(617,585)	97,342
Pukehina Beach Development		Planning for the future	-	277,370	-	277,370
Pukehina Development Reserve	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area.	Planning for the future	665,101	49,220	(294,671)	419,650
Total Other Community Reserves			2,297,191	692,337	(957,597)	2,031,931
Total Community Board and Other Reserves			3,225,639	757,039	(1,077,273)	2,905,403

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2017	DEPOSITS TO FUND TO 30 JUNE 2018	WITHDRAWALS FROM FUND TO 30 JUNE 2018	CLOSING BALANCE 30 JUNE 2018
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	276,225	37,107	(35,000)	278,331
Katikati Community Board		Communities	117,329	15,339	(6,461)	126,207
Omokoroa Community Board		Communities	297,964	40,334	(91,857)	246,441
Te Puke Community Board		Communities	124,192	21,154	(26,734)	118,612
Maketu Community Board		Communities	149,410	29,447	(20,000)	158,857
Total Community Board Reserves			965,120	143,381	(180,052)	928,448
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.	Planning for the future	13,295	798	-	14,092
Waihi Beach Town Centre Development	For town centre development.	Economic	(13,150)	816,281	(366,919)	436,212
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	317,691	106,182	(167,229)	256,644
Omokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	33,993	182,040	-	216,033
Te Puke Town Centre Development	The development of Te Puke's town centre is currently underway and is planned to be completed in 2013.	Economic	672,228	36,881	-	709,109
Pukehina Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area.	Planning for the future	601,108	63,992	-	665,101
Total Other Community Reserves			1,625,165	1,206,174	(534,148)	2,297,191
Total Community Board and Other Reserves			2,590,285	1,349,555	(714,200)	3,225,639

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2018	DEPOSITS TO FUND TO 30 JUNE 2019	WITHDRAWALS FROM FUND TO 30 JUNE 2019	CLOSING BALANCE 30 JUNE 2019
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	306,176	-	-	306,176
Ecological financial contributions - operational	As above	Natural Environment	386,479	378,780	(161,970)	603,289
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	656,368	3,679,060	(1,123,207)	3,212,221
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	49,974	-	-	49,974
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	348,467	19,166	-	367,633
Total Financial Contribution Reserves			1,747,464	4,077,006	(1,285,177)	4,539,293
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	4,666,514	1,361,421	(2,190,008)	3,837,928
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	2,073,418	196,260	(411,515)	1,858,163
Traffic and parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980s. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	186,095	-	-	186,095
Total General Reserves			6,940,413	1,557,681	(2,601,523)	5,896,572

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2017	DEPOSITS TO FUND TO 30 JUNE 2018	WITHDRAWALS FROM FUND TO 30 JUNE 2018	CLOSING BALANCE 30 JUNE 2018
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	321,239	-	(15,063)	306,176
Ecological financial contributions - operational	As above	Natural Environment	79,286	463,017	(155,824)	386,479
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	(342,222)	2,104,618	(1,106,028)	656,368
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	-	(131)	49,974
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	348,467		-	348,467
Total Financial Contribution Reserves			456,875	2,567,635	(1,277,046)	1,747,464
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	5,155,984	94,782	(543,171)	4,707,594
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	2,191,442	62,353	(180,377)	2,073,418
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	175,561	10,534	-	186,095
Total General Reserves			7,537,373	167,669	(723,548)	6,981,493

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2018	DEPOSITS TO FUND TO 30 JUNE 2019	WITHDRAWALS FROM FUND TO 30 JUNE 2019	CLOSING BALANCE 30 JUNE 2019
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	8,778,882	482,839	-	9,261,721
Re-budgeted Reserve		Support services	-	671,821	(345,301)	326,520
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	743,224	304,303	(99,557)	943,470
Weathertight Homes		Regulatory	212,000	11,660	-	223,660
Panepane Point Development Reserve		Reserves	442,033	-	(26,604)	415,429
Total Special Reserves			10,434,942	1,470,623	(471,462)	11,429,603
Total Council Created Reserves			30,434,347	10,335,644	(8,811,877)	31,912,535
Total All Council Reserves			30,705,001	10,350,006	(8,820,543)	32,188,885

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2017	DEPOSITS TO FUND TO 30 JUNE 2018	WITHDRAWALS FROM FUND TO 30 JUNE 2018	CLOSING BALANCE 30 JUNE 2018
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	8,281,964	496,918	-	8,778,882
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	1,455,945	8,235	(720,956)	743,224
Weathertight Homes		Regulatory	200,000	12,000	-	212,000
Panepane Point Development Reserve		Reserves	421,418	20,615	-	442,033
Total Special Reserves			10,618,130	537,768	(720,956)	10,434,942
Total Council Created Reserves			29,556,482	6,930,428	(6,052,562)	30,434,347
Total All Council Reserves			29,822,282	6,946,375	(6,063,655)	30,705,001

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

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Net surplus / (deficit)	41,186	66,589
Add/(less) non-cash items		
Depreciation	20,484	18,678
Amortisation	887	916
Vested assets	(15,891)	(10,965)
Fair value movement in derivative financial instruments	2,808	(794)
Gains	(2,964)	(33,055)
Share of associate surplus/deficit	(5)	(16)
Unrealised interest on other financial assets at fair value through profit and loss	(782)	-
Provision for impairment of doubtful debts	(131)	-
Add/(less) movements in working capital items:		
Movement in prepayments	50	(106)
Movement in non-current assets held for sale	(355)	430
Movement in accounts receivable	2,774	(5,752)
Movement in accounts payable	1,043	2,939
Movement in provisions	(14)	65
Movement in employee entitlements	305	110
Add/(less) items classified as investing activities		
Loss on sale of assets	1,268	103
Revaluation of shares	(42)	(78)
Net cash inflow (outflow) from operating activities	50,621	39,063

34. CAPITAL COMMITMENTS AND OPERATING LEASES

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

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Operational		
Land	-	-
Building	124	170
Coastal Marine	145	219
Infrastructure		
Water	972	190
Wastewater	835	1,712
Stormwater	300	349
Roading	14,855	16,056
Restricted		
Building	-	-
Total capital commitments	17,232	18,696

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
	2019	2018
Not later than one year	131	106
Later than one year and not later than two years	66	89
Later than two years and not later than five years	124	72
Later than five years	1447	905
Total non-cancellable operating leases	1,767	1,172

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 2019 \$31.20 million remained committed on this contract for the remaining 40 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 2019 \$3.559 million remained committed on this contract for the remaining 12 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
	2019	2018
Building Act claims	50	50
Weathertight Homes Resolution Service (WHRS)	400	400
Local Authority Protection Programme Disaster Fund (LAPP)	-	-
Total contingent liabilities	450	450

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 (2018: \$Nil). The \$50,000 disclosed relates to the expected cost to Western Bay 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 2019 (2018: NIL). These claims relate to weather-tightness issues of homes in the Western Bay of Plenty District area and name Western Bay of Plenty District Council as well as other parties. Two of these claims have been closed. There are a total of 5 claims that are still open as at balance date (2018: 7).

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

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

Any costs associated with a successful claim received after 1 July 2009 will be entirely met by Western Bay. As a result \$400,000 has been recognised as a contingent liability.

Other outstanding legal claims are not yet able to be quantified as at 30 June 2019.

Carter Holt Harvey Limited

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.

During the year, a group of homeowners initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywoof cladding sheets manufactured and distributed by CHH. CHH has joined 19 Councils as co-defendants in this claim. At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

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 2019 there were 31 (2018: 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 \$20 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 \$9,840m (2018: \$8,715m) at 30 June.

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

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

Share of associates' contingent liability

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

36. PRIOR YEAR ADJUSTMENTS

There were no prior year adjustments.

37. RELATED PARTY TRANSACTIONS

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

Transactions with Councillors and key management personnel compensation

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Councillors		
Full-time equivalent members	17	17
Salaries and other short term employee benefits	579	519
Senior Management Team, including the Chief Executive		
Full-time equivalent members	5	5
Salaries and other short term employee benefits	1,347	1,283
Total senior management remuneration	1,948	1,802

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

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

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

Council controlled organisation

Bay of Plenty Local Authority Shared Services Limited (BOPLASS Limited)

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

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 2019

ACTUAL \$'000		ACTUAL \$'000
2017/18		2018/19
1,445	Revenue	1,360
(1,455)	Expenditure	(1,355)
(1)	(i) Surplus / (deficit)	5
(1)	(i) Net surplus / (deficit) year	5
1,192	Total assets	1,239
1,152	Total liabilities	1,194

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 2019-2022 and associated budget formally adopted by the directors at the meeting held on 28 June 2019.

From page 173 - 181 is a report of performance against targets set in the Statement of Intent for 2018/19.

PERFORMANCE TARGETS FOR 2018/19		
OUTCOMES	MEASURE	RESULT
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils	<p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating.</p>	<p>Joint procurement initiatives undertaken for:</p> <p>Infrastructure Insurance - BOPLASS represented a collective group of councils in negotiations for placement of councils' infrastructure insurance into the London markets.</p> <p>Eagle Training - Eagle Technology was engaged by BOPLASS to provide collaborative training on migrating ArcMap to ArcGIS Pro for BOPLASS councils GIS staff. This collective approach provided significant cost savings and improved inter-council information sharing.</p> <p>Aerial Imagery and LiDAR 2018/19 - The tender for BOPLASS councils' specific areas and requirements within the BOPLASS regional flying calendar were awarded to AAM NZ Ltd. An additional financial saving of approximately \$100,000 was achieved (beyond the benefits of a collective tender) through a unique flying and capture process being utilised.</p> <p>Provincial Growth Fund Application for LiDAR Capture - BOPLASS successfully managed a coordinated regional approach to a Provincial Growth Fund application for co-funding for LiDAR capture for the entire Bay of Plenty region.</p> <p>Antenno - Is a local government communications app that allows councils to push notifications to their communities. It also provides facilities for people to lodge service requests with their council directly through the app. BOPLASS negotiated a discount rate with Datacom for all BOPLASS councils.</p> <p>Lone Worker Field Solutions - The BOPLASS Health and Safety group have engaged with vendors to review communication and technology solutions to assist with protecting and connecting with lone or remote workers. Still under action.</p>

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils. Continued.</p>		<p>Robotic Process Automation – RPA provides an opportunity for the automation of repeatable processes that can run without intervention. BOPLASS has facilitated workshops with vendors and also with Auckland Council as they have developed a mature process for developing solutions based upon various business units’ requirements. This project is ongoing.</p> <p>Accounts Payable Automation Software - BOPLASS led a project to identify collaborative opportunities for the automation of accounts payable processes through niche software or collective development of a shared solution. Negotiations are underway with a shortlisted provider. Still under action.</p> <p>Insurance Valuations – International underwriters for BOPLASS councils’ insurances had requested we demonstrate a common standard of asset reporting aligned to a consistent standard for valuations reporting. Having this consistent data would assist them in better understanding the risk they are writing and, ultimately, would be reflected in their pricing. BOPLASS negotiated an agreement with Aon to review councils’ valuation processes and establish consistent standards for valuation of assets. Discounted pricing and savings for all councils was achieved through a collective agreement.</p> <p>Contractor online inductions – The BOPLASS Health and Safety advisory group have investigated and shortlisted suppliers to deliver a collective solution for online inductions of contractors for all BOPLASS councils. Still under action.</p> <p>Health and Safety Management Software – A BOPLASS preferred supplier agreement has been established with Vault with preferential pricing applied to all participating Waikato and BOPLASS councils. The agreement provided significant savings for all councils and migration to the latest Vault version at no cost to participating councils</p>
<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects.</p>	<p>BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.</p> <p>Quarterly satisfaction reviews with participating councils. Resource assignment measured from project job tracking.</p>	<p>0.45 FTE provided through BOPLASS staff engagement committed directly to support of council shared service projects or individual council support – measured by fortnightly timesheets.</p> <p>Support provided to councils in development of the following services:</p> <p>Radio Telephony (RT) strategy – Push Wireless have been appointed as preferred supplier to coordinate region-wide Radio Telephone services and technologies. Standardisation of services and networks also provides the potential for further alignment in civil defence strategies.</p> <p>Bulk loading As Built Data questionnaire – Investigated aligning BOPLASS councils to common As Built data standards. Survey circulated to all GIS teams to benchmark current standards. Still under action.</p> <p>Solid Waste Management – Scoping for two of the three solid waste services that are being coordinated by BOPLASS has been completed, with significant opportunities for cross-regional collaboration identified:</p> <ul style="list-style-type: none"> • A regional or cross-regional approach to licensing and data collection for waste operators. • Diverting putrescible wastes from landfill. <p>The Regional Facilities Strategy project is awaiting commitment from Waikato councils before completing the initial scoping.</p> <p>Insurance Forum – BOPLASS hosted an insurance forum covering Waikato and BOP councils. BOPLASS arranged sponsorship and the forum was provided at no cost to the councils. Qualified speakers covered a number of critical insurance and risk topics. Councils benefitted from access to this important information through this forum.</p>

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects. Continued.</p>		<p>Health and Safety Inter-Council Audits – A framework has been developed to enable BOPLASS councils to request a peer review from other councils in the BOPLASS group with the objective of sharing knowledge and improving areas within Health and Safety.</p> <p>Asbestos protocol – Researched and shared best practice and protocols across councils and within BOPLASS Health and Safety Advisory group. Organised WorkSafe presentation. Ongoing sharing of information between councils.</p> <p>Sustainable Public Procurement – BOPLASS supported Toi-Ohomai Institute of Technology in a research report on Sustainable Public Procurement in the Bay of Plenty. BOPLASS has worked with CoBOP and The Sustainable Business Network to progress the opportunities identified in the report. BOPLASS councils’ procurement managers have undertaken a project to collaborate in the development of sustainability procurement practices and policies.</p> <p>Health and Safety Benchmarking – The BOPLASS and Waikato LASS Health and Safety groups have established measures and systems for implementing a shared local authority health and safety benchmarking system.</p> <p>Support of Video Conferencing services for councils – Ongoing support for councils’ in-house and external video conferencing services. Central management of virtual meeting rooms and directories. Investigation of updated services. Added Zoom services to councils’ video conferencing services.</p> <p>Opotiki District Council Library and cloud services – BOPLASS IT Manager assisted in reconfiguration of network and led project to investigate options to move Opotiki District Council into the Cloud.</p> <p>Inter-Council Network (ICN) review, redesign and renegotiation of suppliers and services – The ICN is a shared service high capacity fibre network connecting the majority of BOPLASS councils. ICN design was reviewed and an evaluation of ICN contracts undertaken to deliver further cost reductions.</p> <p>Debt Collections – After investigating options for establishing a local shared service, BOPLASS engaged with MWLASS to develop an opportunity for BOPLASS councils to participate in the MWLASS debt management service – Debt Management Central (DMC) – as a shared service. An interLASS agreement has been agreed, with BOPLASS councils entering into individual contracts with DMC.</p> <p>Capital Construction and Civil Works Projects – A regional-wide marketing approach to civil projects is being reviewed. The focus of this approach is to market the project plans of the region as a whole to the construction sector and to help avoid the complex issue of regional versus local prioritisation for delivery of projects. The anticipated benefit of this approach is to attract a better response from contractors for councils across the region. Ongoing.</p> <p>Inter-LASS collaboration – BOPLASS continues to encourage collaboration between all LASSes and has established quarterly meetings for LASS leaders to share information and identify opportunities for collective partnering.</p> <p>Collaborative Training – Cross-council training has continued to be arranged across a number of areas of council business, providing for discounted rates, reduced staff travel (as trainers are prepared to travel to region for a larger group), opportunity to network with peers from other councils, and development of tailored material.</p> <p>BOPLASS Reviews – Undertaken during all advisory group meetings – at least quarterly</p>

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p>	<p>Provide access to the Collaboration Portal for councils outside of BOPLASS and utilise technologies to provide secure access. Proactively market the benefits to councils.</p> <p>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 or local government related organisations having utilised the portal.</p>	<p>Project completed relaunching the Collaboration Portal with a more user friendly platform under Microsoft Teams to enable and encourage a higher level of sharing from councils and the Local Government community. User survey feedback implemented along with a review of best practice methodologies.</p> <p>Ongoing promotion and profiling of the Collaboration Portal has resulted in more than ten additional councils or Local Government related organisations outside of the LASS group signing up to and using the Collaboration Portal, there are 24 councils or local government related organisations outside of the LASS group registered on the Portal.</p> <p>On-boarding, training material and training provided to councils to maximise usage and ensure increased uptake. Demonstrations of the Portal given to BOPLASS Advisory Groups and to councils' executive leadership teams. Number of projects has increased by 11 over the last year, there are now 39 lodged projects.</p> <p>The number of Collaboration Portal Team Sites have increased by 32 over the last year with 58 team sites now registered.</p>
<p>Ensure appointed vendors remain competitive and continued best value is returned to shareholders.</p>	<p>Manage and/or renegotiate existing contracts.</p> <p>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>	<p>Contracts negotiated and/or renewed for:</p> <p>Video Conferencing Services - New video conference services have been established using Canon and Zoom to deliver desktop and meeting room services to participating councils.</p> <p>GIS software and services:</p> <ul style="list-style-type: none"> • Geocortex Essentials • Geocortex Optimizer • X-Tools • NZ Archaeological Association <p>Contracts renegotiated and renewed - no alternative suppliers.</p> <p>Print Media Copyright Agency (PMCA) - Contract and requirements reviewed. Contract renewed with PMCA - sole NZ provider.</p> <p>ESRI Enterprise Licensing Agreement - BOPLASS Enterprise Agreement renegotiated and renewed for a further three year term with no increases in cost to councils. No alternative provider in NZ.</p> <p>Media Monitoring services - Competitive procurement process managed by BOPLASS with presentations received from two vendors. Contract with iSentia renewed.</p> <p>Inter-Council Network - Existing contracts renegotiated with some of the ICN suppliers, resulting in improved levels of service and \$56,048 annual savings in 2018/19 for this foundation service:</p> <ul style="list-style-type: none"> - Spark Fortigate Firewall Services - renegotiated contract resulting in reduced ongoing costs for this service saving \$12,611 per year. - Spark GWS Service in Opotiki replaced with Evolution Networks Wireless WAN. Planning work begun in 2018 and completed in early 2019 year. Further improvements to the wireless service undertaken in February 2019. The decommission of the Spark service will result in a saving of \$20,000 per year.

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
Complete independent review of governance performance and structure to ensure it supports BOPLASS' strategic direction.	Engage external party to complete independent review of BOPLASS governance. Affirmative feedback received from shareholding councils following 2017/18 governance review	Following direct engagement with shareholders and feedback received a decision was made not to proceed with an independent governance review. The majority of councils advised they were comfortable with the current Board composition and the cost of carrying out an independent governance review would be prohibitive relative to the return in value. Discussions around strategy and governance are held on a continuous basis by the Board. Feedback from councils is received through the Statement of Intent submission process.
Communicate with each shareholding council at appropriate levels.	Meeting with each Executive Leadership Team. At least one meeting per year.	BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders. Meetings were held with each council's Executive Leadership Team. A further four Operations Committee meetings were held during the year with Executive Leadership Team representation and input provided by all shareholding councils.
Ensure current funding model is appropriate.		The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board. Council contributions levied. Contributions received from activities producing savings. Vendor rebates collected. Monthly and quarterly performance reviewed. Financial statements reported and reviewed at Board meetings. Financial position year end 30 June 2019: \$5,322 profit.

Above performance targets are unaudited result.

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 2018

ACTUAL \$'000		ACTUAL \$'000
2017/18		2018/19
18,965	Revenue	18,759
7,163	Expenditure	7,558
11,802	Surplus/(deficit)	11,201
11,802	Net surplus/(deficit) year	11,201
8,835	Total assets	10,382
8,771	Total liabilities	10,308

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 2019/20 and associated budget formally adopted by the company on 18 June 2019.

From page 178 - 179 is a report of performance against targets set in the Statement of Intent for 2018/19.

PERFORMANCE TARGETS FOR 2018/19		
OUTCOMES	MEASURE	RESULT
Providing savings in annual interest costs for all Participating Local Authorities.	<p>The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to:</p> <ul style="list-style-type: none"> - 30 June 2019 will be no more than 0.10% - 30 June 2020 will be no more than 0.10% - 30 June 2021 will be no more than 0.10% <p>The above indicators include both LGFA Bills and Bonds and short dated and long dated lending to councils.</p>	<ul style="list-style-type: none"> • LGFA have not met this performance measure for 2018/19. The long term rate was 0.10%, however the short term rate was 0.106% for the period ending 30 June 2019.
Providing strong budgetary management on behalf of shareholders and Participating Local Authorities.	<p>LGFA's annual issuance and operating expenses (excluding AIL) for the period to:</p> <ul style="list-style-type: none"> - 30 June 2019 will be less than \$5.67 million - 30 June 2020 will be less than \$5.80 million - 30 June 2021 will be less than \$5.94 million. 	<ul style="list-style-type: none"> • LGFA have not met this performance measure for 2018/19. Due to total borrowing being above budget, associated legal fees and Approved Issuer Levy expenses were also above budget.
Provide funding for all Participating Local Authorities.	<p>Total lending to Participating Local Authorities at:</p> <ul style="list-style-type: none"> - 30 June 2019 will be at least \$8,105 million - 30 June 2020 will be at least \$8,477 million - 30 June 2021 will be at least \$8,242 million. 	<ul style="list-style-type: none"> • LGFA have met this performance measure for 2018/19. The total lending to Participating Local Authorities for the year ending 2018/19 was \$9.262 billion, against a budget of \$8,105 billion.

PERFORMANCE TARGETS FOR 2018/19		
OUTCOMES	MEASURE	RESULT
Provide savings on borrowing costs for Council borrowers.	LGFA will demonstrate the savings to council borrowers on a relative basis to other sources of financing. This will be measured by maintaining or improving the prevailing secondary market spread between LGFA bonds and those bonds of a similar maturity issued by (i) registered banks and (ii) Auckland Council and Dunedin Council as a proxy for single name issuance of council financing.	<ul style="list-style-type: none"> LGFA have not met this performance measure for 2018/19.

Above performance targets are unaudited result.

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

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

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

The Trust is governed by a Board of Trustees.

Financial performance for the year ended 30 June 2018

ACTUAL \$'000		ACTUAL \$'000
2017/18		2018/19
2,474	Revenue	3,062
(2,500)	Expenditure	(3,053)
(26)	Surplus/(deficit)	10
(26)	Net surplus/(deficit) year	10
760	Total assets	868
347	Total liabilities	446

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 2019/20 - 2021/22 and associated budget formally adopted by the company on 24 June 2019.

From page 180 - 181 is a report of performance against targets set in the Statement of Intent for 2018/19.

PERFORMANCE TARGETS FOR 2018/19		
OUTCOMES	MEASURE	RESULT
<p>Target the right visitors at the right time</p> <p>Creation of a demand and supply model and calendar to target high value visitors at peak season, and both high volume and high value visitors at off-peak seasons. Define target markets and niche propositions for more efficient marketing.</p>	<p>Creation of demand/supply research model.</p> <p>Creation of target markets and niche propositions.</p> <p>Support of Major Events Strategy.</p>	<p>In Progress.</p> <p>Scoping demand/supply model (delayed due to uncertainty around delivery of data at a national level from MBIE, once that data provision is confirmed (later 2019) we will determine the best approach). Four target markets identified by Destination Think!, with passionography research to understand these markets completed and reported at end July.</p> <p>Supported ten TCC events. Budget set 19/20 FY and a strategy being developed, which will help determine which events to support going forward.</p>

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
<p>Domestic visitor attraction strategy Direct to consumer marketing activity in Auckland, Waikato, Wellington and Christchurch. No Place Like Home Campaign to residents. Support strategic events that increase off-peak visitation, GDP and visitor growth.</p>	<p>Increase domestic visitor spend by 3.7%.</p>	<p>Achieved. Domestic visitor spend in the Coastal Bay of Plenty for the year ending June 2019 was \$849m. This represents growth of 3.9% compared to the same period last year, meeting the target growth rate of 3.7%. The national growth rate for the same period was 2.3%.</p>
<p>International visitor attraction strategy International trade and media activity in Australia and in partnership with eXplore Central North Island, Tourism New Zealand and regional agencies involved in international marketing.</p>	<p>Increase international visitor spend by 5.3%</p>	<p>Achieved. International visitor spend in the Coastal Bay of Plenty for the year ending June 2019 was \$233m. This represents growth of 10.8% compared to the YE June 2018, double the targeted growth rate and considerably higher than the national growth rate of 4.6%.</p>
<p>Cruise visitor attraction strategy Increase spend from cruise visitation and improve passenger satisfaction with supply of visitor sales and service at Port of entry.</p>	<p>Increase cruise spend by 3.4%.</p>	<p>In progress. Results for the 2018-19 season are due to be released in August 2019. Phase 1 of cruise model is progressing well.</p>
<p>Enhance the visitor experience Continue to improve visitor information services with development of a Mount Maunganui Visitor Information Centre (VIC) presence, and development of an alternative Tauranga VIC location and with digital and unmanned services.</p>	<p>Funding for Mount Maunganui VIC. Business Case for Tauranga VIC.</p>	<p>In progress. Application for funding approved, detailed design to commence next financial year. Exploring new locations for Tauranga i-Site.</p>
<p>Complete a co-created 10-year Destination Development Plan to grow the visitor economy. This Plan will enable public and private investment decisions and facilitate opportunities for investment, which will increase the number of new tourism experiences. Lobby for funding to support at least one of the priorities set out in the Bay of Connections' (BOC) Regional Growth Study (RGS).</p>		

Above performance targets are audited results.

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
<p>Grow capability and increase supply Complete a co-created 10-year Destination Development Plan to grow the visitor economy. This Plan will enable public and private investment decisions and facilitate opportunities for investment, which will increase the number of new tourism experiences. Lobby for funding to support at least one of the priorities set out in the Bay of Connections' (BOC) Regional Growth Study (RGS).</p>	<p>Develop co-created Destination Development Plan.</p>	<p>Achieved. Destination Think! Destination Development Plan completed. Participated in BOC RGS Implementation Committee and BOC review.</p>
<p>Insights and leadership Provide leadership for tourism and support sustainable economic growth with effective leadership and implementation of the VES. TBOP will provide research insights to forecast the visitor economy and provide demand management of infrastructure and city services.</p>	<p>Implementation of Year 1 of VES. Research and insights requirements scoped and commissioned by June 2019. Participation in annual planning with Councils.</p>	<p>Achieved. Hired research and insights specialist. Tourism forecasts (2018-2028) commissioned and delivered to interested parties and used for reporting purposes. Hotel valuation data delivered to interested parties. Successful Annual Plan and Long-term Plan process with Councils.</p>
<p>Collaboration and partnerships Collaborate and maintain partnerships with other organisations to identify and leverage opportunities. Adhere to the principles of the Stakeholder Engagement and Communications Plan to ensure collaborative relationships with key stakeholders.</p>	<p>Stakeholder Engagement and Communication Plan delivery.</p>	<p>Achieved. Continued application of stakeholder engagement plan.</p>
<p>Governance best practice Prudent management of TBOP including risk and financial control, and compliance to regulatory and Code of Conduct frameworks.</p>	<p>Manage P&L to budget. Code of Conduct compliance. Compliance and regulatory obligations met. Enterprise Risk Management Policy adherence. No surprises policy maintained.</p>	<p>Achieved. P&L being managed to budget. Code of Conduct compliance. Compliance and regulatory obligations met. Enterprise Risk Management Policy adherence. No surprises policy maintained.</p>

Above performance targets are unaudited results.

38. REMUNERATION

Chief Executive's remuneration

The Chief Executive of Western Bay of Plenty District Council under section 42 of the Local Government Act 2002 received a salary of \$307,515 (2018: \$306,114).

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

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Salary	307,515	306,114
Employer contributions to superannuation fund	9,225	9,183
Vehicle	17,509	18,124
Other benefits (including medical insurance)	3,103	2,831
Total remuneration	337,353	336,252

Elected Representative

Elected representatives received the following remuneration:

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Councillors		
Dally, Grant Ronald	39,902	32,524
Dean, Mark	37,299	32,524
Lally, Michael Patrick	36,820	32,524
Mackay, Peter	45,579	40,853
Marsh, Kevin Alexander	44,250	40,853
Marshall, David Clark	39,067	32,524
Murray-Benge, Margaret Elizabeth	34,451	32,524
Palmer, John Richard	36,849	32,524
Scrimgeour, John Rob	49,534	40,853
Thwaites, Donald Alan	43,650	40,853
Webber, Garry John (Mayor from 17 October 2016)	119,780	115,107
Williams, Michael	52,158	45,755
Total Councillors	579,340	519,418

38. REMUNERATION (CONTINUED)

Community Board Members

Community board members received the following remuneration:

	ACTUAL \$'000	ACTUAL \$'000
	2019	2018
Community Board Members		
Beech, Shane William	6,116	5,629
Button, Beverley Joyce	5,520	5,317
Cameron, Donald Richard	-	-
Cantlon, Gary Lewis	2,978	2,815
Clark, Rachel Ann	2,978	2,815
Dally, Grant Ronald	-	-
Dugmore, Joan Elizabeth	5,520	5,317
Dunlop, Francis Miles (Sam)	-	-
Gibbs, Brendan	5,800	5,317
Grainger, Murray	9,527	7,714
Hepenstall, Brian	4,566	4,378
Hobbs, Jennifer Robyn	11,861	10,633
Maurice, Timothy Edward	-	-
Mayo, Norman Frederick	5,520	5,317
Mcfadyen, Wendy	2,978	2,815
Miller, Peter	12,018	10,633
Mills, Derek	-	-
Nielsen, Fernley-Ann	-	-
Palmer, John Richard	-	-
Parsons, Ruth Miriam	3,355	4,378
Presland, Peter John	4,037	3,857
Roberts, Marilyn Kathleen	4,566	4,378
Sage, Derek Keith	4,037	3,857
Sage, Teresa	4,037	3,857
Sole, Allan James	13,309	8,756
Spratt, Ronald Parker	5,565	5,317
Warren, Benjamin Christian	5,520	5,317
Woods, Christopher	-	-
Wratt, Keith Allan	-	-
Total Community Board Members	119,810	108,417
Non-monetary remuneration		
Webber, Garry John (from 17 October 2016)	20,622	19,049

38. REMUNERATION (CONTINUED)

Remuneration scale

	NUMBER OF EMPLOYEES	NUMBER OF EMPLOYEES
	2019	2018
<\$60,000	75	76
\$60,000 - \$79,999 per annum	76	70
\$80,000 - \$99,999 per annum	43	47
\$100,000 - \$119,999 per annum	24	11
\$120,000 - \$139,999 per annum	8	13
\$140,000 - \$239,999 per annum	14	8
>\$240,000 - \$349,999 per annum	3	1
Total employees	243	226

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

At balance date, the Council employed 199 (2018: 184) full-time employees, with the balance of 43 staff representing 28.0 (2018: 25.5) 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 2019 Western Bay of Plenty District Council made four (2018: three) severance payments to employees totalling \$75,957 (2018: \$154,030).

The value of each of the severance payments made in 2019 was \$40,000 and \$10,000 and \$20,931 and \$5,026 (2018: \$13,750, \$45,622 and \$94,658).

40. EVENTS AFTER THE BALANCE

Market interest rates have reduced significantly during the course of the 30 June 2019 financial year, with further rate reductions post 30 June following the drop in the Official Cash Rate by 0.5%. The impact of this reduction on the valuation of Western Bay of Plenty District Council's derivative financial instruments is an unrealised loss of \$2.18m.

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	2019	2018
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	29,622	11,750
Debtors and other receivables	15	11,069	13,843
LGFA Borrower Notes	20	1,440	1,680
Te Tumu Investment	18	11,003	10,414
Term deposits	18	-	14,983
Total loans and receivables		53,134	52,670
Fair value through other comprehensive income			
Other financial assets:			
- local authority stock	20	46	43
- listed shares	18	272	230
Total Fair value through other comprehensive income		318	273
Financial liabilities			
Fair value through surplus and deficit			
Derivative financial instrument liability	16	11,669	8,862
Total Fair value through surplus and deficit		11,669	8,862
Financial liabilities at amortised cost			
Creditors and other payables	24, 26 & 27	17,607	16,783
Borrowings:			
- secured loans	25	110,000	125,000
Total financial liabilities at amortised cost		127,607	141,783

42. TE TUMU FINANCIAL INSTRUMENTS

Interest Free Loan

In 2007, Western Bay of Plenty District Council and Tauranga City Council (TCC) together acquired a block of land referred to as Te Tumu. This land was purchased with the condition of providing the vendor the option to acquire it sometime from December 2016 to December 2026. The rationale for Western Bay Council and TCC 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 (2018: \$10m) determined as the present value of future cash flows based on a fixed investment financing rate of 11.5% discounted at 4%. In December 2016, as per the agreement, the interest rate was renegotiated to a market related rate.

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

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

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

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 2019				
Financial Assets				
Local authority stock	46	46		
Shares	272	272		
Te Tumu investment	11,003			11,003
New Zealand Local Government Funding Agency Ltd	3,306		3,306	
Financial Liabilities				
Derivatives	11,669		11,669	
30 June 2018				
Financial Assets				
Local authority stock	43	43		
Shares	230	230		
Te Tumu investment	10,414			10,414
New Zealand Local Government Funding Agency Ltd	3,546		3,546	
Financial Liabilities				
Derivatives	8,862		8,662	

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
	2019	2018
Balance at 1 July	10,414	10,122
Gains/(losses) recognised in surplus and deficit	589	292
Reversal of impairment		
Balance at 30 June	11,003	10,414

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 \$100,000 by entering into forward foreign exchange contracts to manage the foreign currency risk exposure. This means the Western Bay Council is able to fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Western Bay Council to fair value interest rate risk. Western Bay Council's liability management policy is to maintain 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
	2019	2018
Cash at bank and term deposits	29,622	26,733
Debtors and other receivables	11,069	13,843
Local authority and government stock	318	273
New Zealand Local Government Funding Agency	3,306	3,546
Derivative financial instruments	(11,669)	(8,862)
Financial instruments	11,003	10,414
Total credit risk	43,649	45,947

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
	2019	2018
Counterparties with credit ratings		
Cash at bank and term deposits		
A-1+	29,622	26,733
Total cash at bank and term deposits	29,622	26,733
Local authority and government stock		
AA+	3,306	3,546
A	46	43
Total local authority and government stock	3,352	3,589
Derivative financial instrument assets		
AA	-	-
Total derivative financial instruments	-	-
Financial instrument assets		
No rating	11,003	10,414
Total financial instrument assets	11,003	10,414
Counterparties without credit ratings		
Existing assets with no defaults in the past	272	230
Total counterparties without credit ratings	272	230

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

Liquidity risk

Management of liquidity risk

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

Western Bay Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Western Bay Council's Long Term Plan. Western Bay Council has a maximum amount that can be drawn down against its overdraft facility of \$600,000 (2018: \$600,000). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities

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

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 2019						
Creditors and other payables	17,607	17,607	17,607	-	-	-
Net settled derivative liabilities	11,669	11,669	1,148	1,285	2,377	6,858
Secured loans	110,000	139,247	16,487	23,169	45,670	53,921
Total	139,276	168,523	35,242	24,454	48,047	60,779
Council 2018						
Creditors and other payables	16,783	16,783	16,783	-	-	-
Net settled derivative liabilities	8,862	8,862	465	2,048	3,555	2,794
Secured loans	125,000	157,767	45,007	3,168	50,670	58,922
Total	150,645	183,412	62,254	5,216	54,225	61,716

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 2019						
Cash and cash equivalents	29,622	29,622	29,622	-	-	-
Debtors and other receivables	11,069	11,069	11,069	-	-	-
Net settled financial instruments	11,003	10,414	-	-	-	10,414
Other financial assets:						
- Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	-	-	-	-	-	-
- Local authority and government stock	3,624	-	-	-	-	3,624
Total	55,318	51,105	40,691	-	-	14,038
Council 2018						
Cash and cash equivalents	11,750	11,750	11,750	-	-	-
Debtors and other receivables	13,843	13,843	13,843	-	-	-
Net settled financial instruments	10,414	10,743	-	-	-	10,743
Other financial assets:						
- Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	14,983	14,983	14,983	-	-	-
- Local authority and government stock	3,819	-	-	-	-	3,819
Total	54,809	51,319	40,517	-	-	14,562

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 Council's financial instrument exposures at the balance date.

INTEREST RATE RISK	NOTE	2019 \$'000				2018 \$'000			
		PROFIT	- 100BPS OTHER EQUITY	PROFIT	+ 100BPS OTHER EQUITY	PROFIT	- 100BPS OTHER EQUITY	PROFIT	+ 100BPS OTHER EQUITY
Financial assets									
Cash and cash equivalents	1	(296)		296		(118)		118	
Financial instruments	2	(110)		110		(104)		104	
Other financial assets:									
- Local authority stock	3		(14)		14		(17)		17
Financial liabilities									
Derivatives - interest rate swaps	4	(16,117)		4,487		(13,737)		4,378	
Borrowings:									
Debentures	5	(900)		900		1,000		(1,000)	
Total sensitivity to interest rate risk		(17,423)	(14)	5,793	14	(12,959)	(17)	3,600	17

EQUITY PRICE RISK	NOTE	2019		2018	
		PROFIT	- 10% OTHER EQUITY	PROFIT	+10% OTHER EQUITY
Financial assets					
Other financial assets:	6				
- Quoted share investments		-	(27)		27
					(23)
					23
Total sensitivity to equity price risk		-	(27)	-	27

Explanation of sensitivity analysis

1. Cash and cash equivalents

Cash and cash equivalents include deposits on call totalling \$29,622,000 (2018: \$11,750,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$295,622 (2018: \$118,000).

Derivatives

2. Financial instruments

Financial instruments include Te Tumu land purchase totalling \$11.03m (2017: \$10.41m). A movement in interest rates of 1.0% has an effect of \$110,003 (2018: \$104,141) on the unrealised value of the financial instruments.

3. Local authority stock

A total of \$1,486,000 (2018: \$1,723,000) of investments in local authority stock are classified at fair value through equity. A movement in interest rates of plus or minus 1.0% has an effect of \$14,343 (2018: \$17,233) on the fair value through other comprehensive income reserve.

4. Financial liabilities

Derivative financial assets not hedge accounted includes interest rate swaps with a fair value totalling \$11.669m (2018: \$8.861m). A movement in interest rates of plus 1.0% has an effect of reducing the swap deficit value by \$16.117m (2018: \$13.737m). A movement in interest rates of minus 1.0% has an effect of increasing the swap deficit value by \$7.564m (2018: \$4.37m).

5. Debentures - secured loans

Council has floating rate debt with a principal amount totalling \$90.00 million (2018: \$105.00m). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$900,000 (2018: \$1,050,000). 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 Council holds equity instruments in Zespri Group Limited valued at \$217,000 (2018: \$155,000) and Seeka Kiwifruit Industries Limited valued at \$55,000 (2018: \$75,000). 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 \$27,000 (2018: \$23,000).

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

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

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

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

Western Bay Council has the following council created reserves:

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

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

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

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

46. EXPLANATION OF MAJOR VARIANCES

Explanations for major variations from Western Bay Council's estimated figures in the Annual Plan 2018-19 and 2019 actuals are as follows:

Statement of Comprehensive Income

Actual 2019 surplus of \$41.186 million versus 2019 budget surplus of \$10.359 million.

The major contributors to the variance were:

Total revenue was \$35.772 million over budget.

	\$'000
Revenue variances positive / (negative):	
¹ Fees and charges from activities	2,708
² Rates revenue including target water supply rates	1,286
³ Financial contributions	13,651
⁴ Vested assets	9,819
⁵ Subsidies & grants	2,936
⁶ Gains	2,963
⁷ Other revenue	2,409
	35,772

Total expenditure was \$4.950 million over budget.

	\$'000
Expenditure positive / (negative):	
⁸ Other expenses	2,641
⁹ Personnel costs	58
¹⁰ Depreciation and amortisation	564
¹¹ Finance cost - realised	(1,126)
¹² Unrealised Hedging Movement	2,808
Share of associate surplus	5
	4,950

- ¹ Strong regulatory NZTA funding for operating expenses and additional connection fees to new Council wastewater and water supply networks.
- ² Additional rates revenue is primarily due to additional metered water consumption of \$953k.
- ³ Due to strong growth in the District year-on-year, financial contributions of \$18.605m were \$9.819m higher than budget of \$8.786m.
- ⁴ Vested assets income of \$15.891m is \$13.651m higher than budget of \$2.240m. This is due to higher levels of assets being vested in Council.
- ⁵ Subsidies and grants income of \$12.423m was \$2.936m higher than budget of \$9.487m due to timing and availability of capital works eligible for NZTA funding.
- ⁶ Gains income of \$2.963m predominantly relates to the revaluation movements of Council held assets across most activities.
- ⁷ Other revenue was \$2.409m higher than budget. This is predominantly due to movements in rental income, dividend income and petrol tax income.
- ⁸ Other expenses were \$2.641m higher than budget due to higher costs associated with the sale of assets and additional costs incurred delivering operational contracts.
- ⁹ Personnel costs of \$20.720 is \$0.58m higher than budget of \$20.662m. This is due to new roles filled throughout the year.
- ¹⁰ Depreciation and amortisation costs of \$21.371m is \$0.564m higher than the budget of \$20.807m.
- ¹¹ Finance costs realised of \$6.874m were \$1.126m lower than budget of \$8.000m.
- ¹² Unrealised hedging movement of \$2.808m were unbudgeted.

46. EXPLANATION OF MAJOR VARIANCES (CONTINUED)

Explanations of variances between 2018 and 2019 are as follows:

Statement of Financial Position

Actual net equity of \$1,354.744m million versus \$1,287.915 million in 2018.

There was an increase in overall net equity from actual 2018 of \$66.289 million.

	\$'000
Increase in cash held at year end	17,872
Decrease in debtors and prepayments	(2,824)
Decrease in investments and financial assets	(14,585)
Increase in non-current assets held for sale	355
Increase in forestry assets	2,318
Decrease in intangible assets	(680)
Increase in property plant and equipment	52,973
	55,429
Decrease in debt for the year	(15,000)
Increase in interest rate swap liability	2,808
Increase in creditors and other payables	1,043
Increase in other liabilities	289
	10,860
Net movement	66,289

The major variances to prior year were:

- Investments and financial assets were \$14.585 million lower than last year. This decrease reflects the reduction in short term deposits year-on-year.
- Property, plant and equipment was \$52.973 million higher than last year. The increase reflects capitalisation of completed projects and revaluation of existing assets.
- Borrowings were \$15.000 million lower than last year and reflects the \$25.000m maturity repaid in March 2019 less the additional \$10.000m borrowed during the year.

Statement of Cash flows

2019 actual movement was a net increase in cash held of \$17,872 million versus a budgeted net decrease of \$14.785 million and actual 2018 net decrease in cash held of \$3.029.

Net cashflows from operating activities of \$50.621 million versus a budgeted net increase of \$29.351 million and last year actual of \$39.063 million.

Rates revenue has increases by \$3.740 million due an increased amount of rateable properties in the district and higher consumption of metered water. Other revenue income has increased by \$16.196 million due to increased development in the District. This has been offset by increased payment to suppliers of \$9.302 million.

Net Cashflows from investing activities of (\$17.749 million) versus (\$39,136 million) budget and last year actual of (\$17.092 million).

This is due to \$42.389 million purchases of property, plant and equipment made during the year, offset by \$9.660 million from property disposals and the maturity of a long dated 2018 term deposit of \$14,983.

Net Cashflows from financing activities of (\$15.000 million) versus (\$5.000 million) budget and last year actual of (\$25.000 million).

This reflects Council's repayment of a \$25.000 million maturity during the year, partially offset by additional borrowings made from the LGFA of \$10.000 million during the year.

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 (WHOLE OF COUNCIL)

		ANNUAL PLAN \$'000	ACTUAL \$'000	ANNUAL PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2018	2019	2019
Sources of operating funding					
General rates, uniform annual charges, rates penalties		22,066	22,140	25,556	47,199
Targeted rates		38,691	38,865	42,425	22,085
Subsidies and grants for operating purposes		4,038	16,030	5,362	5,616
Fees and charges		9,353	9,788	6,470	6,352
Interest and dividends from investments		100	132	-	146
Local authority and fuel tax, fines, infringement fees, and other receipts		3,895	8,878	3,025	8,060
Total operating funding	(A)	78,143	95,833	82,838	89,458
Applications of operating funding					
Payments to staff and suppliers		54,346	54,573	58,416	61,527
Finance costs		7,800	8,788	8,000	6,874
Other operating funding applications		32	101	408	-
Total applications of operating funding	(B)	62,178	63,463	66,823	68,402
Operating funding - surplus/(deficit)	(A-B)	15,965	32,370	16,015	21,057
Sources of capital funding					
Subsidies and grants for capital expenditure		8,780	-	4,125	6,844
Development and financial contributions		10,020	9,506	8,786	18,605
Increase/(decrease) in debt		2,066	(1,642)	10,138	(11,330)
Gross proceeds from sale of assets		85	(384)	85	1,268
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	20,951	7,480	23,135	15,387
Applications of capital funding					
Capital expenditure					
• to meet additional demand		12,048	14,202	17,444	4,785
• to improve the level of service		13,605	15,827	9,112	16,713
• to replace existing assets		14,064	8,968	12,746	13,421
Increase/(decrease) in reserves		(2,802)	839	(152)	1,529
Increase/(decrease) in investments		-	16	-	(5)
Total applications of capital funding	(D)	36,916	39,852	39,150	36,444
Capital funding - surplus/(deficit)	(C-D)	(15,965)	(32,370)	(16,015)	(21,057)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 (WHOLE OF COUNCIL)

RECONCILIATION OF SUMMARY FUNDING IMPACT STATEMENT TO STATEMENTS OF COMPREHENSIVE INCOME

	LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June	2018	2019	2019
Operating funding per Funding Impact Statement	86,923	82,838	89,458
Add: Subsidies and grants for capital expenditure	-	4,125	6,844
Swap revaluation movement	-	-	-
Financial contributions	10,020	8,786	18,605
Lump sum contributions	-	-	-
Revaluation adjustments	-	-	2,383
Total	96,943	95,750	117,291
Total Revenue per Statement of Comprehensive Income	99,182	97,990	133,762
Less: Loss on shares adjustment	-	-	-
Less: Asset impairment	-	-	580
Less: Vested Assets	2,240	2,240	15,891
Less: Gains	-	-	-
Total	96,943	95,750	117,291
Variance	-	-	-
Application of operating funding per Funding Impact Statement	62,178	66,823	68,402
Total expenditure per Statement of Comprehensive Income	82,351	87,630	92,580
Less depreciation and amortisation	20,174	20,807	21,371
Less revaluation movement	-	-	-
Less unrealised hedging movement	-	-	2,808
Less asset impairment/loss on sale	-	-	-
Less other adjustments	-	-	-
	62,178	66,823	68,402
Variance	-	-	-
Net Variance	-	(1)	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR REPRESENTATION

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		3,123	3,773	3,350
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		614	821	735
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	3
Total operating funding	(A)	3,738	4,593	4,088
Applications of operating funding				
Payments to staff and suppliers		1,552	2,027	1,664
Finance costs		(4)	-	-
Internal charges and overhead costs applied		2,177	2,153	2,002
Other operating funding applications		2	408	-
Total applications of operating funding	(B)	3,728	4,587	3,666
Operating funding - surplus/(deficit)	(A-B)	10	6	422
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	-	-	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		10	6	422
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	10	6	422
Capital funding - surplus/(deficit)	(C-D)	(10)	(6)	(422)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR PLANNING FOR THE FUTURE

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2,328	2,642	2,847
Targeted rates		-	13	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		-	-	-
Total operating funding	(A)	2,328	2,655	2,860
Applications of operating funding				
Payments to staff and suppliers		1,511	1,853	1,713
Finance costs		(186)	(163)	(37)
Internal charges and overhead costs applied		804	784	954
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,129	2,473	2,629
Operating funding - surplus/(deficit)	(A-B)	199	181	231
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	-	-	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		199	181	231
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	199	181	231
Capital funding - surplus/(deficit)	(C-D)	(199)	(181)	(231)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR COMMUNITIES

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		3,338	4,704	4,783
Targeted rates		2,052	1,838	1,963
Subsidies and grants for operating purposes		-	-	37
Fees and charges		79	75	85
Internal charges and overhead costs recovered		855	860	953
Local authority and fuel tax, fines, infringement fees, and other receipts		490	477	537
Total operating funding	(A)	6,813	7,954	8,357
Applications of operating funding				
Payments to staff and suppliers		3,820	4,793	5,242
Finance costs		18	50	161
Internal charges and overhead costs applied		2,291	2,708	2,932
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	6,129	7552	8,336
Operating funding - surplus/(deficit)	(A-B)	684	402	22
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		72	215	(985)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	72	215	(985)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		60	169	308
• to improve the level of service		-	-	9
• to replace existing assets		370	361	(273)
Increase/(decrease) in reserves		326	87	(1,007)
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	756	617	(963)
Capital funding - surplus/(deficit)	(C-D)	(684)	(402)	(22)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR RECREATION AND LEISURE

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		5,631	6,155	6,183
Targeted rates		203	20	-
Subsidies and grants for operating purposes		-	367	-
Fees and charges		-	24	10
Internal charges and overhead costs recovered		1,063	1,383	1,347
Local authority and fuel tax, fines, infringement fees, and other receipts		693	692	2,158
Total operating funding	(A)	7,591	8,641	9,699
Applications of operating funding				
Payments to staff and suppliers		3,730	4,430	5,296
Finance costs		77	(193)	(364)
Internal charges and overhead costs applied		2,000	2,472	2,243
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	5,808	6,709	7,175
Operating funding - surplus/(deficit)	(A-B)	1,783	1,933	2,524
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,662	2,130	3,679
Increase/(decrease) in debt		462	1,221	(1,174)
Gross proceeds from sale of assets		-	-	80
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	2,124	3,351	2,585
Applications of capital funding				
Capital expenditure				
• to meet additional demand		1,472	3,032	1,052
• to improve the level of service		283	445	684
• to replace existing assets		1,533	1,384	371
Increase/(decrease) in reserves		619	423	3,002
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	3,907	5,284	5,109
Capital funding - surplus/(deficit)	(C-D)	(1,783)	(1,933)	(2,524)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR REGULATORY SERVICES

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,288	2,688	3,533
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		3,908	5,945	6,031
Internal charges and overhead costs recovered		30	-	594
Local authority and fuel tax, fines, infringement fees, and other receipts		38	88	174
Total operating funding	(A)	5,264	8,721	10,331
Applications of operating funding				
Payments to staff and suppliers		3,398	5,991	6,751
Finance costs		(13)	(10)	(12)
Internal charges and overhead costs applied		1,766	2,460	3,520
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	5,151	8,621	10,259
Operating funding - surplus/(deficit)	(A-B)	113	100	72
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(21)	-	25
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(21)	-	25
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		93	100	97
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	93	100	97
Capital funding - surplus/(deficit)	(C-D)	(113)	(100)	(72)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR TRANSPORTATION

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	-	-
Targeted rates		14,090	13,000	13,250
Subsidies and grants for operating purposes		8,538	4,180	4,661
Fees and charges		-	10	17
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		271	262	1,183
Total operating funding	(A)	22,898	17,452	19,110
Applications of operating funding				
Payments to staff and suppliers		9,197	8,950	8,027
Finance costs		1,325	866	245
Internal charges and overhead costs applied		1,391	1,437	1,172
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	11,913	11,253	9,445
Operating funding - surplus/(deficit)	(A-B)	10,985	6,199	9,665
Sources of capital funding				
Subsidies and grants for capital expenditure		-	4,125	6,844
Development and financial contributions		2,284	2,113	5,197
Increase/(decrease) in debt		(438)	4,479	(3,290)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	1,846	10,717	8,750
Applications of capital funding				
Capital expenditure				
• to meet additional demand		2,429	9,103	3,163
• to improve the level of service		6,225	3,385	9,811
• to replace existing assets		4,178	4,407	5,414
Increase/(decrease) in reserves		-	21	28
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	12,831	16,916	18,416
Capital funding - surplus/(deficit)	(C-D)	(10,985)	(6,199)	(9,665)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR WATER SUPPLY

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	10,488	11,255
Targeted rates		5,925	-	180
Subsidies and grants for operating purposes		-	-	-
Fees and charges		3,858	-	88
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	62
Total operating funding	(A)	9,782	10,488	11,585
Applications of operating funding				
Payments to staff and suppliers		4,795	5,223	7,059
Finance costs		1,954	1,652	1,605
Internal charges and overhead costs applied		1,541	1,986	1,869
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	8,290	8,861	10,533
Operating funding - surplus/(deficit)	(A-B)	1,492	1,627	1,052
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		804	1,203	2,684
Increase/(decrease) in debt		2,970	1,973	(2,009)
Gross proceeds from sale of assets		-	-	1,115
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	3,775	3,176	1,790
Applications of capital funding				
Capital expenditure				
• to meet additional demand		1,283	1,562	178
• to improve the level of service		1,413	360	348
• to replace existing assets		2,571	2,881	2,316
Increase/(decrease) in reserves		-	-	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	5,267	4,803	2,842
Capital funding - surplus/(deficit)	(C-D)	(1,492)	(1,627)	(1,052)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR STORMWATER

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,703	995	1,151
Targeted rates		3,918	4,104	3,895
Subsidies and grants for operating purposes		-	38	-
Fees and charges		-	-	3
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	2
Total operating funding	(A)	5,621	5,137	5,051
Applications of operating funding				
Payments to staff and suppliers		783	977	895
Finance costs		1,587	1,246	1,351
Internal charges and overhead costs applied		619	535	567
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,989	2,758	2,813
Operating funding - surplus/(deficit)	(A-B)	2,631	2,378	2,238
Sources of capital funding				
Subsidies and grants for capital expenditure		-	1,140	-
Development and financial contributions		751	1,524	2,016
Increase/(decrease) in debt		292	-	(858)
Gross proceeds from sale of assets		-	-	10
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	1,043	2,664	1,169
Applications of capital funding				
Capital expenditure				
• to meet additional demand		406	2,000	2,854
• to improve the level of service		396	2,577	143
• to replace existing assets		2,873	465	420
Increase/(decrease) in reserves		-	-	(10)
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	3,675	5,042	3,407
Capital funding - surplus/(deficit)	(C-D)	(2,631)	(2,378)	(2,238)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR NATURAL ENVIRONMENT

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		178	224	242
Targeted rates		329	455	447
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)	507	679	689
Applications of operating funding				
Payments to staff and suppliers		710	843	763
Finance costs		(43)	(27)	(138)
Internal charges and overhead costs applied		51	76	74
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	718	893	700
Operating funding - surplus/(deficit)	(A-B)	(211)	(214)	(11)
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		194	191	358
Increase/(decrease) in debt		3	17	(1)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	197	208	357
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		(14)	(6)	346
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	(14)	(6)	346
Capital funding - surplus/(deficit)	(C-D)	211	214	11
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR WASTEWATER

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,932	1,292	11,446
Targeted rates		9,876	10,358	256
Subsidies and grants for operating purposes		-	604	729
Fees and charges		2	2	4
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	1,340
Total operating funding	(A)	11,810	12,255	13,776
Applications of operating funding				
Payments to staff and suppliers		4,339	4,294	4,752
Finance costs		3,560	3,160	3,282
Internal charges and overhead costs applied		1,594	1,988	1,691
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	9,493	9,442	9,725
Operating funding - surplus/(deficit)	(A-B)	2,317	2,813	4,051
Sources of capital funding				
Subsidies and grants for capital expenditure		476	-	-
Development and financial contributions		1,440	2010	4,673
Increase/(decrease) in debt		(1,807)	(1,116)	(5,277)
Gross proceeds from sale of assets		-	-	50
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	109	894	(554)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		909	280	157
• to improve the level of service		636	1,321	1,185
• to replace existing assets		881	2,126	2,135
Increase/(decrease) in reserves		-	(20)	19
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	2,426	3,707	3,497
Capital funding - surplus/(deficit)	(C-D)	(2,317)	(2,813)	(4,051)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR SOLID WASTE

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		658	708	480
Targeted rates		1,024	1,110	1,048
Subsidies and grants for operating purposes		139	173	189
Fees and charges		74	90	109
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		11	33	123
Total operating funding	(A)	1,905	2,115	1,949
Applications of operating funding				
Payments to staff and suppliers		1,362	1,315	1,003
Finance costs		27	(8)	(21)
Internal charges and overhead costs applied		519	584	355
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	1,908	1,892	1,337
Operating funding - surplus/(deficit)	(A-B)	(3)	223	612
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		4	(215)	(610)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	4	(215)	(610)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		1	9	2
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	1	9	2
Capital funding - surplus/(deficit)	(C-D)	3	(223)	(612)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR ECONOMIC

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		757	754	758
Targeted rates		282	322	323
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	1
Total operating funding	(A)	1,041	1,078	1,082
Applications of operating funding				
Payments to staff and suppliers		623	666	679
Finance costs		(89)	(87)	(55)
Internal charges and overhead costs applied		136	102	102
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	671	681	727
Operating funding - surplus/(deficit)	(A-B)	371	397	355
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(25)	(29)	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(25)	(29)	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand		282	460	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		63	(91)	360
Increase/(decrease) in investments		-	-	(5)
Total applications of capital funding	(D)	345	368	355
Capital funding - surplus/(deficit)	(C-D)	(371)	(397)	(355)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 FOR SUPPORT SERVICES

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2018	2019	2019
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,491	1,621	1,171
Targeted rates		959	718	710
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	324	5
Internal charges and overhead costs recovered		14,598	16,776	16,660
Local authority and fuel tax, fines, infringement fees, and other receipts		2,213	1,471	2,626
Total operating funding	(A)	19,262	20,910	21,171
Applications of operating funding				
Payments to staff and suppliers		14,301	17,052	17,683
Finance costs		607	1,513	857
Internal charges and overhead costs applied		2,272	2,375	2,807
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	17,180	20,940	21,347
Operating funding - surplus/(deficit)	(A-B)	2,082	(31)	(176)
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(1,082)	2,069	2,848
Gross proceeds from sale of assets		89	85	13
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(993)	2,154	2,860
Applications of capital funding				
Capital expenditure				
• to meet additional demand		72	838	(2,927)
• to improve the level of service		813	1,024	4,533
• to replace existing assets		604	1,123	3,038
Increase/(decrease) in reserves		(400)	(861)	(1,960)
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	1,089	2,124	2,684
Capital funding - surplus/(deficit)	(C-D)	(2,082)	31	176
Funding balance	((A-B) + (C-D))	-	-	-

CHAPTER FOUR

04

Governance and Monitoring



CHAPTER FOUR

Governance and Monitoring

Our elected members	211
Committees and membership	212
Community Board representatives	213
Organisational overview	214

OUR ELECTED MEMBERS



WESTERN BAY OF PLENTY DISTRICT MAYOR

Garry Webber
Ph 07 548 2224
garry.webber@westernbay.govt.nz



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

2 Peter Mackay
Ph 07 552 0988
peter.mackay@westernbay.govt.nz

3 David Marshall
Ph 022 185 4263
david.marshall@westernbay.govt.nz

KATIKATI / WAIHI BEACH 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

KAIMAI 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

MAKETU / TE PUKE WARD

COMMITTEES AND MEMBERSHIP

Operations and Monitoring Committee

Councillor Don Thwaites (Chairperson)
Councillor John Palmer (Deputy)
Mayor Garry Webber
Councillor Grant Dally
Councillor Mark Dean
Councillor Mike Lally
Councillor Peter Mackay
Councillor Kevin Marsh
Councillor David Marshall
Councillor Margaret Murray-Benge
Councillor John Scrimgeour
Councillor Mike Williams

Regulatory Hearings Committee

Mayor Garry Webber (Chairperson)
Councillor Peter Mackay
Councillor David Marshall
Councillor Margaret Murray-Benge
Councillor John Scrimgeour
Councillor Mike Williams

Rural Committee

Councillor Kevin Marsh (Chairperson)
Councillor Mark Dean (Deputy)
Mayor Garry Webber
Councillor Grant Dally
Councillor Mike Lally
Councillor Peter Mackay
Councillor David Marshall
Councillor Margaret Murray-Benge
Councillor John Palmer
Councillor John Scrimgeour
Councillor Don Thwaites
Councillor Mike Williams

Community Committee

Councillor Peter Mackay (Chairperson)
Councillor Margaret Murray-Benge (Deputy)
Mayor Garry Webber
Councillor Mike Williams
Councillor Grant Dally
Councillor Mark Dean
Councillor Mike Lally
Councillor Kevin Marsh
Councillor David Marshall
Councillor John Palmer
Councillor John Scrimgeour
Councillor Don Thwaites

Policy Committee

Councillor Mike Williams (Chairperson)
Councillor David Marshall (Deputy)
Mayor Garry Webber
Councillor Grant Dally
Councillor Mark Dean
Councillor Mike Lally
Councillor Peter Mackay
Councillor Kevin Marsh
Councillor Margaret Murray-Benge
Councillor John Palmer
Councillor John Scrimgeour
Councillor Don Thwaites

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
Councillor Mike Williams
Councillor Peter Mackay

Omokoroa Community Board

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

Maketu Community Board

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

Te Puke Community Board

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

Waihi Beach Community Board

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

ORGANISATIONAL OVERVIEW

CEO SERVICES

Executive Assistance

- Chief Executive
- Mayor

Strategy

- Strategic advice
- Local government reform

Community Engagement

- Social (including crime prevention)
- Local economic
- Environment
- Community funding
- Community planning
- Corporate Events
- Community development

Communications

- Operational communications
- Corporate identity
- Online communications
- Strategic and governance communications

PEOPLE AND CUSTOMER SERVICES

Customer Services

- Customer relations
- Library and Service Centres
- Catering

Governance

- Support to organisation and elected members

Human Resources

- Human resources strategy
- Workforce development
- Health and safety

FINANCE AND TECHNOLOGY 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

Information Technology and Services

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

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

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

Development Engineering

- Engineering input into Council strategic documents

Regulatory

- Building
- Environmental health
- Animal services
- Compliance enforcement, parking, monitoring
- Land Information Memorandums
- Resource Consents
- Bylaws

Cultural

- Engagement
- Workforce