
Annual Report

For the year ending 30 June 2020



*Western Bay of Plenty
District Council*



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Introduction



INTRODUCTION

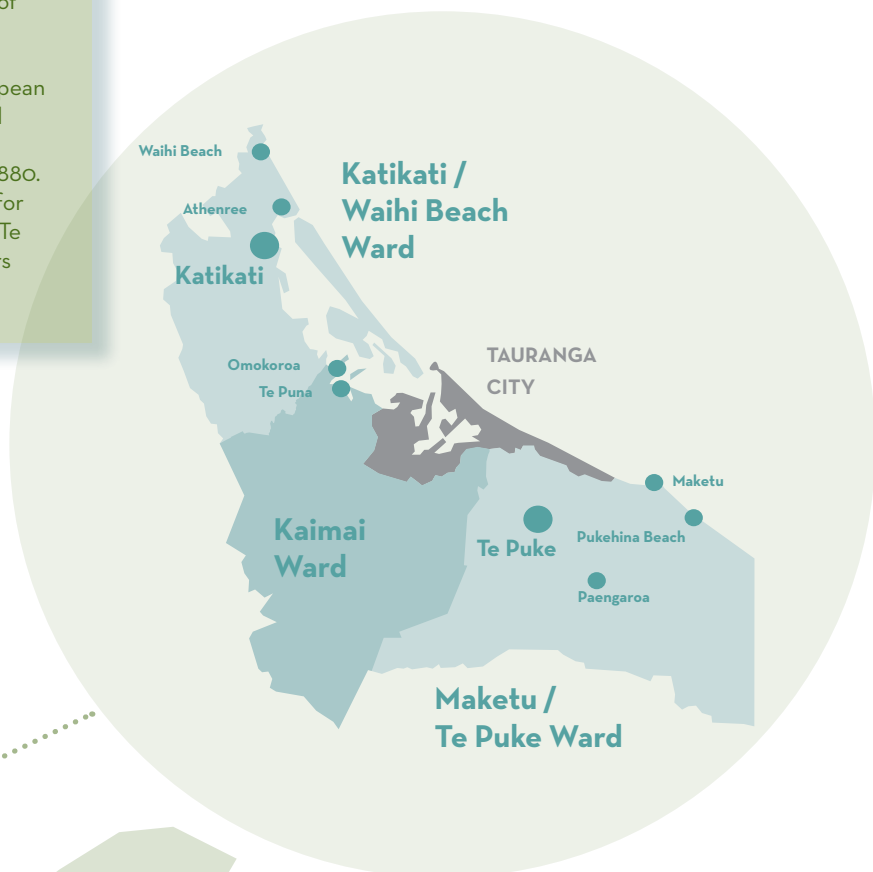
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OUR DISTRICT

OUR HISTORY

The Western Bay of Plenty has a long history of settlement by Māori. The western area of the District (Tauranga Moana) was occupied by the iwi of Ngati Ranginui, Ngaiteurangi 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. As at 30 June 2019 (as noted by Stats NZ) its current estimated population is 53,900. The population is expected to reach around 64,500 by 2033. Between the 2013 and 2018 censuses, the population of the District grew by 17.5% (7,630) people. 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 MAYOR'S INTRODUCTION

For year ended 30 June 2020

Unprecedented times

COVID-19 has been a story like no other.

Our world changed and we had to adapt and manage to make sure that our communities survive.

In April 2020 Council adopted its COVID Economic Recovery Plan supporting the local economy and providing relief from the impact of the pandemic. The plan was based on four key themes: direct Council financial support; wider economic recovery; community wellbeing and relationships with iwi/hapū organisations and marae.

Some highlights of the plan include:

- \$300,000 distributed to 49 local groups financially hit by COVID-19 through Council's Community Resilience Fund (consolidation of Council's two traditional funds - the Community Matching Fund and Facilities in the Community Fund)
- Waiving annual rent charges for Council owned reserves and building for 12 months for sports clubs and community organisations
- Targeted rates relief initiatives.

We also made sure all our investment decisions were made in the light of assisting our communities whilst maintaining a prudent view of our long term financial viability.

During the COVID-19 lockdown period our staff performed above and beyond to support the emergency management efforts and ensure all essential services were maintained and other public services delivered according to central government guidelines.

I'm pleased with how Council balanced sensible management of operating expenditure by considering the impact of COVID-19 on the economy and household incomes, as well as the ability for Council to deliver public services to the District across this time.

Financially prudent

As a Council we've reduced net debt from \$180 million, at its peak a decade ago, to \$75.5 million today.

In September 2019 international credit rating agency Standard & Poor's (S&P) lifted Council from an AA-rating to AA+, revising its outlook from stable to positive. This upgrade recognises our significant reduction in debt, good financial performance and positive fiscal outlook.

Key financial results include:

- Revenue of \$110m, down from \$134m in 2018/2019. The reduction of revenue in 2019/2020 is primarily due to lower Financial Contribution revenue (\$13m) and Vested Asset income (\$10m)
- A \$5m reduction in net debt to \$75.5m.

Compared to many councils in New Zealand, we are in a strong fiscal position.

Successes

Despite the challenge of COVID-19 Council has celebrated a lot of achievements this year. Some highlights include:

- \$400,000 awarded through central government's Provincial Growth Fund for the development of a digital hub at Pātuki Manawa in Katikati
- Continued construction of the Omokoroa to Tauranga Cycleway
- 7.1 km of seal extensions, 9.3 km of pavement rehabilitation, and 1,359 metres of new footpath
- Installation of the long awaited cell-phone coverage at TECT Park in collaboration with the Rural Connectivity Group
- Resource consents offered digitally - aligning with Council's commitment to making things easier for customers.

Forward thinking

The focus for the next year will be on the development and approval of the 2021 - 2031 Long Term Plan, and engaging with our various communities to obtain their input. Community engagement has already started for this planning, under the Hello Future District banner.

This is an important conversation as it outlines what communities want to achieve in the long term and establishes a pathway for Council to reach these objectives through strategies and actions.



Work will also continue with neighbouring councils, central government and key agencies to progress the development of the sub-region. The Urban Form and Transport Initiative adopted in June is a key initiative within this - outlining the plans to integrate growth and transport planning in the sub-region in the long term (50+ years).

We're incredibly excited about starting work on the following projects which will provide economic stimulus right across the District:

- Rangiuru Business Park after receiving \$18m in funding from central government as part of the Provincial Growth Fund
- A \$28m package of roading and water projects out at Omokoroa thanks to a \$14m grant through central government's Crown Infrastructure Partners fund
- Waka Kotahi NZ Transport Agency beginning construction of the \$478m Tauranga Northern Link - a 6.8 km four-lane corridor which will connect SH29 with SH2, and a further \$455m on the SH2 section from Te Puna to Omokoroa to support urban and economic growth to the north of Tauranga and improve safety, helping save lives.

Lastly, we will be paying close attention to the 2020 general election and potential impact on the local government operating environment. We will be ready to adapt quickly while being pragmatic, prudent and inclusive in taking the Western Bay forward.

My sincere thanks to elected members and Council staff for their expertise and efforts to maintain our Council as a well performing organisation keeping service to our communities top of mind.



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

Garry Webber
Mayor
Western Bay of Plenty District Council



THE DISTRICT AT A GLANCE - KEY FACTS

Industry

\$\$\$ GDP

5.5% Annual GDP growth vs 3.0% national average.

GDP is over \$2 billion, with \$110 million growth in the last year.

Priority One



JOBS

4.0% growth in employment vs 1.9% nationally

Filled jobs are up by more than 900 to almost 24,000 jobs in the District.

Priority One



PRIMARY SECTOR

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

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



BUILDING INDUSTRY

2019/2020 building consent value of \$263m vs \$248m in 2018/2019.

70.3 new dwelling approvals per 10,000 population vs 76.5 nationally (June 2019).

District



PEOPLE

- Estimated population **53,900** as at 30 June 2019 (as noted by Stats NZ).
- **60%** rural, **40%** urban.
- Projected population of 64,500 by 2033.



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

- **22,890** ratepayers.
- **65%** connected to council water supply.
- **41%** connected to council wastewater treatment and disposal.

COUNCIL AT A GLANCE

- KEY FACTS



Council currently owns **\$1.43 billion** worth of physical assets as at 30 June 2020.



Net debt is **\$76 million** as at 30 June 2020.



Overall the District has equity of **\$1.37 billion** as at 30 June 2020.



\$30 million of capital expenditure was spent on infrastructure and assets in 2019/20.



\$110.2 million of total income generated in 2019/20.



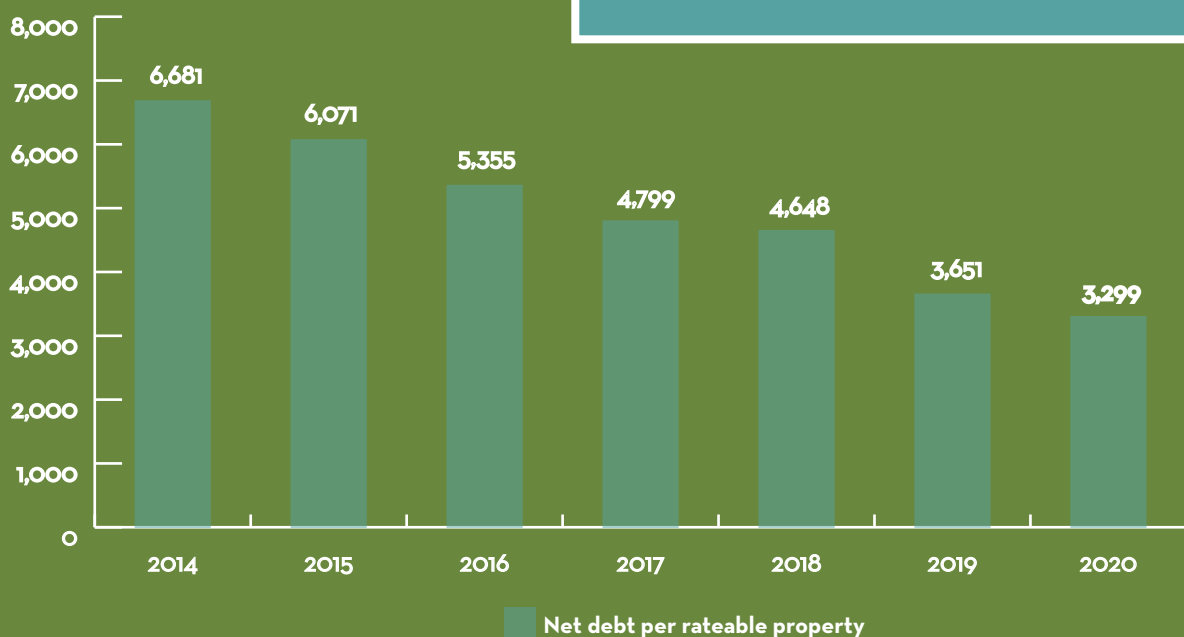
\$73 million of rates income generated in 2019/20.

Our debt

Net debt per rateable property



Rates covered 77 percent of the operational cost of running the District.



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

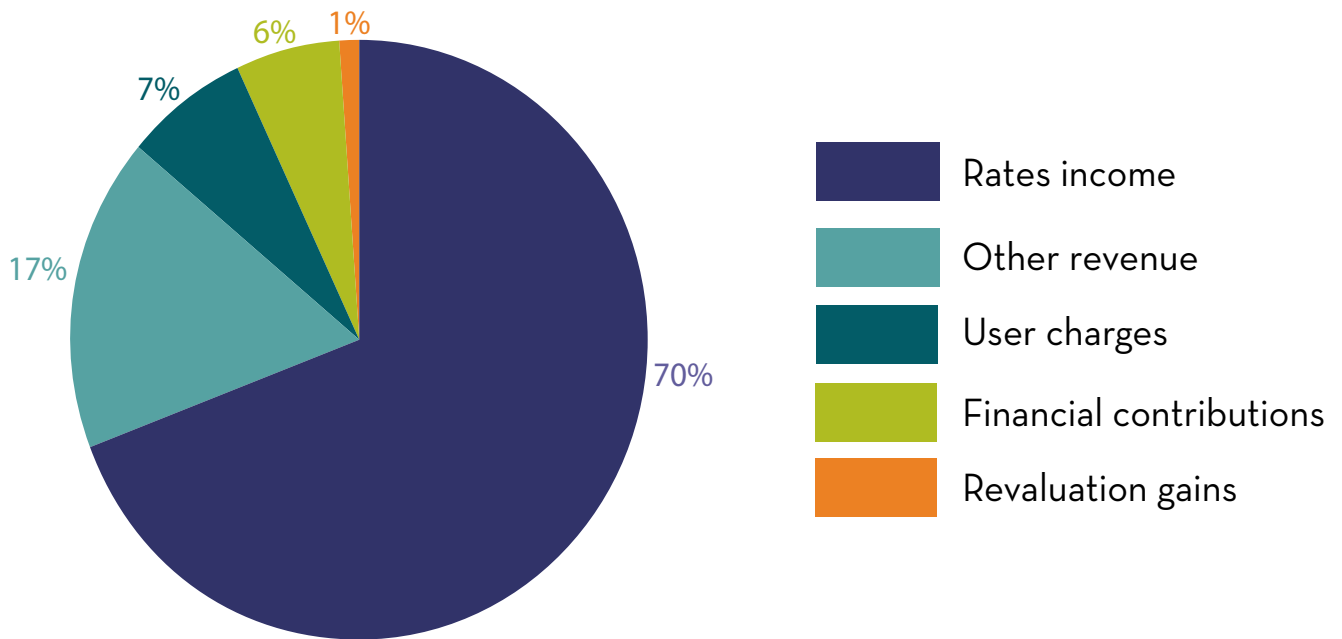
What was achieved

Annual Plan Annual Budget

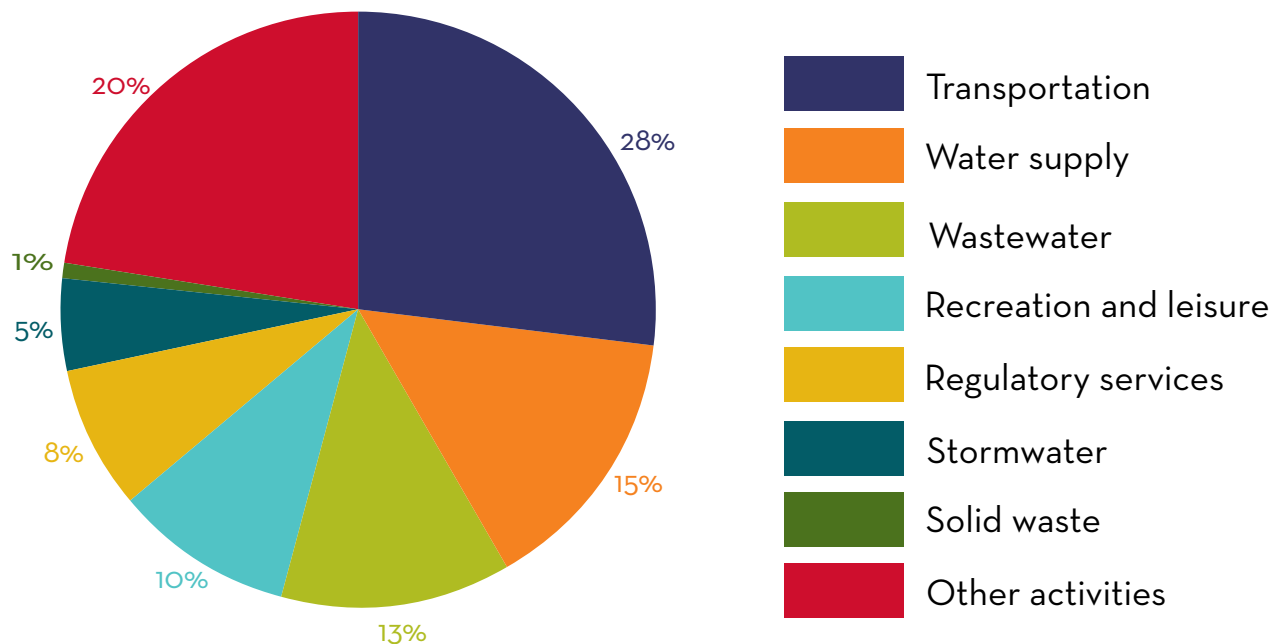
FINANCE SUMMARY OVERVIEW

Western Bay Council has reported a net surplus of \$14.9 million compared with a budgeted operating surplus of \$11.5 million. The major contributor to this increased surplus was financial contributions, vested assets and gains from asset revaluation.

Council Revenue 2019/20 (excluding vested assets) \$110.2m



Council Operating Expenditure 2019/20 \$95.3m





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CHAPTER ONE

01

Overview

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OVERVIEW OF WESTERN BAY OF PLENTY DISTRICT COUNCIL'S PERFORMANCE

FIVE YEAR SUMMARY - FINANCIAL OVERVIEW

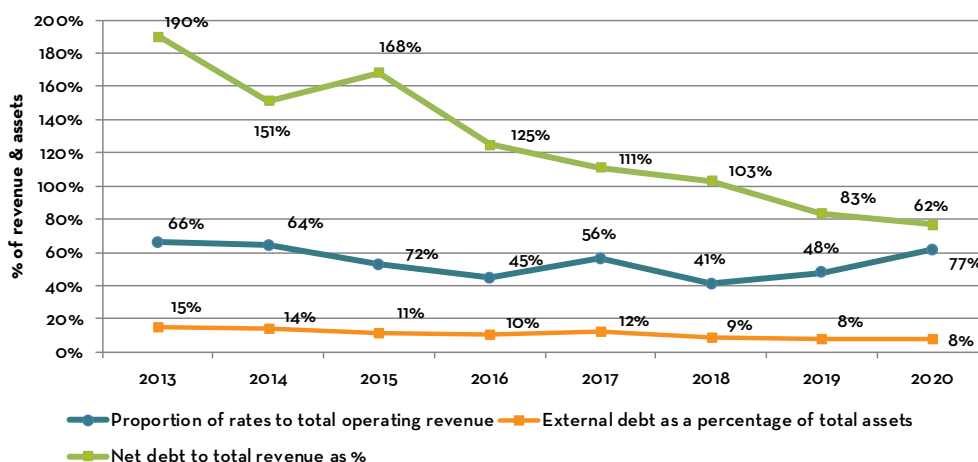
COUNCIL'S FIVE YEAR FINANCIAL PERFORMANCE SUMMARY

	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000
Rate revenue (excluding water by meter)	58,416	59,892	60,958	64,128	68,468
Vested assets revenue	42,408	3,658	10,965	15,891	5,940
Financial contributions revenue	7,862	10,993	9,506	18,605	5,892
Total expenditure	83,388	80,454	82,682	92,580	95,297
Total operating revenue	131,146	106,247	148,997	133,762	110,213
Operating surplus/(deficit)	47,733	25,587	66,299	41,186	14,917
Capital expenditure	17,142	26,826	38,377	34,919	30,347
Working capital/(deficit)	(17,068)	(12,663)	(4,054)	19,308	28,913
Total external debt	128,000	150,000	125,000	110,000	110,000
Net external debt	110,819	100,221	98,267	80,378	75,511
Property, Plant and Equipment	1,239,804	1,248,923	1,374,476	1,427,988	1,433,452
Short term investments	-	35,000	14,983	-	-
Cash on hand	17,181	14,779	11,750	29,622	34,489

COUNCIL'S FIVE YEAR FINANCIAL STATISTICS SUMMARY

	2016	2017	2018	2019	2020
¹ Proportion of rates to revenue	45%	56%	41%	48%	62%
Total external debt as a percentage of total assets	10%	12%	9%	8%	8%
External debt per rateable property (\$'000s)	6.19	7.18	5.91	5.00	4.80
Net external debt per rateable property (\$'000)	5.35	4.80	4.65	3.65	3.30
² Net debt to revenue as a percentage	125%	111%	103%	83%	77%
Total capital value of rating units within the District (\$m)	14,820	14,820	19,655	20,391	27,524
Total land value of rating units within the District (\$m)	7,851	7,851	10,783	10,755	14,984
Rateable properties	20,696	20,884	21,144	22,016	22,890

TREASURY RATIOS



SERVICE DELIVERY PERFORMANCE

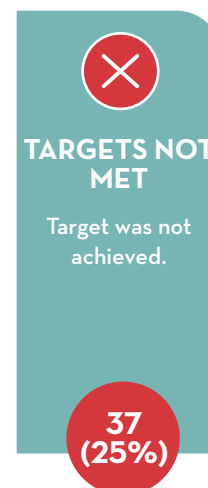
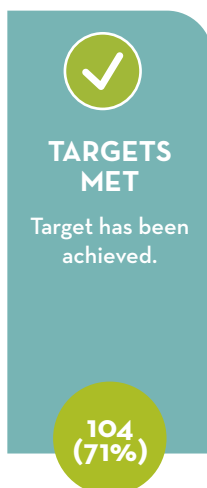
Western Bay Council has structured its activities into 12 groups which comprise a total of 32 activities. The 12 Activity Groups provide the main means of delivering Western Bay Council's services and work programmes. Our Achievements section of this document (from page 37 provides a detailed assessment of how well Western Bay Council's activities performed during 2019/20).



PERFORMANCE AGAINST 2019/20 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 2019/20 targets is shown in the table below.



Activity Group	Target met	Partial met	Not met	Not measured	Total
Representation	13	-	6	-	19
Planning for future	1	-	2	2	3
Communities	17	-	4	2	23
Recreation and Leisure	8	1	4	3	13
Regulatory services	9	3	6	1	18
Transportation	10	-	3	-	13
Water supply	11	1	2	-	14
Stormwater	13	1	-	-	14
Natural environment	3	-	4	-	7
Wastewater	12	-	2	-	14
Solid waste	4	-	2	1	6
Economic	3	-	2	-	5



REPORT ON DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO DECISION MAKING 2019/20

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.
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	A new engagement agreement template and process has been developed for Tangata Whenua engagement. The template outlines Council's approach to things like project meetings, cultural monitoring and includes guidance on fees paid to Tangata Whenua representatives for this work. The new engagement agreement template is linked to the Tangata Whenua Consultation Guidelines.
	Consultation Protocols	As above.
	Consideration of Māori Interests - Roading	Status quo.
Building relationships with our Māori communities	Marae Maintenance Fund	The Marae Maintenance Fund which is now known as the Marae Sustainability Initiatives 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. In this financial year it was re-purposed to provide Covid-19 support.



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 Rangiwaia 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. 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 Whakauae 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>

COUNCIL'S RESPONSE TO COVID-19

Community resilience fund

Western Bay of Plenty District Council's Community Resilience Fund was launched in an effort to help local groups – registered charities, non-governmental organisations (NGO), incorporated societies or community groups – needing additional funding for their projects in the wake of the COVID-19 pandemic.

The one-off \$300,000 fund is one of the support packages within Council's Economic Recovery Plan to assist the local economy and provide relief in the medium and long term.

The fund is a consolidation of Council's two annual community funding pools the Community Matching Fund and the Facilities in the Community Fund.

The final round of funding was allocated on Friday 26 June 2020. In total \$299,963.75 has been given to community groups struggling to fund projects and services as a result of COVID-19.



Target relief for residential ratepayers

Residential ratepayers may be eligible to postpone payment of their rates if they are directly affected by COVID-19.

Council has two targeted rates postponement policies:

- Financial hardship – to provide relief to people facing extreme financial hardship
- Other homeowners – primarily intended for people over 65 years of age, whatever their financial situation. People under 65 can also apply under this policy, but narrower conditions of postponement apply.

Who can apply?

For rates to be postponed, they must be for residential properties that are occupied by the ratepayers (owners) and used solely for residential purposes.

If approved, the postponement will be added to the applicant's property title, to ensure Council debt will be repaid before any other stakeholder interest e.g. proceeds being distributed to interested parties.

There is no provision for postponement of rates on commercial or industrial properties or rural properties that are used for purposes other than residential.

Applications under the financial hardship policy

For applications relating to financial hardship, full details of the ratepayer's personal circumstances must be disclosed to Council to determine eligibility.

Postponement of rates penalties as well as current rates may be considered.

Rates could be postponed for a specified number of years, or for the life of the applicant, but if the property is sold or the applicant moves out, the rates will become payable.

In some cases, Council may require administration fees to be paid, and the first \$500 of rates to be paid.

Applications under the homeowner's policy

For applications where at least one of the owner-occupants is over 65 years of age, rates may be postponed indefinitely, or for a shorter period. For ratepayers under 65 years of age, rates may be postponed for up to 15 years.

In both cases, the rates would become payable if the property was sold or applicant moved out of the property. The cost of the postponement (interest and administration fees) is paid by the applicant through annual fees.

More information

For full details of the two policies, including COVID-19 relief eligibility criteria, and terms and conditions please refer to the following documents via Council's website www.westernbay.govt.nz/council/economic-recovery-plan

- Financial hardship policy
- Homeowner's policy



ECONOMIC RECOVERY PLAN

During the immediate response to COVID-19, Western Bay of Plenty District Council has focused on providing essential services, with an emphasis on the health and safety of communities.

Council has an important role to play in an all-of-government effort to assist Western Bay communities recover from the pandemic.

Fundamental to this is a recovery plan that recognises where Council can play an effective role to help communities now and where it will work with other government and non-government organisations, regionally and nationally, to deal with the medium and longer term impacts of COVID-19.

By avoiding duplication and working in concert with other players, Council can make the most of its ability and capacity to help.

This plan summarises Council's role in supporting the District's communities recover from the pandemic as fast as possible.

Where Council fits in the bigger picture



ECONOMIC RECOVERY PLAN

Council is committed to working collaboratively to rebuild the Western Bay of Plenty economy as fast as possible – through immediate relief and medium to long term support.

Economic recovery
Our collaborative business community has strong foundations to thrive in a 'new normal'. Local and central governments, business and Māori entities will all play a major role, along with other community stakeholders.



What is Council doing?

- Providing stimulus through investment, and with central government's assistance, fast-tracking 'shovel-ready' infrastructure projects
- Sixteen applications totalling \$105m to central government's infrastructure fund, for 'shovel ready' projects that can start within six months
- Promoting and assisting the local business sector - through funding and support mechanisms - with a focus on Priority One and organisations like Te Puke Economic Development Group and Kaitiaki Kaitiaki
- Work with local economic development organisations and government agencies on projects that aim to:
 - Keep as many businesses in operation as possible
 - Maximise local employment opportunities and help people back into jobs or training
 - Minimise secondary effects of the economic shock (insolvencies, redundancies)
- Advocating to central government for funding and other support to ensure regional resilience and sustainability
- Encourage Western Bay residents to buy from, and support, local businesses.

Council financial support and provision of services
Some businesses and households will continue to face significant hardship during the pandemic recovery. Central government and banks will continue to provide the main support mechanisms, but Council can also assist.



What is Council doing?

- Promoting Council's targeted rates postponement policies, which can provide rates relief for households
- Reducing the timeframes for payments to suppliers who provide goods and service to Council from 30 days to seven days to help with cash flow
- Providing full or pro-rated refunds of consent fees to customers unable to complete projects as a result of the pandemic
- Assist with cash flow for resource consent applicants by deferring requirement to pay lodgement fee
- Ensuring local contractors and service providers are used as much as possible to support Council work
- Provide financial relief to organisations, businesses, and clubs that use Council facilities:
 - Waiving rent for 12 months for sport clubs and community organisations
 - 3-6 months of rental relief for campgrounds
- Distribution of one-off grants to community groups/organisations severely affected by COVID-19 through consolidating existing Community Matching and Facilities in the Community funds
- Freeze Council fees for cemeteries and greenwaste disposal for the 2020/2021 financial year.

Community heart
The Western Bay has always had a strong sense of community. Residents value community connections, looking out for their neighbours and supporting everything local. Continuing to look out for one another is more important than ever.



What is Council doing?

- Helping vulnerable people to access central and local government assistance through specialist staff at the Emergency Operations Centre and, when COVID alert levels allow, at Council libraries and service centres
- Community outreach - coordinate with groups/volunteers to assist in looking after vulnerable people in the Western Bay
- Get people active and engaged - with the support of Sport Bay of Plenty provide programmes and events that encourage residents to come together, share information, stay healthy and engaged
- Continue to promote and encourage pride in the Western Bay, foster a sense of community heart and find new ways to support each other.

Māori relationships
Council will use its existing relationships with key Māori leaders in the District to support existing relief work and build on stimulus to the Māori economy provided by central government.



What is Council doing?

- Advocating to central government for infrastructure funding to support marae and papakāinga across the Western Bay
- Direct specific funds to Māori organisations that provide support to communities during the COVID-19 pandemic, including the immediate response and ongoing support during the recovery phase.

ANNUAL REPORT 2019/20 DISCLOSURE STATEMENT

Annual Report disclosure Statement for the year ended 30 June 2020

What is the purpose of this statement

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

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

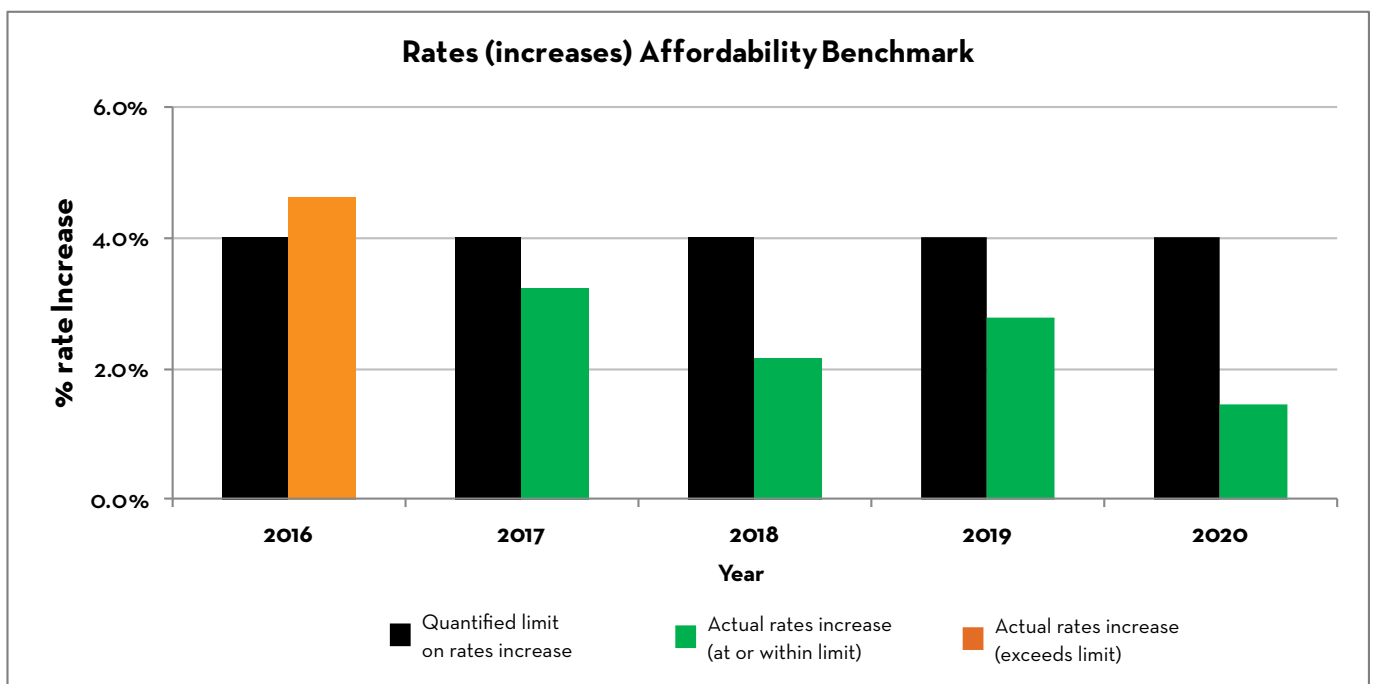
Page 26 provides a breakdown of how these benchmarks were calculated for 2019 and 2020.

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.

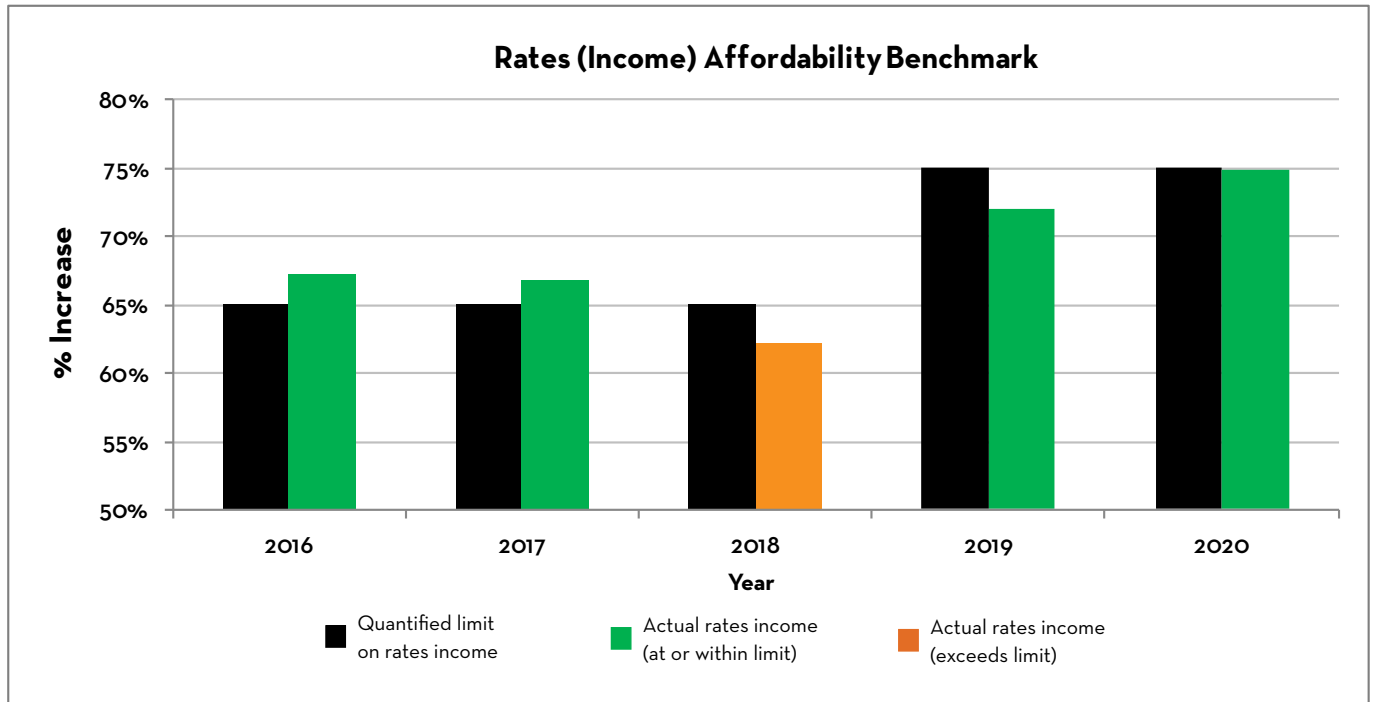
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit for 2020 is 4%.



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. Revenue is defined as total revenue as per the Statement of Comprehensive Revenue and Expenditure less Financial Contributions, Gains and Vested Assets.

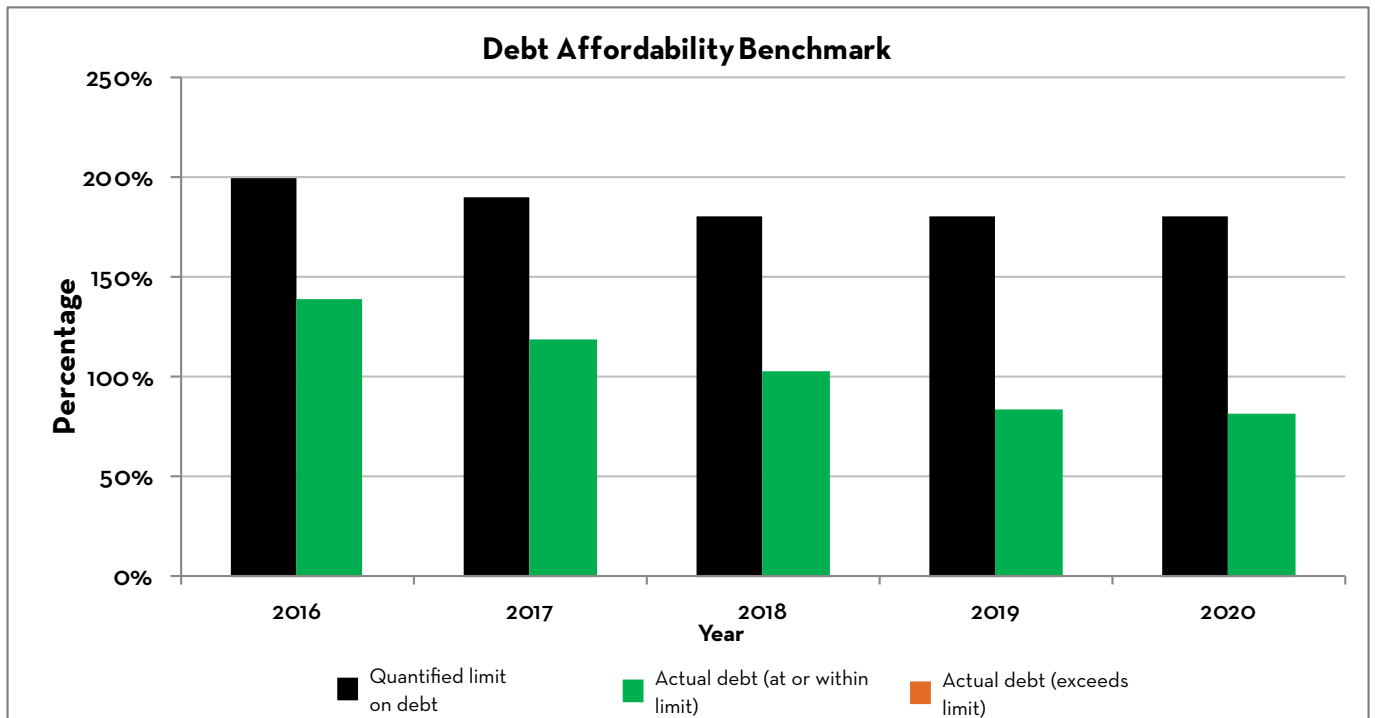
Note: the benchmark was changed during the 2018-28 Long Term Plan to be no more than 75% of revenue (Prior: more than 65%).



Debt Affordability Benchmark

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

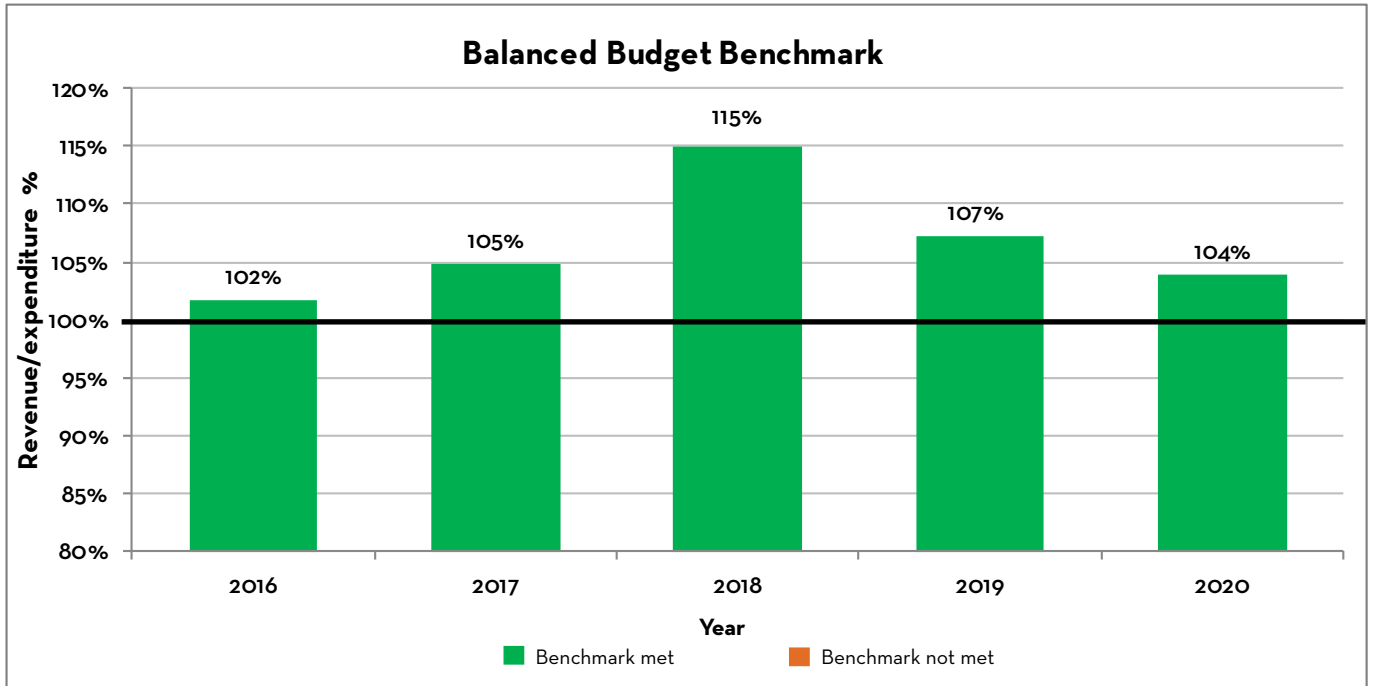
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s long-term plan. The quantified limit is that debt will not exceed 180% of revenue from 2018 onwards, reduced from 190% in 2017 and 200% in previous 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).

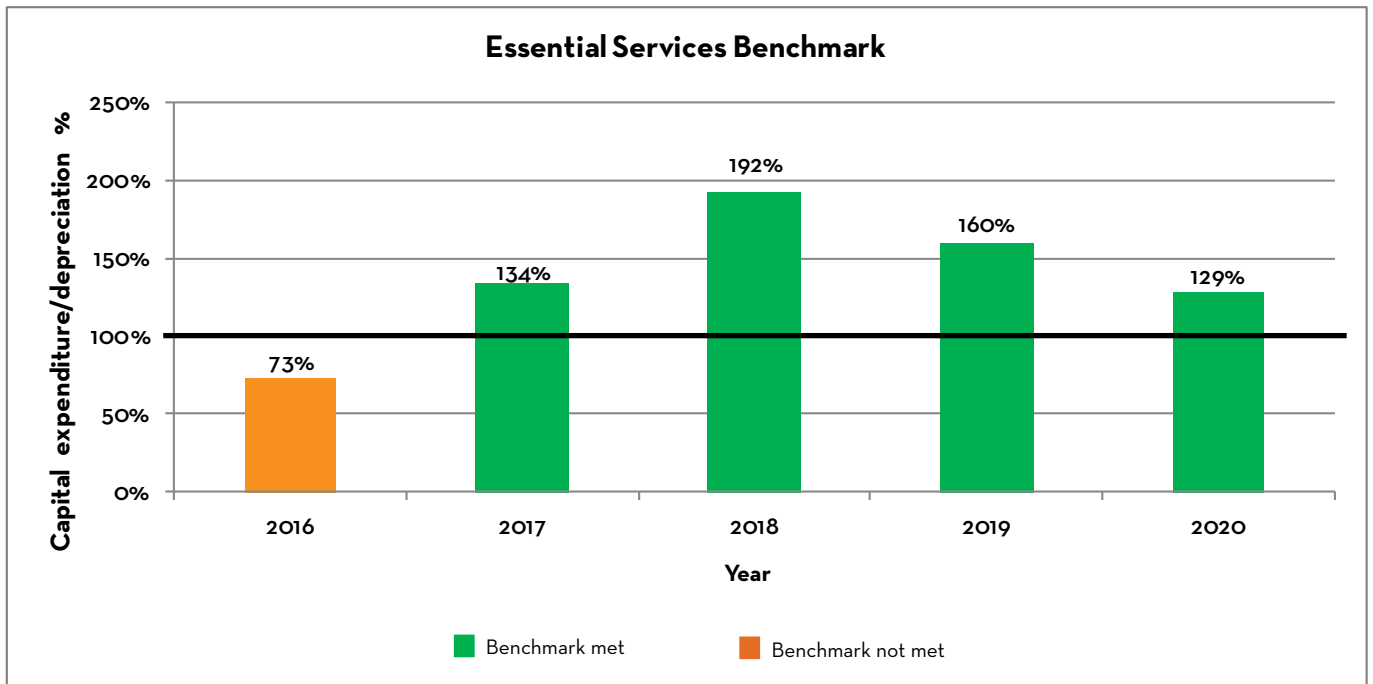
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

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

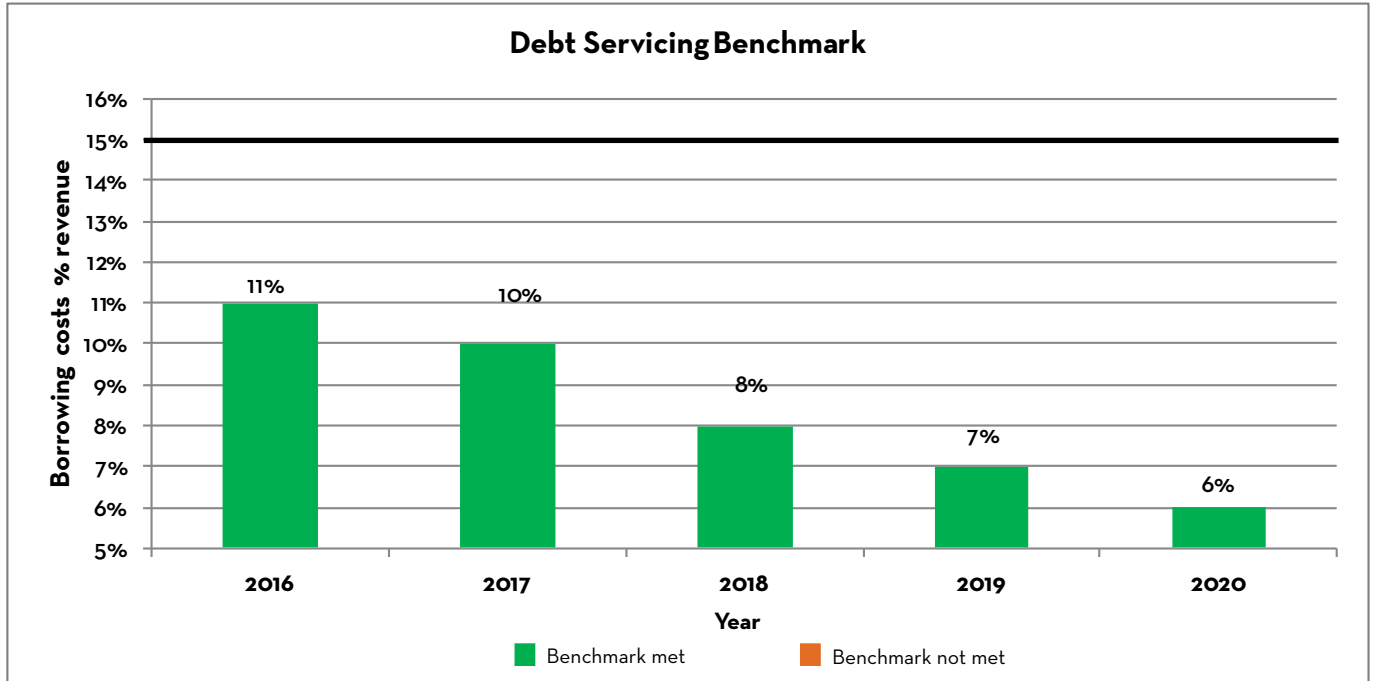
The Council meets this benchmark if its capital expenditure on network services (being; transportation, water, wastewater and Stormwater) equals or is greater than depreciation on network services.



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).

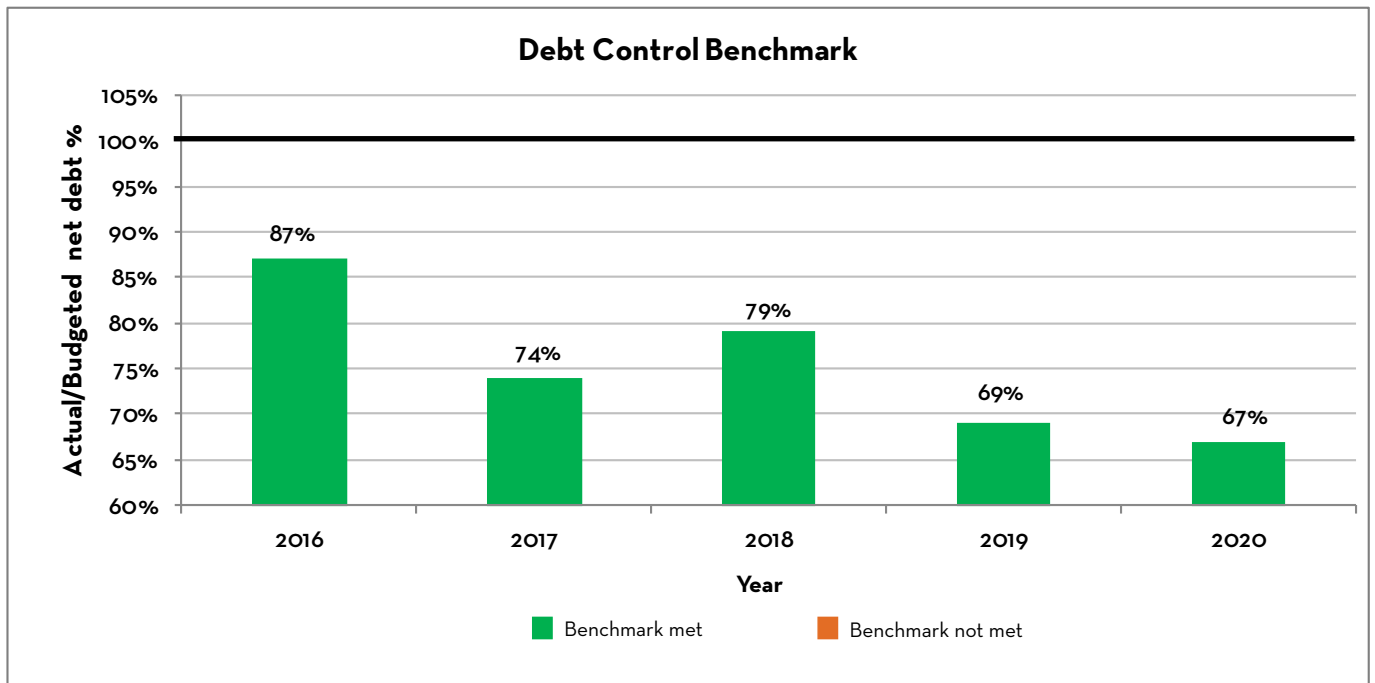
Because Statistics New Zealand projects the council's population will grow faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



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).

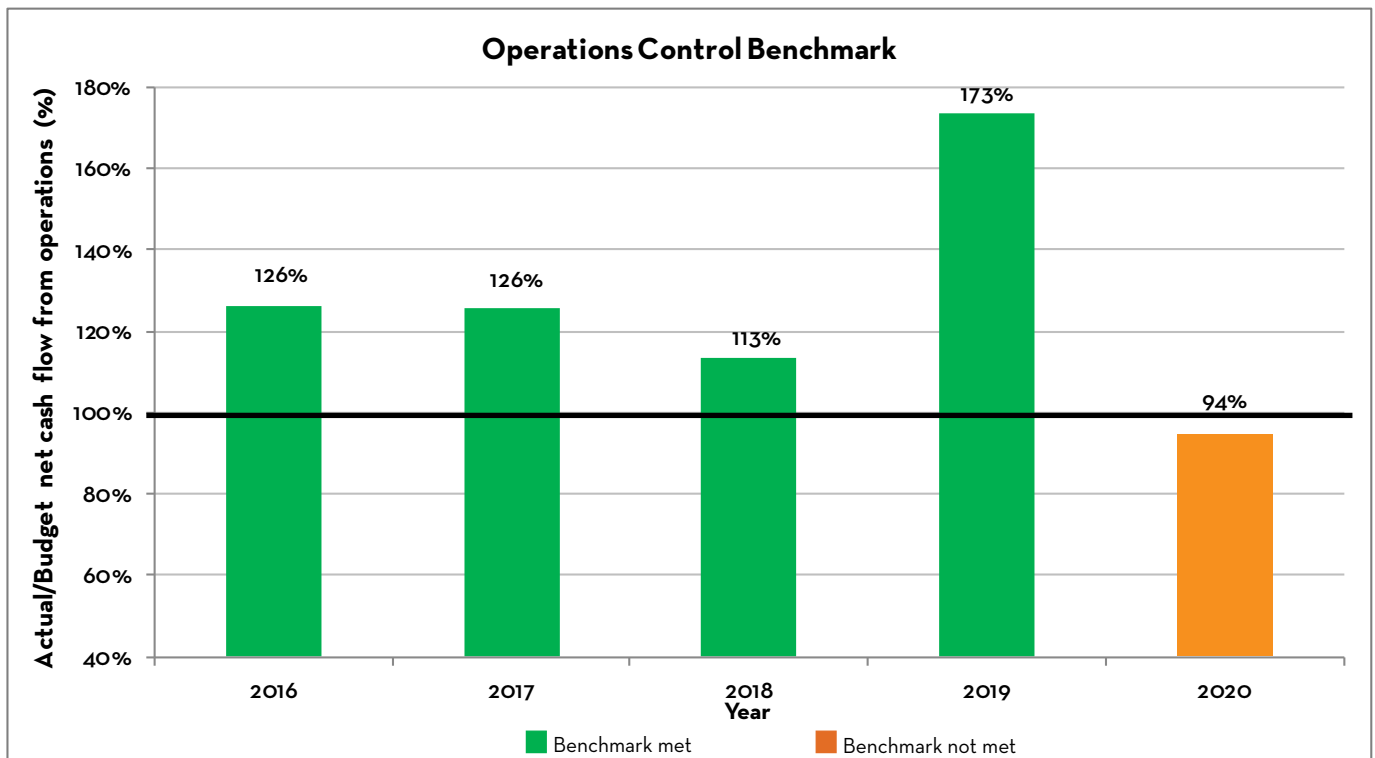
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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 2020, Western Bay of Plenty District Council rating units increased by 4.0%. Growth is deemed to be the actual increase in rating units as at 30 June 2020 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.

Operations Control Benchmark

The operations control benchmark was not met in 2020. This was due primarily to lower than budgeted revenue from financial contributions as growth within the District began to slow and the timing of receipts due to developers electing to pay in the previous year.

DISCLOSURE STATEMENT CALCULATIONS

	ACTUAL \$'000	ACTUAL \$'000
	2019	2020
Rates income	69,284	73,079
Penalty rates	(1,176)	(1,271)
Rates income excluding penalties	68,108	71,808
Rates affordability benchmark	2.8%	1.5%
Rates income	69,284	73,079
Total revenue	133,762	110,213
less - vested assets	(15,891)	(5,940)
less - unrealised income	-	-
less - gains	(2,963)	(826)
less - financial contributions	96,302	97,555
Revenue for benchmark	72%	75%
Rates income affordability benchmark	72%	74%
Total revenue	133,762	110,213
Less financial contributions	(18,605)	(5,892)
Less gains	(2,963)	(826)
Less vested assets	(15,891)	(5,940)
Less - unrealised income	-	-
Revised revenue	96,302	98,379
Total external debt	110,000	110,000
Less short term Investments	-	-
Less cash	(29,622)	(34,489)
Net borrowings	80,378	80,378
Debt affordability benchmark	83%	82%
Total revenue	133,762	110,213
Less - financial contributions	(18,605)	(5,892)
Less - vested assets	(15,891)	(5,940)
Less - revaluation adjustments	(2,963)	(826)
Less - unrealised income	-	-
Revenue for benchmark	96,302	97,555
Total expenditure	92,580	95,297
Less - revaluation adjustments	-	-
Less - unrealised interest/derivative loss	-	(1,346)
Expenditure for benchmark	92,580	93,951
Balanced budget benchmark	107%	104%
Capital expenditure		
Roading	18,388	15,794
Water	2,842	3,448
Wastewater	3,477	1,255
Stormwater	3,417	1,299
Total capital expenditure	28,124	21,796



	ACTUAL \$'000	ACTUAL \$'000
	2019	2020
Depreciation expense		
Roading	9,242	9,845
Water	3,697	2,593
Wastewater	3,251	2,965
Stormwater	1,417	1,522
Total depreciation	17,607	16,925
Essential services benchmark	160%	129%
Total revenue	133,762	111,037
Less - financial contributions	(18,605)	(5,892)
Less - vested assets	(15,891)	(5,940)
Less - revaluation adjustments	(2,963)	(826)
Less - derivative gains	-	-
Revenue for benchmark	96,302	98,379
Interest expense	6,874	6,036
Debt servicing benchmark	7%	6%
Actual		
Liabilities		
Debt	110,000	110,000
Payables	18,623	17,811
Interest rate swaps	11,669	13,015
Assets		
Cash	(29,622)	(34,489)
Investment	(3,577)	(3,558)
Financial assets	(11,274)	(11,519)
Actual net debt	95,818	91,260
Budget		
Liabilities		
Debt	120,000	120,000
Payables	14,295	15,590
Interest rate swaps	9,655	8,376
Assets		
Cash	(1,720)	(3,915)
Investments	(4,065)	(3,752)
Financial assets	-	-
Budget net debt	138,165	136,299
Debt control benchmark	69%	67%
Budgeted cashflow from operations	29,351	29,150
Actual cashflow from operations	50,873	27,499
Operations control benchmark	173%	94%

Independent Auditor's Report

To the readers of Western Bay of Plenty District Council's annual report for the year ended 30 June 2020

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 24 September 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 136 to 204:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2020;
 - 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 pages 205 to 219, 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;

AUDIT REPORT

- the Group of Activities on pages 35 to 133:
 - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2020, including:
 - 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 206 to 219, 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 205 to 219, 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 21 to 25, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in notes 1, 15 and 41 to the financial statements and throughout the Group of Activities on pages 35 to 133, in particular the 2019/20 Highlights for each Activity.

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

AUDIT REPORT

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.

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

AUDIT REPORT

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 Group 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 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 20, 26 to 34, 134 to 135 and 220 to 225 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,

AUDIT REPORT

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: International 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

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COUNCIL'S GROUP OF ACTIVITIES

GUIDE TO THIS SECTION OF THE ANNUAL REPORT

Our achievements report on how well Council's activities performed during 2019/20 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.



2019/20 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

Impact of COVID-19

A number of Council's performance measures and targets were not met due in whole or in part to the impact of COVID-19, and New Zealand entering a period of lockdown.

These performance measures and targets will be shown as 'not met' in accordance with the targets adopted in 2018-2028 Long Term Plan, with explanatory text in both the overall activity summary, and within the individual measure or targets.

Where possible, Council have provided an additional disclosure within the measure or target communicating whether the measure or target was on track to be met before the arrival of COVID-19 in New Zealand.

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

Be kind,
stay home,
save lives.



New Zealand Government

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. 	38
	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. 	45
	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. 	52
	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. 	63
	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. 	70
	Transportation	<ul style="list-style-type: none"> • Roading. • Network development. • Network optimisation. • Environmental mitigation. • Transportation health and safety. 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Thriving economy. 	78
	Water supply	<ul style="list-style-type: none"> • Council water supply. 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Thriving economy. 	85
	Stormwater	<ul style="list-style-type: none"> • Stormwater network. • Waihi Beach coastal protection. 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle. 	95
	Natural environment	<ul style="list-style-type: none"> • Environmental protection. 	<ul style="list-style-type: none"> ▪ Clean, green and valued environment. 	101
	Wastewater	<ul style="list-style-type: none"> • Wastewater. 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Clean, green and valued environment. 	107
	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. 	120
	Economic	<ul style="list-style-type: none"> • Economic development . • Land drainage. 	<ul style="list-style-type: none"> ▪ Thriving economy. 	127

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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Representation activity has had on the four wellbeings during the year:

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> ✓ Introduction of Ward Forums. ✓ Continued working with local, regional, sub-regional and national networks and agencies to advocate for the region. ✗ Resident satisfaction survey targets not achieved for representation and opportunities to participate in decision making.
Economic	<ul style="list-style-type: none"> ✓ Economic Recovery Plan to support local economy. ✓ Successful advocacy for Tauranga Northern Link.
Environmental	<ul style="list-style-type: none"> ✓ Reduced travel and increased use of electronic medium in response to COVID-19.
Cultural	<ul style="list-style-type: none"> ✓ Work continued on the initiative to return land Panepane Purakau to the hapū of Matakana. ✓ Te Ara Mua - delivery of work programme continued.



2019/20 HIGHLIGHTS

The triennial local elections were on Saturday, 12 October 2019 and resulted in a voter turnout of 39.14% (2016: 38.37%).

Mayor Garry Webber was returned to office and five new councillors and 14 new community board members were elected. The inaugural Council meeting was on Thursday, 7 November 2019. Deputy Mayor John Scrimgeour was appointed alongside the chairs of Council committees.

An induction programme was provided to all councillors and community board members. This consisted of staff presentations, external speakers, a tour of the District and a Council expo with staff. The programme was well received by all elected members and provided a sound base to help them take on their various roles.

COVID-19 impacted on Council's scheduled meetings and planned consultation events during the lockdown period. However, with the use of technology, councillors were able to meet and maintain a watching brief in regard to the emergency response to the pandemic.



In response to the COVID-19 impact on Western Bay communities, Council agreed on an Economic Recovery Plan to support the local economy and provide relief from the impact of COVID-19.

It is based on four key themes:

- direct Council financial support
- wider economic recovery
- community wellbeing
- relationships with iwi/hapū organisations and marae.

A key initiative was the \$300,000 Community Resilience Fund (CRF) created through the consolidation of existing grant funds (Community Matching and Facilities in the Community funds). The CRF distributed funds to community groups/organisations that were severely affected by COVID-19.

A total of **49** organisations received funding.

Throughout the year Council continued to advocate for the Western Bay of Plenty District. This included applications to the Provincial Growth Fund and strategic roading developments. The Government's decision in January 2020 to fund the Tauranga Northern Link, with work scheduled to commence late 2020, is a key example.

During the year elected members had a significant workload. This included Long Term Plan workshops, bylaw reviews and strategy reviews. Alongside this they continue to work with our neighbouring councils (Bay of Plenty Regional Council and Tauranga City Council) and external agencies in the development of the sub-region.

The Tauranga Moana and Te Arawa ki Takutai Partnership Forum continued to progress its work programme as provided for in Te Ara Mua which is the forum's strategic plan.

The work of the forum was impacted by local government elections in 2019 and the COVID-19 pandemic in 2020 with some scheduled meetings unable to be held.

A key initiative that has progressed is the return of land Council owns on Matakana Island, referred to as Panepane Purakau, to the hapū of Matakana Island.

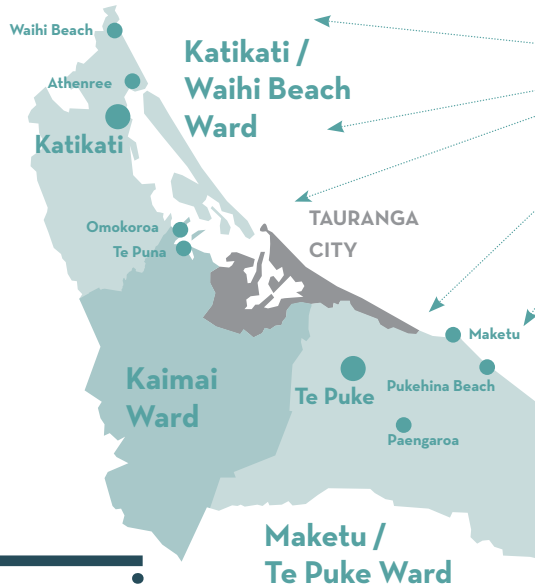
That recommendation led to a Council decision in July to put the proposed return of ownership to the hapū out for public consultation before it makes a final decision in late 2020.

WHAT WE PROVIDE

REPRESENTATION IS PROVIDED BY:



1 MAYOR



5
Community
Boards



11 COUNCILLORS



PARTNERSHIP FORUM

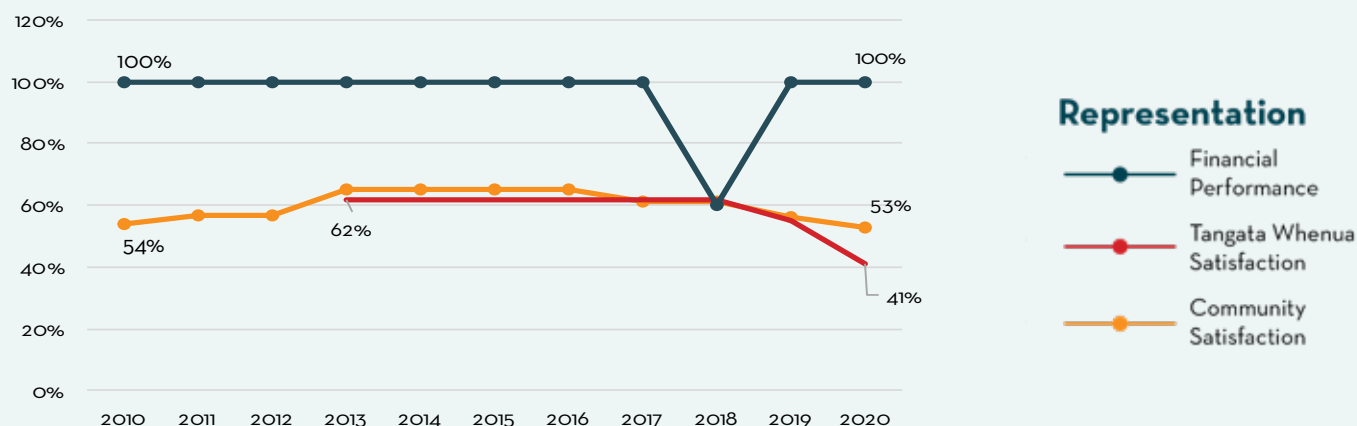
Comprising iwi and hapū representatives

3 WARD FORUMS

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














HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
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%	100%		✓
Key Resident Measure Level of satisfaction with representation provided by elected members:				Key reasons for dissatisfaction includes engagement opportunities, accessibility and rates. We continue to work within communities to increase engagement and accessibility. The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those who 'don't know' is:	
<ul style="list-style-type: none"> • Community 	≥70%	53%	56%	Community 41%	✗
<ul style="list-style-type: none"> • Māori 	≥70%	41%	59%	Māori 30%	✗
Supporting Measures Percentage of eligible population that votes in Local Body Elections.	≥35%	39.14%	No election		✓
Level of satisfaction with opportunities to participate in decision making.				Key reasons for dissatisfaction include not enough communication and consultation, and need to listen. We continue to seek opportunities to engage and consult with communities. The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those who 'don't know' is:	
<ul style="list-style-type: none"> • Community 	≥55%	50%	56%	Community 41%	✗
<ul style="list-style-type: none"> • Māori 	≥55%	37%	59%	Māori 30%	✗

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
Percentage of residents satisfied that the decisions Council has made are in the best interests of the District.	≥60%	47%	54%	Key reasons for dissatisfaction include lack of transparency, infrastructure issues and stewardship. We continue to work with communities to enhance infrastructure. The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those who 'don't know' is 46%	
Percentage movement in total rates income (excluding growth and inflation).	≤4%	1.6%	2.7%		

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
Representation will be provided by:					
• 1 Mayor					
• 11 Councillors					
• 5 Community Boards					
Number of meetings held per annum:					
• Council	≥8	12	11	Following the triennium election Council chose to reduce the number of Community board meetings from a 6-weekly cycle to an 8-weekly cycle, the boards also missed a round of meetings due to COVID-19 lock down.	
• Community	≥8	4	8		
Tangata Whenua governance participation.	≥2	2	5		
Percentage attendance of elected members (Councillors and Mayor) at Council and Committee meetings.	≥80%	95%	92%		
Percentage attendance of Community Board members at Community Board meetings.	≥80%	96%	90%		
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	8	35		
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%	6%	9.9%		
Liquidity ratio - this ratio monitors Council's ability to pay all current liabilities if they became due immediately.	≥110%	140%	184%		
Percentage of net external debt to total revenue.	≤180%	77%	60%		
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%	1.8%	(0.6%)		



COST OF SERVICE STATEMENT

Representation

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Representation	3,187	3,491	2,942
Total operating expenditure	3,187	3,491	2,942
Analysis of expenditure by class			
Direct costs	1,951	2,298	1,852
Overhead costs	1,229	1,181	1,079
Depreciation	8	12	11
Total operating expenditure	3,187	3,491	2,942
Analysis of funding required			
Community Board	449	437	434
Other income	1	77	9
Total revenue	451	514	443
Net cost of service - surplus/(deficit)	(2,737)	(2,977)	(2,500)
Capital expenditure	-	-	-
Vested assets	-	-	-
Total other funding required	(2,737)	(2,977)	(2,500)
Other funding provided by			
General rate	3,023	2,977	2,916
Reserves and future surpluses	(286)	-	(416)
Total other funding	2,737	2,977	2,500

MAJOR VARIANCES

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

FUTURE INITIATIVES

The focus for the next year will be on the development of the 2021-2031 Long Term Plan (Hello Future District) and the engagement and consultation with the District's communities to obtain their input.

Work to progress the development of the sub-region will continue through collaboration with neighbouring councils, Central Government and key agencies.

Lower direct costs have resulted in funds being transferred to Community Board reserves for expenditure in future years.



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 wellbeing 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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Planning for the Future activity has had on the four wellbeings during the year:

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> ✓ Urban Form and Transport Initiative (UFTI) identified preferred options for settlement patterns and transportation solutions. ✓ Adapting to on-line engagement tools to engage with the community about the Long Term Plan during the COVID-19 lockdown. ✓ Concept plan for Conway Road Reserve (Paengaroa) completed. ✓ Completion of bylaws including Freedom Camping and Cemeteries. ✗ Cancellation of pre-engagement activities with the community for the Long Term Plan.
Economic	<ul style="list-style-type: none"> ✓ District Plan changes in response to growth and economic development e.g. accommodation facilities, home enterprise sale of goods. ✓ Trading in Public Places bylaw. ✗ Insufficient greenfield land to accommodate growth in Omokoroa, Katikati, Waihi Beach and Te Puke.
Environmental	<ul style="list-style-type: none"> ✓ District Plan changes in response to growth and environmental issues e.g. floodable and coastal inundation areas. ✓ Continued review of natural hazards maps for flooding, coastal inundation, coastal erosion and others.
Cultural	<ul style="list-style-type: none"> ✓ Working in consultation with tangata whenua in the development of the Urban Form and Transport Initiative and SmartGrowth.



2019/20 HIGHLIGHTS

Growth in the sub-region for the next 50+ years has been outlined in a high-level report combining the Urban Form and Transport Initiative (UFTI) and SmartGrowth.

Work in developing this report involved high level research and the modelling and assessment of various options for the sub-region's future planning. Preferred options for settlement patterns and transportation solutions have been identified as a result of this work. The report was signed off in July 2020 by Western Bay of Plenty District Council, Tauranga City Council, Bay of Plenty Regional Council, tangata whenua and government agencies.

Council completed 10 changes to its District Plan during the year. These changes were mostly minor updates to ensure the District Plan remains relevant and recognises changes in the region due to growth, economic development and environmental issues. A substantive change was in Plan Change 85 (PC 85) Clean-fill Activities in the Rural, Future Urban, Lifestyle and Rural-Residential Zones. The purpose of these changes is to address issues where city developments were transporting and depositing clean-fill to gullies within the Western Bay District. As it stood, the District Plan did not require consent for these activities. The recent plan change recognises the impact of these activities including increased heavy traffic, dust and noise. Examples of other plan changes completed this year were PC 83 Accommodation Facility Permitted Limit, PC 86 Floodable and Coastal Inundation Areas - Maintenance of Stopbanks and Drains, and PC90 Home Enterprises - Sale of Goods.

Council continues to be very busy with the review of all natural hazard maps for flooding, coastal inundation, coastal erosion, instability, tsunami, liquefaction and others. This is a joint exercise with the Bay of Plenty Regional Council and Tauranga City Council. Key areas of work were:

- Coastal inundation for the Tauranga Harbour - maps were completed and released August 2019.
- Floodable areas at Omokoroa and Katikati were reviewed to recognise climate change. New maps were released August 2019.
- Floodable areas for rural areas and small settlements - review is underway to recognise climate change. This is due for completion 2020/21.
- Omokoroa Stage 3 Structure Plan - mapping of liquefaction and land instability as well as a risk assessment of natural hazards.

Work has started on the Long Term Plan 2021-2031 (LTP).

This plan outlines what communities want to achieve in the long term and establishes a pathway for Council to reach these objectives through strategies and actions.

4 strategy reviews are underway for Communities, Recreation and Leisure, Stormwater and Natural Environment and will form part of the LTP.

COVID-19 lockdown meant Council's planned three LTP pre-engagement activities (family fun days) with Western Bay communities had to be postponed. This meant that pre-engagement was online only from March to May 2020. These community events will be rescheduled to 2020/21.

In other planning activities, COVID-19 had minimal impact on Council's planning and resource consent workload. Projects were advanced and Package of Plans continued to be lodged by developers and these were progressed during lockdown.

There was an increased workload to ensure Council adopted key work prior to the elections in October 2019. In August 2019 Council adopted:

- Section 17a review of the solid waste activity.
- Six bylaws including: Freedom Camping, Animals (excluding Dogs), Cemeteries, Public Places, Trading in Public Places and Traffic and Parking Enforcement.

Bylaw reviews are ongoing and reviews have started for the Wastewater Bylaw, Trade Waste Bylaw and Water Supply System Bylaw. Work has begun on a new bylaw for Stormwater. Consultation on these bylaws was undertaken in May/June 2020. These will be completed in the 2021 year.

The Conway Road Reserve (Paengaroa) concept plan has been completed. This plan will inform the future development of this reserve. Planning has started on the future use of forestry land located between Lund Road and Thompsons Track near Katikati - including the potential use of this area for horse trails and mountain biking. To inform planning and to gain community input Council has completed an initial round of public consultation.



WHAT WE PROVIDE

PLANNING FOR THE FUTURE INCLUDES:



POLICY & PLANNING



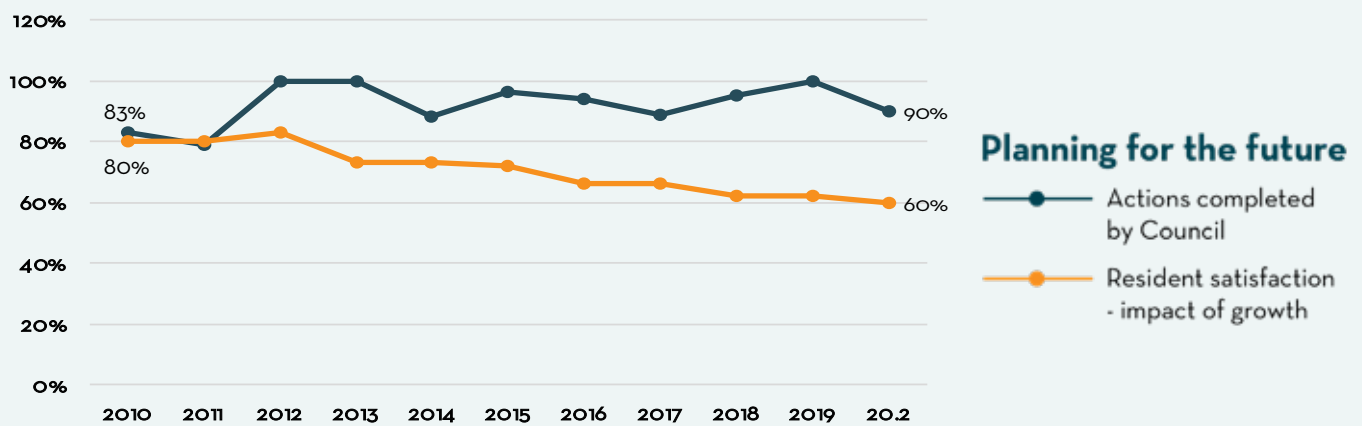
RESOURCE MANAGEMENT



INFRASTRUCTURE PLANNING ACTIVITIES

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
Key Performance Measure Plans, strategies and District Plan changes are developed or reviewed in accordance with Council approved programme.	100%	90%	100%	Omokoroa Structure Plan and residential review delayed by COVID-19 lockdown and the Omokoroa town centre resource consent application.	✘
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.	No Survey	No Survey	No Survey		-



HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
District Plan updated to meet the needs of our District					
State of the Environment reporting is completed on a five yearly basis.	No required	Not required	Yes	The next State of the Environment report is due 2024.	-
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	≥10 years supply available except for Omokoroa	Omokoroa – 6.3 years (Stage 3 will address the shortfall). Katikati – 5.1 years (Waiting for new legislation). Waihi Beach – 4.1 years Te Puke – 7.1 years (Recent large subdivision reduced greenfield).	✗
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	1	Waihi Beach community and town centre plan.	✓

FUTURE INITIATIVES

Council will continue to progress the development of the 2021-2031 Long Term Plan. This plan will come into effect on 1 July 2021. Work will include two further rounds of community engagement and, subject to COVID-19, the planned community events that were postponed in March will be held.

Planning for growth and the development of the sub-region will continue. This work is led by SmartGrowth and requires a collaborative approach by the three councils and other agencies. Following from the UFTI initiative, a spatial plan will be developed over the next 12 months.

The Omokoroa Stage 3 Structure Plan and Residential rules will be finalised ready for notification once the outcome of the town centre resource consent application is known.

Council will continue to monitor, advocate and respond to legislative changes. This includes the Three Waters Reform, Review of the Resource Management Act and changes to the Local Government Act.





COST OF SERVICE STATEMENT

Planning for the future

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Policy and planning	1,447	1,440	1,382
Resource management	1,276	1,127	1,287
District development	(39)	(172)	(37)
Total operating expenditure	2,684	2,395	2,632
Analysis of expenditure by class			
Direct costs	1,792	1,582	1,731
Overhead costs	889	809	898
Depreciation	3	5	3
Total operating expenditure	2,684	2,395	2,632
Revenue			
Target rates	13	13	13
Other income	13	13	-
Total revenue	(2,671)	(2,382)	13
Net cost of service - surplus/(deficit)	(2,671)	(2,382)	(2,619)
Capital expenditure	-	-	-
Total other funding required	(2,671)	(2,382)	(2,619)
Other funding provided by			
General rate	2,670	2,567	2,847
Reserves and future surpluses	1	(185)	(227)
Total other funding	2,671	2,382	2,619

MAJOR VARIANCES

Higher overhead costs and additional resource management expenditure was incurred during the 2019/20 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 wellbeing. 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 wellbeing 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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Communities activity has had on the four wellbeings during the year:

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> ✓ Communities and Emergency Management Teams working with and within the communities in response to COVID-19. ✓ Safer communities programme accredited with the World Health Organisation Safe Cities accreditation. ✓ Use of libraries and service centres for events and meetings spaces available for community organisations to meet. ✗ 55% (target 85%) of Emergency Operations Centre staff were trained to operate the emergency operations centre.
Economic	<ul style="list-style-type: none"> ✓ Resilience fund (COVID-19 initiative) to support community organisations. ✓ Regional Provincial Growth Fund grant for a digital hub at Katikati. ✓ Affordable housing development at Kaimai Views Omokoroa.
Environmental	<ul style="list-style-type: none"> ✓ Pensioner Housing - completion of alterations to meet healthy homes initiative.
Cultural	<ul style="list-style-type: none"> ✓ 15 engagement initiatives with Tangata Whenua. ✓ Welcoming Communities programme gained accreditation by Immigration NZ as an Established Welcoming Community.



2019/20 HIGHLIGHTS

The Communities team was actively involved in the Council response to COVID-19. Working in their roles within Council and the Emergency Operations Centre they were able to utilise and build on their established connections and relationships within the communities. This involved connecting with communities and liaising with community groups to identify priorities and develop a response. Working with the agencies actively working within the communities to address accommodation and food needs the team provided support, delivery of goods and services, as well as staffing capacity.

The Resilience Fund was created to provide support to community organisations. The fund was established by consolidating the existing community matching fund and the facilities in the community fund. This enabled a total of \$300,000 to be distributed across the region. Applicants to the fund were required to show the impact of COVID on their respective organisations. This has resulted in 49 groups receiving support of up to \$10,000. In pursuing this opportunity, relationships with our communities has been enhanced and feedback from all concerned has been positive.

In September 2019 the Tauranga Western Bay of Plenty Safer Communities Programme were reaccredited with the World Health Organisation Safe Cities accreditation. This programme is delivered in partnership with Tauranga City Council and Western Bay Emergency Support Services. The accreditation is renewed every three years and considers how the sub region identifies and prioritises community safety issues, and the level of success in resolving issues in a healthy and sustainable way. This safer community's programme is now instilled in a number of avenues within the community development and engagement work.

The Welcoming Communities Programme (a joint initiative with Tauranga City Council) gained accreditation by Immigration New Zealand as an Established Welcoming Community. This acknowledges the efforts of both councils and communities to welcome newcomers and create an inclusive environment for all ethnicities. This accreditation is the second of four levels which is the highest achieved in New Zealand.

Our libraries and service centres continue to provide a valuable service to our communities. A number of events are held during the year and meeting spaces or hubs are available for community groups to meet. Activities range from children's programmes, Lego groups, and interest groups targeting various demographics within each community.

COVID-19 meant that our library and service centre facilities were totally closed during level 3 and 4 lockdown. This resulted in an increased use of online services e.g. press reader and electronic book issues. Our Contact Centre continued to operate as usual for the entire period of lockdown and once opening to physical customers in Level 2, an electronic visitor sign in was implemented.

COVID-19 has created history in 2020 and the opportunity has been taken to record the COVID-19 experience for the Katikati area. This will document the local support response for Katikati by interviewing community leaders and recording it as part of our history.

Following the successful opening of Patuku Manawa in Katikati, an application was made to the Regional Provincial Growth Fund. This was a joint application with Council and Priority One to obtain funding for a digital hub, and was successful in receiving \$400,000 from the fund. The first phase of this funding will enable a technology fit out and a second operable wall to be installed. The funding is over a five year period and will also enable the development of programming to support small business and youth.

The use of technology within our libraries is increasing. For example, 75% of book issues are via our self checks, and the libraries Anytime, Anywhere app has had good uptake with over 1,200 members. E-book collections has increased by 15%. In June 2020, we published our first library website. This has enabled visitors to search for books and other items at the libraries four locations. They can also find events, programmes and activities offered by the libraries for children and adults. Alongside this move to use technology there is a growing reliance within our communities to utilise our facilities to access the online world. An increasing number of people come with their own device to access the online world through the service centres.

The initiative to provide affordable housing at Kaimai Views in Omokoroa continued. This is a nine stage project, and four stages have now been completed. All houses built to date (approx.: 120) have been sold. Stage five will commence later in 2020.

Planning and construction of a new interim service centre in Omokoroa commenced and is scheduled for completion in September 2020. The new centre will be located at the Western Avenue Reserve. This is a partnership opportunity as we seek to provide a community space alongside the Omokoroa Recreation and Sports Society.

There were a number of other initiatives and events during the year. This included:

- Advice and support for the development of the Waihi Beach Community Plan which was launched in January 2020.
- TECT Community Awards.
- Annual local history day held in Te Puke in November 2019.
- Development of a process and framework for Council's approach to assisting communities to hold events.
- Service Delivery Contracts to provide key services to our communities e.g Surf Lifesaving, Creative BOP and Sports Bay of Plenty.
- New Te Puna Hall - a joint initiative between the Hall Committee, Waka Kotahi, and Council.
- Pensioner Housing - completion of alterations to meet healthy homes initiative.



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



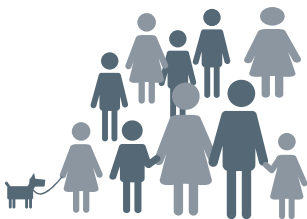
112,026

ITEMS HELD
IN THE
FOUR LIBRARIES



277,056

LIBRARY ITEMS ISSUED
during 1 July 2019 - 30 June 2020



12,241

PEOPLE ATTENDED

1,115 EVENTS

from 1 July 2019 - 30 June 2020
at our school holiday, weekly
interactive activities.

The Centre Pātuki Manawa



766 BOOKINGS / EVENTS



8,628 PEOPLE IN THE HUB



SCHOOL HOLIDAY EVENTS,
WEEKLY INTERACTIVE ACTIVITIES

215,404

PEOPLE VISITED WESTERN BAY
COUNCIL'S LIBRARIES AND SERVICE
CENTRES

from 1 July 2019 - 30 June 2020

68,052

OF FREE WIFI SESSIONS
during 1 July 2019 - 30 June 2020

21,704 USERS



**FREE
WIFI**



**LOCAL
HISTORY
ARCHIVES**

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

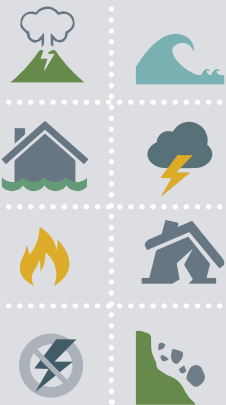


**EMERGENCY
OPERATIONS
CENTRE**



**COMMUNICATIONS
SUPPORT**

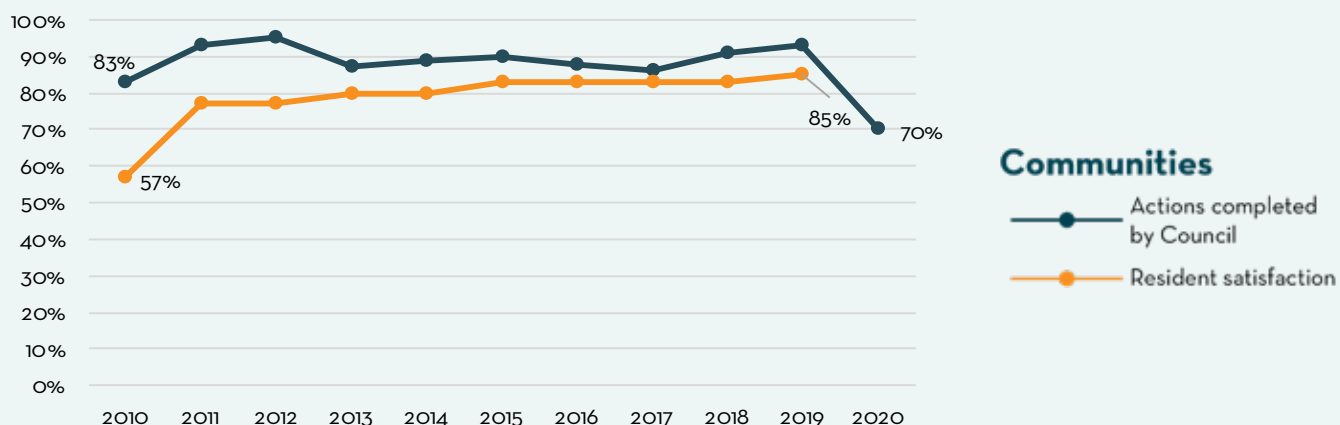
BAY OF
PLENTY CIVIL
DEFENCE AND
EMERGENCY
MANAGEMENT
GROUP *and Plan*



EDUCATION

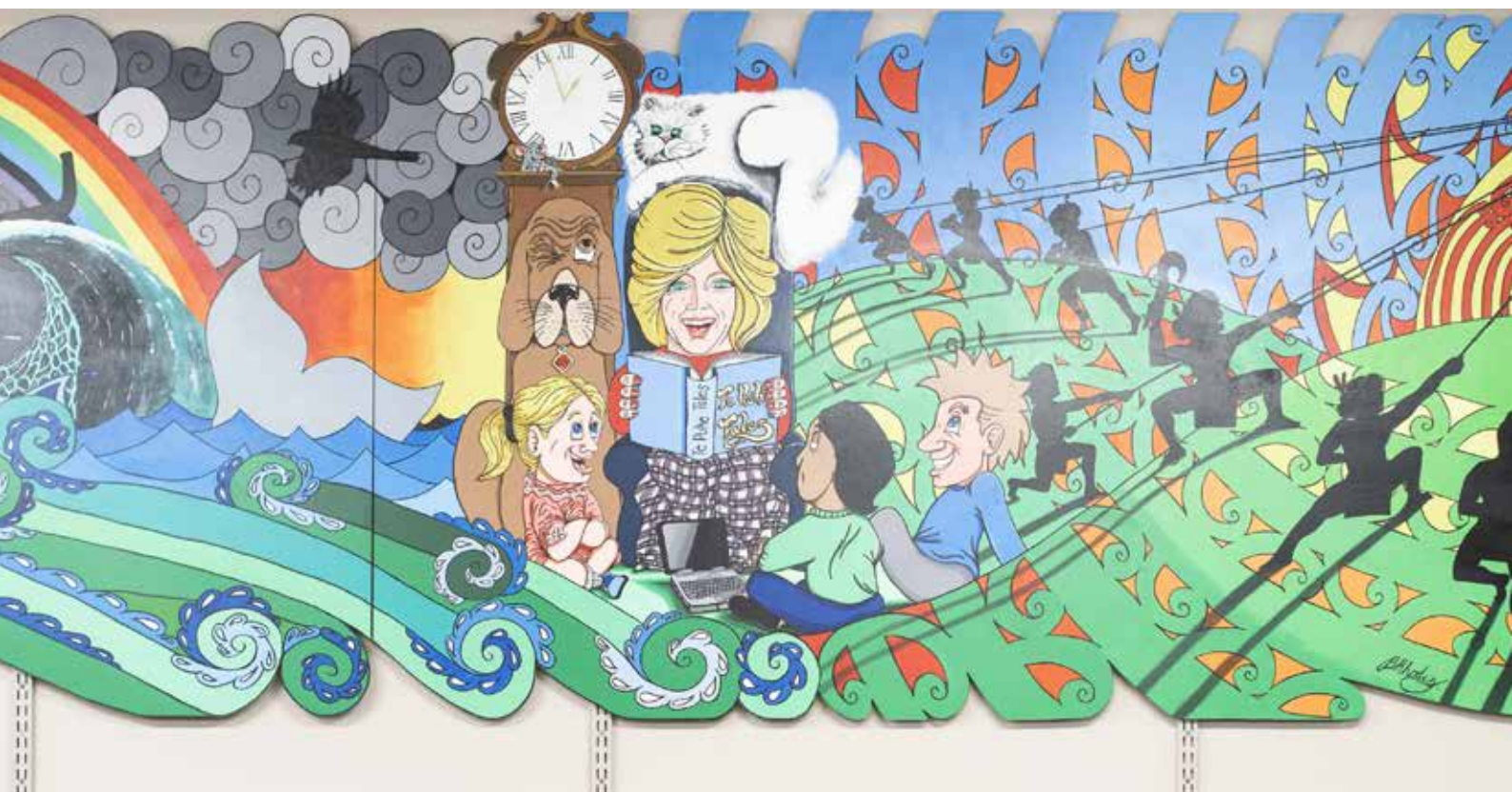
SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
Key Performance Measure Percentage completion of the annual work programme as identified in the Community Strategy and Action Plan.	≥90%	70%	93%	Key reasons for delays in work programme are COVID-19 lockdown, land issues, and reviews of key initiatives.	✗
Key Resident Measure Level of resident satisfaction with Community Services based on two-yearly survey. This includes community development, library services and cemeteries.	No survey	No survey	85%	Next survey due 2020/2021.	-



HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
Develop and deliver a coordinated Community Safety Programme in accordance with the Community Safety Policy.					
Number of Community Safety initiatives supported by Council.	≥2	2	3	Two initiatives: <ul style="list-style-type: none"> • Tauranga Western Bay Safer Communities Tactical Group. • Tauranga Western Bay Safer Communities Action Plan. 	✓
We will actively build capability in community organisations.					
Number of capability building workshops held.	≥2	9	5	This includes Active Ageing Workshops, Sustainable Day Out, Exults Growing Great Volunteers.	✓
We will engage with Tangata Whenua.					
Number of engagement initiatives with Tangata Whenua.	≥4	15	20		✓
Number of new or reviewed iwi/hapu management plans received.	≥2	1	0	Dependent on plans being received from iwi/hapu.	✗
Library services will be maintained at Katikati, Omokoroa, Te Puke and Waihi Beach.					
Number of library items available per person.	1.6	2.56	2.5		✓
Library space (m2) available per 1,000 residents.	32m ²	41.4m ²	49.79m ²		✓
Number of physical visits per annum.	≥310,000	215,404	270,640	This is a decrease due to our libraries being closed for seven weeks due to COVID-19 and limited capacity due to social distancing for at level 2.	✗
Number of free Wi-Fi users.	25,000	68,052	76,728		✓
Number of events and programmes facilitated by Council library services.	≥400	1,115	462	Combination of increased space in Katikati and the allocation of resources for children's programs has had a positive impact on results.	✓
We will be responsive to customers requests for service.					
Percentage of service requests resolved within specified timeframe.	≥95%	97%	94%		✓
Percentage of customers surveyed where service requests were not actioned.	≤5%	1%	≤2%		✓
Percentage customer satisfaction with service provided by frontline staff based on two-yearly survey.	≥90%	No survey	No survey	No Survey was conducted due to review of Council surveys. Review completed 2020.	-
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		✓
Partnerships with hall committees will be maintained.					
Number of partnership agreements in place with existing hall committees.	≥14	14	15		✓
Minimum number of notifications (per year) each hall committee will receive regarding annual budget and policy changes.	2	2	2		✓

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
We will provide and maintain 70 pensioner units in Katikati, Te Puke and Waihi Beach.					
Percentage of service requests actioned within agreed timeframes.	≥90%	90%	85%		✓
Annual housing occupancy rate of all available units.	100%	100%	96%	All available pensioner units are tenanted.	✓
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%	55%	46%	Due to operational commitments and COVID-19, course attendance was lower than required.	✗
Percentage of roles in the Emergency Operation Centre (EOC) that are filled.	≥85%	95%	97%		✓
Number of community initiatives to promote emergency readiness and response (i.e. emergency plans and actions identified).	8	8	10		✓

FUTURE INITIATIVES

The review of the Communities Strategy will be completed and becomes effective in July 2021. This has identified key initiatives and will bring to fruition a further extension of Council's activities within the community.

The development and enhancement of library spaces within our communities will continue. The Omokoroa interim library space will open in September 2020, and planning will commence for a new library, service centre and hub at Waihi Beach. A library and hub is also planned for Te Puke.

In 2020/21 the review of the Katikati Town Centre and Development Plan will commence. Council will provide support and advice in the development of this plan.

The affordable housing initiative, Kaimai Views in Omokoroa will continue. Stages five to nine will be developed in the next few years.

Alongside this a more intensive development for further affordable housing.

25 Accommodation units is also planned.

This is in addition to the original housing development (249 houses) in Kaimai Views.





COST OF SERVICE STATEMENT

Communities

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Libraries, information and service centers	3,637	3,331	3,422
Community building and service contracts	2,039	2,490	2,134
Housing for older people	615	573	538
Cemeteries	222	209	269
Community halls	629	332	1,010
Civil defence emergency management	485	486	397
Total operating expenditure	7,626	7,419	7,770
Analysis of expenditure by class			
Direct costs	5,290	4,733	5,242
Overhead costs	1,800	1,963	1,979
Interest	34	54	161
Depreciation	503	669	387
Total operating expenditure	7,626	7,419	7,770
Revenue			
Targeted rates	2,110	1,879	1,963
User fees	80	77	85
Subsidies	195	-	37
Other income	606	499	537
Total revenue	2,991	2,455	2,622
Net cost of service - surplus/(deficit)	(4,634)	(4,963)	(5,148)
Capital expenditure	381	455	44
Total other funding required	(5,015)	(5,419)	(5,192)
Other funding provided by			
General rate	4,544	4,790	4,782
Debt increase/(decrease)	57	(69)	(478)
Reserves and future surpluses	414	697	887
Total other funding	5,015	5,419	5,192

MAJOR VARIANCES

Lower delivery of the capital programme has resulted in lower depreciation within the activity.

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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Recreation and Leisure activity has had on the four wellbeing during the year:

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> ✓ Increased use of open spaces, walkways and cycleways during COVID-19 lockdown. ✓ Consultation for development of the Omokoroa Domain playground. ✓ Installation of cell-phone tower at TECT All Terrain Park to increase accessibility and safety of the park. ✗ Increasing population reduces park land available for recreation or conservation purposes.
Economic	<ul style="list-style-type: none"> ✓ To support freedom campers visiting the region a KiwiCamp facility at Waihi Beach was installed.
Environmental	<ul style="list-style-type: none"> ✓ Completion of the Omokoroa to Tauranga cycleway to the Wairoa Bridge.
Cultural	<ul style="list-style-type: none"> ✓ Working with the local community in the replacement of the Opureora Jetty and pontoon and upgrade of the surrounding area.



2019/20 HIGHLIGHTS

TECT Park was awarded the Recreation Aotearoa's Green Flag award for the fifth year in a row.

This award adds to the Supreme Green Flag award won by the park in May 2019 for the inaugural Best of Parks Green Flag awards. These awards are recognition of what the park has to offer as well as the park staff's commitment and professionalism.

During the year development at the park continued and was aided by grants from external agencies. This included the development of the Kiwi Camp facility for which a grant was received from the Tourism Infrastructure Fund (\$378,000). The Tauranga Electricity Consumers Trust (TECT) also provided funding of \$300,000 for a range of projects including a new water bore, electricity upgrade and new toilet facilities for events. The installation of the cell phone tower at the park has greatly improved communication channels which will enhance the accessibility and safety of the park and allow for future recreation-based commercial activity to occur at the park.

The COVID-19 lockdown realised the value of recreational facilities within the communities. While Council's playgrounds were closed during levels 3 and 4, Council's walkways, cycle trails and open spaces were well used by all communities for exercise and wellbeing throughout lockdown.

The COVID-19 lockdown over autumn resulted in a delay to planned developments and planting traditionally undertaken at this time. As a result planned projects have been aligned with future work programmes in the 2020/21 financial year.

The Freedom Camping Bylaw was reviewed and adopted in September 2019.

To support freedom campers visiting the region a Kiwi Camp facility was installed at Bowentown.

This opened in December 2019. The facility provides cooking, dishwashing, ablution, laundry facilities, waste and recycling options and wireless internet and device charging. It is available to anyone who has a KiwiCash digital key and use of the toilets is free. Council has enjoyed the positive feedback received and this is endorsed by increasing use.

A new playground was opened at the Paengaroa Domain in December 2019.

This project was the result of Council and the community working together. In conjunction with this, the community raised funds and undertook working bees to develop the nearby Conway Road Reserve.



A comprehensive consultation process was undertaken for the Omokoroa Domain Playground. Five primary schools were engaged to provide feedback on the concept plans for this playground development and the result will be an appropriate facility for the community. The planned development is scheduled to occur in 2020/21 year.

The Opureora Jetty and pontoon on Matakana Island were replaced and the surrounding area upgraded. This again was the result of working with the local community on Matakana Island through consultation and workshops before Council undertook the agreed works. Both the consultation process and the actual development have received a positive response from the island community.

Development of the cycleway network within the Western Bay of Plenty continued. The Omokoroa to Tauranga cycleway is completed to the Wairoa Bridge. The overall use of the cycleway network is increasing and is well utilised, especially during lockdown.

Other key developments and initiatives include:

- Omokoroa Sportsground Pavilion - joint facilities for Council service centre and Omokoroa Sports and Recreation Society.
- Albacore Ave renewal and upgrade of playground and toilet facilities.
- Te Duke Sports new grandstand - financial grant \$130,000.
- Dave Hume Pool feasibility study completed and deliverables are being input to the Recreation and Leisure review process.

WHAT WE PROVIDE



51 KILOMETRES OF PATHS
1,581 METRES *of boardwalks*

.....
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

11 BUILDINGS

6 CAMPING GROUNDS

75 PUBLIC TOILETS

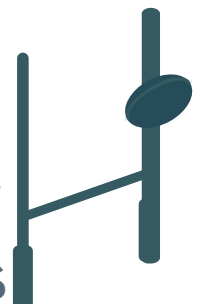
2 SWIMMING POOLS

.....
33 SPORTS FIELDS 

29 PLAYGROUNDS

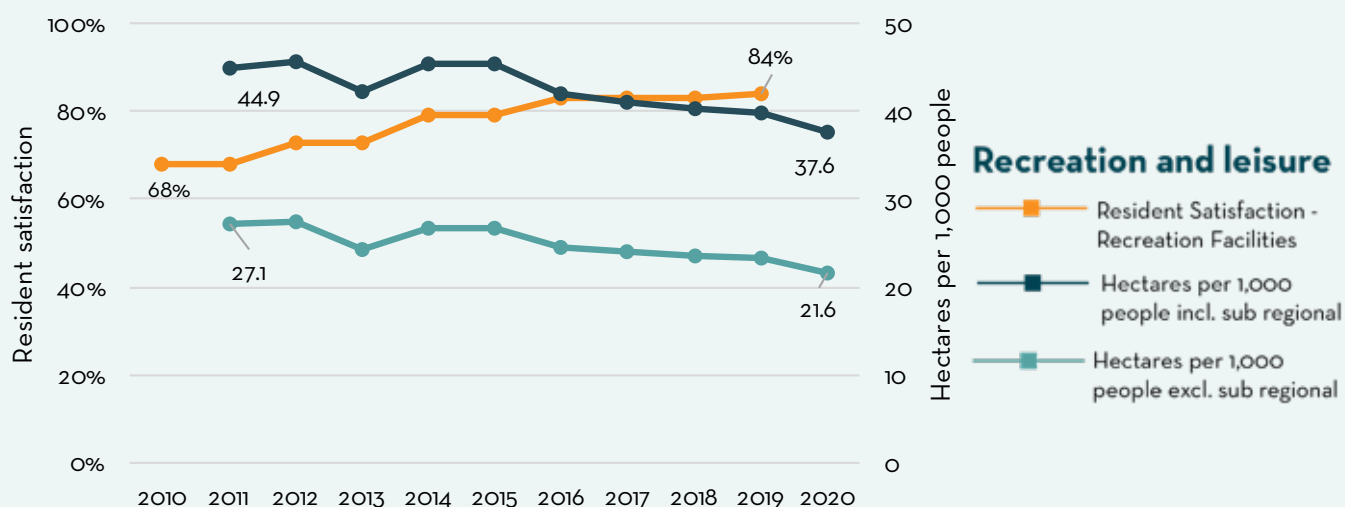
44 HARD COURTS

6 SKATE PARKS



SERVICE PERFORMANCE RESULTS










RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
<p>Key Performance Measure Total hectares of park land provided for recreation or conservation purposes per 1,000 residents.</p> <ul style="list-style-type: none"> Excluding sub regional parks (TECT All Terrain Park and Huharua Harbour Park). Including Council's share of sub-regional parks. <p><i>Please note: The decreasing trend is recognising population growth in the District and that facilities will be shared by more people.</i></p>	<p>≥23.0 ha</p> <p>≥39 ha</p>	<p>21.6 ha</p> <p>37.6 ha</p>	<p>23.3</p> <p>39.7</p>	<p>Increasing population reduces the land available. As a result of recent residential developments further reserves will be developed.</p>	<p>✗</p> <p>✗</p>
<p>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'.</p>	No survey	No survey	84%	Next survey to be undertaken in 2021.	-
<p>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).</p>	≥90%	94.8%	92.25%		✓
<p>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.</p> <p>Percentage of Reserve Management Plans that have been reviewed (3 yearly cycle) in accordance with the Reserves Management Act 1977.</p>	<p>≥90%</p> <p>No review</p>	<p>56%</p> <p>No review</p>	<p>82%</p> <p>100%</p>	<p>Key reasons projects were delayed are COVID-19 lockdown and working with third parties.</p>	<p>✗</p> <p>-</p>

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
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	8.6	7.5	Increasing population reduces the land available. As a result of recent residential developments further reserve land is vested in Council.	
• Natural land	≥16.7	11.6	14.4		
• Sports parks	≥1.5	1.4	1.4		
<i>Please note: this excludes the joint sub-regional TECT All Terrain Park and Huharua Harbour Park.</i>				Development of these reserves is done in consultation with the community.	
Number of recreational facilities provided:					
• Playgrounds per 1,000 children (under 15 years old)	≥3	3.0	3.3		
• Skateparks/paths facilities	6	6	6		
• Boat ramps	18	18	18		
• All tide boat ramps.	2	2	2		
Number of Council funded swimming pools (Katikati and Te Puke).	2	2	2		
Level of reserve-user satisfaction as monitored by the two-yearly intercept surveys ('satisfied' or 'very satisfied').	≥85%	No survey	No survey	Survey not completed. Next user intercept survey in 2020 will focus on Omokoroa – Tauranga cycleway.	-
We will provide sub-regional parks per the joint partnership with Tauranga City Council					
Achieve Green Flag accreditation for the TECT All Terrain Park on a three yearly basis.	Achieved	Achieved	Awarded Best Green Flag Park NZ 2019		

FUTURE INITIATIVES

Council will continue the development of concept plans for new and existing reserves throughout the District. These plans are the result of research and engagement with the community to ensure reserve developments meet community needs. Once plans are adopted by Council, implementation is scheduled.

The reviewed Recreation and Leisure Strategy will be implemented in July 2021 onwards. This strategy provides the direction and levels of service for this activity. The strategy also includes the levels of service for swimming pools which are being considered through the longterm planning process.

Development of all Council reserves and facilities will continue to ensure communities have access to open spaces.



COST OF SERVICE STATEMENT

Recreation and Leisure

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
District reserves	4,848	5,254	5,078
Motor camps	86	86	77
Swimming pools	321	323	449
Harbour structures	498	1,022	944
Sub-regional parks	1,426	1,146	893
Total operating expenditure	7,179	7,832	7,443
Analysis of expenditure by class			
Direct costs	5,830	4,516	5,296
Overhead costs	904	1,134	896
Interest	(596)	(134)	(364)
Depreciation	1,041	2,315	1,614
Total operating expenditure	7,179	7,832	7,443
Revenue			
Targeted rates	-	23	-
User fees	15	24	10
Financial contributions	1,362	2,173	3,679
Subsidies	-	153	-
Vested assets	403	-	-
Asset revaluation	-	-	2,128
Other income	3,172	752	2,167
Total revenue	4,952	3,125	7,984
Net cost of service - surplus/(deficit)	(2,227)	(4,707)	542
Capital expenditure	5,330	4,017	2,107
Vested assets	403	-	-
Total other funding required	(7,961)	(8,723)	(1,565)
Other funding provided by			
General rate	5,887	6,784	6,178
Debt increase/(decrease)	(13)	388	(12)
Reserves and future surpluses	2,087	1,551	(4,600)
Total other funding	7,961	8,723	1,565

MAJOR VARIANCES

Financial Contributions were lower than budgeted due to reduced building-related activity in the District and the impact of COVID-19.

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 wellbeing 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 wellbeing 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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Regulatory Services activity has had on the four wellbeings during the year:

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none">✓ Annual Wander Dog series where dog owners can participate in various walks and events with their dog.✓ Freedom Campers accommodated at two facilities in the district with access to food, water, healthcare and waste disposal within minimal travel.
Economic	<ul style="list-style-type: none">✗ COVID-19 impacted inspection activity and processing timeframes for food businesses and alcohol licences.✗ Consent applications not processed within statutory timeframes can cause delay to developers and contractors.
Environmental	<ul style="list-style-type: none">✓ Increased number of abatement notices for non-compliance with resource consent and the District Plan.
Cultural	None identified.



2019/20 HIGHLIGHTS

Animal Services

Council's annual summer Wander Dog series continued to be popular across the District. Events included Summer Day Out, dog walks and the Mud Dog Run. All were very successful and attendees gave positive feedback. Unfortunately the planned Dogs in Togs event in April 2020 was cancelled due to COVID-19.

The impact of COVID-19 was reflected with a higher number of dog attacks on people recorded during Level 4 and there was also a higher number of dogs roaming. Shelter impounds were at the highest recorded levels due to dogs being held during lockdown to manage public safety concerns and enable investigations to be completed. Barking complaints reduced over the lockdown period.

The number of known dogs in the District increased by 3% (263 dogs) for the year ending June 2020.

By year end, 98.9% of these dogs had been registered which is a great result. The use of text reminders to dog owners, media coverage and advertising have contributed to the high level of dog registrations.

The Adopt-a-Dog initiative continues to be successful.

During the year;

76 dogs were rehomed successfully.



Building Services

The volume of building applications received is 7.6% less than the 2019 year, with a total of 1148 applications received (2019:1243). The total value of building works was \$263 million. In processing these applications, 96% were within the statutory timeframes.

In February 2020, Council retained its IANZ accreditation for another two years. This is an independent validation of Council's building processes and enables Council to continue operating as a Building Consent Authority.

The initial impact of COVID-19 was in the first weeks of lockdown when building consent applications dropped. However normal levels resumed midway through lockdown. During Level 3 and 4 no building inspections could be completed. This did not result in a backlog as building work also ceased or reduced during this time. Inspections resumed during Level 2 and previously booked inspections for the lockdown period were rescheduled.

Government announced in May 2020 that new building consent exemptions were being added to the Building Act. This means the legislation will recognise low-risk building work that does not require a consent. As part of the consultation process for this change in legislation Council made a submission to the Ministry for Business, Innovation and Employment. This change in legislation is effective from the end of August 2020.

The building law reforms are a programme of work to lift performance of the regulatory industry and drive better outcomes for the sector and for New Zealanders. Bill One of these reforms is focusing on building methods and products, in particular modern methods of construction i.e. prefabrication, off-site construction. Council has taken the opportunity to provide feedback on these changes by way of a submission.

Environmental Consents

The number of resource consent applications received has decreased by 16% from the previous year. Total received were 426 (2019: 507). Overall, 86% of applications processed were completed within the statutory timeframes.

During COVID-19 applications received dipped in the first two weeks of lockdown but normal levels resumed after this time. As Council has moved to an on-line processing tool for lodgement of applications business was able to continue as usual during lockdown.

Resource Management Act (RMA) reforms are ongoing as part of the comprehensive review of the RMA. The COVID-19 Recovery (Fast-track Consenting) Act 2020 came into effect in July 2020. The intention of this act is to fast track resource consenting and designation processes for eligible projects already planned and ready to go.

Compliance and Monitoring

As a requirement of the Food Act 2014, Council is required to obtain certification as a Food Verification Agency. In November 2019 the first external review of Council's processes was completed and certification was obtained for a two-year period.

During the COVID-19 lockdown levels 3 and 4, no inspections for food and alcohol businesses were completed as they were not trading until Level 2. Hairdressers could not trade until Level 1. This has impacted on work volumes for Managers Certificates and Special Licences as there is a general reluctance to book events.

There was an increased level of monitoring for Freedom Camping over the lockdown period. All freedom camping sites were closed apart from Commerce Lane carpark in Te Puke and Uretara Domain in Katikati. As people based themselves at one of these sites movement between communities was minimised. At these locations campers had access to water, food, healthcare and waste disposal with minimal travel.

There was continued growth (40%) in the number of Council's abatement notices issued for non-compliance with resource consents and District Plan.

WHAT WE PROVIDE



RESOURCE CONSENT AND MONITORING

BUILDING INSPECTIONS



BUILDING CONSENT PROCESSING



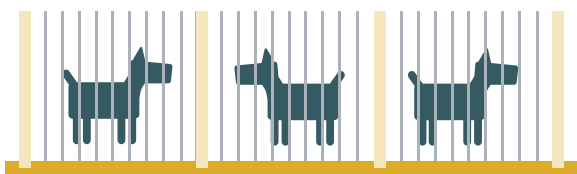
PARKING WARDENS

MOBILITY CAR PARKS



FOOD PREMISES
INSPECTION
LICENSING -
FOOD AND LIQUOR

NOISE
CONTROL



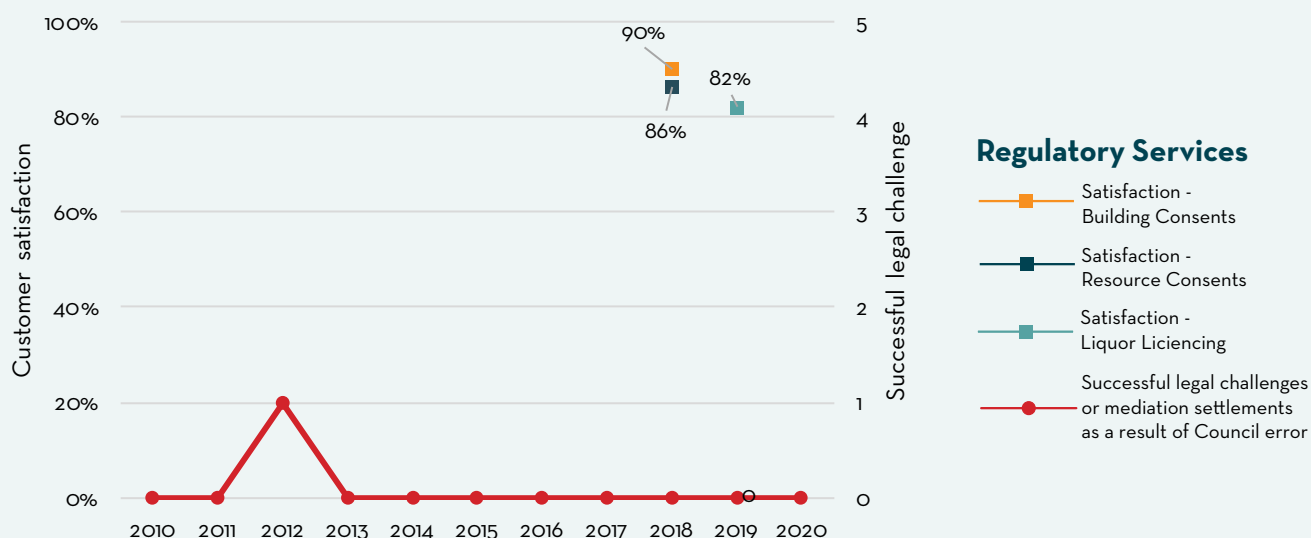
DOG POUNDS

ANIMAL
CONTROL
OFFICERS



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
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%	No survey	82%	Survey review completed and this survey will not be continued.	-



HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
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%	86%	92.8%	426 applications received. 366 processed within statutory timeframes due to complexity of consents and resourcing issues.	
Percentage resource consents monitoring schedule completed to ensure compliance with consent conditions.	100%	99%	98%	509 consents monitored from total of 511.	
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%	96%	93%	Total of 1,148 consents approved and 1,068 were within the statutory timeframe. Consents volume remains high.	
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.	≥80%	70%	70%	Limitations identified with existing monitoring tools. System updates required.	
Code of Compliance Certificates are issued within the statutory period.					
Percentage of Code of Compliance Certificates that are issued within the statutory timeframe.	100%	97%	100%	1,037 Code of Compliance Certificates issued of which 1,002 were within the statutory timeframes.	
Land Information Memoranda (LIM) and Project Information Memoranda (PIM) will be processed within the statutory timeframe (10 days).					
Percentage of LIM and PIM applications processed within the statutory timeframe (10 days).	100%	100%	99.8%		
Known dogs in our District are registered.					
Percentage of known dogs in our District that are registered.	≥98%	98.9%	97%		
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.	≥80%	80%	83%		
We will respond to customer service requests in a timely manner.					
Percentage of service requests received that are actioned within specified timeframe.				Building and health not achieved due to resourcing issues.	
• Animal	≥90%	93%	98%		
• Building	≥90%	71%	73%		
• Health	≥90%	81%	90%		
• Resource consent compliance and enforcement	≥90%	96%	94%		
• Bylaw and District Plan compliance and enforcement	≥90%	90%	93%		
Food business are regularly monitored and assessed.					
Percentage of food businesses that are scheduled for verification are assessed in accordance with statutory requirements.	95%	61%	100%	Verification timeframes were impacted significantly due to business closures during COVID-19 lockdown.	

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
Alcohol licences are issued within a reasonable period.					
Percentage of licence decisions issued within 5 working days of receipt of completed agency reports.	98%	76%	80%	194 of the 255 alcohol applications were processed within 5 working days. Application processing was impacted by staff changes during the COVID-19 lockdown.	✗
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%	97.9%	98%		✓



FUTURE INITIATIVES

Council will continue to respond to legislative changes over the coming years. This includes the comprehensive review of the Resource Management Act, Building Law reforms and Cannabis law reform. The National Development Standard is under review and this will impact on the ongoing review of Council's development code.

Work will start on earthquake-prone buildings. On the identification of priority buildings, owners who are required to arrange for an assessment of the building will be contacted.

Audits will start on buildings with a warrant of fitness e.g. commercial buildings and buildings with specified systems, to ensure compliance.



COST OF SERVICE STATEMENT

Regulatory

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
District Plan implementation	2,467	2,160	2,401
Building and health	5,041	4,556	4,750
Animal control	1,174	960	1,119
Compliance and monitoring	1,493	1,205	1,481
Total operating expenditure	10,175	8,880	9,750
Analysis of expenditure by class			
Direct costs	7,290	6,045	6,751
Overhead costs	2,833	2,767	2,926
Interest	(12)	(11)	(12)
Depreciation	64	80	85
Total operating expenditure	10,175	8,880	9,750
Revenue			
User fees	6,448	6,170	6,031
Other income	163	90	174
Total revenue	6,611	6,260	6,205
Net cost of service - surplus/(deficit)	(3,564)	(2,620)	(3,546)
Capital expenditure	-	-	-
Total other funding required	(3,564)	(2,620)	(3,546)
Other funding provided by			
General rate	3,576	2,621	3,533
Reserves and future surpluses	(12)	(1)	13
Total other funding	3,564	2,620	3,546

MAJOR VARIANCES

Operating expenditure was higher than the prior year due to high volumes of regulatory activity within the District, as well as increases in corporate overheads.



TRANSPORTATION



TRANSPORTATION

OVERVIEW

Council's transportation strategy aims to provide a safe and effective transportation network which contributes to the health and wellbeing 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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Transportation activity has had on the four wellbeings during the year:

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none">✓ Working with Community Boards in the development of local roading improvements within each community.✓ 89% customer satisfaction with actions taken to resolve service requests.✗ Resident satisfaction with transportation networks is 54% (target 60%).
Economic	<ul style="list-style-type: none">✓ \$14m grant from the Crown Infrastructure Partners fund for roading and water projects at Omokoroa.✓ \$18m grant from the Provincial Growth Fund for the development of the Rangiuru Business Park.
Environmental	<ul style="list-style-type: none">✓ 16km of new cycleway completed.✓ Tauranga Northern Link connecting SH29 and SH2 will give priority to public transport and shared walking and cycling facilities.
Cultural	<ul style="list-style-type: none">✓ Working with archaeological authorities to progress planned works at Maketu.



2019/20 HIGHLIGHTS

The One Network Maintenance Contract for state highways and local roads within the Western Bay has had a successful year. This contract includes network operations, maintenance, asset renewals and improvements. All the contractual key performance indicators were achieved as specified in the contract.

The Contract deliverables included:

9.3 km Pavement rehabilitation.

7.1 km Seal extensions with associated improvements.

1,359 Metres of new footpath.

Work continued on the Omokoroa to Tauranga cycleway with

16 km of cycleway completed including the Wairoa River cycleway bridge.



The COVID-19 lockdown delayed the delivery of maintenance and some capital works. This included the Wairoa River cycleway bridge, seal extensions, pavement maintenance and drainage maintenance. These were mostly completed later in the construction season once the Level 1 operating

environment came into effect. Safety interventions and inspections continued during both levels 3 and 4, using the enhanced health and safety procedures developed by the industry.

As part of Central Government's economic response to COVID-19, councils were required to identify 'shovel ready' construction projects that would provide short-term employment and economic activity. A number of multi-million dollar projects were identified and Council has been successful in obtaining a \$14 million grant for the \$28 million package of roading and water projects out at Omokoroa through the Crown Infrastructure Partners fund.

\$18 million has recently been confirmed through the Provincial Growth Fund that will see the 148 hectare Rangiuuru Business Park begin to take shape through the construction of a motorway interchange on the State Highway 2 Tauranga Eastern Link.

The Urban Form and Transport Initiative (UFTI) presented the final report to the three councils involved (Bay of Plenty Regional, Tauranga City and Western Bay of Plenty) at a meeting on 2 July 2020. All three councils adopted the report which identifies a coordinated approach that brings together the different plans and projects from across the western Bay of Plenty and represents a unified sub-region.

As well as contributing to the UFTI initiative Council continued to work with a number of national and local roading agencies to progress roading initiatives within the Western Bay. This included Waka Kotahi (NZ Transport Agency), the Regional Advisory Group, Road Controlling Authorities Forum, the Road Efficiency Group meetings and the sub-regions joint road safety committee.

In May 2020 Waka Kotahi announced it was moving forward with five major projects, which includes the Tauranga Northern Link. This project will construct 6.8km four-lane corridor which will connect SH29 with SH2. Priority will be given to public transport and shared walking and cycling facilities.

Council's five community boards identified roading priorities for their respective community roading improvements. For this year the works included:

- **Waihi Beach** - two pedestrian/cycleway bridges on Seaforth Road and a shared path (walk/cycle) on Emerton Road. Bike racks were installed as part of the town centre safety improvements.
- **Katikati** - Earl Drive upgrade to the kerb and channel and a new footpath.
- **Omokoroa** - carpark improvements for the Omokoroa Point School, Anderley Avenue footpath connection and the installation of the new anchor stone.
- **Te Puke** - McLoughlin Drive kerb and channel and the Beattie Avenue footpath outside Te Puke High School. In collaboration with the Orchard Church carpark facilities were completed.
- **Maketu** - obtained archaeological authorities to enable project works to commence at five sites.



WHAT WE PROVIDE

1,073 KILOMETRES

of network with connections to state highways



• Urban roads:

• **170** KILOMETRES

• Rural roads:

• **903** KILOMETRES

Sealed roads:

910 KILOMETRES

Un-sealed roads:

163 KILOMETRES

142
BRIDGES

39
CULVERTS
greater than 1.4m diameter

189 KILOMETRES
HARD SURFACED FOOTPATHS

2.1 KILOMETRES
METALLED SURFACED FOOTPATHS

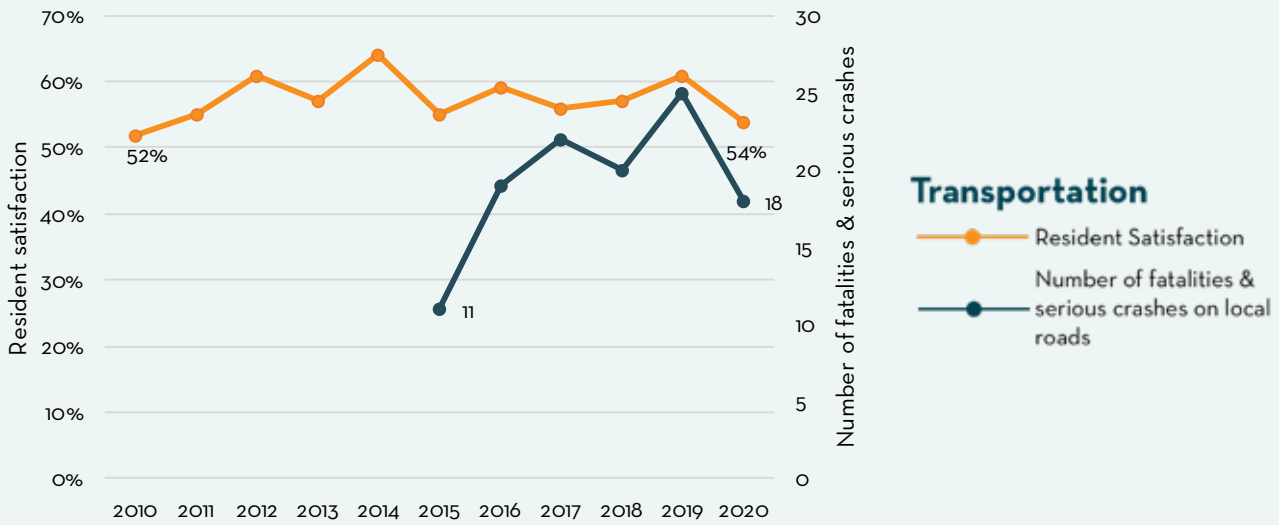
3,454
STREETLIGHTS

6,923
ROAD SIGNS



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES











HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
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	-7	5	There were 18 fatal and serious injury crashes in 2019/20 compared to 25 in 2018/19. A decrease of 7.	✓
Key Resident Measure Level of satisfaction with our transportation networks (roads, cycling and walkways).	≥60%	54.5%	61%	Key reasons for dissatisfaction includes level of maintenance, congestion and road width. The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 51%.	✗

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
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%	70.8%	57%	A total of 2630 service requests were received. The customers received a response within 10 days for 1861 service requests.	✗
Level of customer satisfaction with action taken to resolve service requests.	≥85%	89.3%	90%		✓
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%	94%	95%		✓

PERFORMANCE MEASURES	TARGET	RESULT	RESULT		
	2019/20	2019/20	2018/19	NARRATIVE	ACHIEVED
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	0.36	0.2	Increasing population has increased wear and tear of network, coupled with sections of the network nearing the end of the economic life.	
• Unsealed roads	3.0	2.26	2.17		
Please note: (0 = defect free; 5 = unsatisfactory).					
The percentage of the sealed local road network that is resurfaced.	≥4%	7.8%	5.2%		
Adverse environmental effects, such as dust, noise and vibration are managed effectively.					
Length of unsealed roads (km).	179km	163km	177.1km		
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%	99.9%		
The increase in total length of cycleways and walkways within the District.	≥1,000m	12,886m	8,985m		
Use of the Omokoroa – Tauranga cycleway.	Increasing	Increasing	7% increase		

FUTURE INITIATIVES

Construction of the Tauranga Northern Link is due to commence in

2020/21 and be completed late 2025.

Council will continue to work with Waka Kotahi and support this initiative.

The current One Network Maintenance Contract is due for review in November 2021 (after seven years). There is an option to extend the contract for a further two years. During this time a new contract will be developed and tendered for start in November 2023.

The planned future development of Tauriko West will require a multi-agency working group to address the roading network for this new area of urban development.

Council will continue to build relationships and work with stakeholders, external agencies, community boards and focus groups (UFTI) to ensure the transportation network is fit for purpose now and into the future.



COST OF SERVICE STATEMENT

Transportation

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Transportation	19,622	19,999	18,687
Total operating expenditure	19,622	19,999	18,687
Analysis of expenditure by class			
Direct costs	8,353	9,157	8,070
Overhead costs	1,369	1,474	1,130
Interest	55	1,052	245
Depreciation	9,845	8,316	9,242
Total operating expenditure	19,622	19,999	18,687
Revenue			
Targeted rates	-	-	-
User fees	16	10	17
Subsidies	11,622	8,827	11,505
Roading rate	13,592	13,644	13,200
Financial contributions	1,793	2,671	5,197
Vested assets	785	1,431	123
Other income	328	267	1,183
Total revenue	28,136	26,850	31,224
Net cost of service - surplus/(deficit)	8,514	6,851	12,536
Capital expenditure	15,794	15,247	18,388
Vested assets	785	1,431	123
Total other funding required	(8,065)	(9,826)	(5,975)
Other funding provided by			
General rate	51	51	50
Debt increase (decrease)	(24)	(24)	(22)
Reserves and future surpluses	8,038	9,799	5,947
Total other funding	8,065	9,826	5,975

MAJOR VARIANCES

Financial Contributions were lower than budgeted due to reduced building-related activity in the District and the impact of COVID-19.

Subsidies received from NZTA were higher than budget due to the capital works completed on walking and cycleways.

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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Transportation activity has had on the four wellbeings during the year:

Wellbeing	✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> ✓ Completed capital works around the District to improve water provision. ✗ Unsuccessful in securing groundwater bores for the Central and Eastern supply zones.
Economic	<ul style="list-style-type: none"> ✓ Maintained water supply to Te Puke and Maketu in spite of issues with water filtration at Pongakawa water treatment plant.
Environmental	<ul style="list-style-type: none"> ✗ One water assessment did not meet drinking water standards. ✓ Management of water supply over summer period. High water use by the eastern supply zone resulted in restrictions.
Cultural	No specific actions related to this wellbeing.



2019/20 HIGHLIGHTS

During the year Council successfully completed watermain renewals at Wilson Rd North, Roderick Lane and Earl Drive, plus reticulation renewals at Te Puna West. Unfortunately COVID-19 caused delays in the design and implementation of other projects. This included watermain renewals at Busby Rd in Katikati, Pukehina Parade and from Te Puke Golf Course to Wilson Rd North. The delayed projects have been earmarked for completion in the 2020/2021 year.

In April 2020 Government called for the identification of projects that were ready to start once the construction industry returns to normal post-COVID-19. Council included some water projects in the list of 'shovel ready' projects. Projects that are successful will be scheduled in the 2020/21 work programme.

Council maintained work on trying to secure groundwater bores for the Central and Eastern supply zones. During the year drilling was undertaken without success. This initiative is of strategic importance to the continued provision of good quality. The critical need for quality drinking water was highlighted last summer when the Central Zone

supply was under pressure but no water restrictions were enforced. Unfortunately, high demand on the Eastern Supply zone during the dry summer did necessitate some local restrictions on water use.

Tauranga City Council's (TCC) Waiari Water Supply Scheme is being constructed within the Western Bay District. As part of this process Council has taken measures to ensure protection of the bore supplies around Mutton's water treatment plant in No 1 Road which services Te Puke and Maketu. This has resulted in TCC constructing a filtering system that can be turned on at short notice if there is any change in water quality to these communities. This system will be operational in 2022.

The drinking water assessment by the Water Standards Authority, for the 2019 year, revealed one assessment that did not meet the standards. While immediate action and monitoring was taken to address the incident, the specific actions taken were not acceptable to the Authority. Council appealed the Authority's decision but this was turned down.

During the year regular testing for bacterial and protozoal compliance continued on raw water and water safety was not compromised. However, in the 2020 year the sampling regime increased due to our bores being designated as not secure. This classification was due to technical infringements i.e. lack of testable backflow devices for bores and security fencing around bore heads. Works are planned over the next two years to rectify this.

Council continued its maintenance and renewal programme as well as accommodating unexpected incidents that resulted from the premature failure of infrastructure assets and watermain breaks caused by third party works on the roading network. During all planned maintenance and unexpected issues Council maintains close contact with affected residents to ensure they are fully informed and that

disruption to their water supply is minimised.

The Pongakawa water treatment plant has experienced some issues in the filtration of water. Council is planning replacements in the 2021 year. While the plant was shut down a number of times, the Mutton's water treatment plant ensured continued water supply to Te Puke and Maketu. The current maintenance contract expires in June 2021, so work has started on a new contract with the aim of appointing a new contractor. In an effort to avoid duplication of costs we are jointly working with TCC. Preparation of tender documentation and specifications/schedules has commenced and with the aim of presenting these to the market in August 2020. Four contractors have been shortlisted from the registrations of interest. The new contract will commence on 1 July 2021.

WHAT WE PROVIDE



Water reticulation operated in three supply zones:

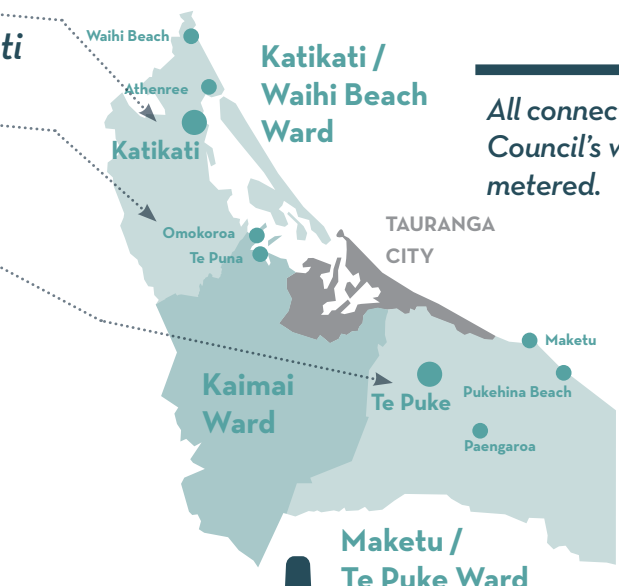
- • • • •
- **WESTERN** ●
Waihi Beach, Katikati
- **CENTRAL** ●
Omokoroa, Te Puna
- **EASTERN** ●
Te Puke, Maketu, Pukehina Beach, Paengaroa

26 BOOSTER PUMP STATIONS

9 BORE FIELDS

DISTRICT-WIDE WATER METERING

All connections to Council's water supply are metered.



10 WATER TREATMENT PLANTS

1 SURFACE SUPPLY (Bush Dam)



31 RESERVOIRS & TANK SITES

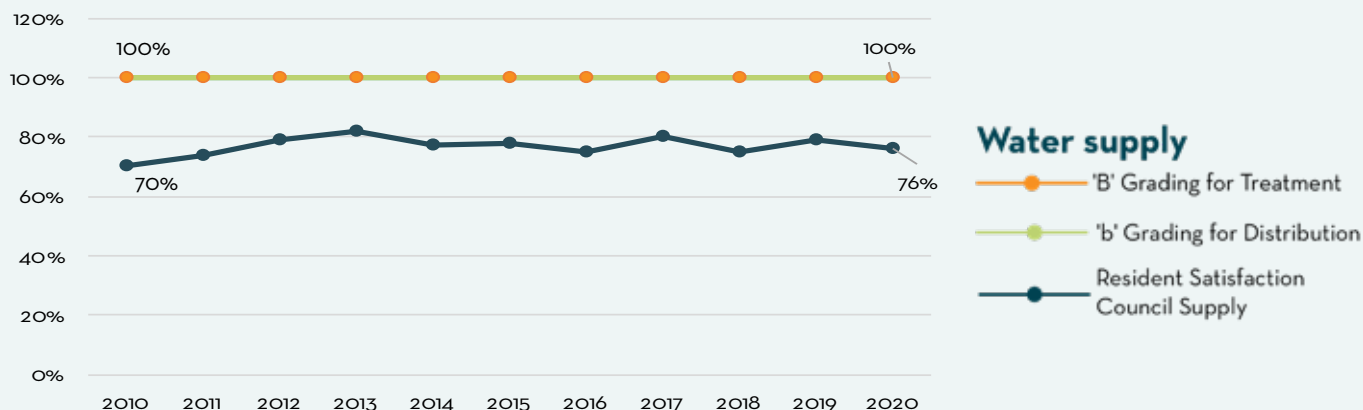
APPROXIMATELY
716 KILOMETRES
of water mains

17,250
water main fronting properties are connected to Council's water supply.



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT		
	2019/20	2019/20	2018/19	NARRATIVE	ACHIEVED
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.				Key reasons for dissatisfaction includes the use of chemicals, taste smell and level of silica.	
	≥80%	76%	79%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 75%.	○
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%	100%	140%		✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET		RESULT		RESULT		NARRATIVE	ACHIEVED
	2019/20		2019/20		2018/19			
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%		100%		99%			✓
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%		0		98%		One assessment did not meet the standard. Immediate action was taken to address incident but action was not acceptable to the Water Standards Authority. Council appealed this decision but this was turned down.	✗
Distribution Zones (Yes or No)	Part		Part		Part		In the provisional results Council's drinking water was deemed non-compliant as our secure bore water status was removed and online data wasn't provided for Pongakawa. Works are planned to address this. Te Puke Bush supply is no longer operating.	
	4	5	4	5	4	5		
• Athenree	Y	Y	N	N	Y	Y		
• Katikati	Y	Y	N	N	Y	Y		
• Omokoroa Minden	Y	Y	N	N	Y	Y		
• Pongakawa	Y	Y	N	N	Y	Y		
• Te Puke	Y	Y	N	N	N	Y		
• Te Puke Bush	Y	Y	NA	NA				
The percentage of real water loss from Council's networked reticulation system.	≤25%		19.7%		19.8%			✓
The average consumption of drinking water per day per resident within the Council's District.	≤220 litres		170 litres		187 litres			✓
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	≤1 hours		46 minutes		38 minutes		Maintenance contractor response time is 90 minutes.	✓
• Non urgent call outs	≤8 hours		3 hours 48 minutes		4 hours			✓
Resolution of call-outs from the time Council receives notification to the time service personnel confirm resolution of the fault or interruption.								
• Urgent call outs	≤8 hours		6 hours 11 minutes		4 hours 30 minutes			✓
• Non urgent call outs	≤24 hours		26 hours 30 minutes		26 hours 43 minutes		Maintenance contract response time is 48 hours.	✗

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
<p>Total number of complaints received by Council about any of the following:</p> <p>Drinking water clarity</p> <ul style="list-style-type: none"> • 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	6.79	6.93		✓

FUTURE INITIATIVES

In response to the removal of the secure bore water status over the next two years UV plants will be installed. This will address insecurities around raw water supply.

Central Government has undertaken a significant review of how water services (wastewater, water and stormwater) are delivered. This review has resulted in the creation of a new Water Services Regulator, Taumata Arowai. Council is aware that the drinking water regulator is well advanced on proposed changes to the water safety plans and drinking water standards. The intention is to simplify the criteria to assist councils in meeting their obligations.

Government also announced a funding package in July 2020 to help local authorities maintain and improve infrastructure for the three waters through collaboration and sharing of resources. Council will progress this initiative in line with Central Government's schedule during 2020/21 and beyond.

Should Council succeed in getting Government funding for our 'shovel ready' projects, these will be integrated into the 2020/21 work programme. Council will continue to focus on securing a groundwater bore for the Central and Eastern supply zones to ensure continuity of supply.

The review and procurement process for the appointment of a maintenance contractor will continue in the 2020/21 year.





COST OF SERVICE STATEMENT

Water supply (District-wide)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Western water supply	4,674	4,130	4,468
Central water supply	3,797	3,511	3,978
Eastern water supply	6,261	5,210	5,784
Total operating expenditure	14,732	12,851	14,230
Analysis of expenditure by class			
Direct costs	8,659	5,311	7,059
Overhead costs	1,989	2,037	1,869
Interest	1,491	1,773	1,605
Depreciation	2,593	3,730	3,697
Total operating expenditure	14,732	12,851	14,230
Revenue			
Targeted rates	6,878	6,577	6,620
User fees	4,681	4,373	5,219
Financial contributions	817	1,505	2,684
Vested assets	1,050	205	3,951
Other income	-	62	-
Total revenue	13,426	12,721	18,474
Net cost of service - surplus/(deficit)	(1,306)	(130)	4,244
Capital expenditure	3,448	7,071	2,842
Vested assets	1,050	205	3,951
Total other funding required	(5,804)	(7,406)	(2,549)
Other funding provided by			
Debt increase (decrease)	364	3,716	(568)
Reserves and future surpluses	5,441	3,690	3,117
Total other funding	5,804	7,406	2,549

MAJOR VARIANCES

Financial Contributions were lower than budgeted due to reduced building-related activity in the District and the impact of COVID-19.



COST OF SERVICE STATEMENT

Water supply (western water)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Western water supply	4,674	4,130	4,468
Total operating expenditure	4,674	4,130	4,468
Analysis of expenditure by class			
Direct costs	2,872	1,814	2,234
Overhead costs	664	695	624
Interest	200	276	289
Depreciation	939	1,344	1,321
Total operating expenditure	4,674	4,130	4,468
Revenue			
Targeted rates	2,945	2,831	3,008
User fees	2,053	1,471	2,031
Financial contributions	219	333	439
Vested assets	577	103	375
Other income	-	62	-
Total revenue	5,794	4,798	5,853
Net cost of service - surplus/(deficit)	1,119	669	1,385
Capital expenditure	1,103	920	809
Vested assets	577	103	375
Total other funding required	(561)	(354)	201
Other funding provided by			
Debt increase (decrease)	(339)	(247)	(309)
Reserves and future surpluses	899	601	108
Total other funding	(569)	(743)	(201)



COST OF SERVICE STATEMENT

Water supply (central water)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Central water supply	3,797	3,511	3,978
Total operating expenditure	3,797	3,511	3,978
Analysis of expenditure by class			
Direct costs	2,260	1,329	1,897
Overhead costs	660	665	620
Interest	426	572	460
Depreciation	452	946	1,002
Total operating expenditure	3,797	3,511	3,978
Revenue			
Targeted rates	1,650	1,516	1,323
User fees	1,177	1,141	1,585
Financial contributions	405	621	1,513
Vested assets	228	51	2,888
Other income	-	-	-
Total revenue	3,460	3,329	7,310
Net cost of service - surplus/(deficit)	(337)	(182)	3,332
Capital expenditure	995	2,164	1,269
Vested assets	228	51	2,888
Total other funding required	(1,559)	(2,397)	(825)
Other funding provided by			
Debt increase (decrease)	325	1,274	(164)
Reserves and future surpluses	1,234	1,123	989
Total other funding	1,559	2,397	825



COST OF SERVICE STATEMENT

Water supply (eastern water)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Eastern water supply	6,261	5,210	5,784
Total operating expenditure	6,261	5,210	5,784
Analysis of expenditure by class			
Direct costs	3,527	2,168	2,928
Overhead costs	666	677	625
Interest	865	925	856
Depreciation	1,203	1,440	1,375
Total operating expenditure	6,261	5,210	5,784
Revenue			
Targeted rates	2,283	2,230	1,952
User fees	1,451	1,761	1,940
Financial contributions	193	551	731
Vested assets	246	51	688
Other income	-	-	-
Total revenue	4,173	4,594	5,311
Net cost of service - surplus/(deficit)	(2,088)	(616)	(473)
Capital expenditure	1,350	3,987	764
Vested assets	246	51	688
Total other funding required	(3,684)	(4,655)	(1,925)
Other funding provided by			
Debt increase (decrease)	377	2,689	(95)
Reserves and future surpluses	3,307	1,966	2,020
Total other funding	3,684	4,655	1,925

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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Stormwater activity has had on the four wellbeings during the year:

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none">✓ In spite of several storm events the stormwater network was able to cope and there was no flooding issues outside of identified floodable areas.✓ Met with property owners to progress a stormwater solution for Two Mile Creek.
Economic	<ul style="list-style-type: none">✓ District-wide flood modelling initiative completed which is a valuable resource for building consent and planning processes.
Environmental	<ul style="list-style-type: none">✓ Developing reporting and monitoring systems to ensure compliance with Western Catchment resource consent.✓ Use of gullies and water courses for stormwater management at Omokoroa.
Cultural	<ul style="list-style-type: none">✓ Development of monitoring and reporting to ensure key information is provided to local iwi.



2019/20 HIGHLIGHTS

The comprehensive resource consent for the Western Catchment area was granted in February 2020. This is the first catchment area to be granted consent under the District-wide comprehensive resource consent initiative. Council is working through the consent requirements and developing reporting and monitoring systems to ensure key information is provided to the Bay of Plenty Regional Council and local iwi.

Council continues to progress the remaining two consents for the Central and Eastern catchments. The status for each is:

- **Central Catchment** - there are no appeals outstanding. Awaiting Bay of Plenty Regional Council's decision.
- **Eastern Catchment** - the consent has been granted and it is subject to an appeal period that ends 29 July 2020. If there are no appeals, the Regional Council is able to make decision. Appeals, if received, will be heard by the Environment Court.

These consents are for a 35-year period.

In Omokoroa, significant planning is being done for the use of ponds to manage stormwater. In the new areas of development this approach will utilise gullies and natural water courses, rather than installing infrastructure pipework. In addition, the stormwater main on Omokoroa Road has been replaced in conjunction with roading and water developments.

While the Bay of Plenty had several storm events during the year, the existing stormwater network managed to cope with most events. There were a couple of flooding issues but they were localised and in known floodable areas.

In Katikati, Council's trial to convert the Highfields stormwater pond from a dry pond to a permanent wet pond has been successful. As part of the trial, groundwater levels will be monitored when it has rained sufficiently to test the pond. The outcome of this testing will determine if any changes are needed to the pond.

In Waihi Beach, the study of groundwater levels began in 2017 and ended in August 2020. The final report will inform improvements to the management of stormwater and flooding in the area.

In Pio Shores, ongoing investigations are taking place to address flooding issues. These studies are focused on the characteristics of drainage capacity in the dunes. Alternative measures include draining to the harbour.

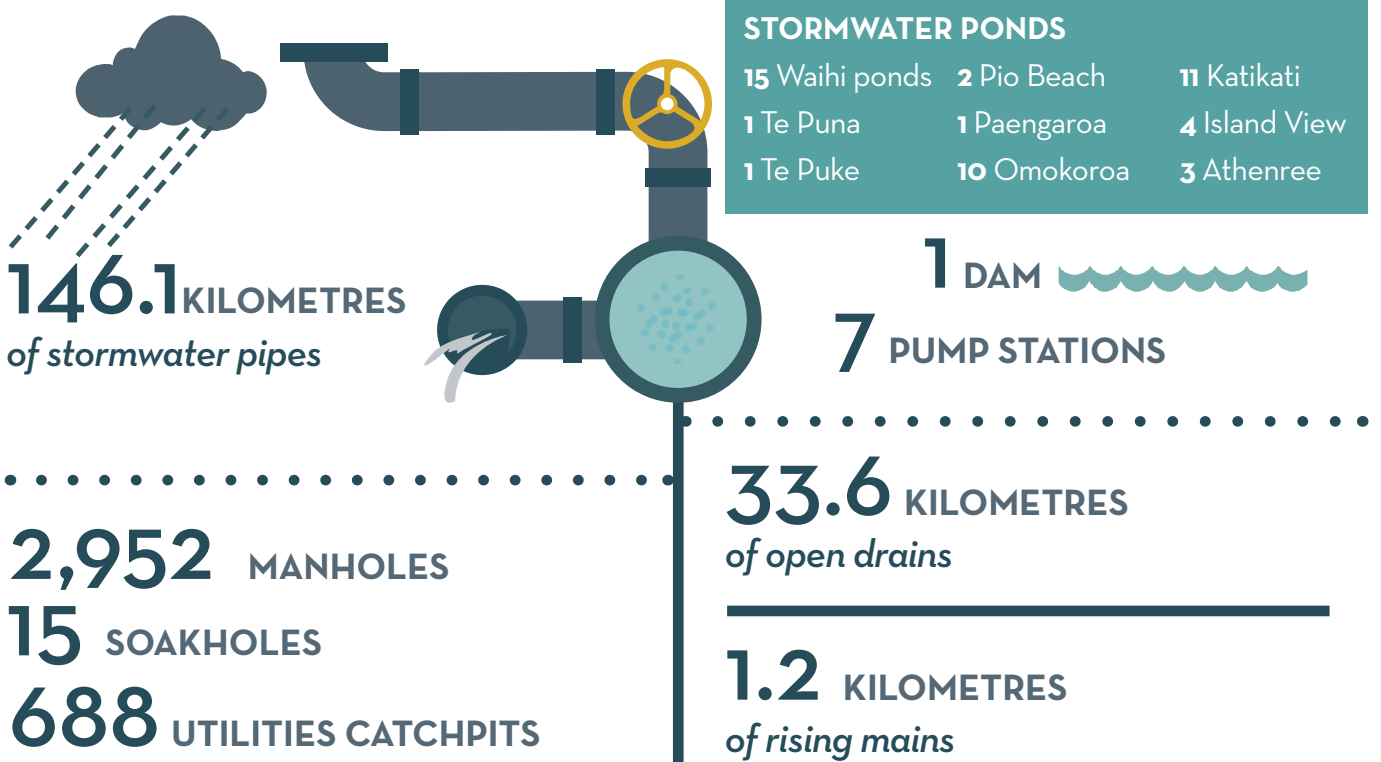
Council completed the District-wide flood modelling initiative. This work covered all rural areas and will provide a valuable guide for building consent and planning processes.

To improve the efficiency of Council's stormwater network a number of investigations have been carried out. The focus is on inflow and infiltration into the wastewater systems. Infiltration impacts on the treatment plants and results in additional operational costs.

Council is reviewing its Stormwater Strategy as part of the 2021-2031 Long Term Plan process.

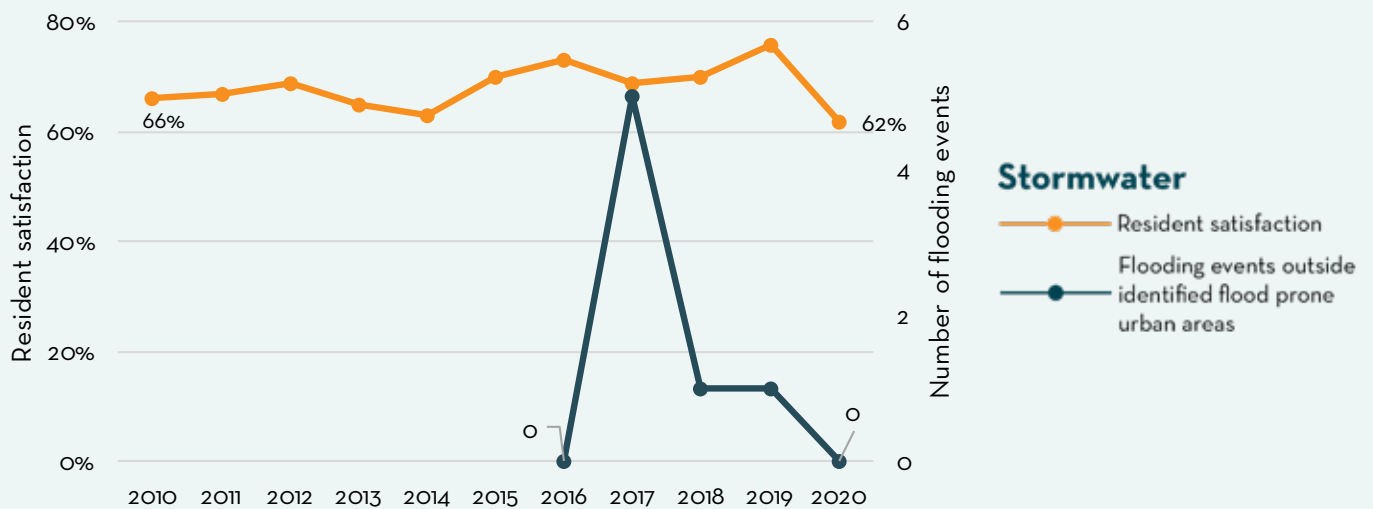
The Two Mile Creek project was delayed by COVID-19 and Council's inability to physically meet with property owners. The technical aspects of this project are completed and tenders will commence in July 2020.

WHAT WE PROVIDE



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
<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	0	1		✓
<p>Key Resident Measure Level of resident satisfaction with stormwater systems.</p>	≥65%	62%	76%	<p>Key reasons for dissatisfaction includes level of maintenance, and need for more drainage.</p> <p>The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 49%.</p>	○



HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
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.	≤30 (3%) per event	○	○		✓
For each flooding event (district wide), the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system).					
For a one in ten year flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to Council's stormwater system.	Per event				
Waihi Beach	≤60 (6%)	○	○		✓
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	○	○	There were no flooding to house events.	✓
The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the Councils stormwater system.	≤30	0.17	0.17		✓

FUTURE INITIATIVES

As the comprehensive stormwater consents for the three catchments are approved our focus will be on the implementation and management of these consents.

Development that occurs within the three catchments will require an interdisciplinary approach to managing development and provisions for meeting discharge requirements.

Work will continue for Two Mile Creek. The tender process will commence in July 2020 and we anticipate construction will be completed over an 18 month period.

The implementation of the new stormwater strategy from July 2021 will identify a number of initiatives which will form part of our ongoing stormwater work programme.



COST OF SERVICE STATEMENT

Stormwater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Stormwater	4,390	4,314	4,080
Waihi Beach coastal protection	126	210	150
Total operating expenditure	4,516	4,524	4,230
Analysis of expenditure by class			
Direct costs	1,073	961	895
Overhead costs	606	549	567
Interest	1,315	1,344	1,351
Depreciation	1,522	1,670	1,417
Total operating expenditure	4,516	4,524	4,230
Revenue			
Targeted rates	4,343	4,426	4,025
User fees	4	-	3
Financial contributions	540	1,351	2,016
Vested assets	1,378	308	8,277
Other income	163	38	132
Total revenue	6,427	6,123	14,453
Net cost of service - surplus/(deficit)	1,911	1,599	10,223
Capital expenditure	1,299	6,553	3,417
Vested assets	1,378	308	8,277
Total other funding required	(766)	(5,261)	(1,470)
Other funding provided by			
General rate	809	1,267	891
Debt increase/(decrease)	311	4,190	2,336
Reserves and future surpluses	(354)	(196)	(1,756)
Total other funding	766	5,261	1,470

MAJOR VARIANCES

Financial Contributions were lower than budgeted due to reduced building-related activity in the District and the impact of COVID-19.

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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Natural Environment activity has had on the four wellbeings during the year:

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	✓ Continued support provided to environmental organisations and agencies throughout the District.
Economic	✓ Some environmental groups received funding from the Resilience Fund to undertake weed control.
Environmental	<ul style="list-style-type: none"> ✓ Donation of native plants to landowners and community planting projects. ✓ Continuation of the Maketu Ongatoro Wetland Society (MOWS) environmental education programme. ✓ Review of the Natural Environment Strategy will enable Council to continue to adapt and respond to the changing needs of communities and the natural environment. ✗ Low amount of additional land for riparian and wetland.
Cultural	No specific actions related to this wellbeing.



2019/20 HIGHLIGHTS

Council has continued to support environmental organisations, agencies and initiatives throughout the District.

This included environmental care groups that Council supported with project co-funding, media coverage, access to training, assistance with educational delivery outcomes and monitoring of biodiversity outcomes. Council donated native plants (approximately 5500) to landowners and community planting projects.

There are also various environmental service delivery grants in place to ensure delivery of key programmes including Wild About NZ (environmental care group facilitation and education) and Envirohub (environmental/ sustainability education programmes).

The COVID-19 lockdown forced environmental groups to suspend services for regular monitoring, trapping, controlling weeds, training and all activities related to enhancing natural areas. This will have resulted in an increase of pest populations and some loss of biodiversity. Due to the short timeframe of the lockdown no significant losses were observed or recorded. However those groups undertaking weed control were severely impacted as weeds ran rampant during this time. A couple of these groups were able to get assistance from Council's Community Resilience Fund that was set up specifically to counter some of the impacts of COVID-19.

The Predator Free Bay of Plenty programme continued operating this year as communities willingly embraced it. However during lockdown, although individuals were still able to service traps on their own properties, new requests for free traps were unable to be completed.

Council has aligned with the communities by undertaking its own predator free work. The property at Council's Barks Corner headquarters has been in the process of being made predator free during 2019 and 2020. This includes increased and regular pest control, removal of weed shrubs and tree species and planting of bird food-friendly plants in the winter of 2020.

The Maketu Ongatoro Wetland Society (MOWS) environmental education programme continued during the year. This group is connecting with five local schools to deliver the full programme. A further six schools receive part of the programme which is funded from external parties. The main focus of this programme is to promote the work of MOWS and to involve children in environmental work directly relevant to them. While the vehicle for delivery is schools, a secondary focus is the involvement of adults who are able to influence a change in environmental practices immediately.

In Katikati, the care group framework and those involved in environmental work is rapidly expanding, particularly as the groups mature and take on more significant goals. Council continues to provide support to the ever-evolving care group framework within the Katikati area.

As part of Council's Long Term Planning process, a review of the Natural Environment Strategy has started. Part of this review involves the reassessment of Council's current role and the identification of new priorities and opportunities. This review will enable Council to continue meeting the changing needs of its communities and the natural environment. It will also facilitate a change in the way that Council supports the Bay of Plenty Regional Council's environmental programmes.

The extent of the District's indigenous cover was recently reviewed. This shows very minor loss of previous biodiversity coverage in relation to what is recorded in the District Plan and an increase in new regenerated sites.



WHAT WE PROVIDE



EDUCATION PROGRAMMES & INITIATIVES



Support for
**ENVIRONMENTAL
 SERVICE DELIVERY
 PROVIDERS**

FENCING SUBSIDIES
(protected bush lots)

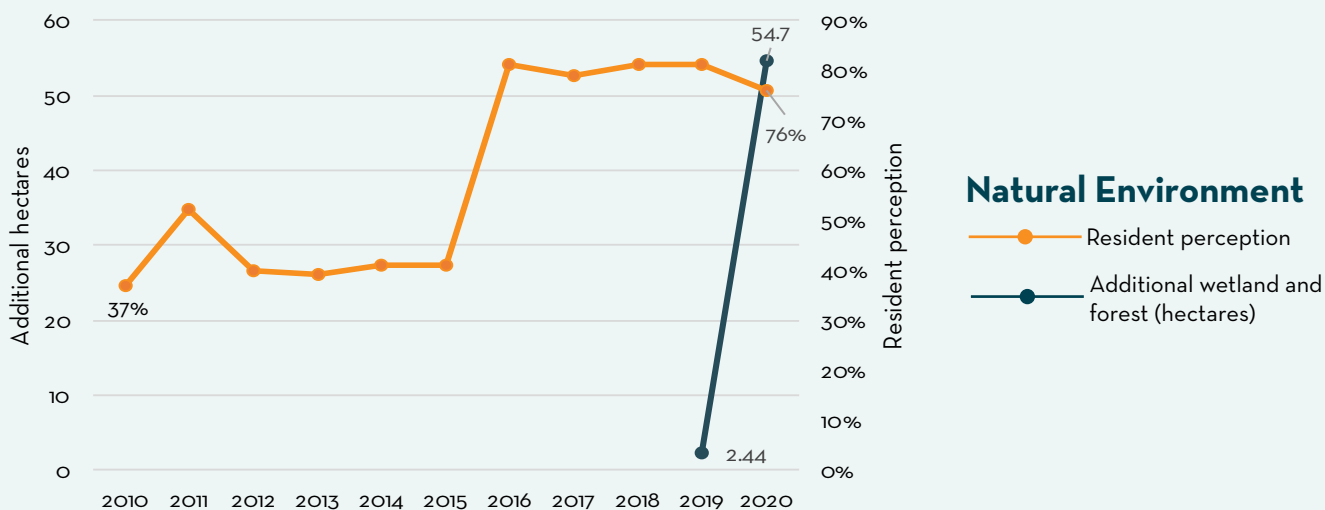


COMMUNITY GROUP SUPPORT

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

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
<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 1.5 60	1.54 0 54.7	1.708 1.44 1.0	The numbers are low for Riparian and Wetland in response to landowners willingness to undertake the necessary planting.	✗ ✗ ✗
<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%	76%	81%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 63%.	✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

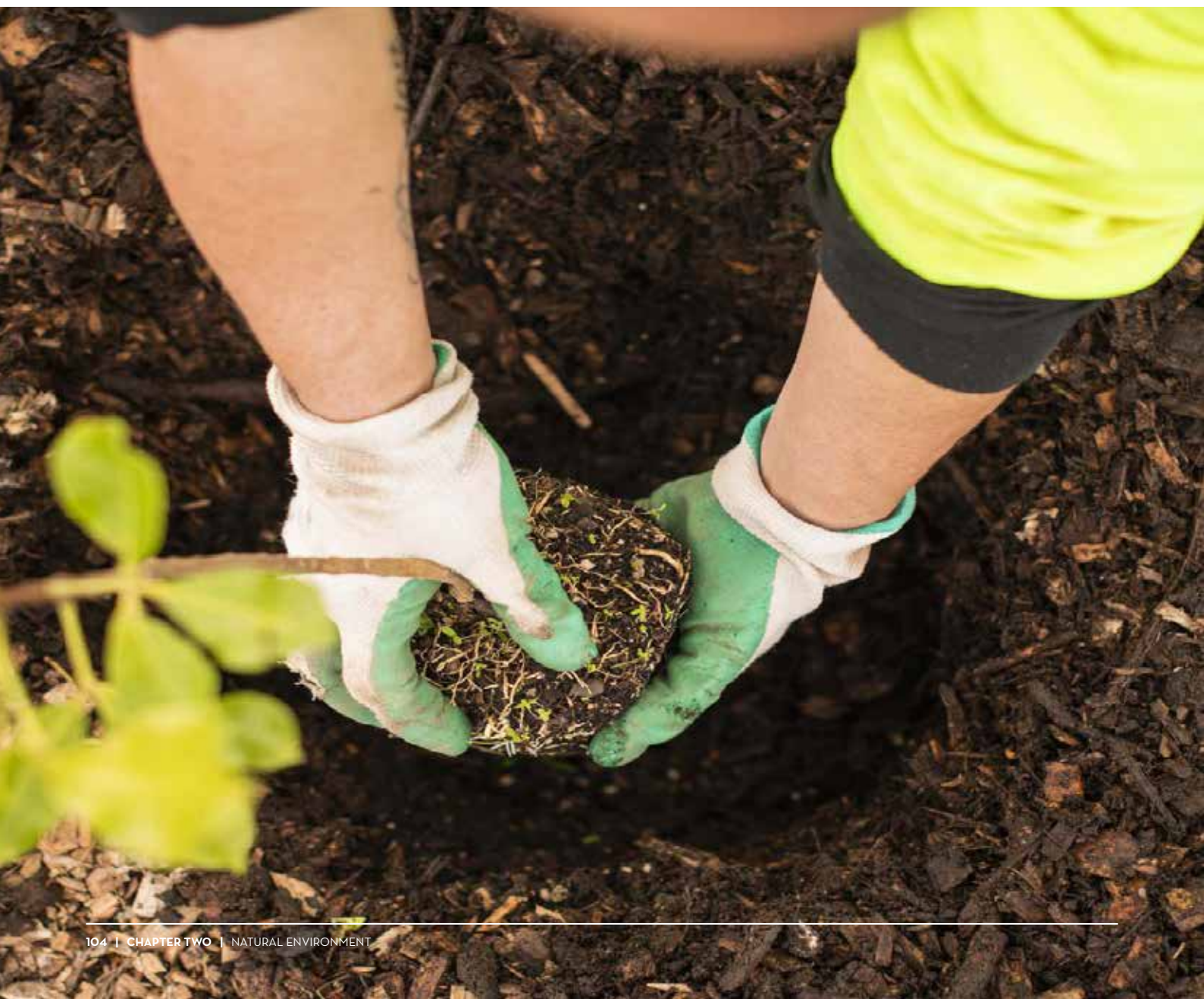
PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
Facilitate and support community involvement in protecting and enhancing the natural environment.					
Percentage of environmental groups that Council supports.	≥50%	32%	50	There are 40 environmental groups of which Council actively supports 13.	✗
Number of community environmental education initiatives.	≥6	6	12		✓
Ensure protection lots are compliant with terms of covenants.					
Number of protection lots monitored to ensure compliance.	≥40	105	80		✓

FUTURE INITIATIVES

In 2021 Council will work with the Department of Conservation and Bay of Plenty Regional Council on the Athenree wetland. This will include the recycling area and the installation of a fish spawning pond network. Central Government is intending to release a National Policy Statement on Indigenous Biodiversity in early 2021. Council's current response largely meets these requirements however this will be an opportunity for minor adjustments to the District Plan.

Implementation of the new Natural Environment strategy will start in July 2021. This strategy will include several new environmental service delivery contracts for environmental protection, monitoring and educational services.

Many of the community environmental groups will continue to operate in their respective areas of expertise. Council will continue to work with them and provide support as required.





COST OF SERVICE STATEMENT

Natural environment

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Environment protection grants	62	135	48
Natural environment support	214	249	163
Coastcare	24	56	60
Waihi District Drainage - drains	154	170	136
Waihi District Drainage - pumps	271	299	294
Total operating expenditure	724	909	702
Analysis of expenditure by class			
Direct costs	644	825	626
Overhead costs	78	79	74
Depreciation	2	5	2
Total operating expenditure	724	909	702
Revenue			
Targeted rates	467	466	447
Financial contributions	118	221	358
Interest	138	27	-
Other income	(138)	(27)	-
Total revenue	585	687	805
Net cost of service - surplus/(deficit)	(139)	(222)	102
Capital expenditure	-	-	-
Total other funding required	(139)	(222)	102
Other funding provided by			
General rate	170	156	172
Environmental protection rate	82	82	70
Reserves and future surpluses	(112)	(16)	(344)
Total other funding	139	222	(102)

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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Wastewater activity has had on the four wellbeings during the year:

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none">✓ Continuation of wastewater services over the Christmas holiday period at Waihi Beach in spite of the treatment plant having a major fault.✓ Education programme to inform public on use of wastewater system.✓ 93% satisfaction of residents on Council's wastewater system.
Economic	<ul style="list-style-type: none">✓ Planning for upgrades at Te Puke to accommodate growth and potential connection to Rangiuru Business Park.
Environmental	<ul style="list-style-type: none">✓ Implementation of SCADA telemetry system to enable remote monitoring and management of some minor treatment plants.
Cultural	<ul style="list-style-type: none">✓ Ongoing monitoring and reporting to ensure compliance with resource consent requirements.



2019/20 HIGHLIGHTS

Council's various wastewater schemes continued to be managed and monitored throughout the year. COVID-19 had minimal impact on this service as the team worked throughout the lockdown period and services were maintained. Health and safety measures were applied to protect 'at risk' staff. It was noted that during the lockdown period demand on the network was reduced.

A new SCADA telemetry system enabling remote monitoring and management of plants was implemented at all minor sites by the end of June 2020. This was three months later than planned due to COVID-19 delays. Positive feedback has been received as communications have improved significantly.

At Waihi Beach the wastewater plant was working well until Christmas when a major fault was identified in the pond liner. This caused the plant to be shut down for a week while emergency works were completed to enable the plant to continue operating over the busy summer period. An additional pond to facilitate a temporary treatment plant was established and will enable continued operation for the next 18 months to two years. During this time an assessment will be undertaken on the surplus activated sludge lagoon. Throughout this incident Council has continued essential monitoring to ensure resource consent conditions are met and that Bay of Plenty Regional Council is kept informed. Even though this issue occurred during the holiday season when the Waihi Beach population increases significantly there was minimal disruption to the community.

The new plant at Ongare Point continues to service 60 properties with only minor issues. The Te Puna West reticulation has also been operating successfully over the past 12 months. This scheme feeds into the Omokoroa pipeline which transports waste to the Tauranga City wastewater treatment plant. The Maketu plant also continues to operate well.

The Katikati scheme is operating within the resource consent conditions. Some maintenance is scheduled at the treatment plant for the 2020/2021 year to address sludge build-up within the primary treatment pond.

At Te Puke, Council has obtained the resource consent from Bay of Plenty Regional Council for the plant renewal. The consent identified discharge limits and to achieve this Council is required to undertake significant upgrades by 2025. A plan for the upgrades has been completed which also accommodates anticipated growth and the potential connection to Rangiuru Business Park. Unfortunately an abatement notice was received for a dry weather overflow within Te Puke. This was addressed in the short term but options are being identified for network modifications to remove the overflow risk for this site.

Council continued the public education programme to inform the public in regard to use of the wastewater system. Focus has been to promote awareness on the disposal of wet wipes.



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

81

KILOMETRES

of pipes

16

PUMP STATIONS

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

ONGARE POINT

4.1

KILOMETRES

of pipes

56

HOUSEHOLD PUMPS

TE PUNA

126

HOUSEHOLD PUMPS

TE PUKE

74.2

KILOMETRES

of pipes

8

PUMP STATIONS

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

KATIKATI

76.2

KILOMETRES

of pipes

15

PUMP STATIONS

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

WAIHI BEACH

81.4

KILOMETRES

of pipes

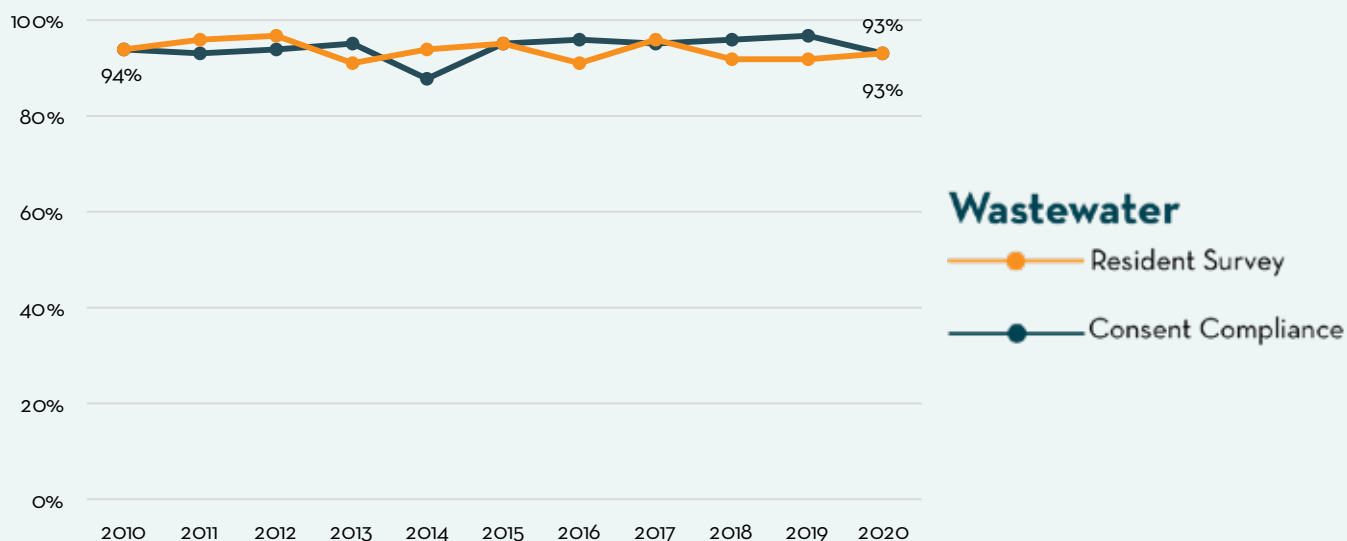
24

PUMP STATIONS

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

SERVICE PERFORMANCE RESULTS









RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
Key Performance Measure Percentage compliance with Resource Consents for each wastewater scheme:				Waihi Beach did not achieve target due to treatment plant malfunction in December 2019.	
• Katikati	≥90%	91%	96.67%		✓
• Maketu/Little Waihi	≥96%	96%	95.83%		✓
• Te Puke	≥90%	91%	95.83%		✓
• Waihi Beach	≥97%	92%	97.50%		✗
• Ongare Point	≥95%	98%	100%		✓
Key Resident Measure Level of resident satisfaction with Councils reticulated wastewater disposal system.	≥90%	93%	92%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 91%.	✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
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	2.94	1.9	This target wasn't achieved as overflows are a result of blockages when system used for garbage disposal.	
<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>	<ul style="list-style-type: none"> ○ ○ ○ ○ 	<ul style="list-style-type: none"> ○ ○ ○ ○ 	<ul style="list-style-type: none"> ○ ○ ○ ○ 	<p>There were no abatement notices received for discharge from the sewerage system. However, two abatement notices were received for:</p> <ul style="list-style-type: none"> - Wastewater overflow within Te Puke urban area, due to pipeline being struck by a third party. - Dust discharge in the application of the bio-solids to land. 	<ul style="list-style-type: none">    
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. 	<ul style="list-style-type: none"> ≤1.5 hours ≤8 hours 	<ul style="list-style-type: none"> 66 minutes 6.75 hours 	<ul style="list-style-type: none"> 9 minutes 48 minutes 	<p>Overall targets were achieved. Increased time taken from 2019 year was due to contractor resourcing issues.</p>	<ul style="list-style-type: none">  
<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	12.11		

FUTURE INITIATIVES

Government has completed a significant review of how water services (wastewater, water and stormwater) are delivered. This review has resulted in the creation of a new Water Services Regulator, Taumata Arowai. In addition to this Government announced a funding package in July 2020 to assist local authorities maintain and improve infrastructure for the three waters. Council will be progressing this initiative in line with Central Government's schedule during 2020/21 and beyond.

The planned upgrade of the Te Puke treatment plant will commence in 2021. This will facilitate an increased capacity while ensuring the discharge requirements under the new resource consent are achieved.

Work will continue at the Waihi Beach treatment plant. This will involve working with insurance assessors and identifying an appropriate and cost-effective solution.



COST OF SERVICE STATEMENT

District-wide wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Waihi Beach wastewater	4,505	3,383	2,859
Katikati wastewater	2,094	1,974	1,823
Omokoroa wastewater	4,889	4,593	4,574
Te Puke wastewater	1,688	1,532	1,805
Maketu wastewater	1,701	1,521	1,717
Ongare wastewater	272	177	198
Total operating expenditure	15,149	13,180	12,976
Analysis of expenditure by class			
Direct costs	7,434	4,566	4,820
Overhead costs	1,772	1,842	1,624
Interest	2,979	3,104	3,282
Depreciation	2,965	3,668	3,251
Total operating expenditure	15,149	13,180	12,976
Revenue			
Targeted rates	11,391	10,888	11,753
User fees	6	2	4
Financial contributions	1,262	1,885	4,673
Subsidies	-	-	729
Vested assets	2,112	349	3,540
Other income	-	-	-
Total revenue	14,771	13,124	20,699
Net cost of service - surplus/(deficit)	(378)	(56)	7,723
Capital expenditure	1,255	7,140	3,477
Vested assets	2,112	349	3,540
Total other funding required	(3,745)	(7,545)	706
Other funding provided by			
General rate	710	1,500	860
Environmental protection rate	438	465	430
Debt increase/(decrease)	(649)	3,405	(436)
Reserves and future surpluses	3,245	2,174	(1,559)
Total other funding	3,745	7,545	(706)

MAJOR VARIANCES

Financial Contributions were lower than budgeted due to reduced building-related activity in the District and the impact of COVID-19.

Waihi Beach wastewater operating expenditure was higher than budgeted due to the emergency repairs required in December 2019.



COST OF SERVICE STATEMENT

Waihi Beach wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Waihi Beach wastewater	4,505	3,383	2,859
Total operating expenditure	4,505	3,383	2,859
Analysis of expenditure by class			
Direct costs	2,687	1,380	1,036
Overhead costs	332	362	305
Interest	825	905	889
Depreciation	661	736	630
Total operating expenditure	4,505	3,383	2,859
Revenue			
Targeted rates	2,954	2,900	2,816
User fees	2	-	2
Financial contributions	288	140	443
Vested assets	1,136	205	84
Other income	-	-	-
Total revenue	4,380	3,245	3,345
Net cost of service - surplus/(deficit)	(125)	(139)	485
Capital expenditure	438	1,025	494
Vested assets	1,136	205	84
Total other funding required	(1,699)	(1,369)	(92)
Other funding provided by			
General rate	330	700	380
Environmental protection rate	101	124	117
Debt increase/(decrease)	(488)	(43)	(632)
Reserves and future surpluses	1,755	588	228
Total other funding	1,699	1,369	92



COST OF SERVICE STATEMENT

Katikati wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Katikati wastewater	2,094	1,974	1,823
Total operating expenditure	2,094	1,974	1,823
Analysis of expenditure by class			
Direct costs	1,237	827	763
Overhead costs	359	391	326
Interest	(82)	(19)	(7)
Depreciation	580	774	741
Total operating expenditure	2,094	1,974	1,823
Revenue			
Targeted rates	2,469	2,408	2,303
User fees	2	-	1
Financial contributions	135	360	467
Vested assets	200	72	77
Asset revaluation	-	-	-
Total revenue	2,806	2,839	2,848
Net cost of service - surplus/(deficit)	712	866	1,025
Capital expenditure	74	1,214	426
Vested assets	200	72	77
Total other funding required	438	(420)	522
Other funding provided by			
Environmental protection rate	101	103	95
Debt increase/(decrease)	(58)	(194)	(103)
Reserves and future surpluses	(481)	511	(515)
Total other funding	(438)	420	(522)



COST OF SERVICE STATEMENT

Ongare Point wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Ongare Point wastewater	272	177	198
Total operating expenditure	272	177	198
Analysis of expenditure by class			
Direct costs	122	26	56
Overhead costs	36	21	33
Interest	110	57	109
Depreciation	4	74	-
Total operating expenditure	272	177	198
Revenue			
Targeted rates	85	49	441
Subsidies	-	-	729
Vested assets	-	-	-
Other income	-	-	-
Total revenue	85	49	1,170
Net cost of service - surplus/(deficit)	(188)	(128)	973
Capital expenditure	(54)	-	979
Vested assets	-	-	-
Total other funding required	(133)	(128)	(6)
Other funding provided by			
Environmental protection rate	2	2	-
Debt Increase (Decrease)	(37)	(15)	333
Reserves & future surpluses	168	141	(327)
Total other funding	133	128	6



COST OF SERVICE STATEMENT

Omokoroa wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Omokoroa wastewater	4,889	4,593	4,574
Total operating expenditure	4,889	4,593	4,574
Analysis of expenditure by class			
Direct costs	1,478	921	1,022
Overhead costs	415	461	384
Interest	2,251	2,297	2,379
Depreciation	744	914	789
Total operating expenditure	4,889	4,593	4,574
Revenue			
Targeted rates	2,052	1,792	2,498
User fees	1	-	-
Financial contributions	716	1,140	3,327
Vested assets	408	72	2,777
Other income	-	-	-
Total revenue	3,178	3,004	8,603
Net cost of service - surplus/(deficit)	(1,711)	(1,589)	4,029
Capital expenditure	45	3,426	463
Vested assets	408	72	2,777
Total other funding required	(2,164)	(5,087)	788
Other funding provided by			
General rate	380	800	480
Environmental protection rate	78	77	68
Debt increase/(decrease)	(69)	3,060	(108)
Reserves and future surpluses	1,775	1,150	(1,229)
Total other funding	2,164	5,087	(788)



COST OF SERVICE STATEMENT

Te Puke wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Te Puke wastewater	1,688	1,532	1,805
Total operating expenditure	1,688	1,532	1,805
Analysis of expenditure by class			
Direct costs	1,190	875	1,170
Overhead costs	377	393	342
Interest	(412)	(409)	(327)
Depreciation	533	673	620
Total operating expenditure	1,688	1,532	1,805
Revenue			
Targeted rates	3,263	3,268	3,135
User fees	1	-	1
Financial contributions	123	229	422
Vested assets	158	-	589
Other income	-	-	-
Total revenue	3,544	3,497	4,148
Net cost of service - surplus/(deficit)	1,856	1,965	2,343
Capital expenditure	769	1,415	955
Vested assets	158	-	589
Total other funding required	929	551	799
Other funding provided by			
Environmental protection rate	136	140	131
Debt increase/(decrease)	3	598	74
Reserves and future surpluses	(1,068)	(1,288)	(1,003)
Total other funding	(929)	(551)	(799)



COST OF SERVICE STATEMENT

Maketu wastewater

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Maketu wastewater	1,701	1,521	1,717
Total operating expenditure	1,701	1,521	1,717
Analysis of expenditure by class			
Direct costs	720	537	772
Overhead costs	251	215	235
Interest	287	272	238
Depreciation	443	497	471
Total operating expenditure	1,701	1,521	1,717
Revenue			
Targeted rates	568	472	559
User fees	-	2	-
Financial contributions	-	16	14
Vested Assets	210	-	12
Other income	-	-	-
Total revenue	778	490	586
Net cost of service - surplus/(deficit)	(922)	(1,031)	(1,131)
Capital expenditure	(16)	62	162
Vested assets	210	-	12
Total other funding required	(1,117)	(1,093)	(1,305)
Other funding provided by			
Environmental protection rate	20	20	19
Reserves and future surpluses	1,097	1,073	1,287
Total other funding	1,117	1,093	1,305

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 wellbeing 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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Solidwaste activity has had on the four wellbeings during the year:

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	✓ Rural recycling initiative at Pongakawa.
Economic	<ul style="list-style-type: none"> ✓ Joint procurement initiative with Tauranga City Council on the procurement of kerbside recycling and rubbish collection services. ✓ Procurement strategy for the kerbside, recycling and rubbish collection services that allowed small waste providers to tender for some of the contracts.
Environmental	<ul style="list-style-type: none"> ✓ Four waste minimisation initiatives supported with funding from the Ministry for the Environment Waste Minimisation. ✓ No abatement or infringement notices received. ✗ Closure of some overseas markets from taking some commodities, this reduces types of recyclables received at centres.
Cultural	No specific actions related to this wellbeing.





2019/20 HIGHLIGHTS

In June 2019 Council made a decision to proceed with a procurement process with potential contractors for delivering kerbside recycling and rubbish collection services. Council's focus for the 2019/20 year was on progressing this tender to procure the service.

A joint procurement process was initiated with Tauranga City Council (TCC). In their respective Waste Minimisation Management Plans, both Western Bay of Plenty District Council (WBOPDC) and TCC share a vision to 'minimise waste to landfill'. There is also a requirement under Section 17a of the Local Government Act for a review of solid waste services with the aim of achieving savings in administration and legal costs.

Council's procurement strategy allowed smaller waste providers in the market to tender for some of the contracts. This was made possible through individual contracts that included collection, consolidation and processing. Contracts could also be bundled together so that any party had the opportunity to submit a tender.

While Western Bay of Plenty District Council jointly approached the market with Tauranga City, each council can decide to go ahead without the other and enter into its own contract(s) with the suppliers. The COVID-19 lockdown caused some delays in the tender process, however any decision to proceed a guaranteed roll-out of services can start on 1 July 2021.

During Level 4 COVID-19 lockdown, all recycling and greenwaste drop-off facilities were closed. Recycling centres were opened in a limited capacity during Level 3 to enable residents to drop-off specified items of stockpiled recycling materials.

To ensure physical distancing, with no staff assistance to customers, individual recycle bubble drop-off stations were provided. Vehicle numbers were limited and only one customer per vehicle was allowed to do the recycling. This system was well received and appreciated by the public.

The international COVID-19 market has impacted Council's recycling centres. Many overseas markets are no longer taking some commodities. As a result, Council's recycling centres are accepting only those commodities that have market demand. This means no ratepayer funding is used to dispose of commodities for which there is no market or onshore processing facility.

The 2019/20 Annual Plan gave direction to investigate opportunities for rural recycling. The aim was to give rural customers in remote locations access to recycling so that they wouldn't have to travel long distances to the recycling centres. From November 2019 to July 2020, Council set up a mobile rural recycling drop-off in the eastern side of the District at Pongakawa. This fortnightly service was staffed and the recycling materials were transported away on the same day. Feedback was very positive and identified an appetite for this service. However, a cost-effective solution needs to be identified by Council to determine the viability of continuing this service in the future.

Other waste minimisation initiatives continued during the year including home worm composting workshops, waste free living workshops, Paper4Trees, business waste minimisation advice and waste management and minimisation awareness at community events. Council also supported initiatives such as 'Plastic Free July', 'Love food, Hate Waste' and the annual Keep New Zealand Beautiful anti-litter campaign.



WHAT WE PROVIDE



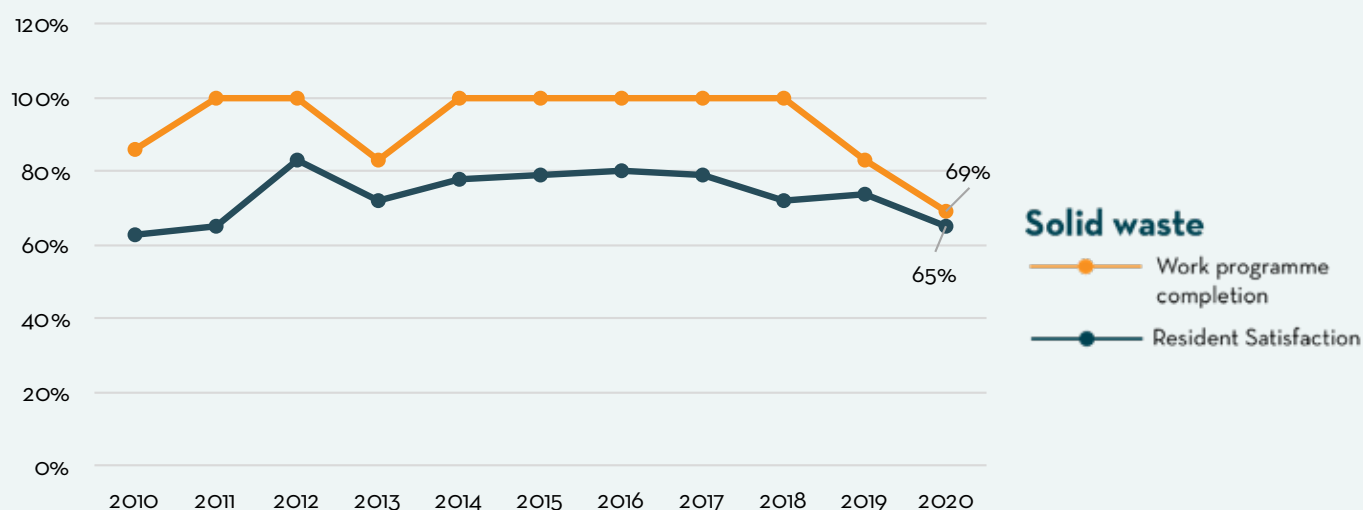
EDUCATION PROGRAMMES

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

MONITOR
ILLEGAL DUMPING (FLY-DUMPING)
across our District

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
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%	69%	83%	Key reasons for work programme delay is resourcing and the extension of the rural recycling trial due to COVID-19.	✗
Key Resident Measure Level of customer satisfaction with household rubbish disposal methods.	≥80%	65%	74%	Key reasons for dissatisfaction includes recycling options, cost, and opening hours of recycling facilities. The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 45%.	✗
Supporting Measures Number of initiatives funded by the Ministry for the Environment Waste Minimisation.	≥1	4	3	Initiatives supported includes Zero Waste education in schools, Business Waste Minimisation advice, Paper4Trees and Waste Free Living workshops.	✓
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.	No audit	No audit	19.39%		-

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
All Council-owned solid waste facilities' including closed landfills, meet environmental standards.					
Number of abatement/infringement notices received.	0	0	0		✓
Provide and maintain drop-off recycling services.					
Number of greenwaste and/or recycling facilities provided.	≥4	4	4		✓
Assist in the provision of opportunities for the removal of hazardous waste.					
Number of hazardous waste drop off points.	3	3	3		✓

FUTURE INITIATIVES

The waste levy allocation of funds will require a 10-year plan. Council will aim to remove between 10 tonne to 60 tonne of waste over the next five years. The level of funding will increase and will be contestable as Council seeks to improve its solid waste facilities.

The new kerbside collection service is scheduled to take effect from

JULY 2021

Council has identified demand for a recycling centre at Omokoroa, so investigations will start to identify an appropriate site and facilities. Further work will also be done for the provision of rural recycling facilities for people in remote locations.

Investigations are planned for the provision of a resource recovery centre. This will be focused on the recovery of, and potential market for, reusable trade construction and demolition waste.





COST OF SERVICE STATEMENT

Solid waste

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
District solid waste	758	841	512
Western solid waste	521	614	499
Eastern solid waste	297	338	262
Omokoroa greenwaste	96	174	84
Kerbside collection	2	145	-
Total operating expenditure	1,673	2,112	1,357
Analysis of expenditure by class			
Direct costs	1,284	1,509	1,003
Overhead costs	444	597	355
Interest	(55)	(18)	(21)
Depreciation	-	24	20
Total operating expenditure	1,673	2,112	1,357
Revenue			
Targeted rates	1,197	1,232	1,048
User fees	84	94	109
Subsidies	178	126	189
Other income	193	34	202
Total revenue	1,653	1,487	1,548
Net cost of service - surplus/(deficit)	(20)	(625)	190
Capital expenditure	-	95	-
Total other funding required	(20)	(721)	190
Other funding provided by			
General rate	239	21	-
Environmental protection rate	336	687	401
Debt increase / (decrease)	-	95	-
Reserves and future surpluses	(555)	(82)	(591)
Total other funding	20	721	(190)

MAJOR VARIANCES

Operating costs were lower than budgeted as Council's landfill and recycling centres were closed during the COVID-19 lockdown.

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.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the Economic activity has had on the four wellbeings during the year:

Wellbeing	✓ = Positive and ✗ = Negative
Social	✗ 49% (target 65%) resident satisfaction with promotion of town centres and events.
Economic	<ul style="list-style-type: none"> ✓ Funding received from the Provincial Growth Fund for development of regional digital hubs. ✓ Continued Council funding Priority One and Tourism Bay of Plenty. ✓ Continued funding and support to local economic agencies within communities to promote economic activity and provide support to new and existing businesses.
Environmental	No specific actions related to this wellbeing.
Cultural	✓ Co-ordination of Katikati Arts Junction.



2019/20 HIGHLIGHTS

Council’s application lodged with the Provincial Growth Fund for the development of regional digital hubs was successful. Funding of \$400,000 over a five-year period was granted. Work has commenced on the hub at Pātuku Manawa in Katikati. Further applications for funding to progress initiatives has been made to the Provincial Growth Fund and Central Government for the ‘shovel ready’ initiatives. The identification of ‘shovel ready’ projects is part of an economic stimulus announced by Government in April 2020 in response to COVID-19. No decisions had been received at the end of June 2020 on Council’s applications.

COVID-19 had a significant negative impact on the local economy, particularly on tourism and the hospitality industries. In contrast there has been a boom in the horticulture industry during this time. In response, Council established a Community Resilience Fund of \$300,000 by consolidating existing grant funding. Grants of up to \$10,000

were made to 49 groups that fulfilled the criteria of being severely impacted by COVID-19.

Council continued to fund local economic agencies Priority One and Tourism Bay of Plenty. These agencies service the sub-region for economic development and tourism. In addition to these agencies Council supports the local economic agencies, Waihi Beach Events and Promotions, Katch Katikati, EPIC Te Puke and Te Puke Economic Development Group (Te Puke EDG). These agencies continue to promote economic activity within the towns and provide support to new and existing business. This includes:

- co-ordination of the Katikati Arts Junction
- networking functions
- Christmas Parades
- establishment of the Te Puke Business Support Group.

Council's Community Team helped with the Circus at Te Puke in September 2019 - feedback from this involvement was positive and Council continues to build relationships through event involvement with its communities whenever possible.



WHAT WE PROVIDE



TOWN CENTRE PROMOTION

Te Puke, Katikati Waihi Beach

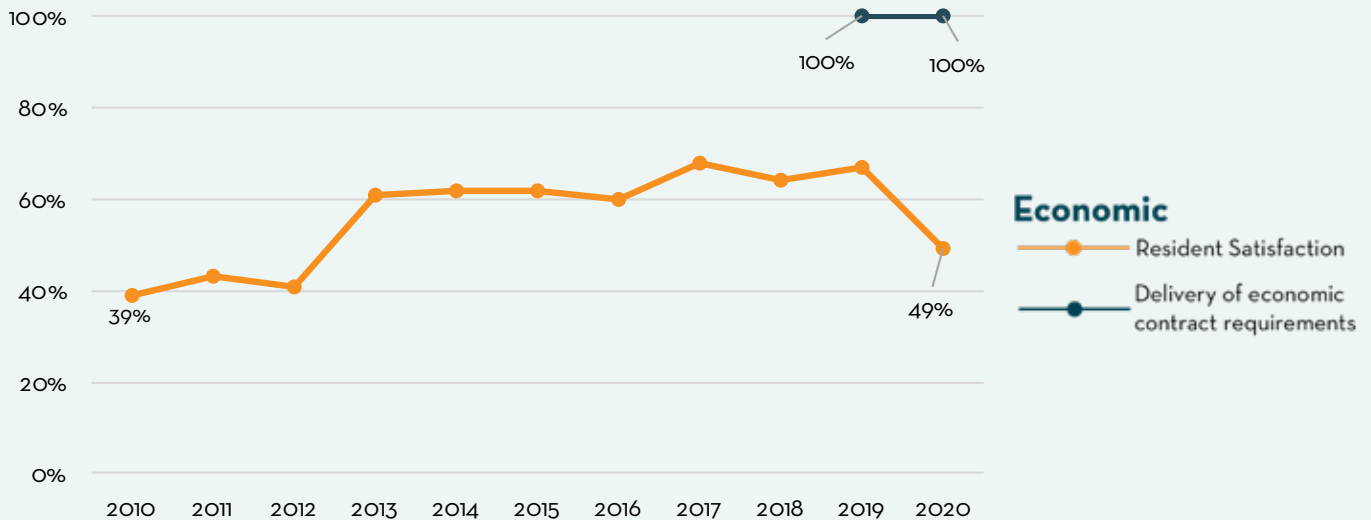
SUPPORT FOR EXTERNAL ORGANISATIONS
FOCUSED ON STRENGTHENING

our local economics

SUPPORTING
ECONOMIC DEVELOPMENT & TOURISM

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2019/20	2019/20	2018/19		
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%	49%	67%	Key reasons for dissatisfaction includes level of maintenance, and need for more drainage. 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		
	2019/20	2019/20	2018/19		
				NARRATIVE	ACHIEVED
Council will support external organisations tasked with developing economic activity in the District.					
Total invested in economic support through service delivery contracts.	≥\$11 per resident	\$12.95	\$16.62 per resident		✓
Number of joint economic initiatives identified in the service delivery contracts that have been implemented.	≥2	2	3		✓
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%	49%	68%	<p>Key reasons for dissatisfaction includes further improvements to town centres and the retail facilities within the centres.</p> <p>The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 41%.</p>	✗

FUTURE INITIATIVES

Council will continue to adapt and respond to the post COVID-19 environment and to work with various agencies to promote and develop economic opportunities for the District. This includes a domestic tourism focus.

The review of structure plans and urban growth strategies in response to growth is ongoing. Once plans are finalised they provide direction for Council for the development of commercial areas within communities.

Planned developments include the creation of a library hub building in Waihi Beach that meets the needs of the community plan. A similar facility is planned for Te Puke. These will potentially widen the breadth of the two town centres.





COST OF SERVICE STATEMENT

Economic

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Economic support	431	442	438
Visitor information	19	34	58
Town centre promotion	292	257	231
Total operating expenditure	743	733	727
Analysis of expenditure by class			
Direct costs	711	693	679
Overhead costs	104	104	102
Interest	(73)	(92)	(55)
Depreciation	-	27	-
Total operating expenditure	743	733	727
Revenue			
Targeted rates	331	329	323
Other income	-	2	1
Total revenue	331	332	324
Net cost of service - surplus/(deficit)	(412)	(401)	(402)
Capital expenditure	-	929	-
Total other funding required	(412)	(1,331)	(402)
Other funding provided by			
General rate	744	782	758
Interest in associates	1	-	5
Reserves and future surpluses	(332)	549	(360)
Total other funding	412	1,331	402

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.



2019/20 HIGHLIGHTS

An energy management audit was completed which identified key areas for improvement. This was the initial step in Council's carbon and energy management programme.

A review of the Corporate Plan has been completed. This plan provides the organisation's direction and key improvement initiatives for the next three years.

FUTURE INITIATIVES

The implementation of the Corporate Plan will result in the implementation of a number of corporate initiatives over the next three years. This includes the organisation's sustainability initiative and the implementation of the carbon and energy management programme. Where council will be working with key agencies to identify and implement improvements for more efficient energy use within our business.



COST OF SERVICE STATEMENT

Support services

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Analysis of expenditure by activity			
Support services	1,093	1,339	1,472
Corporate assets	1,733	2,149	2,177
Treasury	4,461	1,744	5,485
Total operating expenditure	7,287	5,232	9,134
Analysis of expenditure by class			
Direct costs*	17,830	16,975	17,329
Overhead recoveries	(14,017)	(14,536)	(13,499)
Interest**	2,422	1,126	3,665
Depreciation	1,052	1,667	1,639
Total operating expenditure	7,287	5,232	9,134
Revenue			
Targeted rates	79	(297)	(191)
General rate	4,405	2,499	2,071
Vested assets	212	-	-
User fees	1	330	5
Interest**	905	792	1,507
Other income including General Rates	577	706	1,736
Total revenue	6,179	4,030	5,128
Net cost of service - surplus/(deficit)	(1,108)	(1,202)	(4,006)
Capital expenditure	2,839	2,166	4,644
Vested assets	212	-	-
Total other funding required	(4,159)	(3,368)	(8,650)
Other funding provided by			
Debt increase / (decrease)	748	(98)	172
Proceeds from sale of assets	-	87	-
Reserves and future surpluses	3,411	3,379	8,478
Total other funding	4,159	3,368	8,650

*Net direct cost of support services after overhead recoveries

** Net interest income/expense after internal interest recoveries.

CHAPTER THREE

03

Financials



CHAPTER THREE

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WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDED 30 JUNE 2020

FOR THE YEAR ENDED 30 JUNE		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2020	2020	2019
Revenue from non-exchange transactions				
Fees and charges from activities	4	7,728	6,271	8,878
Rate revenue	5, 6 & 7	73,079	70,885	69,284
Fines		251	189	200
Vested assets	9	5,940	2,240	15,891
Financial contributions	11	5,892	10,498	18,605
Subsidies and grants	10	11,950	9,433	12,423
Other revenue	11	448	400	547
Fair value movement in derivative financial instruments	16	-	-	-
Gains	21	826	-	2,963
Revenue from non-exchange transactions total		106,114	99,916	128,792
Revenue from exchange transactions				
Finance revenue	8	905	792	1,507
Dividends		346	-	146
Rental Revenue		991	873	1,048
Other exchange revenue	11	1,857	748	2,268
Total revenue	2	110,213	102,329	133,762
Expenditure				
Other expenses	12	45,914	40,205	40,807
Personnel costs	13	22,404	22,407	20,720
Depreciation	21	19,298	19,755	20,484
Amortisation	22	299	426	887
Unrealised hedging movement	16	1,346	-	2,808
Finance costs	8	6,036	8,000	6,874
Expenditure total	3	95,297	90,793	92,580
Share of associate surplus/(deficit)		1	-	5
Net surplus / (deficit)		14,917	11,536	41,186
Other comprehensive revenue and expenses				
Gains/(Losses) on asset revaluations	21	46	33,580	25,595
Reversal of impairment		2	-	2
Other assets at fair value through other comprehensive revenue and expense	28	(408)	-	45
Total other comprehensive revenue and expense for the year		(361)	33,580	25,642
Total comprehensive revenue and expense for the year		14,556	45,116	66,828

Explanations of major variances against budget are detailed in note 46 from page 203. The accompanying notes form part of these financial statements.

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

FOR THE YEAR ENDED 30 JUNE		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2020	2020	2019
Equity				
Retained earnings	28	905,715	874,598	889,720
Restricted reserves	29	280	271	276
Council created reserves	30	32,052	27,912	31,913
Asset revaluation reserves	31	431,251	470,669	432,835
Equity total		1,369,298	1,373,450	1,354,744
Assets				
Current assets				
Cash and cash equivalents	14	34,489	3,915	29,622
Receivables	15	11,548	9,211	11,069
Non-current assets held for sale	17	3,495	-	800
Prepayments	15	724	-	681
Other current financial assets	18	-	16,580	-
Current assets total		50,257	29,706	42,172
Non-current assets				
Other non-current financial assets	18	11,519	10,414	11,274
Investment in associates	19	212	207	211
Investments in CCO and other similar entities	20	3,346	3,523	3,366
Intangible assets	22	4,213	2,617	2,585
Forestry assets	23	10,588	8,539	10,857
Property, plant and equipment	21	1,433,452	1,466,255	1,427,988
Non-current assets total		1,463,330	1,491,555	1,456,281
Assets total		1,513,586	1,521,261	1,498,454
Liabilities				
Current liabilities				
Creditors and other payables	24	17,811	15,590	18,623
Current employee entitlements	26	2,837	2,575	2,780
Borrowings and other financial liabilities	25	20,000	-	-
Derivative financial instruments	16 & 44	383	465	1,148
Current portion provisions	27	313	313	313
Current liabilities total		41,344	18,943	22,864
Non-current liabilities				
Non current employee entitlements	26	18	150	17
Non current provisions	27	295	342	308
Non current borrowings and other financial liabilities	25	90,000	120,000	110,000
Derivative financial instruments	16 & 44	12,632	8,376	10,521
Non-current liabilities total		102,945	128,868	120,846
Liabilities total		144,288	147,811	143,710
Net assets		1,369,298	1,373,450	1,354,744

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 2020

	NOTE	RETAINED EARNINGS ACTUAL \$'000	ASSET REVALUATION RESERVE ACTUAL \$'000	COUNCIL RESERVES ACTUAL \$'000	TOTAL EQUITY ACTUAL \$'000
Balance at 1 July 2018		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
Total comprehensive income for the year		15,995	(1,584)	143	14,554
Balance at 30 June 2020	28	905,715	431,251	32,332	1,369,298

The accompanying notes form part of these financial statements.



WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2020

FOR THE YEAR ENDED 30 JUNE		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2020	2020	2019
Cash flows from operating activities				
Receipts from rates revenue		72,557	70,565	69,435
Regional Council rates		8,383	6,252	7,926
Interest received		675	413	919
Dividends received		346	-	146
Receipts from other revenue		29,362	28,412	48,107
Payments to suppliers and employees		(69,401)	(62,240)	(61,519)
Interest paid		(6,036)	(8,000)	(6,874)
Regional Council rates		(8,383)	(6,252)	(7,926)
Goods and services tax (net)		(4)	-	408
Net cash from operating activities	33	27,499	29,150	50,621
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		7,698	87	9,616
Purchase of property, plant and equipment		(28,732)	(42,460)	(42,378)
Purchase of intangible assets		(1,618)	-	(207)
Purchase of investments		-	-	-
Sale of Investments		20	11,857	15,220
Net cash from investing activities		(22,632)	(30,518)	(17,749)
Cash flows from financing activities				
Proceeds from borrowings		-	-	10,000
Repayment of borrowings		-	-	(25,000)
Net cash from financing activities		-	-	(15,000)
Net (decrease)/increase in cash held		4,867	(1,368)	17,872
Cash, cash equivalents and bank overdrafts at the beginning of the year		29,622	5,282	11,750
Cash, cash equivalents and bank overdrafts at the end of the year	14	34,489	3,915	29,622

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. PROPOSED STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

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 2020. The financial statements were authorised for issue by Council on 24 September 2020.

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 2020 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:

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.

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

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 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 do not expect the impact of this standard to have a material effect on the financial forecasts.

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 uncollectable, 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 2020:

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.

Impact of COVID-19

Western Bay Council has assessed the impacts of COVID-19 on its position as at 30 June 2020, and its key accounting estimates and its assumptions looking forward.

Council considers that the impact of COVID-19 is immaterial and subsequently there are no adjustments required to key accounting estimates and assumptions.

SUMMARY OF COST OF SERVICES

2. TOTAL OPERATING REVENUE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Significant activities			
Representation	3,473	3,818	3,358
Planning for the future	2,683	2,760	2,860
Communities	7,536	7,214	7,404
Recreation and leisure	10,839	9,871	14,162
Regulatory services	10,187	9,424	9,737
Transportation	28,796	26,870	31,274
Water supply	13,426	12,569	18,474
Stormwater	7,236	6,931	15,344
Natural environment	836	932	1,047
Wastewater	15,719	14,359	21,989
Solid waste	2,228	2,295	1,949
Economic	1,075	1,108	1,082
Council services	6,179	4,178	5,083
Total operating revenue by activity	110,213	102,329	133,762
Council services	110,213	102,329	133,762

3. TOTAL OPERATING EXPENDITURE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Significant activities			
Representation	3,187	4,159	2,942
Planning for the future	2,684	2,900	2,632
Communities	7,626	7,735	7,770
Recreation and leisure	7,179	7,211	7,443
Regulatory services	10,175	9,507	9,750
Transportation	19,622	19,574	18,687
Water supply	14,732	12,373	14,230
Stormwater	4,516	4,719	4,230
Natural environment	724	921	702
Wastewater	15,149	13,348	12,976
Solid waste	1,673	2,169	1,357
Economic	743	724	727
Council services	7,287	5,453	9,134
Total operating expenditure by activity	95,297	90,793	92,580
Council services	95,297	90,793	92,580

4. FEES AND CHARGES FROM ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Significant activities			
Representation	1	75	3
Planning for the future	-	-	-
Communities	210	125	154
Recreation and leisure	918	20	300
Regulatory services	5,796	5,336	5,359
Transportation	324	277	1,194
Water supply	93	-	141
Stormwater	6	-	4
Natural environment	-	-	-
Wastewater	93	202	1,335
Solid waste	108	93	140
Economic	6	-	1
Council services	177	142	247
Total revenue from significant activities	7,728	6,271	8,878

GENERAL RATE INCOME

5. GENERAL RATE INCOME

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Representation	3,007	4,084	2,901
Planning for the future	2,683	2,744	2,860
Communities	4,454	4,676	4,618
Recreation and leisure	5,891	6,555	6,183
Regulatory services	3,576	3,690	3,533
Transportation	-	12,666	-
Water supply	-	-	-
Stormwater	687	913	755
Natural environment	-	264	-
Wastewater	682	12,036	931
Solid waste	605	831	362
Economic	837	776	904
Council services	3,097	1,614	793
Total general rates	25,520	50,851	23,841

Note: Comparatives have been restated between General and Targeted Rates in accordance with Council's Rates Funding Impact Statement.

6. TARGETED RATES ATTRIBUTABLE TO ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
General rates	25,520	50,851	23,841
Targeted rates attributable to activities			
Representation	465	-	449
Planning for the future	-	13	-
Communities	2,201	2,046	2,103
Recreation and leisure	-	-	-
Regulatory services	-	-	-
Transportation	14,061	-	13,636
Water supply	6,959	6,523	6,516
Stormwater	4,622	4,256	4,291
Natural environment	1,435	451	1,180
Wastewater	11,701	-	10,771
Solid waste	1,267	1,162	1,166
Economic	238	328	177
Council services	-	918	-
Total targeted rates	42,948	15,697	40,288

Note: Comparatives have been restated between General and Targeted Rates in accordance with Council's Rates Funding Impact Statement.

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 \$48,299 (2019: \$46,676). 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
	2020	2020	2019
Metered water charges	4,611	4,337	5,156
Total rates revenue	73,079	70,885	69,284

8. FINANCE INCOME AND FINANCE COSTS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Finance income			
Interest income	896	779	1,498
Rates postponement scheme	8	13	9
Total finance income	905	792	1,507
Finance costs:			
- interest on bank borrowings	2,773	8,000	3,906
- interest rate swap expense	3,263	-	2,968
Total finance costs	6,036	8,000	6,874
Net finance income / (costs)	(5,131)	(7,208)	(5,368)

9. VESTED ASSETS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Significant activities			
Recreation and leisure	403	-	-
Transportation	785	1,400	123
Water supply	1,050	200	3,951
Stormwater	1,378	300	8,277
Wastewater	2,112	340	3,540
Support services	212	-	-
Total significant activities	5,940	2,240	15,891

10. SUBSIDIES AND GRANTS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Ministry for the Environment - territorial authority levy for trade waste	178	-	189
Bay of Plenty Regional	-	604	729
Land Transport NZ subsidy	11,622	8,321	11,505
TECT	-	509	-
Ministry of Business, Innovation and Employment	150	-	-
Total subsidies and grants	11,950	9,433	12,423

There are no unfulfilled conditions or other contingencies attached to subsidies recognised (2019: nil).

11. OTHER REVENUE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2020	2020	2019
Petrol tax	403	400	511
Sale of goods and services	1,838	703	2,233
Cost recoveries	65	45	72
Total other revenue	2,306	1,148	2,816
Made up of:			
Exchange	1,857	748	2,268
Non exchange	448	400	547
Financial contributions			
Recreation and leisure	1,362	2,599	3,679
Transportation	1,793	2,959	5,197
Water supply	817	1,524	2,684
Stormwater	540	1,421	2,016
Natural environment	118	216	358
Wastewater	1,262	1,779	4,673
Total revenue from financial contributions	5,892	10,498	18,605

12. OTHER EXPENSES

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Audit fees for financial statement audit		
- audit fees for financial statement audit	139	137
- audit fees for long term plan audit	-	20
- audit fees for debenture trust deed audit	8	8
- audit fees for grant funding assurance audit	-	-
Insurance premiums	626	517
Consultant and legal fees	2,392	2,675
Impairment of receivables	1,912	1,837
Loss on sale of property, plant and equipment	2,919	1,268
Minimum lease payments under operating leases	130	101
Other operating expenses	37,789	34,249
Asset revaluation	-	-
Total other expenses	45,914	40,807

13. PERSONNEL COSTS

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Salaries and wages	22,152	20,473
Employer contributions to health insurance scheme	252	248
Total personnel costs	22,404	20,720

Council's total Kiwisaver contributions to 30 June 2020 were \$567k (2019: \$545k).

14. CASH AND CASH EQUIVALENTS

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Cash at bank and on hand	11,347	6,527
Petty cash	2	2
Term deposits with maturities less than 3 months	23,140	23,093
Total cash and cash equivalents	34,489	29,622

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:

	2020	2019
Short-term deposits	0.69%	2.10%

15. DEBTORS AND OTHER RECEIVABLES

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Rates debtors	6,429	6,062
Metered water debtors	2,311	1,669
Other trade debtors	2,565	4,269
Sundry debtors	3,284	1,855
GST Receivables	787	783
Debtors and other receivables prior to impairment	15,376	14,638
Less provision for impairment of receivables	3,827	3,569
	11,548	11,069
Prepayments	724	681
	12,273	11,750
¹ Receivables from non-exchange transactions	11,816	11,313
Receivables from exchange transactions	456	437
	12,273	11,750

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 (2019: \$nil). Western Bay Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Western Bay Council has assessed the impact of COVID-19 on its Debtors and other Receivables and has not made further provision for impairment in accordance with Council's key accounting estimates and forecasts.

Rates relief for ratepayers will be assessed under existing policies as detailed in Council's response to COVID-19 on pages 19 and 20.

The status of receivables as at 30 June 2020 and 2019 are detailed below:

	2020			2019		
	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not past due	11,212	594	10,618	10,757	569	10,188
Past due 90 days - 2 years	1,063	667	396	1,055	653	402
Past due 2-3 years	934	717	217	878	683	195
Past due > 3 years	2,166	1,849	317	1,947	1,665	282
Total	15,376	3,827	11,548	14,638	3,569	11,069

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
	2020	2019
Individual impairment	1,849	1,665
Collective impairment	1,978	1,904
As at 30 June	3,827	3,569

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
	2020	2019
Past due 30-59 days	-	-
Past due 60-89 days	-	-
Past due > 90 days	1,849	1,665
As at 30 June	1,849	1,665

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

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
As at 1 July	3,569	3,438
Additional provisions made during the year	2,181	1,969
Provisions reversed during the year	-	-
Receivables written off during the year	(1,923)	(1,837)
As at 30 June	3,827	3,569

16. DERIVATIVE FINANCIAL INSTRUMENTS

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Current portion	(383)	(1,148)
Interest rate swaps - not hedge accounted	(12,632)	(10,521)
Total derivative financial instruments	(13,015)	(11,669)
Movement	(1,346)	(2,808)

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 \$97m (2019: \$146m). At 30 June 2020, the fixed interest rates of cash flow hedge interest rate swaps vary from 3.04% to 5.41% (2019: 3.04% to 5.98%).

17. NON-CURRENT ASSETS HELD FOR SALE

Western Bay Council owns three residential sections (2019: one). These properties are located in Katikati. This property has been identified as being surplus to requirements and have been approved for sale. These properties are expected to be sold within the next twelve months. There is no accumulated property revaluation reserve on these properties.

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Non-current assets held for sale are:		
- land	3,495	800
Total non-current asset held for sale	3,495	800

18. OTHER FINANCIAL ASSETS

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Current portion		
Investments	-	-
Term deposits maturing within 12 months of balance date	-	-
Total investments	-	-
Total current other financial assets	-	-
Non-current portion		
Non-current assets available for sale are:		
Zespri Group Limited		
26,490 shares (26,490 in 2019) with a market value as at 30 June 2020 of \$9.10 (\$8.20 in 2019) per share.	241	217
Seeka Kiwifruit Industries Limited		
11,247 shares (2019: 11,247) with a market value as at 30 June 2020 of \$4.04 (\$4.45 in 2019) per share.	45	55
Total non-current assets available for sale	286	272
Loans and receivables		
Te Tumu investment (note 42)	11,233	11,003
Total loans and receivables	11,233	11,003
Total non-current other financial assets	11,519	11,274
Total other financial assets	11,519	11,274

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	2020	2019
Western Bay of Plenty Tourism and Visitors' Trust (50%)	212	211
Total share in associates	212	211

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

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Bay of Plenty Local Authority Shared Services Limited	14	14
BOPLASS Limited 9.7% share (2019: 9.7%).		
NZ Local Government Insurance Company Limited	26	46
28,142 shares (2019: no change) with a market value as at 30 June 2020 of \$0.93 per share (2019: \$1.63).		
New Zealand Local Government Funding Agency Limited	1,866	1,866
3,731,958 shares (2019: no change) at \$1 per share \$0.50 share paid up capital (2019: no change).		
New Zealand Local Government Funding Agency Borrower Notes	1,440	1,440
Total Investment in Council Controlled Organisations (CCO's) and other similar entities	3,346	3,366

	ACTUAL \$'000	ACTUAL \$'000
Bay of Plenty Local Authority Shared Services (BOPLASS)	2020	2019
Assets	1,385	1,239
Liabilities	1,355	1,194
Revenues	1,405	1,360
Surplus / (deficit)	(15)	5
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
	2020	2019
Depreciation and Amortisation Expense		
Representation	8	11
Planning for the future	3	3
Communities	503	387
Recreation and leisure	1,041	1,614
Regulatory services	64	85
Transportation	9,845	9,242
Water supply	2,593	3,697
Stormwater	1,522	1,417
Natural environment	2	2
Wastewater	2,965	3,251
Solid waste	-	20
Economic	-	-
Total depreciation and amortisation by activity	18,545	19,732
Depreciation and amortisation related to support services	1,052	1,639
Total depreciation and amortisation expense	19,597	21,371
Made up of:		
Depreciation	19,298	20,484
Amortisation	299	887
	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Revaluation gains		
Representation	-	6
Communities	-	-
Recreation and leisure	748	3
Transportation	-	27,587
Water supply	-	18
Wastewater	-	(1,963)
Stormwater	-	(29)
Support services	-	-
Land	38	572
Buildings	-	-
Coastal marine structures	-	(15)
Library books	-	-
Improvements	-	-
Property plant and equipment gains	786	26,176
Intangibles (Emission Trading Scheme NZ Units)	355	65
Forestry	(269)	2,318
Total gains	872	28,559

The 2020 Forestry gains of \$269K relate to revaluation movement. This movement reflects the increase in values from the prior year.

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Work in progress		
Communities	689	199
Recreation and leisure	4,469	1,688
Transportation	1,140	7,288
Water supply	6,181	3,646
Stormwater	4,579	7,262
Wastewater	5,582	7,952
Economic	117	117
Support services	(1,117)	(880)
Total work in progress	21,641	27,273

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	2020	2019
Opus International Consultants Limited	-	593,790
Interpine Forestry Limited	10,588	10,857
Total fair value	10,588	604,647

Insurance disclosure as required under the Local Government Act 2002

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	CARRY AMOUNT \$'000	INSURED AMOUNTS \$'000
	30 JUNE 2020	30 JUNE 2020
Category A Insurance Contracts		
Water	99,648	217,485
Wastewater	115,469	189,183
Stormwater	107,567	133,660
Mobile Plant & Vehicles	1,020	1,486
Forestry	10,588	17,551
	334,292	559,365
Material Damage cover	-	-
Buildings	47,963	46,758
Coastal Marine	9,859	-
Libraries	1,213	-
Office Equipment	2,344	6,998
Plant & Equipment	95	-
	61,474	53,756
Category A Total	395,766	613,121
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	72,051	-
Roading - Surfaces	547,086	-
Land	145,767	-
Category B Total	1,026,637	-
Total	1,422,403	-

Work in progress

The total amount of property, plant and equipment in the course of construction is \$21.6 (2019: \$27.3m).

Impairment

There were no impairment losses in the year 30 June 2020 (2019: \$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	1,975	-	-	3,110
- other assets (such as reticulation systems)	97,673	574	1,060	167,741
Stormwater drainage	107,567	4,397	1,372	118,806
Wastewater				
- treatment plants and facilities	10,021	-	-	24,987
- other assets (such as reticulation systems)	105,448	2,508	1,916	149,710
Flood protection and control works	-	-	-	-
Roads and footpaths	619,136	21,942	-	787,908
Total core infrastructure assets	941,821	29,422	4,348	1,252,261

2020

	Cost / Valuation	Accumulated depreciation and impairment charges	Carrying amount	Current year additions	Current year vested assets	Current year disposals	Current year disposal depreciation	Transfers	Transfer accumulated depreciation	Current year depreciation total	Revaluation	Revaluation depreciation	Cost / Valuation	Accumulated depreciation and impairment charges	Carrying amount
	30 June 2019	30 June 2019	30 June 2019										30 June 2020	30 June 2020	30 June 2020
	\$'000	\$'000	\$'000										\$'000	\$'000	\$'000
Council 2018															
Operational assets															
Land	48,158	-	48,158	-	195	(4,550)	-	(7,022)		-	-	-	36,781	-	36,781
Buildings	22,022	(692)	21,330	1,543	174	(64)	4	412	(210)	(333)	-	-	24,087	(1,232)	22,855
Coastal Marine	9,020	(802)	8,218	-	-	(21)	-	2,442	(664)	(116)	-	-	11,441	(1,582)	9,859
Libraries	1,667	(480)	1,186	358	-	-	-	-	-	(331)	-	-	2,025	(811)	1,213
Office equipment	8,021	(5,805)	2,216	563	-	-	-	-	-	(435)	-	-	8,584	(6,240)	2,344
Plant and equipment	293	(182)	112	-	-	-	-	-	-	(17)	-	-	293	(199)	95
Vehicles	2,657	(1,408)	1,249	219	-	(250)	168	-	-	(366)	-	-	2,626	(1,606)	1,020
Work in progress	(681)	-	(681)	253	-	-	-	-	-	-	-	-	(428)	-	(428)
Total operational assets	91,158	(9,370)	81,788	2,936	369	(4,886)	171	(4,168)	(874)	(1,598)	-	-	85,409	(11,671)	73,739
Infrastructural assets															
Land	19,994	-	19,994	314	798	-	-	4,092		-	-	-	25,198	-	25,198
Buildings	1,012	(52)	960	54	200	(30)	1	(17)	1	(6)	-	-	1,220	(56)	1,164
Water - treatment	2,272	(250)	2,022	-	-	-	-	-	-	(47)	-	-	2,272	(297)	1,975
Water - other	106,782	(6,399)	100,383	574	1,060	(1,908)	104	(1)	-	(2,540)	187	(187)	106,695	(9,021)	97,673
Stormwater	106,360	(2,759)	103,601	4,397	1,372	(337)	8	-	-	(1,475)	-	-	111,792	(4,225)	107,567
Wastewater - treatment	11,486	(1,196)	10,290	-	-	-	-	-	-	(269)	-	-	11,486	(1,465)	10,021
Wastewater - other	109,260	(5,169)	104,090	2,508	1,916	(460)	25	5	(3)	(2,632)	-	-	113,228	(7,780)	105,448
Land under roads	261,734	-	261,734	-	-	-	-	-	-	-	-	-	261,734	-	261,734
Roading other	66,828	(2,159)	64,669	9,673	-	-	-	-	-	(2,291)	-	-	76,501	(4,450)	72,051
Roading surface	549,386	(7,048)	542,337	12,269	-	-	-	-	-	(7,521)	-	-	561,655	(14,570)	547,086
Work in progress	26,266	-	26,266	(8,666)	-	-	-	-	-	-	-	-	17,600	-	17,600
Total infrastructural assets	1,261,379	(25,033)	1,236,345	21,124	5,346	(2,736)	139	4,080	(2)	(16,780)	187	(187)	1,289,380	(41,864)	1,247,516
Restricted assets															
Land	82,627	-	82,627	555	371	-	-	235		-	-	-	83,787	-	83,787
Buildings	23,142	(4,865)	18,277	1,036	30	(76)	1	(2,294)	857	(872)	-	-	21,838	(4,878)	16,960
Improvements	7,649	(385)	7,264	299	-	-	-	(547)	19	(51)	-	-	7,401	(417)	6,984
Work in progress	1,688	-	1,688	2,781	-	-	-	-	-	-	-	-	4,469	-	4,469
Total restricted assets	115,106	(5,250)	109,856	4,671	401	(76)	1	(2,606)	876	(922)	-	-	117,496	(5,295)	112,201
Total Council	1,467,643	(39,654)	1,427,989	28,732	6,117	(7,698)	311	(2,695)	-	(19,298)	187	(187)	1,492,285	(58,829)	1,433,452

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 2020.

2019

	Cost / Valuation	Accumulated depreciation and impairment charges	Carrying amount	Current year additions	Current year vested assets	Current year disposals	Current year disposal depreciation	Transfers	Current year depreciation	Revaluation	Revaluation depreciation	Cost / Valuation	Accumulated depreciation and impairment charges	Carrying amount
	30 June 2018	30 June 2018	30 June 2018									30 June 2019	30 June 2019	30 June 2019
	\$'000	\$'000	\$'000									\$'000	\$'000	\$'000
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	-	71,721	-	-	(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

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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Balance at 1 July										
Cost	5,057	4,863	794	793	356	356	2,834	2,834	9,041	8,846
Accumulated amortisation, impairment and gains	(3,980)	(3,733)	(220)	(202)	424	359	(2,678)	(2,004)	(6,454)	(5,580)
	1,077	1,130	574	591	780	715	156	829	2,586	3,265
Work in progress	-	-	-	-	-	-	-	-	-	-
Opening carrying amount	1,077	1,130	574	591	779	715	156	829	2,585	3,265
Year ended 30 June										
Additions	635	194	984	-	(0)	-	-	-	1,619	194
Transfer										
Amortisation & impairment charge	(243)	(247)	(57)	(18)	-	-	-	(674)	(300)	(939)
Gains	-	-	-	-	309	65	-	-	309	65
Disposals	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	1,468	1,077	1,501	574	1,088	779	156	155	4,213	2,584
Balance as 30 June										
Cost	5,692	5,057	1,778	794	355	356	2,834	2,834	10,659	9,041
Accumulated amortisation, impairment and gains	(4,223)	(3,980)	(277)	(220)	733	424	(2,678)	(2,678)	(6,445)	(6,454)
	1,468	1,077	1,501	574	1,088	779	156	156	4,213	2,585
Work in progress	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	1,468	1,077	1,501	574	1,088	779	156	156	4,213	2,585

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
	2020	2019
Balance at 1 July	10,857	8,539
Gains/(losses) arising from changes attributable to physical changes	880	1,116
Gains/(losses) arising from changes attributable to price changes	(249)	1,806
Decrease due to harvest	(900)	(604)
Balance at 30 June	10,588	10,857

TECT All Terrain Park Forest

The TECT All Terrain Park owns 363.49 hectares of Pinus Radiata forest, 26.41 hectares of Douglas Fir, 48.29 other minor species of mixed varieties which are at varying stages of maturity ranging from 3 to 24 years. The total value of the forestry stand is \$9.79 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 24 to 25 years with an average age of 24.9 years. The total value of this forestry stand is \$1,121,188.

Matakana Island Forest

Council owns 126.3 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 9 to 36 years with an average age of 20.5 years. The total value of the forestry stand is \$4.39 million.

Lund Road Forest

Council owns 58.3 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 5 to 7 years with an average age of 4 years. The total value of the forestry stand is \$177,509.

Valuation assumptions

Independent registered valuer, Interpine Forestry Limited, valued Western Bay Council's forestry assets as at 30 June 2020. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A discount rate of 7.6% to 8.7 % (2019: 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% (2019: 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 2020, and there are no restrictions on title. No significant movement as expected for the period March 2019/March 2020 to June 2020.

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
	2020	2019
<i>Payables and deferred revenue under exchange transactions</i>		
Trade payables and accrued expenses	9,664	11,017
Other income in advance	394	362
Sundry payables	513	290
Total payables and deferred revenue under exchange transactions	10,572	11,670
<i>Payables and deferred revenue under non-exchange transactions</i>		
Rates in advance	4,576	4,089
Bonds and deposits	2,299	2,578
GST payables	-	-
Environment Bay of Plenty Regional Council rates	364	286
Total payables and deferred revenue under non-exchange transactions	7,239	6,953
Total current portion	17,811	18,623

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
	2020	2019
Secured loans fixed	-	-
Secured loans floating	20,000	-
Total current secured loans	20,000	-
Total current borrowings	20,000	-

25. BORROWINGS (CONTINUED)

NON-CURRENT

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Secured loans fixed	20,000	20,000
Secured loans floating	70,000	90,000
Total non-current secured loans	90,000	110,000
Total non-current borrowings	90,000	110,000
Total public debt	110,000	110,000

Western Bay Council's secured debt of \$90.000m (2019: \$110.000m) 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 (2019: \$nil) is issued at a margin of nil bps (2019: nil) above bank wholesale rates (BKBM - 90 day bill rate).

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
	2020	2019
Payable no later than one year	20,000	-
<i>Weighted average interest rate</i>	1.05%	0.00%
Later than one, not later than five years	55,000	60,000
<i>Weighted average interest rate</i>	2.74%	3.53%
Later than five years	35,000	50,000
<i>Weighted average interest rate</i>	1.22%	2.56%
	110,000	110,000

FAIR VALUES OF NON-CURRENT BORROWINGS

	CARRYING AMOUNTS \$'000	CARRYING AMOUNTS \$'000	FAIR VALUES \$'000	FAIR VALUES \$'000
	2020	2019	2020	2019
Secured loans	110,000	110,000	111,334	111,042
Total	110,000	110,000	111,334	111,042

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
	2020	2019
Secured loans and debentures	1.95%	3.09%

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 2020 Western Bay Council had \$30.0 million of undrawn cash facilities available (2019: \$30.0 million).

Debentures

Western Bay Council's secured debt of \$110.0 million (2019: \$110.0 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 0.55% to 0.68% 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 (2019: \$600,000). There are no restrictions on the use of this facility.

26. EMPLOYEE ENTITLEMENTS

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Accrued pay	194	618
Accrued leave and accrued entitlements	2,573	2,089
Sick pay	69	73
Retirement gratuities	18	17
	2,855	2,797
Represented by:		
Current	2,837	2,780
Non-current	18	17
Total employee entitlements	2,855	2,797

27. PROVISIONS

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Current portion		
Landfill aftercare provision	12	12
Weatheright Homes Resolution Service	301	301
Total current portion	313	313
Non-current portion		
Landfill aftercare provision	295	308
Total non-current portion	295	308
Total provisions	608	621

Movements for each class of provision are as follows:

	LANDFILL \$'000	WEATHERTIGHT HOMES \$'000	TOTAL \$'000
Balance at 1 July 2018	333	301	634
Additional provisions	-	-	-
Amounts used	(12)	-	(12)
Balance at 30 June 2019	321	301	621
2019			
Balance at 1 July 2019	321	301	621
Additional provisions	-	-	-
Amounts used	(12)	-	(12)
Balance at 30 June 2020	308	301	608

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 \$0.29 (2019: \$0.30 million) and for post-closure of Te Puke of \$0.20 million (2019: \$0.22 million) over the remaining life (Athenree 15 years, Te Puke 12 years) of the resource consents. This liability has been discounted back to a current value of \$0.31m (2019: \$0.32 million) using a discount rate of 7% (2019: 7%).

Weathertight Homes Resolution Services

Note 35 page 179 provides additional information regarding this provision.

EQUITY

28. RETAINED EARNINGS

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Opening balance	889,720	849,971
Surplus / (deficit)	14,964	41,186
Other surplus /(deficit) through comprehensive income	(408)	45
Reclassification from prior year:		
Reclassification of reserves to equity	1,630	-
	905,906	891,202
Transfers to:		
Restricted reserves	(12)	(14)
Council created reserves	(12,133)	(20,598)
	(12,145)	(20,611)
Transfers from:		
Restricted reserves	10	9
Council created reserves	11,945	19,121
Asset revaluation reserve	-	-
	11,954	19,130
Closing balance	905,715	889,720

29. RESTRICTED RESERVES

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Opening balance	276	271
Transfers to:		
Accumulated funds	(10)	(9)
Transfers from:		
Accumulated funds	12	14
Closing balance	280	276

30. COUNCIL-CREATED RESERVES

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Opening balance	31,913	30,434
Transfers to:		
Accumulated funds	(11,993)	(19,121)
Transfers from:		
Accumulated funds	12,133	20,598
Closing balance	32,052	31,913

For a breakdown of Council created reserves see note 32 on page 170.

31. GENERAL ASSET REVALUATION RESERVE

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Opening balance	432,835	407,239
Change in asset value	(1,584)	25,595
Transfer to retained earnings on disposal of property	-	-
Reclassification of reserves to equity	-	-
Closing balance	431,251	432,835
Comprising:		
Land	11,808	13,438
Buildings	8,000	7,843
Water supply	46,344	46,468
Roading	255,177	255,177
Wastewater	45,420	45,365
Stormwater	56,847	56,890
Coastal marine structures	5,476	5,476
Library books	997	997
Improvements	1,181	1,181
Total asset revaluation reserve	431,251	432,835

Asset revaluation reserves

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

	ACTUAL \$'000 2020	ACTUAL \$'000 2019
Infrastructural:		
Water supply	46,344	46,468
Road Reserves	167,782	167,782
Road Surface	68,500	68,500
Other Roding	18,896	18,896
Wastewater	45,420	45,365
Stormwater	56,847	56,890
Operational assets:		
Land	11,808	13,438
Buildings	8,000	7,843
Coastal marine structures	5,476	5,476
Library books	997	997
Improvements	1,181	1,181
Total general asset revaluation reserve	431,251	432,835



32. RESERVE FUNDS

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2019	DEPOSITS TO FUND TO 30 JUNE 2020	WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Restricted Reserves	Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor.					
Hunter Estate	Established from bequest made in the late 1980s. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and Leisure	39,447	2,170	-	41,617
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	210,505	11,578	(8,259)	213,824
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Leisure	16,888	-	(2,000)	14,888
Total Restricted Reserves			276,350	13,748	(10,259)	279,839
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	(3,910)	497,021	(733,822)	(240,711)
District Reserves		Support Services	2,835,750	155,966	(472,856)	2,518,860
Huharua Sub Regional Park		Recreation and Leisure	201,164	21,637	-	222,801
TECT All Terrain Park		Recreation and Leisure	894,280	148,531	-	1,042,811
Asset Replacement - office buildings		Recreation and Leisure	827,287	351,375	(665,195)	513,466
Asset Replacement - vehicles		Support Services	(411,209)	359,818	(199,737)	(251,128)
Asset Replacement - civil defence vehicle		Communities	136,986	8,654	(21,374)	124,266
Asset Replacement - telemetry		Communities	86,159	4,906	-	91,065
Asset Replacement - swimming pool		Recreation and Leisure	329,514	4,312	-	333,826
Asset Replacement - library books		Communities	2,257,933	301,651	(281,066)	2,278,518
Asset Replacement - library computers		Communities	-	-	-	-
Asset Replacement - Cemetery		Communities	253,094	21,300	-	274,394
Asset Replacement - coast marine		Recreation and Leisure	(265,384)	101,691	(844,464)	(1,008,157)
Total Asset Replacement Reserves			7,141,664	1,976,862	(3,218,514)	5,900,011

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
Restricted Reserves	Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor.					
Hunter Estate	Established from bequest made in the late 1980s. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and Leisure	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 2019	DEPOSITS TO FUND TO 30 JUNE 2020	WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
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	281,622	-	(44,722)	236,900
Katikati Community Board		Communities	61,162	14,262	-	75,424
Omokoroa Community Board		Communities	245,941	37,156	(38,263)	244,834
Te Puke Community Board		Communities	125,088	20,931	-	146,019
Maketu Community Board		Communities	159,659	15,423	-	175,082
Total Community Board Reserves			873,472	87,772	(82,985)	878,259
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	14,867	818	-	15,685
Waihi Beach Town Centre Development	For town centre development.	Economic	461,093	25,360	(32,430)	454,023
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	313,698	75,747	-	389,445
Omokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	447,911	244,631	-	692,542
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	97,342	7,428	-	104,770
Pukehina Beach Development		Planning for the future	277,370	30,389	-	307,759
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	419,650	50,977	-	470,627
Total Other Community Reserves			2,031,931	435,350	(32,430)	2,434,851
Total Community Board and Other Reserves			2,905,403	523,122	(115,415)	3,313,110

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 2019	DEPOSITS TO FUND TO 30 JUNE 2020	WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
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	603,289	253,061	(190,941)	665,409
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	3,212,221	1,539,847	(1,479,044)	3,273,024
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	367,633	20,220	-	387,853
Total Financial Contribution Reserves			4,539,293	1,813,128	(1,669,985)	4,682,436
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	4,096,731	1,726,844	(1,786,105)	4,037,470
Environmental Protection Rate	For the accumulation of any net surplus arising from the Environmental Protection Rate account Deficits are not permitted in this reserve.	All	1,858,163	78,643	(82,093)	1,854,713
Traffic and parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980s. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	186,095	-	-	186,095
Total General Reserves			6,155,375	1,805,487	(1,868,198)	6,092,664

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	4,925,317	1,361,421	(2,190,008)	4,096,731
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			7,199,216	1,557,681	(2,601,523)	6,155,375

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2019	DEPOSITS TO FUND TO 30 JUNE 2020	WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
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	9,261,721	-	-	9,261,721
Re-budgeted Reserve		Support services	326,520	875,435	-	1,201,955
Corporate Property and Assets	For any surplus arising from the corporate property/land purchase account.	Support services	943,470	-	(340,909)	602,562
Weathertight Homes		Regulatory	223,660	12,301	-	235,961
Panepane Point Development Reserve		Reserves	415,429	22,849	(26,507)	411,771
Tahataroa Reserve		Reserve	-	350,000	-	350,000
Total Special Reserves			11,170,800	910,585	(367,416)	11,713,970
Total Council Created Reserves			31,912,535	7,379,184	(7,239,528)	32,052,191
Total All Council Reserves			32,188,885	7,392,932	(7,249,787)	32,332,030

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
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			10,176,139	1,470,623	(471,462)	11,170,800
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

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

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Net surplus / (deficit)	15,741	41,186
Add/(less) non-cash items		
Depreciation	19,298	20,484
Amortisation	299	887
Vested assets	(5,940)	(15,891)
Fair value movement in derivative financial instruments	1,346	2,808
Gains	(826)	(2,964)
Share of associate surplus/deficit	(1)	(5)
Unrealised interest on other financial assets at fair value through profit and loss	(634)	(782)
Provision for impairment of doubtful debts	258	(131)
Add/(less) movements in working capital items:		
Movement in prepayments	43	50
Movement in non-current assets held for sale	(2,695)	(355)
Movement in accounts receivable	(1,155)	2,774
Movement in accounts payable	(687)	1,043
Movement in provisions	(14)	(14)
Movement in employee entitlements	58	305
Add/(less) items classified as investing activities		
Loss on sale of assets	2,919	1,268
Revaluation of shares	5	(42)
Net cash inflow (outflow) from operating activities	27,499	50,621

34. CAPITAL COMMITMENTS AND OPERATING LEASES

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

	ACTUAL \$'000	ACTUAL \$'000
	2020	2019
Operational		
Land	247	-
Building	454	124
Coastal Marine	67	145
Infrastructure		
Water	18	972
Wastewater	-	835
Stormwater	101	300
Roading	6,440	14,855
Restricted		
Building	-	-
Total capital commitments	7,327	17,232

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
	2020	2019
Not later than one year	103	131
Later than one year and not later than two years	42	66
Later than two years and not later than five years	121	124
Later than five years	1,400	1,447
Total non-cancellable operating leases	1,666	1,767

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 2020 \$21.63 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 2020 \$3.397 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
	2020	2019
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 (2019: \$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 2020 (2019: 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. One of these claims have been closed. There are a total of 4 claims that are still open as at balance date (2019: 5).

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 2020.

Carter Holt Harvey Limited

In April 2013, the Ministry of Education (MoE) initiated High Court proceedings against Carter Holt Harvey (CHH) alleging inherent defects in the shadowclad plywood cladding product manufactured and distributed by CHH and installed in school buildings. CHH joined 54 councils including Western Bay of Plenty District Council as third parties seeking contribution on the basis that, if CHH was liable, then councils must have inadequately inspected the school buildings as well. CHH has now settled the MoE claim and, as part of that settlement, CHH agreed to discontinue the third party claims against Western Bay of Plenty District Council and other councils on a drop-hands basis (i.e. each party bears its own legal costs). The claims were formally discontinued on 3 September 2020.

The CHH claims against Western Bay of Plenty District Council were never quantified and the court process in relation to the third party claims did not pass the preliminary pleading stage. The settlement was a very favourable outcome as the cost of defending the claims would have been very high.

We note that, initially, CHH's third party claim against Western Bay of Plenty District Council related to 16 schools within the city. Prior to the settlement, CHH had already agreed to drop claims against Western Bay of Plenty District Council in relation to a number of the buildings in 12 of those schools on the basis that there was no possible third party claim in relation to the buildings in those schools and were considering their position on further buildings in those schools and another 5 schools.

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 (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Fitch Ratings and Standard and Poor's of AA+ and a foreign currency rating of AA.

As at 30 June 2020, Western Bay of Plenty District Council is one of 30 local authority shareholders and 22 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$20m. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Western Bay of Plenty District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2020, NZLGFA had borrowings totalling \$11,907m (2019: \$9,840m).

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
	2020	2019
Councillors		
Full-time equivalent members	12	17
Salaries and other short term employee benefits	592	579
Senior Management Team, including the Chief Executive		
Full-time equivalent members	5	5
Salaries and other short term employee benefits	1,373	1,347
Total senior management remuneration	1,965	1,948

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 2020

ACTUAL \$'000		ACTUAL \$'000
2018/19		2019/20
1,360	Revenue	1,405
(1,355)	Expenditure	(1,421)
5	Surplus / (deficit)	(15)
5	Net surplus / (deficit) year	(15)
1,239	Total assets	1,385
1,194	Total liabilities	1,355

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 2020.

From page 181 - 184 is a report of performance against targets set in the Statement of Intent for 2019/20.

PERFORMANCE TARGETS FOR 2019/20		
OUTCOMES	MEASURE	RESULT
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils. .	<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	<p>Contracts negotiated and/or renewed for:</p> <p>Internal Audits: Following a review by BOPLASS councils, the Internal Audit Services agreement has been renewed with KPMG. The collective arrangement provides competitive pricing for these services but also enables the sharing of internal audit information and insights across the group.</p> <p>Video Conferencing Services: Video conference services with Canon and Zoom enhanced and expanded to deliver desktop and meeting room services to participating councils.</p> <p>Specific project undertaken to increase capacity, create additional meeting rooms and ensure licences were available to all councils/users during the pandemic.</p> <p>GIS software and services:</p> <ul style="list-style-type: none"> • FME • Geocortex Essentials • Geocortex Analytics • X-Tools • NZ Archaeological Association • RetroLens <p>Contracts renegotiated and renewed: No alternative suppliers.</p> <p>Print Media Copyright Agency (PMCA): Collective contract and requirements reviewed and renewed with PMCA - the sole NZ provider of print and media copyright services.</p> <p>ESRI Enterprise Licensing Agreement: Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed with no increases in cost to councils. No alternative provider in NZ.</p> <p>N3: Purchasing group (previously known as GSB) membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Sole NZ provider.</p> <p>Vertical Horizonz: Renegotiated Health and Safety training contract for a further two-year period with the same terms, conditions, and costs.</p>

PERFORMANCE TARGETS FOR 2019/20

OUTCOMES	MEASURE	RESULT
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p>	<p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p>Tender Facilitation: BOPLASS led a competitive process for the appointment of a facilitator to manage a collective procurement process on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke's Bay councils. Grant Thornton NZ Ltd were appointed.</p> <p>Regional LiDAR Capture 2020-2025: Working in conjunction with Land Information NZ, a tender process was run to appoint a provider for LiDAR capture across the Bay of Plenty region. Aerial Surveys Ltd were appointed to complete a region-wide five-year plan for LiDAR capture. The data will be used by councils to create highly accurate 3D terrain and surface models of the land, which are vital for flood modelling purposes and mapping water flows.</p> <p>Infrastructure Insurance: Securing councils' insurance cover requires a new procurement process to be undertaken every 12-months, with a variety of insurers and underwriters engaged, to negotiate favourable terms and competitive pricing. This year BOPLASS represented a collective group of NZ councils for direct placement into the London markets for councils' infrastructure insurance. Options for placements into the Asian markets were also explored. Through this competitive process and the aggregated approach, BOPLASS councils were able to achieve rates with an average 20% discount compared with each council securing individual policies. A new contract was established with a mix of Lloyds' syndicates.</p> <p>Standards NZ: BOPLASS engaged with Standards NZ to host a single BOPLASS portal to allow all councils to access the full Standards catalogue at significantly reduced pricing. BOPLASS councils were using differing forms of access/licences with not all councils having access to the same range of Standards data. The collective agreement has meant a broader range of catalogues are available to all councils and at a lower cost than individual arrangements. This has enabled better utilisation of Standards and negated expensive individual subscriptions.</p> <p>Accounts Payable Automation Software: Following presentations from vendors on workflow automation for the BOPLASS councils, Esker were selected as the preferred solution for the implementation of Accounts Payable automation software.</p> <p>FME Server:- GIS software. Reviewed options for multiple councils to participate in shared procurement of this software rather than purchasing individual licences. BOPLASS currently manages shared procurement of the FME Desktop software on behalf of councils.</p> <p>Human Resources Information Systems:- BOPLASS undertook an investigation into opportunities for the collective procurement of an HR information system and the development of a standardised platform across the councils. It was agreed for the BOPLASS councils to review options available under the All of Government purchasing.</p> <p>Insurance Brokerage and Risk Management Services: BOPLASS led a procurement project on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke's Bay councils for the appointment of an insurance broker. The collective approach to the tender delivered considerable value, including savings in fees and premiums, but also an opportunity to share best practices and further align insurance programmes across the regions. Aon NZ Ltd were appointed as broker by all participating LASS and councils.</p>

PERFORMANCE TARGETS FOR 2019/20

OUTCOMES	MEASURE	RESULT
<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>0.6 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>Robotic Process Automation (RPA): BOPLASS is leading a project to review opportunities for RPA services to be developed collectively and shared across participating councils. RPA provides an opportunity for the automation of repeatable processes that can run without intervention. A presentation of existing services has been completed and options for developing a centre of excellence are being explored as a means of supporting collaborative development and the efficient use of design/development expertise. This project is ongoing.</p> <p>Treasury Staff: Meetings have been coordinated by BOPLASS for councils' treasury staff and finance representatives to be provided information from senior economists on New Zealand and international economies. This has been proven to be particularly valuable given the current international and NZ economic turmoil.</p> <p>Sustainable Public Procurement: BOPLASS Councils are participating in this project in conjunction with the Sustainable Business Network and Toi Ohomai. The collective approach provides opportunity for local government procurement policies and practices to become better aligned with national objectives of sustainability and identify where improvements might be made. BOPLASS has engaged with MBIE to ensure the scope and goals align with central government procurement strategies.</p> <p>Debt Recovery Services: Partnering with MW LASS and being provided as a shared service, BOPLASS councils have access to Debt Management Central to provide specialised local government debt recovery services. Several councils have now begun using this shared service.</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. A review of ICN contracts was undertaken to deliver further cost reductions and improved capacity.</p> <p>Zoom Video Conference Services: Zoom video conference services were established and implemented as a shared service option for BOPLASS councils providing for centralised account management and shared infrastructure for participating councils.</p> <p>Civil Defence Emergency Management GIS Group: GIS data and tools are now an integral part of a Civil Defence response and the BOPLASS councils have formed a group to work collaboratively on CDEM initiatives. This approach is largely made possible due to all councils using the same core GIS systems aligned through BOPLASS contracts.</p> <p>Standardisation of Insurance Valuations: Support was provided to councils in establishing a common standard of reporting for insurance asset valuations. Developing a consistent standard and a common valuations process has been extremely beneficial to the BOPLASS infrastructure insurance programme through providing improved, consistent, and accurate data to the international markets when negotiating placements of councils' insurance.</p> <p>Inter-LASS collaboration – A number of procurement projects are underway or being investigated covering multiple LASS and benefiting from the aggregated volumes. Collaboration across the regions is driving greater efficiencies within collective projects and allows the projects to be better resourced. BOPLASS has been working particularly closely with MW LASS and Waikato LASS and has recently provided information to South Island councils investigating collective opportunities.</p>

PERFORMANCE TARGETS FOR 2019/2020

OUTCOMES	MEASURE	RESULT
Provide support to BOPLASS councils that are managing or investigating Shared Services projects (continued).		<p>Regional Waste Operator Licensing and Data Collection: Cross-regional approach to establishing a regional or cross-regional entity that would administer and enforce licensing conditions on behalf of territorial authorities. Project aims to ensure a level playing field for all waste operators in a council's area while enabling councils to collect the data necessary to prepare detailed waste assessments and inform effective identification of priority waste management and minimisation actions.</p> <p>Skype for Business inter-council communication – Project to undertake investigation, testing and resolution of issues to resolve inter-council communication use of Skype for Business.</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>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 20% per year.</p> <p>Number of active users to increase by 20% per year.</p>	<p>Active promotion of the MahiTahi Collaboration Portal over the last 12 months has resulted in a 60% increase in the number of local government users with 85 new members joining.</p> <p>Ongoing development of on-boarding and training material to help increase membership and support ongoing usage. Training provided to councils to maximise usage and ensure increased uptake.</p> <p>During COVID-19 lockdowns the MahiTahi Collaboration Portal was marketed through SOLGM to all NZ councils' CEOs as an online collaboration tool.</p> <p>Collaboration Portal demonstrations provided to collaborative advisory groups.</p> <p>Nine additional projects added to the Collaboration Portal increasing from 39 to 48 lodged projects.</p> <p>The number of Collaboration Portal specialised channels and teams have increased by 14 over the last year with 66 channels and 6 specialised teams now registered.</p> <p>Developed a new fit-for-purpose back-up solution using DATTO to increase robustness and reliable access to shared material.</p> <p>Developed Terms of Service for the Collaboration Portal to provide governance and security for BOPLASS, member councils, and portal participants.</p> <p>Development of Azure services to further support the Collaboration Portal, including implementing multi-factor authentication of portal administrators and migration of DNS services to Azure.</p>
Communicate with each shareholding council at appropriate levels.	<p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	<p>BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Executive-level meetings held with councils. Three Operations Committee meetings held during the year with executive level input provided by all shareholding councils. Executive Leadership Team representation and attendance at one or more meetings from every council.</p>
Ensure current funding model is appropriate.		<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2020: \$15,223 deficit.</p>

Above performance targets are unaudited results.

New Zealand Local Government Funding Agency Limited (LGFA)

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

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

The company is governed by a Board of Directors.

Financial performance for the year ended 30 June 2020

ACTUAL \$'000		ACTUAL \$'000
2018/19		2019/20
18,759	Revenue	18,279
7,558	Expenditure	7,657
11,201	Surplus/(deficit)	10,623
11,201	Net surplus/(deficit) year	10,623
10,382	Total assets	13,174
10,308	Total liabilities	13,091

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 25 June 2020.

From page 185 - 186 is a report of performance against targets set in the Statement of Intent for 2019/20.

PERFORMANCE TARGETS FOR 2019/20		
OUTCOMES	MEASURE	RESULT
Providing strong budgetary management on behalf of shareholders and Participating Local Authorities.	LGFA's net interest income for the period to: <ul style="list-style-type: none"> - 30 June 2020 will be no more than \$17.9 million. - 30 June 2021 will be no more than \$20.6 million. - 30 June 2022 will be no more than \$20.1 million. 	LGFA have met this performance measure for 2019/20. LGFA's net interest income for the period to 30 June 2020 was \$18.2 million.
Providing strong budgetary management on behalf of shareholders and Participating Local Authorities.	LGFA's annual issuance and operating expenses (excluding AIL) for the period to: <ul style="list-style-type: none"> - 30 June 2020 will be less than \$6.30 million. - 30 June 2021 will be less than \$6.60 million. - 30 June 2022 will be less than \$6.80 million. 	LGFA have met this performance measure for 2019/20. LGFA's annual issuance and operating expenses (excluding AIL) for the period to 30 June 2020 was \$6.26 million.
Provide funding for all Participating Local Authorities.	Total lending to Participating Local Authorities at: <ul style="list-style-type: none"> - 30 June 2020 will be at least \$9,792 million - 30 June 2021 will be at least \$10,083 million - 30 June 2022 will be at least \$10,171 million. 	LGFA have met this performance measure for 2019/20. LGFA's total lending to Participating Local Authorities for the period to 30 June 2020 was \$10,899 million.
Conduct an annual survey of councils who borrow from LGFA .	Achieve at least an 80% satisfaction score for the value added by LGFA	LGFA have met this performance measure for 2019/20. The actual satisfaction score for the value added by LGFA was 100%.
Meet all lending requests from Participating Local Authorities, where those requests meet LGFA operational and covenant requirements.	100% of lending requests from Participating Local Authorities, where those requests meet LGFA operational and covenant requirements met.	LGFA have met this performance measure for 2019/20. The LGFA met all lending requests from Participating Local Authorities, where those requests meet LGFA operational and covenant requirements in the year ending 30 June 2020.

PERFORMANCE TARGETS FOR 2019/20

OUTCOMES	MEASURE	RESULT
Achieve 75% market share of all council borrowing in New Zealand.	75% market share of all council borrowing in New Zealand in the period ending 30 June 2020.	<p>LGFA have met this performance measure for 2019/20.</p> <p>The LGFA held 86% market share of all council borrowing in New Zealand in the year ending 30 June 2020.</p>
Review each Participating Local Authority's financial position, its headroom under LGFA policies and arrange to meet each Participating Local Authority at least annually.	A physical visit to each Participating Local Authority during the year ending 30 June 2020.	<p>LGFA have not met this performance measure for 2019/20.</p> <p>Due to the impact of Covid-19 and the corresponding lockdown, LGFA staff were unable to complete the scheduled visits to each Participating Local Authority.</p>
No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.	Zero breaches of LGFA's treasury policy during the year ending 30 June 2020.	<p>LGFA have not met this performance measure for 2019/20.</p> <p>There were two compliance breaches of the Treasury Policy during the 12-month period ending 30 June 2020. There was no financial loss to LGFA from either breach and reputational risk was assessed to be minimal.</p> <p>There was full reporting on both breaches to the LGFA Board and Shareholders Council, and a formal review of both breaches was led by the Chair of the Audit and Risk Committee. LGFA management have reviewed controls that could be put in place to mitigate the risk of further breaches.</p>
Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.	100% success rate refinancing existing loans to councils and LGFA Bond maturities during the period ending 30 June 2020.	<p>LGFA have met this performance measure for 2019/20.</p> <p>The LGFA refinanced all existing loans to councils and LGFA Bond maturities during the period ending 30 June 2020.</p>
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.	Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.	<p>LGFA have met this performance measure for 2019/20.</p> <p>LGFA has an annual review process regarding our credit ratings from Standard and Poor's ("S&P") and Fitch Ratings ("Fitch") and meets with both agencies at least annually. Formal review meetings were last held in November 2019 with S&P and in September 2019 with Fitch.</p> <p>On 28 February, S&P affirmed our long-term local currency credit rating as AA+ and our long-term foreign currency credit rating of AA. Both ratings remained on positive outlook. Both credit ratings and outlook are the same as the New Zealand Government.</p> <p>On 18 November 2019, Fitch reaffirmed our long-term local currency credit rating as AA+ and classified LGFA as a corporate mission, government related entity (GRE) under its GRE rating criteria. Fitch equalises our ratings with those of the New Zealand Government.</p> <p>On 28 January 2020 Fitch placed our foreign currency credit rating of AA on positive outlook. Fitch left the local currency credit rating unchanged at AA+ with a stable outlook.</p>

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 2020

ACTUAL \$'000		ACTUAL \$'000
2018/19		2019/20
3,062	Revenue	2,954
(3,053)	Expenditure	(2,952)
10	Surplus/(deficit)	2
10	Net surplus/(deficit) year	2
868	Total assets	829
446	Total liabilities	425

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 187 - 192 is a report of performance against targets set in the Statement of Intent for 2019/20.

PERFORMANCE TARGETS FOR 2018/19		
OUTCOMES	MEASURE	RESULT
<p>Protects and enables the natural environment. The visitor economy enhances the quality of life, by providing an enhanced visitor experience and increased amenity for visitors and residents alike.</p> <p>Implement a Destination Management strategy ensuring the balance of economic growth with the social, cultural and environmental wellbeing of the community.</p>	Visitor spend growth.	<ul style="list-style-type: none"> - \$1,017m (YE June 2020), representing a decrease of 7% from YE June 2019. This is \$91m below the YE June 2020 target. Travel restrictions imposed due to the COVID-19 pandemic have resulted in decreased visitation and spend since March 2020. Coastal BOP was seeing strong growth of visitor spend prior to this (up 8% to \$1,121m in YE Jan 2020). <i>Not achieved.</i>
	Implementation of Visitor Economy Strategy 2018-2028.	<ul style="list-style-type: none"> - Implemented Year 2 of VES, which was the first year of Laying the Foundations (2019- 2021). <i>Achieved.</i>
	Implementation of Te Hā Tāpoi The Love of Tourism 2019-2022.	<ul style="list-style-type: none"> - Implemented year 1 of Te Hā Tāpoi TheLove of Tourism 2019-2022. <i>Achieved.</i>
	Develop methods for monitoring the impact of tourism on our people and place.	<ul style="list-style-type: none"> - Using multiple sources to measure impact of the industry and continuing to evaluate other possible options to fill gaps and/or provide more robust and reliable information. <i>Achieved.</i>
<p>Measure and maintain community social licence with measurement of resident satisfaction and likelihood to recommend the area to others to visit (Net Promoter Score™).</p>	Western Bay of Plenty residents' satisfaction.	<ul style="list-style-type: none"> - Measures confirmed, added questions to Western BOP DC Residents' Survey. Results from 2019-2020 iteration. Sample size of n=708, margin of error +/-4%. - 1. The tourism sector has a positive impact on the community: Score of 72% (% agree, scores of 6-10) - 2. Likelihood to recommend Western BOP as a holiday destination to friends and family: Score of +13. <i>Achieved.</i>
	Implement PR and communications initiatives.	A key initiative is the No Place Like Home marketing campaign that was rolled out on 8 May 2020 during lockdown. Activations across out-of-home, digital, social, e- newsletter, print and website advertising. Campaign analysis to take place in August 2020. Campaign to be ongoing. <i>Achieved.</i>
	Further develop the Connect with Residents programme.	Continued to implement the Connect with Residents programme with the No Place Like Home Campaign, launched in May. Campaign analysis to take place in August when current activations have finished. <i>Achieved.</i>

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
<i>Measure visitor satisfaction and likelihood to recommend the region to others and use feedback to inform activities to enhance the visitor experience.</i>	Maintained or improved visitor satisfaction levels over time.	<ul style="list-style-type: none"> - The Tourism Sentiment Index Score for YE Dec 2019 is +56, 1 point above the target score of +55. <i>Achieved.</i> - Visitor satisfaction survey delayed due to Whakaari/ White Island eruption. Will pick up next financial year in order to implement in the 2020-2021 summer season depending on travel allowances at the time. <i>Not achieved.</i>
<i>Continue to improve the visitor experience by providing fit-for-purpose visitor information services, including the use of digital services.</i>	Implement Visitor Experience Plan.	<ul style="list-style-type: none"> - Phase 1 of Visitor Experience Plan reviewed and implemented. <i>Achieved.</i>
	Implement Visitor Information Services customer survey.	<ul style="list-style-type: none"> - Explored two options for a customer survey. Currently in the process of evaluating options, with a view to implement the best fit program in the second half of 2020. Delayed due to the Whakaari/ White Island eruption and COVID-19 pandemic. <i>Not achieved.</i>
	Provide fit-for- purpose Visitor Information Services.	<ul style="list-style-type: none"> - Tauranga i-SITE operating from new location, with services aligned to provide consistent, high quality, fit-for-purpose visitor information services. Continually reviewing, i.e., engaged with other i-SITE managers to share knowledge and experiences, looking into options to better service domestic market due to international border closures. <i>Achieved.</i>
<i>Continue to improve visitor information services with development of a Mount Maunganui presence, an alternative Tauranga location, and using digital and unmanned services.</i>	Relocate the Tauranga i-SITE.	<ul style="list-style-type: none"> - The Tauranga i-SITE was relocated to The Strand in November 2019. and fully functional at Alert Level 1 (with some extra hygiene measures kept in place due to the COVID-19 pandemic). <i>Achieved.</i>
	Assess need for other touchpoints.	<ul style="list-style-type: none"> - Identified touchpoints needed: Livechat, Bayfair presence, kiosk opportunities at major events. To be implemented during the 2020-2021 financial year. <i>Achieved.</i>
	Implementation of Te Hā Tāpoi The Love of Tourism 2019- 022.	<ul style="list-style-type: none"> - Implemented year 1 of Te Hā Tāpoi The Love of Tourism 2019-2022, which involved identifying products and experiences aligned with Place DNA™. The DoC wall in the Tauranga i-SITE will be updated to feature iconic local wildlife. <i>Achieved.</i>
<i>Identify and promote tourism experiences and products which support Te Moananui ā Toi the Coastal Bay of Plenty's Place DNA™.</i>	Implementation of Te Hā Tāpoi The Love of Tourism 2019-2022.	<ul style="list-style-type: none"> - Implemented year 1 of Te Hā Tāpoi The Love of Tourism 2019-2022, involving promoting products and experiences aligned with Place DNA™, sharing the Coastal BOP Brand Storybook with operators via workshops, meetings, and communications activity. <i>Achieved.</i>
<i>Collaborate with Māori to identify and promote tourism experiences that feature Māori culture and assist in the product development of indigenous cultural experiences, via Memorandums of Commitment (MOC) with Iwi.</i>	Hapū and Iwi relationships developed and MOCs with Iwi established.	<ul style="list-style-type: none"> - Two signed MOCs upheld, 1 pending, and another in discussion with an Iwi outside of Tauranga Moana. However, whilst the goal is the same, the focus from here on in will be building relationships with Iwi/ Hapū. <i>Achieved.</i>
	New product development or enhancement of existing product/s.	<ul style="list-style-type: none"> - Goal exceeded with 12 new cultural tourism experiences launched over the YE June 2020, and product enhancements made by 15 existing operators. Using a kaupapa-Māori based framework, the Tauranga Moana roopū had a wānanga to establish values/principles and to see what type of collective was suitable for them. <i>Achieved.</i>
<i>Establish and maintain passion groups for development to align experiences with target markets.</i>	Development of passion groups throughout Te Moananui ā Toi the Coastal Bay of Plenty.	<ul style="list-style-type: none"> - 1 passion group meeting held, focussed on 'Surfers & Beach Lovers'. The COVID-19 pandemic interrupted plans for further meetings. The passionography plan was reviewed for 2020-2021 considering the domestic visitor focus due to COVID-19. <i>Not achieved.</i>

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
<p><i>Provide leadership to Councils and the sector and support the tourism industry to be environmentally responsible to protect the sub-region for current and future generations.</i></p>	<p>Develop 'tourism with purpose' initiatives.</p>	<ul style="list-style-type: none"> - Has been difficult to find the right fit with local organisations which has delayed this activity. However, several potential Tourism with Purpose products have been identified. TBOP will look to issue an RFP, working with Bay Conservation Alliance, to encourage existing operators to bring one of these to reality in the 2020-2021 financial year. TBOP supported initiatives by sharing stories about social enterprises and environmentally focused events via TBOP marketing channels. <i>Achieved.</i>
	<p>Support implementation of and promote the TIA Tourism Sustainability Commitment within industry.</p>	<ul style="list-style-type: none"> - A total of 33 tourism organisations in Coastal BOP support the TIA Tourism Sustainability Commitment as of June 2020. <i>Achieved.</i>
	<p>Increased awareness of Tiaki Promise among visitors.</p>	<ul style="list-style-type: none"> - i-SITE staff uniforms display Tiaki Promise. Staff share Tiaki Promise messaging with visitors enquiring about outdoor activities. <i>Achieved.</i>
	<p>Explore potential options for understanding and measuring environmental regeneration and implement any suitable options.</p>	<ul style="list-style-type: none"> - Explored options and identified Green Destinations certification as first step in this process. This will measure environmental sustainability. As part of this, TBOP submitted an application to top 100 sustainable destinations competition. Have identified three potential frameworks to move to measuring regeneration following this. <i>Achieved.</i>
<p>Attracts Business, People and Visitors.</p> <ul style="list-style-type: none"> • Grow the tourism industry and increase visitor spend in Te Moananui ā Toi the Coastal Bay of Plenty. • Attract visitors and new investment and create employment opportunities, contributing to a higher standard of living for all. • Support the development of tourism in Te Moananui ā Toi the Coastal Bay of Plenty and enable investment. <p><i>Domestic market: Increasing domestic visitor spend.</i></p>	<p>Domestic market: Increasing domestic visitor spend.</p>	<ul style="list-style-type: none"> - Domestic visitor spend was \$802m in the YE June 2020, a decrease of 7.5% compared to YE June 2019. This does not meet the goal of 3.7% growth per annum. Coastal BOP was seeing good levels of growth of domestic visitor spend prior to COVID-19 (up 6.3% to \$870m in YE Jan 2020). Travel restrictions imposed due to the COVID-19 pandemic have resulted in decreased visitation and spend since March 2020. <i>Not achieved.</i>
	<p>International market: Increasing international visitor spend.</p>	<ul style="list-style-type: none"> - International visitor spend was \$215m in the YE June 2020, a decrease of 5.6% compared to YE June 2019. This does not meet the goal of 5.3% growth per annum. Coastal BOP was seeing good levels of growth of domestic visitor spend prior to COVID-19 (up 16% to \$250m in YE Jan 2020). Travel restrictions imposed due to the COVID-19 pandemic have resulted in decreased visitation and spend since March 2020. <i>Not achieved.</i>
	<p>Cruise market: Increasing cruise sector spend.</p>	<ul style="list-style-type: none"> - The tail end of the cruise sector was affected by the COVID-19 pandemic (with 7 fewer ships and approximately 30,000 fewer passengers than expected) and this will have impacted spend. Spend information will be available later in 2020. <i>Not achieved.</i>
<p><i>Collaborate with strategic partners to drive visitation during off-peak seasons.</i></p>	<p>Develop methods to understand current visitation patterns and profiles.</p>	<ul style="list-style-type: none"> - Have identified high, shoulder and off-peak seasons, an idea of daily activity and impact of cruise and events, regional hot spots based on spend activity, and key access points for drive market. Additional methods scoped and will be implemented in 2020-2021 where possible. <i>Achieved.</i>
	<p>Understand optimum visitor levels.</p>	<ul style="list-style-type: none"> - Have indicative calendar of visitation patterns using monthly spend data (MBIE). Additionally, indicative daily spend data provides a more granular view (Marketview Tourism Dashboard). <i>Achieved.</i>
	<p>Understand optimum visitor levels.</p>	<ul style="list-style-type: none"> - Approximately 50% of accommodation providers registered with the MBIE Accommodation Data Programme which will provide indication of capacity and occupancy and allow insight into optimum visitor levels. Calls being made to remaining providers to encourage participation. This Programme is a MBIE initiative and we are working to their timetable. <i>Not achieved.</i>

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
<p><i>(Continued)</i> Collaborate with strategic partners to drive visitation during off-peak seasons.</p>	<p>Utilise passionography to redefine marketing plans and activities.</p>	<ul style="list-style-type: none"> - Local campaign informed by passionography research is well underway. A domestic campaign which is fully focussed on niche markets and evolving our brand has been briefed and the agency has been engaged. <i>Achieved.</i>
	<p>Develop regional brand stories and story themes based on our Place DNA™ and identify storytellers and influencers to help share those stories.</p>	<ul style="list-style-type: none"> - The Storybook is complete. Tactical activity is completely focused on storytelling, including using local operators as storytellers, and Place DNA™ is being used in all communications. The next step is the roll out of the Brand Storybook to the wider industry. <i>Achieved.</i>
	<p>Develop a new website with online visitor sales & service capability.</p>	<ul style="list-style-type: none"> - New website launched in March 2020. Online visitor sales & services functionality in progress but not yet implemented. Delayed due to the Whakaari/ White Island eruption and the COVID-19 pandemic. <i>Achieved.</i>
	<p>Assess the trade model to best align to target markets.</p>	<ul style="list-style-type: none"> - Achieved goal to review and refine trade to align with target markets. However, direct marketing was put on hold from April 2020 due to COVID-19 whilst all borders are closed. Markets could look quite different once borders open thus another review may be required in the 2020-2021 financial year. <i>Achieved.</i>
<p>Implement Visitor Economy Strategy 2018-2028 and Te Hā Tāpoi The Love of Tourism 2019-2022 to grow the visitor economy and enable public and private investment decisions.</p>	<p>Implementation of Visitor Economy Strategy 2018-2028 and Te Hā Tāpoi The Love of Tourism 2019-2022</p>	<ul style="list-style-type: none"> - Implemented year 1 of Te Hā Tāpoi The Love of Tourism 2019-2022 and year 2 of VES. Visitor economy was growing (at a rate above the national average) prior to the COVID-19 pandemic. TBOP has participated in discussions with stakeholders regarding hotel investment, a local ferry, and other infrastructure projects. <i>Achieved.</i>
	<p>Participation in Bay of Connections Regional Growth Study Implementation Committee.</p>	<ul style="list-style-type: none"> - BOPRC disestablished the committee, therefore participation no longer required. <i>Not achieved.</i>
<p>Work with Council staff to advocate for enablement of tourism product opportunities and to ensure public buildings and spaces are designed and planned through a destination management lens.</p>	<p>Tourism opportunities identified.</p>	<ul style="list-style-type: none"> - Working in conjunction with Council staff and Ngāti Hangarau on the Omanawa Falls project. Visited the Falls with Council staff and elected members followed by a hui and plan moving forward was developed. A submission was made to reconfirm the TIF funding in conjunction with TCC and Veros. <i>Achieved.</i>
	<p>New or revamped public buildings and spaces are designed and planned through a destination management lens.</p>	<ul style="list-style-type: none"> - This is a long-term process. Two projects have been identified to date and applicable Council staff are being engaged with: <ol style="list-style-type: none"> 1. Working with BOP Regional Council on Pāpāmoa Hills Regional Park; and 2. Planning for storyboarding concepts around Pilot Bay with TCC. <i>Achieved.</i>
<p>Advocate for and facilitate opportunities for investment in tourism that will increase the number of new tourism experiences.</p>	<p>Gaps and opportunities identified.</p>	<ul style="list-style-type: none"> - Presented to Fullers Ferry alongside Priority One to encourage continued investment/development. Worked through next steps for hotel development attraction & coordinated approach moving forward. Working with BayStation on product concepts for their new land acquisition. <i>Achieved.</i>
<p>Assist existing, new and potential tourism operators with mentoring and support to develop capability and sustainability.</p>	<p>Growth in number of export-ready operators</p>	<ul style="list-style-type: none"> - 2 new international products were established; however, one closed during the COVID-19 pandemic. The next step will be on development and restart for all tourism businesses firstly within the domestic market (due to international border closures) and, when time is right, preparing the right product for the international market. <i>Not achieved.</i>
	<p>Tourism operators supported to maintain Qualmark status.</p>	<ul style="list-style-type: none"> - Qualmark workshop held for cruise operators prior to the 2019-2020 cruise season. <i>Achieved.</i>
	<p>Tourism operators supported to develop capability.</p>	<ul style="list-style-type: none"> - Hosted workshop with Anna Pollock and ran 10+ capability building workshops across the region throughout the financial year, thus exceeding goal of 3 workshops. <i>Achieved.</i>

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
<i>Identify and support the development of infrastructure to manage visitor growth, via mapping the region's natural and built assets to identify infrastructure and experience gaps and opportunities.</i>	Map regional infrastructure and experiences to identify gaps.	<ul style="list-style-type: none"> - Project to map regional infrastructure and experiences is underway but delayed. This project was put on hold due to the Whakaari/White Island eruption and COVID-19 and therefore started months later than originally planned. Data sources have been scraped and information collated, products and experiences have been categorised. - Expected delivery date for map (phase one) is end of August. <i>Not achieved.</i>
<p>Well Planning with a variety of successful and thriving compact centres.</p> <p>Collaborate with residents, Councils and other agencies.</p>	Implementation of Visitor Economy Strategy 2018-2028.	<ul style="list-style-type: none"> - Implemented year 2 of VES, providing leadership and support for the tourism industry. <i>Achieved.</i>
	Form and engage a Leadership Advisory Group.	<ul style="list-style-type: none"> - Have continued to engage with leaders, however the formation of the Leadership Advisory Group was delayed due to the COVID-19 pandemic. Review of Terms of Reference for Leadership Advisory Group post COVID-19. Chair engagement underway. <i>Not achieved.</i>
<i>Provide leadership for tourism and support sustainable economic growth with effective leadership and implementation of the Visitor Economy Strategy 2018-2028 and Te Hā Tāpoi The Love of Tourism 2019-2022.</i>	Implementation of Te Hā Tāpoi The Love of Tourism 2019-2022.	<ul style="list-style-type: none"> - Implemented year 1 of Te Hā Tāpoi The Love of Tourism 2019-2022, providing leadership and support for the tourism industry. <i>Achieved.</i>
<i>TBOP will provide research insights to forecast the visitor economy and provide demand management of infrastructure and city services to Councils.</i>	Tourism forecasts and other capacity measures.	<ul style="list-style-type: none"> - Forecasts 2018-2028 and visitation patterns data shared with stakeholders. Forecasts have not been updated due to uncertainty caused by COVID-19. This is on hold until 2020-2021, dependent on market conditions. <i>Not achieved.</i>
	Councils' feedback.	<ul style="list-style-type: none"> - Participated in annual plan process with Council. <i>Achieved.</i>
<i>Share insights with tourism stakeholders to help with their decision making.</i>	Sharing of useful insights with tourism stakeholders.	<ul style="list-style-type: none"> - Continuing to share available data with Councils, operators and other stakeholders to help with decision making. This includes sharing the weekly spend figures for Coastal BOP since the start of the COVID-19 pandemic to provide an indication of impact and recovery - sharing with Councils, Priority One and the Tauranga Chamber of Commerce. <i>Achieved.</i>
<i>Develop and maintain partnerships with other organisations and stakeholders (including but not limited to Iwi, EDAs and neighbouring RTOs) to identify and leverage opportunities</i>	Implement Stakeholder Engagement & Communications Plan.	<ul style="list-style-type: none"> - Implemented year 1 of Stakeholder Engagement & Communications Plan, involving increased reach and frequency of engagement with stakeholders and industry. <i>Achieved.</i>
	Work with the Industry Advisory Group (IAG) to understand current landscape, capacity, gaps and opportunities.	<ul style="list-style-type: none"> - Reviewed plans in place for more regular industry engagement within passionography workshops, the Breakfast Business Connect programme, industry forums, and one on one meetings instead of the IAG. The IAG provided a voice for a very limited number of industry businesses and did not provide a full and complete landscape picture for TBOP. <i>Not achieved.</i>
	Work with the Industry Advisory Group (IAG) to understand current landscape, capacity, gaps and opportunities.	<ul style="list-style-type: none"> - Breakfast Business Connects developed as an opportunity to bring businesses together for networking. 5 Breakfast Business Connect meetings were held. <i>Achieved.</i>
	Provide opportunity for industry stakeholders to build networks.	<ul style="list-style-type: none"> - Held more than three networking events, including 2 Industry Forums and 5 Breakfast Business Connects. The most recent Industry Forum was held at Hotel Armitage on Thursday 25 June. TBOP updated on post-COVID-19 marketing activity and future domestic campaign plans. Tourism New Zealand General Manager Domestic Bjoern Spreitzer also presented. <i>Achieved.</i>

PERFORMANCE TARGETS FOR 2018/19

OUTCOMES	MEASURE	RESULT
<i>Prudent management of TBOP including risk and financial control, and compliance to regulatory and Code of Conduct frameworks.</i>	Manage P&L to budget.	- Budget achieved; any loss of income due to the COVID-19 pandemic has been offset by reduction in expenses. <i>Achieved.</i>
	Code of Conduct compliance.	- TBOP Six Month and Annual Reports: <i>Achieved.</i>
	Compliance and regulatory obligations met.	- All compliance and regulatory obligations have been met. <i>Achieved.</i>
	Enterprise Risk Management Policy adherence.	- All Enterprise Risk Management obligations have been met. <i>Achieved.</i>
	Maintain good working relationships with Council staff and elected members, observing the 'no surprises' principle.	- No surprises principle maintained. <i>Achieved.</i>
Aim for best effort cost recovery through revenue growth opportunities and cost management strategies.	- Budget achieved, TBOP Six Month and Annual Reports also achieved. <i>Achieved.</i>	



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 \$317,500 (2019: \$307,515).

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

	ACTUAL 2020	ACTUAL 2019
Salary	317,500	307,515
Employer contributions to superannuation fund	9,525	9,225
Vehicle	19,191	17,509
Other benefits (including medical insurance)	3,177	3,103
Total remuneration	349,393	337,353

Elected Representative

Elected representatives received the following remuneration:

	ACTUAL 2020	ACTUAL 2019
Councillors		
Dally, Grant Ronald	42,211	39,902
Dean, Mark	41,710	37,299
Denyer, James	33,009	-
Grainger, Murray	32,761	-
Henry, Anne	31,399	-
Humphreys, Christina	29,594	-
Lally, Michael Patrick	11,556	36,820
Lints, Monique	29,267	-
Mackay, Peter	16,904	45,579
Marsh, Kevin Alexander	47,222	44,250
Marshall, David Clark	12,536	39,067
Murray-Benge, Margaret Elizabeth	38,831	34,451
Palmer, John Richard	11,271	36,849
Scrimgeour, John Rob	57,809	49,534
Thwaites, Donald Alan	46,053	43,650
Webber, Garry John (Mayor from 17 October 2016)	129,849	119,780
Williams, Michael	17,410	52,158
Total Councillors	629,391	579,340

38. REMUNERATION (CONTINUED)

Community Board Members

Community board members received the following remuneration:

	ACTUAL 2020	ACTUAL 2019
Community Board Members		
Anaru, William Ra	2,006	-
Beech, Shane William	5,693	6,116
Button, Beverley Joyce	1,715	5,520
Cantlon, Gary Lewis	224	2,978
Clark, Rachel Ann	908	2,978
Clements, John Richard	3,789	-
Crawford, Richard John	7,324	-
Dugmore, Joan Elizabeth	1,715	5,520
Ellis, Kassie Dawn	3,789	-
Evans, John Graeme	2,749	-
Gibbs, Brendan	1,715	5,800
Goudie, Ross	6,032	-
Grainger, Murray	-	9,527
Harray, Neil Bronte	3,789	-
Hepenstall, Brian	1,412	4,566
Hobbs, Jennifer Robyn	3,429	11,861
Hulme, Robert Leigh	3,120	-
Mayo, Norman Frederick	1,715	5,520
Mcfadyen, Wendy	908	2,978
Miller, Peter	3,429	12,018
Parsons, Ruth Miriam	-	3,355
Presland, Peter John	3,993	4,037
Rae, Laura Andrea	2,006	-
Roberts, Marilyn Kathleen	4,532	-
Rolleston, Tupaea James	3,789	4,566
Ryan, Donald Clement	3,120	-
Sage, Derek Keith	3,993	4,037
Sage, Teresa	6,558	4,037
Simpson, Stephan	2,006	-
Snell, Dale	3,789	-
Sole, Allan James	2,824	13,309
Sutherland, Katherine Netta	3,789	-
Spratt, Ronald Parker	1,715	5,565
Warren, Benjamin Christian	9,039	5,520
Total Community Board Members	106,616	119,810
Non-monetary remuneration		
Webber, Garry John (from 17 October 2016)	22,275	20,622

38. REMUNERATION (CONTINUED)

Remuneration scale

	NUMBER OF EMPLOYEES	NUMBER OF EMPLOYEES
	2020	2019
<\$60,000	61	75
\$60,000 - \$79,999 per annum	77	76
\$80,000 - \$99,999 per annum	54	43
\$100,000 - \$119,999 per annum	29	24
\$120,000 - \$139,999 per annum	10	8
\$140,000 - \$239,999 per annum	12	14
>\$240,000 - \$349,999 per annum	4	3
Total employees	247	243

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

At balance date, the Council employed 202 (2019: 199) full-time employees, with the balance of 45 staff representing 29.25 (2019: 28.0) 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 2020 Western Bay of Plenty District Council made one (2019: four) severance payments to employees totalling \$38,981 (2019: \$75,957). The value of the severance payment made in 2020 was \$38,981 (2019: \$40,000, \$20,931 and \$10,000).

40. EVENTS AFTER THE BALANCE

In August 2020, the New Zealand Government awarded Council \$14 million as part of the 'shovel ready programme' Covid-19 response.

This funding was awarded towards the provision of infrastructure assets for Omokoroa.

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	2020	2019
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	34,489	29,622
Debtors and other receivables	15	12,273	11,069
LGFA Borrower Notes	20	1,440	1,440
Te Tumu Investment	18	11,233	11,003
Term deposits	18	-	-
Total loans and receivables		59,435	53,134
Fair value through other comprehensive income			
Other financial assets:			
- local authority stock	20	26	46
- listed shares	18	286	272
Total Fair value through other comprehensive income		312	318
Financial liabilities			
Fair value through surplus and deficit			
Derivative financial instrument liability	16	13,015	11,669
Total Fair value through surplus and deficit		13,015	11,669
Financial liabilities at amortised cost			
Creditors and other payables	24, 26 & 27	16,304	17,607
Borrowings:			
- secured loans	25	110,000	110,000
Total financial liabilities at amortised cost		126,304	127,607

IMPACT OF COVID 19

In March 2020, New Zealand entered a nationwide lockdown as a result of the arrival of Covid-19. This meant that non-essential services and businesses had to close or work from home, while essential services or businesses were permitted to remain open while the lockdown was in place.

Western Bay Council have performed an assessment on its financial position, forecasts and key accounting estimates as a result of Covid-19 and ascertained that the impact as at 30 June 2020 has been minimal. Therefore there have been no changes to Western Bay Council's key accounting forecasts or estimates for the year ending 30 June 2020.

Western bay Council has also performed an assessment on its results for its Service Performance Results as a result of Covid-19 and has included specific commentary relating to Covid-19 within the activity Service Performance Results.

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 (2019: \$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 2020				
Financial Assets				
Local authority stock	26	26		
Shares	286	286		
Te Tumu investment	11,233			11,233
New Zealand Local Government Funding Agency Ltd	3,306		3,306	
Financial Liabilities				
Derivatives	13,015		13,015	
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	

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
	2020	2019
Balance at 1 July	11,003	10,414
Gains/(losses) recognised in surplus and deficit	230	589
Reversal of impairment		
Balance at 30 June	11,233	11,003

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
	2020	2019
Cash at bank and term deposits	34,489	29,622
Debtors and other receivables	12,273	11,069
Local authority and government stock	312	318
New Zealand Local Government Funding Agency	3,306	3,306
Derivative financial instruments	(13,015)	(11,669)
Financial instruments	11,233	11,003
Total credit risk	48,598	43,649

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
	2020	2019
Counterparties with credit ratings		
Cash at bank and term deposits		
A-1+	34,489	29,622
Total cash at bank and term deposits	34,489	29,622
Local authority and government stock		
AA+	3,306	3,306
A	26	46
Total local authority and government stock	3,332	3,352
Derivative financial instrument assets		
AA	-	-
Total derivative financial instruments	-	-
Financial instrument assets		
No rating	11,233	11,003
Total financial instrument assets	11,233	11,003
Counterparties without credit ratings		
Existing assets with no defaults in the past	286	272
Total counterparties without credit ratings	286	272

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 (2019: \$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 2020						
Creditors and other payables	16,304	16,304	16,304	-	-	-
Net settled derivative liabilities	13,015	13,015	166	499	7,233	5,117
Secured loans	110,000	126,017	27,982	11,998	49,036	37,001
Total	139,319	155,336	44,452	12,497	56,269	42,118
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

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 2020						
Cash and cash equivalents	34,489	34,489	34,489	-	-	-
Debtors and other receivables	12,273	12,273	12,273	-	-	-
Net settled financial instruments	11,233	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	3,618	-	-	-	-	3,618
Total	61,613	57,176	46,762	-	-	14,032
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

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	2020 \$'000				2019 \$'000			
		PROFIT	- 100BPS OTHER EQUITY	PROFIT	+ 100BPS OTHER EQUITY	PROFIT	- 100BPS OTHER EQUITY	PROFIT	+ 100BPS OTHER EQUITY
Financial assets									
Cash and cash equivalents	1	(345)		345		(296)		296	
Financial instruments	2	(112)		112		(110)		110	
Other financial assets:									
- Local authority stock	3		(14)		14		(14)		14
Financial liabilities									
Derivatives - interest rate swaps	4	(16,891)		(9,435)		(16,117)		4,487	
Borrowings:									
Debentures	5	(900)		900		(900)		900	
Total sensitivity to interest rate risk		(18,248)	(14)	(8,078)	14	(17,423)	(14)	5,793	14

EQUITY PRICE RISK	NOTE	PROFIT	- 10% OTHER EQUITY	PROFIT	+10% OTHER EQUITY	PROFIT	- 10% OTHER EQUITY	PROFIT	+10% OTHER EQUITY
Financial assets									
Other financial assets:	6								
- Quoted share investments		-	(29)		29		(27)		27
Total sensitivity to equity price risk		-	(29)	-	29	-	(27)	-	27

Explanation of sensitivity analysis

1. Cash and cash equivalents

Cash and cash equivalents include deposits on call totalling \$34,489,000 (2019: \$29,620,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$344,890 (2019: \$295,622).

Derivatives

2. Financial instruments

Financial instruments include Te Tumu land purchase totalling \$11.23m (2019: \$11.03m). A movement in interest rates of 1.0% has an effect of \$110,233 (2019: \$110,003) on the unrealised value of the financial instruments.

3. Local authority stock

A total of \$1,466,000 (2019: \$1,486,000) 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 (2019: \$14,343) 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 \$13.015m (2019: \$11.669m). A movement in interest rates of plus 1.0% has an effect of reducing the swap deficit value by \$16.891m (2019: \$16.117m). A movement in interest rates of minus 1.0% has an effect of increasing the swap deficit value by \$9.435m (2019: \$7.564m).

5. Debentures - secured loans

Council has floating rate debt with a principal amount totalling \$90.00 million (2019: \$90.00m). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$900,000 (2019: \$900,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

6. Listed shares

Western Bay holds equity instruments in Zespri Group Limited valued at \$241,000 (2019: \$217,000) and Seeka Kiwifruit Industries Limited valued at \$45,000 (2019: \$55,000). 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 \$28,000 (2019: \$27,000).

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 2019-20 and 2020 actuals are as follows:

Statement of Comprehensive Income

Actual 2020 surplus of \$14.917 million versus 2020 budget surplus of \$11.536 million.

A favourable variance of \$4.205 million.

Total revenue was \$7.884 million over budget.

The major contributors to the variance were:

	\$'000
Revenue variances positive / (negative):	
¹ Fees and charges from activities	1,457
² Rates revenue including target water supply rates	2,194
³ Financial contributions	(4,606)
⁴ Vested assets	3,700
⁵ Subsidies & grants	2,518
⁶ Gains	48
⁷ Other revenue	2,573
	7,884

Total expenditure was \$4.504 million over budget.

	\$'000
Expenditure positive / (negative):	
⁸ Other expenses	5,709
⁹ Personnel costs	(3)
¹⁰ Depreciation and amortisation	(584)
¹¹ Finance cost - realised	(1,964)
¹² Unrealised Hedging Movement	1,346
Share of associate surplus	1
	4,505

¹ Strong regulatory income relating to building services, 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 rating unit growth and additional water by meter revenue.

³ Financial contributions were lower in 2020 due to slowing building consenting within the district and timing of receipts with 2019 revenue significantly ahead of budget.

⁴ Vested assets income of \$5.940m is \$3.700m higher than budget of \$2.240m. This is due to higher levels of assets being vested in Council.

⁵ Subsidies and grants income of \$11.950m was \$2.517m higher than budget of \$9.433m due to timing and availability of capital works eligible for NZTA funding.

⁶ Gains income of \$0.826m predominantly relates to the revaluation movements of Council held assets across most activities.

⁷ Other revenue was \$1,158m higher than budget. This is predominantly due to movements in rental income, dividend income and petrol tax income.

⁸ Other expenses were \$5,709m higher than budget due to higher costs associated with delivering operational contracts. This includes \$1m of additional cost associated with repairs required to the Waihi Beach Wastewater Treatment Plant over December 2019/January 2020.

⁹ Personnel costs of \$22.404m is in line with the full-year budget of \$22.407m.

¹⁰ Depreciation and amortisation costs of \$19.597m is \$0.584m lower than the budget of \$20.181m.

¹¹ Finance costs realised of \$6.036m were \$1.964m lower than budget of \$8.000m.

¹² Unrealised hedging movement of \$1.346m were unbudgeted.

46. EXPLANATION OF MAJOR VARIANCES (CONTINUED)

Explanations of variances between 2019 and 2020 are as follows:

Statement of Financial Position

Actual net equity of \$1,369.298m million versus \$1,354.744 million in 2019.

There was an increase in overall net equity from actual 2019 of \$14.554 million.

	\$'000
Increase in cash held at year end	4,867
Increase in debtors and prepayments	523
Decrease in investments and financial assets	225
Increase in non-current assets held for sale	2,695
Decrease in forestry assets	(269)
Increase in intangible assets	1,628
Increase in property, plant and equipment	5,464
	15,133
Decrease in debt for the year	-
Increase in interest rate swap liability	(1,346)
Decrease in creditors and other payables	812
Increase in other liabilities	(45)
	(579)
Net movement	14,554

The major variances to prior year were:

- Cash on hand was \$4.867 million higher than last year. This increase reflects the lower than budgeted capital expenditure over 2020.
- Property, plant and equipment was \$5.464 million higher than last year. The increase reflects capitalisation of completed projects.
- Interest Rate Swap liability was \$1.346 million higher than last year. This reflects the reduction in market interest rates over 2019/20.

Statement of Cash flows

2020 actual movement was a net increase in cash held of \$4,867 million versus a budgeted net decrease of \$1.368 million and actual 2019 net increase in cash held of \$17.872 million.

Net cashflows from operating activities of \$27.499 million versus a budgeted net increase of \$29.150 million and last year actual of \$50.621 million.

- Rates revenue has increases by \$2.194 million due an increased amount of rateable properties in the district and higher consumption of metered water.
- Financial Contributions were \$4.606 million lower than budgeted due to slowing building activity within the district and the timing of receipts.
- Other expenses has increased by \$5.709 million due to increased contractor maintenance expenses and other increases in operating expenses.

Net Cashflows from investing activities of (\$22.632 million) versus (\$30,518 million) budget and last year actual of (\$17.749 million).

This is due to the under-delivery of Council's capital expenditure programme of \$9.500 million.

Net Cashflows from financing activities of (\$0.000 million) versus (\$0.000 million) budget and last year actual of (\$15.000 million).

Net cashflows from financing activities are in line with Council's budget for 2019/20.

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 (WHOLE OF COUNCIL)

		ANNUAL PLAN \$'000	ACTUAL \$'000	ANNUAL PLAN \$'000	ACTUAL \$'000
		2019	2019	2020	2020
For the years ended 30 June					
Sources of operating funding					
General rates, uniform annual charges, rates penalties		25,556	47,199	48,689	49,603
Targeted rates		42,425	22,085	26,519	23,476
Subsidies and grants for operating purposes		5,362	5,616	4,800	5,152
Fees and charges		6,470	6,352	1,530	6,740
Interest and dividends from investments		-	146	-	346
Local authority and fuel tax, fines, infringement fees, and other receipts		3,025	8,060	3,422	4,991
Total operating funding	(A)	82,838	89,458	84,906	90,308
Applications of operating funding					
Payments to staff and suppliers		58,416	61,527	62,637	68,318
Finance costs		8,000	6,874	8,000	6,036
Other operating funding applications		408	-	-	-
Total applications of operating funding	(B)	66,823	68,402	70,637	74,354
Operating funding - surplus/(deficit)	(A-B)	16,015	21,057	14,323	15,954
Sources of capital funding					
Subsidies and grants for capital expenditure		4,125	6,844	4,603	6,844
Development and financial contributions		8,786	18,605	10,498	5,892
Increase/(decrease) in debt		10,138	(11,330)	11,496	(1,523)
Gross proceeds from sale of assets		85	1,268	85	2,919
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	23,135	15,387	26,683	14,132
Applications of capital funding					
Capital expenditure					
• to meet additional demand		17,444	4,785	16,575	7,423
• to improve the level of service		9,112	16,713	14,515	15,666
• to replace existing assets		12,746	13,421	12,370	7,257
Increase/(decrease) in reserves		(152)	1,529	(2,454)	(261)
Increase/(decrease) in investments		-	(5)	-	(1)
Total applications of capital funding	(D)	39,150	36,444	41,006	30,085
Capital funding - surplus/(deficit)	(C-D)	(16,015)	(21,057)	(14,323)	(15,954)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 (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	2019	2020	2020
Operating funding per Funding Impact Statement	82,838	85,890	90,308
Add: Subsidies and grants for capital expenditure	4,125	4,500	6,707
Swap revaluation movement	-	-	-
Financial contributions	8,786	9,806	5,892
Lump sum contributions	-	-	-
Revaluation adjustments	-	-	86
Total	95,750	100,196	102,992
Total Revenue per Statement of Comprehensive Income	97,990	102,488	110,213
Less: Loss on shares adjustment	-	-	-
Less: Asset impairment	-	-	408
Less: Vested Assets	2,240	2,292	5,940
Less: Gains	-	-	872
Total	95,750	100,109	102,992
Variance	-	-	-
Application of operating funding per Funding Impact Statement	66,823	67,383	74,354
Total expenditure per Statement of Comprehensive Income	87,630	89,573	95,297
Less depreciation and amortisation	20,807	22,189	19,597
Less revaluation movement	-	-	-
Less unrealised hedging movement	-	-	1,346
Less asset impairment/loss on sale	-	-	-
Less other adjustments	-	-	-
	66,823	67,383	74,354
Variance	-	-	-
Net Variance	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR REPRESENTATION

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		3,773	3,415	3,472
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		821	849	734
Local authority and fuel tax, fines, infringement fees, and other receipts		-	77	1
Total operating funding	(A)	4,593	4,340	4,208
Applications of operating funding				
Payments to staff and suppliers		2,027	2,105	1,737
Finance costs		-	-	-
Internal charges and overhead costs applied		2,153	2,222	2,176
Other operating funding applications		408	-	-
Total applications of operating funding	(B)	4,587	4,328	3,914
Operating funding - surplus/(deficit)	(A-B)	6	12	294
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		6	12	294
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	6	12	294
Capital funding - surplus/(deficit)	(C-D)	(6)	(12)	(294)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR PLANNING FOR THE FUTURE

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2,642	2,567	2,670
Targeted rates		13	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)	2,655	2,580	2,683
Applications of operating funding				
Payments to staff and suppliers		1,853	1,754	1,831
Finance costs		(163)	(172)	(39)
Internal charges and overhead costs applied		784	809	889
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,473	2,391	2,682
Operating funding - surplus/(deficit)	(A-B)	181	189	2
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		181	189	2
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	181	189	2
Capital funding - surplus/(deficit)	(C-D)	(181)	(189)	(2)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR COMMUNITIES

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		4,704	4,790	4,545
Targeted rates		1,838	1,879	2,110
Subsidies and grants for operating purposes		-	-	195
Fees and charges		75	77	80
Internal charges and overhead costs recovered		860	901	984
Local authority and fuel tax, fines, infringement fees, and other receipts		477	499	605
Total operating funding	(A)	7,954	8,146	8,519
Applications of operating funding				
Payments to staff and suppliers		4,793	4,733	5,290
Finance costs		50	54	34
Internal charges and overhead costs applied		2,708	2,864	2,784
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	7,552	7,650	8,107
Operating funding - surplus/(deficit)	(A-B)	402	496	413
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		215	73	187
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	215	73	187
Applications of capital funding				
Capital expenditure				
• to meet additional demand		169	79	56
• to improve the level of service		-	-	-
• to replace existing assets		361	377	325
Increase/(decrease) in reserves		87	113	219
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	617	569	600
Capital funding - surplus/(deficit)	(C-D)	(402)	(496)	(413)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR RECREATION AND LEISURE

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		6,155	6,784	5,891
Targeted rates		20	23	-
Subsidies and grants for operating purposes		367	153	-
Fees and charges		24	24	15
Internal charges and overhead costs recovered		1,383	1,421	1,338
Local authority and fuel tax, fines, infringement fees, and other receipts		692	752	2,444
Total operating funding	(A)	8,641	9,157	9,689
Applications of operating funding				
Payments to staff and suppliers		4,430	4,516	5,830
Finance costs		(193)	(134)	(596)
Internal charges and overhead costs applied		2,472	25,56	2,242
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	6,709	6,938	7,477
Operating funding - surplus/(deficit)	(A-B)	1,933	2,219	2,212
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		2,130	2,173	1,362
Increase/(decrease) in debt		1,221	591	315
Gross proceeds from sale of assets		-	-	72
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	3,351	2,763	1,748
Applications of capital funding				
Capital expenditure				
• to meet additional demand		3,032	2,168	790
• to improve the level of service		445	378	2,210
• to replace existing assets		1,384	1,471	2,330
Increase/(decrease) in reserves		423	966	(1,370)
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	5,284	4,983	3,961
Capital funding - surplus/(deficit)	(C-D)	(1,933)	(2,219)	(2,212)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR REGULATORY SERVICES

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2,688	2,621	3,576
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		5,945	6,170	6,448
Internal charges and overhead costs recovered		-	-	726
Local authority and fuel tax, fines, infringement fees, and other receipts		88	90	163
Total operating funding	(A)	8,721	8,881	10,913
Applications of operating funding				
Payments to staff and suppliers		5,991	6,045	7,290
Finance costs		(10)	(11)	(12)
Internal charges and overhead costs applied		2,460	2,767	3,559
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	8,621	8,801	10,837
Operating funding - surplus/(deficit)	(A-B)	100	80	76
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		-	10	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	-	10	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		100	91	76
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	100	91	76
Capital funding - surplus/(deficit)	(C-D)	(100)	(80)	(76)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR TRANSPORTATION

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	-	-
Targeted rates		13,000	13,695	13,643
Subsidies and grants for operating purposes		4,180	4,327	4,778
Fees and charges		10	10	16
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		262	267	328
Total operating funding	(A)	17,452	18,300	18,765
Applications of operating funding				
Payments to staff and suppliers		8,950	9,157	8,353
Finance costs		866	1,052	55
Internal charges and overhead costs applied		1,437	1,474	1,369
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	11,253	11,683	9,777
Operating funding - surplus/(deficit)	(A-B)	6,199	6,616	8,989
Sources of capital funding				
Subsidies and grants for capital expenditure		4,125	4,500	6,844
Development and financial contributions		2,113	2,671	1,793
Increase/(decrease) in debt		4,479	1,490	(1,502)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	10,717	8,661	7,134
Applications of capital funding				
Capital expenditure				
• to meet additional demand		9,103	5,970	4,894
• to improve the level of service		3,385	4,379	10,900
• to replace existing assets		4,407	4,898	-
Increase/(decrease) in reserves		21	30	329
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	16,916	15,277	16,123
Capital funding - surplus/(deficit)	(C-D)	(6,199)	(6,616)	(8,989)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR WATER SUPPLY

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		10,488	-	11,139
Targeted rates		-	10,950	179
Subsidies and grants for operating purposes		-	62	-
Fees and charges		-	-	86
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	91
Total operating funding	(A)	10,488	11,012	11,495
Applications of operating funding				
Payments to staff and suppliers		5,223	5,311	8,659
Finance costs		1,652	1,773	1,491
Internal charges and overhead costs applied		1,986	2,037	1,989
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	8,861	9,121	12,139
Operating funding - surplus/(deficit)	(A-B)	1,627	1,891	(644)
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,203	1,505	817
Increase/(decrease) in debt		1,973	3,676	1,487
Gross proceeds from sale of assets		-	-	1,789
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	3,176	5,181	4,092
Applications of capital funding				
Capital expenditure				
• to meet additional demand		1,562	3,971	355
• to improve the level of service		360	149	737
• to replace existing assets		2,881	2,951	2,356
Increase/(decrease) in reserves		-	-	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	4,803	7,071	3,448
Capital funding - surplus/(deficit)	(C-D)	(1,627)	(1,891)	644
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR STORMWATER

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		995	1,372	1,122
Targeted rates		4,104	4,321	4,186
Subsidies and grants for operating purposes		38	38	-
Fees and charges		-	-	4
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	6
Total operating funding	(A)	5,137	5,731	5,319
Applications of operating funding				
Payments to staff and suppliers		977	961	1,073
Finance costs		1,246	1,344	1,315
Internal charges and overhead costs applied		535	549	606
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,758	2,854	2,994
Operating funding - surplus/(deficit)	(A-B)	2,378	2,877	2,324
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,140	1,351	540
Increase/(decrease) in debt		1,524	2,324	(1,894)
Gross proceeds from sale of assets		-	-	329
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	2,664	3,676	(1,025)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		2,000	3,008	542
• to improve the level of service		2,577	2,858	588
• to replace existing assets		465	687	169
Increase/(decrease) in reserves		-	-	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	5,042	6,553	1,299
Capital funding - surplus/(deficit)	(C-D)	(2,378)	(2,877)	(2,324)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR NATURAL ENVIRONMENT

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		224	238	252
Targeted rates		455	466	467
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)	679	704	718
Applications of operating funding				
Payments to staff and suppliers		843	852	782
Finance costs		(27)	(27)	(138)
Internal charges and overhead costs applied		76	79	78
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	893	904	722
Operating funding - surplus/(deficit)	(A-B)	(214)	(200)	(4)
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		191	221	118
Increase/(decrease) in debt		17	18	(27)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	208	239	91
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		(6)	40	87
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	(6)	40	87
Capital funding - surplus/(deficit)	(C-D)	214	200	4
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR WASTEWATER

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,292	1,965	11,968
Targeted rates		10,358	10,888	415
Subsidies and grants for operating purposes		604	-	-
Fees and charges		2	2	6
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	155
Total operating funding	(A)	12,255	12,855	12,544
Applications of operating funding				
Payments to staff and suppliers		4,294	4,371	7,339
Finance costs		3,160	3,104	2,979
Internal charges and overhead costs applied		1,988	2,037	1,866
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	9,442	9,512	12,184
Operating funding - surplus/(deficit)	(A-B)	2,813	3,344	360
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		2010	1,885	1,262
Increase/(decrease) in debt		(1,116)	1,860	(1,007)
Gross proceeds from sale of assets		-	-	659
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	894	3,745	915
Applications of capital funding				
Capital expenditure				
• to meet additional demand		280	4,584	212
• to improve the level of service		1,321	625	255
• to replace existing assets		2,126	1,931	788
Increase/(decrease) in reserves		(20)	(51)	20
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	3,707	7,089	1,275
Capital funding - surplus/(deficit)	(C-D)	(2,813)	(3,344)	(360)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR SOLID WASTE

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		708	708	675
Targeted rates		1,110	1,247	1,197
Subsidies and grants for operating purposes		173	126	178
Fees and charges		90	94	84
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		33	34	93
Total operating funding	(A)	2,115	2,209	2,228
Applications of operating funding				
Payments to staff and suppliers		1,315	1,524	1,284
Finance costs		(8)	(18)	(55)
Internal charges and overhead costs applied		584	597	444
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	1,892	2,103	1,673
Operating funding - surplus/(deficit)	(A-B)	223	107	555
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(215)	(5)	(553)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(215)	(5)	(553)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	95	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		9	6	2
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	9	101	2
Capital funding - surplus/(deficit)	(C-D)	(223)	(107)	(555)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR ECONOMIC

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		754	782	744
Targeted rates		322	329	331
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	-
Total operating funding	(A)	1,078	1,114	1,075
Applications of operating funding				
Payments to staff and suppliers		666	693	711
Finance costs		(87)	(92)	(73)
Internal charges and overhead costs applied		102	104	104
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	681	706	743
Operating funding - surplus/(deficit)	(A-B)	397	408	332
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(29)	(30)	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(29)	(30)	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand		460	929	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		(91)	(551)	332
Increase/(decrease) in investments		-	-	(1)
Total applications of capital funding	(D)	368	378	332
Capital funding - surplus/(deficit)	(C-D)	(397)	(408)	(332)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2020 FOR SUPPORT SERVICES

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,621	1,265	3,548
Targeted rates		718	937	935
Subsidies and grants for operating purposes		-	-	-
Fees and charges		324	330	1
Internal charges and overhead costs recovered		16,776	17,404	16,831
Local authority and fuel tax, fines, infringement fees, and other receipts		1,471	1,498	1,449
Total operating funding	(A)	20,910	21,434	22,764
Applications of operating funding				
Payments to staff and suppliers		17,052	17,361	18,138
Finance costs		1,513	1,126	1,076
Internal charges and overhead costs applied		2,375	2,482	2,506
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	20,940	20,969	21,719
Operating funding - surplus/(deficit)	(A-B)	(31)	465	1,045
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		2,069	1,118	1,471
Gross proceeds from sale of assets		85	87	71
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	2,154	1,205	1,542
Applications of capital funding				
Capital expenditure				
• to meet additional demand		838	204	574
• to improve the level of service		1,024	943	976
• to replace existing assets		1,123	1,018	1,289
Increase/(decrease) in reserves		(861)	(496)	(253)
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	2,124	1,670	2,586
Capital funding - surplus/(deficit)	(C-D)	31	(465)	(1,044)
Funding balance	((A-B) + (C-D))	-	-	-

CHAPTER FOUR

04

Governance and Monitoring



CHAPTER FOUR

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OUR ELECTED MEMBERS



WESTERN BAY OF PLENTY DISTRICT MAYOR

Garry Webber
Ph 027 270 3971
garry.webber@westernbay.govt.nz

KATIKATI /WAIHI BEACH WARD



1



2



3

- 1 James Denyer**
Ph 021 858 007
james.denyer@westernbay.govt.nz
- 2 Anne Henry**
Ph 027 698 9275
anne.henry@westernbay.govt.nz
- 3 Christina Humphreys**
Ph 021 465 667
christina.humphreys@westernbay.govt.nz



4



5



6



7

- 4 Don Thwaites**
Ph 027 552 5103
don.thwaites@westernbay.govt.nz
- 5 Margaret Murray-Benge**
Ph 027 221 0388
margaret.murray-benge@westernbay.govt.nz
- 6 Murray Grainger**
Ph 027 936 7994
murray.grainger@westernbay.govt.nz
- 7 Mark Dean**
Ph 021 949 339
mark.dean@westernbay.govt.nz

KAIMAI WARD



8



9



10



11

- 8 John Scrimgeour**
Deputy Mayor
Ph 027 653 3368
john.scrimgeour@westernbay.govt.nz
- 9 Kevin Marsh**
Ph 027 494 2215
kevin.marsh@westernbay.govt.nz
- 10 Monique Lints**
Ph 027 356 9545
monique.lints@westernbay.govt.nz
- 11 Grant Dally**
Ph 022 123 6850
grant.dally@westernbay.govt.nz

TE PUKE / MAKETU WARD

COMMITTEES AND MEMBERSHIP

Audit and Risk Committee

Mayor Garry Webber (Chairperson)
Councillor James Denyer (Deputy)
Councillor Grant Dally
Councillor Mark Dean
Councillor Murray Grainger
Councillor Anne Henry
Councillor Christina Humphreys
Councillor Monique Lints
Councillor Kevin Marsh
Councillor Margaret Murray-Benge
Councillor Don Thwaites

Regulatory Hearings Committee

Councillor John Scrimgeour (Chairperson)
Mayor Garry Webber
Councillor Mark Dean (Deputy)
Councillor Margaret Murray-Benge

District Plan Committee

Councillor John Scrimgeour (Chairperson)
Councillor Mark Dean (Deputy)
Councillor Margaret Murray-Benge
Independent Chairperson to be appointed by Council when required

Annual Plan and Long Term Plan Committee

Councillor John Scrimgeour (Chairperson)
Councillor James Denyer (Deputy)
Mayor Garry Webber
Councillor Grant Dally
Councillor Mark Dean
Councillor Murray Grainger
Councillor Anne Henry
Councillor Christina Humphreys
Councillor Monique Lints
Councillor Kevin Marsh
Councillor Margaret Murray-Benge
Councillor Don Thwaites

Performance and Monitoring Committee

Councillor Don Thwaites (Chairperson)
Councillor Murray Grainger (Deputy)
Mayor Garry Webber
Councillor Grant Dally
Councillor Mark Dean
Councillor James Denyer
Councillor Anne Henry
Councillor Christina Humphreys
Councillor Monique Lints
Councillor Kevin Marsh
Councillor Margaret Murray-Benge
Councillor John Scrimgeour

Policy Committee

Mayor Garry Webber (Chairperson)
Councillor Monique Lints (Deputy)
Councillor Grant Dally
Councillor Mark Dean
Councillor James Denyer
Councillor Murray Grainger
Councillor Anne Henry
Councillor Christina Humphreys
Councillor Kevin Marsh
Councillor Margaret-Murray Benge
Councillor John Scrimgeour
Councillor Don Thwaites

Tauranga Moana / Te Arawa ki Takutai Partnership Forum

Elected Members
Hapū/iwi representatives

COMMUNITY BOARD AND WARD FORUM REPRESENTATIVES

Katikati Community Board

Member Ben Warren (Chairperson)
Member Neil Harray (Deputy Chair)
Member John Clements
Member Kate Sutherland
Councillor James Denyer
Councillor Christina Humphreys

Omokoroa Community Board

Member Teresa Sage (Chairperson)
Member Peter Presland (Deputy Chair)
Member John Evans
Member Derek Sage
Councillor Murray Grainger
Councillor Don Thwaites

Maketu Community Board

Member Shane Beech (Chairperson)
Member Laura Rae (Deputy Chair)
Member William Ra Anaru
Member Stephan Simpson
Councillor Kevin Marsh
Councillor John Scrimgeour

Te Puke Community Board

Member Richard Crawford (Chairperson)
Member Tupaea Rolleston (Deputy Chair)
Member Kassie Ellis
Member Dale Snell
Councillor Grant Dally
Councillor Monique Lints

Waihi Beach Community Board

Member Ross Goudie (Chairperson)
Member Marilyn Roberts (Deputy Chair)
Member Bob Hulme
Member Don Ryan
Councillor James Denyer
Councillor Anne Henry

Katikati - Waihi Beach Ward Forum

Councillor James Denyer (Chairperson)
Councillor Anne Henry (Deputy Chair)
Mayor Garry Webber
Councillor Christina Humphreys

Kaimai Ward Forum

Councillor Mark Dean (Chairperson)
Councillor Margaret Murray-Benge (Deputy Chair)
Mayor Garry Webber
Councillor Murray Grainger
Councillor Don Thwaites

Maketu - Te Puke Ward Forum

Councillor Kevin Marsh (Chairperson)
Councillor Monique Lints (Deputy Chair)
Mayor Garry Webber
Councillor Grant Dally
Councillor John Scrimgeour

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