
CHAPTER THREE

03

FINANCIALS



CHAPTER THREE

Financials

Statement of comprehensive revenue and expense for year ended 30 June 2021	112
Statement of financial position as at 30 June 2021	113
Statement of changes in equity for year ended 30 June 2021	114
Statement of cash flows for year ended 30 June 2021	115
Notes to the financial statements	116

Other legislative requirements

Funding Impact Statements	184
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WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDED 30 JUNE 2021

FOR THE YEAR ENDED 30 JUNE		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2021	2021	2020
Revenue from non-exchange transactions				
Fees and charges from activities	4	10,305	6,172	7,728
Rate revenue	5, 6 & 7	74,827	75,174	73,079
Fines		202	228	251
Vested assets	9	6,216	2,240	5,940
Financial contributions	11	7,572	10,098	5,892
Subsidies and grants	10	14,879	11,745	11,950
Other revenue	11	515	450	448
Fair value movement in derivative financial instruments	16	5,448	-	-
Gains	21	413	85	826
Revenue from non-exchange transactions total		120,377	106,192	106,114
Revenue from exchange transactions				
Finance revenue	8	845	413	905
Dividends		270	-	346
Rental Revenue		898	773	991
Other exchange revenue	11	1,747	1,557	1,857
Total revenue	2	124,138	108,934	110,213
Expenditure				
Other expenses	12	48,783	42,512	45,914
Personnel costs	13	23,444	22,374	22,404
Depreciation	21	23,079	22,344	19,298
Amortisation	22	347	681	299
Unrealised hedging movement	16	-	-	1,346
Finance costs	8	4,593	4,146	6,036
Expenditure total	3	100,246	92,057	95,297
Share of associate surplus/(deficit)		19	-	1
Net surplus / (deficit)		23,911	16,877	14,917
Other comprehensive revenue and expenses				
Gains/(Losses) on asset revaluations	21	61,871	-	46
Reversal of impairment		-	1	2
Other assets at fair value through other comprehensive revenue and expense	28	98	-	(408)
Total other comprehensive revenue and expense for the year		61,969	1	(361)
Total comprehensive revenue and expense for the year		85,879	16,878	14,556

Explanations of major variances against budget are detailed in note 46 from page 182.

The accompanying notes form part of these financial statements.

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

FOR THE YEAR ENDED 30 JUNE		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2021	2021	2020
Equity				
Retained earnings	28	929,626	890,574	905,715
Restricted reserves	29	283	271	280
Council created reserves	30	32,175	28,864	32,052
Asset revaluation reserves	31	493,121	502,886	431,251
Equity total		1,455,206	1,422,600	1,369,298
Assets				
Current assets				
Cash and cash equivalents	14	25,706	4,124	34,489
Receivables	15	12,883	26,116	11,548
Non-current assets held for sale	17	-	-	3,495
Prepayments	15	828	-	724
Other current financial assets	18	-	-	-
Current assets total		39,417	30,240	50,257
Non-current assets				
Other non-current financial assets	18	12,380	11,422	11,519
Investment in associates	19	231	-	212
Investments in CCO and other similar entities	20	3,027	-	3,346
Intangible assets	22	4,262	2,306	4,213
Forestry assets	23	10,490	-	10,588
Property, plant and equipment	21	1,510,097	1,516,626	1,433,452
Non-current assets total		1,540,487	1,530,354	1,463,330
Assets total		1,579,904	1,560,593	1,513,586
Liabilities				
Current liabilities				
Creditors and other payables	24	23,544	15,780	17,811
Current employee entitlements	26	2,975	2,575	2,837
Borrowings and other financial liabilities	25	10,000	20,000	20,000
Derivative financial instruments	16 & 44	422	465	383
Current portion provisions	27	313	313	313
Current liabilities total		37,253	39,133	41,344
Non-current liabilities				
Non current employee entitlements	26	20	150	18
Non current provisions	27	280	342	295
Non current borrowings and other financial liabilities	25	80,000	90,000	90,000
Derivative financial instruments	16 & 44	7,144	8,368	12,632
Non-current liabilities total		87,444	98,860	102,945
Liabilities total		124,697	137,993	144,288
Net assets		1,455,206	1,422,600	1,369,298

The accompanying notes form part of these financial statements.



John Holyoake
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 2021

	NOTE	RETAINED EARNINGS ACTUAL \$'000	ASSET REVALUATION RESERVE ACTUAL \$'000	COUNCIL RESERVES ACTUAL \$'000	TOTAL EQUITY ACTUAL \$'000
Balance at 1 July 2019		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
Total comprehensive income for the year		23,911	61,871	127	85,909
Balance at 30 June 2021	28	929,626	493,121	32,458	1,455,206

The accompanying notes form part of these financial statements.

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2021

FOR THE YEAR ENDED 30 JUNE		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2021	2021	2020
Cash flows from operating activities				
Receipts from rates revenue		75,285	75,088	72,557
Regional Council rates		8,942	8,449	8,383
Interest received		5,494	413	675
Dividends received		270	-	346
Receipts from other revenue		33,842	31,109	29,362
Payments to suppliers and employees		(65,888)	(64,640)	(69,401)
Interest paid		(4,593)	(4,146)	(6,036)
Regional Council rates		(8,942)	(8,449)	(8,383)
Goods and services tax (net)		155	-	(4)
Net cash from operating activities	33	44,564	37,822	27,499
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		3,505	-	7,698
Purchase of property, plant and equipment		(36,853)	(37,613)	(28,732)
Purchase of intangible assets		-	-	(1,618)
Purchase of investments		-	-	-
Sale of Investments		-	-	20
Net cash from investing activities		(33,348)	(37,613)	(22,632)
Cash flows from financing activities				
Proceeds from borrowings		-	-	-
Repayment of borrowings		(20,000)	-	-
Net cash from financing activities		(20,000)	-	-
Net (decrease)/increase in cash held		(8,783)	209	4,867
Cash, cash equivalents and bank overdrafts at the beginning of the year		34,489	3,915	29,622
Cash, cash equivalents and bank overdrafts at the end of the year	14	25,706	4,124	34,489

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 2021

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 2021. The financial statements were authorised for issue by Council on 19 October 2021.

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 2021 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 March 2019, the XRB issued PBE IPSAS 41 Financial Instruments. PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments. PBE IPSAS 41 is effective for the year ending 30 June 2023, with early application permitted. The main changes under PBE IPSAS 41 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 2022, with early adoption permitted. The Council plans to apply the new standard in preparing the 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Cash Flow Statements

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

Changes in Accounting Policies

There have been no other changes in accounting policies.

Presentation currency and rounding

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

Statement of Significant Accounting Policies

Basis of consolidation

Associate

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

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

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Western Bay Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

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

Revenue

Revenue is measured at fair value.

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

Rates revenue

The following policies for rates have been applied:

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

Financial contributions

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

Financial contributions are recognised as revenue when Western Bay Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Western Bay Council provides, or is able to provide, the service.

Waka Kotahi NZ Transport Agency roading subsidies

Western Bay Council receives funding assistance from the Waka Kotahi, 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.

The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non current.

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 by an independent valuer at depreciated replacement cost. The most recent valuation was performed by WSP and the valuation is effective as at 1 July 2020.

Water, wastewater and stormwater assets including reticulation, treatment plants, reservoirs and bores were revalued at depreciated replacement cost at 1 July 2020. The valuations were prepared internally by Council staff and peer reviewed by an independent valuer, Aecom New Zealand Limited.

Land and buildings (except land under roads) were revalued at fair value at 1 July 2020 by Opteon Solutions.

Library books were revalued at fair value and prepared internally by Council staff and peer reviewed by an independent valuer. The most recent peer review was performed by Aecom the valuation is effective at 1 July 2020.

Marine assets were revalued at fair value and prepared internally by Council staff and peer reviewed by an independent valuer. Tonkin & Taylor Limited provided replacement cost information to inform the Council staff valuation. The valuation is effective at 1 July 2020.

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.

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 Council and group and the cost of the item can be measured reliably.

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

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in 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.

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	30 to 100 years	Straight line
• Wooden	30 to 100 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	5 to 75 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.

There have been no changes to the cost allocation methodology during the year.

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.

There have been no changes to the cost allocation methodology during the year.

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 modelling 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 2021.

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 2021, 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.

Three Waters Reform

The Government is implementing a package of reforms to the three waters regulatory system, which are designed to:

- Improve national-level leadership, oversight and support relating to the three waters – through the creation of Taumata Arowai, a new, dedicated Water Services Regulator from 1 March 2021.
- Significantly strengthen compliance, monitoring and enforcement relating to drinking water regulation – through the creation of a new Water Services Bill and revised Drinking Water Standards of New Zealand that are expected to come into effect November 2021.
- Manage risks to drinking water safety and ensure sources of drinking water are protected.
- Improve the environmental performance and transparency of wastewater and stormwater networks.

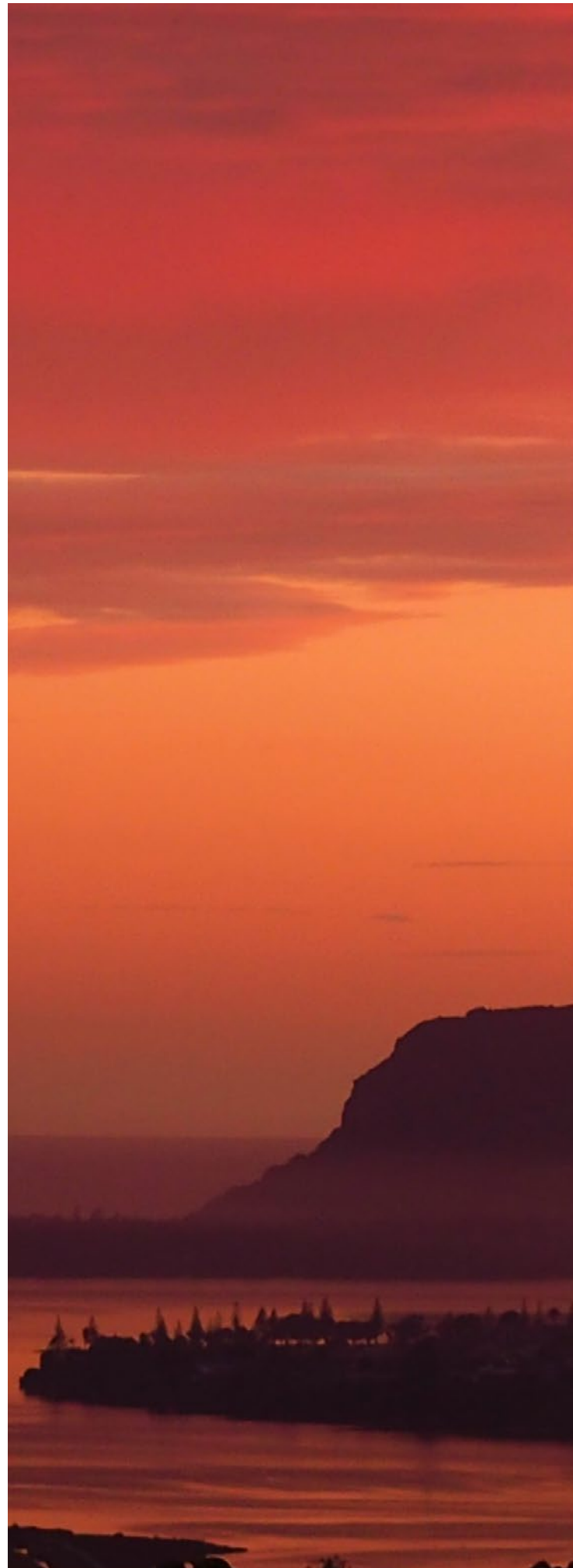
We expect that the regulatory reform and the establishment of Taumata Arowai will change the way we need to demonstrate regulatory compliance, assess risk relating to source and treated water quality and require licencing and authorisation of water supplier entities and individuals involved in providing three water services.

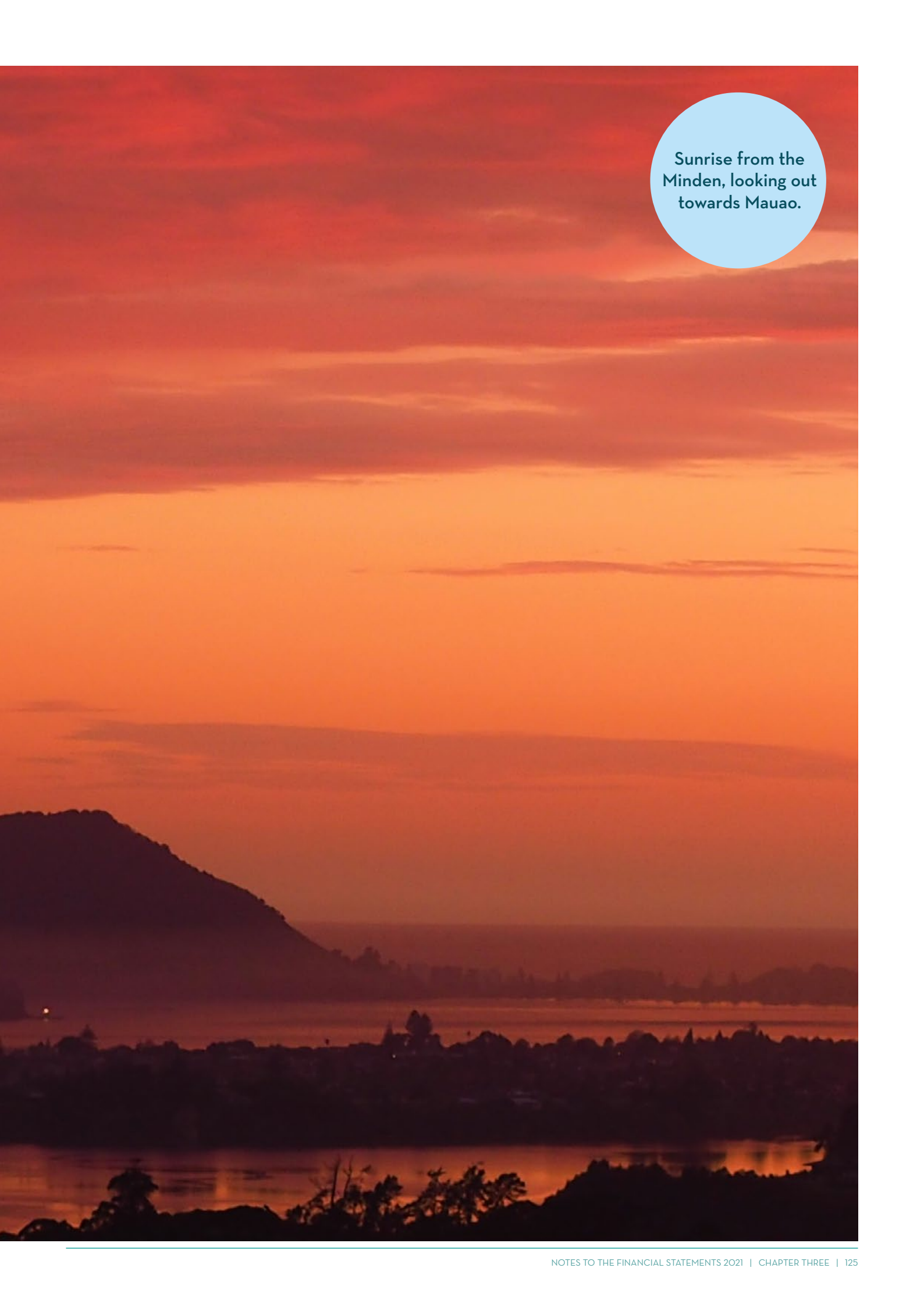
In addition to regulatory reform, Government has initiated a reform process for service delivery of three waters. While the Government's starting intention is for publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership), final decisions on a service delivery model will be informed by discussion with the local government sector and the work of the Joint Steering Committee. As details of proposed new entities are still unknown, it is assumed that Council will continue to provide water, wastewater and stormwater services.

We have signed a Memorandum of Understanding (MoU) with Government to join the first phase of the Government's three waters reform and have received \$6.9 million in stimulus funding to support the delivery of specific three waters projects.

The MoU commits us to a collaborative process with Government to explore structural reform in the waters sector, particularly a multi-regional approach to three waters management and delivery of better health, economic, cultural and environmental outcomes.

The \$6.9 million three waters stimulus includes \$535,000 to fund the early participation in the reform programme, to cover the engagement of additional resource to collate information, provide advice and backfilling of existing roles. Given the complexity of the three waters reform investigations and the time involved to participate and influence outcomes, it is highly likely that further funding will be required.





Sunrise from the
Minden, looking out
towards Mauao.

SUMMARY OF COST OF SERVICES

2. TOTAL OPERATING REVENUE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
Significant activities			
Representation	3,179	3,353	3,473
Planning for the future	2,847	2,859	2,683
Communities	7,650	7,590	7,536
Recreation and leisure	11,191	9,727	10,839
Regulatory services	11,213	10,182	10,187
Transportation	30,220	27,430	28,796
Water supply	14,736	15,963	13,426
Stormwater	12,776	7,165	7,236
Natural environment	874	1,008	836
Wastewater	14,680	14,757	15,719
Solid waste	2,258	2,428	2,228
Economic development	811	1,074	1,075
Council services	11,703	5,398	6,179
Total operating revenue by activity	124,138	108,934	110,213
Council services	124,138	108,934	110,213

3. TOTAL OPERATING EXPENDITURE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
Significant activities			
Representation	2,723	2,977	3,187
Planning for the future	2,723	2,977	2,684
Communities	7,615	8,039	7,626
Recreation and leisure	9,354	7,468	7,179
Regulatory services	11,205	10,305	10,175
Transportation	22,876	22,506	19,622
Water supply	17,188	12,101	14,732
Stormwater	3,912	4,040	4,516
Natural environment	929	910	724
Wastewater	12,862	12,482	15,149
Solid waste	1,891	1,981	1,673
Economic development	929	910	743
Council services	5,837	5,027	7,287
Total operating expenditure by activity	100,246	92,055	95,297
Council services	100,246	92,055	95,297

4. FEES AND CHARGES FROM ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
Significant activities			
Representation	2	-	1
Planning for the future	-	-	-
Communities	107	125	210
Recreation and leisure	10	20	918
Regulatory services	7,102	5,264	5,796
Transportation	2,342	272	324
Water supply	139	-	93
Stormwater	4	-	6
Wastewater	206	250	93
Solid waste	133	100	108
Economic development	-	-	6
Council services	258	142	177
Total revenue from significant activities	10,305	6,172	7,728

GENERAL RATE INCOME

5. GENERAL RATE INCOME

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
Significant activities			
Representation	3,175	3,353	3,007
Planning for the future	2,835	2,847	2,683
Communities	4,666	4,878	4,454
Recreation and leisure	7,078	6,794	5,891
Regulatory services	3,185	4,013	3,576
Transportation	-	-	-
Water supply	-	-	-
Stormwater	873	869	687
Natural environment	197	259	-
Wastewater	877	-	682
Solid waste	554	795	605
Economic development	489	749	837
Council services	3,498	2,898	3,097
Total general rates	27,427	27,455	25,520

6. TARGETED RATES ATTRIBUTABLE TO ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
General rates			25,520
Targeted rates attributable to activities			
Representation	-	-	465
Planning for the future	13	13	-
Communities	2,179	2,141	2,201
Recreation and leisure	-	-	-
Regulatory services	-	-	-
Transportation	13,585	13,182	14,061
Water supply	6,431	6,407	6,959
Stormwater	4,501	4,518	4,622
Natural environment	559	530	1,435
Wastewater	12,085	12,311	11,701
Solid waste	1,291	1,276	1,267
Economic	321	324	238
Council services	930	918	-
Total targeted rates	41,895	41,620	42,948

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 \$48,650 (2020: \$48,229). 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
	2021	2021	2020
Metered water charges	6,381	6,068	4,611
Total rates revenue	6,381	6,068	73,079

8. FINANCE INCOME AND FINANCE COSTS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
Finance income			
Interest income	835	400	896
Rates postponement scheme	9	13	8
Total finance income	845	413	905
Finance costs:			
- interest on bank borrowings	1,956	4,146	2,773
- interest rate swap expense	2,637	-	3,263
Total finance costs	4,593	4,146	6,036
Net finance income / (costs)	(3,748)	(3,734)	(5,131)

9. VESTED ASSETS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
Significant activities			
Communities	-	-	-
Recreation and leisure	600	-	403
Transportation	-	1,400	785
Water supply	1,819	200	1,050
Stormwater	3,797	340	1,378
Wastewater	-	340	2,112
Solid waste	-	-	-
Support services	-	-	212
Total significant activities	6,216	2,280	5,940

10. SUBSIDIES AND GRANTS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
Ministry for the Environment - territorial authority levy for trade waste	183	-	178
Bay of Plenty Regional	-	1	-
Crown Infrastructure Partners	2,949	1,923	-
Land Transport NZ subsidy	10,984	9,818	11,622
TECT	279	-	-
Ministry of Business, Innovation and Employment	477	-	150
Department of Internal Affairs	-	1	-
Other	37	-	-
Total subsidies and grants	14,879	11,745	11,950

There are no unfulfilled conditions or other contingencies attached to subsidies recognised (2020: nil).

11. OTHER REVENUE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
Petrol tax	459	400	403
Sale of goods and services	1,744	995	1,838
Cost recoveries	59	-15	65
Total other revenue	2,262	1,380	2,306
Made up of:			
Exchange	1,747	1,040	1,857
Non exchange	515	400	448
Financial contributions			
Recreation and leisure	1,885	1,583	1,362
Transportation	2,581	2,216	1,793
Water supply	1,111	1,339	817
Stormwater	613	1,255	540
Natural environment	119	185	118
Wastewater	1,264	3,441	1,262
Total revenue from financial contributions	7,572	10,020	5,892

12. OTHER EXPENSES

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Audit fees for financial statement audit		
- audit fees for financial statement audit	149	139
- audit fees for long term plan audit	119	-
- audit fees for debenture trust deed audit	8	8
- audit fees for grant funding assurance audit	-	-
Insurance premiums	696	626
Consultant and legal fees	3,087	2,392
Impairment of receivables	1,766	1,912
Loss on sale of property, plant and equipment	4,575	2,919
Minimum lease payments under operating leases	56	130
Other operating expenses	38,210	37,789
Asset revaluation	118	-
Total other expenses	48,783	45,914

13. PERSONNEL COSTS

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Salaries and wages	23,196	22,152
Employer contributions to health insurance scheme	248	252
Total personnel costs	23,444	22,404

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

14. CASH AND CASH EQUIVALENTS

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Cash at bank and on hand	25,704	11,347
Petty cash	2	2
Term deposits with maturities less than 3 months	-	23,140
Total cash and cash equivalents	25,706	34,489

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:

	2021	2020
Short-term deposits	1.00%	0.69%

15. DEBTORS AND OTHER RECEIVABLES

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Rates debtors	6,491	6,429
Metered water debtors	2,413	2,311
Other trade debtors	4,346	2,565
Sundry debtors	3,240	3,284
GST Receivables	941	787
Debtors and other receivables prior to impairment	17,431	15,376
Less provision for impairment of receivables	4,548	3,827
	12,883	11,548
Prepayments	828	724
	13,711	12,273
¹ Receivables from non-exchange transactions	13,201	11,816
Receivables from exchange transactions	510	456
	13,711	12,273

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 (2020: \$nil). Western Bay Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The status of receivables as at 30 June 2021 and 2020 are detailed below:

	2021			2020		
	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not past due	13,124	963	12,161	11,212	594	10,618
Past due 90 days - 2 years	1,109	717	392	1,063	667	396
Past due 2-3 years	913	707	206	934	717	217
Past due > 3 years	2,285	2,161	124	2,166	1,849	317
Total	17,431	4,548	12,883	15,376	3,827	11,548

Receivables greater than 90 days are considered past due.

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

	ACTUAL	ACTUAL
	\$'000	\$'000
	2021	2020
Individual impairment	2,161	1,849
Collective impairment	2,387	1,978
As at 30 June	4,548	3,827

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

	ACTUAL	ACTUAL
	\$'000	\$'000
	2021	2020
Past due 30-59 days	-	-
Past due 60-89 days	-	-
Past due > 90 days	2,161	1,849
As at 30 June	2,161	1,849

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

	ACTUAL	ACTUAL
	\$'000	\$'000
	2021	2020
As at 1 July	3,827	3,569
Additional provisions made during the year	2,487	2,181
Provisions reversed during the year	-	-
Receivables written off during the year	(1,766)	(1,923)
As at 30 June	4,548	3,827

Rates are "written off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (where the chief executive of a local authority may, in respect of a rating unit of Māori freehold land)
 - Section 90A: Nil (2020:Nil)
 - Section 90B: Nil (2020:Nil) to Māori freehold land) of the Local Government (Rating) Act 2002.

16. DERIVATIVE FINANCIAL INSTRUMENTS

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Current portion	(422)	(383)
Interest rate swaps - not hedge accounted	(7,144)	(12,632)
Total derivative financial instruments	(7,566)	(13,015)
Movement	5,448	(1,346)

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 \$87m (2020: \$97m). At 30 June 2021, the fixed interest rates of cash flow hedge interest rate swaps vary from 3.04% to 5.41% (2020: 3.04% to 5.41%).

The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

17. NON-CURRENT ASSETS HELD FOR SALE

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

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Non-current assets held for sale are:		
- land	-	3,495
Total non-current asset held for sale	-	3,495

18. OTHER FINANCIAL ASSETS

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
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.	290	241
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.	57	45
Total non-current assets available for sale	347	286
Loans and receivables		
Te Tumu investment (note 42)	12,032	11,233
Total loans and receivables	12,032	11,233
Total non-current other financial assets	12,380	11,519
Total other financial assets	12,380	11,519

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	2021	2020
Western Bay of Plenty Tourism and Visitors' Trust (50%)	231	212
Total share in associates	231	212

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

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Bay of Plenty Local Authority Shared Services Limited BOPLASS Limited 9.7% share (2020: 9.7%).	14	14
NZ Local Government Insurance Company Limited 28,142 shares (2020: 28,142) with a market value as at 30 June 2021 of \$0.93 per share (2020: \$0.93).	27	26
New Zealand Local Government Funding Agency Limited 3,731,958 shares (2020: no change) at \$1 per share \$0.50 share paid up capital (2020: no change).	1,866	1,866
New Zealand Local Government Funding Agency Borrower Notes	1,120	1,440
Total Investment in Council Controlled Organisations (CCO's) and other similar entities	3,027	3,346

	ACTUAL \$'000	ACTUAL \$'000
Bay of Plenty Local Authority Shared Services (BOPLASS)	2021	2020
Assets	1,492	1,385
Liabilities	1,447	1,355
Revenues	1,563	1,405
Surplus / (deficit)	(15)	(15)
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

1. In respect of the roading component of infrastructural assets:
Western Bay Council has formerly recorded a decision to maintain the network in a defined and appropriate operating capacity by a programme of restoration to ensure that its life will be indefinitely prolonged.
2. An appropriate Asset Management Plan has been adopted by Council.
The Plan provides:
 - the level of service required
 - the current physical extent, condition and capacity of the network
 - the timing, extent and cost of work required to maintain and restore the network's defined operating capacity in future years.

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Depreciation and Amortisation Expense		
Representation	20	8
Planning for the future	-	3
Communities	639	503
Recreation and leisure	1,802	1,041
Regulatory services	86	64
Transportation	10,586	9,845
Water supply	4,023	2,593
Stormwater	1,611	1,522
Natural environment	1	2
Wastewater	3,719	2,965
Solid waste	30	-
Economic	-	-
Total depreciation and amortisation by activity	22,516	18,545
Depreciation and amortisation related to support services	909	1,052
Total depreciation and amortisation expense	23,426	19,597
Made up of:		
Depreciation	23,079	19,298
Amortisation	347	299
	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Revaluation gains		
Representation	-	-
Communities	-	-
Recreation and leisure	-	748
Transportation	-	-
Water supply	-	-
Wastewater	-	-
Stormwater	-	-
Support services	15	-
Land	-	38
Buildings	-	-
Coastal marine structures	-	-
Library books	-	-
Improvements	-	-
Property plant and equipment gains	15	786
Intangibles (Emission Trading Scheme NZ Units)	378	355
Forestry	20	(269)
Total gains	413	872

The 2021 Forestry gains of \$20k relate to revaluation movement. This movement reflects the increase in values from the prior year.

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Work in progress		
Communities	539	689
Recreation and leisure	31	4,469
Transportation	1,423	1,140
Water supply	9,329	6,181
Stormwater	6,659	4,579
Wastewater	7,218	5,582
Solid waste	-	-
Economic	6	117
Support services	1,835	(1,117)
Total work in progress	27,040	21,641

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 Opteon Solutions and the valuation was effective as at 1 July 2020.

Coastal and Marine Structures

At fair value determined on a depreciated replacement cost basis. The valuations were prepared internally by Council staff and peer reviewed by an independent valuer. Tonkin & Taylor Limited provided replacement cost information to inform the Council staff valuation. The valuation is effective at 1 July 2020.

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 Solutions and the valuation is effective as at 1 July 2020.

Sewerage and Wastewater

At fair value determined on a depreciated replacement cost basis. The valuations were prepared internally by Council staff and peer reviewed by an independent valuer. The most recent peer review was performed by Aecom, the valuation is effective at 1 July 2020.

Stormwater

At fair value determined on a depreciated replacement cost basis. The valuations were prepared internally by Council staff and peer reviewed by an independent valuer. The most recent peer review was performed by Aecom, the valuation is effective at 1 July 2020.

Water

At fair value determined on a depreciated replacement cost basis. The valuations were prepared internally by Council staff and peer reviewed by an independent valuer. The most recent peer review was performed by Aecom, the valuation is effective at 1 July 2020.

Roading

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by WSP and the valuation is effective as at 1 July 2020.

Land under roads

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

Vested infrastructural assets

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

Library collections

At fair value determined on a depreciated replacement cost basis. The valuations were prepared internally by Council staff and peer reviewed by an independent valuer. The most recent peer review was performed by Aecom, the valuation is effective at 1 July 2020.

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	2021	2020
WSP	615,532	-
Interpine Forestry Limited	10,490	10,588
Opteon	217,163	-
Total fair value	843,185	10,588

Insurance disclosure as required under the Local Government Act 2002.

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	CARRY AMOUNT \$'000	INSURED AMOUNTS \$'000
	30 JUNE 2021	30 JUNE 2021
Category A Insurance Contracts		
Water	113,268	236,713
Wastewater	134,931	190,147
Stormwater	141,122	131,830
Mobile Plant & Vehicles	1,026	1,676
Forestry	10,490	15,486
	400,837	575,852
Material Damage cover		
Buildings	34,525	46,116
Parks and reserves	18,684	-
Coastal Marine	17,055	-
Libraries	1,312	-
Office Equipment	1,904	6,998
Plant & Equipment	67	-
	73,548	53,114
Category A Total	474,385	628,965
Category B Financial Risk Sharing Arrangements assets		
Nil	-	-
Category B Total	-	-
Category C Self Insured Assets		
Disaster Contingency Reserve	-	-
Land under roads	262,345	-
Roading - Other	85,923	-
Roading - Surfaces	545,208	-
Land	176,184	-
Category B Total	1,069,659	-
Total	1,544,045	-

Work in progress

Total amount of property, plant and equipment in the course of construction is \$27.04m (2020:\$21.6m).

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	1,927	-	-	4,903
- other assets (such as reticulation systems)	111,341	1,244	7,496	243,790
Stormwater drainage	141,122	113	32,942	203,236
Wastewater				
- treatment plants and facilities	25,289	-	-	41,921
- other assets (such as reticulation systems)	109,641	1,597	5,960	174,215
Flood protection and control works	-	-	-	-
Roads and footpaths	631,130	14,413	-	825,338
Total core infrastructure assets	1,020,451	17,367	46,398	1,493,404

2021

	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 2020	30 June 2020	30 June 2020										30 June 2021	30 June 2021	30 June 2021
	\$'000	\$'000	\$'000										\$'000	\$'000	\$'000
Council 2021															
Operational assets															
Land	36,781	-	36,781	6,454	-	(445)	-	3,465	-	-	5,882	-	52,632	-	52,632
Buildings	24,072	(1,217)	22,855	-	-	-	-	-	(446)	(446)	1,792	1,217	24,647	(446)	24,201
Coastal Marine	11,441	(1,582)	9,859	865	-	(13)	-	(82)	(619)	(619)	7,044	1,582	17,673	(619)	17,055
Libraries	2,025	(811)	1,213	311	-	-	-	-	(228)	(228)	17	779	1,573	(261)	1,312
Office equipment	8,584	(6,240)	2,344	-	-	(12)	12	-	(440)	(440)	-	-	8,572	(6,668)	1,904
Plant and equipment	293	(199)	95	-	-	-	-	(57)	38	(9)	-	-	236	(169)	67
Vehicles	2,626	(1,606)	1,020	573	-	(706)	521	-	(382)	(382)	-	-	2,494	(1,468)	1,026
Total operational assets	85,395	(11,656)	73,739	7,818	-	(1,176)	533	3,326	38	(2,123)	14,735	3,578	106,519	(9,630)	96,889
Infrastructural assets															
Land	25,198	-	25,198	-	2	(57)	-	(630)	-	-	3,000	-	27,513	-	27,513
Buildings	1,220	(56)	1,164	-	1,819	-	-	-	(92)	(92)	439	56	3,422	(92)	3,330
Water - treatment	2,272	(297)	1,975	-	-	-	-	-	127	-	(175)	170	1,928	-	1,927
Water - other	106,695	(9,021)	97,673	1,244	-	(3,465)	-	-	(127)	(3,968)	12,487	9,148	107,812	(3,968)	103,844
Stormwater	111,792	(4,225)	107,567	113	3,814	-	-	-	(1,545)	(1,545)	2,046	4,089	113,676	(1,682)	111,994
Wastewater - treatment	11,486	(858)	10,627	-	-	-	-	-	-	-	14,662	858	25,289	-	25,289
Wastewater - other	113,228	(8,387)	104,841	1,597	-	(560)	-	19	(3,652)	(3,652)	1,436	8,387	107,333	(3,652)	103,681
Land under roads	261,734	-	261,734	-	-	-	-	611	-	-	-	-	262,345	-	262,345
Roading other	76,501	(4,450)	72,051	5,217	-	-	-	-	(2,940)	(2,940)	3,619	4,387	80,950	(3,004)	77,947
Roading surface	561,655	(14,570)	547,086	9,196	-	-	-	-	(7,606)	(7,606)	(7,224)	14,551	549,076	(7,626)	541,451
Total infrastructural assets	1,289,380	(41,864)	1,247,516	24,395	5,635	(4,082)	-	-	-	(19,804)	30,290	41,645	1,303,972	(20,024)	1,283,949
Restricted assets															
Land	83,787	-	83,787	295	212	(154)	-	1	-	-	16,213	-	100,354	-	100,354
Parks and reserves assets	21,838	(4,878)	16,960	1,411	345	(16)	-	101	(998)	(998)	882	4,878	19,682	(998)	18,684
Buildings	7,401	(417)	6,984	375	43	-	-	(19)	(154)	(154)	(234)	417	7,149	(154)	6,995
Total restricted assets	117,496	(5,295)	112,201	838	600	(170)	-	83	-	(1,153)	16,861	5,295	130,412	(1,153)	129,259
Work in progress	21,641	-	21,641	5,399	-	-	-	-	-	-	-	-	27,040	-	27,040
Total Council	1,492,271	(58,815)	1,433,455	33,050	6,235	(5,428)	533	3,408	38	(23,080)	61,885	50,518	1,540,903	(30,806)	1,510,097

Note: 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 2021.

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 2020															
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
Parks and reserves assets	23,142	(4,865)	18,277	1,036	30	(76)	1	(2,294)	857	(872)	-	-	21,838	(4,878)	16,960
Buildings	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

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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Balance at 1 July										
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)
	1,469	1,077	1,501	574	1,088	780	156	156	4,214	2,586
Work in progress	-	-	-	-	-	-	-	-	-	-
Opening carrying amount	1,469	1,077	1,501	574	1,088	779	156	156	4,214	2,585
Year ended 30 June										
Additions		635		984		-	-	-	-	1,619
Transfer							19		19	-
Amortisation & impairment charge	(293)	(243)	(55)	(57)	-	-	-	-	(347)	(300)
Gains	-	-	-	-	378	309	-	-	378	309
Disposals	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	1,176	1,468	1,446	1,501	1,466	1,088	175	156	4,263	4,213
Balance as 30 June										
Cost	5,692	5,692	1,778	1,778	355	355	2,853	2,834	10,678	10,659
Accumulated amortisation, impairment and gains	(4,516)	(4,223)	(332)	(277)	1,111	733	(2,678)	(2,678)	(6,415)	(6,445)
	1,176	1,468	1,446	1,501	1,466	1,088	175	156	4,263	4,213
Work in progress	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	1,176	1,468	1,446	1,501	1,466	1,088	175	156	4,263	4,213

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
	2021	2020
Balance at 1 July	10,588	10,857
Gains/(losses) arising from changes attributable to physical changes	889	880
Gains/(losses) arising from changes attributable to price changes	(848)	(249)
Decrease due to harvest	(139)	(900)
Balance at 30 June	10,490	10,588

TECT All Terrain Park Forest

The TECT All Terrain Park owns 356.07 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 4 to 25 years. The total value of the forestry stand is \$9.71 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 25 to 26 years with an average age of 25.9 years. The total value of this forestry stand is \$1.06 million.

Matakana Island Forest

Council owns 126.33 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 10 to 37 years with an average age of 22.5 years. The total value of the forestry stand is \$4.38 million.

Lund Road Forest

Council owns 58.25 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 6 to 8 years with an average age of 7 years. The total value of the forestry stand is \$197,115.

Valuation assumptions

Independent registered valuer, Interpine Forestry Limited, valued Councils forestry assets as at 30 June 2021. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A discount rate of 7.3 % to 8.7% (2020: 7.6% to 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% (2020: 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 2021, and there are no restrictions on title. There is no significant movement expected for the period March 2021 to June 2021.

Financial risk management strategies

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

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

Securities

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

24. PAYABLES AND DEFERRED REVENUE

CURRENT PORTION

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
<i>Payables and deferred revenue under exchange transactions</i>		
Trade payables and accrued expenses	14,731	9,664
Other income in advance	2,044	394
Sundry payables	115	513
Total payables and deferred revenue under exchange transactions	16,890	10,572
<i>Payables and deferred revenue under non-exchange transactions</i>		
Rates in advance	4,984	4,576
Bonds and deposits	1,333	2,299
GST payables	-	-
Environment Bay of Plenty Regional Council rates	337	364
Total payables and deferred revenue under non-exchange transactions	6,654	7,239
Total current portion	23,544	17,811

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
	2021	2020
Secured loans fixed		-
Secured loans floating	10,000	20,000
Total current secured loans	10,000	20,000
Total current borrowings	10,000	20,000

NON-CURRENT

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Secured loans fixed	10,000	20,000
Secured loans floating	70,000	70,000
Total non-current secured loans	80,000	90,000
Total non-current borrowings	80,000	90,000
Total public debt	90,000	110,000

Western Bay Council's secured debt of \$80.0m (2020: \$90.0m) 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 (2020: \$nil) is issued at a margin of nil bps (2020: nil) above bank wholesale rates BKBM.

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

SECURITY

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

REPAYMENT TERMS

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Payable no later than one year	10,000	20,000
<i>Weighted average interest rate</i>	5.57%	1.05%
Later than one, not later than five years	45,000	55,000
<i>Weighted average interest rate</i>	2.03%	2.74%
Later than five years	35,000	35,000
<i>Weighted average interest rate</i>	1.13%	1.22%
	90,000	110,000

FAIR VALUES OF NON-CURRENT BORROWINGS

	CARRYING AMOUNTS \$'000	CARRYING AMOUNTS \$'000	FAIR VALUES \$'000	FAIR VALUES \$'000
	2021	2020	2021	2020
Secured loans	90,000	110,000	92,600	111,334
Total	90,000	110,000	92,600	111,334

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
	2021	2020
Secured loans and debentures	2.07%	1.95%

VARIATIONS FROM / CHANGES TO THE BORROWING MANAGEMENT POLICY

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

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

As at 30 June 2021 Western Bay Council had \$30.0 million of undrawn cash facilities available (2020: \$30.0 million).

Debentures

Western Bay Council's secured debt of \$90.0 million (2020: \$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 (2020: \$600,000). There are no restrictions on the use of this facility.

26. EMPLOYEE ENTITLEMENTS

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Accrued pay	642	194
Accrued leave and accrued entitlements	2,377	2,573
Sick pay	(44)	69
Retirement gratuities	20	18
	2,994	2,855
Represented by:		
Current	2,974	2,837
Non-current	20	18
Total employee entitlements	2,994	2,855

27. PROVISIONS

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Current portion		
Landfill aftercare provision	15	12
Weathertight Homes Resolution Service	298	301
Total current portion	313	313
Non-current portion		
Landfill aftercare provision	280	295
Total non-current portion	280	295
Total provisions	593	608

Movements for each class of provision are as follows:

	LANDFILL \$'000	WEATHERTIGHT HOMES \$'000	TOTAL \$'000
Balance at 1 July 2019	321	301	621
Additional provisions	-	-	-
Amounts used	(12)	-	(12)
Balance at 30 June 2020	308	301	608
2020			
Balance at 1 July 2020	308	301	609
Additional provisions	-	-	-
Amounts used	(12)	(3)	(15)
Balance at 30 June 2021	295	298	593

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 \$0.26 (2020: \$0.29 million) and for post-closure of Te Puke of \$0.18 million (2020: \$0.20 million) over the remaining life (Athenree 14 years, Te Puke 11 years) of the resource consents. This liability has been discounted back to a current value of \$0.29million (2020: \$0.31 million) using a discount rate of 7% (2020: 7%).

Weathertight Homes Resolution Services

Note 35 page 157 provides additional information regarding this provision.

EQUITY

28. RETAINED EARNINGS

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Opening balance	905,715	889,720
Surplus / (deficit)	23,911	14,964
Other surplus /(deficit) through comprehensive income	98	(408)
Reclassification from prior year:	-	-
Reclassification of reserves to equity	29	1,630
	929,753	905,906
Transfers to:		
Restricted reserves	(12)	(12)
Council created reserves	(11,309)	(12,133)
	(11,321)	(12,145)
Transfers from:		
Restricted reserves	9	10
Council created reserves	11,185	11,945
Asset revaluation reserve	-	-
	11,194	11,954
Closing balance	929,626	905,715

29. RESTRICTED RESERVES

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Opening balance	280	276
Transfers to:		
Accumulated funds	(9)	(10)
Transfers from:		
Accumulated funds	12	12
Closing balance	283	280

30. COUNCIL-CREATED RESERVES

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Opening balance	32,052	31,913
Transfers to:		
Accumulated funds	(11,185)	(11,993)
Transfers from:		
Accumulated funds	11,309	12,133
Closing balance	32,175	32,052

For a breakdown of Council created reserves see note 32 on page 148.

31. GENERAL ASSET REVALUATION RESERVE

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Opening balance	431,251	432,835
Change in asset value	61,871	(1,584)
Transfer to retained earnings on disposal of property	-	-
Reclassification of reserves to equity	-	-
Closing balance	493,121	431,251
Comprising:		
Land	36,902	11,808
Buildings	9,993	8,000
Water supply	58,643	46,344
Roading	251,572	255,177
Wastewater	61,518	45,420
Stormwater	58,892	56,847
Coastal marine structures	12,520	5,476
Library books	1,014	997
Parks and reserves	2,066	1,181
Total asset revaluation reserve	493,121	431,251

Asset revaluation reserves

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

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Infrastructural:		
Water supply	58,643	46,344
Road reserves	156,339	167,782
Road surface	64,743	68,500
Other roading	30,491	18,896
Wastewater	61,518	45,420
Stormwater	58,892	56,847
Operational assets:		
Land	36,902	11,808
Buildings	9,993	8,000
Coastal marine structures	12,520	5,476
Library books	1,014	997
Parks and reserves	2,066	1,181
Total general asset revaluation reserve	493,121	431,251

32. RESERVE FUNDS

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2020	DEPOSITS TO FUND TO 30 JUNE 2021	WITHDRAWALS FROM FUND TO 30 JUNE 2021	CLOSING BALANCE 30 JUNE 2021
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	41,617	1,374	-	42,991
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 principal settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	213,824	7,056	(4,813)	216,067
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and leisure	14,888	-	-	14,888
Total Restricted Reserves			279,839	8,430	(4,813)	283,456
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	(240,711)	310,611	(860,671)	(790,771)
District Reserves		Support services	2,518,860	83,122	(587,369)	2,014,613
Huharua Sub Regional Park		Recreation and leisure	222,801	21,457	-	244,258
TECT All Terrain Park		Recreation and leisure	1,042,811	110,033	-	1,152,844
Asset Replacement - office buildings		Recreation and leisure	513,466	414,909	(274,971)	653,404
Asset Replacement - vehicles		Support services	(251,128)	357,730	(705,464)	(598,862)
Asset Replacement - civil defence vehicle		Communities	124,266	5,214	-	129,480
Asset Replacement - telemetry		Communities	91,065	3,152	-	94,217
Asset Replacement - swimming pool		Recreation and leisure	333,826	44,500	-	378,326
Asset Replacement - library books		Communities	2,278,518	311,946	(278,790)	2,311,673
Asset Replacement - library computers		Communities	-	-	-	-
Asset Replacement - Cemetery		Communities	274,394	20,548	-	294,942
Asset Replacement - coast marine		Recreation and leisure	(1,008,157)	371,898	(38,310)	(674,569)
Total Asset Replacement Reserves			5,900,011	2,055,120	(2,745,575)	5,209,555

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 principal 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 2020	DEPOSITS TO FUND TO 30 JUNE 2021	WITHDRAWALS FROM FUND TO 30 JUNE 2021	CLOSING BALANCE 30 JUNE 2021
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	236,900	-	(58,615)	178,285
Katikati Community Board		Communities	75,424	27,434	(49,000)	53,858
Ōmokoroa Community Board		Communities	244,834	22,067	(54,834)	212,067
Te Puke Community Board		Communities	146,019	9,420	(65,000)	90,439
Maketu Community Board		Communities	175,082	18,109	(29,531)	163,660
Total Community Board Reserves			878,259	77,030	(256,980)	698,309
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	15,685	518	-	16,203
Waihi Beach Town Centre Development	For town centre development.	Economic development	454,023	14,983	(2,571)	466,435
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic development	389,445	57,595	-	447,040
Ōmokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic development	692,542	22,854	(600,000)	115,396
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 development	104,770	3,457	(1,043)	107,184
Pukehina Beach Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area.	Planning for the future	307,759	64,093	(64,501)	307,351
Pukehina Development Reserve		Planning for the future	470,627	28,171	(15,296)	483,502
Total Other Community Reserves			2,434,851	191,671	(683,411)	1,943,111
Total Community Board and Other Reserves			3,313,110	268,701	(940,391)	2,641,420

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
Ōmokoroa 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
Ōmokoroa 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 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	277,370	30,389	-	307,759
		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 2020	DEPOSITS TO FUND TO 30 JUNE 2021	WITHDRAWALS FROM FUND TO 30 JUNE 2021	CLOSING BALANCE 30 JUNE 2021
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	665,409	201,783	(191,469)	675,723
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	3,273,024	1,992,889	(484,301)	4,781,612
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory services	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	387,853	12,799	-	400,652
Total Financial Contribution Reserves			4,682,436	2,207,471	(675,770)	6,214,137
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	4,037,470	1,349,755	(691,637)	4,695,588
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	1,854,713	16,200	(595,848)	1,275,065
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 services	186,095	-	-	186,095
Total General Reserves			6,092,664	1,365,955	(1,287,485)	6,171,134

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 services	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 services	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 2020	DEPOSITS TO FUND TO 30 JUNE 2021	WITHDRAWALS FROM FUND TO 30 JUNE 2021	CLOSING BALANCE 30 JUNE 2021
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	1,201,955	173,280	(101,823)	1,273,412
Corporate Property and Assets	For any surplus arising from the corporate property/land purchase account.	Support services	602,562	-	-	602,562
Weathertight Homes		Regulatory services	235,961	7,787	-	243,748
Panepane Point Development Reserve		Reserves	411,771	13,588	(78,526)	346,833
Tahataroa Reserve		Reserve	350,000	11,550	(150,766)	210,784
Total Special Reserves			12,063,970	206,205	(331,115)	11,939,060
Total Council Created Reserves			32,052,191	6,103,451	(5,980,336)	32,175,306
Total All Council Reserves			32,332,030	6,111,881	(5,985,149)	32,457,762

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 services	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

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

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Net surplus / (deficit)	23,911	15,741
Add/(less) non-cash items		
Depreciation	23,079	19,298
Amortisation	347	299
Vested assets	(6,216)	(5,940)
Fair value movement in derivative financial instruments	(856)	1,346
Gains	(413)	(826)
Share of associate surplus/deficit	(319)	(1)
Unrealised interest on other financial assets at fair value through profit and loss	(799)	(634)
Provision for impairment of doubtful debts	231	258
Add/(less) movements in working capital items:		
Movement in prepayments	104	43
Movement in non-current assets held for sale	775	(2,695)
Movement in accounts receivable	(2,397)	(1,155)
Movement in accounts payable	5,680	(687)
Movement in provisions	-	(14)
Movement in employee entitlements	-	58
Add/(less) items classified as investing activities		
Loss on sale of assets	1,268	2,919
Revaluation of shares	-	5
Net cash inflow (outflow) from operating activities	44,563	27,499

34. CAPITAL COMMITMENTS AND OPERATING LEASES

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

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Operational		
Land	-	247
Building	683	454
Coastal Marine	223	67
Infrastructure		
Water	2,080	18
Wastewater	1,708	-
Stormwater	136	101
Roading	6,672	6,440
Restricted		
Building	-	-
Total capital commitments	11,502	7,327

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
	2021	2020
Not later than one year	50	103
Later than one year and not later than two years	39	42
Later than two years and not later than five years	118	121
Later than five years	1,322	1,400
Total non-cancellable operating leases	1,529	1,663

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. In 2021 the value of the contract has been increased from \$75.99 million to \$200 million and extended to October 2023. As at 30 June 2021 \$131.90 million remained committed on this contract for the remaining 28 months, including estimated escalations in the contract.

In July 2021, Western Bay Council entered into a five year contract with Downer Ltd for the provision of maintenance and professional services to the utilities network. The value of the contract as of 1 July 2021 is \$40.00 million.

In July 2021 Western Bay Council entered into a five year contract with Envirowaste Ltd for the provision of kerbside waste services. The value of the contract as of July 1 2021 is \$26.14 million.

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

35. CONTINGENCIES

Contingent liabilities

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
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 (2020: \$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 2021 (2020: Nil). These claims relate to weather-tightness issues of homes in the Western Bay of Plenty District area and name Western Bay of Plenty District Council as well as other parties. There are a total of 4 claims that are still open as at balance date (2020: 4).

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.

Council underwent mediation with a claimant earlier this year. No resolution was agreed however, settlement negotiations are ongoing. The plaintiff is currently considering the scope for remedial works which will be priced accordingly. The designer and builder of the house are also named defendants. Council may face a higher proportion of any liability if the other defendants do not have the means to make a meaningful contribution. No trial date has been set.

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 and has a shareholding of 8.3%. This entity was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. Standard and Poors have given the entity a credit rating of AA+ which is equal to New Zealand Government sovereign rating.

As at 30 June 2021 there were 31 (2020: 31) shareholders made up of 30 local authorities and the Crown.

All 30 local authority shareholders have uncalled capital equal to their individual shareholding and totalling \$20 million in aggregate which can be called on in the event that an imminent default is identified. The shareholders are also guarantors of the LGFA balance sheet and the borrowings of all other local authorities which totalled \$12,810m (2020: \$10,990m) at 30 June.

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

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

Share of associates' contingent liability

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

36. PRIOR YEAR ADJUSTMENTS

There were no prior year adjustments.

37. RELATED PARTY TRANSACTIONS

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

Transactions with Councillors and key management personnel compensation

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Councillors		
Full-time equivalent members	12	12
Salaries and other short term employee benefits	593	592
Senior Management Team, including the Chief Executive		
Full-time equivalent members	5	5
Salaries and other short term employee benefits	1,387	1,373
Total senior management remuneration	2,048	1,965

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 2021

ACTUAL \$'000		ACTUAL \$'000
2019/20		2020/21
1,405	Revenue	1,563
(1,421)	Expenditure	(1,539)
(15)	Surplus / (deficit)	15
(15)	Net surplus / (deficit) year	15
1,385	Total assets	1,492
1,355	Total liabilities	1,447

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 2021-2024 and associated budget formally adopted by the directors at the meeting held on 21 June 2021.

From page 159 - 163 is a report of performance against targets set in the Statement of Intent for 2020/23.

PERFORMANCE TARGETS FOR 2020/21

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>Video Conferencing Service - Canon video conferencing infrastructure was moved from a Canon managed service to a BOPLASS hosted service. This provided further cost savings to councils and acknowledged the global move from vendor hosted video conferencing solutions to cloud-based technologies, e.g. Zoom, Teams.</p> <p>ESRI Enterprise Licensing Agreement - Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed. No increases in cost to councils. <i>No alternative provider in NZ.</i></p> <p>GIS software and services - FME, Geocortex Essentials, Geocortex Analytics, X-Tools, NZ Archaeological Association, RetroLens <i>Contracts renegotiated and renewed - no alternative suppliers.</i></p> <p>Health and Safety Training provider - BOPLASS has renewed the collective agreement with Vertical Horizonz for H&S training across the BOPLASS councils. The agreement provides tailored training and discounted rates. (WCLASS have aligned their contract dates with BOPLASS, providing for opportunities to procure collectively at the end of the new contract term.)</p> <p>Print Media Copyright Agency (PMCA) - a collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils' print and media copyright services.</p> <p><i>Sole NZ provider of print and media copyright services.</i></p> <p>Treasury Staff Briefings - BOPLASS coordinated presentations and workshops with senior NZ economists to better inform councils on the financial outlooks for local communities and the national economy. The workshops are provided at no cost to BOPLASS councils and have proven to be particularly valuable given the current international and local economic challenges.</p>

PERFORMANCE TARGETS FOR 2020/21

OUTCOMES	MEASURE	RESULT
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils. .</p>	<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>Aerial Imagery – As part of the BOPLASS regional imagery programme a contract for orthophotography was awarded to AAM NZ Ltd on behalf of TCC and WBOPDC. The flying and imagery included specific requirements to capture high growth areas.</p> <p>N3 (previously known as GSB) – Purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates.</p> <p><i>Sole NZ provider.</i></p> <p>Media Monitoring Services – BOPLASS continues to manage a collective media monitoring service with Isentia that automatically monitors and reports on broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while also providing a significant reduction in internal resource requirements. Council agreement to renew for another year. Same rates negotiated.</p> <p><i>Service to be put to open tender in 2022.</i></p> <p>Zoom Services – Renewed group enterprise agreement. Zoom video conference services continue to provide BOPLASS councils with centralised account management and shared infrastructure.</p> <p><i>Enterprise contract renegotiated and renewed. No alternative providers.</i></p> <p>Standards NZ – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils.</p> <p><i>No alternative provider in NZ.</i></p>
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p>	<p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p>Waste Operator Licencing and Data System – An ROI was undertaken by BOPLASS on behalf of all the BOPLASS and Waikato councils for a data management system and administration services to support the development of a region-wide waste operator licencing and data service. The collective approach to the ROI provided savings to all councils and garnered significant attention from suitable vendors due to the size of the aggregated opportunity.</p> <p><i>The ROI process will be followed by a closed RFP.</i></p> <p>Skin Scans / Mole Mapping – BOPLASS explored opportunities for a collective contract to enable councils to offer a subsidised rate to their staff for mole mapping. A provider has not yet been appointed as the project has expanded to investigate health insurance ptions across the BOPLASS group of councils.</p> <p>Infrastructure Insurance – Councils infrastructure insurance was placed into the London markets in late 2020 through direct engagement with the London underwriters and Lloyds syndicates. Exceptional outcomes were achieved for all councils – both in insurance rates and the cover achieved. Due to a continued unprecedented level of international natural disaster claims, insurance markets have become extremely cautious about the risk they are prepared to write. The high standard of the information being provided by BOPLASS councils and our historical relationships with the international markets have proven to be a strength for us at renewal time.</p> <p><i>Securing councils’ insurance cover requires a new procurement process to be undertaken every 12-months and includes investigating, or engaging with, alternative markets.</i></p>

PERFORMANCE TARGETS FOR 2020/21

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>GIS Technical Support – The majority of core GIS software used within councils is now procured through collective BOPLASS agreements. On behalf of the councils BOPLASS undertook procurement to appoint a Regional Technical Advisor to be used as a shared resource and provide technical support across all BOPLASS councils. Eagle Technology were appointed under a discounted enterprise agreement. In addition to the cost savings, the service helps facilitate further sharing of information and expertise across the GIS teams.</p> <p>Website Quality Assurance – BOPLASS has established a collective agreement for website quality assurance. Monsido is the incumbent provider to several BOPLASS councils and discounted pricing has been negotiated, dependent on the number of councils participating.</p> <p><i>This project is still under action.</i></p> <p>IPWEA Membership – BOPLASS engaged with the Institute of Public Works Engineering Australasia on behalf of our constituent councils to establish a single BOPLASS portal to allow all councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements.</p> <p>Courier Services – BOPLASS has led a procurement process across the three North Island LASS and Hawke’s Bay councils for the appointment of a courier services provider.</p>
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p>	<p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	<p>Debt Recovery Services – Additional BOPLASS councils have moved to the shared service established by MW LASS. As an inter-LASS service this negates duplication across the regions and provides cost-effective specialised local government debt recovery services.</p> <p>Insurance Renewals Standardisation – BOPLASS led a project across the three North Island LASS to develop scorecards to assist councils with the preparation of accurate and timely renewal data for their annual insurance renewals. The scorecards help councils identify the required standards and any potential gaps in their processes. They will be used across all LASS participating in our collective insurance programme – BOPLASS, MW LASS and WLASS – ensuring a consistent and best-practice approach to renewal processes, ultimately assisting in achieving the best outcomes.</p> <p>Inter-LASS meetings – A number of procurement projects are underway covering multiple LASS and leveraging benefits of aggregated volumes. Collaboration across the regions drives greater efficiencies and often allows projects to be better resourced. BOPLASS has been working particularly closely with MW LASS and Waikato LASS and this group meet on a quarterly basis. BOPLASS has recently provided information to South Island councils that are investigating collective opportunities.</p> <p>Waste Operator Licensing and Data Collection – BOPLASS is leading a joint BOPLASS/WLASS project to establish a cross-regional entity to administer licensing conditions on behalf of territorial authorities. The entity will also manage and collect waste data to assist councils in preparing detailed waste assessments and identification of priority waste management and minimisation actions. BOPLASS is leading the associated procurement exercises and is also engaging with other councils interested in participating in the project. The project includes continued engagement with MfE and WasteMINZ to ensure that the proposed approach is aligned with national strategies.</p>

PERFORMANCE TARGETS FOR 2020/21

OUTCOMES	MEASURE	RESULT
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p>	<p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	<p>Waste Minimisation Fund Application – On behalf of the BOPLASS and WLASS councils, BOPLASS has submitted an application to the MfE Waste Minimisation Fund to support the development of collective projects across the two regions.</p> <p>Occupational Health Services – BOPLASS has renewed the agreement with Waikato Occupational Safety Services for discounted occupational health services across the BOPLASS councils. This agreement is now undertaken in conjunction with WLASS.</p> <p>Cross Council H&S audits and Safety Performance Indicators – Waikato LASS and BOPLASS have collectively developed H&S projects to support best practice and shared learnings across councils in the greater region. The projects assist in identifying skills, processes or procedures that can be shared across the regions.</p> <p>Courier Services – BOPLASS coordinated activity across the central North Island councils to establish confirmed participation in joint procurement for the appointment of a courier services provider.</p> <p>Insurance Forum – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island.</p>
<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>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 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 71% increase in the number of local government users with 161 new members joining.</p> <p>The increased membership is primarily a result of ongoing development of on-boarding and training material. Additionally, non-member councils have been proactively contacted to highlight the benefits and encourage participation.</p> <p>Five additional projects added to the MahiTahi Collaboration Portal, increasing from 48 to 53 lodged projects.</p> <p>RSIP Redevelopment – The Regional Sector Information Portal is a collaboration tool used by regional and unitary councils. The RSIP Portal has been migrated to be hosted by BOPLASS on the same platform as the MahiTahi Collaboration Portal.</p>
<p>Communicate with each shareholding council at appropriate levels.</p>	<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>In addition to these regular meetings, the BOPLASS chair and CE undertook a roadshow to directly engage with executive staff across all shareholding councils. These meetings were used to provide an update on BOPLASS initiatives and to gain further insights into additional collaboration opportunities. New opportunities in both shared services and procurement were identified through these workshops.</p>

PERFORMANCE TARGETS FOR 2020/21

OUTCOMES	MEASURE	RESULT
<p>Ensure current funding model is appropriate.</p>	<p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	<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. Funding model reviews were undertaken by the board during the 2020-2021 financial year with two changes undertaken to ensure the continued financial viability of the organisation:</p> <ul style="list-style-type: none"> • A one-off \$50,000 contribution to the BOPLASS aerial imagery programme received from LINZ was retained as income in advance to assist with funding the BOPLASS aerial imagery programme over the next five years. • The BOPLASS Board approved for a CPI adjustment to be included with council annual contributions. <p>Financial position year end 30 June 2021: \$15,970 surplus.</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 2021

ACTUAL \$'000		ACTUAL \$'000
2019/20		2020/21
18,279	Revenue	19,537
7,657	Expenditure	7,714
10,623	Surplus/(deficit)	12,007
10,623	Net surplus/(deficit) year	12,007
13,174	Total assets	14,485
13,091	Total liabilities	14,390

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 2021/22 and associated budget formally adopted by the company on 30 June 2021.

From page 164 - 165 is a report of performance against targets set in the Statement of Intent for 2020/21

PERFORMANCE TARGETS FOR 2020/21		
OUTCOMES	MEASURE	RESULT
LGFA net interest income for the period to June 2021 will be greater than \$18.8 million.	LGFA's net interest income for the period to: <ul style="list-style-type: none"> 30 June 2021 will be greater than \$18.8 million. 30 June 2022 will be greater than \$20.2 million. 30 June 2023 will be greater than \$29.0 million. 	LGFA have met this performance measure for 2020/21. LGFA's net interest income for the period to 30 June 2021 was \$19.537 million.
Annual issuance and operating expenses (excluding AIL) will be less than \$6.8 million	LGFA's annual issuance and operating expenses (excluding AIL) for the period to: <ul style="list-style-type: none"> 30 June 2021 will be less than \$6.8 million. 30 June 2022 will be less than \$6.8 million. 30 June 2023 will be less than \$7.0 million. 	LGFA have met this performance measure for 2020/21. LGFA's annual issuance and operating expenses (excluding AIL) for the period to 30 June 2021 was \$6.659 million.
Total nominal lending (short and long term) to participating councils to be at least \$11.66 billion.	Total lending to Participating Local Authorities at: <ul style="list-style-type: none"> 30 June 2021 will be at least \$11,664 million. 30 June 2022 will be at least \$12,260 million. 30 June 2023 will be at least \$12,681 million. 	LGFA have met this performance measure for 2020/21. LGFA's total lending to Participating Local Authorities for the period to 30 June 2021 was \$12.039 billion.
Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities.	Achieve at least an 85% satisfaction score for the value added by LGFA	LGFA have met this performance measure for 2020/21. August 2020 survey outcome of 98.8%.
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 2020/21. 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 2021.

PERFORMANCE TARGETS FOR 2020/21

OUTCOMES	MEASURE	RESULT
Achieve 85% market share of all council borrowing in New Zealand.	85% market share of all council borrowing in New Zealand in the period ending 30 June 2021.	<p>LGFA have not met this performance measure for 2020/21.</p> <p>LGFA's estimated market share of 79% for the rolling twelve-month period to 30 June 2021 and our market share is strong compared to our global peers.</p> <p>Over the 12 months, five new councils became members of LGFA, lifting total participating members to 72. Napier City Council, South Waikato, Waitaki and Central Otago District Councils joined as guarantors and Kawerau District Council joined as a non-guarantor.</p>
Review each PLA financial position, its headroom under LGFA policies and arrange to meet each PLA at least annually.	A physical visit to each Participating Local Authority during the year ending 30 June 2021.	<p>LGFA have met this performance measure for 2020/21.</p> <p>Following the lifting of COVID-19 travel restrictions, LGFA commenced council visits in the later months of 2020. Notwithstanding the later start to visits, LGFA met with all council members over the 12 months.</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 2021.	<p>LGFA have met this performance measure for 2020/21.</p> <p>There were no compliance breaches during the year.</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 2021.	<p>LGFA have met this performance measure for 2020/21.</p> <p>The LGFA refinanced all existing loans to councils and LGFA Bond maturities during the period ending 30 June 2021.</p>
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	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 2020/21.</p> <p>LGFA has an annual review process for our credit ratings from S&P Global Ratings and Fitch Ratings and meets with both agencies at least annually. Formal review meetings were last held in November 2020 with S&P Global Ratings and in October 2020 with Fitch.</p> <p>S&P Global Ratings: On 22 February 2021, S&P Global Ratings raised their long-term ratings on LGFA to 'AA+' foreign-currency and 'AAA' local-currency and affirmed the short-term ratings at 'A-1+'. Both ratings are on stable outlook and the same as the New Zealand Government</p> <p>Fitch Ratings (Fitch): On 4 November 2020, Fitch reaffirmed our long-term local currency credit rating as 'AA+' and classified LGFA as a government related entity (GRE) under its GRE rating criteria. Fitch equalises our ratings with those of the New Zealand Government. Our foreign currency credit rating of 'AA' remains on positive 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 2021

ACTUAL \$'000		ACTUAL \$'000
2019/20		2020/21
2,954	Revenue	3,728
(2,952)	Expenditure	(3,691)
2	Surplus/(deficit)	36
2	Net surplus/(deficit) year	36
829	Total assets	1,564
425	Total liabilities	1,103

Above performance targets are unaudited results.

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 2021-2022 to 2023-2024 and associated budget formally adopted by the company on 30 June 2021.

From page 166 - 171 is a report of performance against targets set in the Statement of Intent for 2020/21.

PERFORMANCE TARGETS FOR 2020/21

Outcomes	Measure	Result
Strategic leadership for the visitor economy, destination management strategy, and explore alternative funding mechanisms.		
<i>Implement the destination management strategy and provide leadership to Councils to protect the sub-region for future generations. Provide leadership for the recovery and restart of the visitor economy to mitigate the impacts of the COVID-19 pandemic on the local economy.</i>	Achieve the success measures set out in Te Hā Tāpoi The Love of Tourism Annual Plan 2020 - 2023, which align to the Visitor Economy Strategy 2018 - 2028.	Of TBOP's 28 strategic priorities for this financial year, laid out in Te Hā Tāpoi The Love of Tourism 2020-2021, 22 have been completed and six were not completed. Of those not completed, two were delayed and one indefinitely suspended due to circumstances beyond TBOP's control. The remaining three are underway with slower timeframes than expected. <i>Not achieved.</i>
<i>Support Councils to explore alternative funding mechanisms.</i>	Support investigation of additional alternative funding mechanisms, dependent on Tauranga City Council budget and timings.	Tauranga City Council has not progressed its alternative funding mechanisms project. TBOP has achieved alternative funding via the STAPP and Regional Events Fund. <i>Not achieved.</i>
<i>Measure visitor spend.</i>	Monitor and report on visitor spend and use the information to set new benchmarks for future years.	In the YE June 2021: <ul style="list-style-type: none"> total visitor spend grew by 28% compared to the YE June 2020. <i>Achieved.</i> domestic visitor spend grew by 19% compared to the YE June 2020. <i>Achieved.</i> international visitor spend decreased by 50% compared to the YE June 2020 due to the COVID-19 related international border closures. <i>Achieved.</i>
	Monitor and report on cruise sector spend, if applicable, and use the information available to set new benchmarks for future years.	No update as the cruise sector is still unable to operate due to the COVID19 pandemic and associated travel restrictions. <i>Not achieved.</i> <i>No forecast or targets will be set for future years yet due to the current levels of market uncertainty. Note that spend on electronic cards by repatriating New Zealanders may be impacting international visitor spend figures.</i>

PERFORMANCE TARGETS FOR 2020/21

Outcomes	Measure	Result
Measure the contribution of tourism to GDP.	Monitor and report on the contribution of tourism to GDP and use the information to set new benchmarks for future years.	<p>Tourism GDP for Tauranga was \$487m, representing 6.1% of total real GDP (YE March 2020). <i>Achieved.</i></p> <p>Tourism GDP for Western BOP was \$49m, representing 2.0% of total real GDP (YE March 2020). <i>Achieved.</i></p> <p>Tourism GDP for Whakatāne was \$71m, representing 4.0% of total real GDP (YE March 2020). <i>Achieved.</i></p> <p>No forecast or targets will be set for future years yet due to the current levels of market uncertainty.</p>
Measure the number of jobs provided by the tourism industry.	Monitor and report on the number of jobs the tourism industry provides and use the information to set new benchmarks for future years.	<p>Tourism provided 7,480 jobs in Te Moananui ā Toi the Coastal Bay of Plenty in the month of May 2021. <i>Achieved.</i></p> <p>No forecast or targets will be set for future years yet due to the current levels of market uncertainty.</p>
Target the right visitors at the right time with the right messages.		
Understand current visitation levels and patterns.	Continue to track and provide greater visibility and understanding of visitation levels and patterns, visitor perceptions and motivators.	TBOP is tracking visitor numbers and patterns using visitor spend data and newly released visitor numbers primarily. This information is then shared with key stakeholders. The visitor satisfaction research is underway and providing insight into perceptions and motivators. <i>Achieved.</i>
Implement campaigns to drive domestic visitation including collaboration with strategic partners for advertising, digital, and PR initiatives.	Implement campaign calendar as set out in Te Hā Tāpoi The Love of Tourism 2020 - 2023.	The Sure to Make You Smile campaign was in-market from October-December 2020, and again from April-June 2021, as per the calendar in Te Hā Tāpoi The Love of Tourism 2020 - 2023. These dates were selected to promote the region during the shoulder seasons. <i>Achieved.</i>
	Monitor and report on campaign measures and use the information to set new benchmarks for future years.	<p>The monitoring of campaign measures is underway. Key current measures being used are:</p> <ul style="list-style-type: none"> • Video views (to the end): 320,428 • Impressions: 3,471,396 • New users to bayofplentynz.com: 17,987 (9% of total new users to site) • Website users' average session duration: 1m 23secs (site average 1m 36secs) • Website users' pages/session: 2.35 (site average 2.1) • Bounce rate: 57% (site average 66%) <p>The best performing traffic was generated from display remarketing (targeting users who have already visited the site), which had an average time on site of 2m 11secs, and on average users looked at 4.6 pages per session. This traffic comprised 0.5% (199 users) of the total campaign traffic to the website.</p> <p>In comparison, the next best performing traffic was from Google Search ads, comprising 15% (6,781 users) of total campaign traffic. These users spent an average of 2m 12secs per session and viewed an average of 3 pages per session. This provides a benchmark for future campaigns and direction on where to focus our spend. <i>Achieved.</i></p>

PERFORMANCE TARGETS FOR 2020/21

Outcomes	Measure	Result
<p>Build the destination's reputation as per Place DNA[®] by implementing story theme strategies identified in Brand Storybook research and embed across Te Moananui ā Toi the Coastal Bay of Plenty.</p>	<p>Maintain or improve Tourism Sentiment Index™ scores in areas associated with Te Moananui ā Toi the Coastal Bay of Plenty's Place DNA[®].</p>	<p>A score of +20 for July 2020 to June 2021 was achieved. This is a total of 36 points below the score for YE December 2019, with COVID-19 likely affecting the 2020 results. This compares to a score of +21 for New Zealand overall.</p> <p>Scores for categories related to Place DNA[®] elements for July 2020 to June 2021:</p> <ul style="list-style-type: none"> • Horticultural Provenance: +20 • Natural Environment: <ul style="list-style-type: none"> - Wildlife viewing: +6 - Biking & cycling: +11 - Hiking & rock climbing: +27 • Ocean & Beaches: <ul style="list-style-type: none"> - Surfing: +20 - Beaches: +26 - Fishing: +20 - Diving and snorkelling: +21 • Māori Culture: +21 <p><i>Not achieved.</i></p>
	<p>Maintain or improve levels of association of Te Moananui ā Toi the Coastal Bay of Plenty with Place DNA[®] themes.</p>	<p>50% of adult New Zealanders and 34% of adult Australians agree that the region offers a blend of natural landmarks, wildlife, authentic Māori culture, a range of local produce and stunning beaches (YE March 2021). These are consistent with results for YE December 2020. <i>Achieved.</i></p>
	<p>Explore and identify the best digital analytics to measure engagement with, and performance of, digital content.</p>	<p>A website UX report has been completed that identifies several metrics for measuring digital content performance. The report contains a series of recommendations to improve the user experience, and these are being gradually implemented. <i>Achieved.</i></p>
<p>Work with Tauranga City Council City Events team to support events aligning with our Place DNA[®].</p>	<p>Bi-annual meetings between Tauranga City Council City Events and TBOP Go-toMarket teams identifying the key events for collaborative marketing and executing associated marketing activity.</p>	<p>Bi-monthly meetings have been held with the TCC Major Events team to determine what promotional support TBOP can provide around key events that align with our Place DNA[®]. Major support was provided by way of sponsorship of the Aramex Kiwi Walk/Run event in May where we were able to highlight the Horticultural Provenance with themed tables and branding. 33% of event participants came from outside the Bay of Plenty region. <i>Achieved.</i></p>
<p>Connect with residents.</p>		
<p>Measure and understand residents' sentiment towards tourism. This is measured by the percentage of residents who agree that tourism has a positive impact on the community. Residents provide a rating of 1 to 10, where 1 is strongly disagree and 10 is strongly agree.</p> <p>Note: Sentiment may be impacted by the COVID-19 pandemic and perceptions of the link to international visitors.</p>	<p>Continue to monitor and report on residents' perceptions and use information to set new benchmarks for future years.</p>	<p>The score for the year ending June 2021 is :</p> <ul style="list-style-type: none"> • Tauranga City Council residents' score was 66% (decrease by 10% on prior year) agree (scores of 7 to 10). This will be the benchmark for next year. • Western Bay of Plenty District Council residents' score was 72% (same as prior year) agree (scores of 6 to 10). This will be the benchmark for next year. • Whakatāne District Council residents' score was 79% (increase 4% on prior year) agree (scores of 6 to 10). This will be the benchmark for next year. <p><i>Achieved.</i></p>

PERFORMANCE TARGETS FOR 2020/21

Outcomes	Measure	Result
<p>Residents' likelihood to recommend the city or district as a holiday destination, using the Net Promoter Score™.</p> <p>Note: Sentiment may be impacted by the COVID-19 pandemic and perceptions of the link to international visitors.</p>	<p>Continue to monitor and report on residents' satisfaction and use information to set new benchmarks for future years.</p>	<p>The score for the year ending June 2021 is :</p> <ul style="list-style-type: none"> • Tauranga City Council residents' score for the year ending June 2021 is +17 (decrease by 10 from prior year). • Western Bay of Plenty District Council residents' score for the year ending June 2021 is +11 (decrease by 2 from prior year). • Whakatāne District Council residents' score for the year ending June 2021 is +37 (decrease by 13 from prior year). <p><i>Achieved.</i></p>
<p>Undertake research to further explore perceptions of the tourism industry (particularly cruise) among the local community (via Vital Signs and/or other projects).</p>	<p>Measure satisfaction with the tourism industry in Te Moananui ā Toi the Coastal Bay of Plenty.</p>	<p>This research was put on hold until there is more information available regarding the cruise sector restart. <i>Not achieved.</i></p>
<p>Implement the Connect with Residents strategy and implement a local's communications plan.</p>	<p>Review, refine and continue to implement the Connect with Residents strategy, including measuring the performance of the No Place Like Home campaign.</p>	<p>No Place Like Home campaign in-market with monthly e-newsletters, print stories, social media, and radio. E-newsletter subscribers have grown from 2,215 to 2,777. Campaign effectiveness research conducted in February 2021 showed that 50% of residents have seen the campaign. Of those:</p> <ul style="list-style-type: none"> • 41% were inspired to look for further information on tourism activities; and • 41% feel more informed about tourism activities in the region. <p><i>Achieved.</i></p>
<p>Develop and maintain an Ambassador Programme.</p>	<p>Complete one course with Queenstown Resort College.</p>	<p>Queenstown Resort College (QRC) appointed as provider. Due to QRC's other commitments, the course development has been delayed until the first quarter of the 2021-2022 financial year. <i>Not achieved.</i></p>
<p>Implement the Stakeholder Engagement & Communications Plan including iwi and hapū relationships, Leadership Advisory Group, and industry events.</p>	<p>Implement the Stakeholder Engagement & Communications Plan including iwi and hapū relationships, Leadership Advisory Group, and industry events.</p>	<p>Achieved an average of 68 engagements with key stakeholders per two month period, falling just short of the goal of 70 engagements. <i>Not achieved.</i></p>
<p>Enhance the visitor experience.</p>		
<p>Understand, measure, and improve visitor satisfaction and perceptions.</p>	<p>The implementation of visitor satisfaction research.</p>	<p>The visitor satisfaction research began in March 2021, with monthly surveying. At end of June 2021, 86% of visitors to the region were satisfied with their visit. Research conducted by Forward HQ. Sample size n=277, resulting in an associated margin of error of +/-6%. <i>Achieved.</i></p>
<p>Continue to implement the Visitor Experience Plan including continuing to provide fit-for-purpose visitor information services and exploring new opportunities.</p>	<p>The implementation of the Visitor Information Services user survey.</p>	<p>Customer Radar was implemented in the Tauranga i-SITE from January 2020. However, there was little customer engagement with a total of six responses (all from satisfied customers). <i>Achieved.</i></p>
<p>Continue the project plan for Te Tomokanga.</p>	<p>Complete the concept and detailed design, commence site investigations subject to national i-SITE review and market conditions.</p>	<p>The Te Tomokanga plan has been indefinitely suspended as Tauranga City Council withdrew funding due to restrictions on its capital budgets. <i>Not achieved.</i></p>

PERFORMANCE TARGETS FOR 2020/21

Outcomes	Measure	Result
Review the cruise sector model post-COVID19.	Undertake three workshops to explore ideas for the re-development of the cruise industry to operate post-COVID19 (and implement any changes, depending on market conditions).	The government's cruise ship ban remains in place meaning there will be no cruise ship visits for this coming 2021 to 2022 season. However, bookings for the 2022 to 2023 season are ramping up. The review of the cruise model is underway with TBOP taking a leadership role in exploring all the factors (social, economic, cultural, and environmental) that will come to play in preparing for what the return of the sector. As part of this, TBOP's General Manager has joined the Cruise NZ board to champion these issues at a national level in addition to working closely with Port of Tauranga, industry, and other cruise ship port locations. TBOP will continue to review the model in preparation for the 2022 to 2023 season commencement. <i>Not achieved.</i>
Review and action the i-SITE Future Network Strategy	Participate in the review of the Future Network Strategy with i-SITE New Zealand and report to Tauranga City Council.	The proposed Future Network Strategy is yet to be finalised by the i-SITE NZ board. The forum has consequently been delayed to 30 August 2021 (due to Covid lockdown) and TBOP will attend. <i>Not achieved.</i>
Grow capability and increase supply.		
Map regional natural and build assets to identify experience gaps and opportunities.	The map of regional infrastructure and experiences developed (phase one), and gaps analysis completed (phase two).	The map of regional infrastructure and experiences has been developed. Phase two, the gap analysis, is underway. <i>Not achieved.</i>
Identify and implement options for understanding and measuring environmental regeneration and implement any suitable options.	Achieve the Green Destinations certification (to measure environmental sustainability).	TBOP is on the journey to becoming an eco-certified destination through EcoTourism Australia, with 50% of the criteria filled out. The ECO Destination Certification combines EcoTourism Australia's criteria with the Green Destinations standard for sustainable tourism. <i>Not achieved.</i>
Enable, empower, and facilitate opportunities for Māori economic development to identify, enhance, and promote tourism experiences that feature our unique culture, heritage, and history.*	Deliver four workshops for new and existing cultural tourism businesses per annum aimed at upskilling operators and assisting with the evolution of their businesses.	Two workshops/events were delivered as follows: <ul style="list-style-type: none"> • One cultural tourism exemplar is the hiko to Waitangi and Hokianga for a group from local Hapū Ngāti Hangarau. • Digital Marketing/Developing an Effective Social Media Presence workshop for Tauranga Moana roopū. <i>Not achieved.</i>
	50% of workshop attendees report that they are likely to make enhancements to their business based on the workshops.	Survey was not conducted due to resource constraints. <i>Not achieved.</i>
Proactively identify and support the development of new products and experiences and engage with potential investors regarding product development.*	Create an investor attraction package to support new tourism product that aligns with one target market and deliver this to relevant parties.	The COVID-19 pandemic has disrupted our ability to attract private investment in the tourism sector. <i>Not achieved.</i>
Develop and implement an industry capability programme and collaborate with tourism operators and help enhance tourism experiences that align with TBOP's target audiences and Place DNA®.*	Deliver three workshops for new and existing tourism businesses aimed at upskilling operators and assisting with the development of their businesses.	Five events/workshops were delivered as follows: <ul style="list-style-type: none"> • Digital marketing upskilling. • One-on-one digital training. • Regional Business Partner Network funding webinar held with the Tauranga Chamber of Commerce for tourism operators. • Two Tourism Connect workshops. • Health and Safety training. <i>Achieved.</i>
	50% of workshop attendees report that they are likely to make enhancements to their business based on the workshops.	Capability building workshops: 92% of attendees report that they are likely to make enhancements to their businesses based on the workshops. Digital capability one-on-one sessions: 91% of participants report that they are likely to make enhancements to their businesses based on these sessions. <i>Achieved.</i>

PERFORMANCE TARGETS FOR 2020/21

Outcomes	Measure	Result
Establish and maintain passion groups for niche development to align experiences with target audiences.*	Deliver four passion group workshops for niche development to align experiences with target audiences.	<p>Horticultural Provenance passion group:</p> <ul style="list-style-type: none"> • Experience Manager has been appointed and group members recruited. • Three passion group meetings held. • Developed strategy and created marketing plan that is being implemented. • Flavours of Plenty collective and new brand launched. • Announced the inaugural Flavours of Plenty food festival (Autumn 2022). <p>Ocean & Beaches passion group:</p> <ul style="list-style-type: none"> • Experience Manager has been appointed. • First passion group meeting took place in June 2021. <i>Achieved.</i>
Identify and support opportunities for new 'tourism with purpose' and environmental stewardship initiatives.*	Identify opportunities for new tourism with purpose initiatives and provide support via workshops, networking and PR activity where needed.	TBOP is currently collaborating with Rotary and environmental groups to identify opportunities for visitor volunteers to work alongside the local community. Challenges such as ad hoc volunteering days and times, health and safety, and others are slowing progress. <i>Not achieved.</i>
Business Events development.	Update the Business Events Market Feasibility report and present to the TBOP board with recommendations.	2019 Business Events Research Report update complete, and recommendations presented to TBOP board in August 2020 for implementation. <i>Achieved.</i>
<p><i>*These performance measures relate to attempting to influence the development of tourism products and experiences which are aligned with our destination's Place DNA™ and target markets. While we can support, advocate for, help to upskill operators and promote products, the development of product and how those organisations operate is outside of TBOP's control. Thus, these performance measures relate to outcomes TBOP can directly affect.</i></p>		
Governance and leadership.		
Investigate moving towards the Living Wage for all employees.	Payment of the living wage (as a minimum) to all permanent employees.	TBOP is currently paying the living wage to all permanent employees. <i>Achieved.</i>
Improve organisational culture and staff well-being.	Measure staff engagement via either Tauranga City Council's staff culture survey and/or TBOP Employee Engagement Survey.	Employee Engagement Score: 76% (April 2021 TBOP Employee Engagement Survey). <i>Achieved.</i>
Governance best practices.		
Manage P&L to budget and aim for best effort cost recovery through revenue growth opportunities and cost management strategies.	Variance of profit to budget for year within 5% of total revenue.	Net result is 1% ahead of budget at year end. <i>Achieved.</i>
Code of Conduct compliance.	Code of Conduct compliance.	<i>Achieved.</i>
Compliance and regulatory obligations met.	Compliance and regulatory obligations met.	<i>Achieved.</i>
Enterprise Risk Management Policy adherence.	Enterprise Risk Management Policy adherence.	<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>

Above performance targets are unaudited.

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 \$336,583 (2020: \$317,500).

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

	ACTUAL 2021	ACTUAL 2020
Salary	336,583	317,500
Employer contributions to superannuation fund	10,096	9,525
Vehicle	5,323	19,191
Other benefits (including medical insurance)	3,311	3,177
Total remuneration	355,313	349,393

Elected Representative

Elected representatives received the following remuneration:

	ACTUAL 2021	ACTUAL 2020
Councillors		
Dally, Grant Ronald	40,122	42,211
Dean, Mark	43,500	41,710
Denyer, James	43,500	33,009
Grainger, Murray	40,122	32,761
Henry, Anne	40,122	31,399
Humphreys, Christina	24,690	29,594
Lally, Michael Patrick	-	11,556
Gray, Monique	40,122	29,267
Mackay, Peter	-	16,904
Marsh, Kevin Alexander	43,500	47,222
Marshall, David Clark	-	12,536
Murray-Benge, Margaret Elizabeth	40,122	38,831
Palmer, John Richard	-	11,271
Scrimgeour, John Rob	60,000	57,809
Sole, Allan*	5,710	-
Thwaites, Donald Alan	48,000	46,053
Webber, Garry John (Mayor from 17 October 2016)	123,527	129,849
Williams, Michael	-	17,410
Total Councillors	593,037	629,391

*Allan was sworn in as Councillor on 12 May 2021 following the resignation of Christina Humphreys in January 2021.

38. REMUNERATION (CONTINUED)

Community Board Members

Community board members received the following remuneration:

	ACTUAL 2021	ACTUAL 2020
Community Board Members		
Anaru, William Ra	2,914	2,006
Beech, Shane William	5,827	5,693
Button, Beverley Joyce	-	1,715
Cantlon, Gary Lewis	-	224
Clark, Rachel Ann	-	908
Clements, John Richard	5,504	3,789
Crawford, Richard John	11,008	7,324
Dugmore, Joan Elizabeth	-	1,715
Ellis, Kassie Dawn	5,504	3,789
Evans, John Graeme	3,993	2,749
Gibbs, Brendan	-	1,715
Goudie, Ross	9,065	6,032
Harray, Neil Bronte	5,504	3,789
Hepenstall, Brian	-	1,412
Hobbs, Jennifer Robyn	-	3,429
Hulme, Robert Leigh	4,532	3,120
Mayo, Norman Frederick	-	1,715
Mcfadyen, Wendy	-	908
Miller, Peter	-	3,429
Presland, Peter John	3,993	3,993
Rae, Laura Andrea	2,914	2,006
Roberts, Marilyn Kathleen	4,532	4,532
Rolleston, Tupaea James	5,504	3,789
Ryan, Donald Clement	4,532	3,120
Sage, Derek Keith	3,993	3,993
Sage, Teresa	7,987	6,558
Simpson, Stephan	2,914	2,006
Snell, Dale	5,504	3,789
Sole, Allan James	-	2,824
Sutherland, Katherine Netta	5,504	3,789
Spratt, Ronald Parker	-	1,715
Warren, Benjamin Christian	10,585	9,039
Total Community Board Members	111,812	106,616
Non-monetary remuneration		
Webber, Garry John (from 17 October 2016)		22,275

38. REMUNERATION (CONTINUED)

Remuneration scale

	NUMBER OF EMPLOYEES	NUMBER OF EMPLOYEES
	2021	2020
<\$60,000	59	61
\$60,000 - \$79,999 per annum	75	77
\$80,000 - \$99,999 per annum	59	54
\$100,000 - \$119,999 per annum	37	29
\$120,000 - \$139,999 per annum	7	10
\$140,000 - \$159,999 per annum	12	-
\$160,000 - \$239,999 per annum	6	12
>\$240,000 - \$359,999 per annum	4	4
Total employees	259	247

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

At balance date, the Council employed 214 (2020: 202) full-time employees, with the balance of 45 staff representing 29.5 (2020: 29.5) full-time equivalent employees.

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

39. SEVERANCE PAYMENTS

For the year ended 30 June 2021 Western Bay of Plenty District Council made four (2020: one) severance payments to employees totalling \$144,990 (2020: 38,981). The value of the severance payments made in 2021 was \$118,605, \$5,385, \$1,000 and \$20,000 (2020: 38,981).

40. EVENTS AFTER BALANCE DATE

In August 2021, Covid-19 reappeared in Auckland. The country was placed in lockdown at Alert Levels 3 and 4 since the outbreak occurred. Staff continue to work either remotely or on site to align with government protocol on physical distancing. There was no significant impact on our essential services during Level 3 and 4, deferred maintenance and capital works programmes have not affected our services.

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	2021	2020
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	25,706	34,489
Debtors and other receivables	15	13,711	12,273
LGFA Borrower Notes	20	1,120	1,440
Te Tumu Investment	18	12,032	11,233
Term deposits	18	-	-
Total loans and receivables		52,569	59,435
Fair value through other comprehensive income			
Other financial assets:			
- local authority stock	20	27	26
- listed shares	18	347	286
Total Fair value through other comprehensive income		374	312
Financial liabilities			
Fair value through surplus and deficit			
Derivative financial instrument liability	16	7,566	13,015
Total Fair value through surplus and deficit		7,566	13,015
Financial liabilities at amortised cost			
Creditors and other payables	24, 26 & 27	27,131	16,304
Borrowings:			
- secured loans	25	90,000	110,000
Total financial liabilities at amortised cost		117,131	126,304

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 (2020: \$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.

42. TE TUMU FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

43. FAIR VALUE HIERARCHY DISCLOSURES

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

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

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

	VALUATION TECHNIQUE			
	Total	Quoted Market Price	Observable Inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
30 June 2021				
Financial Assets				
Local authority stock	27	27		
Shares	347	347		
Te Tumu investment	12,032			12,032
New Zealand Local Government Funding Agency Ltd	2,986		2,986	
Financial Liabilities				
Derivatives	7,566		7,566	
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	

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
	2021	2020
Balance at 1 July	-	11,003
Gains/(losses) recognised in surplus and deficit	12,032.22	230
Reversal of impairment		
Balance at 30 June	12,032	11,233

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
	2021	2020
Cash at bank and term deposits	25,706	34,489
Debtors and other receivables	13,711	12,273
Local authority and government stock	374	312
New Zealand Local Government Funding Agency	2,986	3,306
Derivative financial instruments	(7,566)	(13,015)
Financial instruments	12,032	11,233
Total credit risk	47,243	48,598

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
	2021	2020
Counterparties with credit ratings		
Cash at bank and term deposits		
A-1+	25,706	34,489
Total cash at bank and term deposits	25,706	34,489
Local authority and government stock		
AA+	2,986	3,306
A	27	26
Total local authority and government stock	3,013	3,332
Derivative financial instrument assets		
AA	-	-
Total derivative financial instruments	-	-
Financial instrument assets		
No rating	12,032	11,233
Total financial instrument assets	12,032	11,233
Counterparties without credit ratings		
Existing assets with no defaults in the past	347	286
Total counterparties without credit ratings	347	286

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 (2020: \$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 2021						
Creditors and other payables	27,131	27,131	27,131	-	-	-
Net settled derivative liabilities	7,566	7,566	(422)	(795)	(3,314)	(3,036)
Secured loans	90,000	126,017	27,982	11,998	49,036	37,001
Total	109,565	145,582	54,691	11,203	45,722	33,965
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

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 2021						
Cash and cash equivalents	25,706	25,706	25,706	-	-	-
Debtors and other receivables	13,711	13,711	13,711	-	-	-
Net settled financial instruments	12,032	10,414	-	-	-	10,414
Other financial assets:						
- Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	-	-	-	-	-	-
- Local authority and government stock	3,013	-	-	-	-	3,013
Total	54,462	49,831	39,417	-	-	13,774
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

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	2021 \$'000				2020 \$'000			
		PROFIT	- 100BPS OTHER EQUITY	PROFIT	+ 100BPS OTHER EQUITY	PROFIT	- 100BPS OTHER EQUITY	PROFIT	+ 100BPS OTHER EQUITY
Financial assets									
Cash and cash equivalents	1	(257)		257		(345)		345	
Financial instruments	2	(120)		120		(112)		112	
Other financial assets:									
- Local authority stock	3		(14)		14		(14)		14
Financial liabilities									
Derivatives - interest rate swaps	4	(10,468)		(4,872)		(16,891)		(9,435)	
Borrowings:									
Debentures	5	(700)		700		(900)		900	
Total sensitivity to interest rate risk		(11,545)	(14)	(3,795)	14	(18,248)	(14)	(8,078)	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:									
- Quoted share investments			(57)		57		(29)		29
Total sensitivity to equity price risk		-	(57)	-	57	-	(29)	-	29

Explanation of sensitivity analysis

1. Cash and cash equivalents

Cash and cash equivalents include deposits on call totalling \$25,706,321 (2020: \$34,489,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$257,063 (2020: \$344,890).

Derivatives

2. Financial instruments

Financial instruments include Te Tumu land purchase totalling \$12.03m (2020: \$11.23m). A movement in interest rates of 1.0% has an effect of \$120,332 (2020: \$110,233) on the unrealised value of the financial instruments.

3. Local authority stock

A total of \$1,120,000 (2020: \$1,466,000) 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 \$12,000 (2020: \$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 \$7.566m (2020: \$13.015m). A movement in interest rates of plus 1.0% has an effect of reducing the swap deficit value by \$10.468m (2020: \$16.891m). A movement in interest rates of minus 1.0% has an effect of increasing the swap deficit value by \$4.872m (2020: \$9.435m).

5. Debentures - secured loans

Council has floating rate debt with a principal amount totalling \$70.0 million (2020: \$90.0m). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$700,000 (2020: \$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 \$290,065 (2020: \$241,000) and Seeka Kiwifruit Industries Limited valued at \$57,000 (2020: \$45,000). 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 \$5,700 (2020: \$4,500).

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 2020/21 and 2021 actuals are as follows:

Statement of Comprehensive Income

Actual 2021 surplus of \$23.911 million versus 2021 budget surplus of \$16.877 million.

A favourable variance of \$51.713 million.

Total revenue was \$10.174 million over budget.

The major contributors to the variance were:

	\$'000
Revenue variances positive / (negative):	
¹ Fees and charges from activities	4,133
² Rates revenue including target water supply rates	(347)
³ Financial contributions	(2,525)
⁴ Vested assets	3,980
⁵ Subsidies & grants	3,134
⁶ Gains	328
¹² Unrealised Hedging movement	413
⁷ Other revenue	1,058
	10,174

Total expenditure was \$8.171 million over budget.

	\$'000
Expenditure positive / (negative):	
⁸ Other expenses	6,271
⁹ Personnel costs	1,070
¹⁰ Depreciation and amortisation	401
¹¹ Finance cost - realised	447
¹² Unrealised Hedging Movement	-
Share of associate surplus	(19)
	8,171

¹ Strong regulatory income relating to user fees received compared to budgeted applications for fees along with, NZTA funding for contributions to the Tauranga Ōmokoroa cycleway project from NZ Community Trust, TCC and NZTA.

² Reduction in rates revenue is primarily due to a reduction in growth for rating units being 0.78% compared to 1.78% budgeted.

³ Financial contributions were lower in 2021 due to slowing down across some activities such as stormwater and Ōmokoroa waste water.

⁴ Vested assets income of \$6.22m is \$3.98m higher than budget this is due to the processing of asset revaluation adjustments, predominantly stormwater ponds which were not held in asset records.

⁵ Subsidies and grant income of \$14.879m was \$3.134m higher than budget of \$11.745m due to timing and availability of capital works eligible for NZTA funding.

⁶ Gains of \$0.413m predominately relates to the revaluation movements of council held assets across most activities.

⁷ Other revenue was \$1.058m higher than budget this is predominately due to movements in rental income, dividend income and forestry income.

⁸ Other expenses were \$6.271 higher than budget due to higher costs associated with delivering operational contracts.

⁹ Personnel costs of \$23.444m was \$1.070m higher than budget of \$22.374m due to unbudgeted vacancies, increased workloads resulting in staff working more hours, new initiatives and new services such as CIP and Kerbside projects.

¹⁰ Depreciation and amortisation costs of \$23.426m is \$0.401 lower than budget of \$23.025m.

¹¹ Finance costs realised of \$0.447m.

¹² Unrealised hedging movement of \$5.448m was unbudgeted.

46. EXPLANATION OF MAJOR VARIANCES (CONTINUED)

Explanations of variances between 2020 and 2021 are as follows:

Statement of Financial Position

Actual net equity of \$1,455.206 million versus \$1,369.298 million in 2020.

There was an increase in overall net equity from actual 2020 of \$85,909 million.

	\$'000
Increase in cash held at year end	(8,783)
Increase in debtors and prepayments	1,439
Decrease in investments and financial assets	560
Increase in non-current assets held for sale	(775)
Decrease in forestry assets	(98)
Increase in intangible assets	49
Increase in property, plant and equipment	130,338
	122,730
Decrease in debt for the year	20,000
Increase in interest rate swap liability	5,448
Decrease in creditors and other payables	(5,718)
Increase in other liabilities	(140)
	19,590
Net movement	142,320

The major variances to prior year were:

- Cash on hand was \$8,783 million lower than last year. This reflects Council's decision to use surplus cash to repay debt in April 2021.
- Property, plant and equipment was \$130,338 million higher than last year. The increase reflects capitalisation of completed projects and revaluation movements.
- Interest Rate Swap liability was \$5,448 million lower than last year. This reflects the reduction in market interest rates over 2020/21.
- Repayment of debt during the year of \$20.00m.

Statement of Cash flows

2021 actual movement was a net decrease in cash held of \$8,783 million versus a budgeted net increase of \$0.209 million and last year actual net increase in cash held of \$4.867 million.

Net cashflows from operating activities of \$44.564 million versus a budgeted net increase of \$37.822 million and last year actual of \$27.499 million.

- Rates revenue has increases by \$0.197 million due to district growth and increased Council budgets requiring rate funding.
- Financial Contributions were \$2.525 million lower than budgeted due to slowing building activity within the District and the timing of receipts.
- Other expenses has increased by \$6.271 million due to increased contractor maintenance expenses and other increases in operating expenses.

Net Cashflows from investing activities of (\$33.347 million) versus (\$37.613 million) budget and last year actual of (\$22.632 million). This is due to the under-delivery of Council's capital expenditure programme of \$7.44 million.

Net Cashflows from financing activities of (\$20.000 million) versus (\$0.000 million) budget and last year actual of (\$0.000 million).

Net cashflows from financing activities are due to repayment of debt during the year.

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 (WHOLE OF COUNCIL)

		ANNUAL PLAN \$'000	ACTUAL \$'000	ANNUAL PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2020	2021	2021
Sources of operating funding					
General rates, uniform annual charges, rates penalties		48,689	49,603	46,325	51,357
Targeted rates		26,519	23,476	28,849	23,470
Subsidies and grants for operating purposes		4,800	5,152	11,745	8,035
Fees and charges		1,530	6,740	6,602	10,305
Interest and dividends from investments		-	346	-	270
Local authority and fuel tax, fines, infringement fees, and other receipts		3,422	4,991	3,076	4,207
Total operating funding	(A)	84,906	90,308	96,597	97,644
Applications of operating funding					
Payments to staff and suppliers		62,637	68,318	64,831	67,534
Finance costs		8,000	6,036	4,146	4,593
Other operating funding applications		-	-	-	4,575
Total applications of operating funding	(B)	70,637	74,354	68,977	76,702
Operating funding - surplus/(deficit)	(A-B)	14,323	15,954	27,620	20,942
Sources of capital funding					
Subsidies and grants for capital expenditure		4,603	6,844	-	6,844
Development and financial contributions		10,498	5,892	10,098	7,572
Increase/(decrease) in debt		11,496	(1,523)	(659)	(7,164)
Gross proceeds from sale of assets		85	2,919	(85)	4,575
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	26,683	14,132	9,353	11,827
Applications of capital funding					
Capital expenditure					
• to meet additional demand		16,575	7,423	15,900	11,707
• to improve the level of service		14,515	15,666	12,141	11,361
• to replace existing assets		12,370	7,257	9,514	9,985
Increase/(decrease) in reserves		(2,454)	(261)	(583)	(265)
Increase/(decrease) in investments		-	(1)	-	(19)
Total applications of capital funding	(D)	41,006	30,085	36,973	32,770
Capital funding - surplus/(deficit)	(C-D)	(14,323)	(15,954)	(27,620)	(20,942)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 (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	2020	2021	2021
Operating funding per Funding Impact Statement	85,890	96,597	97,644
Add: Subsidies and grants for capital expenditure	4,500	-	6,844
Swap revaluation movement	-	-	-
Financial contributions	9,806	10,098	7,572
Fair Value movements in derivative financial instruments	-	-	5,448
Revaluation adjustments	-	-	(118)
Other assets at fair value through other comprehensive revenue and expense	-	-	98
Share of associate surplus/(deficit)	-	-	19
Total	100,196	106,695	117,507
Total Revenue per Statement of Comprehensive Income	102,488	108,934	124,138
Less: Loss on shares adjustment	-	-	-
Less: Asset impairment	-	-	-
Less: Vested Assets	2,292	2,240	6,216
Less: Gains	-	-	413
Total	100,109	106,694	117,509
Variance	-	-	-
Application of operating funding per Funding Impact Statement	67,383	68,977	76,702
Total expenditure per Statement of Comprehensive Income	89,573	92,001	100,246
Less depreciation and amortisation	22,189	23,025	23,426
Less revaluation movement	-	-	118
Less unrealised hedging movement	-	-	-
Less asset impairment/loss on sale	-	-	-
Less other adjustments	-	-	-
Variance	67,383	68,976	76,702
Net Variance	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - REPRESENTATION

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		3,415	3,578	3,176
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	2
Internal charges and overhead costs recovered		849	879	718
Local authority and fuel tax, fines, infringement fees, and other receipts		77	-	1
Total operating funding	(A)	4,340	4,457	3,897
Applications of operating funding				
Payments to staff and suppliers		2,105	2,151	1,732
Finance costs		-	-	-
Internal charges and overhead costs applied		2,222	2,298	2,092
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	4,328	4,449	3,824
Operating funding - surplus/(deficit)	(A-B)	12	9	73
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		12	9	73
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	12	9	73
Capital funding - surplus/(deficit)	(C-D)	(12)	(9)	(73)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - PLANNING FOR THE FUTURE

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2,567	2,614	2,834
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)	2,580	2,628	2,847
Applications of operating funding				
Payments to staff and suppliers		1,754	1,763	1,781
Finance costs		(172)	(181)	(16)
Internal charges and overhead costs applied		809	847	958
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,391	2,429	2,723
Operating funding - surplus/(deficit)	(A-B)	189	198	124
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		189	198	124
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	189	198	124
Capital funding - surplus/(deficit)	(C-D)	(189)	(198)	(124)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - COMMUNITIES

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		4,790	4,921	4,666
Targeted rates		1,879	1,913	2,179
Subsidies and grants for operating purposes		-	-	160
Fees and charges		77	78	110
Internal charges and overhead costs recovered		901	941	1,059
Local authority and fuel tax, fines, infringement fees, and other receipts		499	513	536
Total operating funding	(A)	8,146	8,366	8,710
Applications of operating funding				
Payments to staff and suppliers		4,733	4,739	4,939
Finance costs		54	49	26
Internal charges and overhead costs applied		2,864	3,031	3,070
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	7,650	7,819	8,035
Operating funding - surplus/(deficit)	(A-B)	496	547	675
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		73	581	105
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	73	581	105
Applications of capital funding				
Capital expenditure				
• to meet additional demand		79	916	330
• to improve the level of service		-	-	-
• to replace existing assets		377	394	372
Increase/(decrease) in reserves		113	(182)	78
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	569	1,128	780
Capital funding - surplus/(deficit)	(C-D)	(496)	(547)	(675)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - RECREATION AND LEISURE

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		6,784	7,169	7,079
Targeted rates		23	28	-
Subsidies and grants for operating purposes		153	-	566
Fees and charges		24	25	10
Internal charges and overhead costs recovered		1,421	1,491	1,482
Local authority and fuel tax, fines, infringement fees, and other receipts		752	770	1,273
Total operating funding	(A)	9,157	9,484	10,410
Applications of operating funding				
Payments to staff and suppliers		4,516	5,151	6,584
Finance costs		(134)	(110)	(327)
Internal charges and overhead costs applied		25,56	2,692	2,537
Other operating funding applications		-	-	183
Total applications of operating funding	(B)	6,938	7,733	8,977
Operating funding - surplus/(deficit)	(A-B)	2,219	1,751	1,433
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		2,173	2,297	1,885
Increase/(decrease) in debt		591	198	2,958
Gross proceeds from sale of assets		-	-	183
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	2,763	2,495	5,026
Applications of capital funding				
Capital expenditure				
• to meet additional demand		2,168	946	4,124
• to improve the level of service		378	333	541
• to replace existing assets		1,471	1,447	727
Increase/(decrease) in reserves		966	1,520	1,067
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	4,983	4,247	6,459
Capital funding - surplus/(deficit)	(C-D)	(2,219)	(1,751)	(1,433)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - REGULATORY SERVICES

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2,621	2,536	3,185
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		6,170	6,420	7,103
Internal charges and overhead costs recovered		-	-	773
Local authority and fuel tax, fines, infringement fees, and other receipts		90	90	925
Total operating funding	(A)	8,881	9,046	11,986
Applications of operating funding				
Payments to staff and suppliers		6,045	6,007	8,006
Finance costs		(11)	(11)	(8)
Internal charges and overhead costs applied		2,767	2,931	3,895
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	8,801	8,927	11,893
Operating funding - surplus/(deficit)	(A-B)	80	119	93
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		91	119	93
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	91	119	93
Capital funding - surplus/(deficit)	(C-D)	(80)	(119)	(93)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - STORMWATER

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,372	1,429	983
Targeted rates		4,321	4,508	4,391
Subsidies and grants for operating purposes		38	-	568
Fees and charges		-	-	3
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	2
Total operating funding	(A)	5,731	5,937	5,947
Applications of operating funding				
Payments to staff and suppliers		961	914	826
Finance costs		1,344	1,491	779
Internal charges and overhead costs applied		549	571	695
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,854	2,976	2,300
Operating funding - surplus/(deficit)	(A-B)	2,877	2,961	3,647
Sources of capital funding				
Subsidies and grants for capital expenditure		-	1,476	-
Development and financial contributions		1,351	2,174	613
Increase/(decrease) in debt		2,324	-	(2,180)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	3,676	3,650	(1,567)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		3,008	2,648	1,080
• to improve the level of service		2,858	3,456	725
• to replace existing assets		687	507	275
Increase/(decrease) in reserves		-	-	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	6,553	6,611	2,080
Capital funding - surplus/(deficit)	(C-D)	(2,877)	(2,961)	(3,647)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - TRANSPORTATION

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	-	-
Targeted rates		13,695	14,042	13,215
Subsidies and grants for operating purposes		4,327	4,448	5,229
Fees and charges		10	10	2,342
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		267	273	9
Total operating funding	(A)	18,300	18,774	20,795
Applications of operating funding				
Payments to staff and suppliers		9,157	9,354	10,233
Finance costs		1,052	1,108	22
Internal charges and overhead costs applied		1,474	1,561	1,537
Other operating funding applications		-	-	502
Total applications of operating funding	(B)	11,683	12,023	12,294
Operating funding - surplus/(deficit)	(A-B)	6,616	6,751	8,501
Sources of capital funding				
Subsidies and grants for capital expenditure		4,500	4,603	6,844
Development and financial contributions		2,671	2,876	2,581
Increase/(decrease) in debt		1,490	(901)	(3,401)
Gross proceeds from sale of assets		-	-	502
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	8,661	6,579	6,526
Applications of capital funding				
Capital expenditure				
• to meet additional demand		5,970	4,023	4,541
• to improve the level of service		4,379	4,721	8,415
• to replace existing assets		4,898	4,559	1,739
Increase/(decrease) in reserves		30	27	332
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	15,277	13,330	15,027
Capital funding - surplus/(deficit)	(C-D)	(6,616)	(6,751)	(8,501)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - WATER SUPPLY

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	11,431	12,613
Targeted rates		10,950	-	155
Subsidies and grants for operating purposes		62	-	627
Fees and charges		-	-	138
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	72
Total operating funding	(A)	11,012	11,431	13,605
Applications of operating funding				
Payments to staff and suppliers		5,311	5,462	6,392
Finance costs		1,773	1,986	1,008
Internal charges and overhead costs applied		2,037	2,142	2,251
Other operating funding applications		-	-	3,451
Total applications of operating funding	(B)	9,121	9,590	13,102
Operating funding - surplus/(deficit)	(A-B)	1,891	1,841	503
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,505	1,641	1,111
Increase/(decrease) in debt		3,676	2162	(816)
Gross proceeds from sale of assets		-	-	3,451
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	5,181	3,803	3,746
Applications of capital funding				
Capital expenditure				
• to meet additional demand		3,971	2,787	761
• to improve the level of service		149	73	614
• to replace existing assets		2,951	2,784	2,874
Increase/(decrease) in reserves		-	-	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	7,071	5,644	4,249
Capital funding - surplus/(deficit)	(C-D)	(1,891)	(1,841)	(503)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - NATURAL ENVIRONMENT

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		238	251	197
Targeted rates		466	477	559
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)	704	728	756
Applications of operating funding				
Payments to staff and suppliers		852	871	944
Finance costs		(27)	(27)	(96)
Internal charges and overhead costs applied		79	85	81
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	904	928	929
Operating funding - surplus/(deficit)	(A-B)	(200)	(200)	(173)
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		221	229	119
Increase/(decrease) in debt		18	21	19
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	239	251	138
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		40	50	(35)
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	40	50	(35)
Capital funding - surplus/(deficit)	(C-D)	200	200	173
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - WASTEWATER

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,965	2,000	12,085
Targeted rates		10,888	11,441	414
Subsidies and grants for operating purposes		-	-	665
Fees and charges		2	2	206
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	45
Total operating funding	(A)	12,855	13,443	13,415
Applications of operating funding				
Payments to staff and suppliers		4,371	4,469	4,736
Finance costs		3,104	3,212	1,889
Internal charges and overhead costs applied		2,037	2,031	1,957
Other operating funding applications		-	-	560
Total applications of operating funding	(B)	9,512	9,713	9,142
Operating funding - surplus/(deficit)	(A-B)	3,344	3,730	4,273
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,885	1,952	1,264
Increase/(decrease) in debt		1,860	(3,822)	(3,140)
Gross proceeds from sale of assets		-	-	560
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	3,745	(1,870)	(1,316)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		4,584	-	190
• to improve the level of service		625	126	340
• to replace existing assets		1,931	1,839	2,414
Increase/(decrease) in reserves		(51)	(105)	13
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	7,089	1,860	2,957
Capital funding - surplus/(deficit)	(C-D)	(3,344)	(3,730)	(4,273)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - SOLID WASTE

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		708	745	554
Targeted rates		1,247	1,299	1,291
Subsidies and grants for operating purposes		126	(709)	220
Fees and charges		94	99	133
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		34	35	59
Total operating funding	(A)	2,209	1,468	2,257
Applications of operating funding				
Payments to staff and suppliers		1,524	1,501	1,432
Finance costs		(18)	(19)	(50)
Internal charges and overhead costs applied		597	624	479
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,103	2,106	1,861
Operating funding - surplus/(deficit)	(A-B)	107	(638)	396
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(5)	703	(396)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(5)	703	(396)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	52	-
• to improve the level of service		95	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		6	13	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	101	65	-
Capital funding - surplus/(deficit)	(C-D)	(107)	638	(396)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - ECONOMIC DEVELOPMENT

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		782	807	489
Targeted rates		329	338	321
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)	1,114	1,147	810
Applications of operating funding				
Payments to staff and suppliers		693	712	689
Finance costs		(92)	(97)	(54)
Internal charges and overhead costs applied		104	109	93
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	706	724	728
Operating funding - surplus/(deficit)	(A-B)	408	423	82
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(30)	(32)	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(30)	(32)	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand		929	690	6
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		(551)	(300)	95
Increase/(decrease) in investments		-	-	(19)
Total applications of capital funding	(D)	378	391	82
Capital funding - surplus/(deficit)	(C-D)	(408)	(423)	(82)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2021 - SUPPORT SERVICES

		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
For the years ended 30 June		2020	2021	2021
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,265	1,728	3,498
Targeted rates		937	957	930
Subsidies and grants for operating purposes		-	-	-
Fees and charges		330	337	259
Internal charges and overhead costs recovered		17,404	18,222	18,452
Local authority and fuel tax, fines, infringement fees, and other receipts		1,498	1,133	1,552
Total operating funding	(A)	21,434	22,377	24,691
Applications of operating funding				
Payments to staff and suppliers		17,361	17,927	19,240
Finance costs		1,126	(394)	1,418
Internal charges and overhead costs applied		2,482	2,614	2,840
Other operating funding applications		-	-	(121)
Total applications of operating funding	(B)	20,969	20,147	23,377
Operating funding - surplus/(deficit)	(A-B)	465	2,230	1,314
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		1,118	(66)	(313)
Gross proceeds from sale of assets		87	89	(121)
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	1,205	23	(434)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		204	72	675
• to improve the level of service		943	702	726
• to replace existing assets		1,018	1,034	1,584
Increase/(decrease) in reserves		(496)	444	(2,105)
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	1,670	2,252	880
Capital funding - surplus/(deficit)	(C-D)	(465)	(2,230)	(1,314)
Funding balance	((A-B) + (C-D))	-	-	-



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