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# Annual Report

For the year ending 30 June 2021





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# INTRODUCTION



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# INTRODUCTION

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# MESSAGE FROM THE MAYOR

For year ended 30 June 2021

***As everyone continues to adapt to the impacts of the global pandemic Council has worked hard to keep our District thriving by making key decisions that preserve the Western Bay for future generations.***

Growth in particular continues to have a huge impact on the Western Bay given we remain one of the most attractive places to live in New Zealand, with an estimated population of 57,355 in 2021. That is projected to grow to 71,367 in 2051, bringing another 14,012 people to our District.

This growth is evident in a 17 percent increase in building consent applications from the previous year, with 1347 applications worth \$341m in the year to 30 June 2021 compared to 1148 worth \$220m the previous year. It is critical we do all we can to accommodate this growth in light of the national housing shortage and that means we must continue to invest in infrastructure and to plan for more growth.

Growth comes in many forms – it's not just about numbers but also about relationships. Looking back on the past year I want to highlight the monumental step forward Council made when we agreed to return the eastern end of Matakana Island (known as Panepane Purakau) to its ancestral owners. Not only was it the right thing to do, but Council's unanimous decision shows that with open minds and a will to find solutions, good outcomes can be achieved for everyone.

The benefits of collaborative, inclusive, open working relationships with iwi and the public were shown during this work, which produced a record level of feedback to the eventual proposal. The project team received national recognition as they took out the Supreme Award at the 2021 LGFA Taituarā Local Government Excellence Awards along with the Minister of Local Government's Award for Excellence in Council/Community Relations.

We remain committed to having free and frank discussions with our communities to achieve meaningful outcomes.

## **Saying hello to our future District**

During the year we completed our Long Term Plan 2021-2031, and held some fantastic community events to get your thoughts on the key proposals in the Plan.

The discussions we had across three phases of community engagement on the Plan produced a record 44,206 pieces of feedback. So thank you for your input.

We believe the resulting Long Term Plan is a balance of the competing tensions between investment in critical infrastructure, rates affordability and responding to the many community requests for funding and projects.

## **Celebrating our successes**

In the last 12 months Council has celebrated many other achievements. Some highlights include:

- Rolling out Council's new kerbside rubbish and recycling collection service to nearly 17,500 eligible households. The new rates-funded service is designed to increase the amount of material diverted from landfill by about 60 percent – around 1800 tonnes a year.
- Completing the Ōmokoroa Sports Pavilion and Library, at Western Avenue, in conjunction with the Ōmokoroa Sports and Recreation Society.
- Opening the new regional digital hub in The Centre – Pātuki Manawa, Katikati. This is the first digital hub for the sub-region and was funded through central government's Provincial Growth Fund with a funding package for digital connectivity.
- Completing 5.1 km of seal extensions, 6.45 km of pavement rehabilitation, and 2.2 km of new footpaths.
- Launching an e-plan for the District Plan, to help make things easier for customers.

## **Financially prudent**

Despite a complex year of activities Council's financial position remains strong thanks to a reduction in debt, good financial performance and positive fiscal outlook.

### **Key highlights include:**

A \$4.8 million increase in subsidies and grants as a result of Crown Infrastructure Partners funding, as well as a \$4 million increase in Fees and Charges due to increased commercial activity in the District.

An \$11.2 million reduction in our net debt, from \$75.5 million to \$64.3 million today.

A \$61.9 million non-cash gain resulting from an appreciation in value of our assets as a result of the revaluation process which happens every three years. The revaluation process includes an analysis of market movements and replacement costs for Council's land, building and equipment.

In September 2021 international credit rating agency Standard & Poor's (S&P) retained Council's AA credit rating. This is despite a planned investment of \$168 million in infrastructure projects during 2022-2024 (partly funded by debt) – as signalled in the Long Term Plan 2021-2031.

A strong and stable credit rating in the face of a large capital expenditure programme, and the impact of COVID-19, shows our investment approach is sound.

The stable outlook reflects Council's commitment to continue to prudently manage our budgetary performance and debt levels over the next two years as we deliver a higher capital expenditure.

### Planning for change

Looking forward we will continue to pay close attention to the major policy reforms currently underway: Three Waters, Resource Management, and the Future for Local Government Review.

We are working hard with clear goals, financial prudence, and careful planning to ensure the Western Bay prospers through the coming changes.

While there is still uncertainty about what the future of local government will look like, we are committed to delivering better public services, in partnership with others. Whether it is maintaining our roads, rubbish and recycling, or complying with drinking water standards, what we do now sets up our communities in the future.

These are interesting times, but I believe with change comes great opportunity. Whatever the future may hold, I can assure you Western Bay of Plenty District Council will be ready.

**My sincere thanks to elected members and Council staff for their expertise and efforts to maintain our Council as a well performing organisation during what was a challenging year, and keeping service to our communities top of mind.**



**Garry Webber**  
Mayor  
Western Bay of Plenty District Council



# OUR DISTRICT - KEY FACTS

## Demographics

The Asian ethnicity in the **Katikati/Waihi Beach Ward** increased from 606 people in 2013 to 816 people in 2018 (+35%), while the Pacific People ethnicity increased from 342 people to 432 people (+26%) for the same period.

**40%** of households in the **Katikati-Waihi Beach Ward** were couples compared to New Zealand (NZ) with 26%, in the 2018 Census.

The District has a warm, sunny climate with an average of 2346 sunshine hours per year.

The District has a moderate rainfall of 1200 - 2400 mm per year.



**Over 90%** of the people in the **Kaimai Ward** indicated they were of European ethnicity in 2018.

**15%** indicated they were Māori in the **Kaimai Ward** for the same period.

**28%** of the people in the **Maketu/Te Puke Ward** indicated they were of Māori ethnicity in 2018. 12% indicated they were Asian.

**50% increase** The Asian and Pacific ethnicities increased in the **Maketu/Te Puke Ward** by 50% or over from the 2013 to 2018 Census.

Agriculture and horticulture are the main economic drivers of the Western Bay of Plenty District and the greater Tauranga and Western Bay sub-region.

### The District as a whole (snapshot)

**19% of the population in the District are less than 15-years-old** very close to the national average of 20%.

**21% of residents in the District are over 65-years-old** higher than the national average of 15%

**19% of the District's population identify themselves as Māori** which is higher than the national average of 17%

### The future

In 2021, the estimated population of the Western Bay of Plenty District is 57,355. **This is projected to grow to 71,367 in 2051,**

Population statistics on this page are from the 2018 Census.



# The economy

## Employment

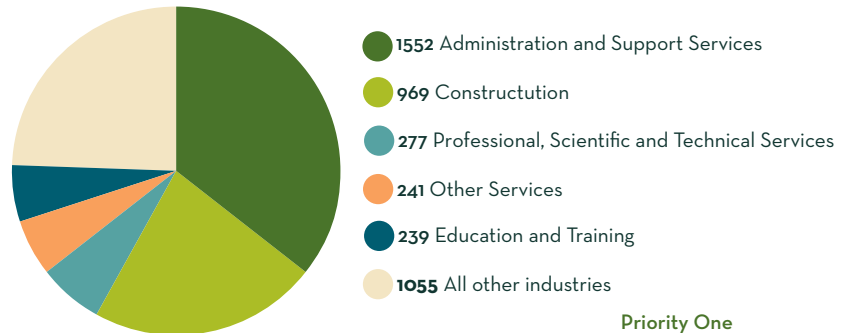
### Employment growth 2020

2.9% growth in employment vs 1.6% nationally.

Filled jobs are up by more than 560 to almost 24,560 jobs in the District, compared to 24,000 in 2019.

Priority One  
as at December 2020

### Industries that created most jobs 2010-2020



Priority One  
as at December 2020

## Economy

### Gross domestic product 2020

1.9% Annual GDP growth vs 1.6% national average.

GDP is over \$2.3 billion, with \$254 million growth in the last year.

Priority One  
as at December 2020

## Building industry

2020/2021 building consent value of \$341m vs \$220m in 2019/2020.

97.3 new dwelling approvals per 10,000 population vs 87.1 nationally (June 2021).

## Primary sector

### Kiwifruit

Nationally kiwifruit grower returns up 15% in 2020 to \$2.25 billion. Earnings are spread through many regions, including the Bay of Plenty.

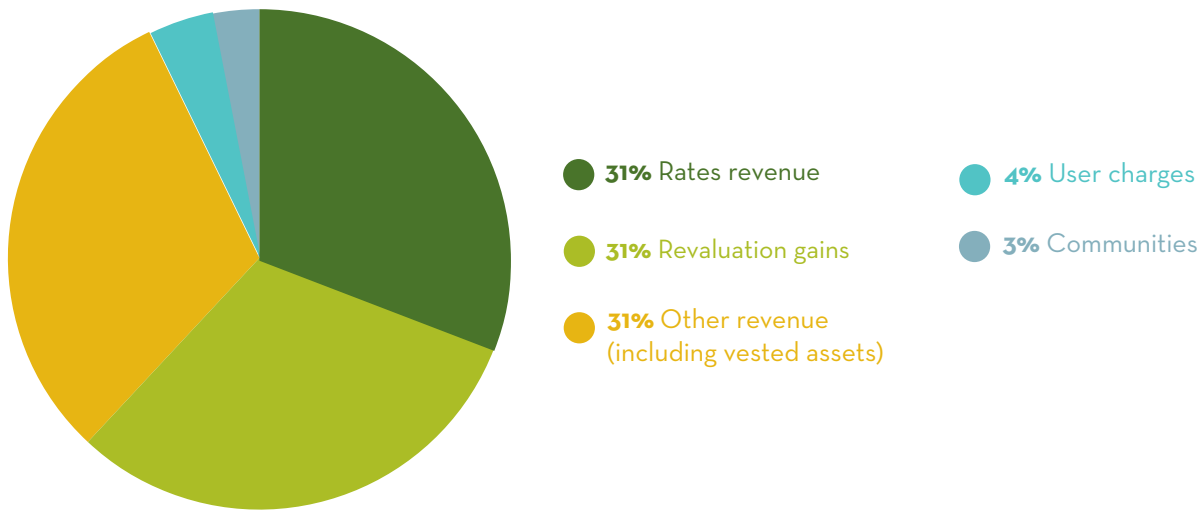
### Avocado

Avocado returns were \$227m in 2020/21 which exceeded expectations due to Covid lockdowns and freight disruptions. 54% of New Zealand's avocado production came from the Bay of Plenty region.

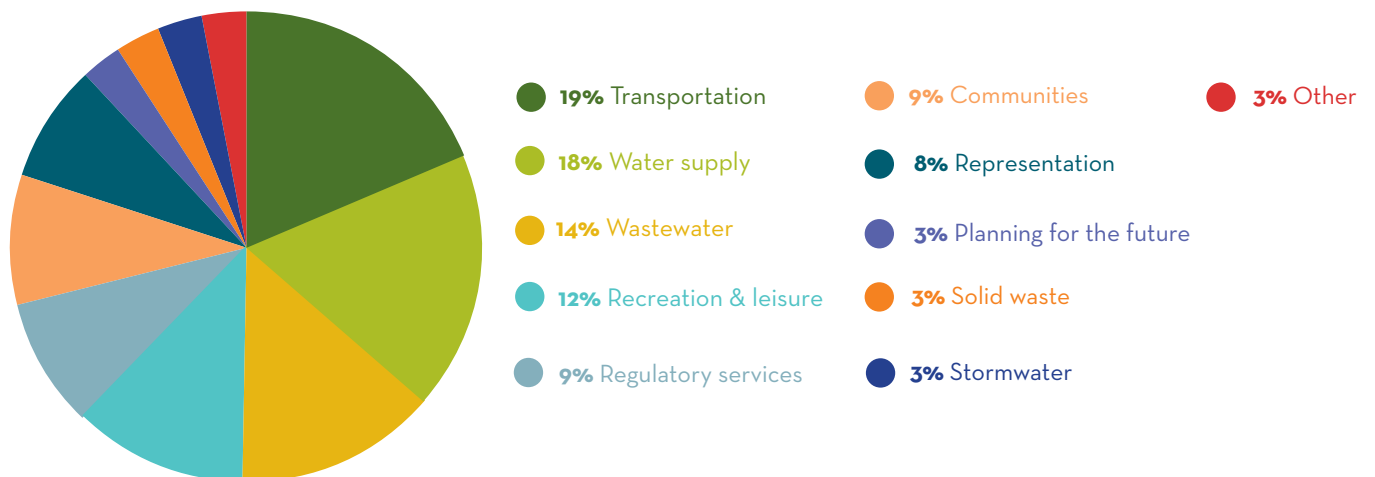
# FINANCE SUMMARY OVERVIEW

Western Bay Council has reported a net surplus of \$23.9 million compared with a budgeted operating surplus of \$16.9 million. The major contributor to this increased surplus was financial contributions and vested assets.

## Council Revenue 2020/21 (excluding vested assets) \$117.9 million



## Council Operating Expenditure 2020/21 \$100.2 million



# The Council

Council currently owns

**\$1.51 billion**

worth of physical assets as at 30 June 2021, compared to \$1.43 billion as at 30 June 2020.

Net debt is:

**\$64.2 million**

as at 30 June 2021, compared to \$76 million as at 30 June 2020.

Overall the District has equity of

**\$1.46 billion**

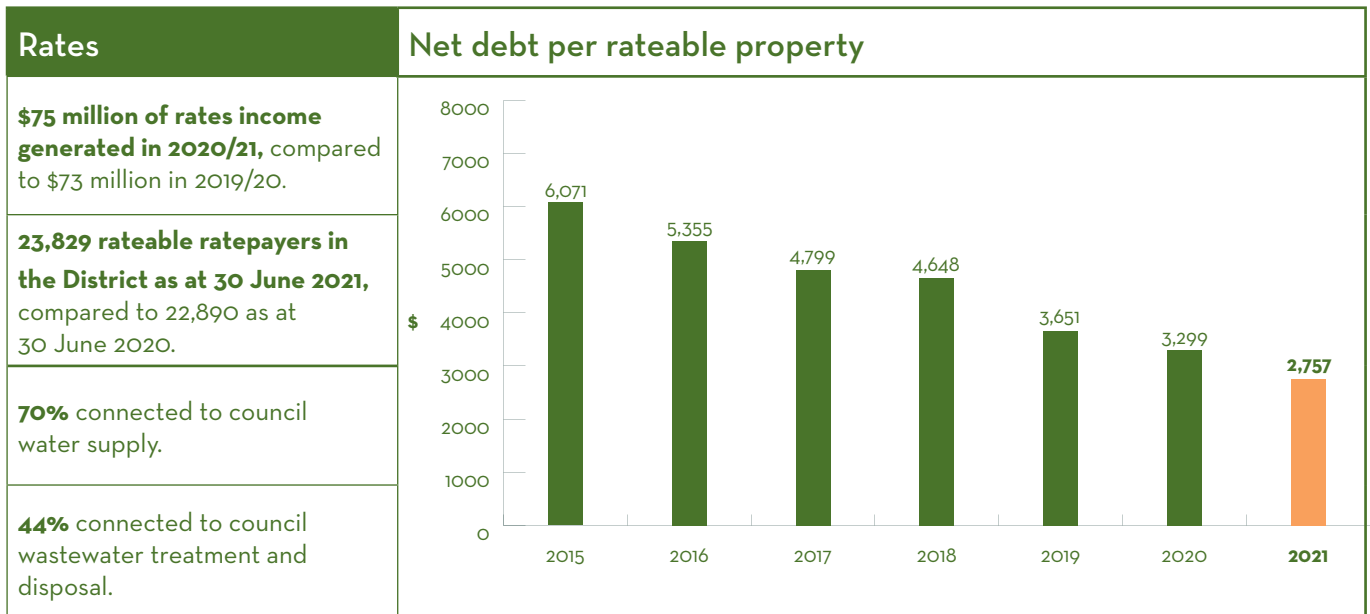
as at 30 June 2021 compared to \$1.37 billion as at 30 June 2020.

**\$33 million**

of capital expenditure was spent on infrastructure and assets in 2020/21, compared to \$30 million in 2019/20

**\$124.1 million**

of total income generated in 2020/21, compared to \$110.2 million in 2019/20.



# ROLE OF THIS ANNUAL REPORT

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

## PLANNING AND REPORTING FRAMEWORK

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

### LONG TERM PLAN (LTP)

**(Section 93 of the Local Government Act 2002)** identifies Western Bay Council's plans for the Western Bay over a 10 year period. It is reviewed every three years. Western Bay Council's latest LTP was agreed in 2021 and comes into effect on 1 July 2021..

### ANNUAL PLAN

**(Section 95 of the Local Government Act 2002)** is produced in the two intervening years between each LTP. It outlines any significant changes Council has made to the LTP and contains the annual budget.

## ANNUAL REPORT

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

## SUMMARY ANNUAL REPORT

**(Section 98 (4)(b) of the Local Government Act)** provides a summary of information contained in Council's Annual Report.

## Bringing the planning process together

### Community Outcomes

How the Community wants the District to be.

### Long Term Plan

How the council will go about achieving the Community Outcomes.

### Annual Report

What was achieved.

### Annual Plan

Annual Budget.

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# STATEMENT OF COMPLIANCE

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



**Garry Webber**  
Mayor



**John Holyoake**  
Chief Executive Officer

CHAPTER ONE

01

OVERVIEW



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# CHAPTER ONE

Overview of Western Bay of Plenty District Council's Performance 2020/21	14
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# OVERVIEW OF WESTERN BAY OF PLENTY DISTRICT COUNCIL'S PERFORMANCE 2020/21

## Council's five year financial performance summary

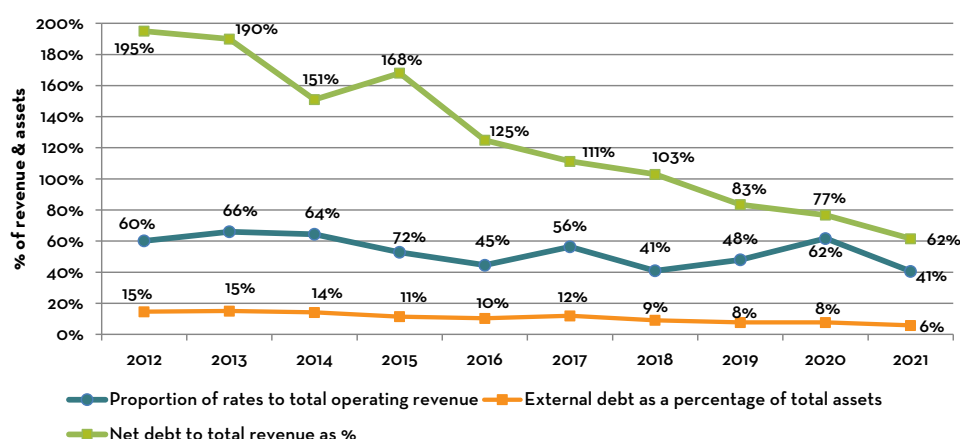
Financial performance	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000
Rate revenue (excluding water by meter)	59,892	60,958	64,128	68,468	68,446
Vested assets revenue	3,658	10,965	15,891	5,940	6,216
Financial contributions revenue	10,993	9,506	18,605	5,892	7,572
Total expenditure	80,454	82,682	92,580	95,297	100,246
Total operating revenue	106,247	148,997	133,762	110,213	124,138
Operating surplus/(deficit)	25,587	66,299	41,186	14,917	68,590
Capital expenditure	26,826	38,377	34,919	30,347	33,246
Working capital/(deficit)	(12,663)	(4,054)	19,308	28,913	14,884
Total external debt	150,000	125,000	110,000	110,000	90,000
Net external debt	100,221	98,267	80,378	75,511	64,294
Property, Plant and Equipment	1,248,923	1,374,476	1,427,988	1,433,452	1,510,097
Short term investments	35,000	14,983	-	-	-
Cash on hand	14,779	11,750	29,622	34,489	25,706

## Council's five year financial statistics summary

Financial statistics	2017	2018	2019	2020	2021
<sup>1</sup> Proportion of rates to revenue	56%	41%	48%	62%	41%
Total external debt as a percentage of total assets	12%	9%	8%	8%	6%
External debt per rateable property (\$'000s)	7.18	5.91	5.00	4.80	3.86
Net external debt per rateable property (\$'000)	4.80	4.65	3.65	3.30	2.76
<sup>2</sup> Net debt to revenue as a percentage	111%	103%	83%	77%	62%
Total capital value of rating units within the District (\$m)	14,820	19,655	20,391	27,524	27,524
Total land value of rating units within the District (\$m)	7,851	10,783	10,755	14,984	14,984
Rateable properties	20,884	21,144	22,016	22,890	23,320

## Treasury ratios

## Council's five year financial statistics summary





## Service delivery performance

Western Bay Council has structured its activities into 12 groups which comprise a total of 32 activities. The 12 Activity Groups provide the main means of delivering Western Bay Council's services and work programmes. Our Achievements section of this document (from page 28 provides a detailed assessment of how well Western Bay Council's activities performed during 2020/21).

### Performance against 2020/21 targets

The Long Term Plan 2018 - 2028 identifies performance measures and targets for each activity. These measures reflect the diversity of the activities and were developed from a range of sources. Opportunities to benchmark Western Bay Council activities with other local authorities or external agencies have been used where data is available.

Our Achievements section provides detailed financial and non-financial results for each activity. A summary of Western Bay Council's performance against the 2020/21 targets is shown in the table below.

Activity Group	Target met	Partial met	Not met	Not measured	Total
Representation	11		7	1	18
Planning for the future	2		2	1	4
Communities	17		5	1	22
Recreation and leisure	8	1	6	1	15
Regulatory services	10	2	6	1	18
Stormwater	14				14
Transportation	10		3		13
Water supply	11	1	2		14
Natural environment	3		4		7
Wastewater	12		2		14
Solid Waste	4		2	1	6
Economic development	3		2		5



#### Targets Met

Target has been achieved.

105  
(70%)



#### Targets partially met

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

4  
(3%)



#### Targets not met

Target was not achieved.

41  
(27%)

**156**  
measures  
in total  
for 2020/21.

# REPORT ON DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO DECISION MAKING 2020/21

ON-GOING PROCESSES		
<b>Māori representation arrangements</b>	Te Ihu o te Waka o Te Arawa	The Tauranga Moana and Te Arawa ki Takutai Partnership Forum has been disestablished after the iwi and hapū members of the forum decided on a new representation arrangement.
	Te Kāhui Mana Whenua o Tauranga Moana	<p>Te Ihu o te Waka o Te Arawa represents a group of the iwi and hapū of coastal Te Arawa. They have entered into a Kawenata (covenant) with Council outlining the relationship they want to have with Council.</p> <p>Te Kāhui Mana Whenua o Tauranga Moana representing a group of iwi and hapū of Tauranga Moana are developing a similar relationship document to govern their relationship with Council.</p>
<b>Formal relationship agreements</b>	Te Ihu o te Waka o Te Arawa Kawenata	<p>The Kawenata described above was developed by iwi and hapū of coastal Te Arawa and presented to the Mayor and Councillors at a hui held at Tia Marae, Rangiuru. The Kawenata was subsequently adopted in principle both at the Marae and at a formal meeting of Council.</p> <p>The Kawenata outlines the iwi and hapū covered by the agreement, together with the members of Council that will meet with those iwi and hapū to discuss matters of significance for them.</p>
	Tangata Whenua Consultation Guidelines	Status quo
<b>Engagement with Māori communities</b>	Consultation Protocols	As above.
	Marae Sustainability Initiatives Fund Marae Wastewater improvement project	<p>The Marae Sustainability Initiatives Fund continues to provide support to Marae initiatives within our district. An example of funding this year saw the road leading to Te Rereatukahia Marae sealed to allow better access for those using the Marae.</p> <p>Council successfully applied for central government funding to support a project to improve the wastewater infrastructure at Marae in the Western Bay. This project has seen new septic tanks systems installed at three Marae so far and two connected to Council's reticulated wastewater system. The project is continuing to work with other Marae to provide them with the same.</p> <p>Council provides a small fund to support cultural events and initiatives, including Waitangi day commemorations, kapahaka festivals and local festivals. Covid lockdowns have affected some of the events that are typically supported by this fund.</p>

## ON-GOING PROCESSES

<p><b>Co-management regimes</b></p> <ul style="list-style-type: none"> <li>• Papamoa Hills Cultural Heritage Regional Park</li> <li>• TECT All Terrain Park</li> <li>• Panepane Point</li> <li>• Tauriko for Tomorrow</li> <li>• Eastern Corridor Urban Growth</li> </ul>		<p>Council is represented on Te Maru o Kaituna (the statutory co-governance established over the Kaituna River).</p> <p>Council will be represented on the Tauranga Moana Harbour co-governance body which has yet to be established.</p> <p>Council is continuing to work towards an agreement that would provide for the transfer of ownership of Panepane/Purakau to an entity representative of relevant tangata whenua subject to certain principles being agreed including the retention of access to harbour navigational aids and that the land be used for protecting the harbour from erosion.</p> <p>A Panepane project group was established to progress the above resolution. This project group is made up of Council staff and representatives of the five hapū of Matakana and Rangiwaia Islands. Work on this matter is ongoing and will ultimately involve a formal community consultation process.</p> <p>The Western Bay of Plenty District Council, Tauranga District Council, Bay of Plenty Regional Council and New Zealand Transport Agency have agreed to progress urban development for the Tauriko West Urban Growth Area within the Western Corridor. One proposed element to achieve the above was a territorial boundary alteration which was initiated by the Western Bay of Plenty District Council to transfer an area of the Western Bay of Plenty District into Tauranga City. A working group comprising the three Councils, NZTA and local hapū was formed which is called, Te Kauae-a-Roopu. This group is progressing the development.</p> <p>A similar undertaking which has been initiated by SmartGrowth and actioned by the Western Bay of Plenty District Council to look at urban development in the Eastern side of the District which will be known as the “Eastern Corridor Urban Growth”. Consultation with local hapū/iwi of Te Arawa is presently underway to see if they agree with development within their rohe before a formal working group is established with Western Bay of Plenty District Council and local hapū/iwi.</p>
<p><b>SmartGrowth</b></p>	<p>Combined Tangata Whenua (CTWF)</p>	<p>The Māori Relationships and Engagement Advisor provides support to the SmartGrowth Combined Tangata Whenua Forum, through attendance at meetings and advocating within Council relevant issues raised by the Forum.</p> <p>The Māori Relationships and Engagement Advisor together with colleagues from Tauranga City Council and Bay of Plenty Regional Council meets with CTWF members that are on the SmartGrowth Leadership Group to provide support to those members where needed.</p>
<p><b>Policy Development</b></p>	<p>Input to reviews of policies and strategies through Māori Forum workshops.</p>	<p>Council undertook engagement on its Long Term Plan with Tangata Whenua, in particular those that have iwi and hapū that have management plans with us. The feedback saw changes to some of our Council initiatives such as an increase of our iwi hapū management plan fund to \$75,000.00 per annum and a change in the approach to how the fund is spent, which now allows support for implementing the projects in a iwi/hapū management plan.</p>
<p><b>Strategic Planning</b></p>	<p>Hapū and Iwi management plans</p>	<p>Status quo.</p>

# ANNUAL REPORT DISCLOSURE STATEMENT 2020/21

## Annual Report disclosure Statement for the year ended 30 June 2021

### What is the purpose of this statement

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

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

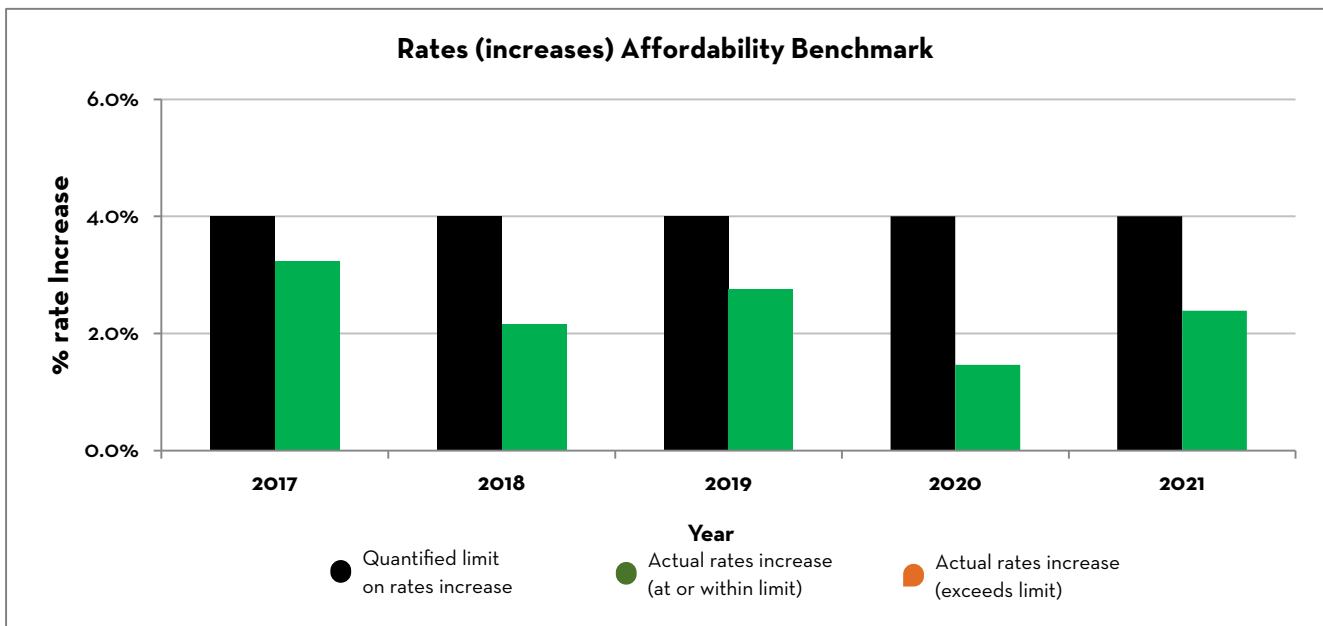
Page 23-24 provides a breakdown of how these benchmarks were calculated for 2020 and 2021.

### Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

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

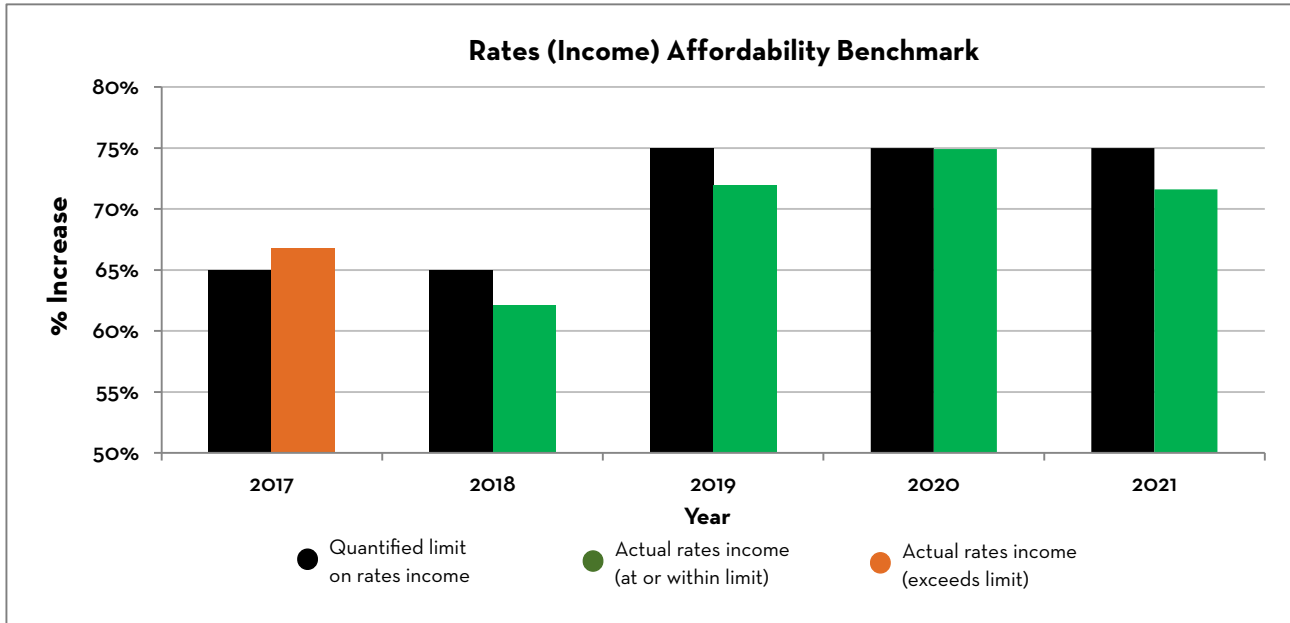
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit for 2021 is 4%.



**Rates (Income) Affordability Benchmark**

The following graph compares the council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long-term plan. The quantified limit is that rates will be no more than 75% of revenue. Revenue is defined as total revenue as per the Statement of Comprehensive Revenue and Expenditure less Financial Contributions, Gains and Vested Assets.

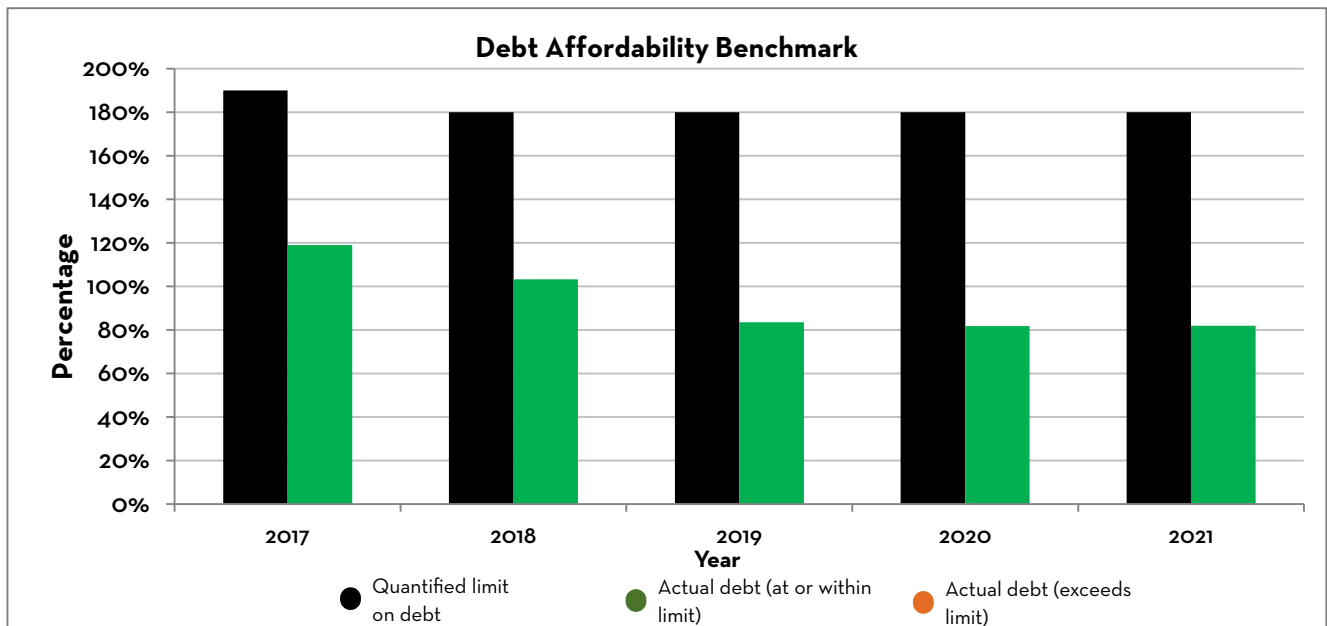
Note: the benchmark was changed during the 2018-28 Long Term Plan to be no more than 75% of revenue (Prior: more than 65%).



**Debt Affordability Benchmark**

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

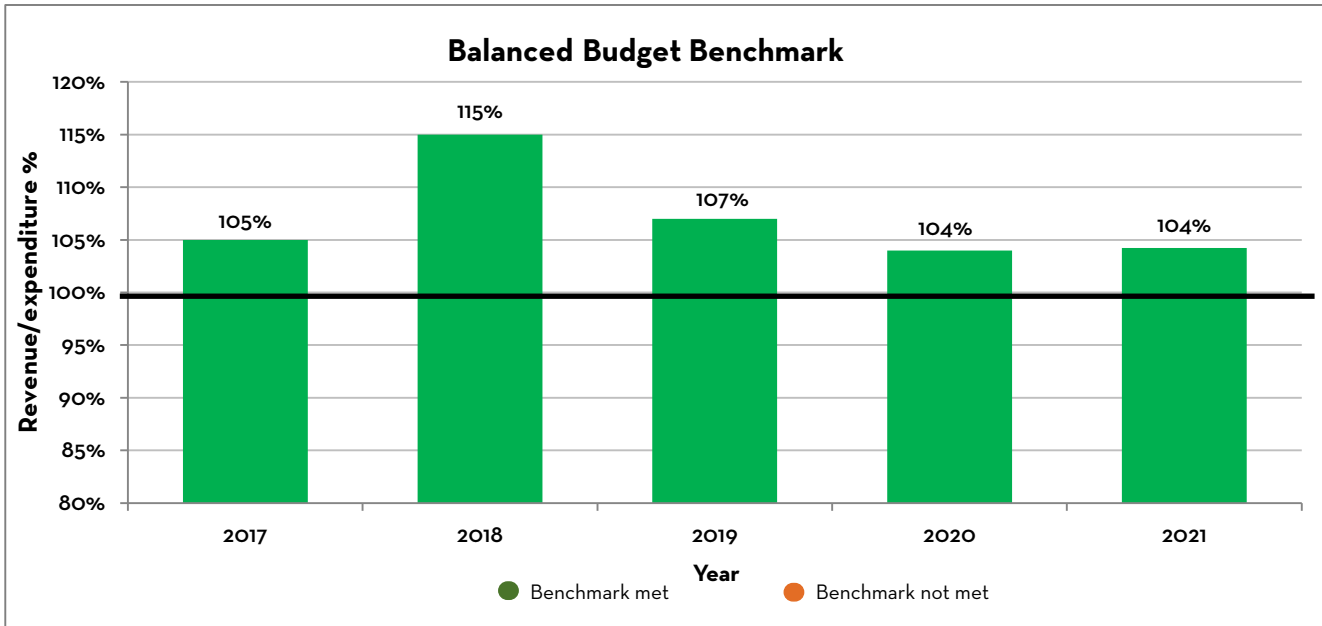
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s long-term plan. The quantified limit is that debt will not exceed 180% of revenue from 2018 onwards, reduced from 190% in 2017 and 200% in previous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



### Balanced budget benchmark

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

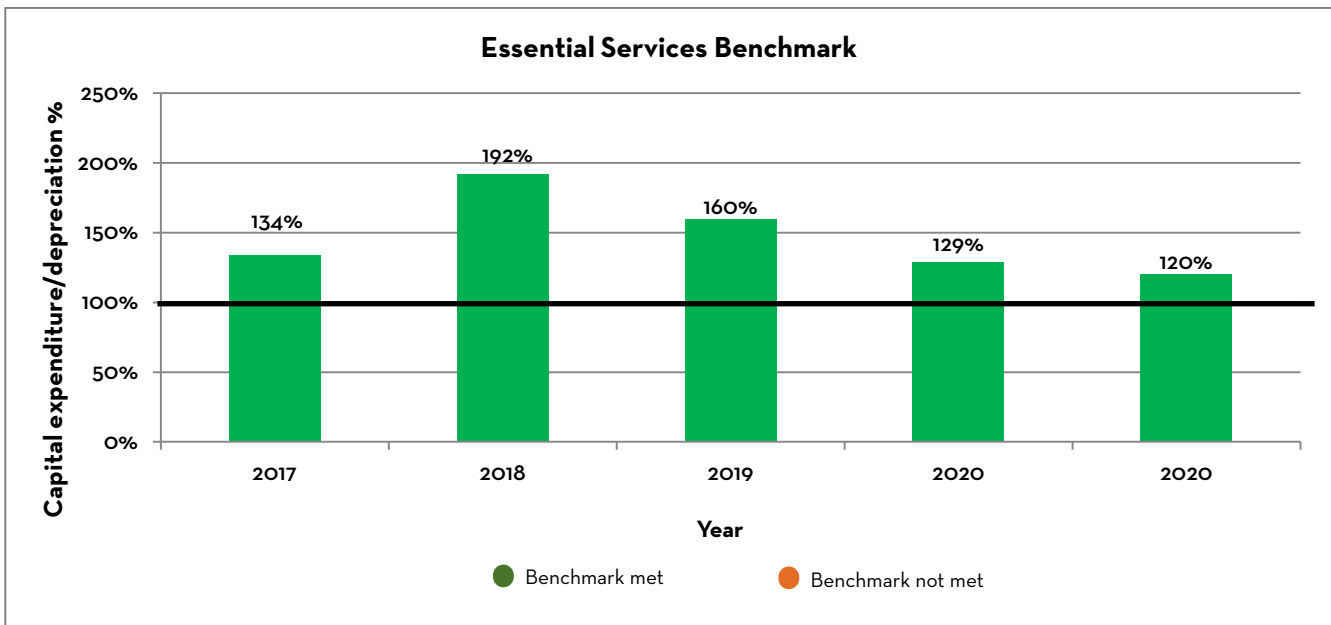
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



### Essential services benchmark

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

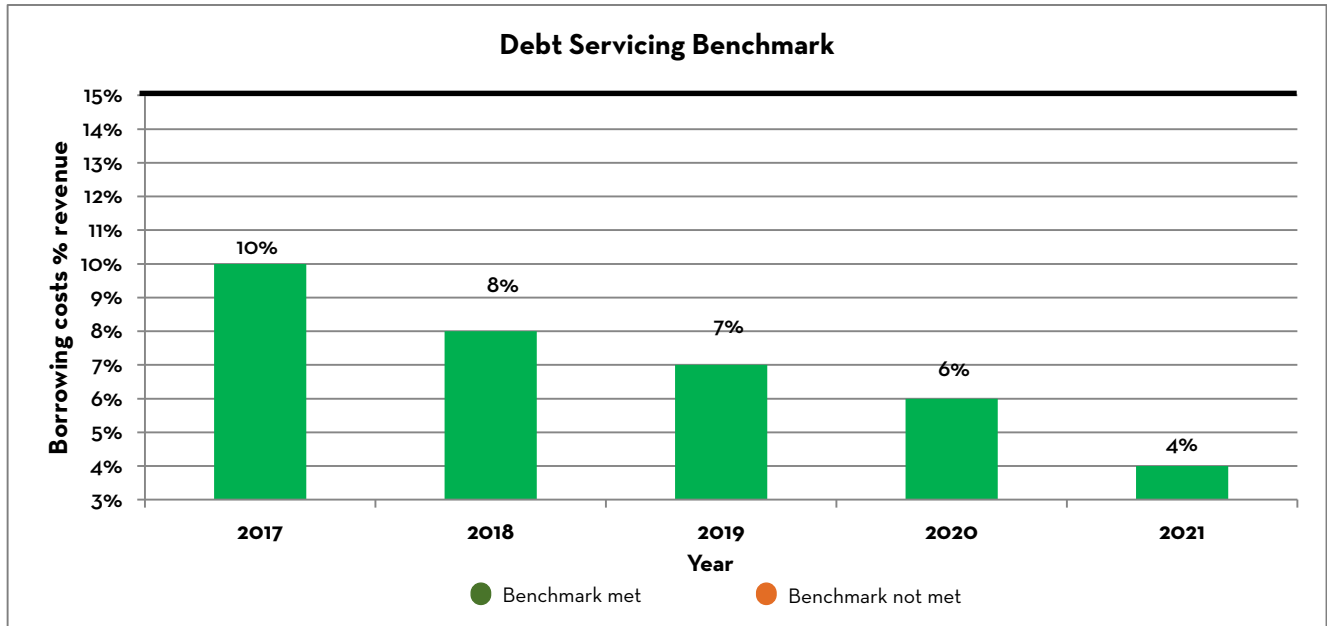
The Council meets this benchmark if its capital expenditure on network services (being; transportation, water, wastewater and Stormwater) equals or is greater than depreciation on network services.



### Debt servicing benchmark

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

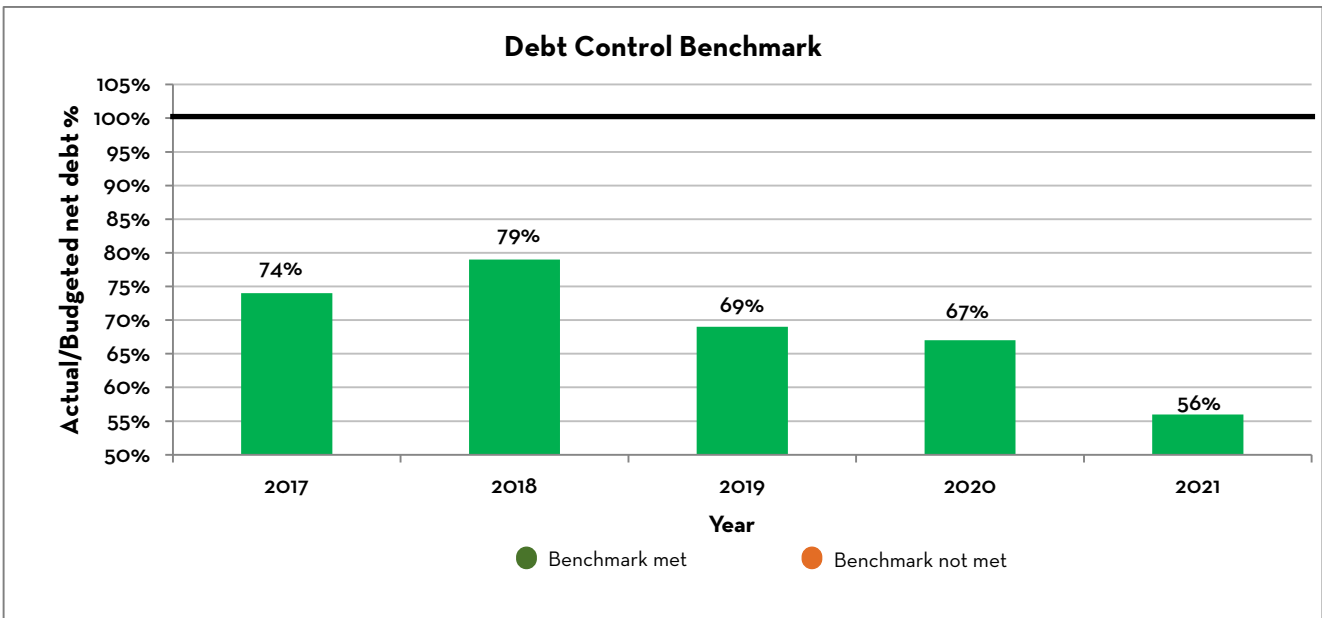
Because Statistics New Zealand projects the council's population will grow faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



### Debt control benchmark

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

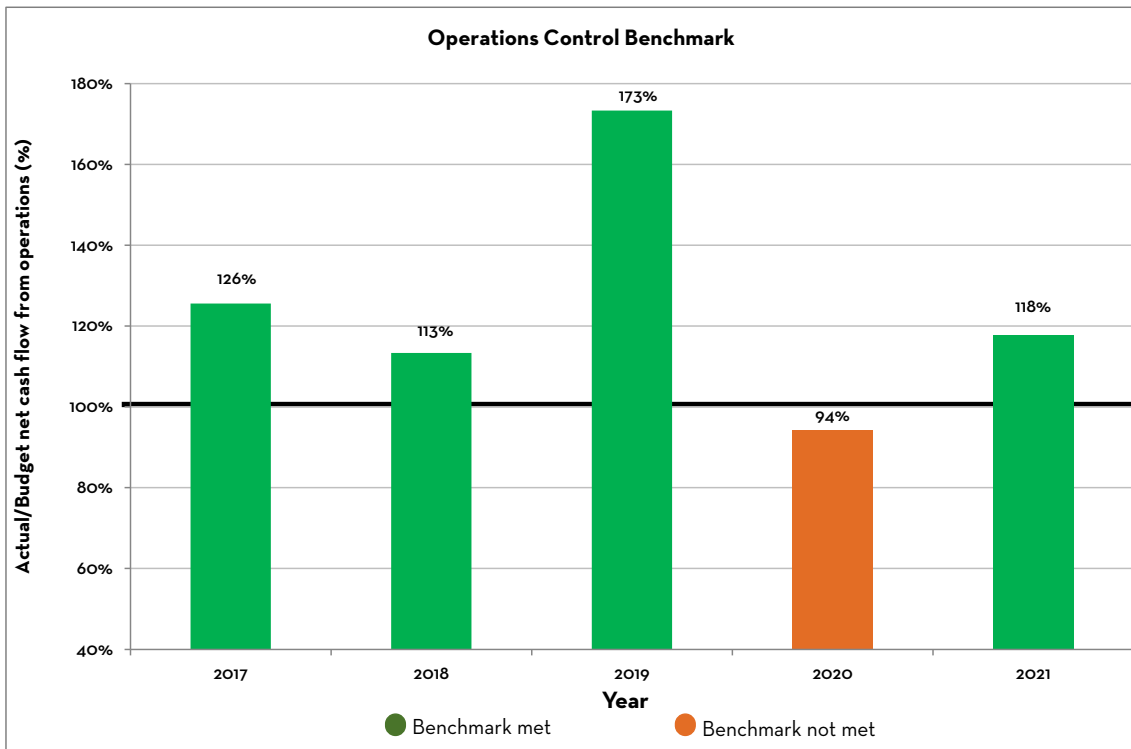
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



### Operations control benchmark

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

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



### Additional information

#### Rates (Increases) Affordability Benchmark

The financial strategy was amended during the 2018-28 LTP to remove the impact of growth from the calculation. Rating penalties have been removed from the calculations as these are the result of non-payment of rates rather than an actual charge made up front.

#### Rates (Income) Affordability Benchmark

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

#### Essential Services Benchmark

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

#### Operations Control Benchmark

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



## Disclosure Statement calculations

	ACTUAL	ACTUAL
	\$'000	\$'000
	2020	2021
Rates income	73,079	74,827
Penalty rates	(1,271)	(1,318)
Rates income excluding penalties	71,808	73,509
<b>Rates affordability benchmark</b>	<b>1.5%</b>	<b>1.1%</b>
Rates income	73,079	74,827
Total revenue	110,213	168,817
less - vested assets	(5,940)	(50,895)
less - unrealised income	-	(5,448)
less - gains	(826)	(413)
less - financial contributions	97,555	-
Revenue for benchmark	75%	104,489
<b>Rates income affordability benchmark</b>	<b>74%</b>	<b>72%</b>
Total revenue	110,213	168,817
Less financial contributions	(5,892)	(7,572)
Less gains	(826)	(413)
Less vested assets	(5,940)	(50,895)
Less - unrealised income	-	-
Revised revenue	98,379	104,489
Total external debt	110,000	90,000
Less short term Investments	-	-
Less cash	(34,489)	(25,706)
Net borrowings	80,378	80,378
<b>Debt affordability benchmark</b>	<b>82%</b>	<b>77%</b>
Total revenue	110,213	168,817
Less - financial contributions	(5,892)	(7,572)
Less - vested assets	(5,940)	(50,895)
Less - revaluation adjustments	(826)	(413)
Less - unrealised income	-	-
Revenue for benchmark	97,555	104,489
Total expenditure	95,297	100,246
Less - revaluation adjustments	-	-
Less - unrealised interest/derivative loss	(1,346)	-
Expenditure for benchmark	93,951	100,246
<b>Balanced budget benchmark</b>	<b>104%</b>	<b>104%</b>
Capital expenditure		
Roading	15,794	14,695
Water	3,448	4,249
Wastewater	1,255	2,944
Stormwater	1,299	2,080
<b>Total capital expenditure</b>	<b>21,796</b>	<b>23,968</b>

	ACTUAL \$'000	ACTUAL \$'000
	2020	2021
Depreciation expense		
Roading	9,845	10,586
Water	2,593	4,023
Wastewater	2,965	3,719
Stormwater	1,522	1,611
<b>Total depreciation</b>	<b>16,925</b>	<b>19,939</b>
Essential services benchmark	129%	120%
Total revenue	111,037	168,817
Less - financial contributions	(5,892)	(7,572)
Less - vested assets	(5,940)	(50,895)
Less - revaluation adjustments	(826)	(413)
Less - derivative gains	-	(5,448)
Revenue for benchmark	98,379	104,489
<b>Interest expense</b>	<b>6,036</b>	<b>4,593</b>
<b>Debt servicing benchmark</b>	<b>6%</b>	<b>4%</b>
<b>Actual</b>		
Liabilities		
Debt	110,000	90,000
Payables	17,811	23,544
Interest rate swaps	13,015	7,566
Assets		
Cash	(34,489)	(25,706)
Investment	(3,558)	(3,258)
Financial assets	(11,519)	(12,379)
Actual net debt	91,260	79,767
<b>Budget</b>		
Liabilities		
Debt	120,000	110,000
Payables	15,590	15,590
Interest rate swaps	8,376	8,368
Assets		
Cash	(3,915)	(4,142)
Investments	(3,752)	(11,422)
Financial assets	-	-
Budget net debt	136,299	118,394
<b>Debt control benchmark</b>	<b>67%</b>	<b>67%</b>
Budgeted cashflow from operations	29,150	37,822
<b>Actual cashflow from operations</b>	<b>27,499</b>	<b>44,564</b>
<b>Operations control benchmark</b>	<b>94%</b>	<b>118%</b>



Having fun  
at TECT Park's 10th  
birthday celebrations  
in November 2020.

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CHAPTER TWO

02

COUNCIL ACTIVITIES



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# CHAPTER TWO

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# COUNCIL'S GROUP OF ACTIVITIES

## GUIDE TO THIS SECTION OF THE ANNUAL REPORT

Our achievements report on how well Council's activities performed during 2021/20 against the goals and targets set out in Chapter three of the 2018-28 Long Term Plan (LTP). The reporting covers how effectively services have been delivered to the community and financial results.

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

### Overview

This provides a high level overview or explanation of the activity and the outcomes agreed in Western Bay of Plenty District Council's 2018-2028 LTP.






### Highlights

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

### Service performance results

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

The 2018-2028 LTP identifies performance measures and targets to monitor Council's achievement of the agreed outcomes and levels of service. This section reports the results and provides explanation for any significant variances. Results are classified as follows:

-  Target met
-  Partial met (within 5% of target)
-  Not met

### Future initiatives

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

### Customer satisfaction

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

This survey was undertaken by Key Research and the sample included all residents within the Western Bay of Plenty District Council area with a sample size of 727 and margin of error of +/- 3.6%, with a confidence level of 95%.











### Effects on community wellbeing

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

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

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

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

	Activity Groups	Activities	Primary Community Outcomes	Page
	<b>Representation</b>	<ul style="list-style-type: none"> <li>• Sub-regional, District and Community representation.</li> <li>• Financial Planning.</li> </ul>	<ul style="list-style-type: none"> <li>• Effective, informed and inclusive leaders.</li> </ul>	<b>31</b>
	<b>Planning for the future</b>	<ul style="list-style-type: none"> <li>• Policy and planning.</li> <li>• Resource management planning.</li> <li>• Infrastructure planning.</li> </ul>	<ul style="list-style-type: none"> <li>• Vibrant and welcoming communities.</li> <li>• Effective, informed and inclusive leaders.</li> <li>• Thriving economy.</li> </ul>	<b>38</b>
	<b>Communities</b>	<ul style="list-style-type: none"> <li>• Community development.</li> <li>• Cultural development.</li> <li>• Information centres.</li> <li>• Emergency management.</li> <li>• Community facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy and safe lifestyle.</li> <li>• Vibrant and welcoming communities.</li> </ul>	<b>45</b>
	<b>Recreation and leisure</b>	<ul style="list-style-type: none"> <li>• Coastal and marine.</li> <li>• Recreation reserves and facilities.</li> <li>• Sub-regional reserves.</li> </ul>	<ul style="list-style-type: none"> <li>• Vibrant and welcoming communities.</li> <li>• Clean, green and valued environment.</li> </ul>	<b>56</b>
	<b>Regulatory services</b>	<ul style="list-style-type: none"> <li>• Animal control.</li> <li>• Building and health services.</li> <li>• Compliance.</li> <li>• Regulatory services.</li> <li>• Resource consents.</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy and safe lifestyle.</li> </ul>	<b>63</b>
	<b>Stormwater</b>	<ul style="list-style-type: none"> <li>• Stormwater network.</li> <li>• Waihi Beach coastal protection.</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy and safe lifestyle.</li> </ul>	<b>70</b>
	<b>Transportation</b>	<ul style="list-style-type: none"> <li>• Roding.</li> <li>• Network development.</li> <li>• Network optimisation.</li> <li>• Environmental mitigation.</li> <li>• Transportation health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy and safe lifestyle.</li> <li>• Thriving economy.</li> </ul>	<b>75</b>
	<b>Water supply</b>	<ul style="list-style-type: none"> <li>• Council water supply.</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy and safe lifestyle.</li> <li>• Thriving economy.</li> </ul>	<b>81</b>
	<b>Natural environment</b>	<ul style="list-style-type: none"> <li>• Environmental protection.</li> </ul>	<ul style="list-style-type: none"> <li>• Clean, green and valued environment.</li> </ul>	<b>87</b>
	<b>Wastewater</b>	<ul style="list-style-type: none"> <li>• Wastewater.</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy and safe lifestyle.</li> <li>• Clean, green and valued environment.</li> </ul>	<b>92</b>
	<b>Solid waste</b>	<ul style="list-style-type: none"> <li>• Solid waste.</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy and safe lifestyle.</li> <li>• Clean, green and valued environment.</li> </ul>	<b>98</b>
	<b>Economic development</b>	<ul style="list-style-type: none"> <li>• Economic development.</li> <li>• Land drainage.</li> </ul>	<ul style="list-style-type: none"> <li>• Thriving economy.</li> </ul>	<b>104</b>

Leadership  
**Representation**  
*Māngai*





# REPRESENTATION

## OVERVIEW

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

## WHY WE PROVIDE IT

### Our community outcome

Elected leaders represent the views of residents and make effective decisions which improve our communities and environment, now and for the future.

### Our goals

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the representation activity has had on the four wellbeings during the year.

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> <li>✓ Long Term Plan consultation and events.</li> <li>✓ Continued working with local, regional, sub-regional and national networks and agencies to advocate for the region.</li> <li>✗ Resident satisfaction survey targets not achieved for representation and opportunities to participate in decision making.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>✓ Continued advocacy for Tauranga Northern Link.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>✓ Extension of COVID-19 provisions for attendance and call-ins to meetings.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>✓ Decision to return Panepane Purakau to its ancestral owners.</li> </ul>



## HIGHLIGHTS

A significant focus for Elected Members was the development of Council's 10 year Long Term Plan 2021-2031. A number of workshops were held to provide the necessary direction for Council's activities as well as funding decisions. As part of this work three strategies and action plans (Recreation and Open Space, Natural Environment and the Communities Strategy) were reviewed and significantly updated to meet current and future needs of the various communities.

The Draft Long Term Plan was adopted by Council in early March and then Elected Members had the opportunity to consult on the draft plan and the six key proposals with the community.

Community events were held in Waihi Beach, Te Puna and Te Puke, to enable the community to meet with Elected Members and staff and to provide valuable input into this significant plan. Subsequent workshops and meeting were held to consider resident/community feedback.

**The final plan was adopted by Council on 29 June 2021.**



### Panepane Purakau

On 29 October 2020 an extra-ordinary meeting was held at Trustpower BayPark for Council to vote to return ownership of the eastern end of Matakana Island, known as Panepane Purakau to its ancestral owners.

Once this decision was made, work commenced to implement the decision. This included completing the accretion claim and providing the space for tikanga based kōrero between the five hapū and the descendant owners group. This will be followed by an application to the Māori Land Court to determine the receiving entity.



## By-election

A by-election was held in April 2021 to replace Katikati-Waihi Beach Ward Councillor Christina Humphreys who resigned in January 2021. Ten nominations were received with the successful candidate Allan Sole voted onto Council in May. A special induction programme was arranged to provide Councillor Sole with the necessary information and tools to assume his role.

## Other key initiatives

Other key initiatives included a review of Council's Audit and Risk Committee. This review recommended the appointment of an independent member to the Committee. In May 2021 Mark Maloney was appointed as an independent member to the Audit and Risk Committee. He brings significant local government, audit and risk experience to the role.

The COVID-19 provisions for Elected Member attendance and call-ins to Council meetings has recently been extended to September 2021.

At the beginning of 2021, Council undertook a recruitment process for a new Chief Executive Officer (CEO) to replace the current CEO, Miriam Taris, who retired in July 2021. A new CEO, John Holyoake, has been appointed and assumed the position mid July 2021.

The Mayor and Elected Members continued advocating for the District and sub-region as well as participating in collaboration opportunities with neighbouring councils, central government and key agencies.

## FUTURE INITIATIVES

The next local body elections are scheduled for October 2022. Preparation for these elections will commence late 2021.

The continued progression of the land transfer of Panepane Purakau will continue, as the Māori Land Court makes its decision in regard to the receiving entity.

Central government has commenced or signalled a number of reviews that impact on local government. This includes a review of the form and function of local government, Resource Management Act Review, and the Three Waters Review. Council will continue to prepare for change and advocate for our communities.

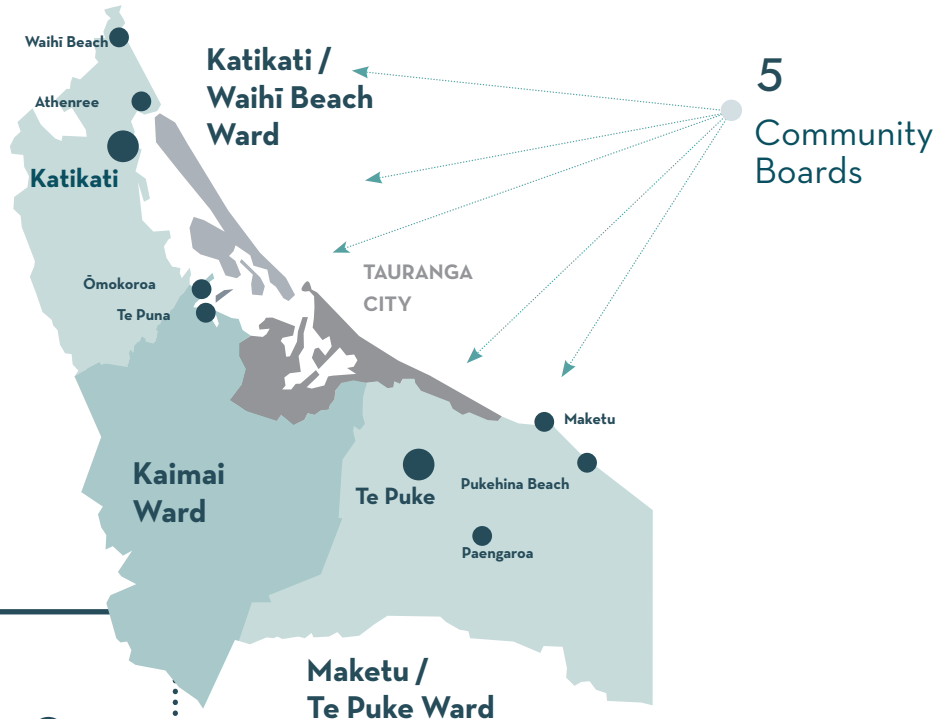


## WHAT WE PROVIDE

Representation is provided by:



**1** Mayor



**11** Councillors



### Māori Representation Forum

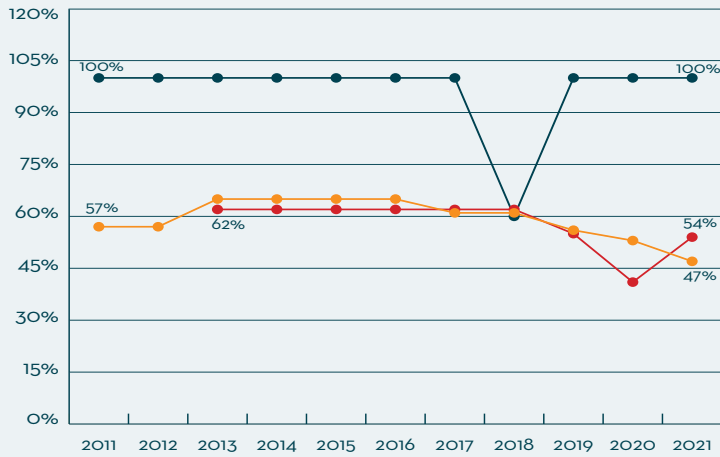
Comprising iwi and hapū representatives

**3** WARD FORUMS

Participation in a range of **Community organisations, boards and co-governance structures** within the Western Bay of Plenty District

# SERVICE PERFORMANCE RESULTS

## RESULT TRENDS FOR KEY MEASURES





### Representation












- Financial performance
- Tangata whenua satisfaction
- Community satisfaction

## HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Key Performance Measure</b> Percentage achievement in the financial performance index (the index monitors Council's financial trends and level of compliance with 5 key treasury ratios. Target 100% is total compliance).	100%	100%	100%		✓
<b>Key Resident Measure</b> Level of satisfaction with representation provided by elected members:				Key areas identified for improvement included more communication and information, more consultation and being more visible.  The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey results including those who don't know is:</b>	
• Community	≥70%	47%	53%	Community 32%	✗
• Māori	≥70%	54%	41%	Māori 32%	✗
<b>Supporting Measures</b> Percentage of eligible population that votes in Local Body Elections.	No election	No election	39.14%		-
Level of satisfaction with opportunities to participate in decision making.				Key areas identified for improvement included more consultation, more information and follow through with promises.  The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey results including those who don't know is:</b>	
• Community	≥60%	46%	50%	Community 32%	✗
• Māori	≥60%	45%	37%	Māori 33%	✗

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
Percentage of residents satisfied that the decisions Council has made are in the best interests of the District.	≥60%	44%	47%	Key reasons for level of confidence includes problems with infrastructure and housing, lack of confidence in decision makers and questionable decisions made.  The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 35%.</b>	
Percentage movement in total rates income (excluding growth and inflation).	≤4%	1.1%	1.6%		

#### HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Representation will be provided by:</b>					
<ul style="list-style-type: none"> <li>• 1 Mayor</li> <li>• 11 Councillors</li> <li>• 5 Community Boards</li> </ul>					
<b>Number of meetings held per annum:</b>					
• Council	≥8	17	12	The Community Board meeting was changed by Council from a six weekly cycle to an eight weekly cycle. As a result less meetings were held during the year.  The Partnership forums are currently reviewing their meeting arrangements.	
• Community	≥8	6	4		
Tangata Whenua governance participation.	≥2	1	2		
Percentage attendance of elected members (Councillors and Mayor) at Council and Committee meetings.	≥80%	88%	95%		
Percentage attendance of Community Board members at Community Board meetings.	≥80%	96%	96%		
Level of compliance with statutory timeframes in adopting Annual Plan / Long Term Plan and Annual Report.	100%	100%	100%		
<b>Council will engage with communities about decisions that impact on their community.</b>					
Number of engagement opportunities with Elected Members held within the communities around the District.	≥4	30	8		
<b>Finances will be managed to comply with the limits identified in the Treasury Policy.</b>					
Interest expense on external debt as a percentage of rates revenue (Maximum identified in Treasury Policy is 25%).	≤25%	4.4%	6%		
Liquidity ratio - this ratio monitors Council's ability to pay all current liabilities if they became due immediately.	≥110%	113%	140%		
Percentage of net external debt to total revenue.	≤180%	77%	77%		
<b>Council will be financially prudent in the management of rates levied.</b>					
The percentage of District Rates income not spent or committed at the end of the financial year.	≤2%	2%	1.8%		

Leadership  
**Planning for the  
future**  
*Mahere ki  
raurangi*



# PLANNING FOR THE FUTURE

## OVERVIEW

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

## WHY WE PROVIDE IT

### Our community outcome

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

### Our goal

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the planning for the future activity has had on the four wellbeings during the year.

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> <li>✓ Urban Form and Transport Initiative (UFTI) identifying preferred options for settlement patterns and transportation solutions adopted July 2020.</li> <li>✓ Concept plan for Waitekohekohe Reserve (Katikati) completed.</li> <li>✓ Consultation on concept plan for Otaiparia Reserve (Maketu).</li> <li>✓ Community consultation for Council's Long Term Plan 44,206 pieces of feedback received.</li> <li>✓ S17a review of elder housing and Council decision to retain the elder housing.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>✓ Increased development in urban areas, in particular Te Puke.</li> <li>✗ Insufficient greenfield land to accommodate growth in Ōmokoroa and Katikati.</li> <li>✓ Completion of electronic District Plan.</li> <li>✓ Preparation of the Housing and Business Assessment Report through SmartGrowth.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>✓ Continued review of natural hazards maps for flooding, coastal inundation, coastal erosion and others.</li> <li>✓ Development of Climate Change Action Plan.</li> <li>✓ Completion of the Trade Waste, Water Supply System and Wastewater Drainage Bylaws.</li> <li>✓ Review of the Natural Environment and Sustainable Living Strategy.</li> </ul>
Cultural	No specific action relating to this wellbeing.





## HIGHLIGHTS

The focus for 2021 has been the review of our 10 year Long Term Plan (2021-2031). This involved a range of actions from research, strategy development, consultation, and decision making processes. While all the strategies and actions for each activities were reviewed and updated, three strategies were significantly updated in response to the changing environment they operate within. They were:

- Communities including community building, libraries and service centres and community facilities
- Recreation and leisure
- Natural environment

Alongside this the Significance and Engagement Policy was reviewed and a **Wellbeing Plan** was developed in conjunction with communities where three key actions were identified for each of the three Wards in our District. The desired outcomes of these actions will be monitored and reported on. The development of a **Climate Change Action Plan** has highlighted the impact of climate change and identified actions required for mitigation and adaptation. All of this work is in response to the changes in legislation and provides a clear overview of Council's approach in these areas.

In developing a ten year plan it is imperative that we talk with and listen to our communities to understand their priorities and preferred actions. This took place through a number of mechanisms from utilising online tools, meetings with key stakeholders, three consultation events, and submissions (written and verbal).

Overall **44,206** pieces of feedback were received across three phases of community engagement in 2020 and 2021.

**A section 17a review of elder housing was completed.** This is a requirement of the Local Government Act to review the service provided by Council and give consideration of other service delivery options. As a result of the elder housing review Council has agreed to retain its elder housing. It will look to upgrade current facilities and pursue the development of additional facilities on Council owned land.



**A review of the Community Halls Operational Policy was completed.** This review clarified the process for funding maintenance of community halls. There was also a review of areas of benefit which identified who is paying for which hall. Everyone in the District is now in a halls benefit area except Matakana Island.



**A sub-regional assessment of recreational access within the Tauranga harbour was completed.** This assessment focused on future demand for car parks and boat ramps across the region. It was an important piece of work which informed the Long Term Plan in regard to the future provision of boat ramps.



**A number of bylaw reviews concluded.** This includes the Speed Limits Bylaw, Trade Waste Bylaw, Water Supply System Bylaw, Stormwater Bylaw, and the Wastewater Drainage Bylaw.

**Concept plans were developed for new facilities within the District.** This includes the Waitekohekohe Reserve which will provide horse trails and mountain biking facilities, located between Lund Road and Thompsons Track in Katikati. Consultation on a concept plan for use of the land at 83 Ford Road, Maketu was undertaken, with the final plan adopted in July 2021. This land is adjacent to the Kaituna re-diversion will be a key site for coastguard and other recreational boating activities.

**The electronic District Plan was implemented June 2021.** This provides customers with a user friendly way of using the District Plan, and provides a more interactive experience with search function.

**The Urban Form and Transport Initiative (UFTI) report** was adopted in July 2020. This set in place plans for an optimal future land use and transport programme. This has been followed up with the commencement of the preparation of a spatial plan for the sub-region. Although development is signalled throughout the District, priority areas that have been identified for co-ordination of input are Ōmokoroa and Rangioru/Te Puke.

The National Policy Statement on Urban Development requires Council to produce a housing and business assessment report. This was prepared under the SmartGrowth umbrella and was adopted on 26 July 2021.

Work continued on the **Ōmokoroa Structure Plan** and associated residential rules ready for notification in August 2021. As part of this work we engaged with the Ōmokoroa community, through a series of open days which received a good level of response.

**Development has increased in urban areas, in particular Te Puke.** This has led to more complex package of plans meetings with developers to ensure that land is developed in a timely manner with good urban design outcomes, including a variety of housing typologies to meet the future demands.

Council continues its review of the natural hazard maps for the District including flooding, coastal inundation, coastal erosion, land instability, tsunami, liquefaction and others. This is a joint exercise with the Bay of Plenty Regional Council and also Tauranga City Council (for some natural hazards). Key areas of work over the last year were:

- Flooding maps for Ōmokoroa that were recently reviewed to include climate change have been further updated by using the most up-to-date LiDAR/contours available (released October 2020).
- Liquefaction maps for the Ōmokoroa 'Stage 3' Structure Plan have been reviewed based on the new Ministry for the Environment and Ministry of Business, Innovation & Employment Guidance (released October 2020).
- Preparation of draft flooding maps for rural areas and small settlements. Scheduled to be released in the 2021/22 year.
- Commenced development of coastal erosion maps for Waihi Beach and Pukehina. New coastal erosion maps are being prepared for Matakana Island, rural areas of Tauranga Harbour, Maketu, Little Waihi and Otamarakau.



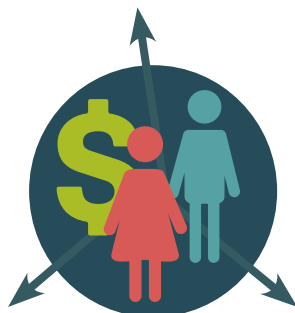
## WHAT WE PROVIDE

PLANNING FOR THE FUTURE INCLUDES:



**Policy & planning**

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**Resource Management**

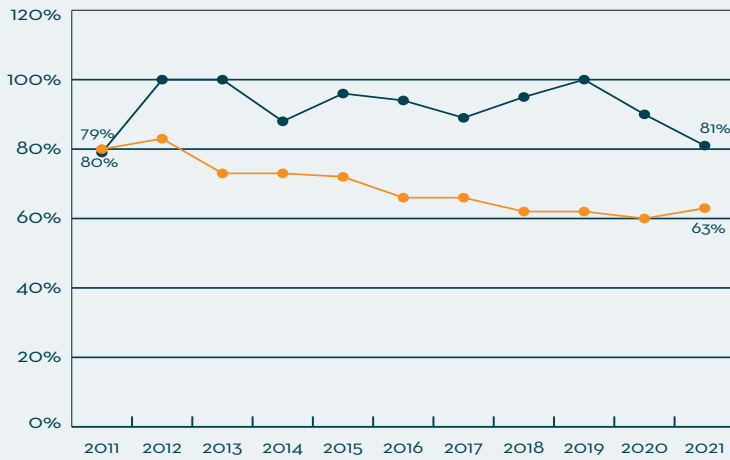
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**INFRASTRUCTURE  
PLANNING ACTIVITIES**

# SERVICE PERFORMANCE RESULTS

## RESULT TRENDS FOR KEY MEASURES



### Planning for the future

- Actions completed by Council
- Resident satisfaction - impact of growth

## HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Key Performance Measure</b> Plans, strategies and District Plan changes are developed or reviewed in accordance with Council approved programme.	100%	81%	90%	Ōmokoroa Structure Plan was delayed due to the town centre application. This also impacted on progress of the Electronic District Plan.	✗
Level of resident satisfaction with the impact of growth on: <ul style="list-style-type: none"> <li>• range of housing choices</li> <li>• personal safety</li> <li>• time taken to travel around their area</li> <li>• employment opportunities</li> <li>• road safety</li> <li>• overall pleasantness.</li> </ul> Based on a two yearly surveys.	≥70%	63%	No Survey	Key reasons for dissatisfaction includes traffic congestion, housing affordability and too busy.  The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 57%.</b>	✗

## HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>District Plan updated to meet the needs of our District.</b>					
State of the Environment reporting is completed on a five yearly basis.	Not required	Not required	Not required		-
Structure Plans are developed and reviewed to ensure there is greenfield land to accommodate growth as required by the National Policy Statement on urban development capacity.	≥10 Years supply	>10 years supply available except Ōmokoroa & Katikati	<10 years supply	<p><b>Ōmokoroa</b></p> <ul style="list-style-type: none"> <li>- 4.8 years (Stage 3 will address this).</li> </ul> <p><b>Ōmokoroa</b> - the delay in finalising the town centre location, and development occurred faster than anticipated. New structure plans take time to prepare. The introduction of the National Policy Statement (NPS) on Urban Development Capacity introduced the 10 year requirement (previously five years).</p> <p><b>Katikati</b></p> <ul style="list-style-type: none"> <li>- 6.0 years (additional land identified).</li> </ul> <p><b>Katikati</b> - land (capacity) is zoned but the owners do not want to develop. This has resulted in a shortfall.</p> <p><b>Waihi Beach</b></p> <ul style="list-style-type: none"> <li>- 12.8 years</li> </ul> <p><b>Te Puke</b></p> <ul style="list-style-type: none"> <li>- 27.7 years</li> </ul>	✓
<b>We will work with communities to develop and review community development plans. These detailed plans set the vision for the community and actions required to achieve it.</b>					
The number of community plans developed or reviewed where Council has provided support to the community.	≥1	7	1		✓

## FUTURE INITIATIVES

Council will maintain a watching brief on legislative changes and seek to advocate for our communities. Legislative changes on the horizon include the:

- Resource Management Act which will have implications for Council and the District Plan.
- Future for Local Government Review where a draft report will be provided to the Minister of Local Government in Sept 2022 and the final report to the Minister of Local Government in April 2023.

### A review of the District Plan will commence in 2021.

This is a three year process which involves consultation with key stakeholders.

There are a number of reviews and notifications of key plans, policies and bylaw reviews scheduled. This includes:

- Te Puke - Maketu Reserve Management Plan
- Solid Waste Bylaw
- Review of the Local Alcohol Policy and Bylaw
- Dog Control Policy and Bylaw
- Rural flooding natural hazards - owners to be notified late 2021
- Ōmokoroa Plan change becomes operative in 2022.

Work will continue on the natural hazards maps. This includes the release of the flooding maps for rural areas and small settlements, and the continued development of new coastal erosion maps.

Building communities  
**Communities**  
*Ngā Hāpori*



# COMMUNITIES

## OVERVIEW

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

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

Our Communities Strategy aims to ensure we have in place what is needed for individuals, families, groups and communities to meet their social needs, maximise their potential for development and enhance their wellbeing. These include community facilities, services and networks or social infrastructure. Not all social infrastructure in a community is provided by Council, but we make a significant contribution to community wellbeing in the following ways:

- Providing places to learn, meet and socialise, for example halls and libraries (see Libraries and Service Centres page 148 and Community Facilities page 155 in our Long Term Plan 2018-2028).
- Supporting communities through a range of community building activities (see the Community Building section page 138 in our Long Term Plan 2018-2028).
- Encouraging communities to be prepared and able to look after themselves in a civil defence emergency (see the Civil Defence and Emergency Management section page 164 in our Long Term Plan 2018-2028).

## WHY WE PROVIDE IT

### OUR COMMUNITY OUTCOME

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

### OUR GOALS

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the communities activity has had on the four wellbeings during the year.

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> <li>✓ Review of the Communities Strategy to reflect changing needs of communities.</li> <li>✓ Housing Action Plan approved by Council providing direction in regard to affordable housing.</li> <li>✓ Development/review of Community Response Plans for emergency management.</li> <li>✓ New library and service centre opened in Ōmokoroa.</li> <li>✓ Moving from Safe City status to Safe Communities accreditation which covers the region.</li> <li>✓ Use of libraries and service centres for events and meeting spaces for community organisations.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>✓ Regional digital hub opened in Katikati.</li> <li>✓ Affordable housing development at Kaimai Views, Ōmokoroa.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>✓ Elder Housing - maintaining elder housing stock to high standards.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>✓ 25 engagement initiatives with tangata whenua.</li> <li>✓ Migrant leadership workshops.</li> </ul>



## HIGHLIGHTS

A key focus this year was the review and update of the Communities Strategy to reflect the changing needs of our communities. This review was completed as part of the Long Term Planning process and involved significant research and community consultation. The strategy was adopted in June 2021 and will take effect July 2021 when the delivery of the agreed projects and initiatives will commence.

**In conjunction with the strategy review a rigorous review of the elder housing activity was completed.** This was a requirement of the Local Government Act 2002 section 17a. As a result Council has resolved to retain ownership and management of elder housing. This necessitated a review of the rents payable by occupants which will increase. These increases will be offset by utilising the various accommodation supplements available through Government initiatives. This increase in rental will enable Council to not only maintain its elder housing stock to high standards but will enable an increase in the number of units available for tenancy.



**A condition assessment has been completed on all community halls within the District.** The information obtained as part of these assessments has enabled comprehensive review of the 10 year maintenance required for each hall. The revised maintenance plans will bring halls up to a consistent standard of safety and provide for ongoing improvement.

### Housing Action Plan

In 2018 Council approved a Housing Action Plan and gave direction that affordable housing opportunities are to be sought on our land holdings. **This has resulted in the successful development of approximately 240 accommodation units in Ōmokoroa, of which 75 percent have been sold.** Opportunities are currently being considered for additional accommodation units to be constructed on land holdings throughout the District as and where suitable land holdings exist.

**During the year the local emergency management function was returned to Council from the Bay of Plenty Regional Council.** While responsibility of emergency management for the Bay of Plenty region remains with the Regional Council, the local response has been delegated to Council. As a result a new full time, in-house team has been established. It will focus on the local emergency response and building capability within the Western Bay communities. In conjunction with each community, community response plans are being developed or reviewed and local response teams are being established. The purpose is to build resilience in our communities in responding to emergency events when they occur.

**The Ōmokoroa Pavillion was opened in September 2020. This facility will house the Ōmokoroa Sport and Recreation Society** and is the interim location for the Ōmokoroa Library and Service Centre. This provides an improved Library and Service Centre facility for the people of Ōmokoroa, including community spaces for groups to meet.

**In December 2020 the new regional digital hub in Katikati, The Centre - Pātuki Manawa, was opened.**

**This is the first digital hub for the sub-region and the digital enablement of the facility was funded through the Provincial Growth Fund's (PGF) digital connectivity funding package.** The digital hub seeks to connect the community using digital technologies, shared space, hot-desking, video conferencing and meeting spaces. A subsequent open day provided free demonstrations and experts on -site to introduce people to the opportunities available. This new facility also enables targeted programmes to support community needs including, Digital Pathways for seniors, and Code Club for primary students.

The National Libraries Partnership Programme aims to enable librarians and libraries to play a key role in supporting their communities as part of the COVID-19 recovery. Council was successful in obtaining funding to provide support for library users and bolster digital literacy. This funding has enabled the creation of two fixed term positions. One is based in the Eastern District and another in the Western District. The purpose of the positions is to support the digital enablement of local communities, creation of online content, enhance and grow services to local iwi and engage with the wider community in support of community wellbeing.

**The new Community Strategy, completed a review of current library and service centre facilities and considered the future needs of each community.** Future facilities will include a community hub component and the design of future facilities may be different for each of the four urban communities. As a result development of library and service centre facilities has been identified for Waihi Beach, Te Puke and Ōmokoroa.





**Current service delivery contractors facilitated wellbeing and spotlight workshops throughout our community as part of the Long Term Plan process.** This was well received by elected members and provided valuable input to the decision making process. Current service delivery contracts were reviewed to ensure they meet the new levels of service and new service delivery contracts have been negotiated with existing agencies to align with the new strategy. Two new service delivery contracts have been established for:

- A Friends Place – which supports an active aging community in Waihi Beach.
- Film BOP – promotes film locations in the region. This agency was supported through an annual grant which has now moved to a service delivery contract for three years.

The work of Socialink and the Te Puke COLAB has been recognised through increased support. The Te Puke COLAB will now have a separate service delivery contract and will directly receive funding support.

**The Welcoming Communities programme continued. This year migrant leadership workshops were delivered to migrant community leaders within the sub-region.** These workshops were aimed at the development of migrant leadership and encourage their contribution to the Welcoming Communities programme.

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

- Advice and support for the development of the Katikati Community Plan.
- Stocktake of Council actions identified in current community plans to monitor progress.
- TECT Community Awards – support and facilitation.
- Safer Communities – active partner in the Western Bay Tauranga Safer Communities.
- Community engagement utilising a variety of engagement tools e.g. face to face events, on-line, feedback booths, and drop in sessions.
- Partnership between Tauranga City and Western Bay on Pan Pacific Safe Communities Network status moving to a Safe Communities accreditation which covers the region.



# WHAT WE PROVIDE - COMMUNITY BUILDING

## SERVICE DELIVERY CONTRACTS

### Overview

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



## WHAT WE PROVIDE - LIBRARIES AND SERVICE CENTRE

### Overview

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



**One**  
Head Office  
with service centre



**Four**  
Libraries  
and service centres



**115,681**

Items held in the four libraries, electronic and hard copy

### The Centre Pātuki Manawa



**967** Bookings / events



**13,385** PEOPLE IN THE HUB



**316,537**

LIBRARY ITEMS ISSUED  
during 1 July 2020 - 30 June 2021

**9,153**

PEOPLE ATTENDED

**948** EVENTS

from 1 July 2020 - 30 June 2021  
at our school holiday, weekly  
interactive activities.



**FREE  
WIFI**



**LOCAL  
HISTORY  
ARCHIVES**

SCHOOL HOLIDAY EVENTS,  
WEEKLY INTERACTIVE ACTIVITIES

**215,404**

PEOPLE VISITED WESTERN BAY  
COUNCIL'S LIBRARIES AND SERVICE  
CENTRES

from 1 July 2020 - 30 June 2021

**48,973**

OF FREE WIFI SESSIONS  
during 1 July 2020 - 30 June 2021

**20,318** PC USERS

## WHAT WE PROVIDE - COMMUNITY FACILITIES

### Overview

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

## Elder housing



**34** Units in Te Puke

**17** Units in Katikati

**19** Units in Waihi Beach

## Cemeteries



**Katikati Cemetery**

**Maketu Cemetery**

**Oropi Cemetery**

**Te Puke Cemetery**  
(and old Te Puke Cemetery where further plots are unavailable)

## Help to support community halls

Kaimai Hall  
Katikati War Memorial Hall  
Ohauti Hall  
Omanawa Hall  
Ōmokoroa Settlers Hall  
Oropi Hall  
Otamarakau Hall  
Pahoia Community Hall  
Paengaroa Hall

Pongakawa Hall  
Pukehina Beach Community Centre  
Pyes Pa Hall  
Te Puke War Memorial Hall  
& Settlers Lounge & Pioneer Room  
Te Puna Community Centre  
Te Puna War Memorial Hall  
Te Ranga Hall  
Waihi Beach Community Centre  
Whakamarama Hall

# WHAT WE PROVIDE - CIVIL DEFENCE AND EMERGENCY MANAGEMENT

## Overview

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



## Resilience Planning



## Council staff *trained to respond*

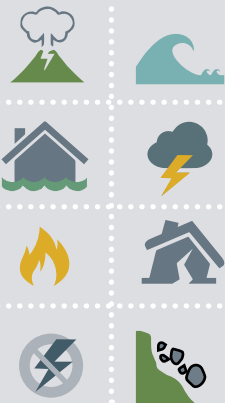


## Emergency Operations Centre



## Communications Support

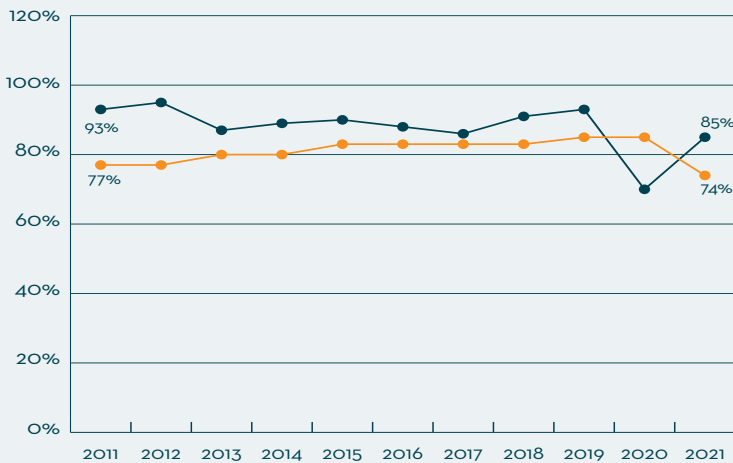
Bay of Plenty  
Civil Defence  
and Emergency  
Management  
Group *and Plan*



## Education

# SERVICE PERFORMANCE RESULTS

## RESULT TRENDS FOR KEY MEASURES



### Communities

- Actions completed by Council
- Resident satisfaction - impact of growth

## HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<p><b>Key Performance Measure</b> Percentage completion of the annual work programme as identified in the Community Strategy and Action Plan.</p>	≥90%	85%	70%	<p>There were three projects within this work programme that impacted on the result. They were:</p> <ul style="list-style-type: none"> <li>Papakainga Development as Council reviewed its approach to supporting developments.</li> <li>Supporting Iwi &amp; Hapū Management scope and nature of fund changed, and project delivery was impacted by lack of resources to process applications.</li> <li>Te Puke Cemetery the planned berms were not required this financial year.</li> </ul>	✘
<p><b>Key Resident Measure</b> Level of resident satisfaction with Community Services based on two-yearly survey. This includes community development, library services and cemeteries.</p>	≥80%	74%	No survey	<p>The survey results revealed satisfaction for:</p> <ul style="list-style-type: none"> <li>Libraries 81%</li> <li>Community Development 64%</li> <li>Cemeteries 77%</li> </ul> <p>Key reasons for dissatisfaction relate to range of library books available, no evidence of community development, and the cemetery facilities i.e. parking and tidiness.</p> <p>The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 45%.</b></p>	✘

## HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Develop and deliver a coordinated Community Safety Programme in accordance with the Community Safety Policy.</b>					
Number of Community Safety initiatives supported by Council.	≥2	4	2		✓
<b>We will actively build capability in community organisations.</b>					
Number of capability building workshops held.	≥2	10	9		✓
<b>We will engage with Tangata Whenua.</b>					
Number of engagement initiatives with Tangata Whenua.	≥4	25	15		✓
Number of new or reviewed iwi/hapū management plans received.	≥2	0	1	Work required to build capacity of iwi and hapū to develop/review plans.	✗
<b>Library services will be maintained at Katikati, Ōmokoroa, Te Puke and Waihi Beach.</b>					
Number of library items available per person.	1.6	2.05	2.56		✓
Library space (m2) available per 1,000 residents.	32m <sup>2</sup>	42.6m <sup>2</sup>	41.4m <sup>2</sup>		✓
Number of physical visits per annum.	≥310,000	237,664	215,404	The increased on-line offering has impacted on physical visits to the library.	✗
Number of free Wi-Fi users.	25,000	48,973	68,052		✓
Number of events and programmes facilitated by Council library services.	≥400	956	1,115		✓
<b>We will be responsive to customers requests for service.</b>					
Percentage of service requests resolved within specified timeframe.	≥95%	97%	97%		✓
Percentage of customers surveyed where service requests were not actioned.	≤5%	2%	1%		✓
Percentage customer satisfaction with service provided by frontline staff based on two-yearly survey.	No survey	No survey	No survey		-
<b>We will provide cemeteries at Katikati, Maketu, Oropi and Te Puke (excludes old Te Puke cemetery as there are no further plots available).</b>					
Number of cemeteries where plot availability is >30% of annual plot requirements or 5 plots at any one time.	4	4	4		✓
<b>Partnerships with hall committees will be maintained.</b>					
Number of partnership agreements in place with existing hall committees.	≥14	14	14		✓
Minimum number of notifications (per year) each hall committee will receive regarding annual budget and policy changes.	2	3	2		✓
<b>We will provide and maintain 70 pensioner units in Katikati, Te Puke and Waihi Beach.</b>					
Percentage of service requests actioned within agreed timeframes.	≥90%	83%	90%	17 service requests were not actioned in time due to staff capacity issues and supply shortages. All requests were completed, but some were out of time.	✗
Annual housing occupancy rate of all available units.	100%	100%	100%		✓

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
Percentage of pensioner housing annual inspections completed.	100%	100%	100%		✓
<b>Emergency Management services will be provided.</b>					
Percentage of Emergency Operations Centre (EOC) staff trained to operate the emergency operations centre.	≥85%	100%	55%		✓
Percentage of roles in the Emergency Operation Centre (EOC) that are filled.	≥85%	100%	95%		✓
Number of community initiatives to promote emergency readiness and response (i.e. emergency plans and actions identified).	8	8	8	A number of community and community response team meetings held. Ongoing support and guidance provided in the development/review of Community Response Plans.	✓

## FUTURE INITIATIVES

The review of the Community Plans has resulted in new levels of service and a variety of projects and initiatives to be implemented over the next 10 years. This programme of work will start in July 2021 and includes:

- Planning and development of a new Library and Service Centre at Waihi Beach.
- Development of Council property for elder housing which will enable occupants to be temporarily transitioned from their old accommodation to enable refurbishment or new accommodation to be constructed.
- Continuation of the affordable housing initiative in Ōmokoroa and to investigate options for a future site in Katikati.
- 2021 round of the Community Matching Fund.
- Continued support for the development and implementation of Community Plans.



Building communities  
**Recreation  
and leisure**  
*Mahi a te rēhia*



# RECREATION AND LEISURE

## OVERVIEW

This strategy supports a sustainable, liveable community that can draw on well-planned recreational opportunities which are part of the ‘live, learn, work, play’ SmartGrowth philosophy. Whether it’s fishing, hunting, swimming at the beach, river rafting, a concert in a park, strolling along the harbour edge, going for a bike ride, or kicking a ball around, the Western Bay outdoors provides the opportunity.

## WHY WE PROVIDE IT

### OUR COMMUNITY OUTCOME

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

### OUR GOALS

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the recreation and leisure activity has had on the four wellbeings during the year.

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> <li>✓ Completion of Moore Park sportsground development.</li> <li>✓ Playground upgrades at Waihi Beach and Katikati.</li> <li>✓ Continued development of the cycleway network.</li> <li>✓ Council adoption of the Recreation and Open Space Strategy.</li> <li>✗ Increasing population reduces park land available for recreation or conservation purposes.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>✓ To support freedom campers visiting the region a KiwiCamp facility established at the TECT All Terrain Park.</li> <li>✓ TECT Park hosting national events e.g. Secondary School Motocross championships.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>✓ Continued development of cycleway network at Ōmokoroa, Pahoia and Minden.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>✓ Transfer of land Panepane Purakau to ancestral owners.</li> </ul>



## HIGHLIGHTS

In November 2020 the TECT Park celebrated its tenth birthday of being operational. This was a significant milestone for the Park. Alongside a number of festive activities the various clubs based at the park opened their doors to the public. This provided an opportunity for the public to ‘have a go’ at club activities and watch demonstrations.

**A kiwi camp facility has been built at TECT Park, and was operating in time for the Christmas/New Year holiday period.** While there was some use of the facility, the full benefit has not yet been realised due to reduced tourism as a result of the continued closure of the borders. Other developments included improvements to the road network throughout the Park, and a number of clubs continued to invest and upgrade their facilities. The clubs host events on a regular basis and the park is gaining a reputation as national events are held at the park e.g. Secondary School Motocross championships.



**The development of the cycleway network throughout the District continued.** At Waihi Beach work commenced on the water catchment reserve loop trail which will be completed by December 2021. Connecting trails for Island View Reserve and at Ōmokoroa Sports Ground were completed. A feasibility study for a crossing point from Athenree to Waihi Beach was also completed and development will be subject to funding and obtaining the necessary consents.

**Construction of the Waipapa Stream suspension bridge commenced.** This will connect Ōmokoroa to Pahoia and will be completed by November 2021. Work on the trail connection to Pahoia Road will then commence. External funding was obtained for 75 percent of the cost of this bridge.

**A user survey of the Ōmokoroa to Tauranga cycleway revealed 93 percent satisfaction with the trail.** This survey also identified minor improvements to enhance the user experience, which Council is seeking to implement.



In Te Puna work has commenced on new walking and cycleways through Minden Scenic Reserve. This will create better connectivity within the neighbourhood when completed later in 2021. Further cycleways have been developed in the eastern area as part of the transportation activity. Refer to page 76 for further details.

**The development of Council’s Long Term Plan 2021-2031** provided the opportunity to review our Recreation and Leisure Strategy. After significant research and community consultation the Recreation and Open Space Strategy was adopted by Council in June 2021. This new strategy provides increased levels of service for swimming pools, neighbourhood reserves and active sportsgrounds. Implementation of the new strategy will commence in July 2021.



**In October 2020 Council agreed to transfer land on Matakana Island known as Panepane** to a trust which is made up of five hapū. This is a result of a seven-year process involving a high level of negotiation that resolved a number of historic issues. The transfer of the land is now subject to the Māori Land Court process. The transfer agreement will see the creation of a seven hectare reserve remaining in Council ownership and an esplanade strip which will ensure public access to the foreshore is protected in perpetuity.

**Concept plans** were completed for a number of new reserve areas. This includes the Waitekohekohe Concept Plan for forestry land located between Lund Road and Thompsons Track. This land will provide a new reserve area for horse riders and mountain bikers and will include car parking facilities. To obtain the community’s ideas and feedback significant community consultation was undertaken, and this provided valuable input to the final design. Development of the Waitekohekohe Reserve will commence in the 2021/22 year. The Ōmokoroa Domain concept plan was also completed. The implementation of the agreed playground plan and design was delayed due to overseas supply issues but will be completed later in 2021.

A concept plan for Otaiparia Reserve (83 Ford Rd) Maketu, has also been prepared and adopted. The plan will provide for improved car parking, open community space and access to the water. It is envisioned that this reserve will provide a community space for events and will facilitate waka ama and the Coastguard.

**There were a number of other key developments during the year. This included:**

- Moore Park sportsground development completed. The Katikati Cricket Oval opened in April 2021 for the local cricket teams and the local football club will utilise the reserve over the winter season.
- Water Catchment Reserve carpark extension which was achieved through tourism infrastructure funding.
- Adela Stewart Drive Reserve tennis hardcourts were resurfaced and new fencing installed.
- Yeoman Walkway culvert removed and replaced with a bridge.

**Playgrounds**

Playgrounds around the District were upgraded. This includes the playgrounds at the Katikati Museum/Arts Junction and Brighton Reserve Waihi Beach. Building has commenced for a new playground at Island View Reserve in Waihi Beach. This will be completed in October 2021.

**Ōmokoroa**

In collaboration with the Ōmokoroa Golf Course, new storm water infrastructure and a coastal bund walkway was completed along the esplanade reserve adjoining the golf course. This provides a walk/cycleway connection between Precious Reserve and Kayelene Place. **It is pleasing to see that this development has high usage and received positive feedback.**



Opening of Katikati Playground 2021.



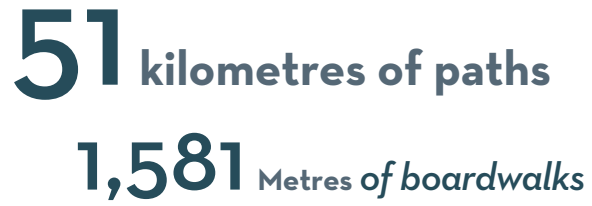
Panepane Purakau Special occasion held at Trustpower BayPark 29 October 2020.



TECT Park 10th Birthday celebration.



## WHAT WE PROVIDE



2 sub-regional parks

54,907 Square metres of roads and parking

11 BUILDINGS

6 Camping grounds

75 Public toilets

2 Swimming pools

33 Sports fields

29 Playgrounds

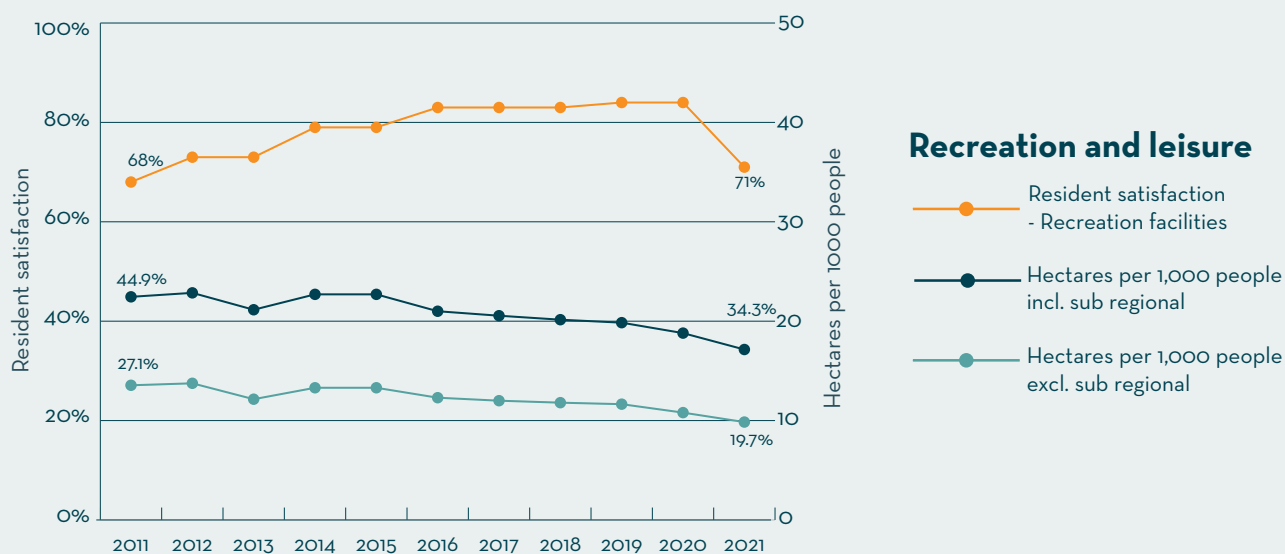
44 Hard courts

6 Skate parks



## SERVICE PERFORMANCE RESULTS

### RESULT TRENDS FOR KEY MEASURES



### HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<p><b>Key Performance Measure</b> Total hectares of park land provided for recreation or conservation purposes per 1,000 residents.</p> <ul style="list-style-type: none"> <li>Excluding sub regional parks (TECT All Terrain Park and Huharua Harbour Park).</li> <li>Including Council's share of sub-regional parks.</li> </ul> <p><i>Please note: The decreasing trend is recognising population growth in the District and that facilities will be shared by more people.</i></p>	<p>≥23.0 ha</p> <p>≥39 ha</p>	<p>19.7 ha</p> <p>34.3 ha</p>	<p>21.6 ha</p> <p>37.6 ha</p>	<p>Increasing population reduces the land available. Future residential developments will result in further reserves being developed.</p>	<p>✗</p> <p>✗</p>
<p><b>Key Resident Measure</b> Level of resident satisfaction with reserves and recreational facilities and amenities. This is a two yearly survey based on residents who are 'very satisfied' and 'satisfied'.</p>	<p>≥80%</p>	<p>71%</p>	<p>No survey</p>	<p>Key reasons for dissatisfaction were insufficient facilities, no swimming pools in the area and lack of parking at boat ramps and jetties.</p> <p>The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 52%.</b></p>	<p>✗</p>
<p><b>Key supporting measures</b> Percentage of recreational facilities that have a condition rating ≤ 3 (1 excellent, 5 very poor as defined in the NZ Park and Recreation Asset Grading Standard manual).</p>	<p>≥90%</p>	<p>96.6%</p>	<p>94.8%</p>		<p>✓</p>

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
Percentage of annual work programme completed as identified in the Recreation and Leisure Strategy and Action Plan. This identifies the total annual actions required for this strategy.	≥90%	61%	56%	Key reasons projects were delayed are supply chain issues and contractor availability and timing of consents.	
Percentage of Reserve Management Plans that have been reviewed (3 yearly cycle) in accordance with the Reserves Management Act 1977.	No review	No review	No review	Reserve Asset Management Plans are reviewed every three years. Over a ten year period all three ward RMP's are reviewed. A review of the Te Puke/Maketu Ward is scheduled for 2021/22 year.	-

## HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>We will provide a basic range of public facilities across our District</b>					
Number of hectares per 1,000 residents:					
• Actively maintained parkland (excludes sports parks)	≥4.8	7.8	8.6	Targets were not achieved for the amount of Natural Land and Sports Parks as the level of land acquisition for these activities is not keeping up with the population increase.	
• Natural land	≥16.7	10.6	11.6		
• Sports parks	≥1.5	1.3	1.4		
<i>Please note: this excludes the joint sub-regional TECT All Terrain Park and Huharua Harbour Park.</i>					
Number of recreational facilities provided:					
• Playgrounds per 1,000 children (under 15 years old)	≥3	2.9	3.0		
• Skateparks/paths facilities	7	7	6		
• Boat ramps	18	18	18		
• All tide boat ramps.	2	2	2		
Number of Council funded swimming pools (Katikati and Te Puke).	2	2	2		
Level of reserve-user satisfaction as monitored by the two-yearly intercept surveys ('satisfied' or 'very satisfied').	≥85%	93.5%	No survey		
<b>We will provide sub-regional parks per the joint partnership with Tauranga City Council</b>					
Achieve Green Flag accreditation for the TECT All Terrain Park on a three yearly basis.	No application	Achieved	Achieved	TECT Park received accreditation in December 2020	

## FUTURE INITIATIVES

The review of the Recreation and Open Space Strategy has identified a number of projects and initiatives over the next 10 years. In doing so Council will continue to work with the various communities in the development, design and construction of a number of projects. In some instances external funding will be required to progress projects.

A key initiative in the plan is the increased level of service in the provision of swimming pool facilities in both Katikati and Te Puke. The aim being to extend the use of the pools and swimming seasons through the addition of a roof at the Dave Hume Pool in Katikati and planning for a new indoor facility in Te Puke.

Additional funding for cycleway development has been provided to advance the Walking & Cycling Strategy Action Plan.

A series of planned works for coastal and marine facilities will commence in 2022. This includes the replacement of the Pukehina boat ramp. There will also be a number of seawall replacements and the Kauri Point jetty walkway will be re-decked.

Dog Park facilities will be created around the District which will provide off leash exercise areas for dogs. The first facility is planned for Te Puke in Lawrence Oliver Park.

Work will continue with the Bay of Plenty Regional Council on riparian management and plantings around the Tauranga harbour margins.

Building communities  
**Regulatory services**  
*Ratonga waeture*





# REGULATORY SERVICES

## OVERVIEW

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

### Our decisions on these activities are influenced by:

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

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

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

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

## WHY WE PROVIDE IT

### OUR COMMUNITY OUTCOME

Regulatory services are delivered through a balanced compliance approach, promoting the safety and wellbeing of our communities and enhanced sustainability of our built and natural environments.

### OUR GOAL

- **Animal control services:** Provide a safe environment for the public through promoting responsible dog ownership.
- **Building services:** Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods.
- **Resource consent services:** The quality of the environment is maintained and enhanced through effective decision-making on resource consents.
- **Community protection:** Improve, protect and preserve the environment and public health and safety by minimising risks from nuisances and offensive behaviour.

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

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

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> <li>✓ Annual Wander Dog series where dog owners can participate in various walks and events with their dog.</li> <li>✓ Freedom camping ambassadors over 2020/2021 summer.</li> <li>✓ Agreement through the Long Term Plan for future development of four dog parks.</li> <li>✓ Reduction in completes for District Plan and Resource Consent non compliance.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>✓ 1347 building applications received, and total value of building works \$341m.</li> <li>✓ Accreditation as a Food Verification Agency.</li> <li>✓ Resource consent application for \$70m commercial development in Ōmokoroa.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>✓ Complexity of resource consents received requires more hazard analysis and increased design.</li> </ul>
Cultural	No specific action relating to this wellbeing.



## HIGHLIGHTS

### Building services

The volume of applications received is 17 percent more than the 2020 year.

**A total of 1347 applications were received, compared to 1148 in 2020.** The total value of building works was \$341m.

In processing these applications, 88 percent were completed within the statutory timeframes.

Following the initial impacts of COVID-19 Council was prepared for a downturn in the numbers of building consent applications. However, post COVID-19 the market has bounced back, and speed and numbers have significantly increased. With the continued growth in the District and the housing shortage it is anticipated that this increase will continue.

### Animal services

As part of the Long Term Plan process an opportunity to develop dog parks throughout the District was recognised. **Following Council deliberations and community feedback, approval has been given for the future development of four dog parks.** These parks will provide open spaces where dogs have ability to exercise off lead. These parks will be funded by dog registration fees (80 percent) and rates (20 percent).



The number of dogs in the District increased by 1 percent to 9751. By the year end 98 percent of known dogs were registered which is a great result.

The annual Wander Dogs Summer Series featured our Doggy Day Out, dog walks and the Mud Dog Run at TECT Park. Unfortunately the Dogs in Togs event at Te Puke Pool was cancelled this year due to bad weather. All events held received positive feedback from attendees.

**Council's rehoming initiative continued, resulting in 52 dogs finding new homes.** The process of rehoming dogs is now partly done by external rehoming organisations, with 40 percent being rehomed through other organisations. This has released staff to focus on education, enforcement and public safety.



Doggy Day Out February 2021.

### Compliance and monitoring

In March 2021 we successfully completed our IANZ (International Accreditation New Zealand) accreditation as a Food Verification Agency. This was an external review of Council's processes and an assessment our compliance with the Food Act.

The number of applications for alcohol licences has increased by 22 percent with 308 received. Alongside this we started the review of the Local Alcohol Policy and this will continue into 2022.

A number of licences are managed within this activity e.g. alcohol licences and trading in public places. To streamline the process new online application options have been developed and implemented.

Overall there has been a noticeable 22 percent increase in the number of complaints received for District Plan and resource consent compliance. The number of resource consents that require monitoring has increased and 12 non compliance abatement notices have been issued.

**An initiative designed to educate freedom campers using Council facilities began over the summer period with the introduction of freedom camping ambassadors.** This was received positively by campers using our facilities. An internal review of the service delivery of compliance monitoring for freedom camping was also completed. The outcome of this review will contribute to an ongoing monitoring programme to improve efficiencies.

Council made a formal submission to Ministry of Business Innovation and Employment (MBIE) on the national freedom camping review they are undertaking. Decisions or feedback on our submission have not yet been received. It is anticipated decisions will be made later in 2021.

### Environmental consents

The number of resource consent applications received has remained consistent with previous years. There were 232 land use consents processed compared to 220 in 2020, and 165 subdivision consents processed compared to 145 in 2020.

While the numbers of the consents processed has remained steady the complexity of the consent applications has increased. This is due to the fact that 'good land' is becoming scarce and the land that is being developed requires more hazards analysis, increased design which impacts on costs.

The consent application received for the \$70m commercial development in Ōmokoroa is the highest ever received by Council. The application was publicly notified and was not appealed. As a result the developer is now to give effect to the consent. This is a positive outcome for the Ōmokoroa community.

The number of Land Information Memorandum (LIM) requests received is up 14 percent from 2020 while the Property Information Memorandum (PIM) has also increased by 8 percent from 2020.

# WHAT WE PROVIDE

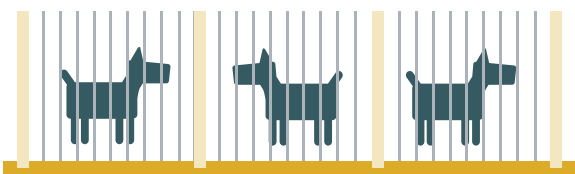


## Building consent processing



Food premises inspection  
Licensing - food and liquor

Noise control



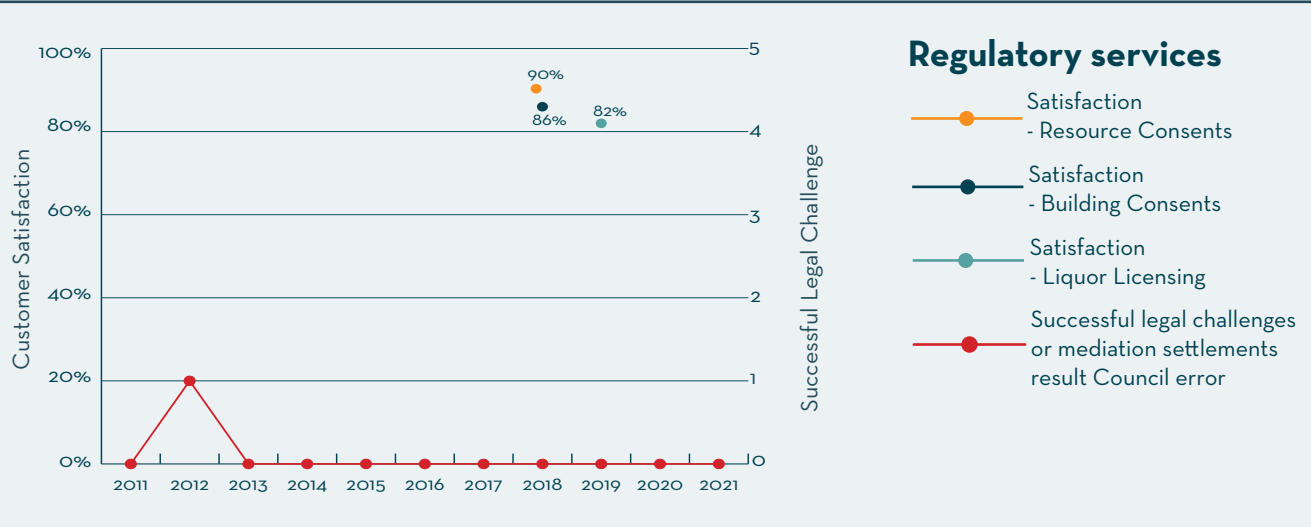
Dog pounds

Animal control officers



# SERVICE PERFORMANCE RESULTS










## RESULT TRENDS FOR KEY MEASURES



## HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Key Performance Measure</b> Number of successful legal challenges or mediation settlements (excludes weathertightness claims).	0	0	0		✓
<b>Key Resident Measure</b> Level of customer satisfaction based on customer surveys of regulatory services. (This survey includes resource consents, building and animal control services, alcohol licencing, parking and registered premises).	≥85%	No survey	No survey	This survey has been discontinued.	-

## HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Resource consent applications will be processed within the statutory timeframe and their compliance monitored.</b>					
Percentage of all resource consent applications processed within statutory timeframes.	100%	87%	86%	Higher volume of complex consent applications have resulted in higher consultant use. Increased resources required to manage workloads.	
Percentage resource consents monitoring schedule completed to ensure compliance with consent conditions.	100%	96.2%	99%	566 of the 588 resource consents scheduled for monitoring had monitoring completed within the month scheduled. Changes to the process impacted on turnaround times for monitoring.	
Number of resource consent decisions overturned through appeal.	0	0	0		
<b>Building and health applications and plan checking will be processed within statutory timeframes.</b>					
Percentage of building consent applications and plan checking processed within the statutory timeframes.	100%	88%	96%	There were 1347 building consents approved in the last year and 1185 (88%) were within the statutory timeframe of 20 working days. High work volumes and a loss of resources have contributed to a drop in compliance with statutory timeframes.	
<b>Requests for further information on building consent applications are issued within a reasonable time period.</b>					
Percentage of Requests for Further Information that are issued within 15 working days of the application being accepted.	≥85%	55%	70%	High work volumes and a loss of resources have contributed to a drop in compliance with statutory timeframes.	
<b>Code of Compliance Certificates are issued within the statutory period.</b>					
Percentage of Code of Compliance Certificates that are issued within the statutory timeframe.	100%	98%	97%	There were 1144 code compliance certificates issued in the last year and 1122 (98%) were within the statutory timeframe of 20 working days.	
<b>Land Information Memoranda (LIM) and Project Information Memoranda (PIM) will be processed within the statutory timeframe (10 days).</b>					
Percentage of LIM and PIM applications processed within the statutory timeframe (10 days).	100%	98%	100%	<b>LIMs</b> - all were processed within the statutory timeframe. <b>PIMs</b> - 1447 were received and 1390 were processed within the statutory timeframe.	
<b>Known dogs in our District are registered.</b>					
Percentage of known dogs in our District that are registered.	≥98%	98.2%	98.9%		
<b>Known dogs in our District are microchipped (excluding those meeting the requirements to register as working dogs).</b>					
Percentage of known domestic dogs in our District that are microchipped.	≥82%	89%	80%		

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>We will respond to customer service requests in a timely manner.</b>					
Percentage of service requests received that are actioned within specified timeframe.					
• Animal	≥90%	99%	93%		✓
• Building	≥90%	94%	71%		✓
• Health	≥90%	92%	81%		✓
• Resource consent compliance and enforcement	≥90%	95%	96%		✓
• Bylaw and District Plan compliance and enforcement	≥90%	95%	90%		✓
<b>Food business are regularly monitored and assessed.</b>					
Percentage of food businesses that are scheduled for verification are assessed in accordance with statutory requirements.	95%	71%	61%	Significant delays were experienced at the beginning of the year due to COVID-19 impacting food businesses. Delays in verification can be due to unanticipated staff illness, and businesses request to delay. Delays on average were less than seven days.	✗
<b>Alcohol licences are issued within a reasonable period.</b>					
Percentage of licence decisions issued within 5 working days of receipt of completed agency reports.	98%	89%	76%	System issues impacted the target achievement in the first half of year. Once resolved the results were 98% compliance with the five day requirement.	✗
<b>Parking is monitored within Te Puke and Katikati town centres and largely on a seasonal basis at Waihi Beach.</b>					
Percentage of parking infringements correctly issued.	95%	99.9%	97.9%		✓

## FUTURE INITIATIVES

There are a number of legislative reforms impacting on the regulatory services activity. This includes the Resource Management Act reform, the implementation of the act and what will be required to process consents. There is also the Statutory Policy in regard to District Plan development and regional wide planning, as well as the Local Government reform and the implications to the regulatory function.

The Building Code is continually reviewed to meet design and sustainable practice. Council will continue to be proactive in submitting on these reviews and will implement the codes once adopted.

Council managers continue to work with developers and identify new ways of developing land that can save time and effort in the long-term. This includes giving consideration to housing typologies, recreation facilities and connectivity within townships.

Council is an accredited Building Consent Authority (BCA) and the renewal of this accreditation is scheduled for the 2022 year.

Building communities  
**Stormwater**  
*Waiāwhā*



# STORMWATER

## OVERVIEW

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

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

## WHY WE PROVIDE IT

### OUR COMMUNITY OUTCOME

Stormwater networks are designed and managed to meet community and environmental needs.

### OUR GOALS

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

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

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

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> <li>✓ Dry year, no flooding events.</li> <li>✓ Study at Pio Shores to determine safe infiltration rates and holding capacity.</li> <li>✓ Eastern consent granted excluding Maketu. Maketu issues/concerns addressed and awaiting BOP Regional Council decision.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>✗ Two Mile Creek tender considered too high. Design reviewed and re-tendered.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>✓ Comprehensive stormwater consent obtained for central catchment.</li> <li>✓ Partnership with BOP Regional Council to model Te Puke stormwater to understand impact downstream flooding.</li> <li>✓ Use of gullies and water courses for stormwater management at Ōmokoroa.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>✓ Development of monitoring and reporting to ensure key information is provided to local iwi.</li> </ul>





## HIGHLIGHTS

The comprehensive stormwater consents (CSC) were obtained for the central catchment in July 2020. The consent for the eastern catchment was delayed due to appeals. Council worked with the concerned parties to explore the issues and subsequent negotiations resulted in Maketu being split from the consent. The eastern consent was granted excluding Maketu however most issues have now been addressed and Council is currently awaiting a decision from the Bay of Plenty Regional Council for the Maketu consent.

The work for Two Mile Creek at Waihi Beach was tendered, and from the tenders received the costs were considered too high. As a result, the design was reviewed and the project will be re-tendered in the 2022 financial year.

It was another dry year with no flooding events. Council continues to partner with the Bay of Plenty Regional Council to model Te Puke stormwater to enhance understanding of the impacts of downstream flooding. This could potentially result in further stormwater upgrades works in Te Puke.

At Pio Shores a study has been completed on the basins, and sand dunes to determine safe infiltration rates and holding capacity. This information will determine the optimum pumping rates for the stormwater systems. Work has commenced on the design for the upgrades which will enhance the stormwater in Pio Shores area.

At Ōmokoroa the stormwater reticulation works will be completed with the new Southern Industrial Road. Delays have been experienced with the development of the stormwater pond due to landowner and consenting issues. The work was planned to align with the Waka Kotahi NZ Transport Agency State Highway 2/Ōmokoroa Interchange however central government's decision not to proceed with the interchange will require timing to be reviewed.



Waihi Beach Stormwater Pond

## WHAT WE PROVIDE

**146.1 kilometres**  
of stormwater pipes

**2,952** manholes

**15** soakholes

**688** utilities catchpits

### Stormwater ponds

- 15 Waihi Beach
- 1 Te Puna
- 1 Te Puke
- 2 Pio Beach
- 1 Paengaroa

- 10 Ōmokoroa
- 11 Katikati
- 4 Island View
- 3 Athenree

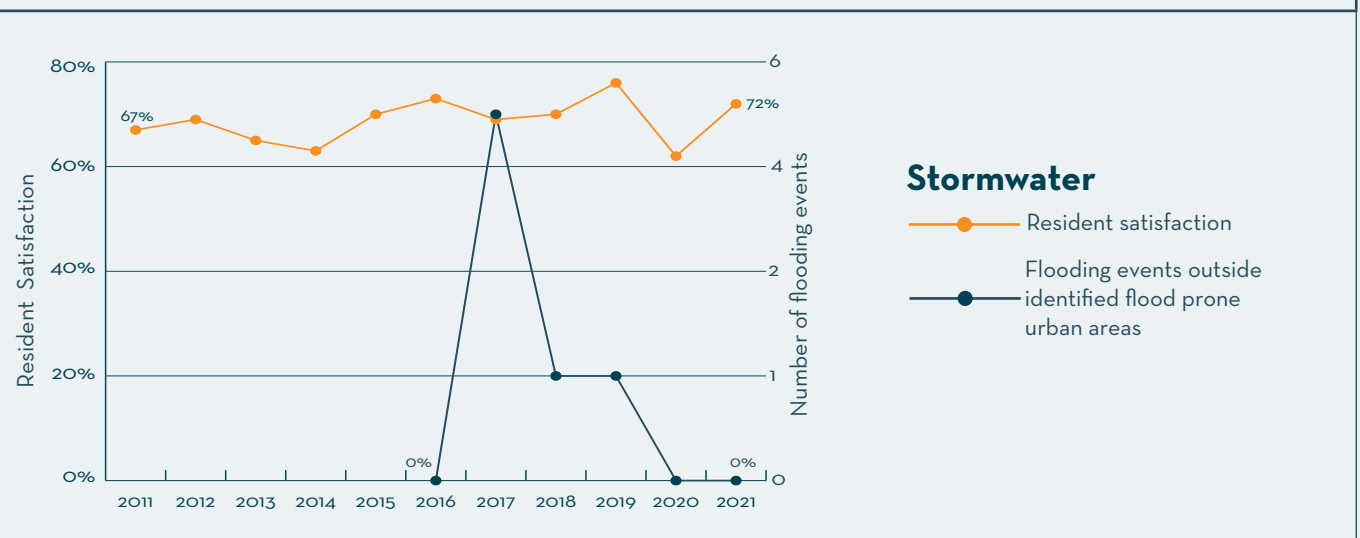
**1** dam   
**7** pump stations

**33.6 kilometres**  
of open drains

**1.2 kilometres**  
of rising mains

# SERVICE PERFORMANCE RESULTS

## RESULT TRENDS FOR KEY MEASURES



## HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<p><b>Key Performance Measure</b> The number of times flooding occurs outside identified flood-prone urban areas during a one-in-50 year or less storm event.</p> <p>This performance measure is assessed on a per event basis i.e. flooding in more than one location in a single event will be counted as 1.</p>	≤3 events	○	○	There were no significant storm events during the reporting period. Only three incidents of flooding on private property, however all incidents are within identified flood zones.	✓
<p><b>Key Resident Measure</b> Level of resident satisfaction with stormwater systems.</p>	≥65%	72%	62%	The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 59%.</b>	✓

## HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<p><b>We will provide stormwater assets to minimise risks of flooding events.</b></p> <p>The number of flooding events that occur within the Western Bay of Plenty District.</p> <p>For each flooding event (district-wide), the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system).</p>	≤30 (3%) per event	○	○	There was no 10 year flood event experienced during the year and no flooding to houses reported.	✓

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
For a one in ten year flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to Council's stormwater system.				There was no 10 year flood event experienced during the year and no flooding to houses reported.	
	<b>Per event</b>				
Waihi Beach	≤60 (6%)	○	○		✓
Katikati	≤10 (1%)	○	○		✓
Ōmokoroa	≤10 (1%)	○	○		✓
Te Puke	≤30 (3%)	○	○		✓
Maketu	≤30 (3%)	○	○	✓	
Compliance with Council's resource consents for discharge from our stormwater system, measured by the number of:				Council has good compliance with the Resource Consents. No notices or prosecutions received.	
• Abatement notices	○	○	○		✓
• Infringement notices	○	○	○		✓
• Enforcement orders, and	○	○	○		✓
• Convictions	○	○	○		✓
received by Council in relation to those resource consents.					
<b>We will be responsive to customer's stormwater issues.</b>					
The median response to attend a flooding event, measured from the time that Council receives the notification to the time that service personnel reach the site.	≤120 minutes	○	○	There were no flooding events as a result no response times measured.	✓
The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the Councils stormwater system.	≤30	8.7	0.17		✓

## FUTURE INITIATIVES

As part of the comprehensive consent conditions Council will continue to develop and update catchment management plans as the consent is implemented.

The issues identified for Maketu will be resolved and finalised. The development and implementation of the water quality monitoring programmes will continue as part of consent requirements.

At Te Puke the agreed design of ponds infrastructure will be implemented. Construction is planned for early December 2021. This work will enable stormwater management for new subdivisions being developed.

In Ōmokoroa the planned southern industrial pond was going to be linked with the Waka Kotahi interchange development. As central government has cancelled this project, investigations are underway to identify an alternative within the existing gully system and close to the Industrial Road. If investigations are successful then the pond will be constructed in 2022. A further pond is planned at the lower end of Prole Road adjacent to the Waipapa River. Investigations and designs will be completed and construction will form part of the Prole Road urbanisation project. This is planned over the next two years (2022-2023).

The stormwater activity will be impacted by the central government Three Waters Reform. Council will maintain a watching brief and will continue to work with key parties.

Building communities  
**Transportation**  
*Rangawaka*



# TRANSPORTATION

## OVERVIEW

Council’s transportation strategy aims to provide a safe and effective transportation network which contributes to the health and wellbeing of the community. An efficient transport network enables economic development that is of district, regional and national importance. The network provides strategic transport links to the Port of Tauranga which has the largest maritime import/export freight volumes in New Zealand.

## WHY WE PROVIDE IT

### OUR COMMUNITY OUTCOME

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

### OUR GOAL

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

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

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> <li>✓ Working with Community Boards in the development of local roading improvements within each community.</li> <li>✓ 90.7 percent customer satisfaction with actions taken to resolve service requests.</li> <li>✗ Resident satisfaction with transportation networks is 55 percent (target 60 percent).</li> </ul>
Economic	<ul style="list-style-type: none"> <li>✓ Work commenced, using the \$14m grant from the Crown Infrastructure Partners fund for roading and water projects at Ōmokoroa.</li> <li>✓ Collaborative transportation planning between central and local government.</li> <li>✓ Uncertainty of funding from Waka Kotahi for next three year work programme.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>✓ Continued development of shared pathways and cycleways throughout the District.</li> <li>✓ Total increase in length of cycleways and walkways, 1386km.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>✓ Ongoing work with archaeological authorities to progress planned works within the District.</li> </ul>



## HIGHLIGHTS

It was another successful year for the One Network Maintenance Contract. During the year network improvements included, **6.45km** of pavement rehabilitation, **5.1km** of seal extension, and over **2.2km** of new footpath.

**The development of shared pathways and cycleways throughout the District continued.** This included:

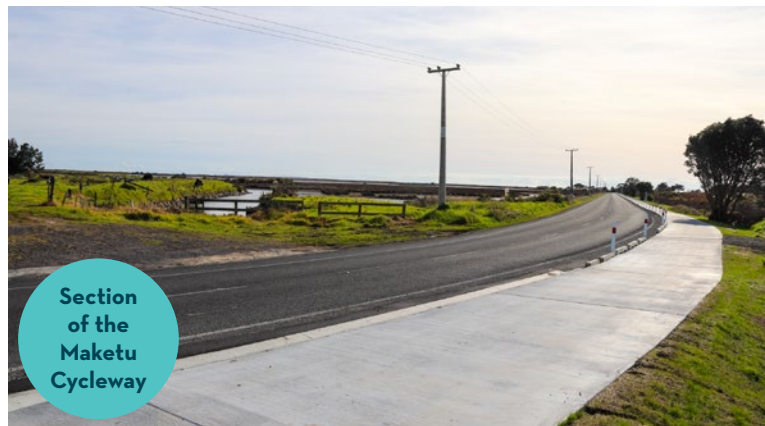
- Ōmokoroa to Tauranga cycleway, completed all sections including the Wairoa River Bridge crossing which was attached to the state highway bridge. Tauranga City Council are now to complete the connection to the city network.
- Shared pathways in Waihi Beach and Ōmokoroa, designed for pedestrians and cyclists. Site specific signage is ongoing.
- Maketu cycleway from Kaituna Road to the town boundary was completed. This provides 1.4km of shared path and completes the last Western Bay section from Bell Road, Papamoa to Maketu.

**A partial Speed Limit Bylaw review of the District roads was completed in lieu of proposed new legislation.** As part of this review requests from residents that were received from 2015 to 2020 were considered, and consulted on with the community. The review has resulted in new signs and sign changes across the network.

**Post COVID-19, Council received a grant of \$14m** from the Crown Infrastructure Partners Fund to support employment, urban development and roading infrastructure in Ōmokoroa. Construction has started on Ōmokoroa Road from Western Avenue to Tralee Street. This will be delivered over two years with completion in 2022. Design works have been completed on the proposed Industrial Road, Prole Road and Western Avenue projects.

**The five community boards have identified and prioritised roading projects for their respective communities.** During the year the following works were completed:

- **Waihi Beach:** Wilson Road carpark improvements and urban footpath refurbishment. The village town centre upgrade included the installation of rubbish bins and bollards.
- **Katikati:** no works completed this year as earlier upgrades to Earl Drive consumed several years of budget allocation.
- **Ōmokoroa:** the Esplanade grass berm and carpark improvements were completed.
- **Te Puke:** in association with the road rehabilitation works a new footpath on Station Road was constructed. Stock Road footpath linking Jubilee Park to King Street was completed and also the pedestrian walkway linking Boucher Avenue to Fenton Terrace. The Heritage Walkway was refurbished and new CCTV hardware was installed around the town to improve traffic monitoring capabilities and security.
- **Maketu:** an authority from Heritage NZ was obtained for the next five years for planned projects. Drainage works were completed on Rauporoa Road.



Central government has reviewed the New Zealand Upgrade Programme. As a result of this review funding has not provided for the planned four lane road improvements between Ōmokoroa and Te Puna. Council will continue to advocate for the Ōmokoroa Road State Highway 2 intersection upgrade due to the safety concerns and the growth of traffic using the intersection.

**Council continued to work with other agencies in the planning for the sub region transportation network.** This is a collaboration between Council, Waka Kotahi, Tauranga City Council, Bay of Plenty Regional Council and iwi authorities. Key projects this year were:

- The sub-regional Transport System Plan development which includes planning for four business cases (Hewletts sub-area; 15th/Turret/Welcome Bay; public transport services and infrastructure, Cameron Road stage two) and
- Two policy initiatives (traffic demand management; parking and bus fares),
- Takitimu North Link and the programme business case and early works programmes for Tauriko West including public consultation.

**There were a number of other initiatives/projects progressed during the year. This included:**

- Streetlights - stage one of the urban upgrade programme to transition to LED lights is complete. Stage 2 has started with the purchase of decorative LED lights.
- Provided support for the Tauranga City development of the Waiari water scheme in managing the impact on the local roading network.
- Continued working with key parties to progress the Ranguru Business Park.
- The One Network Maintenance Contract for state highways and local roads with the Western Bay is being extended for two more years, to November 2023.

WHAT WE PROVIDE

**1073** kilometres  
of network with connections  
to state highways



Urban roads:

**170** kilometres

Rural roads:

**903** kilometres

Sealed roads:

**910** kilometres

Un-sealed roads:

**162** kilometres

**142**

Bridges

**39**

culverts

greater than  
1.4m diameter

**189** kilometres

hard surfaced footpaths

**2.1** kilometres

Metalled surfaced footpaths

**3,454**  
streetlights

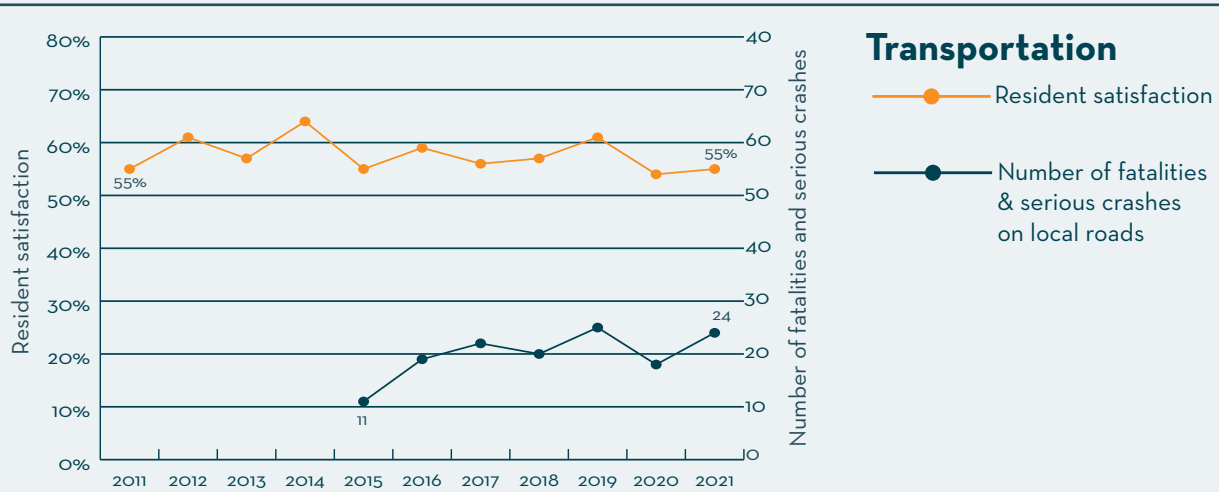
**6,923**

road signs



## SERVICE PERFORMANCE RESULTS

### RESULT TRENDS FOR KEY MEASURES



### HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET 2020/21	RESULT 2020/21	RESULT 2019/20	NARRATIVE	ACHIEVED
<b>Key Performance Measure</b> The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	≤0	6	-7		✗
<b>Key Resident Measure</b> Level of satisfaction with our transportation networks (roads, cycling and walkways).	≥60%	55%	54.5%	Key reasons for dissatisfaction is the maintenance of the roads, and the need for roads to be widened.  The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 51%.</b>	✗

### HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET 2020/21	RESULT 2020/21	RESULT 2019/20	NARRATIVE	ACHIEVED
<b>We will respond to customer transport related issues.</b>					
The percentage of customer service requests relating to roads and footpaths to which Council responds within 10 working days.	≥90%	67%	70.8%	At total of 2260 requests were received. The customers received a response within 10 days for 1519 requests.  To respond to the customer investigations and/or actions were required. This took longer than the ten day target.	✗
Level of customer satisfaction with action taken to resolve service requests.	≥85%	90.7%	89.3%		✓
<b>The network and its facilities are up to date, in good condition and fit for purpose.</b>					
The average quality ride on a sealed local road network, measured by smooth travel exposure.	≥90%	94%	94%		✓



PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
There are a number of potential defects in road pavement structure and its surface. The condition index is a weighted measure of the fault types.					
• Sealed Roads	0.3	0.28	0.36	The condition index results show the condition achieved was better than the agreed target.	✓
• Unsealed roads	3.0	2.2	2.26		✓
Please note: (0 = defect free; 5 = unsatisfactory).					
The percentage of the sealed local road network that is resurfaced.	≥4%	8.7%	7.8%		✓
<b>Adverse environmental effects, such as dust, noise and vibration are managed effectively.</b>					
Length of unsealed roads (km).	176km	161.7km	163km	Decrease in length of unsealed roads due to seal extensions completed this year.	✓
Number of successful prosecutions for non-compliance with Resource Management Consents and Heritage New Zealand Pouhere Taonga Act 2014 by the Bay of Plenty Regional Council or Heritage New Zealand.	0	0	0		✓
<b>The road network is convenient, offers choices for travel and is available to the whole community.</b>					
The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths as identified in the transportation asset management plan.	≥95%	99.95%	99%		✓
The increase in total length of cycleways and walkways within the District.	≥1,000m	1,386m	12,886m		✓
Use of the Ōmokoroa - Tauranga cycleway.	Increasing	Increasing	Increasing	In 2021 there were 167,943 users of the cycleway. This is an increase of 3163 from 2020.	✓

## FUTURE INITIATIVES

There was some uncertainty around the indicative funding allocations by Waka Kotahi for the next three year programme of network operations, maintenance and asset renewals. Waka Kotahi announced the approved funding allocations on the 7 September 2021 which was two months into the new financial year. The funding allocation received for maintenance, operations, renewals was 91% and 51% for low cost low risk projects. Activities are more expensive than the constrained funding however the next two years of the roading contract can now be funded. There is a potential risk to the last year of the period for the expected new maintenance contract if additional co-investment cannot be secured. Council will continue to advocate for the District roads and endeavour to maintain the current levels of service.

The community boards are expected to continue to review and prioritise their minor roading improvement projects. Once they are adopted within the available funding limits we will undertake the agreed works.

**A new road maintenance contract form is expected to be developed, tendered and implemented prior to November 2023.**

Building communities

**Water supply**

*Puna wai /  
kohinga wai*



# WATER SUPPLY

## OVERVIEW

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

## WHY WE PROVIDE IT

### OUR COMMUNITY OUTCOME

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

### OUR GOALS

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the water supply activity has had on the four wellbeings during the year.

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> <li>✓ Completed capital works around the district to improve water provision.</li> <li>✗ Unsuccessful in securing groundwater bores for the Central and Eastern supply zones.</li> <li>✓ Drinking water standards maintained.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>✓ Feasibility study to assess options to increase water supply to cater for the Rangiuru Business Park.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>✓ Management of water supply over summer period resulted in no water restrictions.</li> <li>✓ Comprehensive water take consent obtained for eastern supply zone.</li> </ul>
Cultural	No specific actions related to this wellbeing.



## HIGHLIGHTS

The growth experienced in both the central and eastern supply zones has necessitated the need to find more good quality water sources to meet increasing demand in these zones. As a result, Council continued to look for water bores in both of these zones. This exploration project requires a number of exploration test wells, located within the zones, to find good quality water. For the eastern supply zone a comprehensive water take consent was obtained which enables exploration in different locations within this zone.

**With the introduction of the Three Water Reforms**, central government requested Council to provide information about its water supply activity. The information included data on water assets, operational and capital expenditure, funding and charges, for a three-year period. This provided central government a comprehensive stocktake of the water assets and this information is informing their decision process.

**The imminent development of the Rangiuru Business Park will require significant infrastructure to be built.** This includes the provision of water to the Park within the next three years. A large feasibility study is underway to assess options that will increase the water supply to cater for the projected demands of the Park.

This planning ensures water source options can be costed and preferred options identified.

The water supply for the District continues to have an 'unsecured drinking water' status. To address this a programme has been developed which includes fencing, backflow devices, water quality devices (funded through Crown Infrastructure Partners as part of the post COVID-19 'shovel ready' projects), and ultraviolet (UV) treatment. Alongside this, the quality of the water supply continues to be monitored to ensure drinking water standards are maintained. There were no water compliance issues.

Several water main projects have been designed for renewal in western and eastern supply zone. Construction is planned to commence over the next 12 months. Other significant projects or works undertaken during the year include:

- Design of a central reservoir to provide storage to accommodate growth in Ōmokoroa. Construction will commence in 2022.
- Breaks along the trunk water main east of Te Puke has resulted in sections of the pipe being replaced.
- In conjunction with Waka Kotahi NZ Transport Agency State Highway 2 safety improvements (Katikati - Athenree turnoff), 5.8km of trunk water mains were renewed.
- Thorough review and update of the Water Asset Management Plan as part of the Long Term Plan process.

### Water metering

The installation and charging by water meters has had a definitive impact on water use across the District and helped manage peak demands over summer. As a result there were no water restrictions imposed over the summer period.



### WHAT WE PROVIDE



Water reticulation operated in three supply zones:

**Western**  
Waihi Beach, Katikati

**Central**  
Ōmokoroa, Te Puna

**Eastern**  
Te Puke, Maketu, Pukehina Beach, Paengaroa

**26** booster pump stations

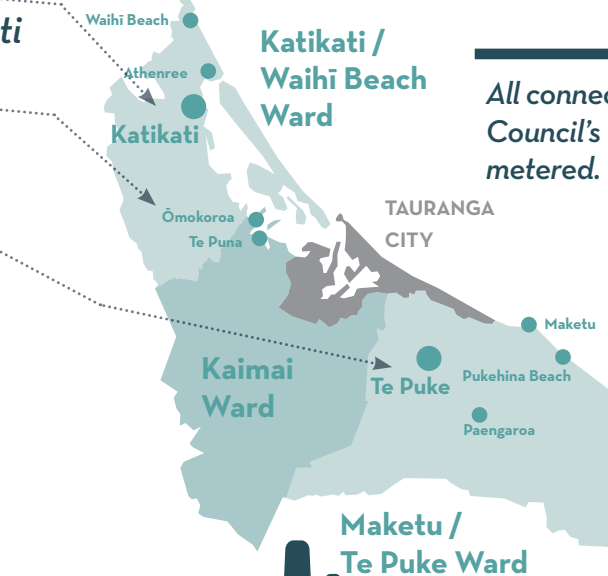
**9** Bore fields

**District-wide water metering**

All connections to Council's water supply are metered.

**10** water treatment plants

**1** Surface supply (Bush Dam)



**31** Reservoirs & tank sites

APPROXIMATELY

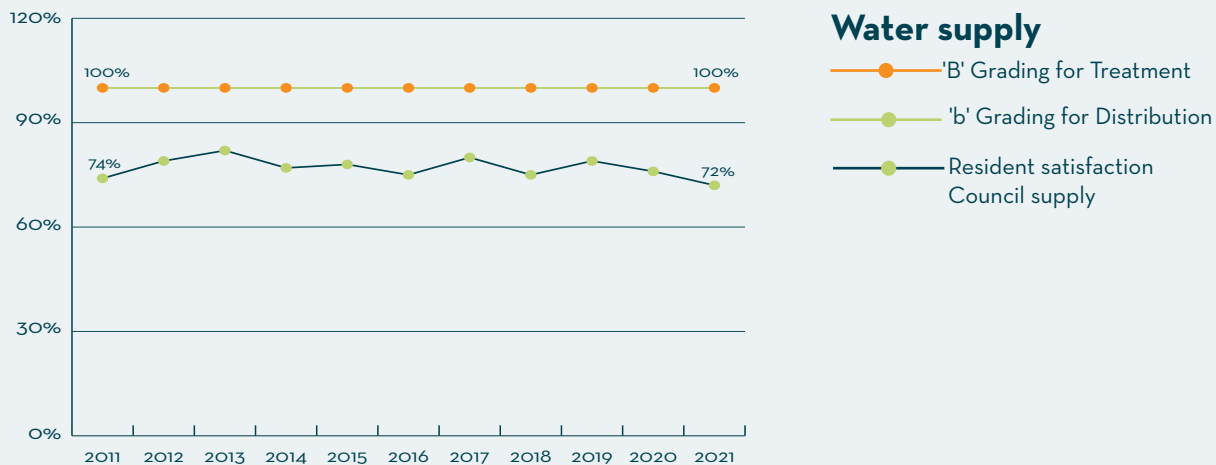
**716** kilometres of water mains

**17,250**

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

## SERVICE PERFORMANCE RESULTS

### RESULT TRENDS FOR KEY MEASURES



### HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Key Performance Measure</b> For the three supply zones the percentage of Council's treated water supply with a Ministry of Health grading as per the New Zealand Drinking Water Standards 2005 (amended 2008).					
B or better for treatment	100%	100%	100%		✓
b or better for reticulation	100%	100%	100%		✓
<b>Key Resident Measure</b> Level of resident satisfaction with the quality of Council's water supply.				Key reasons for dissatisfaction is the level of silica and mineral in the water and the taste and smell of the water.	
	≥80%	72%	76%	The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 71%.</b>	✗
<b>Supporting Measure</b> In a one-in-50 year drought, the ability to supply water to meet the normal daily water demand (1,100 litres per person per day).					
Ability of reservoirs to provide a minimum of 24 hour average daily demand.	100%	100%	100%		✓

## HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET		RESULT		RESULT		NARRATIVE	ACHIEVED
	2020/21		2020/21		2019/20			
<b>We will provide good quality potable water to service growth within the three supply zones.</b>								
Percentage of year where reservoirs are maintained at a minimum of 50% full, in accordance with Ministry of Health requirements.	100%		99%		100%			
<b>We will monitor sustainable delivery and effectively manage the risks associated with the quality and quantity of the public water supply.</b>								
The extent to which Council's drinking water supply complies with: <ul style="list-style-type: none"> <li>Part 4 of the drinking-water standards (bacterial compliance criteria), and</li> <li>Part 5 of the drinking-water standards (protozoal compliance criteria).</li> </ul>	≥99%		50%		0		Non-compliance with Part 5 of the drinking water standards is a result of the water bores not being secure.	
Distribution Zones (Yes or No)	<b>Part</b>		<b>Part</b>		<b>Part</b>			
	<b>4</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>5</b>		
Athenree	Y	Y	Y	N	N	N	There was no protozoal compliance for our water supply zones.	
Katikati	Y	Y	Y	N	N	N		
Ōmokoroa Minden	Y	Y	Y	N	N	N	Te Duke Bush is now part of the Te Duke supply zone.	
Pongakawa	Y	Y	Y	N	N	N		
Te Puke	Y	Y	Y	N	N	N		
Te Duke Bush	Y	Y	NA	NA	NA	NA		
The percentage of real water loss from Council's networked reticulation system.	≤22%		≤21.2%		19.7%			
The average consumption of drinking water per day per resident within the Council's District.	≤220 litres		194 litres		170 litres			
<b>We will respond to customers issues with the water supply.</b>								
Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: Attendance for call-outs: from the time Council receives notification to the time service personnel reach the site:								
• Urgent call outs	≤1 hours		55 minutes		46 minutes		Maintenance contract response for non-urgent call outs is 48 hours to on site.	
• Non urgent call outs	≤8 hours		19 hours		3 hours 48 minutes			
Resolution of call-outs from the time Council receives notification to the time service personnel confirm resolution of the fault or interruption.								
• Urgent call outs	≤8 hours		4 hours		6 hours 11 minutes		Maintenance contract response for non-urgent call outs is 48 hours to on site.	
• Non urgent call outs	≤24 hours		42 hours		26 hours 30 minutes			

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
Total number of complaints received by Council about any of the following: <i>Drinking water clarity</i> <ul style="list-style-type: none"> <li>• <i>Drinking water taste</i></li> <li>• <i>Drinking water odour</i></li> <li>• <i>Drinking water pressure or flow</i></li> <li>• <i>Continuity of supply and</i></li> <li>• <i>Council's response to any of these issues expressed per 1,000 connections to Council's networked reticulation system.</i></li> </ul>	≤30	13.77	6.79		✓

## FUTURE INITIATIVES

The Three Waters Reform currently underway by central government will result in changes to how water supply is delivered to our communities.

The target date for implementation is 1 July 2024. Council will continue to respond to central government agencies and neighbouring councils and work with the various communities to progress this.



Protecting the  
environment  
**Natural**  
**environment**  
*Te taiao*





# NATURAL ENVIRONMENT

## OVERVIEW

Council has an important role in protecting the natural environment of the Western Bay. It is one of our most valuable assets covering 195,000 hectares of coastal, rural and urban areas. The land of the Western Bay of Plenty faces north-east to the sea. To the west are the rugged bush-covered Kaimai ranges. Numerous streams drain the Kaimai range, flowing down through the hills and coastal lowlands into the swampy estuaries and mudflats of the Tauranga Harbour.

## WHY WE PROVIDE IT

### OUR COMMUNITY OUTCOME

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

### OUR GOALS

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

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

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	✓ Continued support provided to environmental organisations and agencies throughout the District.
Economic	✓ Community Service Contract - Ecology awarded to Bay Conservation Alliance.
Environmental	<ul style="list-style-type: none"> <li>✓ Donation of native plants to landowners and community planting projects.</li> <li>✓ Continuation of the Maketu Ongatoro Wetland Society environmental education programme.</li> <li>✓ Support provided to Predator Free BOP programme.</li> <li>✗ Low amount of additional land for regenerating forest and shrub land.</li> </ul>
Cultural	No specific actions related to this wellbeing.



## HIGHLIGHTS

The Natural Environment strategy in Council's 10-year Long Term Plan (2021-2031) has been reviewed and updated. The resulting strategy ensures a better alignment between the:

- Goals and objectives as indicated by the community during our consultation process.
- Initiatives and projects promoted by central government that are influencing our region.
- Emerging trends, for example, the emphasis on climate change, sustainability issues and wetland development.

Our operations have also been realigned to reflect these changing priorities and give greater surety for planning and project support. Some of these budget lines include funding put aside for Council-led projects to support Te Maru o Kaituna initiatives (Kaituna River).

### **Council's Community Service Contract - Ecology was put out for tender and was awarded to Bay Conservation Alliance.**

The reallocated contract represents a step up to include emerging technologies; consideration of central government funded shovel ready initiatives; targeting the right sections of the community; alignment with other successful environmental education programmes; and is well placed to deliver benefits from association and co-operation with new players in the market.

Council continued to support the Predator Free BOP programme and in addition, will seek to continue to make Council's Barks Corner site a predator free site. This will be achieved through continued pest control each year, and further planting of indigenous trees in winter 2021. The predator free BOP programme continues to receive funding with a new focus in the Waihi Beach area where they have identified a goal of being pest free by 2025.

**Seven small community projects were supported through the provision of 4000 plants. These plants will also be planted in the winter of 2021.**

**The Maketu Ongatoro Wetland Society's school environmental education programme has been extended to include Rangiora Primary School.** This contract now covers six schools in the Te Puke- Maketu area. The proposed new ecology contract for the western area of the District will also contain a portion of school environmental education.



## WHAT WE PROVIDE



### Education programmes & initiatives

- Support for Environmental service delivery providers

- Fencing subsidies (protected bush lots)

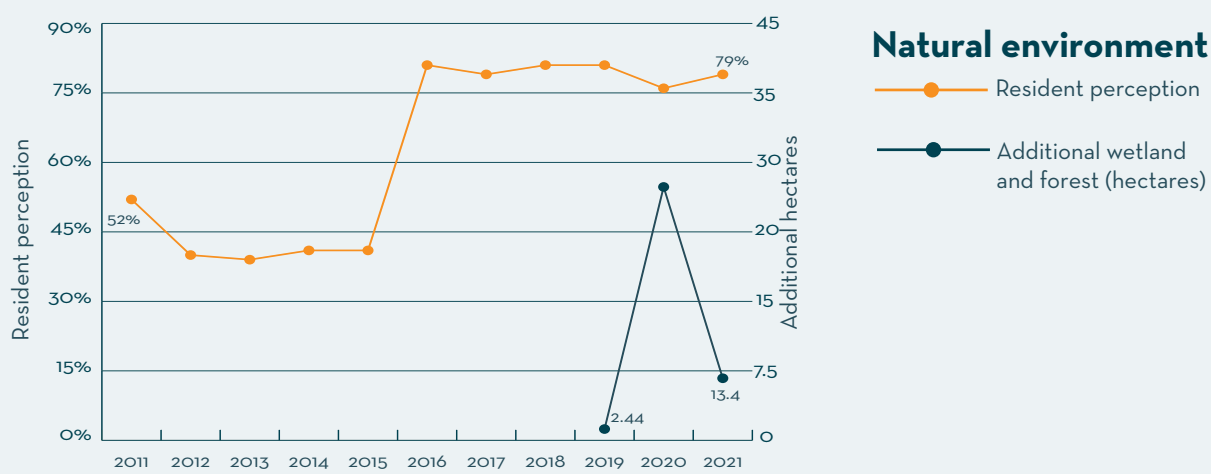


## Community group support

**Liaison with the Regional Council and partners**  
*with a focus on environmental issues*

# SERVICE PERFORMANCE RESULTS

## RESULT TRENDS FOR KEY MEASURES



## HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<p><b>Key Performance Measure</b> Amount of additional land included in protection lots in accordance with the District plan</p> <ul style="list-style-type: none"> <li>Riparian (kilometres)</li> <li>Wetland (hectares)</li> <li>Tall forest, Regenerating Forest, Shrub land (hectares)</li> </ul>	4.0 1.5 60	1.17 1.58 13.4	1.54 0 54.7	<p>Protection lot subdivisions are at the instigation of landowners and hence hard to predict.</p> <p>Wetlands are on track, but riparian and forest are down. Part of the reduction is due to many of the easier ones been undertaken. Also a likely impact from COVID-19 as subdivisions and associated plantings were put on hold.</p>	<p>✗ ✓ ✗</p>
<p><b>Key Resident Measure</b> Percentage of residents surveyed who perceive the environmental attributes monitored have improved or are being maintained.</p> <p><b>Please note:</b> the environmental features monitored include the quality of streams and rivers, harbours and estuaries, air quality, the amount of noxious weeds, protection of historic places, general level of cleanliness and the amount and quality of native plants and animals.</p>	≥75%	79%	76%	<p>The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 62%.</b></p>	<p>✓</p>

**HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE**

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Facilitate and support community involvement in protecting and enhancing the natural environment.</b>					
Percentage of environmental groups that Council supports.	≥50%	25%	32%	Focus for support has changed. Support is now provided to a smaller number of large groups.	✗
Number of community environmental education initiatives.	≥6	2	6	The number of community initiatives was determined by the interagency group. COVID-19 was also detrimental to the group co-ordination last year.	✗
<b>Ensure protection lots are compliant with terms of covenants.</b>					
Number of protection lots monitored to ensure compliance.	≥40	128	105	128 inspections were undertaken during the year. A minimum of 100 inspections is required to deliver on the monitoring work programme. Increased inspections were delivered to address shortfalls in 2019-20 due to COVID.	✓

**FUTURE INITIATIVES**

The implementation of the new Natural Environment Strategy developed as part of Council's Long Term Plan will commence in July 2021. This will not only provide targeted funding for environmental initiatives but will be a catalyst for environmental initiatives in other areas of Council operations, for example providing funding for ecological projects relating to the development of Ōmokoroa.

The Community Matching Fund, which provides \$40,000 for environmental initiatives, resumed in the 2021/2022 year. This fund in the 2020/2021 year was used as part of the COVID-19 Community Resilience Fund.

Work will continue to fulfil the predator free goal for Council's Barks Corner site and the Waihi Beach area.



Protecting  
the environment  
**Wastewater**  
*Waipara*



# WASTEWATER

## OVERVIEW

Council aims to ensure that wastewater treatment and disposal systems are sustainable and continue to meet environmental and health and safety standards. We will continue to encourage households to explore and implement measures that reduce wastewater volume per person.

We have four wastewater treatment plants at Katikati, Maketu/Little Waihi, Te Puke and Waihi Beach and one wastewater treatment scheme in Ōmokoroa.

## WHY WE PROVIDE IT

### OUR COMMUNITY OUTCOME

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

### OUR GOALS

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

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

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> <li>✓ Crown Infrastructure funding to upgrade wastewater for communities with poor wastewater systems.</li> <li>✓ 91 percent resident satisfaction on Council’s wastewater system.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>✓ Design consultant engaged for upgrades at Te Puke to accommodate growth and potential connection to Rangiuru Business Park.</li> <li>✓ Joint maintenance contract with Tauranga City Council awarded to Downers.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>✓ Establishment of a local group to identify long term solutions to replace current pipe that takes wastewater out to sea.</li> <li>✗ Katikati wastewater treatment plant, non-compliance with resource consents.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>✓ Ongoing monitoring and reporting to ensure compliance with resource consent requirements.</li> <li>✓ Upgraded some marae wastewater facilities to onsite effluent treatment through Crown Infrastructure funding.</li> </ul>



## HIGHLIGHTS

In November 2020 Council was successful in its bid to obtain funding from the Crown Infrastructure Partners funding. This was the post COVID-19 'shovel ready' initiative. Of the \$6.9 million grant that was received \$5 million was obtained to upgrade the wastewater network to service communities that have poor wastewater systems. As part of this some marae will upgrade their facilities to onsite effluent treatment. The deadline for the completion of these projects is March 2022.

This activity will also be impacted by the central government review of the provision of the three waters services. A significant input in this review was the provision of asset information, and funding and revenue data for the wastewater activity.

**The Government announced in June their intention to devolve councils of the waters activity and replace with four entities.** Council is maintaining a watching brief on this central government led initiative.

The Waihi Beach treatment plant liner failed in December 2019. As an interim measure a temporary plant has been built to allow operation to continue while investigations were completed for the repair of the liner. The design is underway and will include enhancement to avoid a repeat of the liner failure. The repair works will commence in 2022. Alongside this Council is progressing an insurance claim for reimbursement of costs resulting from the liner failure.

At Katikati work commenced with a local group to identify long-term disposal options that could replace the current pipe which takes waste out to sea. Recommendations have been identified and a group has been established to review alternative options. This approach is also being used for the Te Puke wastewater disposal. To date no options have been developed.

At Katikati there are ongoing resource consent compliance issues for the wastewater treatment. Completed investigations have identified capacity issues. The sludge build up in the lagoons does not enable adequate retention time and turbidity. A design solution is being developed and construction planned for 2022.

**At Te Puke work has commenced on a significant upgrade (\$20 million) to the wastewater treatment plant.**

The design work was tendered and a design consultant has been engaged to undertake the design.

**Design is expected to take up to a year and the tender process for construction will commence in the later half of 2022.**



The design has allowed for growth in the eastern zone and for the Rangiuru Business Park, while meeting the new conditions of the resource consent. Alongside this, flow monitoring of the Te Puke wastewater network is underway to calibrate the network model. Care is being taken to understand the inflow and infiltration of rain/storm water into the wastewater network as it affects the overall capacity of the network.

The Three Waters Joint Maintenance Contract with Tauranga City Council was awarded to Downer at the end of 2020. Significant effort has been made to align systems between Western Bay, Tauranga City and Downer to ensure a seamless and enhanced transition without compromising levels of service. The system currently used by Watercare has been adopted as the operating model and this was operational on 1 July 2021.

**As part of the Long Term Plan 2021-2031 process the wastewater asset management plans were reviewed and updated.** This provides necessary input to the future work programme.

## WHAT WE PROVIDE

Maketu

37.8

kilometres  
of pipes

528

household pumps

2

booster pumps

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

Ōmokoroa

84.7

kilometres  
of pipes

16

pump stations

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

Ongare Point

4.3

kilometres  
of pipes

56

household pumps

Te Puna

125

household pumps

Te Puke

76.4

kilometres  
of pipes

Katikati

78.1

kilometres  
of pipes

Waihi Beach

82.7

kilometres  
of pipes

9

pump stations

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

15

pump stations

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

24

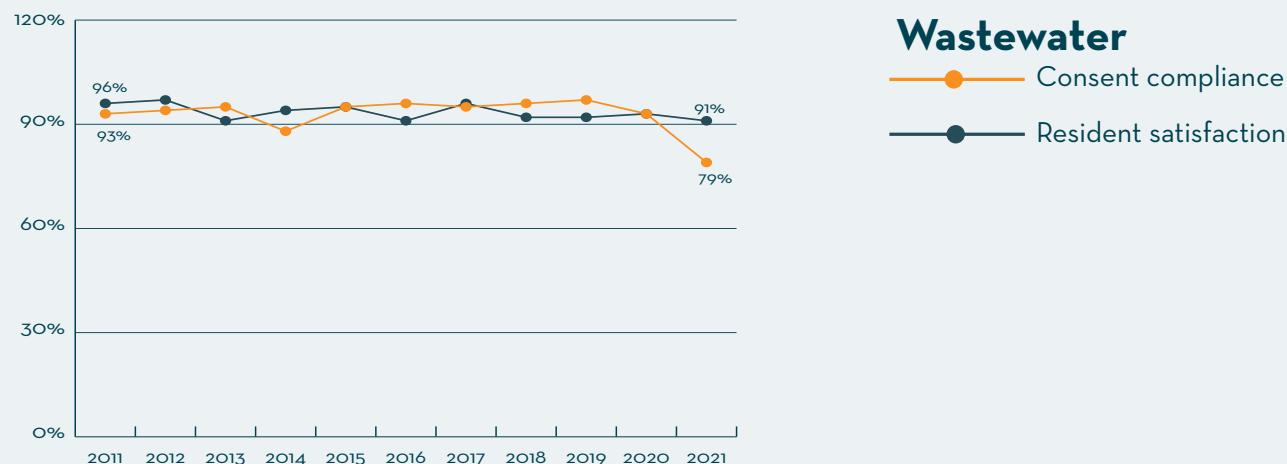
pump stations

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



## SERVICE PERFORMANCE RESULTS









### RESULT TRENDS FOR KEY MEASURES



### HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Key Performance Measure</b> Percentage compliance with Resource Consents for each wastewater scheme:					
• Katikati	≥90%	≤10%	91%	Katikati Wastewater Treatment Plant (WWTP) is undergoing investigations as a result of non-compliance in October 2019. As the resource consent results are based on a 12 month rolling median it will take time for the WWTP to come back within compliance. Our reporting and sampling periods have been within the correct time period which has given us <10% compliance. If we had not complied with the sampling periods the level of compliance with resource consent would have been 0%. All other Plants have been working well, apart from the odd results which shows a higher reading than our limits, majority of these have been one off results.	✗
• Maketu/Little Waihi	≥96%	≥96%	96%		✓
• Te Puke	≥90%	≥94%	91%		✓
• Waihi Beach	≥97%	≥98%	92%		✓
• Ongare Point	≥95%	≥98%	98%		✓
<b>Key Resident Measure</b> Level of resident satisfaction with Councils reticulated wastewater disposal system.	≥90%	91%	93%	The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 83%.</b>	✓

## HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Maintain wastewater systems and have capacity to meet demand.</b>					
The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system. NOTE: only applies when less than 1mm of rain has fallen during a continuous 24 hour period.	≤2	3.63	2.94	37 spills occurred and of that 25 occurred in Maketu due to pumps being blocked by rags etc.	
Compliance with resource consents for discharge from the sewerage system measured by the number of;					
• Abatement notices	0	0	0		
• Infringement notices	0	0	0		
• Enforcement orders	0	0	0		
• Convictions	0	0	0		
received in relation to those resource consents.					
<b>Provide wastewater services that meet customer needs.</b>					
Where Council attends to sewerage overflows resulting from a blockage or other fault in the Councils sewerage system, the following median response times measured:					
• Attendance time: from the time that Council receives notification to the time that service personnel reach the site.	≤1.5 hours	61 minutes	66 minutes		
• Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	≤8 hours	6 hours 2 minutes	6.75 hours		
The total number of complaints received by Council about any of the following:					
• Sewerage odour					
• Sewerage system faults	≤40	6	12		
• Sewerage system blockages					
• Council's response to issues with sewerage system					
Expressed per 1000 connections to the Councils sewerage system.					

## FUTURE INITIATIVES

The central government review of the three waters will continue. Council will maintain a watching brief and seek to work towards the best outcome for our communities.

Work will continue throughout the District to ensure wastewater treatment facilities are meeting resource consent conditions. This will include significant plant upgrades at Te Duke and Katikati.

Protecting  
the environment  
**Solid waste**  
*Paratotoka*



# SOLID WASTE

## OVERVIEW

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

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

## WHY WE PROVIDE IT

### OUR COMMUNITY OUTCOME

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

### OUR GOALS

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

Identified key effects the solid waste activity has had on the four wellbeings during the year.

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	<ul style="list-style-type: none"> <li>✓ Rural recycling trial at Pongakawa successfully completed.</li> <li>✓ Continued operation of community recycling centres in Athenree, Katikati and Te Puke.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>✓ Award of eight plus two year contract to EnviroWaste for kerbside collection.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>✓ Four waste minimisation initiatives supported by the Ministry for the Environment's Waste Minimisation Fund.</li> <li>✓ No abatement or infringement notices issued.</li> <li>✗ Illegal dumping.</li> </ul>
Cultural	No specific actions related to this wellbeing.



## HIGHLIGHTS

This year our focus has been on the implementation of the kerbside recycling and rubbish collection services. EnviroWaste was awarded an eight plus two year contract in August 2020 to implement and manage the new kerbside collection services.

It is anticipated that **80 percent of the District** will receive a kerbside service from July 2021. A partial service for rural households will have a mixed recycling, glass and general waste collection service, and a full service for urban households will also receive a food scraps collection service. More than **17,490** households will receive the service of which 12,000 will have access to the food scraps collection.

### Community recycling centres

The community recycling centres in Athenree, Katikati and Te Puke will continue to operate under the current levels of service. The Ōmokoroa greenwaste drop-off facility that is staffed by the Ōmokoroa Lions volunteers will also continue operation.

### Rural mobile recycling trial

The Pongakawa rural mobile recycling trial was successfully completed in June 2021. This trial enabled Pukehina, Maketu, and surrounding areas to recycle their glass and other commodities at Pongakawa which is more accessible site for these communities. From July 2021 the Pukehina and Maketu communities will receive the new kerbside services. Our focus is now investigating suitable sites for establishing unmanned rural recycling drop-off. The lower Kaimai area and Pongakawa are on the list. In the meantime residents who do not have ready access to recycling facilities can still use the recycle centres.

### Waste minimisation programmes

Waste minimisation programmes continued the delivery of Waste Free Living workshops, Home Worm Composting workshops, Business Waste Minimisation advice and Zero Waste Education to schools. A proactive approach to waste minimisation at events continued as events resumed post COVID-19.

### Illegal dumping

Illegal dumping is still occurring and is an ongoing challenge to manage within available funding. With the closure of Maleme Street Transfer Station in Tauranga it is envisaged that illegal dumping may increase. **Solar powered cameras are being trialled in known dumping areas to deter and identify dumping culprits.** Council is considering the provision of a transfer station in the District as there are currently none.

The waste levy will be increased to \$20 per tonne in July 2021 for municipal (class one) landfills. This levy will progressively increase over four years to \$60 per tonne as of July 2024. Residents efforts to reduce waste to landfill will be beneficial in that less costs may be incurred if they do.



## WHAT WE PROVIDE



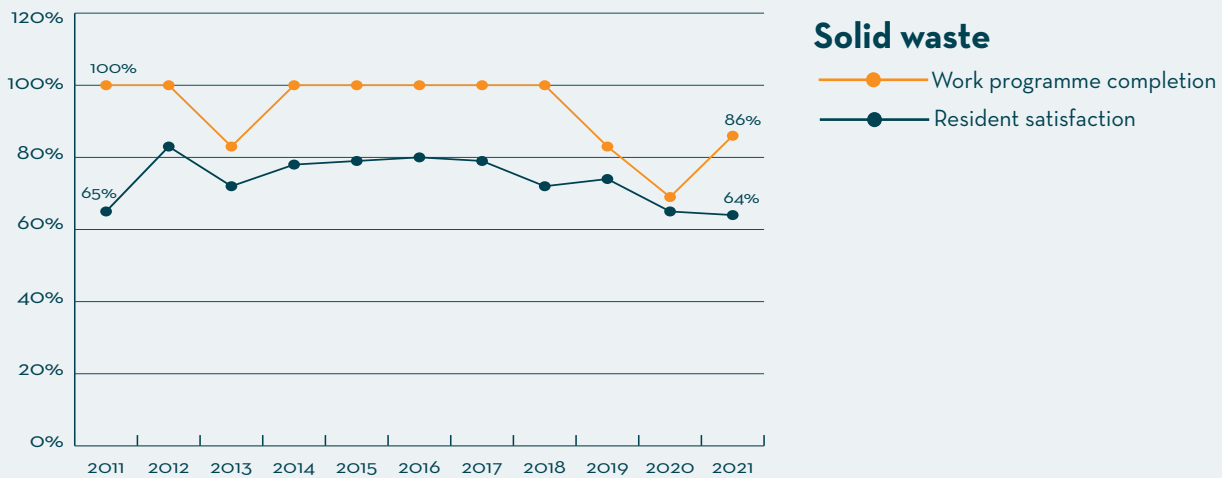
### EDUCATION PROGRAMMES

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

MONITOR  
**ILLEGAL DUMPING (FLY-DUMPING)**  
*across our District*

## SERVICE PERFORMANCE RESULTS

### RESULT TRENDS FOR KEY MEASURES



### HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Key Performance Measure</b> Percentage of actions identified in the Solid Waste Action Plan for the year that have been completed. This identifies the total annual actions required for this strategy. Actions are required within specification and budget.	≥97%	86%	69%	Key reason for work programme delay was the impact of COVID-19 which interrupted the waste minimisation programmes as events were cancelled.	✗
<b>Key Resident Measure</b> Level of customer satisfaction with household rubbish disposal methods.	≥80%	64%	65%	Key reasons for dissatisfaction were the need for more recycling and the supply of Council bins to replace rubbish bags  The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 49%.</b>	✗
<b>Supporting Measures</b> Number of initiatives funded by the Ministry for the Environment Waste Minimisation.	≥1	4	4		✓
Percentage of waste recycled or recovered as estimated by solid waste two yearly audit. The audit will be undertaken as per the Solid Waste Analysis protocol issued by the Ministry for the Environment.	≥45%	No audit	No audit	No audit undertaken in the last year. Next SWAP audit planned for October 2021 on kerbside service.	-

## HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

Performance Measures	Target	Result	Result	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>All Council-owned solid waste facilities' including closed landfills, meet environmental standards.</b>					
Number of abatement/infringement notices received.	0	0	0		✓
<b>Provide and maintain drop-off recycling services.</b>					
Number of greenwaste and/or recycling facilities provided.	≥4	4	4		✓
<b>Assist in the provision of opportunities for the removal of hazardous waste.</b>					
Number of hazardous waste drop off points.	3	4	3		✓

## FUTURE INITIATIVES

New Solid Waste Analysis Protocol (SWAP) audits for each of the seasons are being planned to measure waste diversion from landfill with the implementation of the new kerbside services. The data provided by these audits is a requirement of the Ministry of Environment under the new Waste Data Framework.

Council will also consider requests for commercial businesses to be included in the default kerbside rubbish and recycling collections after the first year of the contract.



Council will continue to support the various waste minimisation initiatives to the various communities.





Supporting the economy  
**Economic  
development**  
*Whanake  
taiōhanga*



# ECONOMIC DEVELOPMENT

## OVERVIEW

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

## WHY WE PROVIDE IT

### OUR COMMUNITY OUTCOME

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

### OUR GOALS

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

## SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

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

Wellbeing	Effects ✓ = Positive and ✗ = Negative
Social	✗ 53 percent (target ≥65 percent) resident satisfaction with promotion of town centres and events.
Economic	<ul style="list-style-type: none"> <li>✓ Continued funding to Priority One and Tourism Bay of Plenty.</li> <li>✓ Continued funding and support to local economic agencies within communities to promote economic activity and provide support to new and existing businesses.</li> <li>✓ Reallocation of the matching fund to the COVID-19 response fund.</li> </ul>
Environmental	No specific actions related to this wellbeing.
Cultural	✓ Annual grant to Film BOP has been formalised to a three yearly service contract.





## HIGHLIGHTS

In the past year, COVID-19 has continued to impact on the economic landscape of the District. It has been a year of consolidation, where Council has provided support, guidance and advocacy across the District whilst managing risk. The horticulture sector has continued to prosper in spite of limited available workforce and this has had a positive economic impact while the tourism sector and some local businesses have faced challenging times.

### Local economic development agencies

Council continued to support the local economic development agencies Priority One and Tourism Bay of Plenty. These agencies advocate and promote the sub-region, encouraging businesses to relocate or visit. The continued closure of the country's borders has resulted in an increased level of domestic tourism in the Bay of Plenty.

Council also supports the local economic development agencies, Te Puke Economic Development Group (EDG), EPIC Te Puke, Katch Katikati, and Waihi Beach Events and Promotions. These agencies provide economic support for businesses, town centre events and marketing. This includes Christmas parades, a 'buy local' initiative, the Avocado festival and various markets.

**The Community Matching Fund for the 2020/21 year was consumed by COVID-19 Resilience Fund.** The reuse of these funds has impacted communities and organisations widely, enabling the successful applicants to navigate COVID-19 related challenges. Feedback received from recipients recognised the timely, flexible and efficient response to the community in a time of need.

The development of Council's 10 year Long Term Plan (LTP) provided the opportunity to review current economic agreements and contracts in place. Overall the current service delivery will continue. However, the existing annual grant to Film BOP has been formalised to a three yearly service delivery contract. This provides the organisation a degree of certainty and enables them to continue bringing film/TV shows to the District, providing economic benefit, local employment, and attracting people.

### Provincial Growth Fund

The funding received from the Provincial Growth fund enabled the completion of the technology fit out and development of Pātuki Manawa in Katikati. This facility provides a valuable resource to support the community.

## WHAT WE PROVIDE



### Town centre promotion

*Te Puke, Katikati Waihi Beach*

Support for external organisations

**Focused on strengthening**

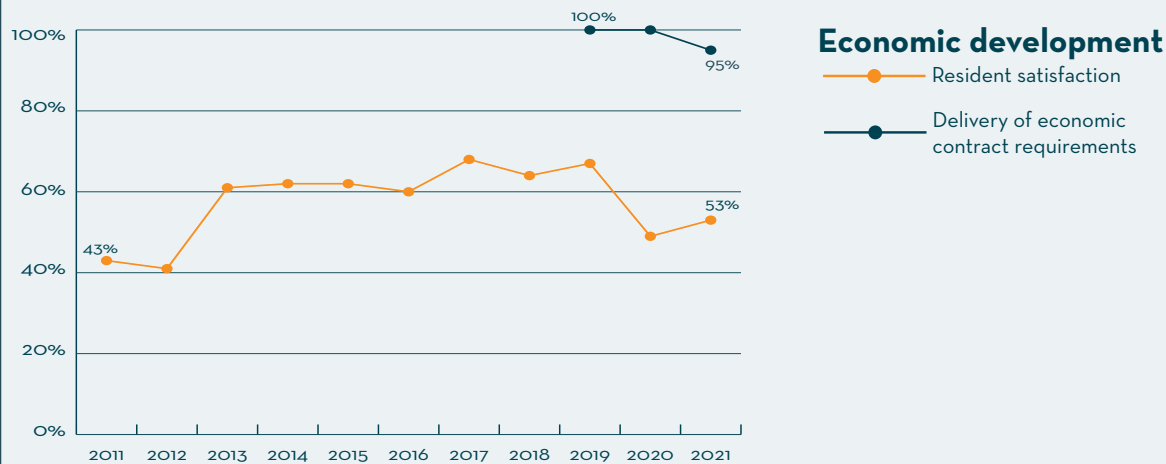
***our local economics***

Supporting

**Economic development & tourism**

## SERVICE PERFORMANCE RESULTS

### RESULT TRENDS FOR KEY MEASURES



### HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Key Performance Measure</b> Percentage of economic contracts where key contract requirements have been achieved.	≥90%	95%	100%		✓
<b>Key Resident Measure</b> Level of resident satisfaction with our role in promoting employment and business opportunities within the sub-region.	≥65%	53%	49%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those who don't know is 37%.  Reasons for dissatisfaction were not identified in the survey.	✗

### HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	TARGET	RESULT	RESULT	NARRATIVE	ACHIEVED
	2020/21	2020/21	2019/20		
<b>Council will support external organisations tasked with developing economic activity in the District.</b>					
Total invested in economic support through service delivery contracts.	≥\$11 per resident	\$12.54 per resident	\$12.95		✓
Number of joint economic initiatives identified in the service delivery contracts that have been implemented.	≥2	3	2		✓
<b>Council will facilitate economic development through the development and promotion of the town centres.</b>					
Level of resident satisfaction with the promotion of town centres and events in Katikati, Te Puke and Waihi Beach.	≥65%	59%	49%	The target and result were calculated excluding those surveyed who 'don't know'. <b>The survey result including those who don't know is 44%.</b>  Reasons for dissatisfaction were not identified in the survey.	✗

## FUTURE INITIATIVES

Council will continue to work with economic service delivery contractors to promote and develop economic opportunities for the District.

**Support services**  
***Ratonga taunaki***



# SUPPORT SERVICES

## OVERVIEW

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

The key strategic approach for each of the corporate support activities is broadly described below:

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



## HIGHLIGHTS

During the year work commenced on some of the initiatives identified in the 2020 Corporate Plan. This included:

- A sustainability initiative and the implementation of the carbon and energy management programme.
- Implementation of an electronic timesheet system.
- Specification and development of automated financial systems.

The introduction of the new kerbside waste collection contract and the new three waters maintenance contract required significant input from support services. In particular the IT focus was to work with the agreed contractors and partners on developing integrated systems to provide a seamless customer experience.

## FUTURE INITIATIVES

The development of our internal systems and processes to achieve efficiencies and enhance the services to customers will continue. This includes:

- The scope and development of the customer relationship module.
- Project management methodology and resourcing.
- Scope and development of financial modelling tools.
- Continuation of the corporate sustainability programme including the application for carbon reduction certification through Toitū Envirocare.

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CHAPTER THREE

03

FINANCIALS





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# CHAPTER THREE

## **Financials**

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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
<b>Revenue from non-exchange transactions</b>				
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
<b>Revenue from non-exchange transactions total</b>		<b>120,377</b>	<b>106,192</b>	<b>106,114</b>
<b>Revenue from exchange transactions</b>				
Finance revenue	8	845	413	905
Dividends		270	-	346
Rental Revenue		898	773	991
Other exchange revenue	11	1,747	1,557	1,857
<b>Total revenue</b>	<b>2</b>	<b>124,138</b>	<b>108,934</b>	<b>110,213</b>
<b>Expenditure</b>				
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
<b>Expenditure total</b>	<b>3</b>	<b>100,246</b>	<b>92,057</b>	<b>95,297</b>
Share of associate surplus/(deficit)		19	-	1
<b>Net surplus / (deficit)</b>		<b>23,911</b>	<b>16,877</b>	<b>14,917</b>
<b>Other comprehensive revenue and expenses</b>				
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)
<b>Total other comprehensive revenue and expense for the year</b>		<b>61,969</b>	<b>1</b>	<b>(361)</b>
<b>Total comprehensive revenue and expense for the year</b>		<b>85,879</b>	<b>16,878</b>	<b>14,556</b>

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
<b>Equity</b>				
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
<b>Equity total</b>		<b>1,455,206</b>	<b>1,422,600</b>	<b>1,369,298</b>
<b>Assets</b>				
<b>Current assets</b>				
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	-	-	-
<b>Current assets total</b>		<b>39,417</b>	<b>30,240</b>	<b>50,257</b>
<b>Non-current assets</b>				
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
<b>Non-current assets total</b>		<b>1,540,487</b>	<b>1,530,354</b>	<b>1,463,330</b>
<b>Assets total</b>		<b>1,579,904</b>	<b>1,560,593</b>	<b>1,513,586</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
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
<b>Current liabilities total</b>		<b>37,253</b>	<b>39,133</b>	<b>41,344</b>
<b>Non-current liabilities</b>				
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
<b>Non-current liabilities total</b>		<b>87,444</b>	<b>98,860</b>	<b>102,945</b>
<b>Liabilities total</b>		<b>124,697</b>	<b>137,993</b>	<b>144,288</b>
<b>Net assets</b>		<b>1,455,206</b>	<b>1,422,600</b>	<b>1,369,298</b>

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
<b>Balance at 1 July 2019</b>		889,720	432,835	32,189	1,354,744
Total comprehensive income for the year		15,995	(1,584)	143	14,554
<b>Balance at 30 June 2020</b>	<b>28</b>	<b>905,715</b>	<b>431,251</b>	<b>32,332</b>	<b>1,369,298</b>
Total comprehensive income for the year		23,911	61,871	127	85,909
<b>Balance at 30 June 2021</b>	<b>28</b>	<b>929,626</b>	<b>493,121</b>	<b>32,458</b>	<b>1,455,206</b>

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
<b>Cash flows from operating activities</b>				
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)
<b>Net cash from operating activities</b>	<b>33</b>	<b>44,564</b>	<b>37,822</b>	<b>27,499</b>
<b>Cash flows from investing activities</b>				
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
<b>Net cash from investing activities</b>		<b>(33,348)</b>	<b>(37,613)</b>	<b>(22,632)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings		-	-	-
Repayment of borrowings		(20,000)	-	-
<b>Net cash from financing activities</b>		<b>(20,000)</b>	<b>-</b>	<b>-</b>
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
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>14</b>	<b>25,706</b>	<b>4,124</b>	<b>34,489</b>

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.

<b>Buildings</b>		
• 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
<b>Infrastructure</b>		
<b>Roading network</b>		
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)		
<b>Bridges</b>		
• Concrete	100 years	Straight line
• Steel	50 years	Straight line
<b>Reticulation</b>		
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
<b>Other structures</b>		
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.

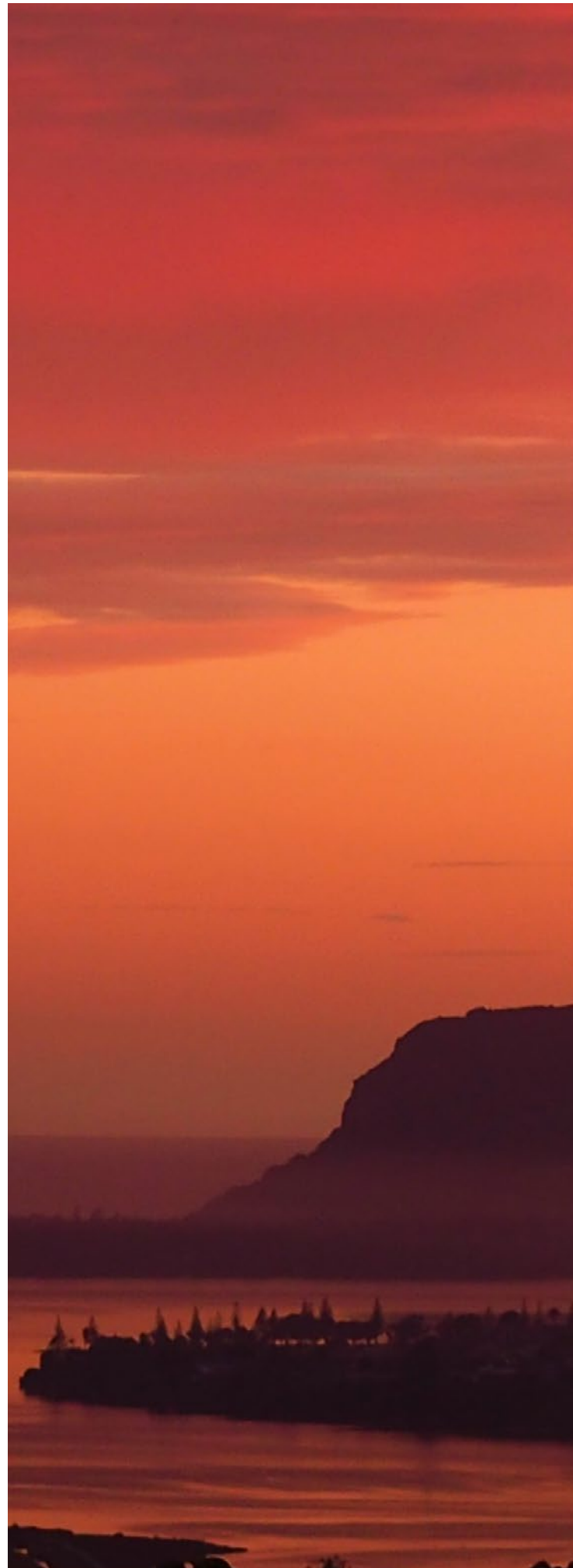
We expect that the regulatory reform and the establishment of Taumata Arowai will change the way we need to demonstrate regulatory compliance, assess risk relating to source and treated water quality and require licencing and authorisation of water supplier entities and individuals involved in providing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

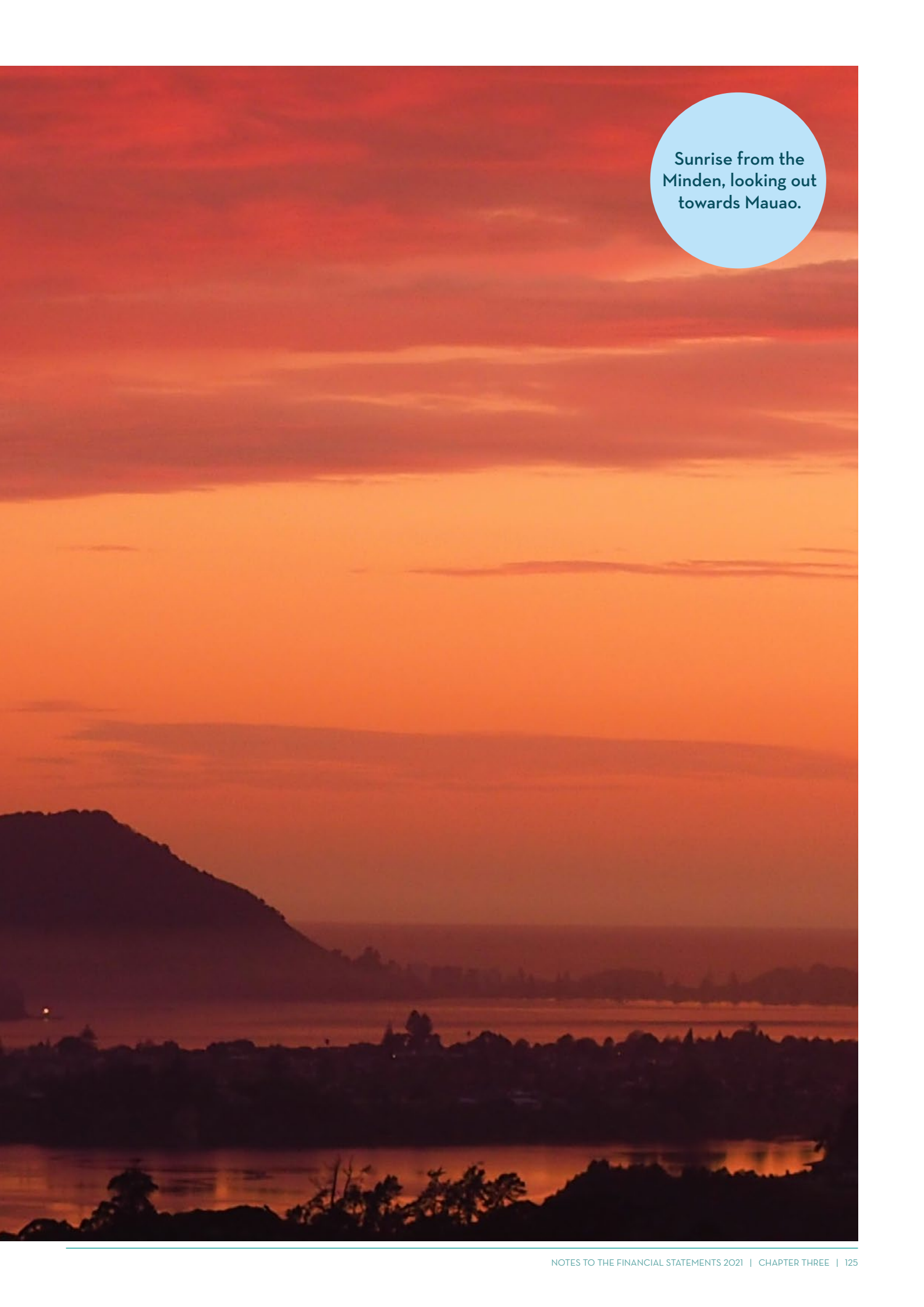
In addition to regulatory reform, Government has initiated a reform process for service delivery of three waters. While the Government's starting intention is for publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership), final decisions on a service 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
<b>Significant activities</b>			
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
<b>Total operating revenue by activity</b>	<b>124,138</b>	<b>108,934</b>	<b>110,213</b>
<b>Council services</b>	<b>124,138</b>	<b>108,934</b>	<b>110,213</b>

### 3. TOTAL OPERATING EXPENDITURE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
<b>Significant activities</b>			
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
<b>Total operating expenditure by activity</b>	<b>100,246</b>	<b>92,055</b>	<b>95,297</b>
<b>Council services</b>	<b>100,246</b>	<b>92,055</b>	<b>95,297</b>



#### 4. FEES AND CHARGES FROM ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
<b>Significant activities</b>			
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
<b>Total revenue from significant activities</b>	<b>10,305</b>	<b>6,172</b>	<b>7,728</b>

### GENERAL RATE INCOME

#### 5. GENERAL RATE INCOME

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
<b>Significant activities</b>			
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
<b>Total general rates</b>	<b>27,427</b>	<b>27,455</b>	<b>25,520</b>

## 6. TARGETED RATES ATTRIBUTABLE TO ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
<b>General rates</b>			<b>25,520</b>
<b>Targeted rates attributable to activities</b>			
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	-
<b>Total targeted rates</b>	<b>41,895</b>	<b>41,620</b>	<b>42,948</b>

### 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
<b>Total rates revenue</b>	<b>6,381</b>	<b>6,068</b>	<b>73,079</b>

## 8. FINANCE INCOME AND FINANCE COSTS

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

## 9. VESTED ASSETS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
<b>Significant activities</b>			
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
<b>Total significant activities</b>	<b>6,216</b>	<b>2,280</b>	<b>5,940</b>

## 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	-	-
<b>Total subsidies and grants</b>	<b>14,879</b>	<b>11,745</b>	<b>11,950</b>

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
<b>Total other revenue</b>	<b>2,262</b>	<b>1,380</b>	<b>2,306</b>
Made up of:			
Exchange	1,747	1,040	1,857
Non exchange	515	400	448
<b>Financial contributions</b>			
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
<b>Total revenue from financial contributions</b>	<b>7,572</b>	<b>10,020</b>	<b>5,892</b>

## 12. OTHER EXPENSES

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
<b>Audit fees for financial statement audit</b>		
- 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	-
<b>Total other expenses</b>	<b>48,783</b>	<b>45,914</b>

## 13. PERSONNEL COSTS

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

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
<b>Total cash and cash equivalents</b>	<b>25,706</b>	<b>34,489</b>

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
<b>Debtors and other receivables prior to impairment</b>	<b>17,431</b>	<b>15,376</b>
Less provision for impairment of receivables	4,548	3,827
	<b>12,883</b>	<b>11,548</b>
Prepayments	828	724
	<b>13,711</b>	<b>12,273</b>
<sup>1</sup> Receivables from non-exchange transactions	13,201	11,816
Receivables from exchange transactions	510	456
	<b>13,711</b>	<b>12,273</b>

<sup>1</sup>This 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
<b>Total</b>	<b>17,431</b>	<b>4,548</b>	<b>12,883</b>	<b>15,376</b>	<b>3,827</b>	<b>11,548</b>

Receivables greater than 90 days are considered past due.

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

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

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

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

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)
<b>As at 30 June</b>	<b>4,548</b>	<b>3,827</b>

#### Rates are "written off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (where the chief executive of a local authority may, in respect of a rating unit of Māori freehold land)
  - Section 90A: 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)
<b>Total derivative financial instruments</b>	<b>(7,566)</b>	<b>(13,015)</b>
<b>Movement</b>	<b>5,448</b>	<b>(1,346)</b>

### 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
<b>Total non-current asset held for sale</b>	<b>-</b>	<b>3,495</b>

## 18. OTHER FINANCIAL ASSETS

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
<b>Current portion</b>		
Investments	-	-
Term deposits maturing within 12 months of balance date	-	-
<b>Total investments</b>	<b>-</b>	<b>-</b>
<b>Total current other financial assets</b>	<b>-</b>	<b>-</b>
<b>Non-current portion</b>		
<b>Non-current assets available for sale are:</b>		
<b>Zespri Group Limited</b>		
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
<b>Seeka Kiwifruit Industries Limited</b>		
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
<b>Total non-current assets available for sale</b>	<b>347</b>	<b>286</b>
Loans and receivables		
<b>Te Tumu investment (note 42)</b>	<b>12,032</b>	<b>11,233</b>
<b>Total loans and receivables</b>	<b>12,032</b>	<b>11,233</b>
<b>Total non-current other financial assets</b>	<b>12,380</b>	<b>11,519</b>
<b>Total other financial assets</b>	<b>12,380</b>	<b>11,519</b>

### 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
<b>Total share in associates</b>	<b>231</b>	<b>212</b>

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

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

	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)
<b>Western Bay's % interest</b>	<b>9.7%</b>	<b>9.7%</b>

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
<b>Depreciation and Amortisation Expense</b>		
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	-	-
<b>Total depreciation and amortisation by activity</b>	<b>22,516</b>	<b>18,545</b>
<b>Depreciation and amortisation related to support services</b>	<b>909</b>	<b>1,052</b>
<b>Total depreciation and amortisation expense</b>	<b>23,426</b>	<b>19,597</b>
<b>Made up of:</b>		
Depreciation	23,079	19,298
Amortisation	347	299
	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
<b>Revaluation gains</b>		
Representation	-	-
Communities	-	-
Recreation and leisure	-	748
Transportation	-	-
Water supply	-	-
Wastewater	-	-
Stormwater	-	-
Support services	15	-
Land	-	38
Buildings	-	-
Coastal marine structures	-	-
Library books	-	-
Improvements	-	-
<b>Property plant and equipment gains</b>	<b>15</b>	<b>786</b>
Intangibles (Emission Trading Scheme NZ Units)	378	355
Forestry	20	(269)
<b>Total gains</b>	<b>413</b>	<b>872</b>

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
<b>Work in progress</b>		
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)
<b>Total work in progress</b>	<b>27,040</b>	<b>21,641</b>

## 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	-
<b>Total fair value</b>	<b>843,185</b>	<b>10,588</b>

#### 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
<b>Category A Insurance Contracts</b>		
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
	<b>400,837</b>	<b>575,852</b>
<b>Material Damage cover</b>		
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
<b>Category A Total</b>	<b>474,385</b>	<b>628,965</b>
<b>Category B Financial Risk Sharing Arrangements assets</b>		
Nil	-	-
<b>Category B Total</b>	<b>-</b>	<b>-</b>
<b>Category C Self Insured Assets</b>		
Disaster Contingency Reserve	-	-
Land under roads	262,345	-
Roading - Other	85,923	-
Roading - Surfaces	545,208	-
Land	176,184	-
<b>Category B Total</b>	<b>1,069,659</b>	<b>-</b>
<b>Total</b>	<b>1,544,045</b>	<b>-</b>

### 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
<b>Water</b>				
- 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
<b>Wastewater</b>				
- 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
<b>Total core infrastructure assets</b>	<b>1,020,451</b>	<b>17,367</b>	<b>46,398</b>	<b>1,493,404</b>

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
<b>Council 2021</b>															
<b>Operational assets</b>															
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
<b>Total operational assets</b>	<b>85,395</b>	<b>(11,656)</b>	<b>73,739</b>	<b>7,818</b>	<b>-</b>	<b>(1,176)</b>	<b>533</b>	<b>3,326</b>	<b>38</b>	<b>(2,123)</b>	<b>14,735</b>	<b>3,578</b>	<b>106,519</b>	<b>(9,630)</b>	<b>96,889</b>
<b>Infrastructural assets</b>															
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
<b>Total infrastructural assets</b>	<b>1,289,380</b>	<b>(41,864)</b>	<b>1,247,516</b>	<b>24,395</b>	<b>5,635</b>	<b>(4,082)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,804)</b>	<b>30,290</b>	<b>41,645</b>	<b>1,303,972</b>	<b>(20,024)</b>	<b>1,283,949</b>
<b>Restricted assets</b>															
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
<b>Total restricted assets</b>	<b>117,496</b>	<b>(5,295)</b>	<b>112,201</b>	<b>838</b>	<b>600</b>	<b>(170)</b>	<b>-</b>	<b>83</b>	<b>-</b>	<b>(1,153)</b>	<b>16,861</b>	<b>5,295</b>	<b>130,412</b>	<b>(1,153)</b>	<b>129,259</b>
Work in progress	21,641	-	21,641	5,399	-	-	-	-	-	-	-	-	27,040	-	27,040
<b>Total Council</b>	<b>1,492,271</b>	<b>(58,815)</b>	<b>1,433,455</b>	<b>33,050</b>	<b>6,235</b>	<b>(5,428)</b>	<b>533</b>	<b>3,408</b>	<b>38</b>	<b>(23,080)</b>	<b>61,885</b>	<b>50,518</b>	<b>1,540,903</b>	<b>(30,806)</b>	<b>1,510,097</b>

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
<b>Council 2020</b>															
<b>Operational assets</b>															
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)
<b>Total operational assets</b>	<b>91,158</b>	<b>(9,370)</b>	<b>81,788</b>	<b>2,936</b>	<b>369</b>	<b>(4,886)</b>	<b>171</b>	<b>(4,168)</b>	<b>(874)</b>	<b>(1,598)</b>	<b>-</b>	<b>-</b>	<b>85,409</b>	<b>(11,671)</b>	<b>73,739</b>
<b>Infrastructural assets</b>															
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
<b>Total infrastructural assets</b>	<b>1,261,379</b>	<b>(25,033)</b>	<b>1,236,345</b>	<b>21,124</b>	<b>5,346</b>	<b>(2,736)</b>	<b>139</b>	<b>4,080</b>	<b>(2)</b>	<b>(16,780)</b>	<b>187</b>	<b>(187)</b>	<b>1,289,380</b>	<b>(41,864)</b>	<b>1,247,516</b>
<b>Restricted assets</b>															
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
<b>Total restricted assets</b>	<b>115,106</b>	<b>(5,250)</b>	<b>109,856</b>	<b>4,671</b>	<b>401</b>	<b>(76)</b>	<b>1</b>	<b>(2,606)</b>	<b>876</b>	<b>(922)</b>	<b>-</b>	<b>-</b>	<b>117,496</b>	<b>(5,295)</b>	<b>112,201</b>
<b>Total Council</b>	<b>1,467,643</b>	<b>(39,654)</b>	<b>1,427,989</b>	<b>28,732</b>	<b>6,117</b>	<b>(7,698)</b>	<b>311</b>	<b>(2,695)</b>	<b>-</b>	<b>(19,298)</b>	<b>187</b>	<b>(187)</b>	<b>1,492,285</b>	<b>(58,829)</b>	<b>1,433,452</b>

## 22. INTANGIBLE ASSETS

There are no restrictions over the title of Western Bay's intangible assets, nor are any intangible assets pledged as security for liabilities. 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
<b>Balance at 1 July</b>										
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
<b>Year ended 30 June</b>										
Additions		635		984		-	-	-	-	1,619
<b>Transfer</b>							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
<b>Balance as 30 June</b>										
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	-	-	-	-	-	-	-	-	-	-
<b>Closing carrying amount</b>	<b>1,176</b>	<b>1,468</b>	<b>1,446</b>	<b>1,501</b>	<b>1,466</b>	<b>1,088</b>	<b>175</b>	<b>156</b>	<b>4,263</b>	<b>4,213</b>

### Carbon credits

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

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

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

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

## 23. FORESTRY ASSETS

	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)
<b>Balance at 30 June</b>	<b>10,490</b>	<b>10,588</b>

### 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
<b>Total payables and deferred revenue under exchange transactions</b>	<b>16,890</b>	<b>10,572</b>
<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
<b>Total payables and deferred revenue under non-exchange transactions</b>	<b>6,654</b>	<b>7,239</b>
<b>Total current portion</b>	<b>23,544</b>	<b>17,811</b>

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
<b>Total current secured loans</b>	<b>10,000</b>	<b>20,000</b>
<b>Total current borrowings</b>	<b>10,000</b>	<b>20,000</b>

### NON-CURRENT

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

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%
	<b>90,000</b>	<b>110,000</b>

## 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
<b>Total</b>	<b>90,000</b>	<b>110,000</b>	<b>92,600</b>	<b>111,334</b>

The fair values are based on cash flows discounted using a rate based on the borrowing rates.

The carrying amounts of borrowings repayable within one year approximate their fair value, as the impact of discounting is not significant.

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

## INTEREST RATES

	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
<b>Total employee entitlements</b>	<b>2,994</b>	<b>2,855</b>

## 27. PROVISIONS

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

Movements for each class of provision are as follows:

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

### Landfill aftercare costs

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

### Western Bay Council's responsibilities include:

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

### Post closure costs include:

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

The estimated remaining liability for closure and post-closure of Athenree is \$0.26 (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
<b>Surplus / (deficit)</b>	<b>23,911</b>	<b>14,964</b>
Other surplus /(deficit) through comprehensive income	98	(408)
Reclassification from prior year:	-	-
Reclassification of reserves to equity	29	1,630
	<b>929,753</b>	<b>905,906</b>
<b>Transfers to:</b>		
Restricted reserves	(12)	(12)
Council created reserves	(11,309)	(12,133)
	<b>(11,321)</b>	<b>(12,145)</b>
<b>Transfers from:</b>		
Restricted reserves	9	10
Council created reserves	11,185	11,945
Asset revaluation reserve	-	-
	<b>11,194</b>	<b>11,954</b>
<b>Closing balance</b>	<b>929,626</b>	<b>905,715</b>

## 29. RESTRICTED RESERVES

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

## 30. COUNCIL-CREATED RESERVES

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

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	-	-
<b>Closing balance</b>	<b>493,121</b>	<b>431,251</b>
<b>Comprising:</b>		
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
<b>Total asset revaluation reserve</b>	<b>493,121</b>	<b>431,251</b>

## Asset revaluation reserves

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

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
<b>Infrastructural:</b>		
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
<b>Operational assets:</b>		
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
<b>Total general asset revaluation reserve</b>	<b>493,121</b>	<b>431,251</b>

## 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
<b>Total Restricted Reserves</b>			<b>279,839</b>	<b>8,430</b>	<b>(4,813)</b>	<b>283,456</b>
<b>Asset Replacement Reserves</b>						
Asset Replacement Reserves - general approach	Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.					
Asset Replacement - computers		Support services	(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)
<b>Total Asset Replacement Reserves</b>			<b>5,900,011</b>	<b>2,055,120</b>	<b>(2,745,575)</b>	<b>5,209,555</b>

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
<b>Total Restricted Reserves</b>			<b>276,350</b>	<b>13,748</b>	<b>(10,259)</b>	<b>279,839</b>
<b>Asset Replacement Reserves</b>						
Asset Replacement Reserves - general approach	Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.					
Asset Replacement - computers		Support Services	(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)
<b>Total Asset Replacement Reserves</b>			<b>7,141,664</b>	<b>1,976,862</b>	<b>(3,218,514)</b>	<b>5,900,011</b>

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
<b>Community Board Reserves</b>						
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
<b>Total Community Board Reserves</b>			<b>878,259</b>	<b>77,030</b>	<b>(256,980)</b>	<b>698,309</b>
<b>Other Community Reserves</b>						
Other community reserves - general approach	These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates.					
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements as well as encourage business development in Katikati.	Planning for the future	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
<b>Total Other Community Reserves</b>			<b>2,434,851</b>	<b>191,671</b>	<b>(683,411)</b>	<b>1,943,111</b>
<b>Total Community Board and Other Reserves</b>			<b>3,313,110</b>	<b>268,701</b>	<b>(940,391)</b>	<b>2,641,420</b>



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
<b>Community Board Reserves</b>						
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
<b>Total Community Board Reserves</b>			<b>873,472</b>	<b>87,772</b>	<b>(82,985)</b>	<b>878,259</b>
<b>Other Community Reserves</b>						
Other community reserves - general approach	These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates.					
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements as well as encourage business development in Katikati.	Planning for the future	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
<b>Total Other Community Reserves</b>			<b>2,031,931</b>	<b>435,350</b>	<b>(32,430)</b>	<b>2,434,851</b>
<b>Total Community Board and Other Reserves</b>			<b>2,905,403</b>	<b>523,122</b>	<b>(115,415)</b>	<b>3,313,110</b>

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
<b>Financial Contributions Reserves</b>						
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
<b>Total Financial Contribution Reserves</b>			<b>4,682,436</b>	<b>2,207,471</b>	<b>(675,770)</b>	<b>6,214,137</b>
<b>General Reserves</b>	<b>Established reserves for specific purposes</b>					
Community Discretionary	For any under spent expenditure at year end.	Communities	14,386	-	-	14,386
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve.	All	4,037,470	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
<b>Total General Reserves</b>			<b>6,092,664</b>	<b>1,365,955</b>	<b>(1,287,485)</b>	<b>6,171,134</b>

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
<b>Financial Contributions Reserves</b>						
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
<b>Total Financial Contribution Reserves</b>			<b>4,539,293</b>	<b>1,813,128</b>	<b>(1,669,985)</b>	<b>4,682,436</b>
<b>General Reserves</b>	<b>Established reserves for specific purposes</b>					
Community Discretionary	For any under spent expenditure at year end.	Communities	14,386	-	-	14,386
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve.	All	4,096,731	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
<b>Total General Reserves</b>			<b>6,155,375</b>	<b>1,805,487</b>	<b>(1,868,198)</b>	<b>6,092,664</b>

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
<b>Special Reserves</b>						
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
<b>Total Special Reserves</b>			<b>12,063,970</b>	<b>206,205</b>	<b>(331,115)</b>	<b>11,939,060</b>
<b>Total Council Created Reserves</b>			<b>32,052,191</b>	<b>6,103,451</b>	<b>(5,980,336)</b>	<b>32,175,306</b>
<b>Total All Council Reserves</b>			<b>32,332,030</b>	<b>6,111,881</b>	<b>(5,985,149)</b>	<b>32,457,762</b>

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
<b>Special Reserves</b>						
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
<b>Total Special Reserves</b>			<b>11,170,800</b>	<b>910,585</b>	<b>(367,416)</b>	<b>11,713,970</b>
<b>Total Council Created Reserves</b>			<b>31,912,535</b>	<b>7,379,184</b>	<b>(7,239,528)</b>	<b>32,052,191</b>
<b>Total All Council Reserves</b>			<b>32,188,885</b>	<b>7,392,932</b>	<b>(7,249,787)</b>	<b>32,332,030</b>

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

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
<b>Net surplus / (deficit)</b>	<b>23,911</b>	<b>15,741</b>
<b>Add/(less) non-cash items</b>		
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
<b>Add/(less) movements in working capital items:</b>		
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
<b>Add/(less) items classified as investing activities</b>		
Loss on sale of assets	1,268	2,919
Revaluation of shares	-	5
<b>Net cash inflow (outflow) from operating activities</b>	<b>44,563</b>	<b>27,499</b>

### 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
<b>Operational</b>		
Land	-	247
Building	683	454
Coastal Marine	223	67
<b>Infrastructure</b>		
Water	2,080	18
Wastewater	1,708	-
Stormwater	136	101
Roading	6,672	6,440
<b>Restricted</b>		
Building	-	-
<b>Total capital commitments</b>	<b>11,502</b>	<b>7,327</b>

#### Operating leases as lessee

Western Bay Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as noted 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
<b>Total non-cancellable operating leases</b>	<b>1,529</b>	<b>1,663</b>

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

There are no restrictions placed on 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)	-	-
<b>Total contingent liabilities</b>	<b>450</b>	<b>450</b>

### **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
<b>Councillors</b>		
Full-time equivalent members	12	12
Salaries and other short term employee benefits	593	592
<b>Senior Management Team, including the Chief Executive</b>		
Full-time equivalent members	5	5
Salaries and other short term employee benefits	1,387	1,373
<b>Total senior management remuneration</b>	<b>2,048</b>	<b>1,965</b>

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

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

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



## Council controlled organisation

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

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

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><b>Video Conferencing Service</b> - 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><b>ESRI Enterprise Licensing Agreement</b> - 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><b>GIS software and services</b> - FME, Geocortex Essentials, Geocortex Analytics, X-Tools, NZ Archaeological Association, RetroLens <i>Contracts renegotiated and renewed - no alternative suppliers.</i></p> <p><b>Health and Safety Training provider</b> - BOPLASS has renewed the collective agreement with Vertical Horizonz for H&amp;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><b>Print Media Copyright Agency (PMCA)</b> - a collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils' print and media copyright services.</p> <p><i>Sole NZ provider of print and media copyright services.</i></p> <p><b>Treasury Staff Briefings</b> - 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><b>Aerial Imagery</b> - 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><b>N3</b> (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><b>Media Monitoring Services</b> - 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><b>Zoom Services</b> - 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><b>Standards NZ</b> - BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils.</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><b>Waste Operator Licencing and Data System</b> - 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><b>Skin Scans / Mole Mapping</b> - 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><b>Infrastructure Insurance</b> - 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><b>GIS Technical Support</b> – 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><b>Website Quality Assurance</b> – 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><b>IPWEA Membership</b> – 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><b>Courier Services</b> – 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><b>Debt Recovery Services</b> – 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><b>Insurance Renewals Standardisation</b> – 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><b>Inter-LASS meetings</b> – 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><b>Waste Operator Licensing and Data Collection</b> – 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><b>Waste Minimisation Fund Application</b> – 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><b>Occupational Health Services</b> – 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><b>Cross Council H&amp;S audits and Safety Performance Indicators</b> – Waikato LASS and BOPLASS have collectively developed H&amp;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><b>Courier Services</b> – 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><b>Insurance Forum</b> – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island.</p>
<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><b>RSIP Redevelopment</b> – 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"> <li>• 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.</li> <li>• The BOPLASS Board approved for a CPI adjustment to be included with council annual contributions.</li> </ul> <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"> <li>• 30 June 2021 will be greater than \$18.8 million.</li> <li>• 30 June 2022 will be greater than \$20.2 million.</li> <li>• 30 June 2023 will be greater than \$29.0 million.</li> </ul>	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"> <li>• 30 June 2021 will be less than \$6.8 million.</li> <li>• 30 June 2022 will be less than \$6.8 million.</li> <li>• 30 June 2023 will be less than \$7.0 million.</li> </ul>	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"> <li>• 30 June 2021 will be at least \$11,664 million.</li> <li>• 30 June 2022 will be at least \$12,260 million.</li> <li>• 30 June 2023 will be at least \$12,681 million.</li> </ul>	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&amp;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&amp;P Global Ratings and in October 2020 with Fitch.</p> <p><b>S&amp;P Global Ratings:</b> On 22 February 2021, S&amp;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><b>Fitch Ratings (Fitch):</b> 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
<b>Strategic leadership for the visitor economy, destination management strategy, and explore alternative funding mechanisms.</b>		
<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"> <li>total visitor spend grew by 28% compared to the YE June 2020. <i>Achieved.</i></li> <li>domestic visitor spend grew by 19% compared to the YE June 2020. <i>Achieved.</i></li> <li>international visitor spend decreased by 50% compared to the YE June 2020 due to the COVID-19 related international border closures. <i>Achieved.</i></li> </ul>
	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
<b>Measure the contribution of tourism to GDP.</b>	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>
<b>Measure the number of jobs provided by the tourism industry.</b>	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>
<b>Target the right visitors at the right time with the right messages.</b>		
<b>Understand current visitation levels and patterns.</b>	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>
<b>Implement campaigns to drive domestic visitation including collaboration with strategic partners for advertising, digital, and PR initiatives.</b>	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"> <li>• Video views (to the end): 320,428</li> <li>• Impressions: 3,471,396</li> <li>• New users to bayofplentynz.com: 17,987 (9% of total new users to site)</li> <li>• Website users' average session duration: 1m 23secs (site average 1m 36secs)</li> <li>• Website users' pages/session: 2.35 (site average 2.1)</li> <li>• Bounce rate: 57% (site average 66%)</li> </ul> <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><b>Build the destination's reputation as per Place DNA<sup>®</sup> by implementing story theme strategies identified in Brand Storybook research and embed across Te Moananui ā Toi   the Coastal Bay of Plenty.</b></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<sup>®</sup>.</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<sup>®</sup> elements for July 2020 to June 2021:</p> <ul style="list-style-type: none"> <li>• Horticultural Provenance: +20</li> <li>• Natural Environment:                             <ul style="list-style-type: none"> <li>- Wildlife viewing: +6</li> <li>- Biking &amp; cycling: +11</li> <li>- Hiking &amp; rock climbing: +27</li> </ul> </li> <li>• Ocean &amp; Beaches:                             <ul style="list-style-type: none"> <li>- Surfing: +20</li> <li>- Beaches: +26</li> <li>- Fishing: +20</li> <li>- Diving and snorkelling: +21</li> </ul> </li> <li>• Māori Culture: +21</li> </ul> <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<sup>®</sup> 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><b>Work with Tauranga City Council City Events team to support events aligning with our Place DNA<sup>®</sup>.</b></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<sup>®</sup>. 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><b>Connect with residents.</b></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><b>Note:</b> 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"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul> <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><b>Note:</b> 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"> <li>• Tauranga City Council residents' score for the year ending June 2021 is +17 (decrease by 10 from prior year).</li> <li>• Western Bay of Plenty District Council residents' score for the year ending June 2021 is +11 (decrease by 2 from prior year).</li> <li>• Whakatāne District Council residents' score for the year ending June 2021 is +37 (decrease by 13 from prior year).</li> </ul> <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"> <li>• 41% were inspired to look for further information on tourism activities; and</li> <li>• 41% feel more informed about tourism activities in the region.</li> </ul> <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 &amp; Communications Plan including iwi and hapū relationships, Leadership Advisory Group, and industry events.</p>	<p>Implement the Stakeholder Engagement &amp; 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><b>Enhance the visitor experience.</b></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>
<b>Grow capability and increase supply.</b>		
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"> <li>• One cultural tourism exemplar is the hiko to Waitangi and Hokianga for a group from local Hapū Ngāti Hangarau.</li> <li>• Digital Marketing/Developing an Effective Social Media Presence workshop for Tauranga Moana roopū. <i>Not achieved.</i></li> </ul>
	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"> <li>• Digital marketing upskilling.</li> <li>• One-on-one digital training.</li> <li>• Regional Business Partner Network funding webinar held with the Tauranga Chamber of Commerce for tourism operators.</li> <li>• Two Tourism Connect workshops.</li> <li>• Health and Safety training.</li> </ul> <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"> <li>• Experience Manager has been appointed and group members recruited.</li> <li>• Three passion group meetings held.</li> <li>• Developed strategy and created marketing plan that is being implemented.</li> <li>• Flavours of Plenty collective and new brand launched.</li> <li>• Announced the inaugural Flavours of Plenty food festival (Autumn 2022).</li> </ul> <p><b>Ocean &amp; Beaches passion group:</b></p> <ul style="list-style-type: none"> <li>• Experience Manager has been appointed.</li> <li>• First passion group meeting took place in June 2021. <i>Achieved.</i></li> </ul>
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>		
<b>Governance and leadership.</b>		
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>
<b>Governance best practices.</b>		
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
<b>Total remuneration</b>	<b>355,313</b>	<b>349,393</b>

### Elected Representative

Elected representatives received the following remuneration:

	ACTUAL 2021	ACTUAL 2020
<b>Councillors</b>		
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
<b>Total Councillors</b>	<b>593,037</b>	<b>629,391</b>

\*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
<b>Community Board Members</b>		
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
<b>Total Community Board Members</b>	<b>111,812</b>	<b>106,616</b>
<b>Non-monetary remuneration</b>		
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
<b>Total employees</b>	<b>259</b>	<b>247</b>

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
<b>Financial assets</b>			
Fair value through surplus & deficit			
- New Zealand Local Government Funding Agency	20	1,866	1,866
<b>Total fair value through surplus and deficit</b>		<b>1,866</b>	<b>1,866</b>
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	-	-
<b>Total loans and receivables</b>		<b>52,569</b>	<b>59,435</b>
Fair value through other comprehensive income			
Other financial assets:			
- local authority stock	20	27	26
- listed shares	18	347	286
<b>Total Fair value through other comprehensive income</b>		<b>374</b>	<b>312</b>
Financial liabilities			
Fair value through surplus and deficit			
Derivative financial instrument liability	16	7,566	13,015
<b>Total Fair value through surplus and deficit</b>		<b>7,566</b>	<b>13,015</b>
Financial liabilities at amortised cost			
Creditors and other payables	24, 26 & 27	27,131	16,304
Borrowings:			
- secured loans	25	90,000	110,000
<b>Total financial liabilities at amortised cost</b>		<b>117,131</b>	<b>126,304</b>

## 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
<b>30 June 2021</b>				
<b>Financial Assets</b>				
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	
<b>Financial Liabilities</b>				
Derivatives	7,566		7,566	
<b>30 June 2020</b>				
<b>Financial Assets</b>				
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	
<b>Financial Liabilities</b>				
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		
<b>Balance at 30 June</b>	<b>12,032</b>	<b>11,233</b>

## 44. FINANCIAL INSTRUMENT RISKS

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

### **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
<b>Total credit risk</b>	<b>47,243</b>	<b>48,598</b>

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

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

### Liquidity risk

#### Management of liquidity risk

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

Western Bay Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Western Bay Council's Long Term Plan. Western Bay Council has a maximum amount that can be drawn down against its overdraft facility of \$600,000 (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
<b>Council 2021</b>						
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
<b>Total</b>	<b>109,565</b>	<b>145,582</b>	<b>54,691</b>	<b>11,203</b>	<b>45,722</b>	<b>33,965</b>
<b>Council 2020</b>						
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
<b>Total</b>	<b>139,319</b>	<b>155,336</b>	<b>44,452</b>	<b>12,497</b>	<b>56,269</b>	<b>42,118</b>

#### 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
<b>Council 2021</b>						
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
<b>Total</b>	<b>54,462</b>	<b>49,831</b>	<b>39,417</b>	<b>-</b>	<b>-</b>	<b>13,774</b>
<b>Council 2020</b>						
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
<b>Total</b>	<b>61,613</b>	<b>57,176</b>	<b>46,762</b>	<b>-</b>	<b>-</b>	<b>14,032</b>

## 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
<b>Financial assets</b>									
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	
<b>Total sensitivity to interest rate risk</b>		<b>(11,545)</b>	<b>(14)</b>	<b>(3,795)</b>	<b>14</b>	<b>(18,248)</b>	<b>(14)</b>	<b>(8,078)</b>	<b>14</b>

EQUITY PRICE RISK	NOTE	PROFIT	- 10% OTHER EQUITY	PROFIT	+10% OTHER EQUITY	PROFIT	- 10% OTHER EQUITY	PROFIT	+10% OTHER EQUITY
<b>Financial assets</b>									
Other financial assets:									
- Quoted share investments			(57)		57		(29)		29
<b>Total sensitivity to equity price risk</b>		<b>-</b>	<b>(57)</b>	<b>-</b>	<b>57</b>	<b>-</b>	<b>(29)</b>	<b>-</b>	<b>29</b>

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

Total expenditure was \$8.171 million over budget.

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

<sup>1</sup> 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.

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

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

<sup>4</sup> 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.

<sup>5</sup> 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.

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

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

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

<sup>9</sup> 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.

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

<sup>11</sup> Finance costs realised of \$0.447m.

<sup>12</sup> 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
	<b>122,730</b>
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)
	<b>19,590</b>
<b>Net movement</b>	<b>142,320</b>

### 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
<b>Sources of operating funding</b>					
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
<b>Total operating funding</b>	<b>(A)</b>	<b>84,906</b>	<b>90,308</b>	<b>96,597</b>	<b>97,644</b>
<b>Applications of operating funding</b>					
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
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>70,637</b>	<b>74,354</b>	<b>68,977</b>	<b>76,702</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>14,323</b>	<b>15,954</b>	<b>27,620</b>	<b>20,942</b>
<b>Sources of capital funding</b>					
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		-	-	-	-
<b>Total Sources of capital funding</b>	<b>(C)</b>	<b>26,683</b>	<b>14,132</b>	<b>9,353</b>	<b>11,827</b>
<b>Applications of capital funding</b>					
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)
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>41,006</b>	<b>30,085</b>	<b>36,973</b>	<b>32,770</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(14,323)</b>	<b>(15,954)</b>	<b>(27,620)</b>	<b>(20,942)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Total</b>	<b>100,196</b>	<b>106,695</b>	<b>117,507</b>
<b>Total Revenue per Statement of Comprehensive Income</b>	<b>102,488</b>	<b>108,934</b>	<b>124,138</b>
<b>Less: Loss on shares adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less: Asset impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less: Vested Assets</b>	<b>2,292</b>	<b>2,240</b>	<b>6,216</b>
<b>Less: Gains</b>	<b>-</b>	<b>-</b>	<b>413</b>
<b>Total</b>	<b>100,109</b>	<b>106,694</b>	<b>117,509</b>
<b>Variance</b>	<b>-</b>	<b>-</b>	<b>-</b>
Application of operating funding per Funding Impact Statement	<b>67,383</b>	<b>68,977</b>	<b>76,702</b>
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	-	-	-
<b>Variance</b>	<b>67,383</b>	<b>68,976</b>	<b>76,702</b>
<b>Net Variance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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
<b>Total operating funding</b>	<b>(A)</b>	<b>4,340</b>	<b>4,457</b>	<b>3,897</b>
<b>Applications of operating funding</b>				
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		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>4,328</b>	<b>4,449</b>	<b>3,824</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>12</b>	<b>9</b>	<b>73</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		12	9	73
Increase/(decrease) in investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>12</b>	<b>9</b>	<b>73</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(12)</b>	<b>(9)</b>	<b>(73)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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		-	-	-
<b>Total operating funding</b>	<b>(A)</b>	<b>2,580</b>	<b>2,628</b>	<b>2,847</b>
<b>Applications of operating funding</b>				
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		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>2,391</b>	<b>2,429</b>	<b>2,723</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>189</b>	<b>198</b>	<b>124</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		189	198	124
Increase/(decrease) in investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>189</b>	<b>198</b>	<b>124</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(189)</b>	<b>(198)</b>	<b>(124)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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
<b>Total operating funding</b>	<b>(A)</b>	<b>8,146</b>	<b>8,366</b>	<b>8,710</b>
<b>Applications of operating funding</b>				
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		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>7,650</b>	<b>7,819</b>	<b>8,035</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>496</b>	<b>547</b>	<b>675</b>
<b>Sources of capital funding</b>				
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		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>73</b>	<b>581</b>	<b>105</b>
<b>Applications of capital funding</b>				
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		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>569</b>	<b>1,128</b>	<b>780</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(496)</b>	<b>(547)</b>	<b>(675)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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
<b>Total operating funding</b>	<b>(A)</b>	<b>9,157</b>	<b>9,484</b>	<b>10,410</b>
<b>Applications of operating funding</b>				
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
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>6,938</b>	<b>7,733</b>	<b>8,977</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>2,219</b>	<b>1,751</b>	<b>1,433</b>
<b>Sources of capital funding</b>				
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		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>2,763</b>	<b>2,495</b>	<b>5,026</b>
<b>Applications of capital funding</b>				
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		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>4,983</b>	<b>4,247</b>	<b>6,459</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(2,219)</b>	<b>(1,751)</b>	<b>(1,433)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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
<b>Total operating funding</b>	<b>(A)</b>	<b>8,881</b>	<b>9,046</b>	<b>11,986</b>
<b>Applications of operating funding</b>				
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		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>8,801</b>	<b>8,927</b>	<b>11,893</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>80</b>	<b>119</b>	<b>93</b>
<b>Sources of capital funding</b>				
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		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>10</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		91	119	93
Increase/(decrease) in investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>91</b>	<b>119</b>	<b>93</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(80)</b>	<b>(119)</b>	<b>(93)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



## 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
<b>Sources of operating funding</b>				
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
<b>Total operating funding</b>	<b>(A)</b>	<b>5,731</b>	<b>5,937</b>	<b>5,947</b>
<b>Applications of operating funding</b>				
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		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>2,854</b>	<b>2,976</b>	<b>2,300</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>2,877</b>	<b>2,961</b>	<b>3,647</b>
<b>Sources of capital funding</b>				
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		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>3,676</b>	<b>3,650</b>	<b>(1,567)</b>
<b>Applications of capital funding</b>				
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		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>6,553</b>	<b>6,611</b>	<b>2,080</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(2,877)</b>	<b>(2,961)</b>	<b>(3,647)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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
<b>Total operating funding</b>	<b>(A)</b>	<b>18,300</b>	<b>18,774</b>	<b>20,795</b>
<b>Applications of operating funding</b>				
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
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>11,683</b>	<b>12,023</b>	<b>12,294</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>6,616</b>	<b>6,751</b>	<b>8,501</b>
<b>Sources of capital funding</b>				
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		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>8,661</b>	<b>6,579</b>	<b>6,526</b>
<b>Applications of capital funding</b>				
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		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>15,277</b>	<b>13,330</b>	<b>15,027</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(6,616)</b>	<b>(6,751)</b>	<b>(8,501)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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
<b>Total operating funding</b>	<b>(A)</b>	<b>11,012</b>	<b>11,431</b>	<b>13,605</b>
<b>Applications of operating funding</b>				
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
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>9,121</b>	<b>9,590</b>	<b>13,102</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>1,891</b>	<b>1,841</b>	<b>503</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,505	1,641	1,111
Increase/(decrease) in debt		3,676	2,162	(816)
Gross proceeds from sale of assets		-	-	3,451
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>5,181</b>	<b>3,803</b>	<b>3,746</b>
<b>Applications of capital funding</b>				
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		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>7,071</b>	<b>5,644</b>	<b>4,249</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(1,891)</b>	<b>(1,841)</b>	<b>(503)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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		-	-	-
<b>Total operating funding</b>	<b>(A)</b>	<b>704</b>	<b>728</b>	<b>756</b>
<b>Applications of operating funding</b>				
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		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>904</b>	<b>928</b>	<b>929</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>(200)</b>	<b>(200)</b>	<b>(173)</b>
<b>Sources of capital funding</b>				
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		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>239</b>	<b>251</b>	<b>138</b>
<b>Applications of capital funding</b>				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		40	50	(35)
Increase/(decrease) in investments		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>40</b>	<b>50</b>	<b>(35)</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>200</b>	<b>200</b>	<b>173</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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
<b>Total operating funding</b>	<b>(A)</b>	<b>12,855</b>	<b>13,443</b>	<b>13,415</b>
<b>Applications of operating funding</b>				
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
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>9,512</b>	<b>9,713</b>	<b>9,142</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>3,344</b>	<b>3,730</b>	<b>4,273</b>
<b>Sources of capital funding</b>				
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		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>3,745</b>	<b>(1,870)</b>	<b>(1,316)</b>
<b>Applications of capital funding</b>				
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		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>7,089</b>	<b>1,860</b>	<b>2,957</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(3,344)</b>	<b>(3,730)</b>	<b>(4,273)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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
<b>Total operating funding</b>	<b>(A)</b>	<b>2,209</b>	<b>1,468</b>	<b>2,257</b>
<b>Applications of operating funding</b>				
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		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>2,103</b>	<b>2,106</b>	<b>1,861</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>107</b>	<b>(638)</b>	<b>396</b>
<b>Sources of capital funding</b>				
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		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>(5)</b>	<b>703</b>	<b>(396)</b>
<b>Applications of capital funding</b>				
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		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>101</b>	<b>65</b>	<b>-</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(107)</b>	<b>638</b>	<b>(396)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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	-
<b>Total operating funding</b>	<b>(A)</b>	<b>1,114</b>	<b>1,147</b>	<b>810</b>
<b>Applications of operating funding</b>				
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		-	-	-
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>706</b>	<b>724</b>	<b>728</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>408</b>	<b>423</b>	<b>82</b>
<b>Sources of capital funding</b>				
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		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>(30)</b>	<b>(32)</b>	<b>-</b>
<b>Applications of capital funding</b>				
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)
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>378</b>	<b>391</b>	<b>82</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(408)</b>	<b>(423)</b>	<b>(82)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Sources of operating funding</b>				
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
<b>Total operating funding</b>	<b>(A)</b>	<b>21,434</b>	<b>22,377</b>	<b>24,691</b>
<b>Applications of operating funding</b>				
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)
<b>Total applications of operating funding</b>	<b>(B)</b>	<b>20,969</b>	<b>20,147</b>	<b>23,377</b>
<b>Operating funding - surplus/(deficit)</b>	<b>(A-B)</b>	<b>465</b>	<b>2,230</b>	<b>1,314</b>
<b>Sources of capital funding</b>				
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		-	-	-
<b>Total sources of capital funding</b>	<b>(C)</b>	<b>1,205</b>	<b>23</b>	<b>(434)</b>
<b>Applications of capital funding</b>				
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		-	-	-
<b>Total applications of capital funding</b>	<b>(D)</b>	<b>1,670</b>	<b>2,252</b>	<b>880</b>
<b>Capital funding - surplus/(deficit)</b>	<b>(C-D)</b>	<b>(465)</b>	<b>(2,230)</b>	<b>(1,314)</b>
<b>Funding balance</b>	<b>((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>





**Katikati Festival  
of Cultures 2019.**

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CHAPTER FOUR

# 04

GOVERNANCE AND  
MONITORING



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# CHAPTER FOUR

## **Governance and monitoring**

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# OUR MAYOR AND COUNCILLORS



## MAYOR

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1



2

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**2 Anne Henry**  
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**3 Allan Sole\***  
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3

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



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5

## KAIMAI WARD COUNCILLORS

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**7 Mark Dean**  
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## MAKETU / TE PUKE WARD COUNCILLORS

**8 John Scrimgeour**  
Deputy Mayor  
Ph 027 653 3368  
John.Scrimgeour@westernbay.govt.nz

**9 Kevin Marsh**  
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**10 Monique Gray**  
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**11 Grant Dally**  
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# COMMITTEES AND MEMBERSHIP

## **Audit and Risk Committee**

Councillor James Denyer (Chairperson)  
Councillor Murray Grainger (Deputy Chair)  
Councillor Grant Dally  
Councillor Mark Dean  
Councillor Monique Gray  
Councillor Anne Henry  
Councillor Kevin Marsh  
Councillor Margaret Murray-Benge  
Deputy Mayor John Scrimgeour  
Councillor Allan Sole  
Councillor Don Thwaites  
Mayor Garry Webber  
Mark Maloney - Independent Member

## **Regulatory Hearings Committee**

Deputy Mayor John Scrimgeour (Chairperson)  
Councillor Mark Dean (Deputy Chair)  
Councillor Margaret Murray-Benge  
Councillor Grant Dally  
Councillor James Denyer  
Councillor Murray Grainger  
Councillor Monique Gray  
Councillor Anne Henry

## **District Plan Committee**

Deputy Mayor John Scrimgeour (Chairperson)  
Councillor Mark Dean (Deputy Chair)  
Councillor Margaret Murray-Benge  
Councillor Grant Dally  
Councillor James Denyer  
Councillor Murray Grainger  
Councillor Monique Gray  
Councillor Anne Henry

## **Tauranga Moana / Te Arawa ki Takutai Partnership Forum**

Hapū/iwi representatives  
Mayor  
Western Bay of Plenty District Councillors

## **Annual Plan and Long Term Plan Committee**

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

## **Performance and Monitoring Committee**

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

## **Policy Committee**

Mayor Garry Webber  
Councillor Monique Gray (Deputy Chair)  
Councillor Grant Dally  
Councillor Mark Dean  
Councillor James Denyer  
Councillor Murray Grainger  
Councillor Anne Henry  
Councillor Kevin Marsh  
Councillor Margaret Murray-Benge  
Deputy Mayor John Scrimgeour  
Councillor Don Thwaites  
Councillor Allan Sole

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# COMMUNITY BOARD AND WARD FORUM REPRESENTATIVES

## **Katikati Community Board**

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

## **Ōmokoroa Community Board**

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

## **Maketu Community Board**

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

## **Te Puke Community Board**

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

## **Waihi Beach Community Board**

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

## **Katikati - Waihi Beach Ward Forum**

Councillor James Denyer (Chairperson)  
Councillor Anne Henry (Deputy Chair)  
Mayor Garry Webber (ex-officio)  
Councillor Allan Sole

## **Kaimai Ward Forum**

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

## **Maketu - Te Puke Ward Forum**

Councillor Kevin Marsh (Chairperson)  
Councillor Monique Gray (Deputy Chair)  
Mayor Garry Webber (ex-officio)  
Councillor Grant Dally  
Councillor John Scrimgeour

# ORGANISATIONAL OVERVIEW

## CEO SERVICES

### Executive Assistance

- Chief Executive
- Mayor

### Strategy

- Strategic advice
- Local government reform

### Community Engagement

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

### Communications

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

## PEOPLE AND CUSTOMER SERVICES

### Customer Services

- Customer relations
- Service requests
- Call centre and online services
- Community library programmes
- Katikati Digital Hub

### Governance

- Support to organisation and elected members
- Support Council committees and Community Boards
- Meeting and agenda management
- Election services
- Legal delegations
- Privacy Officer
- Local Government Official Information and Meetings Act - requests

### Human Resources

- Human resources strategy
- Workforce development
- Recruitment
- Training and development

### Health and Safety

- Health and wellbeing
- Safety compliance

## FINANCE AND TECHNOLOGY SERVICES

### Finance

- Financial policy and overview
- Financial auditing
- Treasury
- Rates and levies
- Income
- Expenditure
- Finance
- Annual Plan
- Annual Report
- Revenue and Finance Policy
- Long Term Plan (LTP)

### Procurement

- General purchasing and contract advice
- Tenders
- Delegated financial authority governance

### Corporate Services and Business Improvement

- Corporate planning
- Business planning improvement and project management
- Quality management
- Performance monitoring and reporting
- Benchmarking
- Sustainability
- Payroll
- Insurance

### Information Technology and Services

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

### Asset Solutions

- Asset management systems
- Valuations
- Monitoring and reporting

## INFRASTRUCTURE SERVICES

### Transportation

- Roading network
- Asset management
- West Roads contract

### Utilities

- Utilities asset management
- Wastewater
- Stormwater
- Potable water
- Solid waste

### Reserves and Facilities

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

### Emergency Management

- Response capability

### Management Support

- Secretarial/support services
- Legal administration
- Fleet management
- Litter control

### Strategic Property

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

## POLICY, PLANNING AND REGULATORY SERVICES

### Resource Management

- District Plan
- Structure planning
- Policy, Planning and Monitoring
- Strategic, infrastructure and reserves planning
- Comprehensive development planning
- Strategic and environmental monitoring
- Long Term Plan (LTP)
- Bylaw development
- Development Engineering
- Engineering input into Council strategic documents

### Regulatory

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

### Cultural

- Engagement
- Workforce

# AUDIT REPORT

## Independent Auditor's Report

### To the readers of Western Bay of Plenty District Council's annual report for the year ended 30 June 2021

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

We are also required to report on:

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

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

We completed our work on 19 October 2021. This is the date on which we give our report.

#### Opinion on the audited information

In our opinion:

- the financial statements on pages 112 to 183:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2021;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on pages 184 to 198, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the Group of Activities on pages 28 to 109:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2021, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 184 to 198, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 184 to 198, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

#### Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 18 to 24, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.



### **Basis for our opinion on the audited information**

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

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

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

### **Responsibilities of the Council for the audited information**

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

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

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

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

### **Responsibilities of the auditor for the audited information**

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the group of activities, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

### **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 11 and 202 to 205, but does not include the audited information and the disclosure requirements.

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

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

### **Independence**

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

Other than the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed and audit engagements for the 2021-31 Long-term plan Consultation Document and the 2021-31 Long-term plan. Other than these engagements, we have no relationship with, or interests in, the District Council.



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