

Wāhanga tuatoru - Chapter Three

Ngā pūtea Financials

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Statement of comprehensive revenue and expenditure for the year ended 30 June 2022

	Note	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Revenue from non-exchanged transactions				
Fees and charges from activities	4	9,372	7,641	10,305
Rate revenue	5, 6 & 7	81,706	83,374	74,827
Fines		126	211	202
Vested assets	9	5,080	2,240	6,216
Financial contributions	11	10,925	11,221	7,572
Subsidies and grants	10	22,098	16,982	14,879
Other revenue	11	494	400	515
Fair value movement in derivative financial instruments	16	9,244	-	5,448
Gains		706	489	413
Revenue from non-exchanged transactions Total		139,752	122,559	120,377
Revenue from exchange transactions				
Finance revenue	8	1,088	263	845
Dividends		262	-	270
Rental Revenue		1,180	746	898
Other exchange revenue	11	1,634	1,773	1,747
Total revenue	2	143,916	125,340	124,138
Expenditure				
Other expenses	12	55,104	52,881	48,783
Personnel costs	13	26,498	26,369	23,444
Depreciation	21	22,708	23,560	23,079
Amortisation	21	845	347	347
Impairment expense	21	1,070	-	-
Unrealised hedging movement	16	-	-	-
Finance costs	8	4,146	3,675	4,593
Expenditure Total	3	110,371	106,832	100,246
Share of associate surplus/(deficit)		58	-	19
Net surplus / (deficit)		33,603	18,508	23,911
Other comprehensive revenue and expenses				
Gains/(Losses) on asset revaluations	21	122,194	30,284	61,871
Other assets at fair value through other comprehensive revenue and expense	28	-	-	98
Total other comprehensive revenue and expense for the year		122,194	30,284	61,969
Total comprehensive revenue and expense for the year		146,846	48,792	85,879

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2022

	Note	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Equity				
Retained Earnings	28	963,406	954,642	929,626
Restricted reserves	29	306	-	283
Council created reserves	30	32,129	29,754	32,175
Asset revaluation reserves	31	627,048	577,953	493,121
Equity Total		1,622,889	1,562,349	1,455,206
Assets				
Current Assets				
Cash and cash equivalents	14	25,541	26,634	25,706
Receivables	15	10,155	13,426	12,883
Non-current assets held for sale	17	-	1,214	-
Prepayments	15	496	940	828
Current Assets Total		36,191	42,213	39,417
Non-current assets				
Other non-current financial assets	18	12,542	11,519	12,380
Investment in associates	19	289	212	231
Investments in CCO and other similar entities	20	3,028	3,181	3,027
Intangible assets	22	4,894	6,540	4,262
Forestry assets	23	8,938	11,287	10,490
Property, plant and equipment	21	1,661,509	1,631,599	1,510,097
Non-current assets Total		1,691,200	1,664,339	1,540,487
Assets Total		1,727,392	1,706,552	1,579,904
Liabilities				
Current Liabilities				
Creditors and other payables	24	22,529	23,589	23,544
Current employee entitlements	26	3,032	3,573	2,974
Borrowings and other financial liabilities	25	15,000	10,000	10,000
Derivative financial instruments	16	(138)	-	422
Current portion provisions	27	313	696	313
Current Liabilities Total		40,736	37,858	37,252
Non-current liabilities				
Non current employee entitlements	26	19	-	20
Non current provisions	27	265	313	280
Non current borrowings and other financial liabilities	25	65,000	93,400	80,000
Other non current liabilities	16	(1,540)	12,632	7,144
Non-current Liabilities Total		63,744	106,345	87,444
Liabilities Total		104,503	144,203	124,696
Net assets		1,622,889	1,562,349	1,455,207

The accompanying notes form part of these financial statements.

Statement of changes in net assets/equity for year ended 30 June 2022

	Note	Retained earnings \$'000	Asset revaluation reserve \$'000	Council reserves \$'000	Total Equity \$'000
Balance at 01 July 2020	28	905,715	431,251	32,332	1,369,298
Total comprehensive income for the year		23,911	61,871	127	85,909
Balance at 30 June 2021		929,626	493,121	32,458	1,455,206
Total comprehensive income for the year		33,603	133,775	307	167,685
Balance at 30 June 2022		963,229	626,895	32,764	1,622,889

The accompanying notes form part of these financial statements.

Statement of cash flows for year ended 30 June 2022

	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Cashflow from operating activities			
Receipts from rates, grants and other services	134,477	127,963	118,069
Interest received	873	408	5,494
Dividends received	262	-	270
Payments to suppliers and employees	(83,162)	(64,923)	(74,830)
Income tax (paid) refund	54	-	155
Interest paid	(4,146)	(6,900)	(4,593)
Net cash inflow from operating activities	48,358	56,548	44,565
Cashflow from investing activities			
Advances to related parties			
Proceeds from sale of property, plant and equipment, investment property and intangible assets	3,912	115	3,505
Acquisition of property, plant and equipment, investment property and intangible assets	(42,435)	(26,281)	(36,853)
Net cash outflow from investing activities	(38,523)	(26,166)	(33,348)
Cashflows from financing activities			
Repayment of borrowings	(10,000)	-	(20,000)
Net cash in flow from financing activities	(10,000)	-	(20,000)
Net (decrease)/increase in cash and cash equivalents and bank overdraft	(165)	17,158	(8,783)
Opening cash and cash equivalents and bank overdraft	25,706	12,382	34,489
Closing cash and cash equivalents and bank overdraft	25,541	29,540	25,705

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Proposed statement of accounting policies for the year ended 30 June 2022

Reporting entity

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

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

The reporting date of the Council and the associate is 30 June.

The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of the Council are for the year ended 30 June 2022. The financial statements were authorized for issue by Council on 22 December 2022.

Basis of preparation

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

Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with NZ GAAP.

The financial statements have been prepared and comply with PBE Accounting Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all value are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Note 38. The remuneration, severance payments are rounded to the nearest dollar.

Three Water Reform Programme

In October 2021, the Government confirmed that it will introduce legislation to create four publicly owned water entities, and the Council's participation in the proposed reform will be mandatory.

These entities will own and operate drinking water, wastewater and stormwater (three waters) services across New Zealand. The Department of Internal Affairs is tasked with the successful implementation of these reforms and will work with the local government sector, iwi, water industry and other stakeholders to ensure a smooth transition to the new arrangements.

Subsequently, on 02 June 2022, the government introduced the Water Services Entities Bill in the House of Representatives. After the first reading on 09 June 2022 the Bill was referred to the Finance and Expenditure Committee which is to report back to the House of Representatives by 11 November 2022.

The Water Service Entities Bill proposes to create four publicly owned water services entities that would take on responsibility for delivering water services to a specific geographical area, from 1 July 2024.

Further clarification of the transition to the new water services entities is expected to be released in legislation later in 2022 and 2023.

High level guidance has been issued that outlines which assets transfer to the new entity, however there is not yet enough clarity to be able to quantify the financial impacts on asset values, revenue and associated debt with any certainty.

Changes in accounting policies

Software-as-a-Service (SaaS) arrangements

In April 2021, the International Financial Reporting Interpretations Committee (IFRIC), a committee supporting profit-oriented reporting, published an agenda decision clarifying how configuration and customization costs incurred in implementing SaaS should be accounted for.

The IFRIC concluded that SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customize software in a cloud computing arrangement, can be recognized as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognized as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

The New Zealand Accounting Standards Board has not issued similar guidance, however, in the absence of a PBE standard dealing with these costs, management considers the IFRIC decision relevant to the accounting for similar types of arrangements of Council in accordance with PBE IPSAS 31 Intangible assets.

The Council has changed its accounting policy from 1 July 2021 to be consistent with the IFRIC agenda decision.

The impact of the change in accounting policy is that some intangible assets that were previously capitalised non longer meet the criteria for capitalisation and therefore have been expensed.

Standards, and amendments, issued and that have been applied

Cash Flow Statements

These amendments require additional disclosures that enable users of financial statements to evaluate cash and non-cash changes in liabilities arising from financial activities. It is effective for reporting periods on or after 1 January 2021. Refer to Note 33 for information on reconciliation of liabilities from financing activities.

Standards issued and not yet effective, and not early adopted

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments was issued in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which as issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Council has assessed and considered the differences between PBE IFRS 9 and PBE. The adoption will not result in any significant impact on the financial statements.

PBE FRS 48 Service Reporting

PBE FRS 48 Service Performance Reporting replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for the year ending 30 June 2023, with early adoption permitted. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to early adopt the standard.

Summary of significant accounting policies

Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those subject to forward exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Goods and services tax

Items in the financial statements are stated exclusive of goods and services tax (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 the IRD, including the GST relating to investing and financing activities, is classified as operating cashflow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Council in its 2021-2031 Long Term Plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

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

- Estimating the fair value of land and buildings, and infrastructural assets – see Note 21
- Estimating the fair value of forestry assets – see Note 23.
- Estimating the retirement and long service leave obligations – see Note 26.
- Estimating the landfill aftercare provision – see Note 27.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies.

Donated or vested land and buildings with use or return conditions

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

Classification of property

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

Treatment of airport land

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

Summary of Cost of Services

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

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

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

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

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. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable 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 usages, 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 the 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 Council is acting as an agent for the BOPRC.

Financial Contributions

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

Waka Kotahi (NZ Transport Agency) roading subsidies

The Council receives funding assistance from Waka Kotahi, which subsidises part of the cost 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 received 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 the Council's local facilities, such as pools. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised upon waste being disposed by users.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

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 revenue recognised is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the 2-year period.

Vested or donated physical assets

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

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery part of the cost of the investment.

Personnel costs

Salaries and wages

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

Superannuation schemes

Defined contribution schemes

Employer contributions to Kiwi saver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Defined benefit schemes

The Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund (NPF). The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus or deficit in the plan will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Finance Costs

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

Grant expenses

The Council's grants awarded have no substantive conditions attached.

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as an expense when approved by the Council and the approval has been communicated to the applicant.

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 of the term of the lease.

Tax

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

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 Council's operational activities and interest rate risk arising from Council's financing activities. In accordance with its treasury policy, 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 re-measured 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.

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

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories;

- Amortised cost
- Fair value through other comprehensive revenue and expense (FVTOCRE); and
- Fair value through surplus and deficit (FVTSD)

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council's model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model managing them.

A financial asset is classified as subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans and loans to subsidiaries and associates.

Subsequent measure of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus or deficit. Instruments in this category include Council listed bonds.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than derivatives, the Council has no instruments in this category.

Investment in associate

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. The Council's associate investment is accounted using the equity method. The investment in the associate is initially recognised at cost and the carrying amount in the financial statements is increased or decreased to recognise the Council's share of the deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the Council's financial statements.

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

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

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by 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 and impairment losses. 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 value amount does not differ materially from fair value and at least every three years.

Revaluation movements 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 surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

Additions

The cost of an items of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the 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 the Council 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 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 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 property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the asset to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings		
Buildings	2 - 100 years	Straight line
Land	-	Not depreciated
Plant and equipment	4 - 10 years	Diminishing value
Office equipment and furnishings	4 - 10 years	Diminishing value
Computer systems	2 - 5 years	Diminishing value
Motor vehicles	4 - 5 years	Diminishing value
Library books	10 - 15 years	Straight line
Infrastructural assets		
Roading network		
Top surface (seal)	5 - 60 years	Straight line
Pavements (base course)		
• Seal	5 - 60 years	Straight line
• Unsealed	3 - 5 years	Straight line
Other	5 - 70 years	Straight line
Formation		Not depreciated
Bridges		
Bridges	50 - 100 years	Straight line
Reticulation		
• Water	15 - 80 years	Straight line
• Sewerage	40 - 100 years	Straight line
• Stormwater	70 - 120 years	Straight line
• Treatment plant and equipment	15 - 80 years	Straight line
Other structures		
• Reservoirs	80 - 100 years	Straight line
• Dams	100 years	Straight line
• Bores	100 years	Straight line
• Coastal Structures	5 - 75 years	Straight line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and 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 its 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. For revalue assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carried a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

Intangible assets

Initial recognition and subsequent measurement

Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead and other direct costs that are incurred in the development phase of the asset. Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measure. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses, if any.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite 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 financial year is recognised in the surplus or deficit.

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

Computer software	3-5 years	20%-33.3%
Resource consents	life of asset	5%
Property subdivision rights	19 years	3%-5%

Impairment of intangible assets

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

For further details, refer to the policy for impairment of property, plant, and equipment. The same approach applies to the impairment of intangible assets.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

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 surplus or deficit.

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

Payables and deferred revenue

Short-term creditors and other payables are measured at the amount payable.

Borrowings and other financial liabilities

Borrowings on normal terms are initially recognised at the amount borrowed 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 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 that are expected to be settled wholly within twelve months after end of the year in which the employee provides the related service are measured and 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, and sick leave.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees 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 retirement and long service leave expected to be settled within 12 months of balance date are also classified as a currently 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 and discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash flows. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Equity

Equity is the community's interest in the 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; and
- Fair value through other comprehensive revenue and expense reserve

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 Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The 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 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 effective portion of the cumulative net change in the fair value of assets classified through other comprehensive revenue and expense.

Summary of cost of services

2. Total operating revenue

	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Representation	3,568	3,093	3,179
Planning for the future	3,584	3,885	2,847
Transportation	36,312	35,926	30,220
Water supply	14,775	14,141	14,736
Communities	8,917	9,459	7,650
Recreation and leisure	13,166	11,544	11,191
Regulatory services	12,955	11,994	11,213
Wastewater	19,900	14,466	14,680
Solid waste	4,669	5,571	2,258
Stormwater	7,758	7,220	12,776
Natural environment	1,093	930	874
Economic	902	1,104	811
Council services	16,317	6,094	11,703
Total operating revenue by activity	143,916	125,428	124,138

3. Total operating expenditure

	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Representation	3,500	3,904	2,723
Planning for the future	3,435	3,886	2,723
Transportation	23,247	23,611	22,876
Water supply	15,711	13,862	17,188
Communities	8,781	10,141	7,615
Recreation and leisure	10,165	8,480	9,354
Regulatory services	12,928	12,226	11,205
Wastewater	14,792	13,491	12,862
Solid waste	4,131	4,803	1,891
Stormwater	4,325	4,338	3,912
Natural environment	1,078	1,214	929
Economic	999	788	929
Council services	7,279	6,090	5,837
Total operating revenue by activity	110,371	106,833	100,246

4. Fees and charges from activities

	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Representation	1	-	2
Planning for the future	7	-	-
Transportation	529	272	2,342
Water supply	107	-	139
Communities	270	124	107
Recreation and leisure	284	20	10
Regulatory services	7,076	6,223	7,102
Wastewater	127	50	206
Solid waste	745	772	133
Stormwater	4	-	4
Economic	-	-	-
Council services	222	182	258
Total revenue from significant activities	9,372	7,641	10,305

5. General Rate Income

	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Representation	3,565	3,093	3,175
Planning for the future	3,564	3,873	2,835
Communities	4,671	5,754	4,666
Recreation and leisure	7,904	7,691	7,078
Regulatory services	4,994	4,496	3,185
Transportation	-	-	-
Water Supply	-	-	-
Stormwater	209	700	873
Natural environment	346	20	197
Wastewater	960	485	877
Solid waste	388	1,041	554
Economic	578	20	489
Council services	3,482	358	3,498
Total general rates	30,660	27,530	27,427

6. Targeted rates attributable to activities

	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
General rates	30,660	27,530	27,427
Targeted rates attributable to activities			
Representation	-	-	-
Planning for the future	13	13	13
Communities	3,287	3,123	2,179
Recreation and leisure	-	215	-
Regulatory	-	-	-
Transportation	14,701	14,745	13,585
Water supply	6,516	6,521	6,431
Stormwater	4,558	50	4,501
Natural environment	598	3,350	559
Wastewater	11,871	11,631	12,085
Solid waste	3,045	3,350	1,291
Economic	334	4,619	321
Council services	1,419	573	930
Total targeted rates	46,340	48,189	41,895

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. 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 2022	Budget \$'000 2022	Actual \$'000 2021
Metered water charges	4,705	5,244	6,381
Total targeted rates for water supply	4,705	5,244	6,381

8. Finance income and finance costs

	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Finance income			
Interest income	1,083	250	835
Rates postponement scheme	5	13	9
Total finance income	1,088	263	845
Finance costs			
interest on bank borrowings	1,630	3,675	1,956
interest rate swap expense	2,516	-	2,637
Total finance costs	4,146	3,675	4,593
Net finance income / (costs)	(3,058)	(3,412)	(3,748)

9. Vested assets

	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Significant activities			
Communities	-	-	-
Recreation and leisure	-	-	600
Transportation	-	-	-
Water supply	946	756	1,819
Stormwater	2,481	2,233	3,797
Wastewater	1,653	1,075	-
Solid waste	-	-	-
Support services	-	-	-
	5,080	4,064	6,216

10. Subsidies and grants

	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Ministry for the Environment	284	130	183
Bay of Plenty Regional Council	-	-	-
Crown Infrastructure Partners	6,387	229	2,949
Waka Kotahi	13,890	16,523	10,984
TECT	1,443	100	279
Ministry of Business, Innovation & Employment	94	-	477
Other	-	-	37
Total subsidies and grants	22,098	16,982	14,879

There are no unfulfilled conditions or other contingencies attached to subsidies recognised (2021: nil).

11. Other revenue

	Actual \$'000 2022	Budget \$'000 2022	Actual \$'000 2021
Petrol tax	436	400	459
Sale of goods and services	1,463	1,730	1,744
Cost recoveries	228	43	59
Total other revenue	2,128	2,173	2,262
Made up of:			
Exchange	1,634	1,773	1,747
Non exchange	494	400	515
Financial contributions			
Recreation and leisure	2,945	2,293	1,885
Transportation	3,820	3,373	2,581
Water supply	1,516	2,045	1,111
Stormwater	492	1,600	613
Natural environment	150	-	119
Wastewater	2,002	1,911	1,264
Total revenue from financial contributions	10,925	11,221	7,572

12. Other expenses

	Actual \$'000 2022	Actual \$'000 2021
Audit fees for financial statement audit		
- audit fees for financial statement audit	159	149
- audit fees for Long Term Plan	-	119
- audit fees for debenture trust deed audit	-	8
- audit fees for grant funding assurance	-	-
Insurance premiums	902	696
Consultant and legal fees	2,926	3,087
Impairment of receivables	3,226	1,766
Loss on sale of property, plant and equipment	2,330	4,575
Minimum lease payments under operating leases	308	56
Other operating expenses	44,548	38,210
Asset revaluation	1	118
Total other expenses	54,400	48,783

13. Personnel costs

	Actual \$'000 2022	Actual \$'000 2021
Salaries and wages	26,933	23,196
Employer contributions to health insurance scheme	269	248
Total personnel costs	27,202	23,444

14. Cash and cash equivalents

	Actual \$'000 2022	Actual \$'000 2021
Cash at bank and on hand	22,636	25,704
Petty cash	2	2
Term deposits with maturities less than 3 months	2,903	-
Total cash and cash equivalents	25,541	25,706

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

Interest rates

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

	2022	2021
Short-term deposits	1%	1%

15. Debtors and other receivables

	Actual \$'000 2022	Actual \$'000 2021
Rates debtors	5,730	6,491
Metered water debtors	1,452	2,413
Other trade debtors	2,512	4,346
Sundry debtors	3,270	3,240
GST Receivables	910	941
Debtors and other receivables prior to impairment	13,875	17,431
Less provision for impairment of receivables	3,720	4,548
	10,155	12,883
Prepayments	496	828
	10,651	13,711
¹ Receivables from non-exchange transactions	10,322	13,201
Receivables from exchange transactions	329	510
	10,651	13,711

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

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

Impairment

Western Bay of Plenty District Council (Western Bay Council) does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future payments if the impact of discounting is material.

These powers allow Western Bay Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then Western Bay Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$nil (2020: \$nil). Western Bay Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The status of receivables as at 30 June 2022 and 2021 are detailed below:

	2022 \$'000			2021 \$'000		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	10,179	(765)	9,414	13,124	(963)	12,161
Past due 90 days - 2 years	998	(636)	362	1,109	(717)	392
Past due 2-3 years	762	(574)	188	913	(707)	206
Past due > 3 years	1,935	(1,744)	191	2,285	(2,161)	124
Total	13,875	(3,718)	10,155	17,431	(4,548)	12,883

Receivables greater than 90 days are considered past due.

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

	Actual \$'000 2022	Actual \$'000 2021
Individual impairment	(1,744)	(2,161)
Collective impairment	(1,974)	(2,387)
As at 30 June	(3,718)	(4,548)

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

	Actual \$'000 2022	Actual \$'000 2021
Past due 30-59 days	0	0
Past due 60-89 days	0	0
Past due > 90 days	1,744	2,161
As at 30 June	1,744	2,161

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

	Actual \$'000 2022	Actual \$'000 2021
As at 1 July	4,548	3,827
Additional provisions made during the year	2,396	2,487
Provisions reversed during the year	-	-
Receivables written off during the year	(3,226)	(1,766)
As at 30 June	3,718	4,548

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: 727,647.94 (2021:Nil)
 - Section 90B: 41,819.71 (2021:Nil) to Māori freehold land) of the Local Government (Rating) Act 2002.

16. Derivative financial instruments

	Actual \$'000 2022	Actual \$'000 2021
Current portion	138	(422)
Interest rate swaps - fair value hedges	1,540	(7,144)
Total derivative financial instruments	1,678	(7,566)
Movement	9,244	5,448

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

Fair value

Interest rate swap

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 \$81.5m (2021: \$87m). At 30 June 2022, the fixed interest rates of cash flow hedge interest rate swaps vary from 1.95% to 5.41% (2021: 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 held no non-current assets for sale as at 30 June 2022.

18. Other financial assets

	Actual \$'000 2022	Actual \$'000 2021
Current portion		
Investments		
Term deposits maturing within 12 months of balance date	-	-
Total investments	-	-
Total current other financial assets	-	-
Non-current portion		
Non-current assets available for sale are:		
Zespri Group Limited		
26,490 shares (26,490 in 2021) with a market value as at 30 June 2022 of \$9.10 (\$10.95 in 2021) per share.	241	290
Seeka Kiwifruit Industries Limited		
11,247 shares (2021: 11,247) with a market value as at 30 June 2022 of \$4.67 (\$5.10 in 2021) per share.	53	57
Total non-current assets available for sale	294	347
Loans and receivables		
Te Tumu investment (note 42)	12,249	12,032
Total loans and receivables	12,249	12,032
Total non-current other financial assets	12,542	12,380
Total other financial assets	12,542	12,380

19. Investments in associates

	Actual \$'000 2022	Actual \$'000 2021
Share in associates		
Western Bay of Plenty Tourism and Visitors' Trust (50%)	289	231
Total share in associates	289	231

20. Investments in Council controlled organisations (CCO's) and other similar entities

	Actual \$'000 2022	Actual \$'000 2021
Bay of Plenty Local Authority Shared Services Limited	14	14
BOPLASS Limited 9.7% share (2021: 9.7%)		
NZ Local Government Insurance Company Limited	28	27
28,142 shares (2021: no change) with a market value as at 30 June 2022 of \$0.99 per share (2021: \$0.93)		
Local Government Funding Agency Limited	1,866	1,866
3,731,958 shares (2021: no change) at \$1 per share \$0.50 share paid up capital (2021: no change)		
Local Government Funding Agency Borrower Notes	1,120	1,120
Total Investment in Council Controlled Organisations (CCO's) and other similar entities	3,028	3,027

	Actual \$'000 2022	Actual \$'000 2021
Bay of Plenty Local Authority Shared Services (BOPLASS)		
Assets	1,205	1,492
Liabilities	1,153	1,447
Revenues	1,998	1,563
Surplus / (deficit)	6	15
Western Bay's % interest	9.7%	9.7%

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.

	Actual \$'000 2022	Actual \$'000 2021
Depreciation and amortisation expense by activity		
Representation	12	20
Planning for the future	-	-
Communities	511	639
Recreation and leisure	1,945	1,802
Regulatory services	83	86
Transportation	11,214	10,586
Water supply	3,522	4,023
Stormwater	1,684	1,611
Wastewater	3,204	3,719
Solid waste	22	30
Natural environment	-	1
Economic	-	-
Total depreciation and amortisation by activity	22,197	22,517
Depreciation and amortisation related to support services	1,356	909
Total depreciation and amortisation expense	23,553	23,426
Made up of:		
Depreciation	22,708	23,079
Amortisation	845	347

	Actual \$'000 2022	Actual \$'000 2021
Revaluation gains by activity		
Representation	-	-
Planning for the future	-	-
Communities	7,570	9,687
Recreation and leisure	38,003	34,277
Regulatory services	-	-
Transportation	57,964	15,333
Water supply	1,917	21,630
Stormwater	1,684	6,133
Wastewater	4,105	25,343
Solid waste	717	-
Natural environment	-	-
Economic	-	-
Support services	10,635	-
Property, plant and equipment gains	122,594	112,403
Intangibles (Emission Trading Scheme NZ Unites)	1,098	378
Forestry	(499)	20
Total gains	123,194	122,801

	Actual \$'000 2022	Actual \$'000 2021
Work in progress by activity		
Representation	-	-
Planning for the future	120	-
Communities	1,025	539
Recreation and leisure	2,674	31
Regulatory services	19	-
Transportation	8,575	1,423
Water supply	5,889	9,329
Stormwater	1,955	6,659
Wastewater	2,801	7,218
Solid waste	117	-
Natural environment	-	-
Economic	11	6
Support services	(2,674)	1,835
Total work in progress	20,510	27,040

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 30 June 2022.

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 30 June 2022.

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 30 June 2022.

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:

Fair value	Actual \$'000 2022	Actual \$'000 2021
WSP	675,790	615,532
Interpine Forestry Limited	8,938	10,490
Opteon	279,271	217,163
Total fair value	963,999	843,185



	Carry amount \$'000 2022	Insured amounts \$'000 2022
Category A Insurance Contracts		
Water	114,934	200,500
Wastewater	136,328	240,023
Stormwater	120,845	242,507
Mobile Plant & Vehicles	1,308	1,676
Forestry	8,938	15,343
	382,354	700,049
Material Damage Cover		
Buildings	55,038	65,170
Parks and reserves	20,887	-
Coastal marine	16,830	-
Libraries	1,499	-
Office Equipment	1,552	7,241
Plant & equipment	61	-
	95,867	72,411
Category A Total	478,220	772,460
Category B Financial Risk Sharing Arrangements assets		
Nil		
Category B Total	-	-
Category C Self Insured Assets		
Disaster Contingency Reserve	-	-
Land under roads	262,345	-
Roading - Other	92,441	-
Roading - Surfaces	596,877	-
Land	195,481	-
Category C Total	1,147,144	-
Total	1,625,363	

Work in progress

Total amount of property, plant and equipment in the course of construction is \$20.5m (2021:\$27.04m).

Core infrastructure asset disclosures

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

	Closing Book value	Additions: Constructed by Council	Additions: Transferred to Council	Most Recent Replacement Cost Estimate for Revalued Assets
Water	114,934	10,327	945	202,620
Stormwater	120,845	7,951	2,480	213,668
Wastewater	136,328	8,768	1,653	226,557
Roads and footpaths	689,317	13,872	-	839,211
	1,061,424	40,918	5,078	1,482,056

2022	Cost/Valuation	Opening accumulated depreciation and impairment charges	2021 Carrying Amount	"Current year additions"	Current year transfers from work in progress	"Current year vested assets"	"Current year disposals"	"Current year disposals"	"Current year disposal depreciation"	Transfers	"Transfer Accumulated Depn"	"Current year depreciation total"	Revaluation	Revaluation Depreciation	2022 Cost/Valuation	2022 Accumulated Depn	2022 Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operational assets																	
Land	52,632	-	52,632	-	-	-	(2,750)	-	-	-	-	-	11,720	-	61,602	-	61,602
Buildings	24,647	(446)	24,201	-	1,657	-	(176)	7	7	-	-	(461)	4,456	846	30,582	(54)	30,529
Coastal Marine	17,673	(619)	17,055	-	700	-	(299)	21	21	-	-	(450)	(197)	-	17,878	(1,048)	16,830
Libraries	1,573	(261)	1,312	-	330	-	-	-	-	-	-	(248)	105	-	2,008	(509)	1,499
Office equipment	8,572	(6,668)	1,904	-	-	-	-	-	-	-	-	(352)	-	-	8,572	(7,020)	1,552
Plant and equipment	236	(169)	67	-	-	-	-	-	-	-	-	(6)	-	-	236	(175)	61
Vehicles	2,494	(1,468)	1,026	-	781	-	(217)	142	142	-	-	(374)	(51)	-	3,007	(1,699)	1,308
Total Operational assets	107,828	(9,630)	98,197	-	3,468	-	(3,442)	171	171	-	-	(1,892)	16,032	846	123,885	(10,505)	113,380
Infrastructural assets																	
Land	27,513	-	27,513	-	-	-	-	-	-	-	-	-	9,132	-	36,645	-	36,645
Buildings	3,422	(92)	3,330	-	-	-	-	-	-	-	-	(13)	206	99	3,628	(6)	3,622
Water - treatment	1,928	-	1,927	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water - other	107,812	(3,968)	103,844	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	109,740	(3,968)	105,771	-	10,327	945	(57)	2	2	-	-	(3,309)	1,254	-	122,209	(7,275)	114,934
Stormwater	113,676	(1,682)	111,994	-	7,951	2,481	-	-	-	-	-	(1,183)	(397)	-	123,711	(2,865)	120,845
Wastewater - treatment	25,289	-	25,289	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wastewater - other	107,333	(3,652)	103,681	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wastewater	132,622	(3,652)	128,970	-	8,768	1,653	-	-	-	-	-	(3,017)	(46)	-	142,997	(6,669)	136,328
Land under roads	262,345	-	262,345	-	-	-	-	-	-	-	-	-	-	-	262,345	-	262,345
Roading other	80,950	(3,004)	77,946	-	2,659	-	-	-	-	-	-	(1,844)	7,917	5,762	91,527	914	92,441
Roading surface	549,076	(7,626)	541,451	-	11,214	-	-	-	-	-	-	(7,688)	36,432	15,468	596,723	154	596,877
Total Infrastructural assets	1,279,343	(20,024)	1,259,320	-	40,919	5,080	(57)	2	2	-	-	(17,054)	54,499	21,329	1,379,784	(15,747)	1,364,036
Restricted assets																	
Land	100,354	-	100,354	-	-	-	-	-	-	-	-	-	33,526	-	133,880	-	133,880
Buildings	19,682	(998)	18,684	-	3,928	-	(12)	8	8	-	-	(1,157)	(463)	-	23,034	(2,147)	20,887
Improvements	7,149	(154)	6,995	-	196	-	(273)	11	11	-	-	(175)	1,760	-	8,832	(16)	8,816
Total Restricted Assets	127,186	(1,153)	126,033	-	4,124	-	(385)	19	19	-	-	(1,332)	34,821	-	165,746	(2,163)	163,583
Total PPE	1,514,357	(30,806)	1,483,550	-	(48,510)	5,080	(3,885)	191	191	-	-	(22,708)	105,353	22,1478	1,669,415	(28,415)	1,640,999
Work in progress	27,040	-	27,040	42,029	-	-	-	-	-	-	-	-	-	-	20,558	-	20,510
Total Council	1,541,397	(30,806)	1,510,590	42,029	(48,510)	5,080	(3,885)	191	191	-	-	(22,708)	105,353	22,478	1,689,973	(28,415)	1,661,509

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

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.

	Computer software		Resource consents		Emissions trading scheme NZ units		Property subdivision rights		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000		\$'000		\$'000		\$'000		\$'000	
Balance at 1 July										
Cost	5,692	5,692	1,778	1,778	355	355	2,853	2,834	10,678	10,659
Accumulated amortisation and impairment	(4,516)	(4,223)	(332)	(277)	1,111	733	(2,678)	(2,678)	(6,415)	(6,415)
Work in progress	1,176	1,469	1,446	1,501	1,466	1,088	175	156	4,263	4,244
Opening carrying amount	1,176	1,469	1,446	1,501	1,466	1,088	175	156	4,263	4,244
Year ended 30 June										
Additions	407	-	-	-	-	-	-	-	407	-
Transfer	(26)	-	-	-	-	-	-	19	-	19
Amortisation & impairment charge	(746)	(293)	(64)	(55)	-	-	-	-	(809)	(347)
Gains	-	-	-	-	1,098	378	-	-	1,098	378
Disposals	(62)	-	-	-	-	-	-	-	(62)	-
Closing carrying amount	748	1,176	1,382	1,446	2,564	1,466	175	175	4,894	4,293
Balance as 30 June										
Cost	6,010	5,692	1,778	1,778	355	355	2,853	2,853	10,997	10,678
Accumulated amortisation and impairment	(5,262)	(4,516)	(396)	(332)	2,209	1,111	(2,678)	(2,678)	(6,127)	6,415
Work in progress	748	1,176	1,382	1,446	2,564	1,466	175	175	4,870	4,263
Closing carrying amount	748	1,176	1,382	1,446	2,564	1,466	175	175	4,870	4,263

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 2022	Actual \$'000 2021
Balance at 1 July	10,490	10,588
Gains/(losses) arising from changes attributable to physical changes	(499)	889
Gains/(losses) arising from changes attributable to price changes	-	(848)
Difference in Valuers report opening balance	0	0
Increases due to purchases	-	-
Decrease due to sale	-	-
Decrease due to harvest	(1,053)	(139)
Balance at 30 June	8,938	10,490

TECT Park Forest

The TECT ALL Terrain Park owns 313.95 hectares of Pinus Radiata forest, 33.82 hectares of Douglas Fir, and 61.75 hectares other mixed species, which are at varying stages of maturity ranging from 5 to 26 years.

During the 2022 financial year 21.25 hectares was harvested, processed and the timber sold.

After harvesting and revaluation in 2022, the total value of this forest is \$8.94 million of which Council owns 50%, which is \$4.37 million.

Waihi Beach Forest

Council owns 28.8 hectares of Pinus Radiata forest at varying stages of maturity ranging from 25 to 26 years with an average age of 25.9 years.

During the year 22.1 hectares was harvested, processed and the timber sold. The forest was not revalued during the year as the intention is to harvest the remaining forest.

After harvesting, the total value of the remaining forest at the end of 2022 is \$ 0.247 million.

Matakana Island Forest

Council owns 126.33 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 11 to 38 years with an average age of 23.5 years.

After revaluation in 2022, the total value of this forest is \$4.10 million.

Lund Road Forest

Council owns 58.25 hectares of Pinus Radiata forest which are at varying stages on maturity ranging from 7 to 9 years with an average age of 8 years.

After revaluation in 2022, the total value of this forest is \$ 0.223 million.

Valuation assumptions

Independent registered valuer, Interpine Forestry Limited, valued Councils forestry assets as at 30 June 2022. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

Forests have been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis.

Costs applied are current average costs for established stands; for immature stands costs are compounded at 3.0% (2021: 3.5%).

Notional land rental costs have been included for freehold land.

Costs have been increased by inflation at 8.5% (PPI). This includes silviculture, annual costs and cost of sales.

No allowance has been made for cost improvements in future operations.

Log prices are based on a twelve quarter rolling average to March 2022, and there are no restrictions on title.

There is no significant movement expected for the period March 2022 to June 2022.

A discount rate of 7.0% to 7.6% (2021: 7.83% to 8.7%) has been used in discounting the present value of expected cash flows.

Financial risk management strategies

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

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

Securities

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

24. Payables and deferred revenue

Current portion

	Actual \$'000 2022	Actual \$'000 2021
<i>Payables and deferred revenue under exchange transactions</i>		
Trade payables and accrued expenses	14,045	14,731
Other income in advance	435	2,044
Sundry payables	477	115
Total payables and deferred revenue under exchange transactions	14,957	16,890
<i>Payables and deferred revenue under non-exchange transactions</i>		
Rates in advance	5,576	4,984
Bonds and deposits	1,599	1,333
GST payables	-	-
Environment Bay of Plenty Regional Council rates	398	337
Total payables and deferred revenue under non-exchange transactions	7,573	6,654
Total current portion	22,529	23,544

25. Borrowings

Current portion

	Actual \$'000 2022	Actual \$'000 2021
Secured loans fixed	-	-
Secured loans floating	15,000	10,000
Total current secured loans	15,000	10,000
Total current borrowings	15,000	10,000

Non-current portion

	Actual \$'000 2022	Actual \$'000 2021
Secured loans fixed	10,000	10,000
Secured loans floating	55,000	70,000
Total non-current secured loans	65,000	80,000
Total non-current borrowings	65,000	80,000
Total public debt	80,000	90,000

Western Bay Council's secured debt of \$80.0m (2021: \$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 (2021: \$nil) is issued at a margin of nil bps (2021: nil) above bank wholesale rates BKBM.

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

Repayment terms

	Actual \$'000 2022	Actual \$'000 2021
Payable no later than one year	15,000	10,000
Weighted average interest rate	2.59%	5.57%
Later than one, not later than five years	65,000	45,000
Weighted average interest rate	3.11%	2.03%
Later than five years	-	35,000
Weighted average interest rate	-	1.13%
	80,000	90,000

Fair values of non-current borrowings

	Carrying amounts \$'000 2022	Carrying amounts \$'000 2021	Fair values \$'000 2022
Secured loans	80,000	90,000	75,670
Total	80,000	90,000	75,670

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 2022	Actual \$'000 2021
Secured loans and debentures	3.01%	2.07%

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 2022 Western Bay Council had \$30.0 million of undrawn cash facilities available (2021: \$30.0 million).

Debentures

Western Bay Council's secured debt of \$80.0 million (2021: \$90.0 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 (2021: \$600,000). There are no restrictions on the use of this facility.

26. Employee entitlements

	Actual \$'000 2022	Actual \$'000 2021
Accrued pay	409	642
Accrued leave and accrued entitlements	2,691	2,377
Sick pay	(69)	(44)
Retirement gratuities	19	20
	3,051	2,994
Represented by:		
Current	3,032	2,974
Non-current	19	20
Total employee entitlements	3,051	2,994

27. Provisions

	Actual \$'000 2022	Actual \$'000 2021
Current portion		
Landfill aftercare provision	15	15
Weathertight Homes Resolution Service	298	298
Total current portion	313	313
Non-current portion		
Landfill aftercare provision	265	280
Total non-current portion	265	280
Total provisions	578	593

Movements for each class of provision are as follows:

	Landfill \$'000	Weathertightness \$'000	Total \$'000
Balance at 1 July 2020	308	301	608
Additional provisions	-	-	-
Amounts used	(12)	(3)	(15)
Balance at 30 June 2021	295	298	593
Balance at 1 July 2021	295	298	593
Additional provisions	-	-	-
Amounts used	18	(33)	(15)
Balance at 30 June 2022	313	265	578

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 \$0.15 (2021: \$0.26 million) and for post-closure of Te Puke of \$0.11 million (2021: \$0.18 million) over the remaining life (Athenree 13 years, Te Puke 10 years) of the resource consents. This liability has been discounted back to a current value of \$0.28million (2021: \$0.29 million) using a discount rate of 7% (2021: 7%).

Weathertight Homes Resolution Services

Note 35 on page 146 provides additional information regarding this provision.

Equity

28. Retained earnings

	Actual \$'000 2022	Actual \$'000 2021
Opening balance	929,626	905,715
Surplus / (deficit)	33,603	23,911
Other surplus /(deficit) through comprehensive income	-	98
Reclassification from prior year		
Reclassification of reserves to equity	152	29
	963,381	929,753
Transfers to:		
Restricted reserves	(26)	(12)
Council created reserves	(8,505)	(11,309)
	(8,531)	(11,321)
Transfers from:		
Restricted reserves	5	9
Council created reserves	8,374	11,185
Asset revaluation reserve	-	-
	8,379	11,194
Closing balance	963,229	929,626

29. Restricted reserves

	Actual \$'000 2022	Actual \$'000 2021
Opening balance	283	280
Transfers to:		
Accumulated funds	(5)	(9)
Transfers from:		
Accumulated funds	26	12
Closing balance	306	283

30. Council-created reserves

	Actual \$'000 2022	Actual \$'000 2021
Opening balance	32,175	32,052
Transfers to:		
Accumulated funds	(8,374)	(11,185)
Transfers from:		
Accumulated funds	8,505	11,309
Closing balance	32,306	32,175

31. General asset revaluation reserve

	Actual 2022 \$'000	Actual 2021 \$'000
Opening balance	493,121	431,250
Change in asset value	133,927	61,871
Transfer to retained earnings on disposal of property	-	-
Reclassification of reserves to equity	-	-
Closing balance	627,048	493,121
Comprising:		
Land	94,688	36,902
Buildings	19,043	9,993
Water supply	58,642	58,643
Roading	318,797	251,572
Wastewater	61,518	61,518
Stormwater	58,892	58,892
Coastal marine structures	12,395	12,520
Library books	1,014	1,014
Parks and reserves	2,059	2,066
Total asset revaluation reserve	627,048	493,121

	Actual 2022 \$'000	Actual 2021 \$'000
Infrastructural		
Road Reserves	60,524	156,339
Road Surface	208,964	64,743
Other Roding	37,576	30,491
Water supply	58,642	58,643
Wastewater	61,518	61,518
Stormwater	58,892	58,892
Operational		
Land	94,688	36,902
Buildings	19,043	9,993
Coastal marine structures	12,395	12,520
Library books	1,014	1,014
Parks and reserves	2,059	2,066
Total general asset revaluation reserve	615,315	493,121

32. Reserve funds

Restricted reserves (as at 30 June 2022)

Reserve Name	Purpose	Activity	Opening balance 1 July 2021	Expected deposits to fund to 30 June 2022	Expected withdrawals from fund to 30 June 2022	Closing balance 30 June 2022
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 Open Space	42,991	-	-	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 Open Space	9,510	-	-	9,510
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	216,067	26,290	-	242,357
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Open Space	14,888	-	(5,000)	9,888
Total restricted reserves			283,456	26,290	(5,000)	304,746
Asset replacement reserves						
Asset replacement reserves - general approach	Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.					
Asset Replacement - computers		Support Services	(790,771)	740,943	(543,638)	(593,466)
District Reserves		Support Services	2,014,613	505,955	(481,666)	2,038,902
Huharua Sub Regional Park		Recreation and Open Space	244,258	22,166	-	266,424
TECT Park		Recreation and Open Space	1,152,844	121,376	-	1,274,220
Asset Replacement - office buildings		Recreation and Open Space	653,404	780,118	(1,618,509)	(184,987)
Asset Replacement - vehicles		Support Services	(598,862)	413,645	(613,755)	(798,972)
Asset Replacement - civil defence - vehicle		Communities	129,480	4,484	-	133,964
Asset replacement - telemetry		Communities	94,217	3,109	-	97,326
Asset replacement - swimming pool		Recreation and Open Space	378,326	33,484	(485,118)	(73,308)
Asset replacement - library books		Communities	2,311,673	246,070	(286,463)	2,271,281
Asset replacement - cemetery		Communities	294,942	21,179	-	316,121
Asset replacement - Coastal Marine		Recreation and Open Space	(674,569)	419,984	(691,998)	(946,583)
Total asset replacement reserves			5,209,555	3,312,513	(4,721,147)	3,800,922

Restricted reserves (as at 30 June 2021)

Reserve Name	Purpose	Activity	Opening balance 1 July 2020	Expected deposits to fund to 30 June 2021	Expected 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 Open Space	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 Open Space	9,510	-	-	9,510
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	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 Open Space	14,888	-	-	14,888
Total restricted reserves			279,839	8,430	(4,813)	283,456
Asset replacement reserves						
Asset replacement reserves - general approach	Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.					
Asset Replacement - computers		Support Services	(240,711)	310,611	(860,671)	(790,771)
District Reserves		Support Services	2,518,860	83,122	(587,369)	2,014,613
Huharua Sub Regional Park		Recreation and Open Space	222,801	21,457	-	244,258
TECT Park		Recreation and Open Space	1,042,811	110,033	-	1,152,844
Asset Replacement - office buildings		Recreation and Open Space	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 Open Space	333,826	44,500	-	378,326
Asset replacement - library books		Communities	2,278,518	311,946	(278,790)	2,311,673
Asset replacement - cemetery		Communities	274,394	20,548	-	294,942
Asset replacement - coastal marine		Recreation and Open Space	(1,008,157)	371,898	(38,310)	(674,569)
Total asset replacement reserves			5,900,011	2,055,120	(2,745,575)	5,209,555

Reserve funds

Community Boards (as at 30 June 2022)

Reserve Name	Purpose	Activity	Opening balance 1 July 2021	Expected deposits to fund to 30 June 2022	Expected withdrawals from fund to 30 June 2022	Closing balance 30 June 2022
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 amount 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			178,286	26,750	(67,618)	137,417
Katikati Community Board			53,858	24,405	-	78,263
Ōmokoroa Community Board			212,067	24,866	(52,710)	184,223
Te Puke Community Board			90,439	21,822	(12,659)	99,602
Maketu Community Board			163,660	31,017	(11,504)	183,174
Total Community Board reserves			698,309	128,860	(144,491)	682,679
Other community reserves						
Other community reserves - general approach	These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates.					
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements as well as encourage business development in Katikati.	Planning for the future	16,203	535	-	16,738
Waihi Beach Town Centre Development	For town centre development.	Economic Development	466,435	15,392	(41,831)	439,996
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic Development	447,040	67,121	-	514,161
Ōmokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic Development	115,396	223,804	-	339,200
Te Puke Town Centre Development	For town centre development.	Economic Development	107,184	3,537	(91,591)	19,130
Pukehina Beach Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a potential future sewerage scheme for the area.	Planning for the future	483,502	28,596	-	512,098
Pukehina Beach Protect Reserve	Beach nourishment and protection.	Planning for the future	307,351	10,143	(35,638)	281,856
Total other community reserves			1,943,111	349,128	(169,060)	2,123,179
Total Community Board and Other Reserves			2,641,420	477,988	(313,551)	2,805,858

Reserve funds

Community Boards (as at 30 June 2021)

Reserve Name	Purpose	Activity	Opening balance 1 July 2020	Expected deposits to fund to 30 June 2021	Expected withdrawals from fund to 30 June 2021	Closing balance 30 June 2021
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
Ōmōkoroa Community Board		Communities	244,834	22,067	(54,834)	212,067
Te Puke Community Board		Communities	146,019	9,420	(65,000)	90,439
Maketu Community Board		Communities	175,082	18,109	(29,531)	163,660
Total Community Board reserves			878,259	77,030	(256,980)	698,309
Other community reserves						
Other community reserves - general approach	These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates.					
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements as well as encourage business development in Katikati.	Planning for the future	15,685	518	-	16,203
Waihi Beach Town Centre Development	For town centre development.	Economic development	454,023	14,983	(2,571)	466,435
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic development	389,445	57,595	-	447,040
Ōmōkoroa 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	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area.	Planning for the future	470,627	28,171	(15,296)	483,502
Total other community reserves			2,434,851	191,671	(683,411)	1,943,111
Total Community Board and other reserves			3,313,110	268,701	(940,391)	2,641,420

Reserve funds

Financial contributions (as at 30 June 2022)

Reserve Name	Purpose	Activity	Opening balance 1 July 2021	Expected deposits to fund to 30 June 2022	Expected withdrawals from fund to 30 June 2022	Closing balance 30 June 2022
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 and Sustainable Living	306,176	-	-	306,176
Ecological financial contributions - operational	As above	Natural Environment and Sustainable Living	675,723	213,995	(151,961)	737,757
Parks and Community financial contributions	To provide for teaching and public education/ awareness raising purposes.	Recreation and Open Space	4,781,612	3,102,775	(1,742,561)	6,141,826
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	49,974	-	-	49,974
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	400,652	13,221	-	413,873
Total financial contribution reserves			6,214,137	3,329,991	(1,894,522)	7,649,606
General reserves	Established reserves for specific purposes					
Community Discretionary	For any under spent expenditure at year end.	Communities	14,386	-	-	14,386
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve	All	4,695,588	1,083,901	(595,790)	5,183,699
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	1,275,065	-	(579,352)	695,713
Traffic and parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980s. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	186,095	-	-	186,095
Total general reserves			6,171,134	1,083,901	(1,175,142)	6,079,893

Reserve funds

Financial contributions (as at 30 June 2021)

Reserve Name	Purpose	Activity	Opening balance 1 July 2020	Expected deposits to fund to 30 June 2021	Expected withdrawals from fund to 30 June 2021	Closing balance 30 June 2021
Financial contributions - General approach	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 Open Space	3,273,024	1,992,889	(484,301)	4,781,612
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory services	49,974	-	-	49,974
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	387,853	12,799	-	400,652
Total financial contribution reserves			4,682,436	2,207,471	(675,770)	6,214,137
General reserves	Established reserves for specific purposes					
Community Discretionary	For any under spent expenditure at year end.	Communities	14,386	-	-	14,386
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve.	All	4,037,470	1,349,755	(691,637)	4,695,588
Environmental Protection Rate	For the accumulation of any net surplus arising from the Environmental Protection Rate account Deficits are not permitted in this reserve.	All	1,854,713	16,200	(595,848)	1,275,065
Traffic and parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980s. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory services	186,095	-	-	186,095
Total general reserves			6,092,664	1,365,955	(1,287,485)	6,171,134

Reserve funds

Special reserves (as at 30 June 2022)

Reserve Name	Purpose	Activity	Opening balance 1 July 2021	Expected deposits to fund to 30 June 2022	Expected withdrawals from fund to 30 June 2022	Closing balance 30 June 2022
Special reserves - disaster contingency	Council's infrastructure self-insurance fund provided from the sale of power company shares in the 1990s. Council's policy is to self insure based on the premise that commercial infrastructure insurance is not available. 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			1,273,412	-	(36,286)	1,237,126
Corporate and property assets	For any surplus arising from the corporate property/land purchase account.	Support services	602,562	-	-	602,562
Weathertight homes	To settle potential weathertightness claims that may arise.	Regulatory	243,748	8,044	-	251,792
Panepane Point		Reserves	346,833	21,445	(85,445)	282,833
Te Tawa ki Tahataharoa Reserve		Reserves	210,784	6,956	(61,452)	156,288
Total Special Reserves			11,939,060	36,445	(183,183)	11,792,322
Council Created Reserves			32,175,309	8,503,925	(8,550,632)	32,128,601
Total Reserves			32,457,762	8,530,215	(8,555,632)	32,433,347

Reserve funds

Special reserves (as at 30 June 2021)

Reserve Name	Purpose	Activity	Opening balance 1 July 2020	Expected deposits to fund to 30 June 2021	Expected withdrawals from fund to 30 June 2021	Closing balance 30 June 2021
Special reserves - disaster contingency	Council's infrastructure self-insurance fund provided from the sale of power company shares in the 1990s. Council's policy is to self insure based on the premise that commercial infrastructure insurance is not available. Assumes New Zealand Transport Agency (NZTA) would provide 93% of the funds for roading replacement and the Government would provide 50% on the failure of any other infrastructural assets. Major infrastructure, apart from district roading is geographically dispersed throughout our District (primarily stand-alone sewerage and water schemes) and the likelihood of failure of this entire infrastructure at once is assessed as very low.	Communities	9,261,721	-	-	9,261,721
Re-budgeted reserve		Support services	1,201,955	173,280	(101,823)	1,273,412
Corporate property and assets	For any surplus arising from the corporate property/land purchase account.	Support services	602,562	-	-	602,562
Weathertight homes		Regulatory	235,961	7,787	-	243,748
Panepane Point development reserve		Reserves	411,771	13,588	(78,526)	346,833
Tahataharoa Reserve		Reserves	350,000	11,550	(150,766)	210,784
Total financial contribution reserves			12,063,970	206,205	(331,115)	11,939,060
TOTAL ALL COUNCIL CREATED RESERVES			32,332,030	6,111,881	(5,985,149)	32,457,762

33. Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	Actual \$'000 2022	Actual \$'000 2021
Net surplus / (deficit)	33,603	23,911
Add/(less) non-cash items:		
Depreciation and amortisation	22,708	23,079
Amortisation	845	347
Vested assets	(5,080)	(6,216)
Fair value movement in financial derivatives	(9,244)	(856)
Gains	846	(413)
Share of associate surplus/deficit	59	(319)
Unrealised interest on other financial assets at fair value through profit and loss	(217)	(799)
Provision for impairment of doubtful debts	(828)	231
Add/(less) movement in working capital items:		
Movement in prepayments	(332)	104
Movement in non current assets held for sale	-	775
Movements in accounts receivable	3,594	(2,397)
Movements in accounts payable	(1,015)	5,680
Movement in provisions	15	-
Movement In employee entitlements	57	-
Add/(less) items classified as investing activities:		
Loss on Sale of Assets	3,400	1,268
Revaluation of shares	(53)	
Net cash inflows/(outflows) from operating activities	48,358	44,563

34. Capital commitments and operating leases

	Actual \$'000 2022	Actual \$'000 2021
Operational		
Land	-	-
Building	3,126	683
Coastal Marine	97	223
Infrastructure		
Water	1,367	2,080
Wastewater	2,624	1,708
Stormwater	1,344	136
Roading	4,719	6,672
Restricted		
Building	-	-
	13,277	11,502

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 noncancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as noted below:

	Actual \$'000 2022	Actual \$'000 2021
Not later than one year	97	50
Later than one year and not later than two years	60	39
Later than two years and not later than five years	169	118
Later than five years	1,932	1,322
Total non-cancellable operating leases	2,258	1,529

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 WSP Global 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 2022 \$57.46 million remained committed on this contract for the remaining 16 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 30 June 2022 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 30 June 2022 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

	Actual \$'000 2022	Actual \$'000 2021
Building Act claims	50	50
Westhertight Homes Resolution Service (WHRS)	400	400
Total contingent liabilities	450	450

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 (2021: \$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 2022 (2021: 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 3 claims that are still open as at balance date (2021: 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. This has been resolved after financial year end.

Carter Holt Harvey Ltd

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Western Bay of Plenty District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates.

These proceedings have now been closed as a result of an undisclosed settlement that Councils were not party to. This should now indicate that the potential liability to Western Bay of Plenty District Council is no longer of any concern.

New Zealand Local Government Funding Agency (LGFA)

Western Bay of Plenty District Council is a shareholder of The New Zealand Local Government Funding Agency Limited. This entity was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. Standard and Poors have given the entity a credit rating of AA+ which is equal to New Zealand Government sovereign rating.

As at 30 June 2022 there were 31 (2021: 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 \$20million 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 \$15,105m (2021: \$12,810m) 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 2022	Actual \$'000 2021
Councillors		
Full-time equivalent members	12	12
Salaries and other short term employee benefits	658	593
Senior Management Team, including the Chief Executive		
Full-time equivalent members	5	5
Salaries and other short term employee benefits	1,609	1,387
Total senior management remuneration	2,267	1,980

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 2022

Actual \$'000 2021		Actual \$'000 2022
1,563	Revenue	1,998
(1,539)	Expenditure	(1,985)
24	Surplus/(deficit) before tax	12
15	Net surplus/(deficit) year	6
1,492	Total assets	1,205
1,447	Total liabilities	1,153

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 2022-2025 and associated budget formally adopted by the directors by resolution on 29 June 2022.

From pages 149 - 154 is a report of performance against targets set in the Statement of Intent for 2021/22.

Performance targets for 2021/22		
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.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	<p>Contracts negotiated and/or renewed for:</p> <p>Video Conferencing Services – Canon video conferencing infrastructure was moved from a Canon managed service to a BOPLASS hosted service. This provided further cost savings to councils and acknowledged the global move from vendor hosted video conferencing solutions to cloud-based technologies, e.g. Zoom, Teams.</p> <p>ESRI Enterprise Licensing Agreement – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed. No increases in cost to councils.</p> <p>No alternative provider in NZ.</p> <p>GIS software and services –</p> <ul style="list-style-type: none"> • FME • Geocortex Essentials & Geocortex Analytics • X-Tools • NZ Archaeological Association • RetroLens <p>Contracts renegotiated and renewed – no alternative suppliers</p> <p>Health and Safety Training provider – BOPLASS has renewed the collective agreement with Vertical Horizonz for H&S training across the BOPLASS councils. The agreement provides tailored training and discounted rates. (WCLASS have aligned their contract dates with BOPLASS, providing for opportunities to procure collectively at the end of the new contract term.)</p> <p>Print Media Copyright Agency (PMCA) – a collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils’ print and media copyright services.</p> <p>Sole NZ provider of print and media copyright services.</p> <p>Treasury Staff Briefings – BOPLASS coordinated presentations and workshops with senior NZ economists to better inform councils on the financial outlooks for local communities and the national economy. The workshops are provided at no cost to BOPLASS councils and have proven to be particularly valuable given the current international and local economic challenges.</p>

Performance targets for 2021/22		
Outcomes	Measure	Result
		<p>Aerial Imagery – As part of the BOPLASS regional imagery programme a contract for orthophotography was awarded to AAM NZ Ltd on behalf of TCC and WBOPDC. The flying and imagery included specific requirements to capture high growth areas.</p> <p>N3 (previously known as GSB) – Purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates. Sole NZ provider.</p> <p>Media Monitoring Services – BOPLASS continues to manage a collective media monitoring service with Isentia that automatically monitors and reports on broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while also providing a significant reduction in internal resource requirements. Council agreement to renew for another year. Same rates negotiated. Service to be put to open tender in 2022.</p> <p>Zoom Services – Renewed group enterprise agreement. Zoom video conference services continue to provide BOPLASS councils with centralised account management and shared infrastructure. Enterprise contract renegotiated and renewed. No alternative providers.</p> <p>Standards NZ – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. No alternative provider in NZ.</p>
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	<p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p>Waste Operator Licencing and Data System – An ROI was undertaken by BOPLASS on behalf of all the BOPLASS and Waikato councils for a data management system and administration services to support the development of a region-wide waste operator licencing and data service. The collective approach to the ROI provided savings to all councils and garnered significant attention from suitable vendors due to the size of the aggregated opportunity.</p> <p>The ROI process will be followed by a closed RFP.</p> <p>Skin Scans / Mole Mapping – BOPLASS explored opportunities for a collective contract to enable councils to offer a subsidised rate to their staff for mole mapping. A provider has not yet been appointed as the project has expanded to investigate health insurance options across the BOPLASS group of councils.</p>

Performance targets for 2021/22		
Outcomes	Measure	Result
		<p>Infrastructure Insurance – Councils infrastructure insurance was placed into the London markets in late 2020 through direct engagement with the London underwriters and Lloyds syndicates. Exceptional outcomes were achieved for all councils – both in insurance rates and the cover achieved. Due to a continued unprecedented level of international natural disaster claims, insurance markets have become extremely cautious about the risk they are prepared to write. The high standard of the information being provided by BOPLASS councils and our historical relationships with the international markets have proven to be a strength for us at renewal time.</p> <p>Securing councils’ insurance cover requires a new procurement process to be undertaken every 12-months and includes investigating, or engaging with, alternative markets.</p> <p>GIS Technical Support – The majority of core GIS software used within councils is now procured through collective BOPLASS agreements. On behalf of the councils BOPLASS undertook procurement to appoint a Regional Technical Advisor to be used as a shared resource and provide technical support across all BOPLASS councils. Eagle Technology were appointed under a discounted enterprise agreement. In addition to the cost savings, the service helps facilitate further sharing of information and expertise across the GIS teams.</p> <p>Website Quality Assurance – BOPLASS has established a collective agreement for website quality assurance. Monsido is the incumbent provider to several BOPLASS councils and discounted pricing has been negotiated, dependent on the number of councils participating.</p> <p>This project is still under action.</p> <p>IPWEA Membership – BOPLASS engaged with the Institute of Public Works Engineering Australasia on behalf of our constituent councils to establish a single BOPLASS portal to allow all councils to access the full</p> <p>IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements.</p> <p>Courier Services – BOPLASS has led a procurement process across the three North Island LASS and Hawke’s Bay councils for the appointment of a courier services provider.</p>

Performance targets for 2021/22		
Outcomes	Measure	Result
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	<p>Debt Recovery Services – Additional BOPLASS councils have moved to the shared service established by MW LASS. As an inter-LASS service this negates duplication across the regions and provides cost-effective specialised local government debt recovery services.</p> <p>Insurance Renewals Standardisation – BOPLASS led a project across the three North Island LASS to develop scorecards to assist councils with the preparation of accurate and timely renewal data for their annual insurance renewals. The scorecards help councils identify the required standards and any potential gaps in their processes. They will be used across all LASS participating in our collective insurance programme – BOPLASS, MW LASS and WCLASS – ensuring a consistent and best-practice approach to renewal processes, ultimately assisting in achieving the best outcomes.</p> <p>Inter-LASS meetings – A number of procurement projects are underway covering multiple LASS and leveraging benefits of aggregated volumes. Collaboration across the regions drives greater efficiencies and often allows projects to be better resourced. BOPLASS has been working particularly closely with MW LASS and Waikato LASS and this group meet on a quarterly basis. BOPLASS has recently provided information to South Island councils that are investigating collective opportunities.</p> <p>Waste Operator Licensing and Data Collection – BOPLASS is leading a joint BOPLASS/WCLASS 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> <p>Waste Minimisation Fund Application – On behalf of the BOPLASS and WCLASS councils, BOPLASS has submitted an application to the MfE Waste Minimisation Fund to support the development of collective projects across the two regions.</p> <p>Occupational Health Services – BOPLASS has renewed the agreement with Waikato Occupational Safety Services for discounted occupational health services across the BOPLASS councils. This agreement is now undertaken in conjunction with WCLASS.</p>

Performance targets for 2021/22		
Outcomes	Measure	Result
		<p>Cross Council H&S audits and Safety Performance Indicators – Waikato LASS and BOPLASS have collectively developed H&S projects to support best practice and shared learnings across councils in the greater region. The projects assist in identifying skills, processes or procedures that can be shared across the regions.</p> <p>Courier Services – BOPLASS coordinated activity across the central North Island councils to establish confirmed participation in joint procurement for the appointment of a courier services provider.</p> <p>Insurance Forum – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island</p>
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 10% per year.</p> <p>Number of active users to increase by 20% per year.</p>	<p>Active promotion of the MahiTahi Collaboration Portal over the last 12 months has resulted in a 71% increase in the number of local government users with 161 new members joining.</p> <p>The increased membership is primarily a result of ongoing development of on-boarding and training material. Additionally, non-member councils have been proactively contacted to highlight the benefits and encourage participation.</p> <p>Five additional projects added to the MahiTahi Collaboration Portal, increasing from 48 to 53 lodged projects.</p> <p>RSIP Redevelopment – The Regional Sector Information Portal is a collaboration tool used by regional and unitary councils. The RSIP Portal has been migrated to be hosted by BOPLASS on the same platform as the MahiTahi Collaboration Portal.</p>
Communicate with each shareholding council at appropriate levels.	<p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	<p>BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>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>

Outcomes	Performance targets for 2021/22	
	Measure	Result
Ensure current funding model is appropriate.	<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.</p> <p>Funding model reviews were undertaken by the board during the 2020-2021 financial year with two changes undertaken to ensure the continued financial viability of the organisation:</p> <ul style="list-style-type: none"> • A one-off \$50,000 contribution to the BOPLASS aerial imagery programme received from LINZ was retained as income in advance to assist with funding the BOPLASS aerial imagery programme over the next five years. • The BOPLASS Board approved for a CPI adjustment to be included with council annual contributions. <p>Financial position year end 30 June 2022: \$6,244 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 2022

Actual \$'000 2021		Actual \$'000 2022
19,537	Revenue	18,606
7,714	Expenditure	7,933
12,007	Surplus/(deficit)	10,673
12,007	Net surplus/(deficit) year	10,673
14,485	Total assets	16,250
14,390	Total liabilities	16,146

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 2022.

From pages 155 - 156 is a report of performance against targets set in the Statement of Intent for 2021/22.

Performance targets for 2021/22		
Outcomes	Measure	Result
Providing strong budgetary management on behalf of shareholders and Participating Local Authorities.	LGFA total operating income for the period to: - June 2022 will be greater than \$19.1 million	LGFA has not met this performance measure for 2021/22. LGFA's total operating income for the period to 30 June 2022 was \$18.6 million.
Providing strong budgetary management on behalf of shareholders and Participating Local Authorities.	Annual issuance and operating expenses (excluding AIL) - will be less than \$7.2 million	LGFA has not met this performance measure for 2021/22. LGFA's annual issuance and operating expenses for the period to 30 June 2022 was \$7.2 million.
Provide funding for all Participating Local Authorities.	Total nominal lending (short and long term) to participating councils - to be at least \$13.294 billion	LGFA has met this performance measure for 2021/22. LGFA's total nominal lending to participating councils was \$14.019 billion
Conduct an annual survey of councils who borrow from LGFA .	Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities	LGFA has met this performance measure for 2021/22. August 2021 survey outcome of 99.2 %
Meet all lending requests from Participating Local Authorities, where those requests meet LGFA operational and covenant requirements	Meet all lending requests from PLAs	LGFA got 100% for this performance measure for 2021/22.
Achieve 80% market share of all council borrowing in New Zealand	80% market share of all council borrowing in New Zealand in the period ending 30 June 2022.	LGFA did meet this performance measure for 2021/22. The LGFA held 80% market share of all council borrowing in New Zealand in the year ending 30 June 2022.
Review each Participating Local Authority's financial position, its headroom under LGFA policies and arrange to meet each Participating Local Authority at least annually	A physical visit to each Participating Local Authority during the year ending 30 June 2022.	LGFA have met this performance measure for 2021/22. The LGFA visited all Councils.
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 2022.	LGFA has met this performance measure for 2021/22.

Outcomes	Performance targets for 2021/22	
	Measure	Result
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.	LGFA has met this performance measure for 2021/22. The LGFA refinanced all existing loans to councils and LGFA Bond maturities during the period ending 30 June 2022.
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency	Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.	<p>LGFA has met this performance measure for 2021/22.</p> <p>LGFA has an annual review process regarding our credit ratings from Standard and Poor's ("S&P") and Fitch Ratings ("Fitch") and meets with both agencies at least annually.</p> <p>Standard and Poor's (S&P). On 2 March 2022, S&P affirmed our long-term local currency credit rating of AAA and our long-term foreign currency credit rating of AA+.</p> <p>Fitch Ratings (Fitch). On 1 November 2021 Fitch affirmed both our local currency credit rating of AA+ (stable) and foreign currency credit rating of AA (positive outlook).</p> <p>Both S&P and Fitch ratings are the same as the New Zealand Government</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 2022

Actual \$'000 2021		Actual \$'000 2022
3,728	Revenue	3,585
(3,691)	Expenditure	(3,470)
36	Surplus/(deficit)	116
36	Net surplus/(deficit) year	116
1,564	Total assets	2,232
1,103	Total liabilities	1,655

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 2020/21 - 2022/23 and associated budget formally adopted by the company.

From page 156 - 160 is a report of performance against targets set in the Statement of Intent for 2021/22.

Outcomes	Performance targets for 2021/22	
	Measure	Result
<p>Measure trends in visitor spend in Te Moananui ā Toi the Coastal Bay of Plenty.</p> <p>Tourism data expert Shane Vuletich from FreshInfo deems it imprudent to forecast or set targets for future years at the moment (February 2021), due to the current levels of market uncertainty.</p>	<p>Monitor and report on changes in visitor spend and use the information to set new goals for future years.</p>	<p>In the YE May 2022, total visitor spend in the region was down 1.9% compared to YE May 2021. Achieved.</p> <p>In the YE June 2022, total visitor spend in the region was down 2.5% compared to YE May 2021. Achieved.</p>
	<p>Monitor and report on changes in visitor spend and use the information to set new goals for future years.</p>	<p>In the YE May 2022, domestic visitor spend in the region was down 2.3% compared to YE May 2021. Achieved</p> <p>In the YE June 2022, domestic visitor spend in the region was down 3.1% compared to YE May 2021. Achieved</p>
	<p>Monitor and report on changes in visitor spend and use the information to set new goals for future years, dependent on market conditions.</p>	<p>In the YE May 2022, international visitor spend in the region was up 6.9% compared to YE May 2021. Achieved</p> <p>In the YE June 2022, international visitor spend in the region was up 8.4% compared to YE May 2021. Achieved</p>
	<p>If the cruise market returns in 2021-2022 as expected, monitor and report on changes in visitor spend and use the information to set new goals for future years</p>	<p>No update available. The cruise sector is scheduled to return in October 2022 (but this is subject to change). Unable to achieve (COVID-19 Impacted)</p>
<p>Monitor trends in the number of visitors to Te Moananui ā Toi the Coastal Bay of Plenty.</p>	<p>Monitor and report on visitor numbers across the year.</p>	<p>TBOP is tracking visitor numbers and uses daily averages to construct monthly averages. This information is then shared with key stakeholders. Achieved</p> <p>The average number of visitors in the region per day in the YE June 2022 was 28,000, this peaked at an average of 46,000 visitors per day in December 2021. Achieved</p>
<p>Measure the number of jobs provided by the tourism industry. This includes accommodation, food and beverage services, tourism activities, travel and tour services, and transport services</p>	<p>Monitor and report on the number of jobs the tourism industry provides and use the information to set new goals for future years.</p>	<p>Tourism provided an average of 7,680 jobs in Te Moananui ā Toi the Coastal Bay of Plenty each month in the YE May 2022. This is the latest information available at the time of writing the report. Achieved</p>
Environmental		
<p>Measuring the impact (both positive and negative) of tourism on the environment.</p>	<p>Determine a framework for measuring the impact of tourism and regenerative tourism on the environment and begin monitoring.</p>	<p>TBOP measured the carbon footprint of tourism in the region as part of a joint project with Bay of Plenty Regional Council Toi Moana and Rotorua Economic Development. This is the baseline measure of the environmental impact of tourism and the factors considered to comprise the framework. Achieved</p>

Performance targets for 2021/22		
Outcomes	Measure	Result
Cultural		
Monitor the number of iwi and hapū with whom TBOP engages.	Two new relationships developed with iwi and hapū per year.	TBOP has strengthened relationships with local iwi and hapū through new connections and partnerships with Te Rangapū and Tauranga City Council's Māori development team. This has resulted in connections with three new iwi and hapū. Achieved
Monitor the strength of TBOP's relationships with iwi and hapū.	Develop a 360° review to establish a new baseline.	Established a 360° review framework with components including an internal review of relationships and feedback direct from iwi and hapū. Through that process, we identified a need to connect more strongly with Tauranga Moana iwi and engaged with Te Rangapū via Tauranga City Council's Māori development team. Achieved
Social		
Measure resident's 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.	Maintain or improve perceptions of tourism's impact on the community.	The YE June 2022 survey score shows that 65% of residents agree that tourism positively impacts the community (representing scores of 7 to 10). While this is a decrease of 1% compared to the YE June 2021 result, as the change is within the margin of error of the results, the scores are consistent, and therefore the goal of maintaining perceptions has been met. Achieved
	Maintain or improve perceptions of tourism's impact on the community	The score for the year ending June 2022 survey shows that 67% of residents agree that tourism has a positive impact on the community (representing scores of 6 to 10). This is a decline of 5% compared to the June 2021 result. Further research (August 2022) has identified COVID-19 as a key concern associated with the return of visitors. Unable to achieve (COVID-19 Impacted)
	Maintain or improve perceptions of tourism's impact on the community.	The score of the year ending June 2022 survey shows that 69%* of residents agree that tourism has a positive impact on the community (representing scores of 6 to 10). This is a decline of 10% compared to the June 2020 result but down just 4% from the June 2021 result of 73%. Further research (August 2022) has identified COVID-19 as a key concern associated with the return of visitors. *This is the draft score, with results to be confirmed but unlikely to change much, if at all. Unable to achieve (COVID-19 Impacted)
Measure industry operators' satisfaction with Tourism Bay of Plenty's activities.	Maintain or improve operators' satisfaction with TBOP's activities.	Given the Omicron outbreak and staff shortages in the first half of 2022, TBOP chose to connect with operators through a more qualitative approach than a survey would allow. Feedback on TBOP's activities was mixed, with key areas for improvement identified. Achieved
Monitor stakeholder engagement volume.	Achieve an average of 70 engagements with key stakeholders per two-month period.	The General Manager and Senior Leadership Team achieved an average of 60 engagements with key stakeholders per two-month period in the YE June 2022. Ability to engage was significantly impacted by COVID-19 and TBOP staff changes (especially in the Jul to Dec 2021 period). Unable to achieve (COVID-19 Impacted)
Hold Leadership Advisory Group meetings.	Hold three Leadership Advisory Group meetings.	Three Leadership Advisory Group meetings were held during the year. Achieved

Outcomes	Performance targets for 2021/22	
	Measure	Result
Visitor experience		
Measure visitor satisfaction with their visit to Te Moananui ā Toi the Coastal Bay of Plenty.	Maintain or improve visitors' satisfaction with their visit.	Most (85%) of visitors were satisfied with their last visit to the region (July 2022). This is a change of -1% compared with the previous reporting period, which is within the margin of error and therefore the results can be considered consistent. Achieved
Measure perceptions of Te Moananui ā Toi the Coastal Bay of Plenty among the New Zealand and Australia markets.	Maintain or improve propensity to visit score.	18% of adult New Zealand travellers are somewhat informed about the region, consider the region to be highly appealing, and will probably or definitely visit in the next 12 months (YE June 2022). This result represents a decline of 5% compared to the last reported result (YE March 2021) but is in line with the regional benchmark of 16%. COVID-19 conditions and travel restrictions have impacted the likelihood to travel, and the return of international travel options is likely to cause a short-medium term dip in domestic travel. Unable to achieve (COVID-19 Impacted)
	Maintain or improve propensity to visit score.	12% of adult Australian travellers are somewhat informed about the region, consider the region to be highly appealing, and will probably or definitely visit in the next 12 months (YE June 2022). This result represents a decline of 4% compared to the last reported result (YE March 2021) but is in line with the regional benchmark of 10%. COVID-19 conditions and travel restrictions have impacted travel likelihood to travel. Unable to achieve (COVID-19 Impacted)
Measure i-SITE users' perceptions of their experience.	Monitor Net Promoter Score™ and set benchmarks for future years.	The i-SITE achieved a Net Promoter Score of +79 for the YE June 2022. This is a very good score. Achieved
TBOP Team		
Measure organisational culture and staff well-being.	Maintain or improve Employee Engagement Score.	Employee Engagement score: 63% of employees are 'happy' or 'very happy' working at TBOP. N/A due to change of method meaning results are not directly comparable.
Payment of the living wage (as a minimum) to all permanent employees.	Payment of the living wage (as a minimum) to all permanent employees.	Payment of the living wage is paid to all permanent employees. Achieved
Regulations		
Measure the health and safety capability of Tourism Bay of Plenty.	Safe365 Index of 80% across the ten modules.	Safe365 index of 70% across the ten modules and working on areas that need attention. Staffing changes and upskilling of new team members resulted in a temporary decrease, with expectations that this will be corrected over the coming months. Not achieved
Monitor the Qualmark status of Tauranga i-SITE.	Maintain or improve the Qualmark Sustainable Tourism Business Award score.	Yet to be re-assessed since baseline score. This is due to delays caused by COVID-19 and lockdowns. Next assessment is due in late August 2022. Unable to achieve (COVID-19 Impacted)

Outcomes	Performance targets for 2021/22	
	Measure	Result
Sustainability		
Measure TBOP's carbon output.	Reduce carbon footprint across the organisation by 10% and offset or inset the rest.	Total TBOP carbon emissions in the YE June 2019 was 24.2 tonnes. This is the baseline year as it is pre-COVID and makes more sense than COVID-impacted years given travel has been restricted through this time. Achieved Total TBOP carbon emissions for the YE June 2022 was 19.9 tonnes. This is down 18% on the baseline year exceeding the goal of a 10% reduction. Emissions were offset through a donation to the Sydenham Botanic Trust to help restore the park. Achieved
Monitor TBOP's waste management.	Reduce waste to landfill by 10%.	A Resource Wise programme audit took place in August 2021, and the results showed approximately 104kg of waste going to landfill for the year to that date. The results for the latest year (measured in August 2022) indicate approximately 119kg of waste to landfill, an increase of 8%. Further recycling efforts have been put in place to counter this. A review of TBOP's product supply chain will be conducted in the next quarter to identify opportunities to reduce waste output. Not achieved
Governance and finance		
Statutory reporting requirements.	Meet statutory reporting requirements.	Achieved all requirements except requirement date for AGM which was not achievable due to Audit NZ not completing the audit until May 2022. Achieved
Manage P&L 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 ahead of budget at year end. Achieved
Code of Conduct compliance.	Code of Conduct compliance.	All compliance adhered to. Achieved
Compliance and regulatory obligations met.	Compliance and regulatory obligations met.	The Annual Report 2020-2021 received an excellent audit result with no areas of concern. Achieved
Enterprise Risk Management Policy adherence.	Enterprise Risk Management Policy adherence.	All policy adhered to. Achieved
Maintain good working relationships with Tauranga City Council staff and elected members, observing the 'no surprises' principle.	No surprises principle maintained.	Relationships maintained and no surprises during the year. Achieved
Manage Strategic Tourism Assets Protection Programme (STAPP) and Tourism Support Recovery and Re-Set (TSRR) funding.	Manage STAPP and TSRR funding to MBIE and TBOP Board expectations.	Achieved as per report to MBIE. Achieved
Manage Regional Events Fund funding.	Manage Regional Events Fund funding to MBIE and TBOP Board expectations.	Achieved as per report to MBIE. Achieved

38. Remuneration

The Chief Executive of Western Bay of Plenty District Council under section 42 of the Local Government Act 2002 received a salary of \$326,824 (2021: \$336,583).

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

	2022	2021
Salary	326,824	336,583
Employer contributions to KS superannuation	9,805	10,096
Vehicle (Market Value plus FBT)	5,878	5,323
Other benefits (incl. medical insurance)	2,453	3,311
Total remuneration	344,960	355,313

	2022	2021
Councillors		
Dally, Grant Ronald	40,717	40,122
Dean, Mark	44,145	43,500
Denyer, James Edward	44,145	43,500
Grainger, Murray	40,717	40,122
Gray, Monique	40,717	40,122
Henry, Anne Moreen	40,717	40,122
Humphreys, Christina		24,690
Marsh, Kevin Alexander	44,145	43,500
Murray-Benge, Margaret Elizabeth	40,717	40,122
Scrimgeour, John Robert	60,890	60,000
Sole, Allan	40,717	5,710
Thwaites, Donald Alan	48,712	48,000
Webber, Garry John	139,410	123,527
Councillors Sum	625,749	593,037

	2022	2021
Community Board		
Anaru, William Ra	2,956	2,914
Beech, Shane William	5,913	5,827
Clements, John Richard	5,586	5,504
Crawford, Richard John	11,171	11,008
Ellis, Kassie Dawn	5,586	5,504
Evans, John Graeme	4,052	3,993
Goudie, Ross	9,199	9,065
Harray, Neil Bronte	5,586	5,504
Hulme, Robert Leigh	4,599	4,532
Presland, Peter John	4,052	3,993
Rae, Laura Andrea	2,956	2,914
Roberts, Marilyn Kathleen	4,599	4,532
Rolleston, Tupaea James	5,586	5,504
Ryan, Donald Clement	4,599	4,532
Sage, Derek Keith	4,052	3,993
Sage, Teresa	8,106	7,987
Simpson, Stephan	2,956	2,914
Snell, Dale	5,586	5,504
Sutherland, Katherine Netta	5,586	5,504
Warren, Benjamin Christian	11,594	10,585
Community Board Sum	114,322	111,813

	2022	2021
Remuneration scale		
<\$60,000	45	59
\$60,000 - \$79,999	88	75
\$80,000 - \$99,999	63	59
\$100,000 - \$119,999	45	37
\$120,000 - \$139,999	16	7
\$140,000 - \$159,999	10	12
\$160,000 - \$179,999	7	
\$180,000 - \$219,999	5	6
>\$220,000 - \$379,999	5	4
Total employees	284	259

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

At balance date, the Council employed 231 (2021: 230) full-time employees, with the balance of 53 staff representing 33 (2021: 31.5) full-time equivalent employees.

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

39. Severance payment disclosure

For the year ended 30 June 2022 Western Bay of Plenty District Council made one (2021: four) severance payment to employees totalling \$214,567 (2021: \$144,990). The value of the severance payment made in 2022 was \$214,567 (2021: \$118,605, \$5,385, \$1,000 and \$20,000).

40. Events after balance date

There were no events which have caused significant impacts on the essential services of the organisation since balance date.

41. Financial instruments

Financial instruments categories

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

	Note	2022 \$'000	2021 \$'000
Financial Assets			
Fair value through surplus & deficit			
New Zealand Local Government Funding Agency	20	1,866	1,866
Total fair value through surplus & deficit		1,866	1,866
Loans & receivables			
Te Tumu Investment	18	12,249	12,032
Cash and cash equivalents	14	25,541	25,706
Debtors and other receivables	15	10,651	13,711
LGFA Borrower Notes	20	1,120	1,120
Total loans and receivables		49,561	52,569
Fair value through other comprehensive income			
Other financial assets:			
Local authority stock	20	28	27
Listed shares	18	294	347
Total fair value through other comprehensive income		322	374
Financial liabilities			
Fair value through surplus and deficit			
Derivative financial instrument liability	16	(1,678)	7,566
Total fair value through surplus and deficit		(1,678)	7,566
Financial liabilities at amortised cost			
Creditors and other payables	24, 26 & 27	26,158	27,131
Borrowings:			
Secured loans	25	80,000	90,000
Total financial liabilities at amortised cost		106,158	117,131

42. Te Tumu financial instruments

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 (2021: \$10m) determined as the present value of future cash flows based on a fixed investment financing rate of 11.5% discounted at 4%. In December 2016, as per the agreement, the interest rate was renegotiated to a market related rate.

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

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

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

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:

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
30 June 2022				
Financial Assets				
Local authority stock	28	28		
Shares	294	294		
Te Tumu investment	12,249			12,249
New Zealand Local Government Funding Agency Limited	2,986		2,986	
Financial Liabilities				
Derivatives	7,273		7,273	
30 June 2021				
Financial Assets				
Local authority stock	27	27		
Shares	347	347		
Te Tumu investment	12,032			12,032
New Zealand Local Government Funding Agency Limited	2,986		2,986	
Financial Liabilities				
Derivatives	7,566		7,566	

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 2022	Actual \$'000 2021
Balance at 1 July	12,032	12,032
Gains/(losses) recognised in surplus and deficit	217	-
Reversal of impairment	-	-
Balance at 30 June	12,249	12,032

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.

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.

Maximum exposure to credit risk

	\$'000 2022	\$'000 2021
Cash at bank and term deposits	25,541	25,706
Debtors and other receivables	10,651	13,711
Local authority and government stock	322	374
New Zealand Local Government Funding Agency	2,986	2,986
Derivative financial instruments	1,678	(7,566)
Financial instruments	12,249	12,032
Total credit risk	53,427	47,243

Credit quality of financial assets

	\$'000 2022	\$'000 2021
Counterparties with credit ratings		
Cash at bank and term deposits		
A-1+	25,541	25,706
Total cash at bank and term deposits	25,541	25,706
Local authority and government stock		
AA+	2,986	2,986
A	28	27
Total local authority and government stock	3,014	3,013
Derivative financial instrument assets		
AA	-	-
Total derivative financial instruments	-	-
Financial instrument assets		
No rating	12,249	12,032
Total financial instrument assets	12,249	12,032
Counterparties without credit ratings		
Existing assets with no defaults in the past	294	347
Total counterparties without credit ratings	294	347

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 (2021: \$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.

Liquidity risk

Contractual maturity analysis of financial liabilities

	Carrying amount \$'000	Contractual cashflow \$'000	less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Council 2022						
Creditors and other payables	22,529	22,529	22,529	-	-	-
Net settled derivatives	1,678	1,678	138	548	(159)	1,150
Secured Loans	80,000	126,017	27,982	11,998	49,036	37,001
Total	104,207	150,224	50,649	12,546	48,877	38,151
Council 2021						
Creditors and other payables	27,131	27,131	27,131	-	-	-
Net settled derivatives	(7,566)	(7,566)	(422)	(795)	(3,134)	(3,036)
Secured Loans	90,000	126,017	27,982	11,998	49,036	37,001
Total	109,565	145,582	54,691	11,203	45,902	33,965

Contractual maturity analysis of assets liabilities

	Carrying amount \$'000	Contractual cashflow \$'000	less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Council 2022						
Cash and cash equivalents	25,541	25,541	25,541	-	-	-
Debtors and other receivables	10,651	10,651	10,651	-	-	-
Net settled financial instruments	12,249	10,414	-	-	-	10,414
Other financial assets:						
- Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	-	-	-	-	-	-
- Local authority and government stock	3,013	-	-	-	-	3,013
Total	51,454	46,606	36,192	-	-	13,427
Council 2021						
Cash and cash equivalents	25,706	25,706	25,706	-	-	-
Debtors and other receivables	13,711	13,711	13,711	-	-	-
Net settled financial instruments	12,032	10,414	-	-	-	10,414
Other financial assets:						
- Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	-	-	-	-	-	-
- Local authority and government stock	3,013	-	-	-	-	3,013
Total	54,462	49,831	39,417	-	-	13,774

Sensitivity analysis

Interest rate risk	Note	2022				2021			
		\$000				\$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other equity	Profit	Other equity	Profit	Other equity	Profit	Other equity
Financial assets									
Cash and cash equivalents	1	(255)		255		(257)		257	
Financial instruments	2	(122)		122		(120)		120	
Other financial assets:									
- Local authority stock	3		(14)		14		(14)		14
Financial liabilities									
Derivatives - interest rate swaps	4	(1,632)		3,221		(10,468)		(4,872)	
Borrowings:									
Debentures	5	(700)		700		(700)		700	
Total sensitivity to interest rate risk		(2,710)	(14)	4,299	14	(11,545)	(14)	(3,795)	14
Equity price risk									
	Note	-10%		+10%		-10%		+10%	
		Profit	Other equity	Profit	Other equity	Profit	Other equity	Profit	Other equity
Financial assets									
Other financial assets:									
- Quoted share investments	6		(53)		53		(57)		57
Total sensitivity to equity price risk		-	(53)	-	53	-	(57)	-	57

Explanation of sensitivity analysis

1. Cash and Cash equivalents

Cash and cash equivalents include deposits on call totalling \$25,540,541 (2021: \$25,706,321) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$255,405 (2021: \$257,063).

Derivatives

2. Financial instruments

Financial instruments include Te Tumu land purchase totalling \$12.24m (2021: \$12.03m). A movement in interest rates of 1.0% has an effect of \$122,400 (2021: \$120,332) on the unrealised value of the financial instruments.

3. Local authority stock

A total of \$1,120,000 (2021: \$1,200,000) 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 (2021: \$12,000) 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 \$1.632m (2021: \$7.566m). A movement in interest rates of plus 1.0% has an effect of reducing the swap deficit value by \$3.221m (2021: \$10.468m). A movement in interest rates of minus 1.0% has an effect of increasing the swap deficit value by \$2.508m (2021: \$4.872m).

5. Debentures - secured loans

Council has floating rate debt with a principal amount totalling \$70.0 million (2021: \$80.0m).

A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$700,000 (2021: \$700,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

6. Listed shares

Western Bay holds equity instruments in Zespri Group Limited valued at \$241,059 (2021: \$290,065) and Seeka Kiwifruit Industries Limited valued at \$53,000 (2021: \$57,000). 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 \$5,300 (2021: \$5,700).

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 market

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 2021/22 and 2022 actuals are as follows:

Statement of Comprehensive Income

Actual 2022 surplus of \$33.6 million versus 2022 budget surplus of \$18.5 million.

A favourable variance of \$15.1 million.

Total revenue was \$18.6 million better than budget.

The major contributors to the variance were:

Note		
1	Fees and charges	1,732
2	Rates revenue	(1,668)
3	Fincos	(297)
4	Vested	2,840
5	Subs	5,116
6	Gains	217
12	Unrealised Hedging movement	9,244
7	Other revenue	1,392
		18,578

Total expenditure was \$3.5 million over budget.

Note		
8	Other exp	2,223
9	Personnel	129
10	Depreciation & Amortisation	(354)
11	Impairment Cost	1,070
12	Finance costs	471
13	Share of associate	(58)
		3,481

2022 explanations

- Strong regulatory income relating to application fees and resource consents received compared to budgeted fees.
- Reduction in rates revenue is primarily due to a reduction in growth for rating units.
- Financial contributions were lower in 2022 due to slowing down of activities.
- Vested assets income is higher than budget, this is due to asset revaluation adjustments predominantly in the waters activity.
- Subsidies and grant income was higher than budget due to timing and availability of capital works eligible for Waka Kotahi and Crown Infrastructure Projects (CIP) funding.
- Gains were higher than budget due to asset revaluations.
- Other revenue was higher than budget predominately due to movements in interest and insurance recovery income.
- Other expenses were higher than budget due to higher costs associated with delivering operational contracts.
- Personnel costs was higher than budget increased workloads resulting in staff working more hours, new initiatives and new services which were not budgeted.
- Depreciation and amortisation costs was lower than budget.
- Impairment costs were recognised for the Waihi Beach Wastewater Treatment Plant which were not budgeted.
- Finance costs was higher than budget. Unrealised hedging movement was higher than budget due to favourable interest rates.

Actual net equity increased to \$1,602 million in 2022 versus \$1,455 million in 2021.

Decrease in cash held at year end	(165)
Decrease in debtors and prepayments	(3,224)
Increase in investments and financial assets	943
Decrease in non-current assets held for sale	-
Decrease in forestry assets	(1,552)
Increase in intangible assets	632
Increase in property, plant and equipment	38,118
Decrease in debt for the year	10,000
Decrease in interest rate swap liability	9,244
Decrease in creditors and other payables	974
Net movement	54,970

2022 explanations

As projects have been completed they have been capitalised and increased values of assets held. An improvement in collections and reduction in cash held has also allowed repayment of debt.

Funding impact statement for year ended 30 June 2022

Whole of Council

For the year ended 30 June	2021		2022	
	Annual Plan 2020/21 \$'000	Actual 2020/21 \$'000	*Annual Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	46,325	51,357	31,515	53,309
Targeted rates	28,849	23,470	51,859	28,397
Subsidies and grants for operating purposes	11,745	8,035	10,108	17,266
Fees and charges	6,602	10,305	8,418	9,305
Interest and dividends from investments	-	270	263	262
Local authorities fuel tax, fines, infringement fees, and other receipts	3,076	4,207	3,230	5,297
Total operating funding	(A)	96,597	105,393	113,836
Applications of operating funding				
Payments to staff and suppliers	64,831	67,534	79,250	80,156
Finance costs	4,146	4,593	3,675	4,146
Other operating funding applications	-	4,575	-	-
Total applications of operating funding	(B)	68,977	82,925	84,302
Surplus (deficit) of operating funding	(A-B)	27,620	22,468	29,534
Sources of capital funding				
Subsidies and grants for capital expenditure	-	6,844	6,874	4,890
Development and financial contributions	10,098	7,572	11,221	10,925
Increase (decrease) in debt	(659)	(7,164)	13,400	(5,236)
Gross proceeds from sale of assets	(86)	4,575	-	880
Lump sum contributions	-	-	2,240	-
Other dedicated capital funding	-	-	-	-
Total capital funding	(C)	9,353	33,735	11,458
Applications of capital funding				
Capital expenditure –				
· to meet additional demand	15,900	11,707	35,506	21,609
· to improve the level of service	12,141	11,361	11,112	11,469
· to replace existing assets	9,514	9,985	11,451	6,850
Increase (decrease) in reserves	(582)	(265)	(5,047)	1,122
Increase (decrease) of investments	-	(19)	3,181	(58)
Total applications of capital funding	(D)	36,973	56,203	40,992
Surplus (deficit) of capital funding	(C-D)	(27,620)	(20,942)	(29,534)
Funding balance	((A-B) + (C-D))	-	-	0

Funding impact statement for year ended 30 June 2022

Whole of Council - Reconciliation of summary funding impact statement to statements of comprehensive income

	Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Operating funding per FIS	96,597	106,394	113,836
Add: Subsidies and grants for capital expenditure	-	6,874	4,890
Swap revaluation movement	-	-	-
Financial contributions	10,098	11,221	10,925
Lump sum contributions	-	-	-
Revaluation adjustments	-	-	-
Other assets at fair value through other comprehensive revenue and expense	-	-	-
Share of associate surplus/deficit	-	-	-
Total	106,695	124,489	129,651
Total Revenue per Statement of Comprehensive Income	108,934	125,340	134,965
Less: Gains	-	-	-
Less: Asset impairment	-	-	-
Less: Vested Assets	2,240	2,240	5,080
Total	106,694	123,100	129,885
Variance	-	-	-
Application of operating funding per FIS	68,977	82,925	85,148
Total expenditure per Statement of Comprehensive Income	92,001	106,832	110,371
Less: Depreciation and amortisation	23,025	23,079	22,708
Less: Revaluation movement	-	-	-
Less: Unrealised hedging movement	-	-	-
Less: asset impairment/loss on sale	-	-	-
Less: Other adjustments	-	-	2,515
Variance	68,976	82,925	85,148
Net Variance	-	-	-

Funding impact statement for year ended 30 June 2022

Representation

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		3,578	3,093	3,565
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		879	1,052	926
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	4
Total operating funding	(A)	4,457	4,144	4,494
Applications of operating funding				
Payments to staff and suppliers		2,151	2,035	1,710
Finance costs		-	-	-
Internal charges and overheads applied		2,298	2,083	2,703
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	4,449	4,118	4,414
Surplus (deficit) of operating funding	(A-B)	8	26	81
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	-	-	-
Applications of capital funding				
Capital expenditure –				
· to meet additional demand		-	-	-
· to improve the level of service		-	20	-
· to replace existing assets		-	-	-
Increase (decrease) in reserves		8	6	81
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	8	26	81
Surplus (deficit) of capital funding	(C-D)	(8)	(26)	(81)
Funding balance	((A - B) + (C - D))	-	-	-

Funding impact statement for year ended 30 June 2022

Planning for the future

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		2,614	3,873	3,564
Targeted rates		13	13	13
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	7
Total operating funding	(A)	2,627	3,886	3,584
Applications of operating funding				
Payments to staff and suppliers		1,763	2,933	2,286
Finance costs		(181)	-	(16)
Internal charges and overheads applied		847	940	1,165
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,429	3,873	3,435
Surplus (deficit) of operating funding	(A-B)	198	13	149
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	-	-	-
Applications of capital funding				
Capital expenditure—				
· to meet additional demand		-	-	120
· to improve the level of service		-	-	-
· to replace existing assets		-	-	-
Increase (decrease) in reserves		198	13	29
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	198	13	149
Surplus (deficit) of capital funding	(C-D)	(198)	(13)	(149)
Funding balance	((A - B) + (C - D))	-	-	(0)

Funding impact statement for year 30 June 2022

Communities

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		4,921	5,754	4,671
Targeted rates		1,913	3,123	3,227
Subsidies and grants for operating purposes		-	-	152
Fees and charges		78	80	141
Internal charges and overheads recovered		941	502	1,242
Local authorities fuel tax, fines, infringement fees, and other receipts		513	502	727
Total operating funding	(A)	8,366	9,961	10,159
Applications of operating funding				
Payments to staff and suppliers		4,739	6,488	5,877
Finance costs		49	-	48
Internal charges and overheads applied		3,031	3,253	3,586
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	7,819	9,741	9,511
Surplus (deficit) of operating funding	(A-B)	547	220	647
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		581	161	312
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	581	161	312
Applications of capital funding				
Capital expenditure–				
· to meet additional demand		916	320	204
· to improve the level of service		-	85	71
· to replace existing assets		394	676	712
Increase (decrease) in reserves		(182)	(700)	(28)
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	1,128	381	959
Surplus (deficit) of capital funding	(C-D)	(547)	(220)	(647)
Funding balance	((A - B) + (C - D))	-	-	0

Funding impact statement for year 30 June 2022

Recreation and open spaces

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		7,169	7,691	7,904
Targeted rates		28	215	-
Subsidies and grants for operating purposes		-	-	240
Fees and charges		25	20	21
Internal charges and overheads recovered		1,492	1,780	1,672
Local authorities fuel tax, fines, infringement fees, and other receipts		770	1,339	1,915
Total operating funding	(A)	9,484	11,045	11,752
Applications of operating funding				
Payments to staff and suppliers		5,151	6,017	7,231
Finance costs		(110)	-	(251)
Internal charges and overheads applied		2,692	2,941	2,936
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	7,733	8,958	9,917
Surplus (deficit) of operating funding	(A-B)	1,751	2,087	1,836
Sources of capital funding				
Subsidies and grants for capital expenditure		-	919	-
Development and financial contributions		2,297	2,576	2,945
Increase (decrease) in debt		198	552	383
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	2,495	4,047	3,328
Applications of capital funding				
Capital expenditure–				
· to meet additional demand		946	2,309	1,469
· to improve the level of service		333	1,879	530
· to replace existing assets		1,447	1,788	2,605
Increase (decrease) in reserves		1,520	158	561
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	4,246	6,134	5,164
Surplus (deficit) of capital funding	(C-D)	(1,751)	(2,087)	(1,836)
Funding balance	((A - B) + (C - D))	-	-	(0)

Funding impact statement for year 30 June 2022

Regulatory services

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		2,536	4,496	4,994
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		6,420	7,224	7,752
Internal charges and overheads recovered		-	1,058	848
Local authorities fuel tax, fines, infringement fees, and other receipts		90	274	209
Total operating funding	(A)	9,046	13,052	13,804
Applications of operating funding				
Payments to staff and suppliers		6,007	8,437	8,532
Finance costs		(11)	-	(8)
Internal charges and overheads applied		2,931	4,603	5,169
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	8,927	13,040	13,693
Surplus (deficit) of operating funding	(A-B)	119	12	111
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	-	-	-
Applications of capital funding				
Capital expenditure–				
· to meet additional demand		-	-	-
· to improve the level of service		-	-	-
· to replace existing assets		-	-	19
Increase (decrease) in reserves		119	12	91
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	119	12	111
Surplus (deficit) of capital funding	(C-D)	(119)	(12)	(111)
Funding balance	((A - B) + (C - D))	-	-	(0)

Funding impact statement for year 30 June 2022

Stormwater

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		1,429	700	209
Targeted rates		4,508	4,619	4,558
Subsidies and grants for operating purposes		-	-	12
Fees and charges		-	-	2
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	4
Total operating funding	(A)	5,937	5,319	4,785
Applications of operating funding				
Payments to staff and suppliers		914	1,197	1,087
Finance costs		1,491	-	705
Internal charges and overheads applied		571	771	848
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,976	1,968	2,640
Surplus (deficit) of operating funding	(A-B)	2,961	3,351	2,145
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,476	1,600	492
Increase (decrease) in debt		2,174	2,649	107
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	300	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	3,650	4,549	599
Applications of capital funding				
Capital expenditure–				
· to meet additional demand		2,648	3,251	1,860
· to improve the level of service		3,456	310	519
· to replace existing assets		507	417	364
Increase (decrease) in reserves		-	3,922	-
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	6,611	7,900	2,744
Surplus (deficit) of capital funding	(C-D)	(2,961)	(3,351)	(2,145)
Funding balance	((A - B) + (C - D))	-	-	(0)

Funding impact statement for year 30 June 2022

Transportation

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties			50	-
Targeted rates		14,042	14,695	14,704
Subsidies and grants for operating purposes		4,448	9,935	12,068
Fees and charges		10	10	529
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		274	261	8
Total operating funding	(A)	18,774	24,951	27,309
Applications of operating funding				
Payments to staff and suppliers		9,354	11,260	10,497
Finance costs		1,108	-	(93)
Internal charges and overheads applied		1,561	1,351	1,629
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	12,023	12,611	12,033
Surplus (deficit) of operating funding	(A-B)	6,751	12,340	15,276
Sources of capital funding				
Subsidies and grants for capital expenditure		4,603	5,655	4,890
Development and financial contributions		2,876	3,089	3,820
Increase (decrease) in debt		(900)	50	(3,561)
Gross proceeds from sale of assets		-	-	615
Lump sum contributions		-	1,400	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	6,579	10,194	5,764
Applications of capital funding				
Capital expenditure–				
· to meet additional demand		4,023	19,095	13,489
· to improve the level of service		4,721	6,725	7,499
· to replace existing assets		4,559	3,205	38
Increase (decrease) in reserves		27	(6,491)	15
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	13,330	22,534	21,040
Surplus (deficit) of capital funding	(C-D)	(6,751)	(12,340)	(15,276)
Funding balance	((A - B) + (C - D))	-	-	(0)

Funding impact statement for year 30 June 2022

Water supply

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		11,431	-	11,089
Targeted rates		-	11,750	129
Subsidies and grants for operating purposes		-	-	1,443
Fees and charges		-	-	107
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	47	35
Total operating funding	(A)	11,431	11,797	12,804
Applications of operating funding				
Payments to staff and suppliers		5,462	6,313	7,474
Finance costs		1,986	-	981
Internal charges and overheads applied		2,142	2,392	2,541
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	9,590	8,705	10,997
Surplus (deficit) of operating funding	(A-B)	1,841	3,092	1,807
Sources of capital funding				
Subsidies and grants for capital expenditure		-	100	-
Development and financial contributions		1,641	2,045	1,516
Increase (decrease) in debt		2,162	4,865	3,563
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	200	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	3,803	7,210	5,079
Applications of capital funding				
Capital expenditure—				
· to meet additional demand		2,787	5,787	3,363
· to improve the level of service		73	995	877
· to replace existing assets		2,784	2,052	2,646
Increase (decrease) in reserves		-	1,468	-
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	5,644	10,302	6,886
Surplus (deficit) of capital funding	(C-D)	(1,841)	(3,092)	(1,807)
Funding balance	((A - B) + (C - D))	-	-	0

Funding impact statement for year 30 June 2022

Natural environment and sustainable living

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		251	358	346
Targeted rates		477	573	598
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-
Total operating funding	(A)	728	931	944
Applications of operating funding				
Payments to staff and suppliers		871	1,154	1,079
Finance costs		(27)	-	(76)
Internal charges and overheads applied		84	77	76
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	928	1,231	1,078
Surplus (deficit) of operating funding	(A-B)	(200)	(300)	(135)
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		229	-	150
Increase (decrease) in debt		21	-	22
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	250	-	171
Applications of capital funding				
Capital expenditure–				
· to meet additional demand		-	-	-
· to improve the level of service		-	-	-
· to replace existing assets		-	-	-
Increase (decrease) in reserves		50	(300)	37
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	50	(300)	37
Surplus (deficit) of capital funding	(C-D)	200	300	135
Funding balance	((A - B) + (C - D))	-	-	0

Funding impact statement for year 30 June 2022

Wastewater

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		2,000		12,520
Targeted rates		11,441	11,681	311
Subsidies and grants for operating purposes		-	-	3,067
Fees and charges		2	2	6
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	48	340
Total operating funding	(A)	13,443	11,731	16,244
Applications of operating funding				
Payments to staff and suppliers		4,470	5,744	6,936
Finance costs		3,212	-	1,786
Internal charges and overheads applied		2,031	2,130	2,164
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	9,713	7,874	10,885
Surplus (deficit) of operating funding	(A-B)	3,730	3,857	5,359
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,952	1,911	2,002
Increase (decrease) in debt		(3,822)	2,422	(1,824)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	340	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	(1,870)	4,673	178
Applications of capital funding				
Capital expenditure–				
· to meet additional demand		-	3,810	3,806
· to improve the level of service		126	100	1,076
· to replace existing assets		1,839	2,025	(428)
Increase (decrease) in reserves		(105)	2,595	1,084
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	1,860	8,530	5,537
Surplus (deficit) of capital funding	(C-D)	(3,730)	(3,857)	(5,359)
Funding balance	((A - B) + (C - D))	-	-	(0)

Funding impact statement for year 30 June 2022

Solid waste

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		745	122	388
Targeted rates		1,299	3,350	3,045
Subsidies and grants for operating purposes		(709)	173	284
Fees and charges		99	771	745
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		34	37	206
Total operating funding	(A)	1,468	4,453	4,668
Applications of operating funding				
Payments to staff and suppliers		1,501	4,494	3,494
Finance costs		(19)	-	(63)
Internal charges and overheads applied		624	648	678
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	2,106	5,142	4,108
Surplus (deficit) of operating funding	(A-B)	(638)	(689)	560
Sources of capital funding				
Subsidies and grants for capital expenditure		-	200	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		703	-	(960)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	703	200	(960)
Applications of capital funding				
Capital expenditure–				
· to meet additional demand		52	-	-
· to improve the level of service		-	200	-
· to replace existing assets		-	-	-
Increase (decrease) in reserves		13	(689)	(400)
Increase (decrease) of investments		-	-	-
Total applications of capital funding	(D)	65	(489)	(400)
Surplus (deficit) of capital funding	(C-D)	638	689	(560)
Funding balance	((A - B) + (C - D))	-	-	0

Funding impact statement for year 30 June 2022

Economic development

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		807	737	578
Targeted rates		338	367	324
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		2	-	-
Total operating funding	(A)	1,147	1,104	902
Applications of operating funding				
Payments to staff and suppliers		712	744	946
Finance costs		(97)	-	(37)
Internal charges and overheads applied		109	56	90
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	724	800	999
Surplus (deficit) of operating funding	(A-B)	423	304	(97)
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		(32)	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	(32)	-	-
Applications of capital funding				
Capital expenditure–				
· to meet additional demand		690	564	4
· to improve the level of service		-	-	-
· to replace existing assets		-	-	-
Increase (decrease) in reserves		(299)	(260)	(44)
Increase (decrease) of investments		-	-	(58)
Total applications of capital funding	(D)	391	304	(97)
Surplus (deficit) of capital funding	(C-D)	(423)	(304)	97
Funding balance	((A - B) + (C - D))	-	-	0

Funding impact statement for year 30 June 2022

Support services

		Long Term Plan 2020/21 \$'000	Long Term Plan 2021/22 \$'000	Actual 2021/22 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		1,728	4,642	3,482
Targeted rates		957	1,474	1,489
Subsidies and grants for operating purposes		-	-	-
Fees and charges		337	311	2
Internal charges and overheads recovered		18,222	19,870	22,149
Local authorities fuel tax, fines, infringement fees, and other receipts		1,133	985	2,094
Total operating funding	(A)	22,377	27,282	29,216
Applications of operating funding				
Payments to staff and suppliers		17,927	22,437	23,007
Finance costs		(394)	3,675	1,171
Internal charges and overheads applied		2,614	3,014	3,241
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	20,147	29,126	27,420
Surplus (deficit) of operating funding	(A-B)	2,230	(1,844)	1,796
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		(66)	2,701	(3,278)
Gross proceeds from sale of assets		89	-	265
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total capital funding	(C)	23	2,701	(3,013)
Applications of capital funding				
Capital expenditure–				
· to meet additional demand		72	369	(2,705)
· to improve the level of service		702	799	898
· to replace existing assets		1,034	1,289	894
Increase (decrease) in reserves		445	(4,781)	(305)
Increase (decrease) of investments		-	3,181	-
Total applications of capital funding	(D)	2,253	857	(1,218)
Surplus (deficit) of capital funding	(C-D)	(2,230)	1,844	(1,796)
Funding balance	((A - B) + (C - D))	-	-	0

