



ANNUAL — REPORT —

For Year Ended 30 June 2018



*Western Bay of Plenty
District Council*



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INTRODUCTION



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OUR DISTRICT

OUR HISTORY

The Western Bay of Plenty has a long history of settlement by Māori. The western area of the District (Tauranga Moana) was occupied by the iwi of Ngati Ranginui, Ngaiterangi and Ngati Pukenga from the waka Takitumu and Mataatua. Te Arawa descendents from the waka Te Arawa inhabited much of the eastern area of the District and south to Rotorua.

Traders and missionaries were among the first European settlers who developed communities at Maketu and Tauranga. George Vesey Stewart founded Ulster settlements at both Katikati in 1875 and Te Puke in 1880. Tauranga, Te Puke and Katikati formed the nucleus for subsequent expansion of European pastoral farms. Te Puke and Katikati have grown steadily over the years and are the largest settlements in the District.





OUR PEOPLE

Western Bay of Plenty District is one of the faster growing areas in New Zealand with its current estimated population of just over 49,285 people expected to reach around 55,500 by 2033. Between the 2006 and 2013 censuses, the population of the District grew by 4.5%; it is estimated that the population will grow by 5.9% in the next five years. Most of this growth has come from migration from other parts of New Zealand.

AT A GLANCE (2013 CENSUS)

- Of the District's population 18% identify themselves as Māori, which is higher than the national average of 15%.
- 19% of residents in the District are over 65 years old, higher than the national average of 14%.
- Unlike the rest of New Zealand the most common family type in the District is couples without children (50%), reflecting the older age structure of the population.
- The average household size in the District is slightly lower at 2.6 than the national average of 2.7.
- In 2013 there were 16,941 occupied dwellings in the Western Bay of Plenty District, an increase of 1,284 dwellings or 8% compared with the 2006 Census.
- Overall the District has a lower level of socio-economic deprivation than the country as a whole.
- District residents had a lower than the national average personal income of \$26,300, compared to the national average income of \$28,500 in 2013.
- 70% of the District's residents own their own home, compared with 65% nationally.

OUR ENVIRONMENT



The Western Bay of Plenty District surrounds Tauranga, a fast-growing city of 115,000 people. The District covers 212,000 hectares of coastal, rural and urban areas. Almost half of the District is covered by forest, both planted (12.8%) and indigenous (35.4%) and a further 40% is pastoral land. Less than 1% of the total area of the District is urban and includes the townships of Waihi Beach, Katikati, Omokoroa, Te Puna, Te Puke and Maketu. Smaller rural settlements are at Paengaroa, Pongakawa and Pukehina in the east and at Kauri Point, Tanners Point, Ongare, Tuapiro and Athenree in the western part of the District.

The District has a warm, sunny climate with an average of 1,900 – 2,300 sunshine hours per year with moderate rainfall of 1,200 – 2,400 mm per year. This diverse landscape, combined with a favourable temperate climate, provides an area rich in resources such as indigenous flora and fauna, highly versatile soils, rivers and harbours.

The land of the Western Bay of Plenty faces north-east to the sea. To the west are the rugged bush-covered Kaimai Ranges. Numerous streams drain the Kaimais, flowing down through the hills and coastal lowlands, into the swampy estuaries and mudflats of the Tauranga Harbour.

In the east, the Kaituna River drains the lakes of Rotorua and Rotoiti into the Maketu Estuary and out to sea, while smaller streams drain the eastern District into the Waihi Estuary.

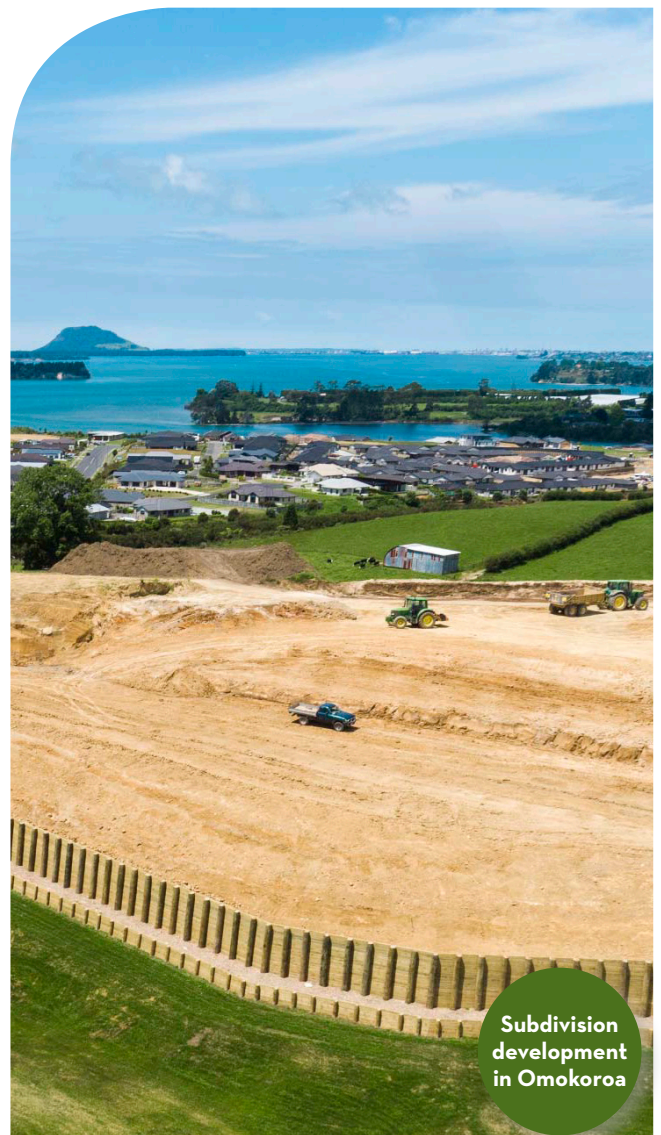
Matakana Island forms a natural barrier between Tauranga Harbour and the Pacific Ocean.



OUR ECONOMY

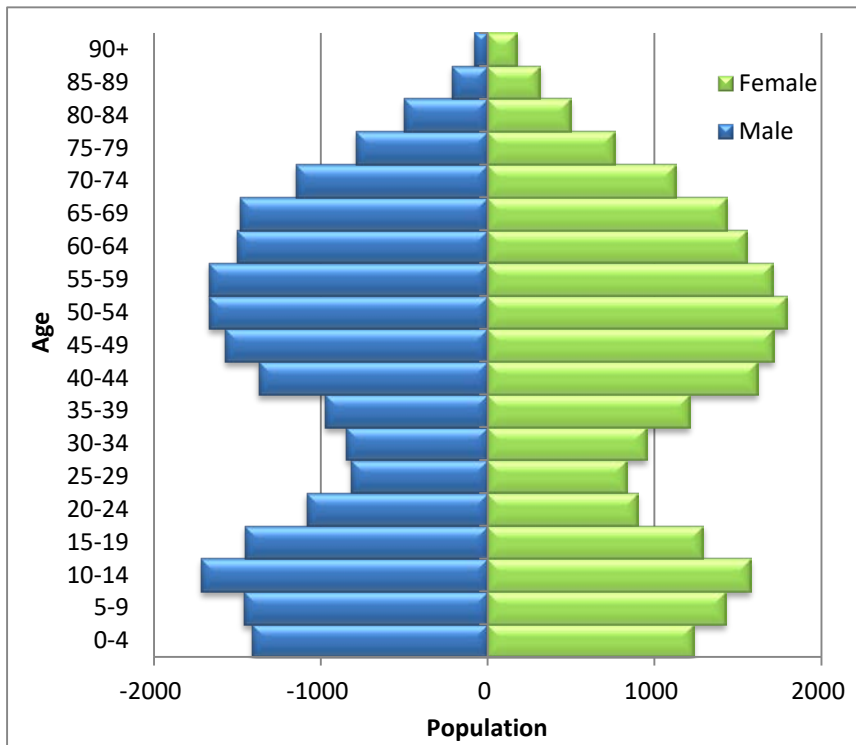
Agriculture and horticulture are the main economic drivers of the Western Bay of Plenty District and the greater Tauranga and Western Bay sub-region. These two primary sectors fuel a multitude of professional businesses and service industries, employing a diverse labour force. Our environment, soils and climate are not only attractive for agricultural production but are also a magnet for people wanting a relaxed outdoor lifestyle. We are close to the amenities of Tauranga, yet we retain a rural and small town atmosphere. Manufacturing, commerce and trades are also vital to the sub-region's economic growth.

Our District is three times more reliant on horticulture and agriculture for its economic output than New Zealand as a whole. This dependence presents challenges for the District, as well as opportunities. The outbreak of the kiwifruit vine disease Psa-V in November 2010 is an example of the risks associated with economic dependence on single crops.

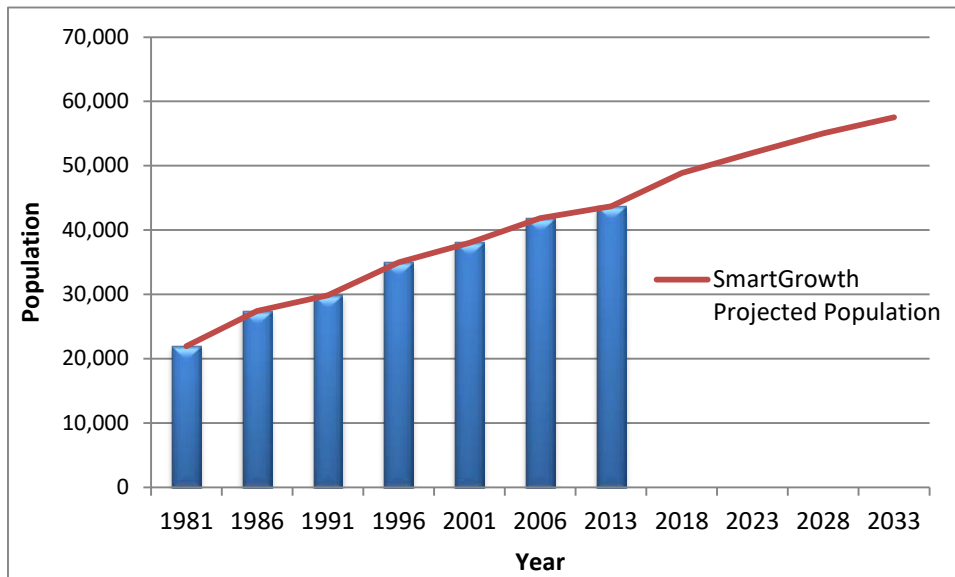


Subdivision development in Omokoroa

Age sex distribution (as at the 2013 Census)



Population projection as at the 2013 Census



STATEMENT OF COMPLIANCE

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



Garry Webber
Mayor
Western Bay of Plenty District Council



Miriam Taris
Chief Executive Officer
Western Bay of Plenty District Council

THE MAYOR'S INTRODUCTION

For year ended 30 June 2018

A growing District

The Western Bay of Plenty District continues to experience strong growth. Annual GDP growth of 9 percent outstripped the national average of 6.2 percent and growth in employment was 6.5 percent compared to 3.7 percent nationally. On the ground, economic growth has translated into a doubling of the value of building consents issued over the year. These are just a few of the many positive indicators underpinning the Western Bay story.

Council playing its part

Council has worked hard to ensure it supports and encourages the District's prosperity through the roles it plays in providing essential public services and regulation. Some highlights of the year include:

- Completion of the new Katikati library and community hub: The Centre - Patuki Manawa which opened in August 2018
- Commissioning of the Te Puna West wastewater scheme
- Continued construction of the Omokoroa - Tauranga Cycleway
- Completion of the Te Puke Highway revocation project
- Development of the Omokoroa Special Housing Area
- Reviewing our waste minimisation policy in light of central government guidelines.

Financial management

Prudently managing Council's assets and finances is critical to maintaining sustainable public services into the future. Council has retained its AA/ A-1+ credit rating from Standard and Poor's which reflects its continued prudent debt management, planning for growth and reaping the benefits of a larger rating base.

Key financial measures include:

- Revenue of \$149m, up \$43m from 2016/17
- A \$1.95m reduction in net debt to \$98m.

Looking ahead

During the year we completed our 2018/28 Long Term Plan, which reflects a clear message from Western Bay residents they want Council to continue to take a 'steady as we grow' approach while prudently managing operational and capital expenditure.



Garry Webber
Mayor, Western Bay of Plenty
District Council

Council is confident the strategies, actions and performance measures in the Long Term Plan will deliver on these expectations against a forecast average rate increases of no more than four per cent (including inflation) for existing ratepayers over the next ten years.

Looking forward, macro economic forces nationally and globally pose risks around whether growth across the District can be sustained as a 'new normal'. Against this background Council remains focussed on keeping a tight reign on finances and looking for more opportunities to improve our efficiency and address performance and service gaps.

Close attention will continue to be paid on the new Government's policy priorities and potential impact on the local government operating environment. Council needs to be ready and able to influence and anticipate change.

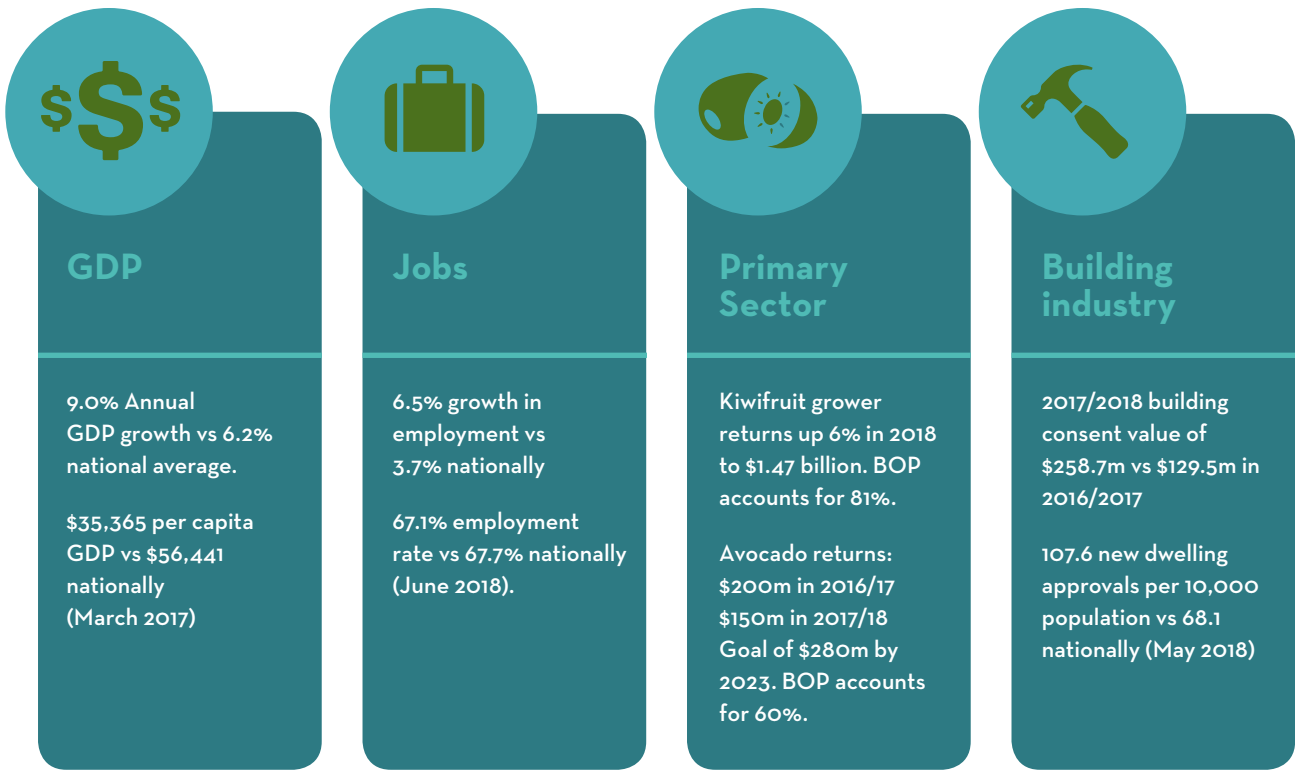
My sincere thanks to fellow elected members for their direction and the Chief Executive and staff for their expertise and willingness to work as a team for the benefit of Western Bay of Plenty residents.

A handwritten signature in black ink that reads "Garry Webber". The signature is fluid and cursive.

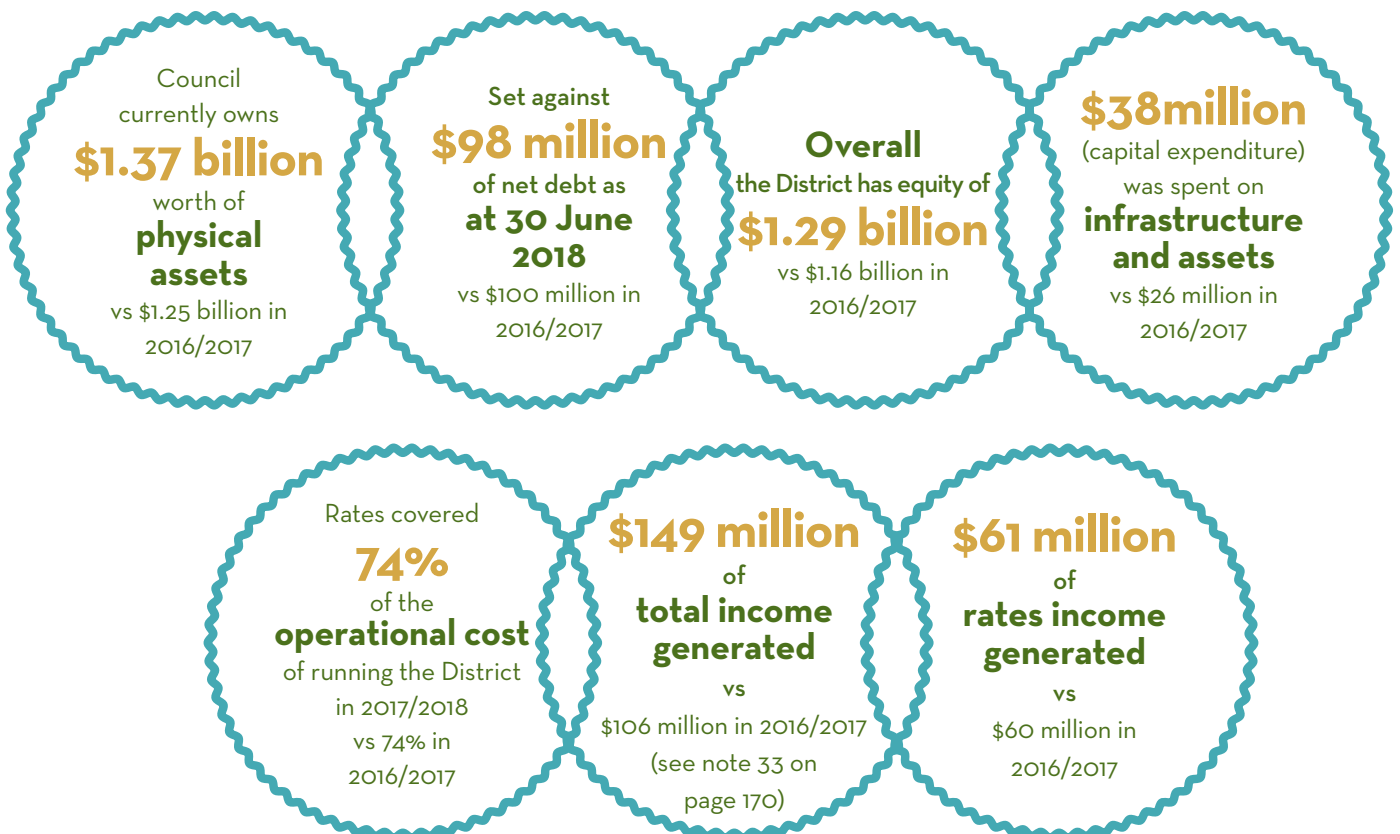
Garry Webber
Mayor, Western Bay of Plenty District Council



THE DISTRICT AT A GLANCE - KEY FACTS



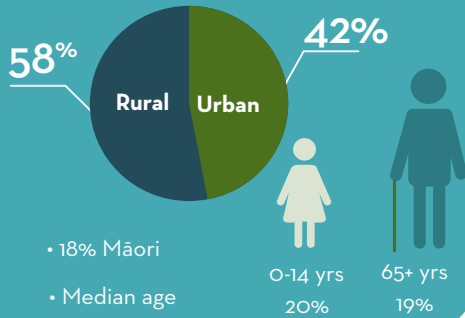
PLAYING OUR PART



COUNCIL AT A GLANCE - KEY FACTS

OUR PEOPLE

 Estimated population 49,285



OUR CUSTOMERS

21,144 Ratepayers

77% Connected to council water supply



45% Connected to council wastewater treatment and disposal



OUR LAND

- 212,000 hectares
- 202 kilometres of harbour
- 55 kilometres of ocean beach
- Outstanding soil conditions that grow a basket of 'super foods' from Kiwifruit to some of the world's highest grade dairy, beef and lamb products



OUR COMMUNITIES

Rich tapestry of **small thriving communities**

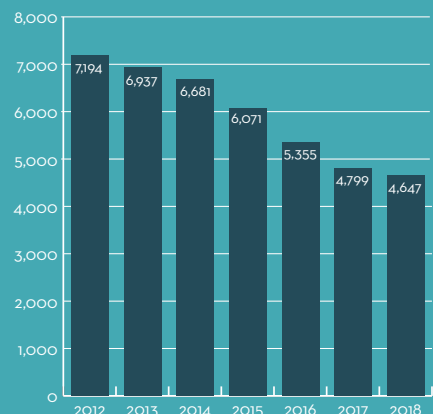
Three wards Katikati/
Waihi Beach, Kaimai, Maketu/
Te Puke

An incredibly **strong sense of place**, resilience and ability to adapt



OUR DEBT

Net debt per rateable property



ROLE OF THIS ANNUAL REPORT

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

PLANNING AND REPORTING FRAMEWORK

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

LONG TERM PLAN (LTP)

(Section 93) identifies Western Bay Council's plans for the Western Bay over a 10 year period. It is reviewed every three years. Western Bay Council's latest LTP was agreed in 2015.

ANNUAL PLAN

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

ANNUAL REPORT

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

SUMMARY ANNUAL REPORT

(Section 98(4)(b)) provides a summary of information contained in Council's Annual Report.

BRINGING THE PLANNING PROCESS TOGETHER



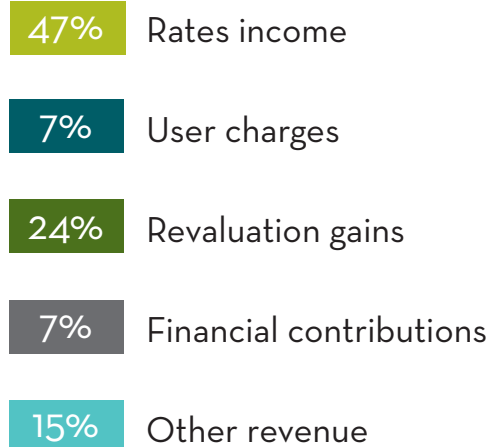
FINANCE SUMMARY OVERVIEW

Western Bay Council has reported a net surplus of \$66.2 million compared with a budgeted operating surplus of \$16.83 million. The major contributor to this increased surplus was financial contributions, vested assets and gains from asset revaluation.

Council Revenue 2017/18

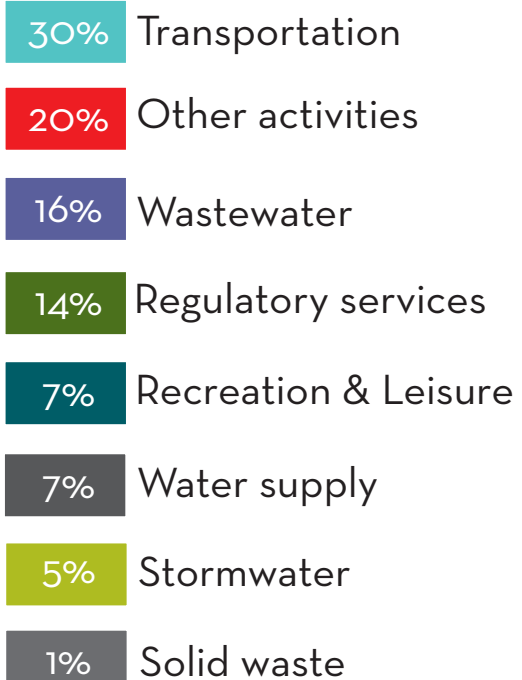
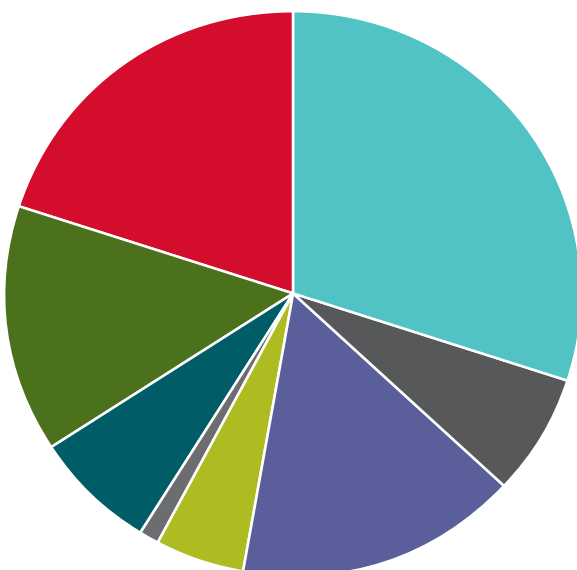
(excluding vested assets)

\$138.0m



Council Operating Expenditure 2017/18

\$82.7m



CHAPTER ONE

Overview



CHAPTER ONE

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OVERVIEW OF WESTERN BAY OF PLENTY DISTRICT COUNCIL'S PERFORMANCE

FIVE YEAR SUMMARY - FINANCIAL OVERVIEW

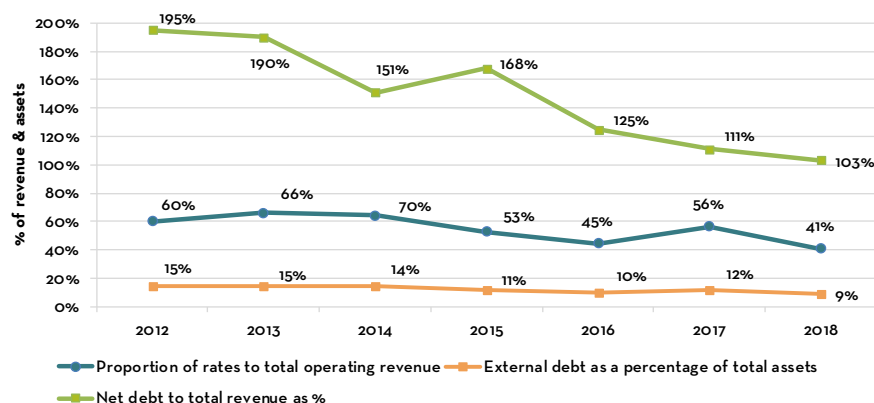
COUNCIL'S FIVE YEAR FINANCIAL PERFORMANCE SUMMARY

	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000
Rate revenue (excluding water by meter)	54,017	55,500	58,416	59,892	60,958
Vested assets revenue	979	720	42,408	3,658	10,965
Financial contributions revenue	4,177	2,607	7,862	10,993	9,506
Total expenditure	78,110	94,619	83,388	80,454	82,682
Total operating revenue	83,889	105,026	131,146	106,247	148,997
Operating surplus/(deficit)	6,124	10,338	47,733	25,587	66,299
Capital expenditure	18,378	15,449	17,142	26,826	38,377
Working capital/(deficit)	(4,425)	(12,104)	(17,068)	(12,663)	(4,054)
Total external debt	156,003	138,000	128,000	150,000	125,000
Net external debt	134,970	125,187	110,819	100,221	98,267
Property, Plant and Equipment	1,102,494	1,200,946	1,239,804	1,248,923	1,374,476
Short term investments	-	-	-	35,000	14,983
Cash on hand	21,033	12,813	17,181	14,779	11,750

COUNCIL'S FIVE YEAR FINANCIAL STATISTICS SUMMARY

	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000
¹ Proportion of rates to revenue	70%	72%	45%	56%	41%
Total external debt as a percentage of total assets	14%	11%	10%	12%	9%
External debt per rateable property (\$'000s)	7.72	6.69	6.19	7.18	5.91
Net external debt per rateable property (\$'000)	6.67	6.07	5.35	4.80	4.65
² Net debt to revenue as a percentage	151%	168%	125%	111%	103%
Total capital value of rating units within the District (\$m)	12,594	14,207	14,820	14,820	19,655
Total land value of rating units within the District (\$m)	7,216	7,828	7,851	7,851	10,783
Rateable properties	20,207	20,621	20,696	20,884	21,144

TREASURY RATIOS



This graph shows that for each rateable property in the District there was \$4,648 of net debt at 30 June 2018 this is a reduction of \$151 per property.

SERVICE DELIVERY PERFORMANCE

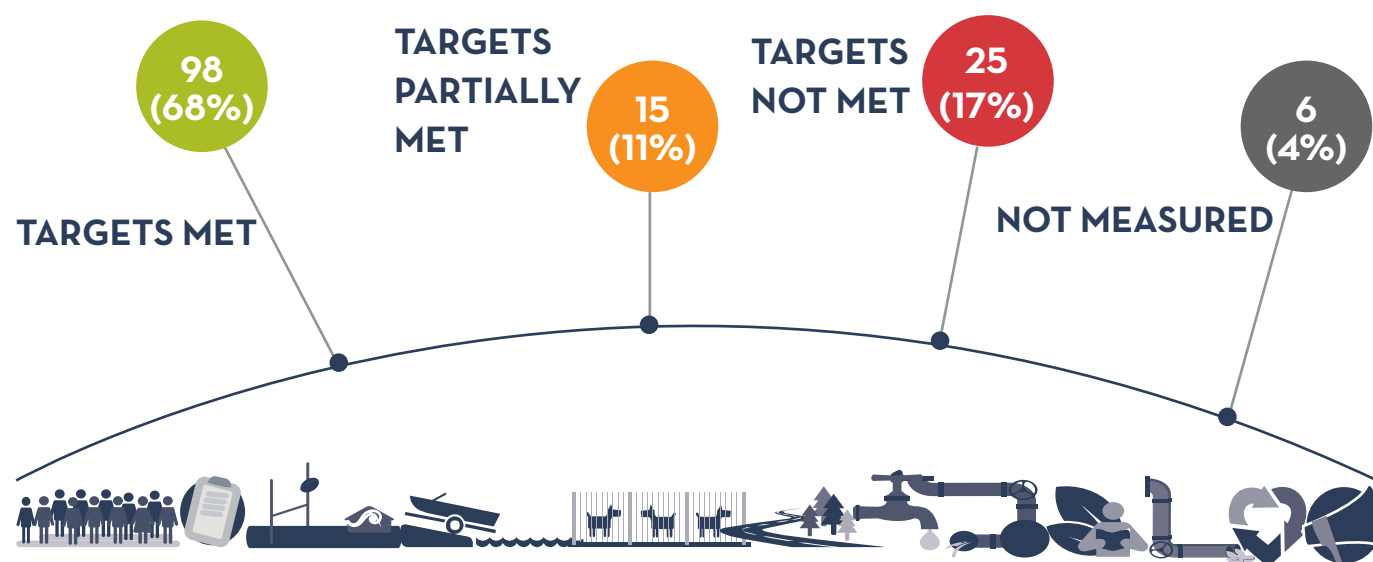
Western Bay Council has structured its activities into 12 groups which comprise a total of 32 activities. The 12 Activity Groups provide the main means of delivering Western Bay Council's services and work programmes. Our Achievements section of this document (from page 33 provides a detailed assessment of how well Western Bay Council's activities performed during 2017/18).

PERFORMANCE AGAINST 2017/18 TARGETS

The LTP 2015 - 2025 identifies performance measures and targets for each activity. These measures reflect the diversity of the activities and were developed from a range of sources. Opportunities to benchmark Western Bay Council activities with other local authorities or external agencies have been used where data is available.

Our Achievements section (from provides detailed financial and non-financial results for each activity. A summary of Western Bay Council's performance against the 2017/18 targets is shown in the table below.

ACTIVITY GROUP	TARGET MET	PARTIAL MET	NOT MET	NOT MEASURED	TOTAL
Representation	12	-	1	5	18
Planning for future	5	-	1	-	6
Communities	15	-	5	1	21
Recreation and Leisure	11	2	4	-	17
Regulatory services	7	2	3	-	12
Transportation	5	6	1	-	12
Water supply	11	1	1	-	13
Stormwater	14	-	-	-	14
Natural environment	3	-	2	-	5
Wastewater	5	3	2	-	10
Solid waste	3	-	4	-	7
Economic	6	1	1	-	8
					144



Target Met	Target has been achieved.	✓
Partial Met	Target has not been fully achieved, it is within 5% of target.	◓
Not Met	Target was not achieved.	✗
Not Measured	No survey or review required during the financial year.	-

REPORT ON DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO DECISION MAKING 2017/2018

ON-GOING PROCESSES

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

ON-GOING PROCESSES

<p>Co-management regimes</p>	<ul style="list-style-type: none"> • Papamoa Hills Cultural Heritage Regional Park • TECT All Terrain Park • Panepane Point 	<p>Council is represented on Te Maru o Kaituna (the statutory co-governance established over the Kaituna River).</p> <p>Council will be represented on the Tauranga Moana Harbour co-governance body which has yet to be established.</p> <p>Council is continuing to work towards an agreement that would provide for the transfer of ownership of Panepane/ Purakau to an entity representative of relevant tangata whenua subject to certain principles being agreed including the retention of access to harbour navigational aids and that the land be used for protecting the harbour from erosion.</p> <p>A Panepane project group was established to progress the above resolution. This project group is made up of Council staff and representatives of the five hapū of Matakana and Rangiwaewa Islands. Work on this matter is ongoing and will ultimately involve a formal community consultation process.</p>
<p>SmartGrowth</p>	<p>Combined Tangata Whenua (CTWF)</p>	<p>The Māori Relationships and Engagement Advisor provides support to the SmartGrowth Combined Tangata Whenua Forum, through attendance at meetings and advocating within Council relevant issues raised by the Forum.</p> <p>The Māori Relationships and Engagement Advisor together with colleagues from Tauranga City Council (TCC) and Bay of Plenty Regional Council (BOPRC) meets with CTWF members that are on the SmartGrowth Leadership Group to provide support to those members where needed.</p>
<p>Policy Development</p>	<p>Input to reviews of policies and strategies through Māori Forum workshops.</p>	<p>Te Ara Mua has identified opportunities for policy development in line with the scope of the Partnership Forums' responsibilities.</p> <p>Council is progressing a review of the communities strategy, which will include how Council deals with iwi/hapū who request Council assistance with the provision of Urupā.</p> <p>A review of Council's Reserves and Facilities Bylaw, in particular horse riding activity that is permitted under the bylaw, was initiated following a request from iwi/hapū through Council's Partnership Forum.</p>
<p>Strategic Planning</p>	<p>Hapū and Iwi management plans</p>	<p>A QMS process has been developed by Council regarding the process for supporting the development of iwi and hapū management plans.</p> <p>Ngati Whakaue ki Maketu is in the process of developing their management plan.</p> <p>It is likely in the future that the development of these plans will coincide with the development of Mana Whakahono ā Rohe agreements.</p>

ANNUAL REPORT DISCLOSURE STATEMENT

ANNUAL REPORT DISCLOSURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

What is the purpose of this statement

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

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

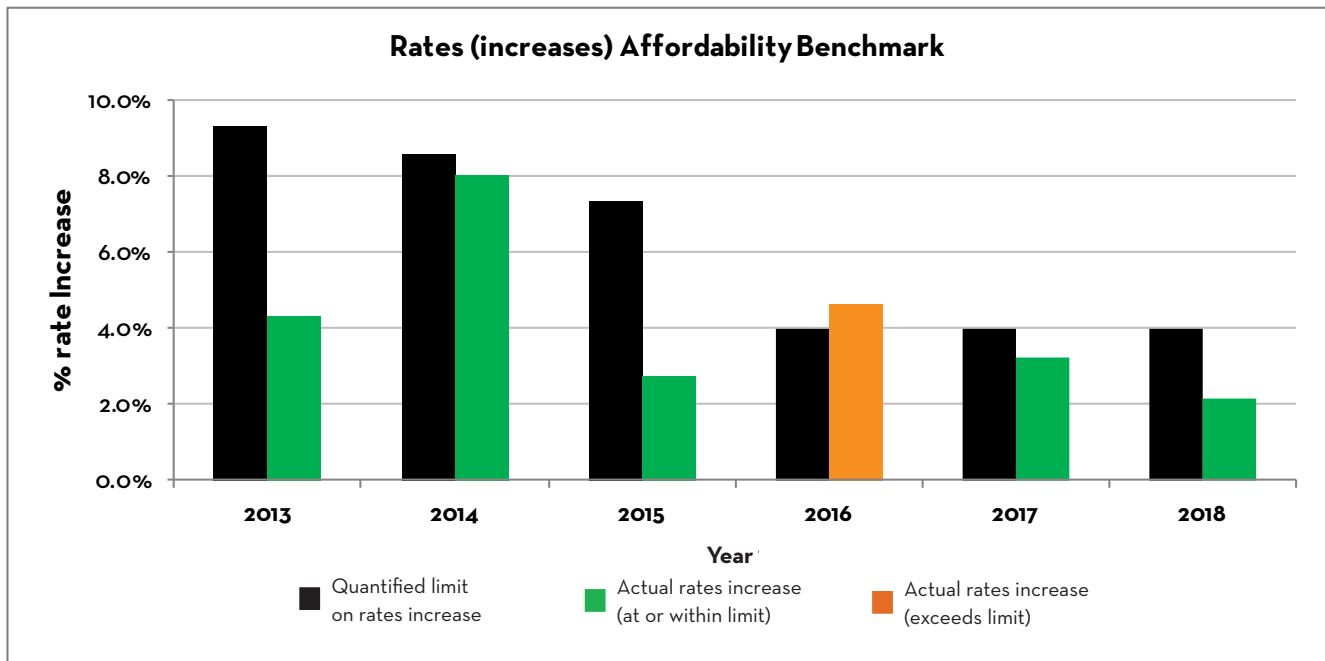
Page 25 provides a breakdown of how these benchmarks were calculated for 2017 and 2018.

Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

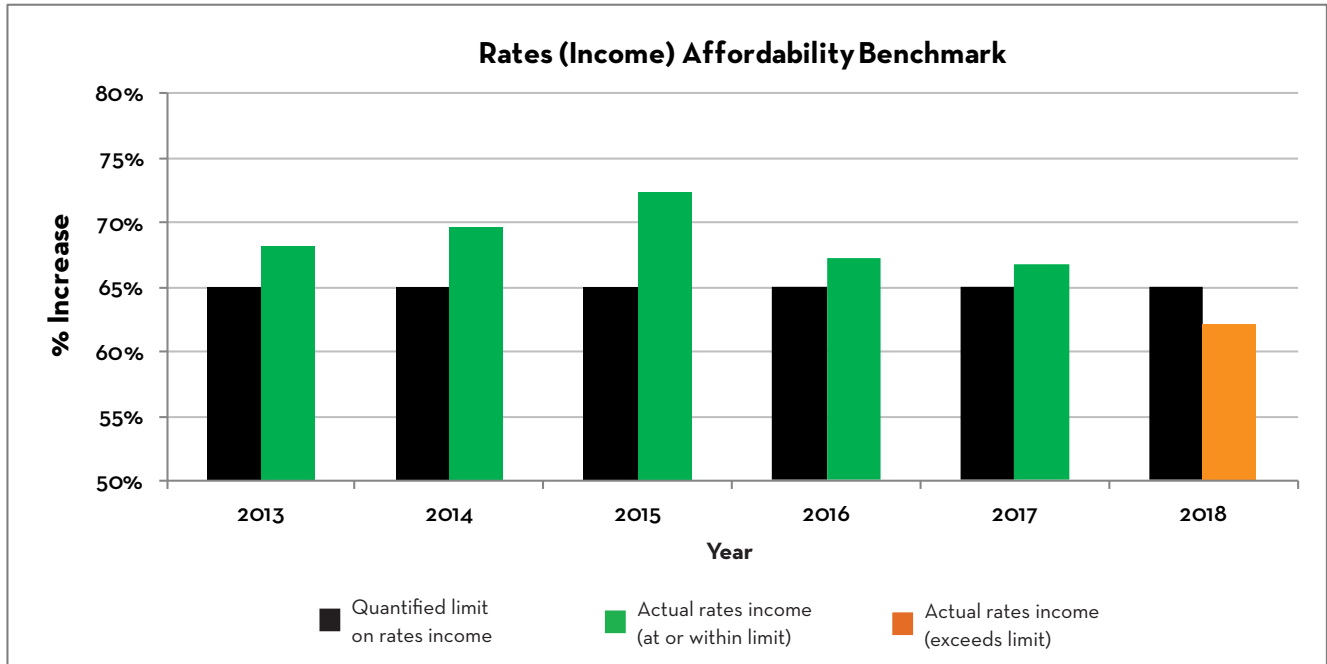
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit for 2018 is 4%.



Rates (Income) Affordability Benchmark

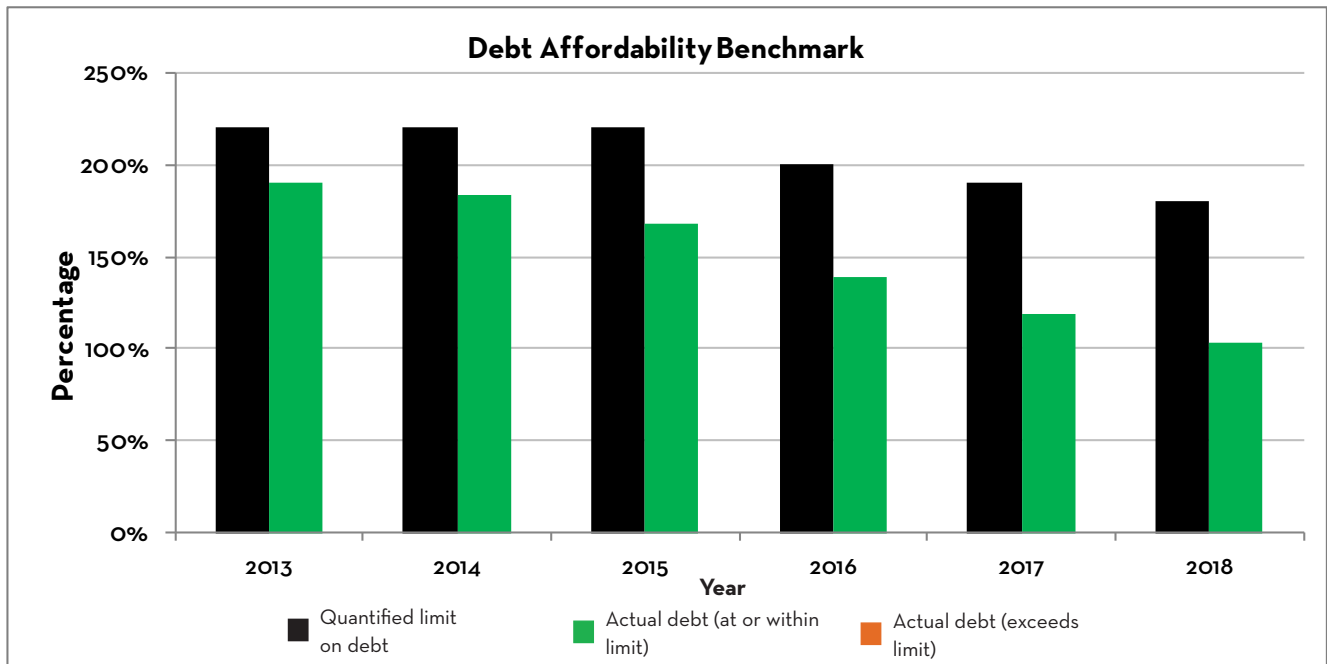
The following graph compares the council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long-term plan. The quantified limit is that rates will be at least 62% of revenue. Revenue is defined as total revenue as per the Statement of Comprehensive Revenue and Expenditure less Financial Contributions, Gains and Vested Assets.



Debt Affordability Benchmark

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

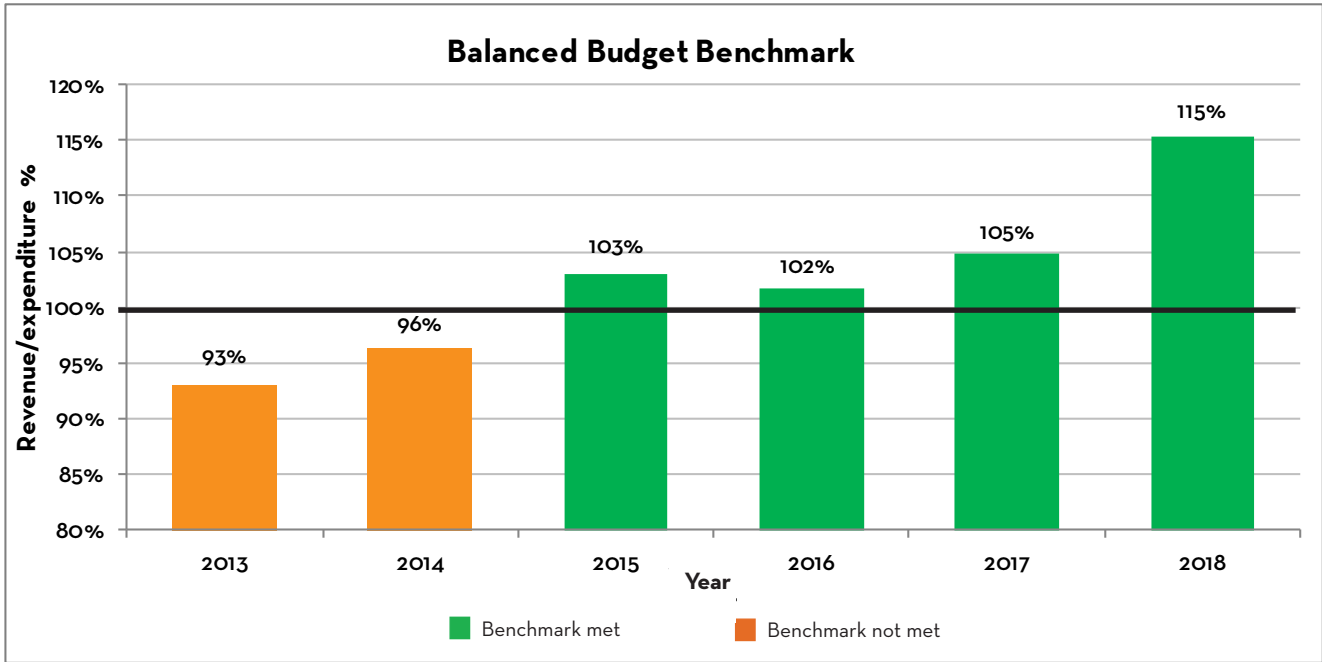
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s long-term plan. The quantified limit is that debt will not exceed 180% of revenue in 2018, reduced from 190% in 2017 and 200% in previous years.



Balanced budget benchmark

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

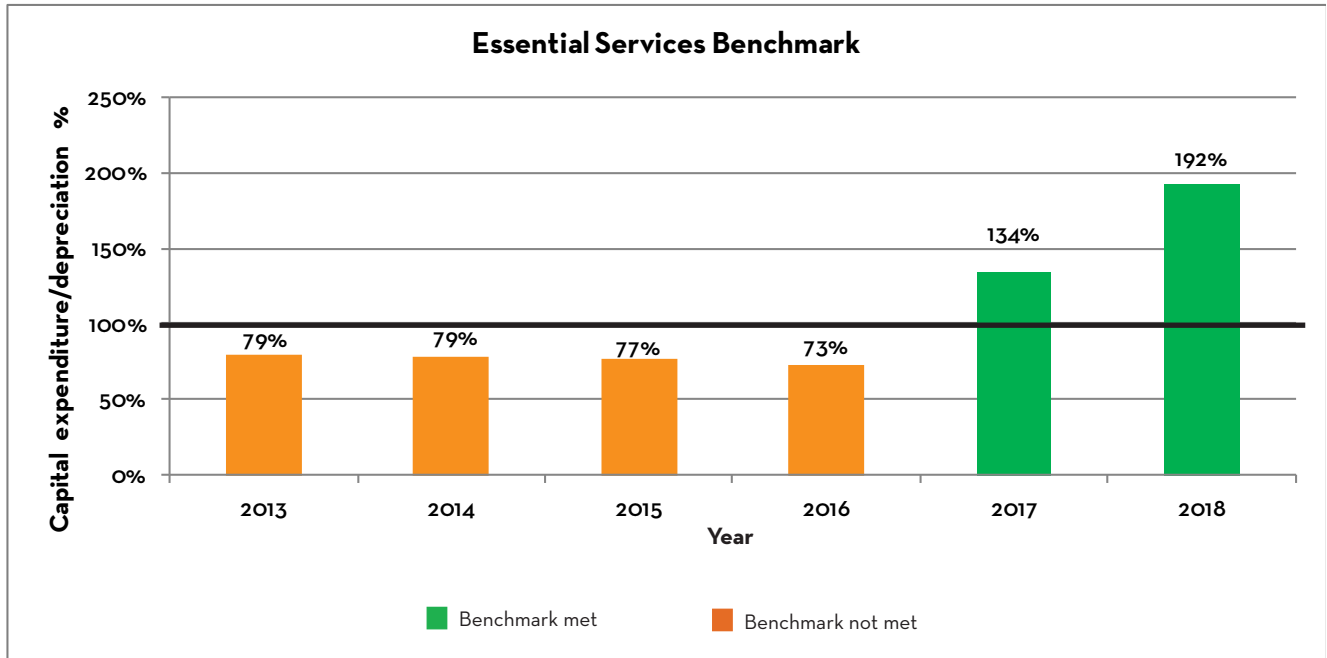
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

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

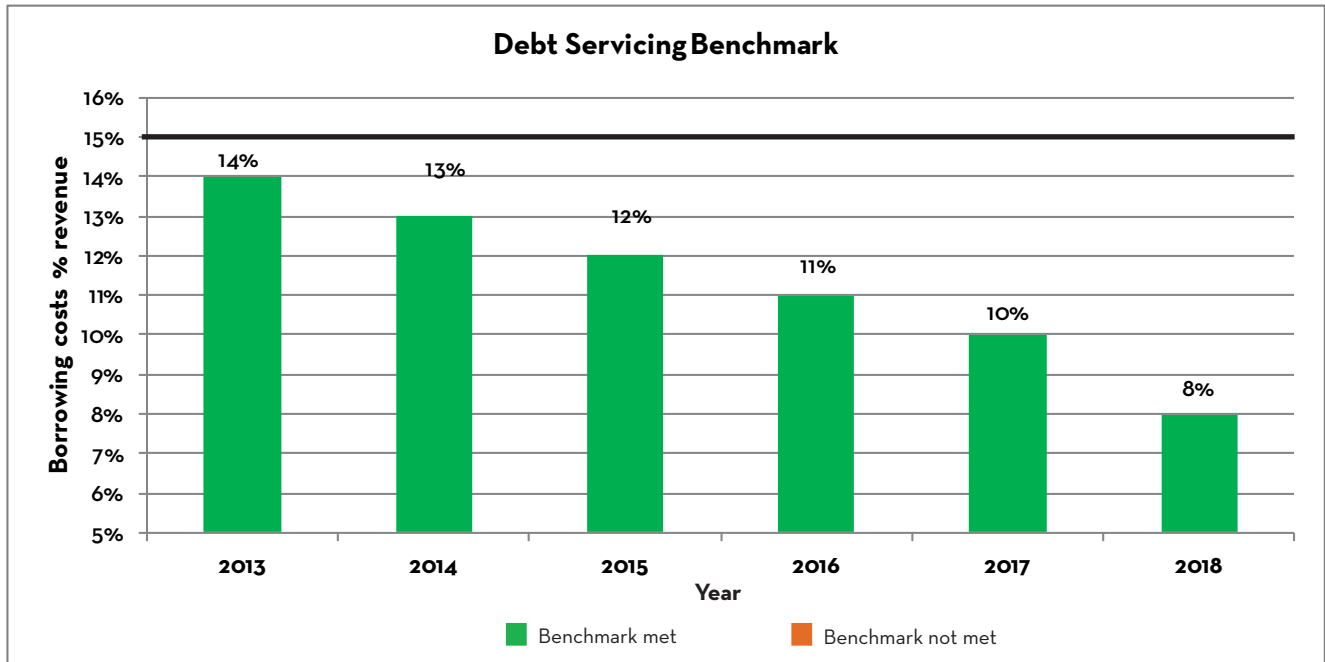
The Council meets this benchmark if its capital expenditure on network services (being; transportation, water, wastewater and Stormwater) equals or is greater than depreciation on network services.



Debt servicing benchmark

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

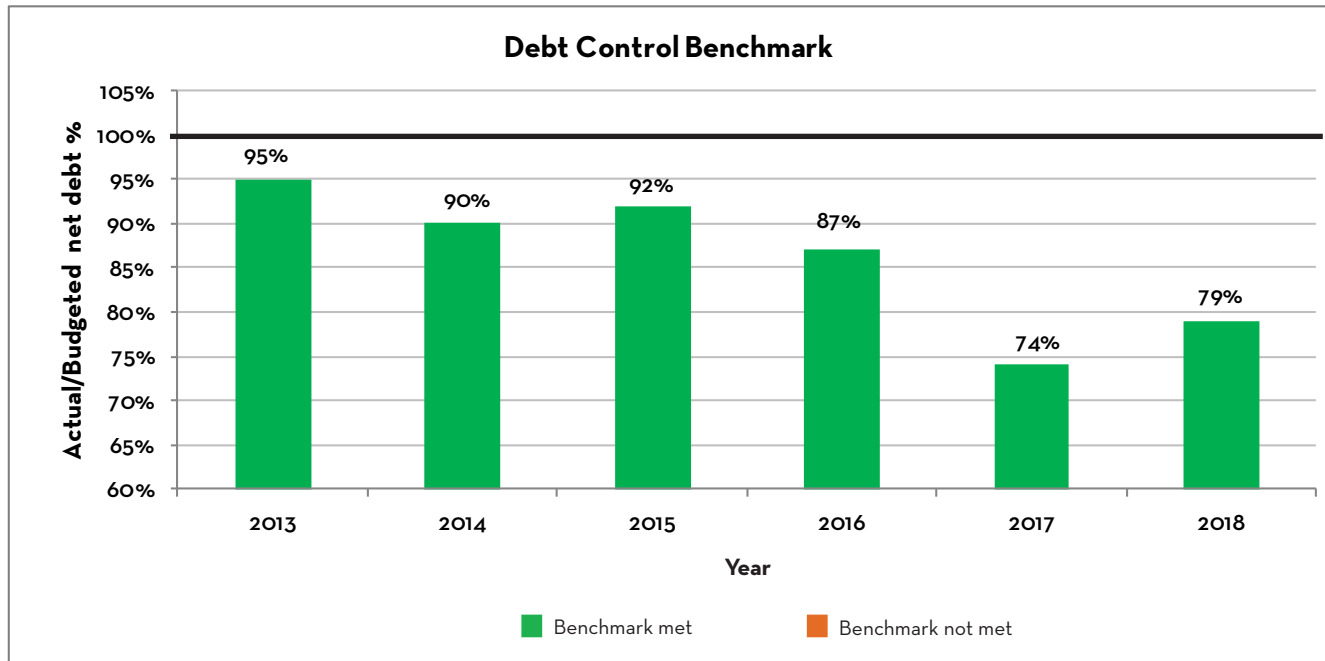
Because Statistics New Zealand projects the council's population will grow faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt control benchmark

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

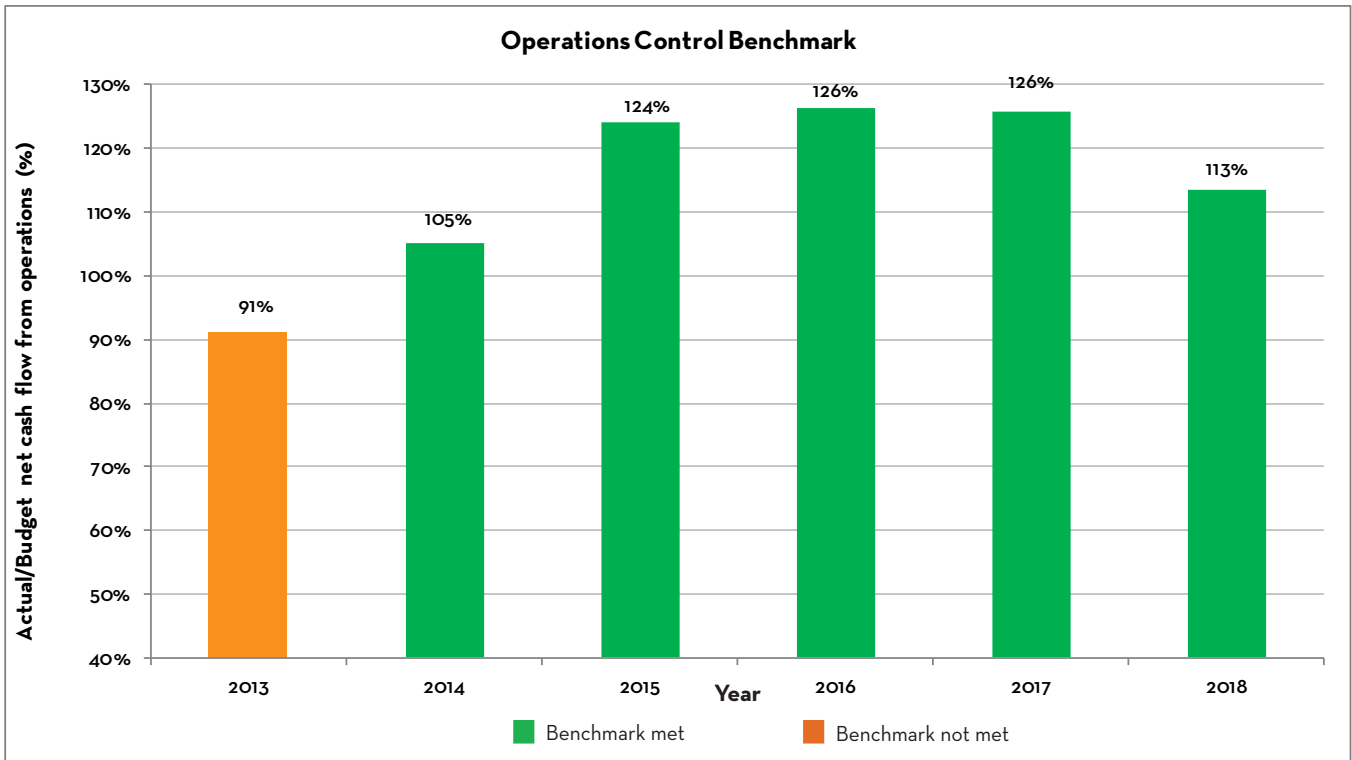
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

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

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



Additional information

Increased properties in the District has contributed to a 2.2% increase in rates income over the 2017 financial year. Rating penalties have been removed from the calculations as these are the result of non-payment of rates rather than an actual charge made up front.

The rates (income) affordability benchmark was not met in 2018. To meet this benchmark, rates income has to be at least 65% of revenue (less financial contributions, gains and vested assets). Due to additional unbudgeted revenue of \$4m for transportation and cycleway projects, rates income equated to 62% of revenue. Without this additional income this benchmark would have been met.

The balanced budget benchmark was not met in 2013 or 2014. This is due to the exclusion of financial contribution revenue from the benchmark. Had this income been included Council would have complied with the benchmark in all years.

The essential services benchmark was not met in 2013, 2014, 2015 and 2016. This was due to the completion of large scale infrastructure works in previous years, with the majority of works undertaken being renewals. In addition some growth related capital works were deferred as they were not required.

The operations control benchmark was not met in 2013. This is due to higher pavement maintenance costs than what was budgeted for.

DISCLOSURE STATEMENT CALCULATIONS

	ACTUAL \$'000	ACTUAL \$'000
	2017	2018
Rates income	63,657	65,044
Penalty rates	(1,272)	(1,309)
Rates income excluding penalties	62,385	63,735
Rates affordability benchmark	3.2%	2.2%
Rates income	63,657	65,044
Total revenue	106,247	148,997
less - vested assets	(3,658)	(10,965)
less - unrealised income	(5,777)	(293)
less - gains	(1,542)	(33,055)
Revenue for benchmark	95,270	104,684
Rates income affordability benchmark	67%	62%
Total revenue	106,247	148,997
Less financial contributions	(10,993)	(9,506)
Less gains	(1,542)	(33,055)
Less vested assets	(3,658)	(10,965)
Less - unrealised income	(5,777)	(293)
Revised revenue	84,277	95,178
Total external debt	150,000	125,000
Less short term Investments	(35,000)	(14,983)
Less cash	(14,779)	(11,750)
Net borrowings	100,221	98,267
Debt affordability benchmark	119%	103%
Total revenue	106,247	148,997
Less - financial contributions	(10,993)	(9,506)
Less - vested assets	(3,658)	(10,965)
Less - revaluation adjustments	(1,542)	(33,055)
Less - unrealised income	(5,777)	(293)
Revenue for benchmark	84,277	95,178
Total expenditure	80,454	82,682
Less - revaluation adjustments	-	-
Less - unrealised interest/derivative loss	-	-
Expenditure for benchmark	80,454	82,682
Balanced budget benchmark	105%	115%
Capital expenditure		
Roading	13,970	16,718
Water	4,982	5,492
Wastewater	1,258	6,097
Stormwater	1,244	2,572
Total capital expenditure	21,454	30,879

	ACTUAL \$'000	ACTUAL \$'000
	2017	2018
Depreciation expense		
Roading	8,381	8,167
Water	2,929	3,396
Wastewater	3,783	3,160
Stormwater	1,144	1,353
Total depreciation	16,237	16,076
Essential services benchmark	132%	192%
Total revenue	106,247	148,997
Less - financial contributions	(10,993)	(9,506)
Less - vested assets	(3,658)	(10,965)
Less - revaluation adjustments	(1,542)	(33,055)
Less - derivative gains	(5,777)	(293)
Revenue for benchmark	84,277	95,178
Interest expense	8,246	8,210
Debt servicing benchmark	10%	8%
Actual		
Liabilities		
Debt	150,000	125,000
Payables	14,548	17,581
Interest rate swaps	9,655	8,862
Assets		
Cash	(14,779)	(11,750)
Investment	(38,825)	(18,792)
Financial assets	(10,273)	(10,644)
Actual net debt	110,327	110,256
Budget		
Liabilities		
Debt	135,000	125,000
Payables	12,885	11,860
Interest rate swaps	9,946	14,798
Assets		
Cash	(2,895)	(6,218)
Investments	(3,469)	(3,680)
Financial assets	(2,673)	(2,985)
Budget net debt	148,794	138,775
Debt control benchmark	74%	79%
Budgeted cashflow from operations	28,785	33,567
Actual cashflow from operations	36,155	38,059
Operations control benchmark	126%	113%

AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Western Bay of Plenty District Council's annual report for the year ended 30 June 2018

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

We are also required to report on:

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

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

We completed our work on 20 September 2018. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 127 to 150 and pages 152 to 193:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2018;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 194 to 195, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the Group of Activities on pages 32 to 124:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2018, including:

AUDIT REPORT

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 196 to 208, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s annual plan; and
- the funding impact statement for each group of activities on pages 196 to 208, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 19 to 25, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

AUDIT REPORT

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Group of Activities, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District

AUDIT REPORT

Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 18 and 209 to 214, but does not include the audited information and the disclosure requirements.

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

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of the long term plan, debenture trust deed and assurance engagement in relation to grant funding received from the New Zealand Community Trust, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



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

CHAPTER TWO

Council Activities



CHAPTER TWO

Council's group of activities	32
Leadership	
Representation	35
Planning for the future	41
Building communities	
Communities	47
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Water supply	78
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Protecting the environment	
Natural environment	94
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Solid waste	112
Supporting our economy	
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Support services	123

COUNCIL'S GROUP OF ACTIVITIES

GUIDE TO THIS SECTION OF THE ANNUAL REPORT

Chapter Two - Our achievements reports on how well Council's activities performed during 2017/18 against the goals and targets set out in Chapter three of the 2015-25 Long Term Plan (LTP). The reporting covers how effectively services have been delivered to the community and financial results.

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

Overview

This provides a high level overview or explanation of the activity and the outcomes agreed in Western Bay of Plenty District Council's 2015-2025 LTP.

2017/18 highlights


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

Service performance results

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

The 2015-2025 LTP identifies performance measures and targets to monitor Council's achievement of the agreed outcomes and levels of service. This section reports the results and provides explanation for any significant variances. Results are classified as follows:

 Target met

 Partial met (within 5% of target)

 Not met

Future initiatives

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

Cost of service statements

The cost of service statement shows financial information for that activity, comparing actual expenditure against budget and the previous year's actual. The statements provide details of income and expenditure and, where relevant, capital expenditure.

Major variances

Where there are major variances between actual expenditure and budget a further explanation is provided.

Customer satisfaction

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

This survey was undertaken by Key Research and the sample included all residents within the Western Bay of Plenty District Council area with a sample size of 722 and margin of error of +/- 3.6%, with a confidence level of 95%.

Effects on community wellbeing

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

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

- WASTEWATER
- SOLID WASTE
- COMMUNITIES (INTERMENT)
- TRANSPORTATION
- WATER SUPPLY
- STORMWATER
- ECONOMIC

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

ACTIVITY GROUPS	ACTIVITIES	PRIMARY COMMUNITY OUTCOMES	PAGE
Representation	<ul style="list-style-type: none"> • Sub-regional, District and Community representation • Financial Planning 	<ul style="list-style-type: none"> ▪ Effective, informed and inclusive leaders 	35
Planning for the future	<ul style="list-style-type: none"> • Policy and planning • Resource management planning • Infrastructure planning 	<ul style="list-style-type: none"> ▪ Vibrant and welcoming communities ▪ Effective, informed and inclusive leaders ▪ Thriving economy 	41
Communities	<ul style="list-style-type: none"> • Community development • Cultural development • Information centres • Emergency management • Community facilities 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Vibrant and welcoming communities 	47
Recreation and leisure	<ul style="list-style-type: none"> • Coastal and marine • Recreation reserves and facilities • Sub-regional reserves 	<ul style="list-style-type: none"> ▪ Vibrant and welcoming communities ▪ Clean, green and valued environment 	58
Regulatory services	<ul style="list-style-type: none"> • Animal control • Building and health services • Compliance • Regulatory services • Resource consents 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle 	65
Transportation	<ul style="list-style-type: none"> • Rooding • Network development • Network optimisation • Environmental mitigation • Transportation health and safety 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Thriving economy 	72
Water supply	<ul style="list-style-type: none"> • Council water supply 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Thriving economy 	78
Stormwater	<ul style="list-style-type: none"> • Stormwater network • Waihi Beach coastal protection 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle 	88
Natural environment	<ul style="list-style-type: none"> • Environmental protection 	<ul style="list-style-type: none"> ▪ Clean, green and valued environment 	94
Wastewater	<ul style="list-style-type: none"> • Wastewater 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Clean, green and valued environment 	100
Solid waste	<ul style="list-style-type: none"> • Solid waste 	<ul style="list-style-type: none"> ▪ Healthy and safe lifestyle ▪ Clean, green and valued environment 	112
Economic	<ul style="list-style-type: none"> • Economic development • Land drainage 	<ul style="list-style-type: none"> ▪ Thriving economy 	118

REPRESENTATION



REPRESENTATION

OVERVIEW

The Representation Strategy underpins Council's democratic processes and provides the community and the organisation with leadership and direction. The Strategy informs decisions about our representation arrangements, for example, the number of wards and their boundaries, community boards and number of Councillors.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Leaders are informed by the views of residents to make effective decisions which improve our communities and environment, now and for the future.

OUR GOALS

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

2017/2018 HIGHLIGHTS

The Representation review commenced in 2017. This review of the level of representation provided to the District is a statutory requirement that takes place every three years. There are three key components to this review. They are:

1. Decision regarding the Electoral System – completed in August 2017 where it was decided to continue with First Past the Post.
2. Consider the establishment of Māori Wards in principle. Decision was made to establish Māori Wards, November 2017 however a resident poll overturned this decision in May 2018.
3. Identify representation arrangements for the District. Council is required to identify the best representation arrangement for the District. Council approved the initial proposal on 10 July 2018.

On completion of this work the decision is referred to the Local Government Commission and a final decision will be released in April 2019.

The Council's Long Term Plan 2018 – 2028 (LTP) was a significant driver in our work programme this year. This is Council's 10-year plan which governs our service delivery, infrastructure provision and associated finances for the next ten years. Elected Members were at the centre of this process and made significant decisions to enable a 'steady as we grow' approach. There was a significant level of consultation with the community to identify issues and identify areas of focus. In the final submission process, 413 submissions were received and considered before final decisions were made.

The Council adopted the LTP on 28 June 2018. This Plan sets an average rates increase of 2.7% for existing ratepayers across the ten years of the LTP (of which inflation accounts for 2.3%). Council has continued its approach to reducing debt. Council's net debt was \$140m in 2013, and at the end of the 2018 financial year was \$98m.

Council continued its advocacy role for our District at the national level which includes sub-regional roading. They have successfully advocated on a regional basis for priority to be given to NZTA projects that are important to our ratepayers.

The Partnership Forum is now fully operational and working to an agreed work programme.

We continue to work collaboratively with the Bay of Plenty Regional Council and Tauranga City Council through SmartGrowth for the betterment of the subregion.

WHAT WE PROVIDE

REPRESENTATION IS PROVIDED BY:



1 MAYOR



11 COUNCILLORS



PARTNERSHIP FORUM

Comprising iwi and hapū representatives

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

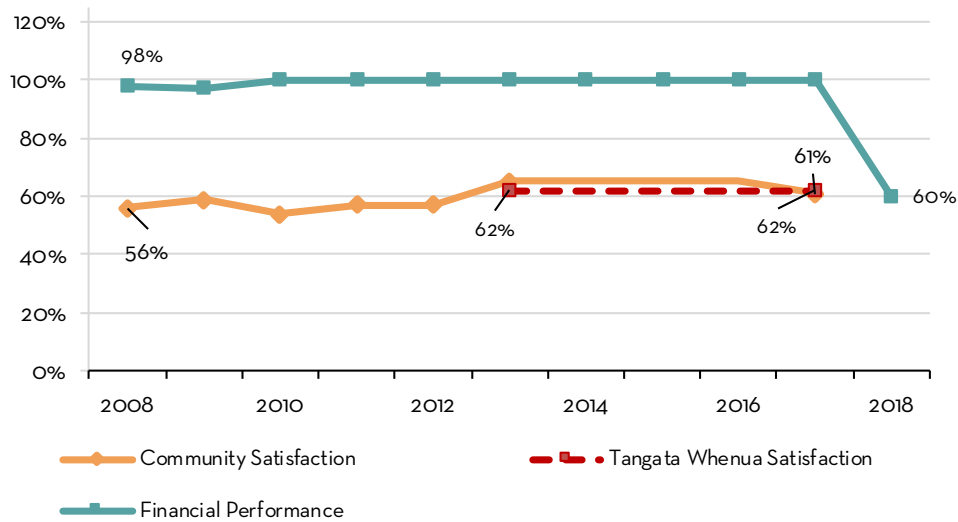
within the Western Bay of Plenty District



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

REPRESENTATION - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage achievement in the financial performance index which monitors Council's financial stewardship. <i>(the index monitors Council's financial trends and level of compliance with 5 key treasury ratios. 100% is total compliance).</i>	100%	60%	100%	Interest expense on external debt higher than budget, and liquidity ratio was non compliant due to timing of capital expenditure at end of financial year.	✗
Supporting Measures Level of satisfaction with representation provided by Councillors and Community Boards members:					
• Community	NO SURVEY	NO SURVEY	61%	The next survey is scheduled for 2019,,	-
• Māori	NO SURVEY	NO SURVEY	62%		-
Level of Māori satisfaction with representation provided by the Partnership Forums (Te Arawa - East and Tauranga Moana - West).	NO SURVEY	NO SURVEY	46%	The next survey is scheduled for 2019,,	-
Percentage of residents confident that Council makes decisions that are in the best interest of the District.	NO SURVEY	NO SURVEY	57%	The next survey is scheduled for 2019,,	-
Affordability of rates Percentage movement in total rates income (after allowance for growth).	≤7%	2.2%	2.5%		✓

SERVICE PERFORMANCE RESULTS

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Representation will be provided by:					
<ul style="list-style-type: none"> • 1 Mayor • 11 Councillors • 5 Community Boards • 1 Partnership Forum (refer to page 18) 					
Number of meetings held per annum: • Council based on 6 weekly cycle.	≥8%	10	10		✓
• Community Boards based on 6 weekly cycle.	≥8%	8 (per community board)	6		✓
Partnership Forum based on quarterly meeting cycle.	≥2%	2	1		✓
Percentage attendance of elected members (Councillors and Mayor) at Council and Committee meetings.	≥80%	92%	87.5%		✓
Percentage attendance of Community Board members at Community Board meetings.	≥80%	92%	91.8%		✓
Level of compliance with statutory timeframes.	100%	100%	100%		✓
Council will engage with communities about decisions that impact on their community					
Level of community satisfaction with the opportunities to participate in decision making.	NO SURVEY	NO SURVEY	56%	Next survey will take place in 2019.	-
Number of Council Committee meetings held in the community.	≥4	4	4		✓
Finances will be managed to comply with the limits identified in the Treasury Policy					
Interest expense on external debt as a percentage of rates revenue (Maximum identified in Treasury Policy is 25%).	≤25%	12%	13.0%		✓
Liquidity ratio - this ratio monitors Council's ability to pay all current liabilities if they became due immediately.	≥110%	130%	130%		✓
Percentage of net external debt to total revenue.	≤190%	103%	119%		✓
Council will be financially prudent in the management of rates levied					
The percentage of District rates income not spent or committed at the end of the financial year.	≤2%	(0.2%)	(0.4%)		✓

FUTURE INITIATIVES

The final decision about the Representation Review is due in April 2019. This will determine composition of the next Council. Implementation of these decisions and preparation for the elections will begin after April 2019. The triennial Local Government elections will take place in October 2019.

We will continue to represent the District in regard to matters of sub-regional and national importance.

COST OF SERVICE STATEMENT

REPRESENTATION

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2018	2018	2017
Analysis of expenditure by activity			
Representation	2,635	3,031	2,720
Total operating expenditure	2,635	3,031	2,720
Analysis of expenditure by class			
Direct costs	1,619	1,848	1,686
Overhead costs	1,007	1,173	1,022
Depreciation	9	10	12
Total operating expenditure	2,635	3,031	2,720
Analysis of funding required			
Community Board	433	419	441
Other income	3	-	68
Total revenue	436	419	509
Net cost of service - surplus/(deficit)	(2,198)	(2,612)	(2,211)
Capital expenditure	-	-	-
Total other funding required	(2,198)	(2,612)	(2,211)
Other funding provided by			
General rate	2,267	2,612	2,246
Reserves and future surpluses	(69)	-	(35)
Total other funding	2,198	2,612	2,211

MAJOR VARIANCES

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

PLANNING FOR THE FUTURE



PLANNING FOR THE FUTURE

OVERVIEW

The Planning for the Future activity includes policy and planning, resource management and infrastructure planning activities. These activities plan for the future guided by our sustainable development approach and the SmartGrowth Strategy.

SMARTGROWTH - AN OVERVIEW

SmartGrowth is the growth management strategy for the western Bay of Plenty sub-region. The sub-region encompasses both the Western Bay of Plenty District and Tauranga City. This area has experienced rapid population growth since the 1950s.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

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

OUR GOAL

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

2017/18 HIGHLIGHTS

The Council's Long Term Plan (LTP) 2018 – 2028 was adopted by Council on 28 June 2018. This plan outlines Council's key issues, projects, and priorities in the District over the next ten years. The development of this plan included three phases of community engagement, and a number of workshops with elected members. The focus was on rates affordability and prudent management of debt, whilst meeting the community's requests where possible. As part of the LTP process the Regulatory Services Strategy and Solid Waste Strategy were reviewed.

Growth in the Western Bay district continued and we are undertaking a number of studies and implementation of strategies to address growth issues. This includes our response to the National Policy Statement on Urban Development Capacity (NPSUDC). This statement requires high growth councils to ensure there is sufficient land available for development over the short to medium term. We have commenced work on a Future Development Strategy that identifies the location and timing of land required for long term (30 year) development.

Subdivision for People, an initiative to review the residential provisions of the District Plan commenced. The purpose of this initiative is to ensure that applications for subdivisions and residential development are meeting the outcomes sought by the Council's Built Environment Strategy.

A future Housing Demand and Need Assessment was completed through SmartGrowth. The purpose of this was to identify gaps in the housing market, particularly in relation to social and affordable housing. The next step is to develop and implement an action plan in the coming year.

There are a number of other initiatives to plan for and manage growth opportunities in the district. This includes:

- Katikati urban growth area – identification of a new growth area to cater for residential growth for Katikati
- Omokoroa structure plan stage 3 – to manage the urbanisation of the last growth stage in Omokoroa. This is in response to the NPSUDC that requires 10 years supply of greenfield land to be available (currently 9 years)

- Omokoroa industrial zone review – District Plan change to review the amenity provision of the industrial zones as they affect adjoining neighbours. Hearings are scheduled to take place in August 2018
- Tauriko West – provided input to the development of a proposed new urban growth area for Tauranga City.

We continued to collaborate with the Bay of Plenty Regional Council and Tauranga City Council to identify the natural hazards affecting the sub-region. During the year, we provided input to projects for Tauranga Harbour coastal erosion and inundation as well as Waihi Beach tsunami.

A review of the Post Harvest Zone has commenced. The purpose of this review is to ensure the current zone meets the needs of the industry going forward. Under consideration is the expansion of existing zones, possibility of new zones, and seasonal worker accommodation provisions. This review does not include seasonal worker accommodation provisions outside the post harvest zone however, a plan change will be in place for the 2019 season.

There were a number of plans and policies reviewed or developed. This included:

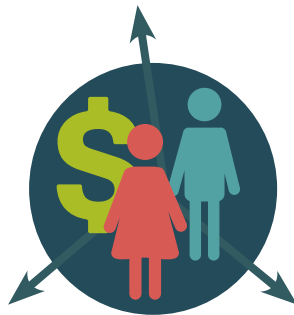
- Waste Management & Minimisation Plan was reviewed and adopted by Council in December 2017. This plan identifies a number of actions for Council to progress over the next six years
- Coastal Erosion Responses Policy was adopted August 2017, which enables Council to take a consistent approach to coastal erosion responses for strategic assets on Council-owned land
- Rentals for Encroachments on Council Land Policy was developed. This enables Council to charge a rental on Council land where it is used privately and generates significant financial benefit to the occupier
- Easter Sunday Trading Policy adopted by Council in December 2017. This enables Easter trading across the District.

WHAT WE PROVIDE

PLANNING FOR THE FUTURE INCLUDES:



POLICY & PLANNING



RESOURCE MANAGEMENT



INFRASTRUCTURE PLANNING ACTIVITIES



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

PLANNING FOR THE FUTURE - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage completion of the annual work programme as identified in the Leadership - Planning for the Future Strategy and Action Plan	≥90%	95%	89%		✓
Key Resident Measure Resident satisfaction with the impact of growth on: <ul style="list-style-type: none"> • Range of housing choices • Personal safety • Time taken to travel around their area • Employment opportunities • Road safety • Overall pleasantness. *Based on a two yearly surveys.	≥75%	62%	NO SURVEY	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 58%. Key areas of dissatisfaction were in relation to travel time and road safety.	✗

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
District Plan updated to meet the needs of our District					
Number of sustained challenges by the Environment Court to District Plan changes.	NIL	NIL	NIL		✓
Structure Plans are developed and reviewed to ensure there is 'greenfield' land to accommodate growth.	≥5 YEARS SUPPLY	≥5 YEARS SUPPLY (except for Katikati which has 3 years supply)	9.27 YEARS SUPPLY	Supply of greenfield land available: <ul style="list-style-type: none"> • Waihi Beach 13.8 years • Katikati 3 years • Omokoroa 9.4 years • Te Puke 20.5 years Investigations underway to provide a new growth area for Katikati	✓
Our strategies are aligned with direction provided in SmartGrowth Strategy					
Percentage of Council's strategies aligned with SmartGrowth direction.	100%	100%	100%		✓
We will work with communities to develop and review Community Development Plans. These detailed plans set the vision for the community and actions required to achieve it					
The number of community plans developed or reviewed where Council has provided support to the community.	≥1	2	2		✓

FUTURE INITIATIVES

Three significant strategies are scheduled for review. They are Communities Strategy, Recreation & Leisure Strategy and the Natural Environment Strategy. These strategy reviews are linked to the requirement to transition from financial contributions to development contributions following amendments to the Resource Management Act in 2017.

Pensioner Housing and Solid Waste will be subject to a service delivery review under section 17A of the Local Government Act 2002. The purpose of this is to review Council's role and approach to delivering these services, with cost effectiveness being the primary driver.

Following on from the Housing Demand and Need Assessment completed in 2017, an action plan will be developed to respond to the completed assessment.

Other work relating to housing to be progressed in 2018/19 includes:

- Review of medium density residential provisions and merger of residential and medium residential zones into one.
- Urban design controls
- Minor dwellings and whether financial contributions should be charged
- Large dwellings that cater for more than one household
- Seasonal worker accommodation.

Implementation of Te Ara Mua, which is the strategic plan adopted by the Partnership Forum to jointly progress matters of importance to Tangata Whenua will continue. A key focus for 2018/19 will be progressing District Plan work in relation to sites of significance to tangata whenua.

Bylaw reviews are ongoing. In 2018/19 bylaws to be reviewed are Trading Public Places, General Bylaw, Water Supply System, Freedom Camping, and the Reserves and Facilities Bylaw.

The collaboration with Bay of Plenty Regional Council and Tauranga City Council will continue in regard to the identification of natural hazards affecting the sub region. The focus in 2018/19 will be liquefaction.

There are a number of plan changes to be undertaken to address implementation issues with the District Plan. There will also be an investigation of the future role and size of Te Puna Village - the commercial/industrial area around the SH2/Te Puna Road/Minden Road intersection.

COST OF SERVICE STATEMENT

PLANNING FOR THE FUTURE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Policy and planning	1,391	1,331	1,033
Resource management	885	915	1,171
District development	(37)	(186)	(33)
Total operating expenditure	2,239	2,061	2,171
Analysis of expenditure by class			
Direct costs	1,520	1,337	1,523
Overhead costs	714	719	643
Depreciation	4	4	5
Total operating expenditure	2,239	2,061	2,171
Revenue			
Target rates	13	13	13
Other income	-	-	2
Total revenue	(13)	13	15
Net cost of service - surplus/(deficit)	(2,226)	(2,048)	(2,156)
Capital expenditure	-	-	-
Total other funding required	(2,226)	(2,048)	(2,156)
Other funding provided by			
General rate	2,296	2,247	2,204
Reserves and future surpluses	(70)	(199)	(48)
Total other funding	2,226	2,048	2,156

MAJOR VARIANCES

Expenditure of \$139k for the Long Term Plan 2018-2028 review was incurred in 2018, not incurred in 2017.

COMMUNITIES



COMMUNITIES

OVERVIEW

The importance of sustainable, resilient communities is paramount. In these communities residents feel included, support and look out for each other, influence decisions that affect them, collaborate to achieve the collective good and foster tolerance and acceptance of others.

Sustainable and resilient communities need strong social and cultural infrastructure to be able to respond to challenges and changes in society. We aim to ensure that the things needed for individuals, families, groups and communities to meet their social needs, maximise their potential for development and enhance their well-being are in place, such as community facilities, services and networks or social infrastructure. Not all social infrastructure in a community is provided by Council but we make a significant contribution to community well-being in the following ways:

- Providing places to learn, meet and socialise, for example halls and libraries (for further information see Libraries and Service Centres [page 140](#) and Community Facilities [page 149](#) in our Long Term Plan 2015-2025)
- Supporting communities through a range of community building activities (for further information see the Community Building section [page 129](#) in our Long Term Plan 2015-2025)
- Encouraging communities to be prepared and able to look after themselves in a civil defence emergency (for further information see the Civil Defence and Emergency Management section [page 162](#) in our Long Term Plan 2015-2025).

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

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

OUR GOALS

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

2017/18 HIGHLIGHTS

The building of the new Katikati library, service centre and community hub, 'The Centre - Pātuku Manawa' was completed. On 21 August 2018 this will be officially opened. The Centre - Pātuku Manawa will enable designated space for specific functions. This includes meeting the community's needs for exhibition and display spaces, provide areas for youth and technology enabled activities and allow for extension of events and programming. This is a significant milestone for the Katikati Community.

Library services throughout the District continued to enhance the services provided and ran a number of events. This included:

- New customer self check-in in Te Puke with language choices i.e. Te Reo
- New Code Club in Te Puke where children learn the basics of computer Coding
- Stepping up programme in Te Puke and Maketu that offers free technology and training
- Te Puke heritage area which has recently acknowledged the suffrage campaign
- Collaboration across the district in running successful children's programmes
- Heritage - oral history videos in Katikati where there is a good collaboration between library and museum
- eBook consortium: a Consortium of 7 regional councils to purchase and share our eContent. In the last 6 months we have welcomed 4 new councils to the team: South Waikato, Matamata-Piako, Hauraki and Waikato. This brings the number of Councils to 11. Working together means that our community get access to a larger range and number of eContent (eBooks and eAudio books) all up about 30,000 items.

Construction of the special housing area in Omokoroa, known as Kaimai Views commenced with the first new house owners allowed access in July 2018. Council is currently working with SmartGrowth to develop the housing affordability forum pilot, which will facilitate more intensive housing than the special housing area.

Western Bay of Plenty/Tauranga are one of five sites participating in a two year pilot programme for Welcoming Communities. The programme aims to encourage and support local councils and their communities to take a greater leadership role in welcoming newcomers to the District. A stocktake has been completed of both Council's activities and a Welcoming Plan has been developed. The programme has received wide attention and a very high level of buy in from everyone involved.

The community team continued to work with the various communities on a number of initiatives. This includes:

- Community matching fund - \$100k made available to community groups to assist in the development of our communities
- Safer communities - the adoption and implementation of a safer communities strategy for Tauranga and the Western Bay. This will contribute and enhance community safety goals and outcomes. The Tauranga Western Bay of Plenty safer community forum meets seven times per year and works in partnership with the emergency services
- Trustpower awards - administration of the awards process
- Service Delivery Contracts - successful delivery of various contracts to community organisations. All recipients are delivering community activities and programmes that support community development for safety, recreation and leisure outcomes. This includes surf lifesaving, Katikati Community Centre, Sports BOP
- Te Puke Co-lab which brings together all organisations providing social services in the Te Puke area to identify ways of collaborating and providing stronger sustainable community outcomes
- Tauranga Youth Development team summer programme. This programme provided recreation and leisure development activities for young people over summer in our communities.

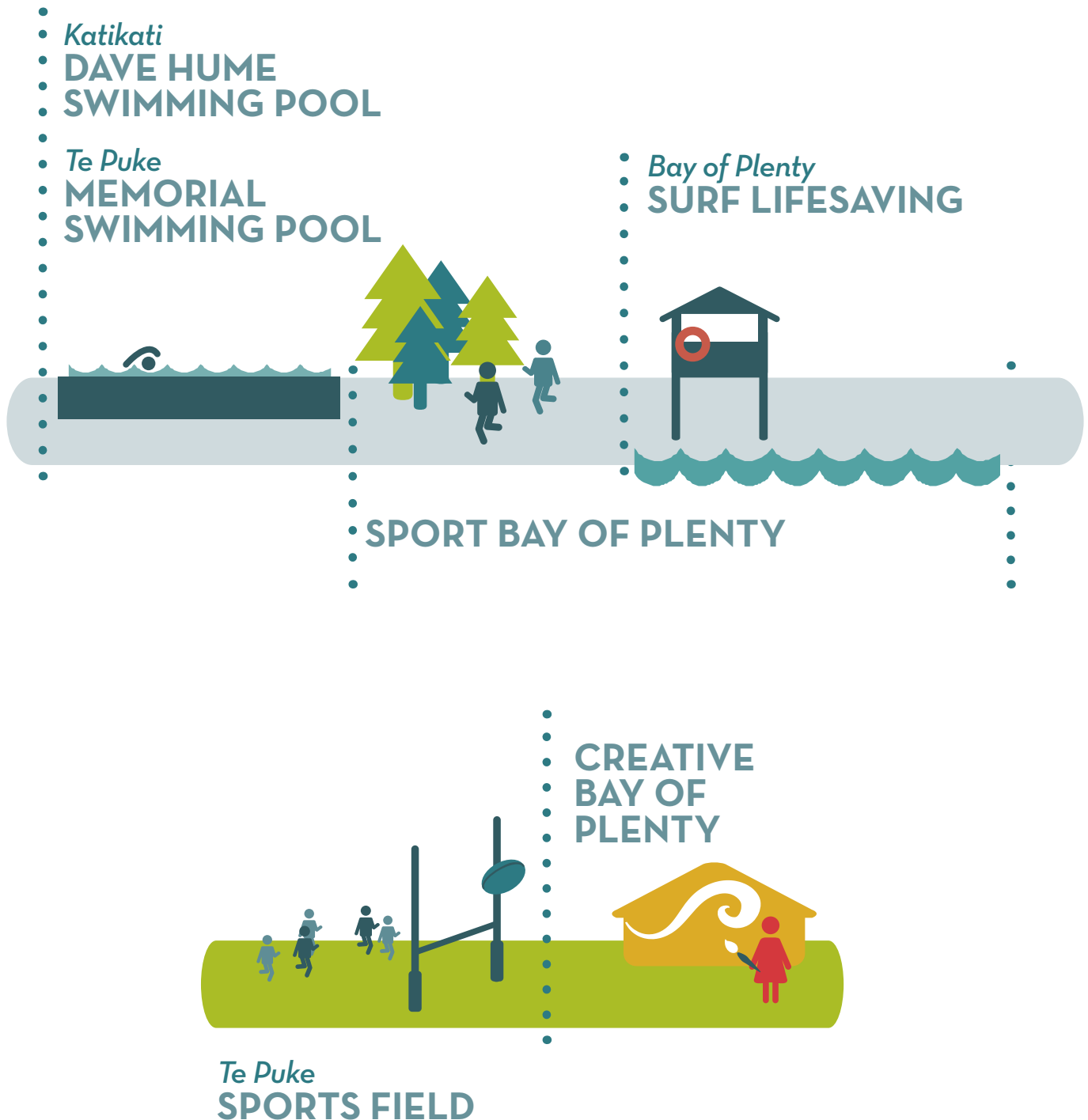


WHAT WE PROVIDE - COMMUNITY BUILDING

SERVICE DELIVERY CONTRACTS

OVERVIEW

Working with our communities and local organisations we achieve healthy, safe, vibrant and diverse communities. Our Community Development Team is fundamental to achieving this outcome.



WHAT WE PROVIDE - LIBRARIES AND SERVICE CENTRE

OVERVIEW

Our libraries fulfil an important community function across the District by informing and encouraging people to meet and socialise. Libraries have been described as well-insulated public squares or 'community anchors' demonstrating their value as important community assets. Libraries can contribute to a sense of belonging by collecting and displaying the history of an area.

WHAT WE PROVIDE



ONE
HEAD OFFICE
with service centre



FOUR
LIBRARIES
and service centres



105,857 ITEMS HELD
IN THE
FOUR LIBRARIES



INFORMATION AND ASSISTANCE TO
10,007

INTERNATIONAL AND LOCAL VISITORS
*from 1 July 2017 - 30 June 2018 at our visitor
centres Katikati and Te Puke*

Funding to support



KATIKATI COMMUNITY CENTRE
AND TAURANGA CITIZENS' ADVICE
BUREAU

SCHOOL HOLIDAY EVENTS, WEEKLY
PROGRAMMES, INTERACTIVE
SCHOOL PROGRAMMES

281,514

PEOPLE VISITED WESTERN BAY
COUNCIL'S LIBRARIES AND SERVICE
CENTRES

from 1 July 2017 - 30 June 2018

63,904

SESSIONS OF FREE WIFI
during 1 July 2017 - 30 June 2018



253,192

LIBRARY ITEMS ISSUED
during 1 July 2017 - 30 June 2018



9,106

PEOPLE ATTENDED

545 EVENTS

*from 1 July 2017 - 30 June 2018
at our school holiday, weekly
programmes, interactive school
programmes*



**FREE
WIFI**



**LOCAL
HISTORY
ARCHIVES**

WHAT WE PROVIDE - COMMUNITY FACILITIES

OVERVIEW

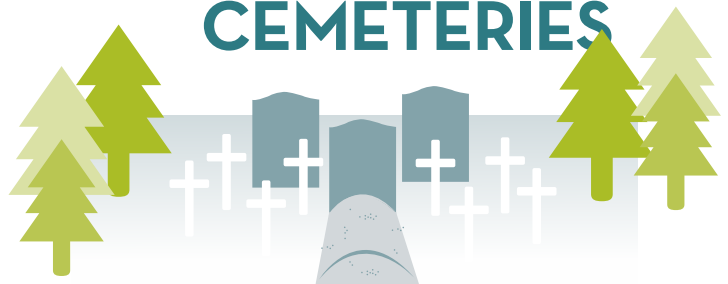
Public spaces and community facilities enable recreation, bring people together and create a sense of belonging, all of which is essential for healthy and vibrant communities. We are a key provider of indoor and outdoor community facilities, for example libraries, parks, playgrounds and halls.

HOUSING FOR OLDER PEOPLE



34 UNITS in Te Puke
17 UNITS in Katikati
19 UNITS in Waihi Beach

CEMETERIES



KATIKATI Cemetery
MAKETU Cemetery
OROPI Cemetery
TE PUKE Cemetery (and old Te Puke Cemetery where further plots are unavailable)

HELP SUPPORT COMMUNITY HALLS

KAIMAI HALL
 KATIKATI WAR MEMORIAL HALL
 OHAUITI HALL
 OMANAWA HALL
 OMOKOROA SETTLERS HALL
 OROPI HALL

PAHOIA COMMUNITY HALL
 PAENGAROA HALL
 PUKEHINA BEACH COMMUNITY CENTRE
 PYES PA HALL
 TE PUKE WAR MEMORIAL HALL
 & Settlers Lounge & Pioneer Room

TE PUNA COMMUNITY CENTRE
 TE PUNA WAR MEMORIAL HALL
 TE RANGA HALL
 WAIHI BEACH COMMUNITY CENTRE
 WHAKAMARAMA HALL

WHAT WE PROVIDE - CIVIL DEFENCE AND EMERGENCY MANAGEMENT

OVERVIEW

Global natural disasters such as the Christchurch earthquakes and tsunami in Japan, combined with the increased frequency of extreme weather events have heightened awareness among Bay of Plenty communities to the risk of tsunami, earthquakes and floods in particular. It is vital that the community and Council are prepared to respond to, effectively manage and recover in emergency situations.



RESILIENCE PLANNING



COUNCIL STAFF *trained to respond*



EMERGENCY OPERATIONS CENTRE



COMMUNICATIONS SUPPORT

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

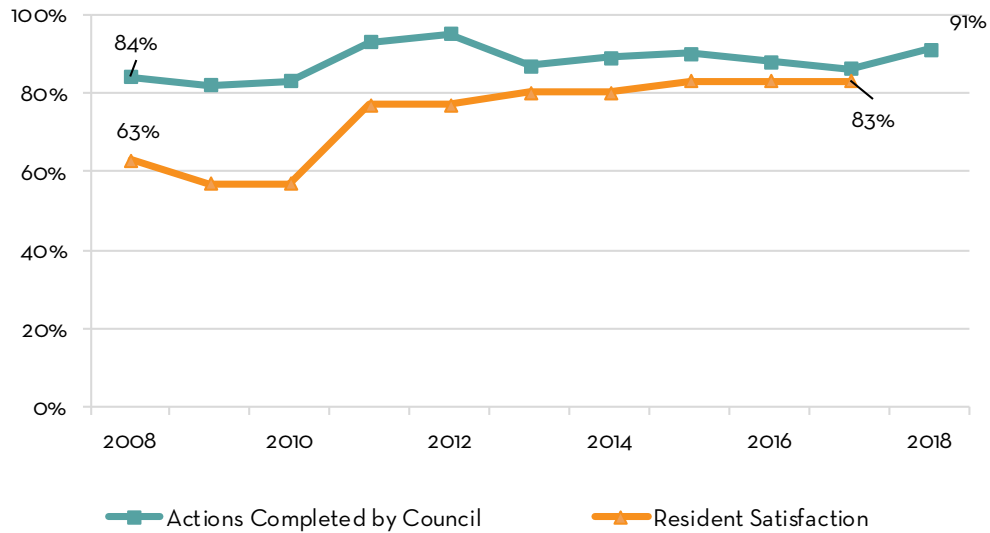


EDUCATION

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

COMMUNITIES - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage completion of the annual work programme as identified in the Community Strategy and Action Plan.	≥90%	91%	86%		✓
Key Resident Measure Level of resident satisfaction with Community Services based on two-yearly survey. This includes community development, library services and cemeteries. (Monitored by the Annual Residents' Survey, those that are 'satisfied' and 'very satisfied').	NO SURVEY	NO SURVEY	83%		-

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	
	TARGET	RESULT	RESULT		
Develop and deliver a coordinated Community Safety Programme in accordance with the Community Safety Policy					
Number of community safety initiatives supported by Council	9	9	9		✓
We will actively build capability in community organisations					
Number of capability building workshops held.	≥2	3	4		✓
We will engage with Tangata Whenua					
Number of engagement initiatives with Tangata Whenua.	≥4	15	31		✓
Number of new or reviewed iwi/hapū management plans received.	≥2	1	3	We are working with other iwi/hapū in the development of their plans, but they were not ready to submit their plans by June 2018. Iwi and hapū are also considering developing Mana Whakahono a Rohe agreements, which are new mechanisms provided under the Resource Management Act that encompass many of the elements of an iwi/hapū management plan.	✗
Library services will be maintained at Katikati, Omokoroa, Te Puke and Waihi Beach					
Number of library items available per person	≥1.95	2.0	2.19		✓
Library space (m2) available per 1,000 residents.	26M ²	20M ²	20M ²	The opening of the new Katikati Library in August 2018 will increase library space available.	✗
Number of physical visits per annum.	≥300,000	281,514	310,889	There has been a decline in visitor numbers at Te Puke and Katikati. At Omokoroa there has been a 2% increase.	✗
We will be responsive to customers requests for service					
Percentage of service requests resolved within specified timeframe.	≥95%	96%	94.8%		✓
Percentage of customers that lodged a request for service who are satisfied with action taken.	≥95%	96%	94.8%		✓
Percentage customer satisfaction with service provided by frontline staff based on two-yearly survey.	≥90%	NO SURVEY	NO SURVEY	Review of current surveys underway.	✗
We will provide cemeteries at Katikati, Maketu, Oropi and Te Puke (excludes old Te Puke cemetery as there are no further plots available for purchase)					
Number of cemeteries where plot availability is >30% of annual plot requirements or 5 plots at any one time.	4	4	4		✓
Partnerships with hall committees will be maintained					
Number of partnership agreements in place with existing hall committees. Three halls are not on Council's land so no agreement in place.	15	15	15		✓
Minimum number of notifications (per year) each hall committee will receive regarding annual budget and policy changes.	2	2	2		✓
We will provide and maintain 70 pensioner units in Katikati, Te Puke and Waihi Beach					
Percentage of service requests actioned within agreed timeframes.	≥90%	100%	94%	All available units tenanted. Units unavailable when maintenance completed between tenancies.	✓

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	
	TARGET	RESULT	RESULT		
Pensioner housing occupancy rates.	≥90%	100%	100%		✓
Percentage of pensioner housing annual inspections completed.	100%	49%	100%	Inspections completed at Te Duke. Waihi Beach and Katikati inspections were completed on 11 July 2018.	✗
Emergency Management services will be provided					
Percentage of Emergency Operations Centre (EOC) staff trained to operate the emergency operations centre.	≥75%	77%	84%		✓
Percentage of roles in the Emergency Operation Centre (EOC) that are filled.	≥75%	92%	126%		✓
Number of community initiatives to promote emergency readiness and response (i.e. emergency plans and actions identified).	8	9%	11		✓

FUTURE INITIATIVES

In recognition of the heritage collections held and in collaboration with the Katikati Museum the local history days will return in 2018/19 year. The first history day will be in Waihi Beach in August 2018. This event continue at various locations throughout the District.

We recognise there is a need for the community to connect. To facilitate this we intend to explore what the community hub might mean for the Western Bay and specifically what that might look like for Omokoroa.

The Aotearoa Peoples Network will undertake free WIFI rollout of new hardware from August 2018. We will get more devices and mobile options for our customers to gain access to the Digital World.

The development of the Special Housing Area (SHA) will continue with specific focus on intensive housing within the SHA.

In 2019 year, a review of the pensioner housing activity under section 17a of the Local Government Act 2002 will be completed. The purpose of this is to review Council's role and approach to delivering these services, with cost effectiveness being the primary driver. Any decisions resulting from the review will be implemented after this.

COST OF SERVICE STATEMENT

COMMUNITIES

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2018	2018	2017
Analysis of expenditure by activity			
Libraries, information and service centers	2,740	3,064	2,999
Community building and service contracts	1,959	1,983	1,859
Housing for older people	523	477	527
Cemeteries	153	172	142
Community halls	331	376	300
Civil defence emergency management	441	469	642
Total operating expenditure	6,145	6,540	6,468
Analysis of expenditure by class			
Direct costs	4,360	4,396	4,373
Overhead costs	1,538	1,609	1,661
Interest	(119)	(22)	(108)
Depreciation	367	557	542
Total operating expenditure	6,145	6,540	6,468
Revenue			
Targeted rates	1,929	1,876	2,066
User fees	83	75	65
Subsidies	437	473	18
Other income	594	590	754
Total revenue	3,043	3,013	2,904
Net cost of service - surplus/(deficit)	(3,103)	(3,526)	(3,564)
Capital expenditure	5,069	5,232	480
Total other funding required	(8,172)	(8,758)	(4,044)
Other funding provided by			
General rate	3,589	3,712	3,523
Debt increase/(decrease)	2,670	2,655	102
Proceeds from sale of assets	-	-	(32)
Reserves and future surpluses	1,913	2,392	451
Total other funding	8,172	8,758	4,044

MAJOR VARIANCES

The Katikati library build was the most significant project in 2018, at a cost of \$3.3m to date. The opening of the new library The Centre - Patuki Manawa is due to open in August 2018.

RECREATION AND LEISURE



RECREATION AND LEISURE

OVERVIEW

A sustainable, liveable community is one which can draw on well-planned recreational opportunities which are part of the 'live, learn, work, play' SmartGrowth philosophy. Whether it's fishing, hunting, swimming at the beach, river rafting, a concert in a park, strolling along the harbour edge, kicking a ball around, the outdoors is the place to do it.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

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

OUR GOALS

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

2017/18 HIGHLIGHTS

To plan for the future recreation and leisure needs, concept plans are developed and maintained for all our reserves to ensure optimum outcomes are achieved for the community. These plans provide a blueprint for the development of a reserve through a staged work programme over an agreed timeframe. During the year, concept plans were completed for Lynley Park subdivision reserves, Precious Reserve, Maramatanga Park, and Opureora Jetty. We also initiated the review process for the concept plan for the Omokoroa Domain and Esplanade and Wairoa River esplanade reserve.

The international Green Flag Award was awarded to the TECT All Terrain Park for the fourth year in a row. This award was judged across a set criteria which covers - horticultural standards, cleanliness, sustainability, community involvement and providing a warm welcome. Of particular recognition was the innovative planning that has been undertaken. This includes technology for monitoring gate traffic and high use areas, planning for the cell phone tower coverage and future proofing the park for sustainability.

A number of projects completed during the year was in response to the significant growth in Omokoroa. This included construction of two more tennis courts at Omokoroa Sports Ground, Western Avenue, which increases the total to four courts. The Omokoroa Tennis Club provided the specialist surface and lights.

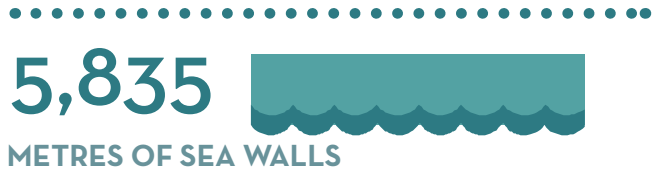
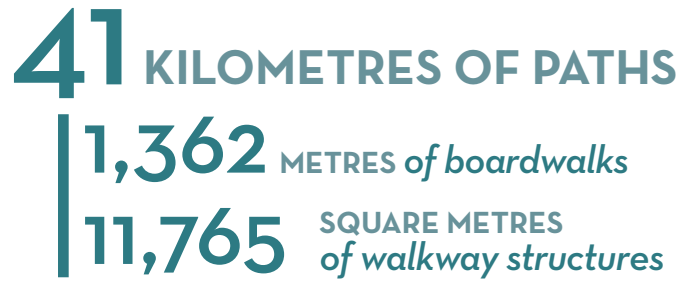
Work continued on the cycleway network for the District. The new cycleway bridge crossing the Mangawai estuary was built as part of the Omokoroa to Tauranga cycleway. This cycleway is scheduled for completion at the end of 2018. Work has also commenced on new cycleways at Katikati, Waihi Beach and Te Puke.

The Reserves Maintenance Contract has been reviewed and retendered. The new contract was awarded on 11 June 2018 for an initial three years, with two renewal periods for another three years.

Other key developments and initiatives include:

- Opureora boat ramp and Omokoroa ferry ramp - widened to provide for new ferry vessel
- Diggleman Park Toilets - completed themed Kiwi loggers hut
- Te Puke and Katikati swimming pools - enjoyed good seasons. Changing room upgrade at Katikati's Dave Hume pool was appreciated by users
- Tauranga Harbour riparian planting continues in conjunction with the Bay of Plenty Regional Council
- Fairhaven Reserve playground in Te Puke has been replaced with more modern day equipment
- Continued response to coastal erosion issues affecting Council land in accordance with Council's Coastal Erosion Policy
- Implementation of a new infrastructure asset management system (AssetFinda)
- Continued development of the cycleway network.

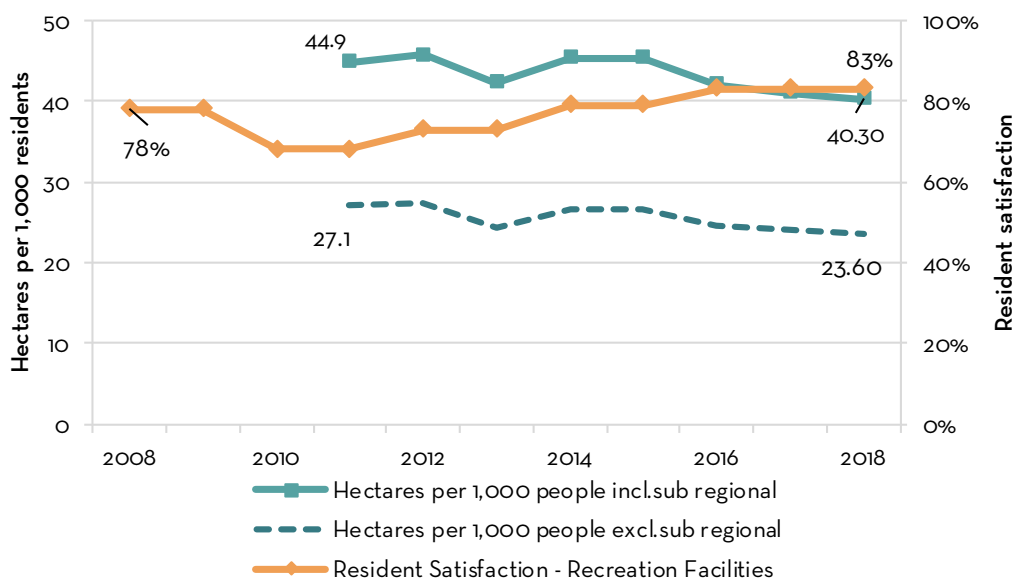
WHAT WE PROVIDE



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

RECREATION AND LEISURE - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
<p>Key Performance Measure Total hectares of park land provided for recreation or conservation purposes per 1,000 residents.</p> <ul style="list-style-type: none"> Excluding sub regional parks (TECT All Terrain Park and Huharua Harbour Park) Including Council's share of sub-regional parks. <p><i>Please note: The decreasing trend is recognising population growth in the District and that facilities will be shared by more people.</i></p>	<p>≥25.0 HA</p> <p>≥40 HA</p>	<p>23.6 HA</p> <p>40.3 HA</p>	<p>24.0</p> <p>41.1</p>	<p>No new land has been developed yet and the District's population is increasing. As a result there is a reduction of land available per 1,000 residents.</p>	<p>✗</p> <p>✓</p>
<p>Key Resident Measure Two-yearly survey of resident satisfaction with reserves and recreational facilities and amenities. Based on residents who are 'very satisfied' and 'satisfied'.</p>	<p>≥75%</p>	<p>83%</p>	<p>83%</p>	<p>The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 56%.</p>	<p>✓</p>
<p>Supporting Measures Percentage of recreational facilities that have a condition rating ≤ 3 (1 excellent, 5 very poor as defined in the NZ Park and Recreation Asset Grading Standard manual).</p>	<p>≥90%</p>	<p>93.8%</p>	<p>94.9%</p>		<p>✓</p>
<p>Percentage of annual work programme completed as identified in the Recreation and Leisure Strategy and Action Plan. This identifies the total annual actions required for this strategy.</p>	<p>≥90%</p>	<p>79%</p>	<p>86%</p>	<p>Some projects were delayed due to external parties still to complete work, reliance on external funding, and project delays.</p>	<p>✗</p>

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Percentage of reserve management plans that have been reviewed (3 yearly cycle) in accordance with the Reserve Management Act 1977.	NO REVIEW	33%	NO REVIEW	Kaimai Ward Reserve Management Plan review undertaken. No other plans were due to review.	

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
We will provide a basic range of public facilities across our District					
Number of community safety initiatives supported by Council,					
• Actively maintained parkland (excludes sports parks)	≥5	4.79	4.89	No new land has been developed yet district population is increasing. As a result there is a reduction of land available per 1,000 residents.	
• Natural land	≥20	18.32	18.71		
• Sports parks.	≥1.4	1.42	1.45		
Please note: this excludes the joint sub-regional TECT All Terrain Park and Huharua Harbour Park.					
Number of recreational facilities provided:					
• Playgrounds per 1,000 children (under 15 years old)	≥3	2.9	2.9		
• Skateparks/paths facilities	6	7	6		
• Boat ramps	18	18	18		
• All tide boat ramps.	2	2	2		
Number of Council funded swimming pools (Katikati and Te Puke).	2	2	2		
Number of toilet facilities provided.	69	69	71		
Level of reserve-user satisfaction as monitored by the two-yearly intercept surveys ('satisfied' or 'very satisfied').	≥85%	NO SURVEY	NO SURVEY	Next survey scheduled for 2018/19 year.	
Please note: the decreasing trend is recognising population growth in the District and that existing facilities will be shared by more people.					
We will provide sub-regional parks per the joint partnership with Tauranga City Council					
Achieve Green Flag accreditation for the TECT All Terrain Park on a three yearly basis.	NO APPLICATION	ACHIEVED	ACHIEVED		

FUTURE INITIATIVES

The Council's Recreation & Leisure strategy will be reviewed in the 2018/19 year. This is in response to impact of the change in legislation requiring Council to move from our current practice of financial contributions to development contributions. This strategy review will determine the future direction of this activity and identify future projects and levels of service.

As areas are developed to meet the needs of the growing population, it will provide opportunities to upgrade current facilities. At the Waitui Reserve in Te Puna, a replacement toilet will be connected to the new wastewater reticulation system.

At the TECT All Terrain Park we will continue to work with the various interest groups as they seek to develop their respective areas. We will also maintain our support for the establishment of a cell phone tower at the park which is part of the rural broadband initiative.

There are a number of projects planned to maintain and extend our recreation and leisure facilities to meet the needs of our growing population. This includes:

- Moore Park - extension to provide additional 1.8ha of sportsgrounds
- Replacement of Opureora Jetty
- Completion of localised cycleway/walkway networks at Waihi Beach, Katikati and Te Puke
- Completion of the Katikati/Waihi Beach ward reserve management plan
- Work with Paengaroa Community Association on the preparation of a concept plan for Conway Road reserve
- Work with BOP Rowing in the establishment of a pontoon and access to the Wairoa River to facilitate access to the river
- New playground planned for Omokoroa Sports ground
- Omokoroa Reserves development (various recreation facilities projects from priorities identified through the concept plan process)
- Completion of the Omokoroa to Tauranga cycleway
- New toilet facilities at the Waihi Beach water catchment reserve (Waihi Beach Dam)
- Katikati cemetery capacity improvements
- Paengaroa Domain Playground renewal/upgrade.



TECT All Terrain Park - Pyes Pa, Tauranga

COST OF SERVICE STATEMENT

RECREATION AND LEISURE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
District reserves	4,473	4,241	4,362
Motor camps	77	73	64
Swimming pools	318	321	368
Harbour structures	1,048	845	865
Sub-regional parks	871	840	850
Total operating expenditure	6,788	6,320	6,509
Analysis of expenditure by class			
Direct costs	4,588	3,714	4,068
Overhead costs	941	921	864
Interest	(267)	33	(101)
Revaluation movement	-	-	25
Depreciation	1,525	1,651	1,652
Total operating expenditure	6,788	6,320	6,509
Revenue			
User fees	25	26	15
Financial contributions	2,313	1,583	2,302
Subsidies	104	10	72
Vested assets	166	-	-
Forestry revaluation	-	-	911
Other income	1,006	693	1,008
Total revenue	3,615	2,312	4,308
Net cost of service - surplus/(deficit)	(3,175)	(4,008)	(2,201)
Capital expenditure	1,551	3,061	1,550
Vested assets	166	-	-
Total other funding required	(4,890)	(7,069)	(3,751)
Other funding provided by			
General rate	5,423	4,993	5,044
Debt increase/(decrease)	(12)	589	(11)
Reserves and future surpluses	(522)	1,486	(1,283)
Total other funding	4,890	7,069	3,751

MAJOR VARIANCES

Other income was \$17.2m higher than prior year. This was predominantly due to asset revaluation in the year.

REGULATORY SERVICES



REGULATORY SERVICES

OVERVIEW

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

Our decisions on these activities are influenced by:

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

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

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

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

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Regulatory services support community well-being.

OUR GOALS

- Animal control services - provide a safe environment for the public taking into account the needs of animal owners
- Building services - building work is regulated to ensure the health and safety of people and sustainability in design and construction methods
- Resource consent services - the quality of the environment enjoyed by residents and visitors is maintained and enhanced
- Community protection - protect and preserve the environment and public health and safety by minimising risks from nuisance and offensive behaviour.

2017/18 HIGHLIGHTS

Animal Services

We had another successful Wander Dogs walk series that provides a great opportunity for the animal services team to engage with dog owners. These walks are held from October to March and during that time four walks were held, with three cancelled due to bad weather. Unfortunately, this years Doggies Day Out was also cancelled due to bad weather.

As a result of growth in the District there has been a subsequent a 4% increase in number of dogs registered. In spite of this, 98% of all known dogs in the District are registered.

Building Services

In February 2018 Council maintained their IANZ accreditation for another two years. This is an independent validation of our building processes and enables us to keep operating as a building consent authority.

In preparation for this accreditation all our building policies and procedures were reviewed, electronically documented and transferred in to Promap using the GoShift Quality Management System. The Council were the first to adopt and implement the GoShift QMS and were able to demonstrate that it was fit for purpose.

Our electronic building consent portal went live in October 2017. This enables building consent applications to be received and processed electronically. Overall, the customer feedback on this initiative has been favourable.

The volume of applications received is consistent with last year with a total of 1294 (2017: 1393) received with the value of building works \$258.7 million. In processing these consent applications 97% were processed within the statutory timeframes.

Building consent staff are in high demand nationwide. As a proactive measure Council has developed a cadet scheme to train building control officers with a view to ensure future resourcing capacity.

Compliance & Monitoring

We have completed year two of transition requirements under the Food Act 2014. At year-end 98% of businesses required to transition to the new requirements have done so. Council has received approval from Ministry of Primary Industries as a Food Act Verification Agency for national programme premises. This means that we can verify and inspect food business that are low risk premises, this is significant as it ensures that we can support the large number of horticultural based businesses in our area.

To optimise the time our inspectors spend in the field we have introduced electronic tools for inspectors to use. This means that they can spend more time in the field, and reduces the level of administration tasks required. As a result, the level of customer service for bookings and frequency of inspections has been enhanced.

We continued the monitoring of resource consents, and compliance with Councils District Plan with one infringement notice issued and 12 abatement notices issued, for five individual sites. Overall, there was a 32% increase in district plan compliance complaints received and responded to by Council.

Resource Consents

The number of resource consent applications received is consistent with the previous year. Total received were 549 (2017 =578). In the second half of the year, there has been a decline in the number of subdivision applications lodged. Overall 84.5% of applications were processed within the statutory timeframe of 20 days.

A comprehensive review of our resource consents processes has commenced with a view to identifying efficiencies and moving to an electronic processing platform.

In response to the growth within the District and the need to connect with the development community a regular newsletter is published to provide information on Council's policy, updates on any statutory changes in regard to both resource and building consents. This has been received favourably.



WHAT WE PROVIDE



RESOURCE CONSENT AND MONITORING

BUILDING INSPECTIONS



BUILDING CONSENT PROCESSING



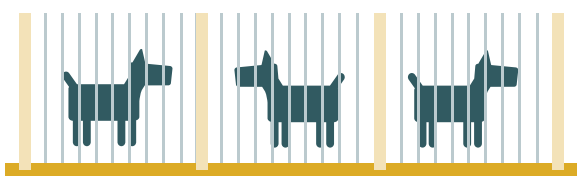
PARKING WARDENS

MOBILITY CAR PARKS



FOOD PREMISES INSPECTION LICENSING - FOOD AND LIQUOR

NOISE CONTROL



DOG POUNDS

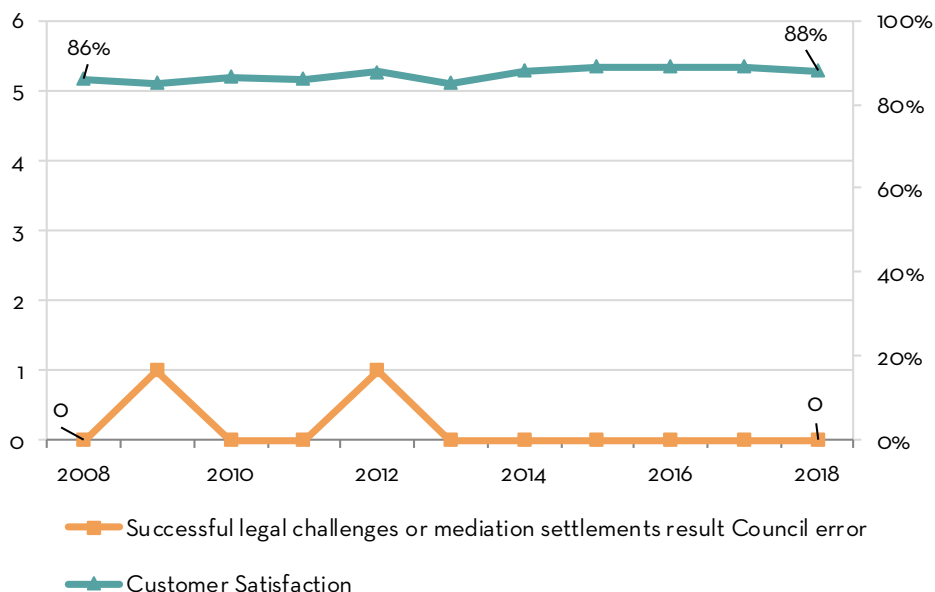
ANIMAL CONTROL OFFICERS



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES











REGULATORY SERVICES - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Number of successful legal challenges or mediation settlements made as a result of Council staff error (excludes weathertightness claims).	0	0	0		✓
Key Resident Measure Percentage level of customer satisfaction based on customer survey of regulatory services. (This survey includes resource consents, building and animal control services, liquor licencing and registered premises).	≥85%	88%	0		✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Resource consent applications will be processed within the statutory timeframe and their compliance monitored					
Percentage of all resource consent applications processed within statutory timeframes.	100%	82.3%	94.2%	Statutory timeframes not achieved. Resourcing constraints have been identified as a key driver.	
Percentage resource consents monitoring schedule completed to ensure compliance with consent conditions	100%	94%	94%	599 consents required monitoring. Of these 562 were monitored within the month.	
Number of successful resource consent appeals.	0	0	1		
Building and health applications and plan checking will be processed within statutory timeframes					
Percentage of building and health applications and plan checking processed within the statutory timeframes	100%	97%	99%	There were 1293 building consents approved in the last year and 1248 (97%) were within the statutory timeframe of 20 working days.	
Land Information Memoranda (LIM) and Project Information Memoranda (PIM) will be processed within the statutory timeframe (10 days)					
Percentage of LIM and PIM applications processed within the statutory timeframe (10 days).	100%	99.8%	99.8%	Three PIM were not actioned within the statutory time limit.	
Known dogs in our District are registered					
Percentage of known dogs in our District that are registered.	≥98%	98.9%	98%		
We will respond to customer service requests in a timely manner					
Percentage of service requests received that are actioned within specified timeframe.					
• Animal	≥90%	98%	98%	Timeliness of Health requests was impacted by resourcing. This has now been addressed.	
• Building	≥90%	91%	80%		
• Health	≥90%	86%	92%		
• Resource consent compliance and enforcement.	≥90%	96%	97%		

FUTURE INITIATIVES

We will continue our focus on system improvements and process efficiencies. This will include the automation of resource consent processing, and electronic processing of parking infringements.

It is anticipated that the design for the new Animal Shelter will be finalised and the shelter built in the 2018/19 year. This is a significant upgrade and will ensure that we meet animal welfare standards.

The building area will commence the special consultation process required for earthquake prone buildings in the 2018/19 year.

COST OF SERVICE STATEMENT

REGULATORY

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
District Plan implementation	1,757	1,652	1,621
Building and health	4,317	4,006	4,019
Animal control	949	824	701
Compliance and monitoring	1,025	968	944
Total operating expenditure	8,048	7,449	7,285
Analysis of expenditure by class			
Direct costs	5,422	4,883	4,820
Overhead costs	2,578	2,532	2,412
Interest	(23)	(19)	(10)
Depreciation	71	52	64
Total operating expenditure	8,048	7,449	7,285
Revenue			
User fees	5,404	5,234	5,548
Other income	94	72	93
Total revenue	5,499	5,306	5,641
Net cost of service - surplus/(deficit)	(2,550)	(2,143)	(1,645)
Capital expenditure	-	-	-
Total other funding required	(2,550)	(2,143)	(1,645)
Other funding provided by			
General rate	2,529	1,914	1,911
Reserves and future surpluses	21	229	(266)
Total other funding	2,550	2,143	1,645

MAJOR VARIANCES

Direct costs were \$602k higher than the previous year due to additional dog pound operational costs and staff costs across the regulatory activity.

TRANSPORTATION



TRANSPORTATION

OVERVIEW

Provision of a safe and effective transportation network contributes to the health and well-being of the community. An efficient transport network enables economic development that is of district, regional and national importance. The network provides strategic transport links to the major Port of Tauranga that has the largest maritime import/export freight volumes in New Zealand.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

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

OUR GOALS

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

2017/18 HIGHLIGHTS

During the year we contributed to the development of the three year Land Transport Plan. This plan was adopted by the Regional Transport Committee in June 2018. The Bay of Plenty Regional Council submitted the final Regional Land Transport Plan to the New Zealand Transport Agency (NZTA) on 30 June 2018. The plan identifies the region's roading priorities. They are:

1. State Highway Two Northern Link.
2. The Omokoroa Interchange.
3. Safety treatment measures for the State Highway Northern Link highway between Waihi and Tauranga.
4. The Tauriko Interchange.
5. The Katikati Bypass.

NZTA is scheduled to release its National Land Transport programme at the end of August 2018.

A public transport operating model was also completed. This model is a result of a review and rationalisation of public transport services within the Bay of Plenty.

The revocation works associated with the Te Puke Highway were completed along with the Te Puke town centre works. We continued to work with the Te Puke community to address their concerns regarding the new layout. A review of the town centre upgrade is planned for 2019.

2018 is the second year of the two year project for the Omokoroa Road upgrade and is scheduled for completion in December 2018. The upgrade increases the capacity of the road which includes safety improvements (e.g. sight lines, road width and new intersections).

The two-year programme to increase the level of service for footpaths was completed. This improved standard for footpaths and has reduced the footpath trip hazards as a result of deformed footpath surfaces.

A number of significant storm events and cyclones during the year caused flooding, slips and fallen trees that required an emergency response. We ensured the necessary work was completed to maintain access for road users.

We continued to work through our agreed work programme for the year. Works included:

- Seal extension programme where we achieved 10.3km of seal extensions. Sites included are Junction Road, Taumata Road, Billing Road, Matakana Road, Waerenga Road, Wright Road and Waipa Road
- Reseal programme that resulted in \$14.2km of reseals
- Applying for and receiving \$14.2m co-investment funding
- Achieving 85% subsidy for LED lighting to be implemented over the next two years
- Jess Road replacement bridge.

WHAT WE PROVIDE

1,056 KILOMETRES

of network with connections to state highways



Urban roads:

157.8 KILOMETRES

Rural roads:

898.2 KILOMETRES

Sealed roads:

874.5 KILOMETRES

Un-sealed roads:

181.50 KILOMETRES

141
BRIDGES

39
CULVERTS
greater than 1.4m diameter

159.7 KILOMETRES
HARD SURFACED FOOTPATHS

1.4 KILOMETRES
METALLED SURFACED FOOTPATHS

2,280
STREETLIGHTS

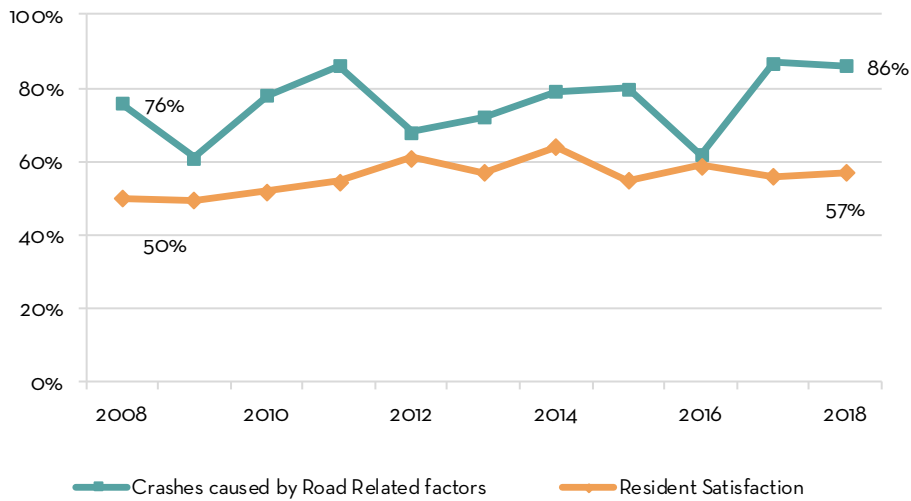
6,127
ROAD SIGNS



SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

TRANSPORTATION - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure The percentage of crashes caused by road-related factors compared to Council's peer group. (Small-medium councils as grouped by the New Zealand Transport Agency). Note: (A lower percentage is a favourable result for us).	≤90%	86%	87%		✓
Key Resident Measure Facilities and services provide social benefits to the whole community. The level of satisfaction with our Transportation activities (roading, cycling and walkways) as monitored by the Annual Residents' Survey, the percentage of residents who are 'very satisfied' and 'satisfied'.	≥60%	57%	56%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 54%. Key reasons for dissatisfaction were related to the road works, potholes, and cycleway / footpath safety.	●
Supporting Measure The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	0	(2)	(6)	In the year ending June 2018 there were 20 fatal and serious crashes in our area, compared to 22 the previous year.	✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
We will respond to customers transport related issues					
The percentage of customer service requests relating to roads and footpaths to which Council responds within 10 days.	≥90%	68%	85%	A total of 3,135 service requests were received and 2,128 were actioned within 10 days.	
Level of customer satisfaction with action taken to resolve service requests.	≥90%	89.3%	90%	The target within the 10 year maintenance contract is 85%. As a result the contractor has achieved their target. The discrepancy between the Council Long Term Plan targets and the One Network Maintenance Contract have been resolved in the 2018 Long Term Plan.	
The network and its facilities are up to date, in good condition and fit for purpose					
The average quality ride on a sealed local road network, measured by smooth travel exposure.	96%	94%	95%	A general downward trend has been predicted and accepted as a strategic direction for Council i.e. to reduce rehabilitation quantities that directly affect smoothness.	
There are a number of potential defects that develop within the pavement structure and its surface. This condition index is a weighted measure of the fault types.					
• Sealed Roads	0.3	0.2	0.2	115.3 lane km of resurfacing was completed. This years resurfacing follows a large year last year when 17.9% was resurfaced. Annual variance occur and are not unexpected.	
•Unsealed roads	3.0	2.2	2.3		
Please note: (0 = defect free; 5 = unsatisfactory).					
The percentage of the sealed local road network that is resurfaced.	≥7%	7.02%	17.9%		
Adverse environmental effects, such as dust, noise and vibration are managed effectively					
Length of unsealed roads (km).	182KM	182 KM	182.5KM		
Number of successful prosecutions for non-compliance with Resource Management Consents and Heritage New Zealand Pouhere Taonga Act 2014 by the Bay of Plenty Regional Council or Heritage New Zealand.	0	0	0		
The road network is convenient, offers choices for travel and is available to the whole community					
The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths as identified in the transportation asset management plan.	100%	99.8%	100%		
Total length of cycleways and walkways	177,000M	168,508	168,103	Cycleways are not recognised until completion of the full route. Development will continue on cycleways throughout the District. The Omokoroa-Tauranga cycleway will be completed in 2018/19 year.	

FUTURE INITIATIVES

The new government is reassessing the planned works for all state highways. We will continue to advocate with NZTA for the SH2, 29, 33 and 36 upgrades.

We will continue to collaborate with the various agencies and stakeholders in response to growth in the sub-region. This includes the Omokoroa Structure Plan – stage three, which will

consider the development of roading and land use plans. The development of this plan will require a multi agency and multi discipline approach.

Ongoing support will be provided to the various communities in regard to the prioritisation of roading improvement works for each community.

COST OF SERVICE STATEMENT

TRANSPORTATION

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Transportation	19,853	20,794	19,862
Total operating expenditure	19,853	20,794	19,862
Analysis of expenditure by class			
Direct costs	9,624	9,419	9,391
Overhead costs	1,210	1,202	1,069
Interest	851	1,295	1,020
Depreciation	8,167	8,877	8,381
Total operating expenditure	19,853	20,794	19,862
Revenue			
Targeted rates	-	-	44
User fees	17	10	43
Subsidies	14,265	9,758	10,087
Roading rate	13,874	13,704	13,963
Financial contributions	2,659	2,216	3,396
Vested assets	2,947	1,400	1,970
Other income	3,655	261	343
Total revenue	37,417	27,350	29,846
Net cost of service - surplus/(deficit)	17,564	6,556	9,985
Capital expenditure	16,718	15,698	13,970
Vested assets	2,947	1,400	1,970
Total other funding required	(2,100)	(10,542)	(5,956)
Other funding provided by			
General rate	52	52	51
Debt increase (decrease)	(117)	(117)	(265)
Reserves and future surpluses	2,166	10,607	6,170
Total other funding	2,100	10,542	5,956

MAJOR VARIANCES

Continued growth, additional road safety, and the developments of Council's walking and cycling strategy means additional capital expenditure, offset by additional external funding.

WATER SUPPLY



WATER SUPPLY

OVERVIEW

We supply potable (drinking) water to approximately 37,000 people in our District through the water infrastructure operating in the Western, Central and Eastern supply zones. We have a varied customer base including residential, commercial, horticultural and agricultural users.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

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

OUR GOALS

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

2017/18 HIGHLIGHTS

The six-year project to install water meters throughout the District has just been completed. The final section, being western supply zone, was completed. The aim of this significant project is to enable better monitoring of supply, reduce water losses and facilitate conscientious water use. Completion of the entire project was on time and within the allocated budget.

Concerning the Pongakawa water supply. A second bore for Pongakawa has been trialled over an eight month period and has revealed that the quality of the raw water would require a significant (\$6m) upgrade to the treatment plant. A decision to put this project on hold while alternative options are considered over the next 12 months.

We are continuing to improve the water network service delivery by embarking on an upgrade of the SCADA telemetry system. This upgrade will be done over a two-year period and will identify communication improvements, which are required by the NZ Drinking Water Standards.

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

- Replacement of No 3 Road booster pump
- Installation of small reservoirs at various locations
- Water mains replacements
- A new trunk main in Youngson Road and under SH2 to connect to the new trunk main in Omokoroa Road.
- Safeguarding water supply with fencing in response to water issues experienced in Havelock North
- Purchase of compliance monitoring software.

WHAT WE PROVIDE



Water reticulation operated in three supply zones:



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

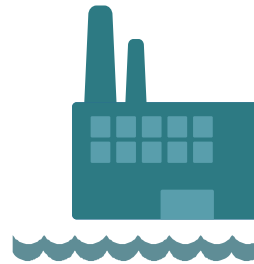


DISTRICT-WIDE WATER METERING
to be completed 2018

24 BOOSTER PUMP STATIONS

9 BORE FIELDS

10 WATER TREATMENT PLANTS



1 SURFACE SUPPLY
(Bush Dam)



24 RESERVOIRS & TANK SITES



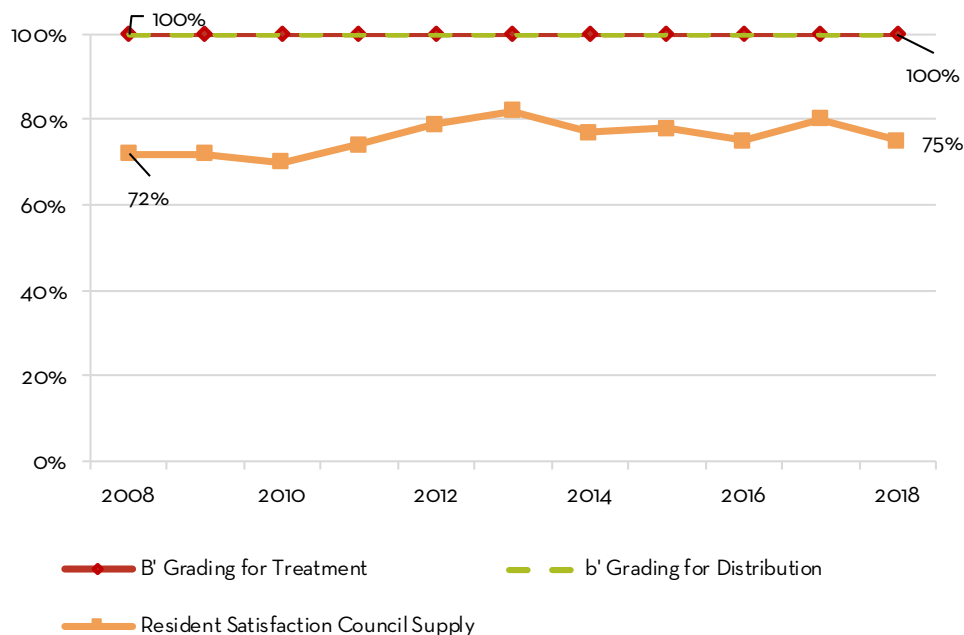
15,200 out of **15,900**

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

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

WATER SUPPLY - TRENDS




HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure For the three supply zones the percentage of Council's treated water supply with a Ministry of Health grading as per the New Zealand Drinking Water Standards 2005 (amended 2008).					
B or better for treatment	100%	100%	100%		✓
b or better for reticulation	100%	100%	100%		✓
Key Resident Measure Level of resident satisfaction with the quality of Council's water supply as monitored by the Annual Residents' Survey, percentage of residents who are 'very satisfied' and 'satisfied'.	≥80%	75%	80%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 74%. Key reasons for dissatisfaction were attributed to colour and the use of chemicals.	✗
Supporting Measure In a one-in-50-year drought event the ability to supply water to meet the normal daily water demand (1,100 litres per person per day).	100%	100%	100%		✓
Ability of reservoirs to provide a minimum of 24 hour average daily demand.	100%	100%	100%		✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED																	
	TARGET	RESULT	RESULT																			
We will provide good quality water to service growth within the three supply zones																						
Percentage of year where reservoirs are maintained at a minimum of 50% full, in accordance with Ministry of Health requirements.	100%	100%	100%		✓																	
We will monitor sustainable delivery and effectively manage the risks associated with the quality and quantity of the public water supply																						
The extent to which Council's drinking water supply complies with: <ul style="list-style-type: none"> • Part 4 of the drinking-water standards (bacterial compliance criteria), and • Part 5 of the drinking-water standards (protozoal compliance criteria). 	≥99%	100%	100%	Compliance with drinking water standardS.	✓																	
				<table border="1"> <thead> <tr> <th>Distribution Zone</th> <th>Part A</th> <th>Part B</th> </tr> </thead> <tbody> <tr> <td>Athenree</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Katikati</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Omokoroa Minden</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Pongakawa</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Te Puke</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Te Puke Bush</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table>		Distribution Zone	Part A	Part B	Athenree	Yes	Yes	Katikati	Yes	Yes	Omokoroa Minden	Yes	Yes	Pongakawa	Yes	Yes	Te Puke	Yes
Distribution Zone	Part A	Part B																				
Athenree	Yes	Yes																				
Katikati	Yes	Yes																				
Omokoroa Minden	Yes	Yes																				
Pongakawa	Yes	Yes																				
Te Puke	Yes	Yes																				
Te Puke Bush	Yes	Yes																				
The percentage of real water loss from Council's networked reticulation system. (this will be monitored through the water metering for the central supply area. Until water metering is completed in the eastern and western supply areas water loss will be based on a pre-defined calculation.)	≤25%	22%	21% CENTRAL ZONE 23% EASTERN AND WESTERN ZONES	This is currently monitored through the central supply zone until district wide water metering is completed in 2018.	✓																	
The average consumption of drinking water per day per resident.	≤250 LITRES	220 LITRES	240 LITRES		✓																	
Respond to customer issues with the water supply																						
The median response time for Council to respond to a fault or unplanned interruption to the networked reticulation system.				The times shown for 'attendance' and 'resolution' are reported by the service provider as part of their contracted responsibilities. This includes travel time. The accuracy of these times has not been and cannot be independently verified.																		
Attendance for call-outs: from the time notification is received to the time service personnel reach the site																						
• Urgent call outs	≤2 HOURS	41 MIN	30 MINUTES		✓																	
• Non urgent call outs	≤8 HOURS	7 HRS 48 MIN	4.9 HOURS		✓																	
Resolution of call-outs: from the time notification is received to the time service personnel confirm resolution of the fault or interruption.																						
• Urgent call outs	≤8 HOURS	3HR 46MIN	2.7 HOURS		✓																	
• Non urgent call outs	≤24 HOURS	25HR 22MIN	24.5 HOURS		○																	

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
<p>Total number of complaints received by Council about drinking water:</p> <ul style="list-style-type: none"> • Clarity • Taste • Odour • Pressure or flow • Continuity of supply and <p>Council's response to any of these issues expressed per 1000 connections to the networked reticulation system.</p>	≤40	27.5	19.03		

FUTURE INITIATIVES

Currently there is only one source of water supply servicing the Omokoroa community. With the current level of growth, demand for water will increase. Research to identify another source of water supply for this community is currently underway with additional production bore online within a two year period.

We will maintain a watching brief over central government decisions pertaining to water supply. In anticipation the Council's Long Term Plan, adopted in June 2018, \$5m was allocated to enable us to respond to these decisions. This will include what level of compliance and monitoring they wish to lift the water supply to, whether any additional treatment is required and fluoridation if mandated by the District Health Board.

Overall, we will continue to ensure infrastructure is adequately maintained and/or updated to ensure continuity of water supply to the District.

COST OF SERVICE STATEMENT

WATER SUPPLY (DISTRICT-WIDE)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Western water supply	3,753	3,805	3,513
Central water supply	2,976	2,935	2,853
Eastern water supply	4,403	4,418	4,169
Total operating expenditure	11,131	11,158	10,535
Analysis of expenditure by class			
Direct costs	4,713	4,928	4,847
Overhead costs	1,525	1,566	1,447
Interest	1,498	1,606	1,499
Depreciation	3,396	3,059	2,742
Total operating expenditure	11,131	11,158	10,535
Revenue			
Targeted rates	6,445	6,642	6,401
User fees	4,134	3,950	3,815
Financial contributions	1,534	1,339	1,726
Vested assets	1,339	200	280
Forestry revaluation	-	-	113
Other income	11	-	-
Total revenue	13,462	12,130	12,336
Net cost of service - surplus/(deficit)	2,331	972	1,801
Capital expenditure	5,492	5,459	4,982
Vested assets	1,339	200	280
Total other funding required	(4,500)	(4,687)	(3,462)
Other funding provided by			
Debt increase (decrease)	(859)	300	(54)
Reserves and future surpluses	5,358	4,387	3,516
Total other funding	4,500	4,687	3,462

MAJOR VARIANCES

- Continued growth and development along with implementing District-wide metering has resulted in higher revenues.
- Higher capital expenditure compared to prior year for reticulation improvements and installing water meters.

COST OF SERVICE STATEMENT

WATER SUPPLY (WESTERN WATER)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Western water supply	3,753	3,805	3,513
Total operating expenditure	3,753	3,805	3,513
Analysis of expenditure by class			
Direct costs	1,686	1,791	1,699
Overhead costs	517	530	489
Interest	305	352	322
Depreciation	1,245	1,132	1,002
Total operating expenditure	3,753	3,805	3,513
Revenue			
Targeted rates	2,939	3,208	3,079
User fees	1,280	1,307	1,068
Financial contributions	543	405	442
Vested assets	286	100	7
Forestry revaluation	-	-	113
Total revenue	5,048	5,020	4,708
Net cost of service - surplus/(deficit)	1,295	1,215	1,195
Capital expenditure	1,632	2,109	2,296
Vested assets	286	100	7
Total other funding required	(623)	(994)	(1,108)
Other funding provided by			
Debt increase (decrease)	(301)	(301)	(284)
Reserves and future surpluses	924	1,295	1,392
Total other funding	623	994	1,108

COST OF SERVICE STATEMENT

WATER SUPPLY (CENTRAL WATER)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Central water supply	2,976	2,935	2,853
Total operating expenditure	2,976	2,935	2,853
Analysis of expenditure by class			
Direct costs	1,270	1,323	1,362
Overhead costs	481	495	459
Interest	409	398	379
Depreciation	816	719	653
Total operating expenditure	2,976	2,935	2,853
Revenue			
Targeted rates	1,372	1,311	1,255
User fees	1,122	999	1,120
Financial contributions	617	532	827
Vested assets	905	50	205
Forestry revaluation	-	-	-
Other income	6	-	-
Total revenue	4,022	2,892	3,407
Net cost of service - surplus/(deficit)	1,046	(43)	554
Capital expenditure	2,075	2,194	1,249
Vested assets	905	50	205
Total other funding required	(1,934)	(2,287)	(900)
Other funding provided by			
Debt increase (decrease)	(198)	895	500
Reserves and future surpluses	2,132	1,392	400
Total other funding	1,934	2,287	900

COST OF SERVICE STATEMENT

WATER SUPPLY (EASTERN WATER)

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Eastern water supply	4,403	4,418	4,169
Total operating expenditure	4,403	4,418	4,169
Analysis of expenditure by class			
Direct costs	1,757	1,814	1,785
Overhead costs	526	540	499
Interest	783	857	798
Depreciation	1,336	1,207	1,087
Total operating expenditure	4,403	4,418	4,169
Revenue			
Targeted rates	2,134	2,123	2,067
User fees	1,732	1,643	1,628
Financial contributions	374	402	457
Vested assets	148	50	68
Forestry revaluations	-	-	-
Other income	4	-	-
Total revenue	4,393	4,219	4,220
Net cost of service - surplus/(deficit)	(10)	(200)	51
Capital expenditure	1,786	1,456	1,437
Vested assets	148	50	68
Total other funding required	(1,943)	(1,706)	(1,453)
Other funding provided by			
Debt increase (decrease)	(359)	(294)	(270)
Reserves and future surpluses	2,303	2,000	1,724
Total other funding	1,943	1,706	1,453

STORMWATER



STORMWATER

OVERVIEW

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

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

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Stormwater approaches are innovative, affordable and sustainable and lead to a reduction in flooding events. (Flooding events are defined as an overflow of stormwater from a stormwater system that enters a habitable floor).

OUR GOALS

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

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

2017/18 HIGHLIGHTS

This year we continued to progress the comprehensive resource consents for all three areas. The status of each consent is as follows:

- Western catchment – this is going to the Environment Court due to one objector. We are waiting notification from the BOP Regional Council (BOPRC) about timing
- Central catchment – consultation has been completed and our application has been submitted to BOPRC. We await their decision
- Eastern catchment – as BOPRC perceived that consultation had not been completed the management plan was rewritten. This will be submitted to BOPRC in August 2018.

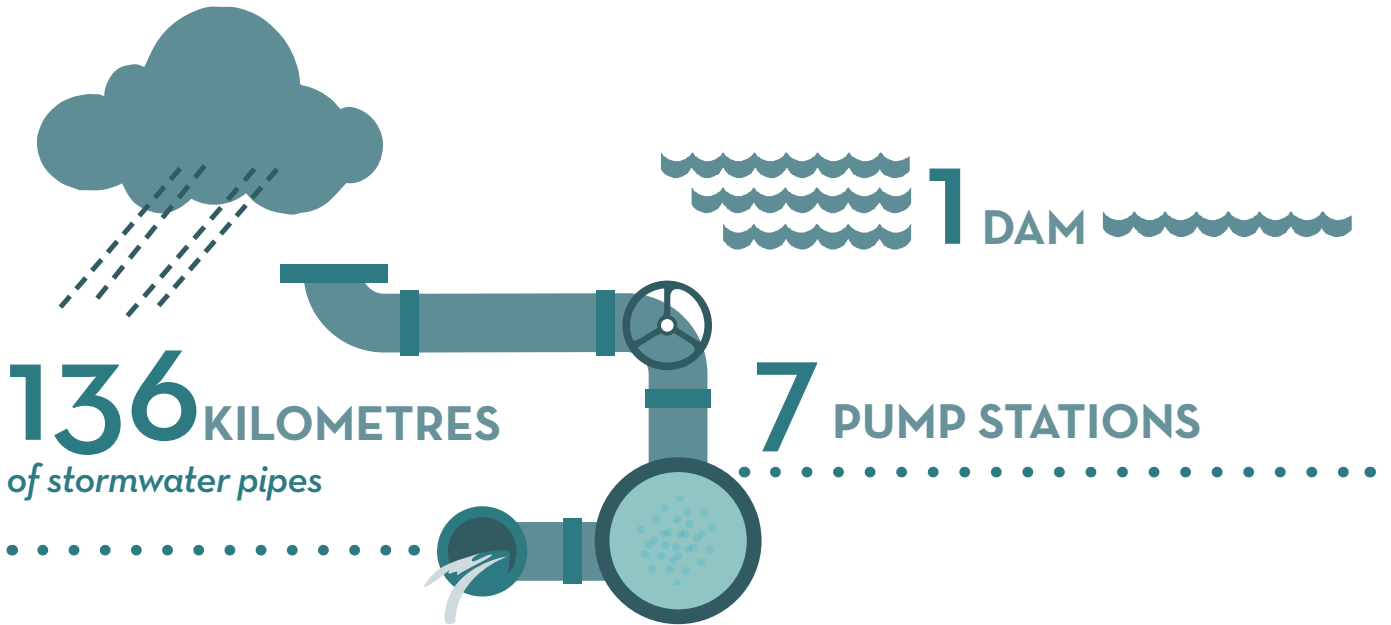
There were a number of significant rain events during the year with a small number of properties flooding above floor level. On notification of weather warnings our contractors complete a number of checks throughout the district to ensure drains are cleared and flooding risks are minimised. In spite of this, these events have resulted in numerous queries from residents. They are mostly from new property owners that have purchased properties in floodzones.

Significant work on flood hazard zones have been completed in the Waihi Beach and Te Puke areas. All properties affected have received information from Council about hazards to their property. This work will be continued throughout the district with the commencement of Katikati, Omokoroa and Maketu in 2018/2019.

We completed the installation of the rock revetment works to the inlet of Two Mile Creek at Waihi Beach. The works were located between Dillon St bridge and the beach front, and was constructed to protect properties from coastal inundation and stormwater bank erosion.

In Te Puke stormwater improvements were completed at Beattie Avenue and Brown Terrace.

WHAT WE PROVIDE



2,633 MANHOLES

9 SOAKHOLES
CATCHPITS

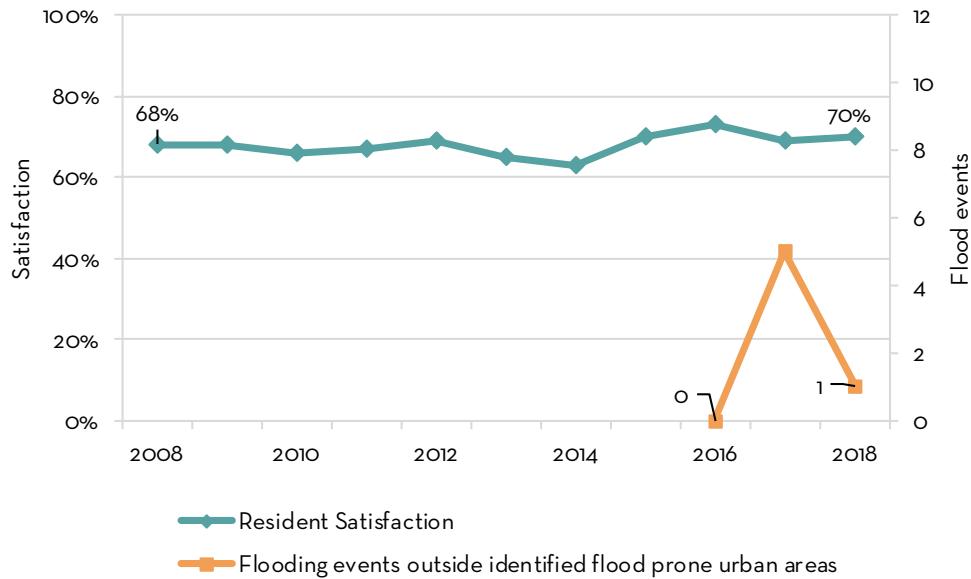
34.8 KILOMETRES
of open drains

1.2 KILOMETRES
of rising mains

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

STORMWATER - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
<p>Key Performance Measure The number of times flooding occurs outside identified flood-prone urban areas during a one-in-50 year or less storm event.</p> <p>This performance measure is assessed on a per event basis i.e. flooding in more than one location in a single event will be counted as 1.</p>	≤3 EVENTS	1	5		✓
<p>Key Resident Measure Resident satisfaction level with stormwater systems, as monitored by the Annual Residents Survey; percentage of residents who are “very satisfied” or “satisfied”.</p>	≥65%	70%	69%	The target and result were calculated excluding those surveyed who ‘don’t know’. The survey result including those that ‘don’t know’ is 59%.	✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
We will provide stormwater assets to minimise risks of flooding events					
Based on the number of flooding events that occur within the District. For each flooding event (district wide), the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system).	≤30 (3%) PER EVENT	<1%	0.05%		✓
For a one in ten year flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to Council's stormwater system).	PER EVENT				
Waihi Beach	≤60 (6%)	○	○	There were no 10 year flood events in the 2017/18 financial year.	✓
Katikati	≤10 (1%)	○	○		✓
Omokoroa	≤10 (1%)	○	○		✓
Te Puke	≤30 (3%)	○	○		✓
Maketu	≤30 (3%)	○	○		✓
Compliance with Council's resource consents for discharge from our stormwater system, measured by the number of:					
• Abatement notices	○	○	○		✓
• Infringement notices	○	○	○		✓
• Enforcement orders, and	○	○	○		✓
• Convictions	○	○	○		✓
received by Council in relation to those resource consents					
We will be responsive to customer's stormwater issues					
The median response to attend a flooding event, measured from the time that Council receives the notification to the time that service personnel reach the site.	≤120 MINUTES	53 MINUTES	13 MINUTES		✓
The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the Councils stormwater system.	≤30	0.18	10.8		✓

FUTURE INITIATIVES

Significant growth has and continues to occur throughout the District. We will continue to address stormwater concerns in these growth communities. Going forward, greater emphasis will be placed on the installation of stormwater treatment devices. This will ensure we are able to achieve the higher level of compliance, monitoring and reporting and comply with resource consent conditions.

The resource consent for a channel on Two Mile Creek from Dillon Street Bridge to the Waihi Beach town centre has been granted. Construction is expected to commence in 2019.

COST OF SERVICE STATEMENT

STORMWATER

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Stormwater	3,949	3,815	3,716
Waihi Beach coastal protection	123	148	105
Total operating expenditure	4,072	3,963	3,820
Analysis of expenditure by class			
Direct costs	749	814	750
Overhead costs	424	469	415
Interest	1,546	1,453	1,530
Depreciation	1,353	1,226	1,125
Total operating expenditure	4,072	3,963	3,820
Revenue			
Targeted rates	4,066	3,997	3,836
User fees	3	-	2
Financial contributions	622	1,255	585
Vested assets	4,245	300	950
Other income	6	-	207
Total revenue	8,942	5,552	5,581
Net cost of service - surplus/(deficit)	4,870	1,589	1,761
Capital expenditure	2,572	1,180	1,244
Vested assets	4,245	300	950
Total other funding required	(1,947)	109	(433)
Other funding provided by			
General rate	1,489	1,489	1,468
Debt increase/(decrease)	(158)	(208)	241
Reserves and future surpluses	616	(1,389)	(1,277)
Total other funding	1,947	(109)	433

MAJOR VARIANCES

Continued development in the District, illustrated by higher capital project spend and vested asset income compared to prior year.

NATURAL ENVIRONMENT



NATURAL ENVIRONMENT

OVERVIEW

The natural environment of the Western Bay is one of our most valuable assets covering 212,000 hectares of coastal, rural and urban areas. The land of the Western Bay of Plenty faces north-east to the sea. To the West are the rugged bush-covered Kaimai ranges. Numerous streams drain the Kaimais, flowing down through the hills and coastal lowlands into the swampy estuaries and mudflats of the Tauranga Harbour.

The activities that are provided within the Natural Environment Strategy include:

- Environmental education programmes and initiatives delivered mostly through service delivery contracts with Wild About New Zealand and Coastcare
- Support for community based environmental projects provided by our Environmental Development Officer who helps communities to realise their capacity to drive and implement environmental projects
- Fencing subsidies to encourage the protection of important ecological areas on private land
- A small fund that can be used to support projects or initiatives that enhance the quality of the environment.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

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

OUR GOALS

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

2017/18 HIGHLIGHTS

Otanewainuku Kiwi Trust

Council has extended the Volunteer BOP contract to supply volunteer co-ordinator services to the Otanewainuku Kiwi Trust. This was originally a one-year contract commencing in 2017, however due to the success of this initiative it has been continued. The role has successfully co-ordinated volunteers (approximately 200) as well as undertaking recruitment, retention and induction training. Job descriptions are being continually developed for identified roles and this provides recruits with clear direction and an understanding of the breadth of the duties they can expect to undertake.

Community Education

The Wild About NZ contract continued the delivery of ecological education programmes to four schools and facilitated six care groups within the District.

Council has renewed support for delivery of the Maketu Ongatoro Wetland Society education programme in the Maketu and Paengaroa schools. The success of this initiative has resulted in the expansion of the programme through other funding sources, to Te Puke Primary and other schools within the area.

Other initiatives include:

- Provision of training to environmental care groups. This is undertaken by an inter-agency group who all have a mandate to work with these groups (see example below)
- Control substances licences - these are required for those volunteers working in pest control operations for major environmental restoration programmes. Council partnered with Regional Council and Department of Conservation for the provision of 14 controlled substances licences
- Uretara Estuary Managers continue to work with Wild About NZ to expand their current catchment protection programmes
- Council is a partner in facilitating the Predator Free BOP programme. This initiative aims to control rats and other animal pests for biodiversity purposes. This community led programme is expanding to Maketu, Te Puke and Katikati.

Biodiversity Management and Environment Plans

Expenditure on the biodiversity management protection programmes on private land is continuing to decline, as much of the remnant bush lots are now protected. The focus is now moving to riparian protection and wetland creation.



EDUCATION PROGRAMMES & INITIATIVES

Support for
**ENVIRONMENTAL
SERVICE DELIVERY
PROVIDERS**

FENCING SUBSIDIES
(protected bush lots)



COMMUNITY GROUP SUPPORT

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

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

NATURAL ENVIRONMENT - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	
	TARGET	RESULT	RESULT		
Key Performance Measure Number of protection lots monitored to ensure compliance with covenants.	≥40%	92	41		✓
Key Resident Measure Percentage of residents surveyed who perceive the environmental attributes monitored have improved or being maintained. <i>Please note: the environmental features monitored include the quality of streams and rivers, harbours and estuaries, air quality, the amount of noxious weeds, protection of historic places, general level of cleanliness and the amount and quality of native plants and animals.</i>	≥40%	81%	79%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 73%.	✓
Supporting Measure Annual number of training initiatives supported.	≥5	7	3		✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Facilitate and support community involvement in protecting and enhancing the natural environment					
Percentage of environmental groups that Council actively supports.	≥50%	45%	47.5%	Council actively supported 18 environmental groups out of a potential 40 groups.	✗
Number of individual landowners actively supported to protect remnant bush and riparian zones.	≥50	7	5	The Regional Council has changed their funding model and structure, going back to 'Environmental Plans' and offering higher subsidies to land owners. Also, much of the current work is now restoration and soil and water conservation which doesn't trigger our RMA goal of 'protecting indigenous biodiversity'.	✗

FUTURE INITIATIVES

The Natural Environment Strategy will be reviewed in the 2018/19 financial year. Once completed this strategy will determine our approach to managing the natural environment and the level of service provided.

We will continue to work with, support and assist community based environmental groups through out the District.

We know it is best for decisions to protect our natural environment to be made sooner rather than later in the development of new urban areas. Currently, in preparing the stage 3 structure plan for Omokoroa we will identify and implement opportunities to enhance the environment as opportunities arise.



COST OF SERVICE STATEMENT

NATURAL ENVIRONMENT

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2018	2018	2017
Analysis of expenditure by activity			
Environment protection grants	19	130	39
Natural environment support	310	270	292
Coastcare	63	55	42
Waihi District Drainage - drains	136	137	134
Waihi District Drainage - pumps	189	199	185
Total operating expenditure	717	791	691
Analysis of expenditure by class			
Direct costs	646	720	625
Overhead costs	67	67	61
Depreciation	3	3	5
Total operating expenditure	717	791	691
Revenue			
Targeted rates	346	349	325
Financial contributions	219	185	244
Total revenue	566	533	569
Net cost of service - surplus/(deficit)	(151)	(258)	(123)
Capital expenditure	-	-	-
Total other funding required	(151)	(258)	(123)
Other funding provided by			
General rate	201	147	168
Environmental protection rate	45	45	45
Reserves and future surpluses	(95)	65	(90)
Total other funding	151	258	123

WASTEWATER



WASTEWATER

OVERVIEW

Our long term goal for wastewater is to ensure that wastewater treatment and disposal systems are sustainable and continue to meet environmental and health and safety standards. We will continue to encourage households to explore and implement measures that reduce wastewater volume per person.

We have five wastewater treatment plants at Katikati, Omokoroa, Maketu/Little Waihi, Te Puke and Waihi Beach.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

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

OUR GOALS

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

2017/18 HIGHLIGHTS

The resource consent application process for both Katikati and Te Puke continued during the year. We are expecting to obtain the new Resource Consent for the Katikati Wastewater scheme in August 2018 which will provide a 20 year consent period. As part of the Resource Consent application process we are required to establish a reference group made up of local Iwi/Hapū, community representatives and Councillors to consider alternative land disposal options for the treatment of wastewater. The reference group has successfully met over the last 12 months with positive traction in terms of reviewing options.

The resource consent for Te Puke is an ongoing process. The key issue is the diversion of wastewater from the Waiari Stream, and iwi will not support an extension of the current resource consent conditions. As a result a reference group is to be established, like Katikati, to consider alternatives.

The Te Puna West wastewater scheme was completed in February 2018. This scheme connects 130 houses to the Omokoroa pipeline. A twelve month trial has commenced at Te Puna West community monitoring water in and wastewater out to determine usage of the system and benefits of a closed system versus a gravity system. This will provide valuable input for future development in areas such as Omokoroa.

The Katikati biological trial desludging by ParkLink is showing a slow reduction over time. This initiative is using natural bacteria in the treated wastewater process to assist in reducing the levels of bio solids in the ponds. Monitoring will continue.

At Ongare Point, 60 properties are being connected to the reticulated scheme. Each property will have a STEP tank (Septic Tank Effluent Pump) on their property. In this system the solids remain in the onsite treatment tanks with the grey water going to a communal treatment system located on Council owned land. The solids from the tanks will be pumped out on a five to eight year cycle period. Council own and manage the tanks on individual properties. This project is scheduled to finish in October 2018. The completion of this treatment plant will complete the key wastewater treatment requirements across the district. Any further work will be in response to growth or geographical issues.

WHAT WE PROVIDE

MAKETU

37.8

- KILOMETRES
- of pipes

522

HOUSEHOLD PUMPS

2

BOOSTER PUMPS

- treatment plant with two sequential batch reactor tanks and emergency pond
- discharge to land via subsurface drip irrigation

OMOKOROA

64.4

- KILOMETRES
- of pipes

14

PUMP STATIONS

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

TE PUKE

71.5

- KILOMETRES
- of pipes

7

PUMP STATIONS

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

KATIKATI

73.2

- KILOMETRES
- of pipes

14

PUMP STATIONS

- treatment plant with aerated lagoons, ultraviolet disinfection and wetland

WAIHI BEACH

79.0

- KILOMETRES
- of pipes

23

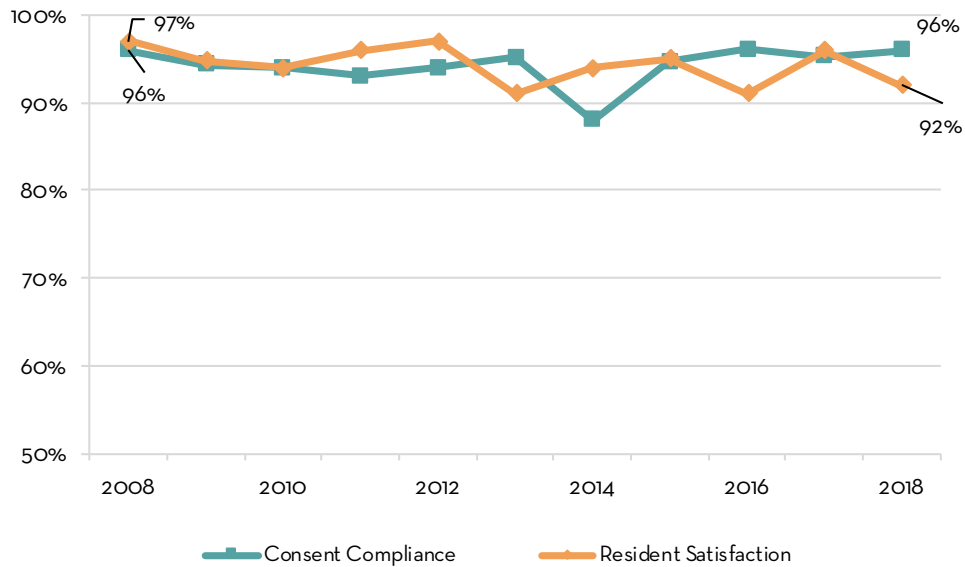
PUMP STATIONS

- treatment plant with aerated lagoons, ultraviolet disinfection and wetland

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES






WASTEWATER - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage compliance with Resource Consents for each wastewater scheme:				Targets were not achieved due to non compliance issues resulting from:	
• Katikati	≥95%	97.9%	90.6%		✓
• Maketu/Little Waihi	≥96%	95.8%	100%	Mechanical issues - Maketu	○
• Te Puke	≥97%	93.3%	92.5%	Aeration and blower issues - Te Puke	✗
• Waihi Beach	≥97%	96.7%	97.9%	Capacity issues during holidays - Waihi Beach	○
Key Resident Measure Level of resident satisfaction with Councils reticulated wastewater disposal system as monitored by the Annual Residents' Survey, those residents who are 'very satisfied' and 'satisfied'.	≥95%	92%	96%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 87%. The key reason for dissatisfaction is that the wastewater charges are considered too expensive.	○

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Maintain wastewater systems and have capacity to meet demand					
<p>The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system.</p> <p>NOTE: only applies when, 1mm of rain has fallen in a 24 hr period.</p>	≤2	3.6	1.83	Dry weather overflows are the result of system blockages. These blockages are caused by people disposing of non-disposable items and fat, through the wastewater system. A pamphlet will be distributed before the end of 2018 to inform system users.	
<p>Compliance with resource consents for discharge from the sewerage system measured by the number of;</p> <ul style="list-style-type: none"> • Abatement notices • Infringement notices • Enforcement orders • Convictions. <p>received in relation to those resource consents.</p>	0	0	0		
Provide wastewater services that meet customer needs					
<p>The median response time for Council to attend to sewerage overflows resulting from a blockage or other fault in the Council sewerage system.</p> <ul style="list-style-type: none"> • Attendance time: from the time that Council receives notification to the time that service personnel reach the site. 	≤1 HOUR	49 MINUTES	26 MINUTES		
<ul style="list-style-type: none"> • Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault. 	≤24 HOURS	4 HRS 35 MINUTES	2 HOURS 47 MINUTES		
<p>The total number of complaints received by Council about:</p> <ul style="list-style-type: none"> • Sewerage odour • Sewerage system faults • Sewerage system blockages • Council's response to issues with sewerage system. <p><i>Expressed per 1000 connections to the Councils sewerage system.</i></p>	≤45	18.93	29.27		

FUTURE INITIATIVES

Infiltration investigations for Omokoroa will be undertaken to determine how much stormwater is getting into the wastewater network. Infiltration studies will continue in Katikati and Waihi Beach. During wet weather events the additional volume becomes an issue by increasing the demand on the wastewater plant. As issues are identified the additional volume will be included in future upgrades to work program.

The resource consenting process will continue, particularly for Te Puke. As mentioned above we will work with iwi to find the right solutions for wastewater disposal.

We will continue to maintain the wastewater system to ensure compliance with resource consents and systems are working effectively.

COST OF SERVICE STATEMENT

DISTRICT-WIDE WASTEWATER

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Waihi Beach wastewater	3,240	3,871	3,332
Katikati wastewater	1,854	2,194	2,720
Omokoroa wastewater	4,408	4,228	4,175
Te Puke wastewater	1,738	1,643	1,618
Maketu wastewater	1,596	1,358	1,330
Ongare wastewater	62	43	140
Total operating expenditure	12,899	13,337	13,316
Analysis of expenditure by class			
Direct costs	4,871	4,589	4,692
Overhead costs	1,465	1,533	1,417
Interest	3,403	3,377	3,443
Depreciation	3,160	3,839	3,764
Total operating expenditure	12,899	13,337	13,316
Revenue			
Targeted rates	9,964	9,892	9,447
User fees	57	2	9
Financial contributions	2,160	3,441	2,739
Subsidies	1,045	2,447	-
Vested assets	2,268	340	457
Asset revaluation	-	-	-
Other income	64	-	10
Total revenue	15,558	16,123	12,663
Net cost of service - surplus/(deficit)	2,659	2,785	(653)
Capital expenditure	6,097	6,395	1,258
Vested assets	2,268	340	457
Total other funding required	(5,707)	(3,950)	(2,369)
Other funding provided by			
General rate	1,500	1,500	1,500
Environmental protection rate	412	412	503
Debt increase/(decrease)	649	288	(660)
Reserves and future surpluses	3,145	1,750	1,026
Total other funding	5,707	3,950	2,369

MAJOR VARIANCES

- Additional capital works for wastewater plan renewals, upgrades and two new additional wastewater schemes in the District (Te Puna West and Ongare Point).
- Some subsidy income for the Te Puna West wastewater scheme was received as part of the project funding.
- Ongare Point is still in its infancy and yet to receive subsidy income.
- Higher vested income, compared to prior year due to additional development in the District.

COST OF SERVICE STATEMENT

WAIHI BEACH WASTEWATER

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Waihi Beach wastewater	3,240	3,771	3,332
Total operating expenditure	3,240	3,771	3,332
Analysis of expenditure by class			
Direct costs	1,332	1,640	1,197
Overhead costs	293	309	282
Interest	988	976	1,022
Depreciation	626	845	831
Total operating expenditure	3,240	3,771	3,332
Revenue			
Targeted rates	2,770	2,730	2,683
User fees	3	-	6
Financial contributions	445	492	334
Vested assets	177	200	-
Asset revaluation	-	-	-
Other income	62	-	9
Total revenue	3,458	3,422	3,032
Net cost of service - surplus/(deficit)	218	(349)	(300)
Capital expenditure	460	579	181
Vested assets	177	200	-
Total other funding required	(419)	(1,128)	(480)
Other funding provided by			
General rate	700	700	700
Environmental protection rate	114	114	107
Debt increase/(decrease)	(651)	(524)	(560)
Reserves and future surpluses	(257)	838	233
Total other funding	419	1,128	480

COST OF SERVICE STATEMENT

KATIKATI WASTEWATER

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Katikati wastewater	1,854	2,294	2,720
Total operating expenditure	1,854	2,294	2,720
Analysis of expenditure by class			
Direct costs	728	788	1,265
Overhead costs	316	332	305
Interest	86	87	92
Depreciation	724	1,087	1,058
Total operating expenditure	1,854	2,294	2,720
Revenue			
Targeted rates	2,210	2,150	2,079
User fees	52	-	1
Financial contributions	502	397	402
Vested assets	401	70	22
Asset revaluation	-	-	-
Total revenue	3,165	2,618	2,505
Net cost of service - surplus/(deficit)	1,311	324	(215)
Capital expenditure	564	960	288
Vested assets	401	70	22
Total other funding required	346	(706)	(526)
Other funding provided by			
Environmental protection rate	90	90	84
Debt increase/(decrease)	(239)	(95)	(89)
Reserves and future surpluses	(196)	711	531
Total other funding	(346)	706	526

COST OF SERVICE STATEMENT

ONGARE POINT WASTEWATER

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2018	2018	2017
Analysis of expenditure by activity			
Ongare Point wastewater	62	43	140
Total operating expenditure	62	43	140
Analysis of expenditure by class			
Direct costs	44	21	120
Overhead costs	18	21	20
Total operating expenditure	62	43	140
Revenue			
Targeted rates	-	-	-
User fees	-	-	-
Financial contributions	-	-	-
Vested assets	-	-	-
Other income	-	-	-
Subsidies	-	912	-
Total revenue	-	912	-
Net cost of service - surplus/(deficit)	(62)	869	(140)
Capital expenditure	1,688	1,687	-
Vested assets	-	-	-
Total other funding required	(1,750)	(818)	(140)
Other funding provided by			
General rate	-	-	-
Environmental protection rate	-	-	71
Debt increase/(decrease)	593	495	-
Reserves and future surpluses	1,157	323	69
Total other funding	1,750	818	140

COST OF SERVICE STATEMENT

OMOKOROA WASTEWATER

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2018	2018	2017
Analysis of expenditure by activity			
Omokoroa wastewater	4,408	4,228	4,175
Total operating expenditure	4,408	4,228	4,175
Analysis of expenditure by class			
Direct costs	1,043	802	808
Overhead costs	352	368	343
Interest	2,279	2,308	2,277
Depreciation	734	749	747
Total operating expenditure	4,408	4,228	4,175
Revenue			
Targeted rates	1,443	1,372	1,187
User fees	-	-	1
Financial contributions	1,159	2,268	1,751
Subsidies	1,045	1,869	
Vested assets	1,462	70	376
Asset revaluation	-	-	-
Other income	-	-	1
Total revenue	5,109	5,578	3,316
Net cost of service - surplus/(deficit)	701	1,351	(859)
Capital expenditure	2,873	2,884	390
Vested assets	1,462	70	376
Total other funding required	(3,633)	(1,603)	(1,625)
Other funding provided by			
General rate	800	800	800
Environmental protection rate	57	57	97
Debt increase/(decrease)	1,035	550	29
Reserves and future surpluses	1,741	196	699
Total other funding	3,633	1,603	1,625

COST OF SERVICE STATEMENT

TE PUKE WASTEWATER

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2018	2018	2017
Analysis of expenditure by activity			
Te Puke wastewater	1,738	1,643	1,618
Total operating expenditure	1,738	1,643	1,618
Analysis of expenditure by class			
Direct costs	951	822	773
Overhead costs	303	320	294
Interest	(124)	(199)	(121)
Depreciation	607	700	673
Total operating expenditure	1,738	1,643	1,618
Revenue			
Targeted rates	3,007	3,094	2,968
User fees	2	-	2
Financial contributions	46	277	251
Vested assets	228	-	59
Asset revaluation	-	-	-
Other income	1	-	-
Total revenue	3,285	3,371	3,280
Net cost of service - surplus/(deficit)	1,548	1,728	1,662
Capital expenditure	452	885	273
Vested assets	228	-	59
Total other funding required	868	843	1,330
Other funding provided by			
Environmental protection rate	129	129	123
Debt increase/(decrease)	(89)	(2)	(40)
Reserves and future surpluses	(908)	(970)	(1,413)
Total other funding	(868)	(843)	(1,330)

COST OF SERVICE STATEMENT

MAKETU WASTEWATER

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2018	2018	2017
Analysis of expenditure by activity			
Maketu wastewater	1,596	1,358	1,330
Total operating expenditure	1,596	1,358	1,330
Analysis of expenditure by class			
Direct costs	773	515	529
Overhead costs	182	182	172
Interest	174	204	174
Depreciation	468	457	455
Total operating expenditure	1,596	1,358	1,330
Revenue			
Targeted rates	534	546	529
User fees	-	2	-
Financial contributions	7	7	-
Total revenue	541	555	529
Net cost of service - surplus/(deficit)	(1,056)	(804)	(801)
Capital expenditure	61	251	126
Vested assets	-	-	-
Total other funding required	(1,117)	(1,054)	(927)
Other funding provided by			
Environmental protection rate	23	23	20
Reserves and future surpluses	1,095	1,032	907
Total other funding	1,117	1,054	927

SOLID WASTE



SOLID WASTE

OVERVIEW

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

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

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

Efficient waste management practices minimise environmental harm and waste.

OUR GOALS

- Minimise the total quantity of residual waste for disposal through effective planning, education and enforcement so people reduce, reuse and recycle
- Provide good information so people dispose of residual waste in an environmentally acceptable manner
- Work with our communities to create a clean environment by encouraging and recognising innovative solutions to waste problems.

2017/18 HIGHLIGHTS

Waste Management Ltd stopped receiving comingled glass in kerb side recycling in March 2018. This has caused some concern to the public, and many are going to the recycling centres and giving up their recycle bins. In response to this, we have purchased additional bins to enable processing of extra glass at our recycling centres. The future review of a possible rates funded kerbside rubbish and recycling collection and the review of our solid waste strategy will seek a longer-term solution.

Council adopted the Waste Management & Minimisation Plan (WMMP) in December 2017. The focus of this plan is to minimise waste to landfill. To achieve this the plan has identified the following new actions:

- Council actively investigates alternative recycling and rubbish collection models to achieve better oversight and management of solid waste and recycling throughout the District
- Council establish a greenwaste and recycling centre at Omokroa similar to existing centres at Katikati and Te Puke
- Progress investigation into a future transfer station
- Investigate options for more cost effective and efficient greenwaste management in the District.

We have continued with our waste minimisation programme. This has included Para Kore - recycling at the marae, home composting workshops to capture organics, waste free living, zero waste education in schools (all levels) and the Paper 4 Trees initiative. We also continued to support the Love Food Hate Waste campaign.

A third SWAP survey of kerbside rubbish was completed in Autumn 2018. The findings from this audit were consistent with the previous surveys in that 40-50% of the content is organic in nature. It is possible to divert organic waste from landfill by composting it, worm farming or feeding it to animals. The results of these surveys will provide valuable input into future strategy development and kerbside recycling decisions. Waste operators are now required to be licenced as required by Council's Waste Management and Minimisation Bylaw 2012. The 2018/2019 registrations is underway. Licencing waste collectors will enable council to receive waste data in regard to the volume and type of waste collected and disposed of.

The Omokroa Greenwaste Drop-off facility and Katikati Recycling Centre's resource consents are being renewed. Council is working through the renewal process with Bay of Plenty Regional Council and a subsequent consultation process with local Iwi to lodge these consents. Council is also seeking a consent change to extend the recycling hours for the public at the Te Puke Recycle Centre.

WHAT WE PROVIDE



EDUCATION PROGRAMMES

ONGOING MONITORING OF
**CLOSED & CAPPED
LANDFILLS**

Athenree, Te Puke, Waihi Beach

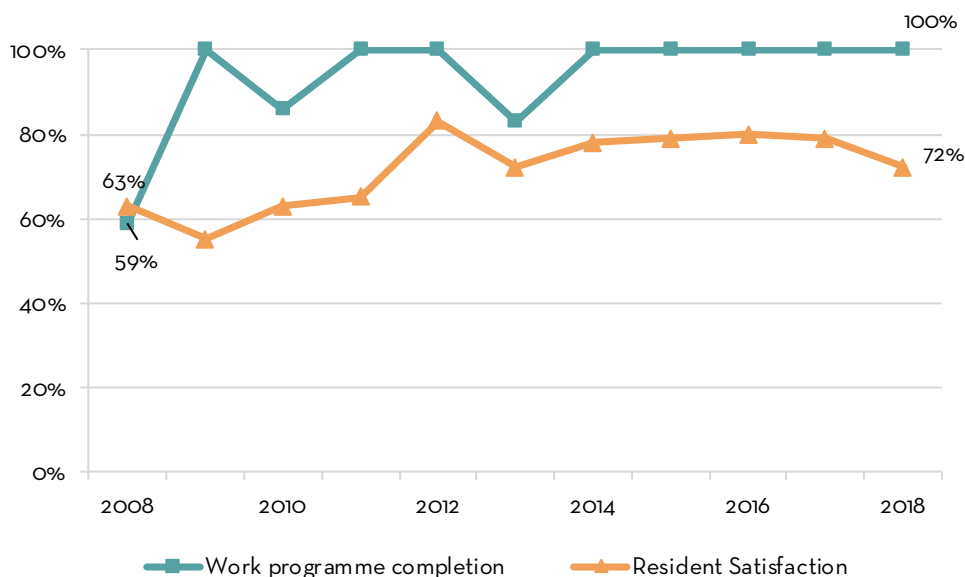
MONITOR
**ILLEGAL DUMPING
(FLY-DUMPING)**

across our District

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES

SOLID WASTE - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
<p>Key Performance Measure Percentage of actions, identified in the Solid Waste Action Plan for the year that have been completed. This identifies the total annual actions required for this strategy. Actions are required within specification and budget.</p>	97%	100%	100%		✓
<p>Key Resident Measure Percentage level of customer satisfaction with household rubbish disposal methods. As measured through our Annual Residents' Survey, those customers who are 'very satisfied' and 'satisfied'.</p>	80%	72%	79%	<p>The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 5%.</p> <p>Key reasons for dissatisfaction relate to the removal of the glass pick up, charges for recycling and greenwaste considered to expensive and recycling limitations.</p>	✗
<p>Supporting Measures Percentage of waste recycled or recovered as estimated and reported by licensed operators (excludes waste disposed of privately). We include estimates because we do not have weighbridges.</p>	42%	25%	20%	<p>Council do not control this waste stream so reliance is placed on external contractors to monitor.</p> <p>New targets have been identified as part of the Waste Management & Minimisation process.</p>	✗
<p>Number of initiatives funded by the Ministry for the Environment Waste Minimisation Scheme.</p>	2	8	6		✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
All Council-owned solid waste facilities, including closed landfills, meet environmental standards					
Number of abatement/infringement notices received.	0	0	0		✓
Provide and maintain drop-off recycling services					
Number of greenwaste and/or recycling facilities provided.	5	4	4	No new facilities have been developed.	✗
Assist in the provision of opportunities for the removal of hazardous waste					
Number of hazardous waste drop off points.	4	3	3	Facilities in place at Athenree, Katikati and Te Puke recycle centres.	✗

FUTURE INITIATIVES

We will continue to work through the actions required by the Waste Management & Minimisation Plan (WMMP) as mentioned above. A review of the current Solid Waste Strategy will occur in 2019. This review will consider actions identified in the WMMP and determine Council's approach to management of solid waste. Alongside this will be a service delivery review under section 17A of the Local Government Act 2002. The purpose of this is to review Council's role and approach to delivering these services, with cost effectiveness being the primary driver. These will provide future direction for the solid waste activity and identify opportunities for any efficiencies in the delivery of solid waste services.



COST OF SERVICE STATEMENT

SOLID WASTE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
District solid waste	554	762	526
Western solid waste	806	645	551
Eastern solid waste	386	492	347
Omokoroa greenwaste	143	142	112
Total operating expenditure	1,889	2,042	1,536
Analysis of expenditure by class			
Direct costs	1,155	1,479	964
Overhead costs	510	521	538
Interest	4	6	4
Depreciation	220	37	31
Total operating expenditure	1,889	2,042	1,536
Revenue			
Targeted rates	1,053	1,024	1,031
User fees	92	82	87
Subsidies	179	130	200
Other income	121	80	101
Total revenue	1,445	1,316	1,420
Net cost of service - surplus/(deficit)	(443)	(727)	(116)
Capital expenditure	-	-	4
Total other funding required	(443)	(727)	(120)
Other funding provided by			
Environmental protection rate	415	632	363
Debt increase / (decrease)	-	-	7
Reserves and future surpluses	(29)	94	(250)
Total other funding	443	727	120

MAJOR VARIANCES

Higher 'other income' in 2018 compared to prior year due to asset revaluation increases.

ECONOMIC



ECONOMIC

OVERVIEW

Economic development focuses on promoting the standard of living and economic health of a specific area. This strategy focuses on Councils role in supporting economic development, tourism, promotions, events and town centre development.

At a more strategic level Council is also a funder of Priority One, the Western Bay of Plenty subregion economic development agency who is focused on attracting businesses to the subregion and has been instrumental in progressing the development of a university campus in the central business district of Tauranga. Tourism Bay of Plenty, to which Council provides funding, has been instrumental in increasing the number of tourists to the District.

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

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

OUR GOALS

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

2017/18 HIGHLIGHTS

The Ministry of Business, Innovation and Employment revealed statistics this year that show visitors to coastal Bay of Plenty spent over \$1 billion in a 12-month period.

While Tourism is good for the economy, it places pressure on environments and communities. To ensure visitors leave with positive memories, the region's natural assets and cultural authenticity need to be protected. To achieve this aim, Tourism Bay of Plenty (TBOP) has created a Visitor Economic Strategy which signals a change in focus from destination marketing to destination management.

This means that instead of concentrating on attracting people to the area, TBOP will now seek to deliver experiences for people while here, and better manage those destinations. To achieve this, TBOP will work with providers of new attractions. Western Bay District Council and Tauranga City Council (TCC) have signalled funding to support the new direction through their respective long term plans that were adopted in June 2018.

Council also funds Priority One, the economic development agency for the sub-region, which reports ongoing economic growth. Monitoring of GDP growth over 19 quarters shows that the Western Bay sub-region continues to perform above the national average.

There are a number of other economic initiatives taking place across the District. This includes:

- **BOP Film** - Council supports BOP Film, in association with TCC and Priority One, whose aim is to create a regional film office that attracts film projects to the Western Bay area
- **Sub-regional Arts & Culture Strategy** - this strategy, facilitated by Creative Bay of Plenty (CBOP) was adopted by Western Bay Council and TCC in November 2017. Both councils are providing funding support to implement the strategy. Western Bay also decided to provide funding to the Incubator Creative Hub to implement actions in the strategy
- **Western Bay Museum** - Council continues to fund this facility. The Museum Trust has recently developed a marketing strategy and strategic plan, and is exploring options to locate parts of the collection throughout the District
- **Local economic development providers** - Te Puke Economic Development Group, Katch Katikati and Waihi Beach Events and Promotions also continue to receive Council support for local initiatives.

WHAT WE PROVIDE



TOWN CENTRE PROMOTION

Te Puke, Katikati Waihi Beach

SUPPORT FOR EXTERNAL ORGANISATIONS

FOCUSED ON STRENGTHENING

our local economics

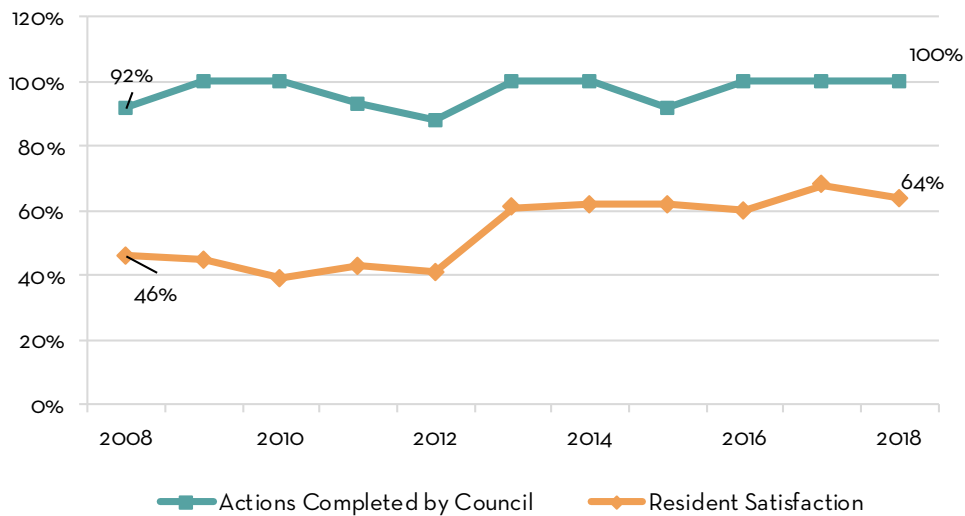
SUPPORTING

ECONOMIC DEVELOPMENT & TOURISM

SERVICE PERFORMANCE RESULTS

RESULT TRENDS FOR KEY MEASURES







SUPPORTING THE ECONOMY - TRENDS



HOW WE HAVE TRACKED PROGRESS TOWARDS OUR GOALS

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Key Performance Measure Percentage completion of the annual work programme as identified in our Economic Strategy and Action Plan.	≥90%	100%	100%		✓
Key Resident Measure Level of resident satisfaction with our role in promoting employment, tourism and business opportunities within the sub-region. Monitored by the Annual Residents' Survey, those residents that are 'satisfied' and 'very satisfied'.	≥60%	64%	68%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 46%.	✓

HOW WE HAVE TRACKED PROGRESS - LEVELS OF SERVICE

PERFORMANCE MEASURES	2017/18		2016/17	NARRATIVE	ACHIEVED
	TARGET	RESULT	RESULT		
Council will support external organisations tasked with developing economic activity in the District					
Level of resident satisfaction with the promotion of town centres and events in Katikati, Te Puke and Waihi Beach. Monitored by the Annual Residents' Survey, those Residents that are 'satisfied' and 'very satisfied'.	≥65%	64%	64%	The target and result were calculated excluding those surveyed who 'don't know'. The survey result including those that 'don't know' is 54%.	
Number of service delivery contracts related to economic development activity.	4	5	5		
Percentage of economic contracts where contract requirements have been achieved.	≥90%	100%	100%		
Number of joint economic initiatives identified in the service delivery contracts that have been implemented.	2	6	10		
Council will facilitate economic development through the community development plans that have been developed for the District's urban growth node towns or communities					
Satisfaction of businesses with Councils role in economic development (two yearly survey).	≥65%	NO SURVEY	NO SURVEY	At the June meeting of the Community Committee a decision was made not to undertake this survey. Survey being reviewed to provide more effective feedback.	
Number of economic action plans derived from our Community Development Plans.	7	7	0		

FUTURE INITIATIVES

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

Katch Katikati is scheduled to take over the existing Katikati Library and Service Centre building to create an Arts Junction venue where the arts and sector can meet. Katch Katikati will also assume responsibility for the Katikati Visitor Information Centre, which is not moving to the new library / community hub facility.

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

COST OF SERVICE STATEMENT

ECONOMIC

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Economic support	385	404	376
Visitor information	61	60	73
Town centre promotion	180	184	188
Total operating expenditure	626	648	637
Analysis of expenditure by class			
Direct costs	621	635	598
Overhead costs	93	102	109
Interest	(88)	(90)	(70)
Total operating expenditure	626	648	637
Revenue			
Targeted rates	290	295	271
Other income	2	2	3
Total revenue	292	297	274
Net cost of service - surplus/(deficit)	(334)	(351)	(363)
Capital expenditure	-	268	1
Total other funding required	(334)	(619)	(364)
Other funding provided by			
General rate	675	696	681
Interest in associates	(16)	-	-
Reserves and future surpluses	(325)	(77)	(317)
Total other funding	334	619	364

SUPPORT SERVICES



SUPPORT SERVICES

OVERVIEW

A number of internal corporate services support the delivery of services and activities to the community. Our Long Term Plan contains strategies that determine the activities Council provides to serve our community, for example water supply and transportation. Our Corporate Plan contains strategies for our support services. Corporate support activities have a crucial part to play in enabling staff to produce their best work and deliver the highest standards of service to customers. The key strategic approach for each of the corporate support activities is broadly described below:

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

2016/17 HIGHLIGHTS

Council is a shareholder of the New Zealand Local Government Funding Agency Limited (LGFA). This entity was created to provide more cost effective financing specifically to local authorities, and Western Bay estimates that the on-going and enduring impact of the LGFA has saved approximately \$400,000 - \$500,000 per annum in interest costs that would not have been made had the LGFA not been established.

Council has continued to work on the digitisation of its property files and key records.

FUTURE INITIATIVES

Council will continue to participate in the BOPLASS initiatives.

COST OF SERVICE STATEMENT

SUPPORT SERVICES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Analysis of expenditure by activity			
Support services	976	1,525	780
Corporate assets	2,212	1,670	1,835
Treasury	2,162	1,023	2,364
Total operating expenditure	5,350	4,218	4,979
Analysis of expenditure by class			
Direct costs*	14,686	15,384	14,333
Overhead recoveries	(12,071)	(12,416)	(11,659)
Interest**	1,214	391	1,140
Depreciation	1,521	859	1,164
Total operating expenditure	5,350	4,218	4,979
Revenue			
Targeted rates	55	(171)	18
General rate	1,598	2,228	2,330
User fees	18	14	61
Interest**	2,262	1,280	6,414
Asset revaluation	-	-	-
Other income including General Rates	1,192	1,017	9,596
Total revenue	5,128	4,367	18,419
Net cost of service - surplus/(deficit)	(222)	149	13,440
Capital expenditure	1,498	2,424	3,336
Vested assets	-	-	-
Total other funding required	(1,719)	(2,275)	10,104
Other funding provided by			
Debt increase / (decrease)	(84)	236	369
Proceeds from sale of assets	-	85	-
Reserves and future surpluses	1,803	1,955	(10,473)
Total other funding	1,719	2,275	(10,104)

*Net direct cost of support services after overhead recoveries

** Net interest income/expense after internal interest recoveries

CHAPTER THREE

Finances



CHAPTER THREE

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WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDED 30 JUNE 2018

		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2018	2018	2017
Revenue from non-exchange transactions				
Fees and charges from activities	4	9,131	5,439	6,282
Rate revenue	5, 6 & 7	65,044	64,670	63,657
Fines		177	245	201
Vested assets	9	10,965	2,240	3,658
Financial contributions	11	9,506	10,020	10,993
Subsidies and grants	10	15,994	12,818	10,359
Other revenue	11	503	617	464
Fair value movement in derivative financial instruments	16	794	-	5,142
Gains	21	33,055	-	1,542
Revenue from non-exchange transactions total		145,169	96,048	102,296
Revenue from exchange transactions				
Finance revenue	8	1,468	1,280	1,272
Dividends		132	100	227
Rental Revenue		1,001	1,053	1,093
Other exchange revenue	11	1,227	700	1,357
Total revenue	2	148,997	99,182	106,247
Expenditure				
Other expenses	12	36,290	35,037	35,966
Personnel costs	13	18,588	19,340	16,830
Depreciation	21	18,678	19,926	19,052
Amortisation	22	916	248	360
Impairment expense		-	-	-
Unrealised hedging movement		-	-	-
Finance costs	8	7,920	7,800	8,246
Expenditure total	3	82,392	82,352	80,454
Share of associate surplus/(deficit)		(16)	-	(205)
Net surplus / (deficit)		66,589	16,831	25,587
Other comprehensive revenue and expenses				
Gains/(Losses) on asset revaluations	21	65,960	-	-
Reversal of impairment		-	-	7,868
Other assets at fair value through other comprehensive revenue and expense	28	78	-	76
Total other comprehensive revenue and expense for the year		66,040	-	7,944
Total comprehensive revenue and expense for the year		132,629	16,831	33,531

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

The accompanying notes form part of these financial statements.

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2018	2018	2017
Equity				
Retained earnings	28	849,971	786,914	784,184
Restricted reserves	29	271	261	266
Council created reserves	30	30,434	21,650	29,556
Asset revaluation reserves	31	407,239	372,284	341,279
Equity total		1,287,915	1,181,109	1,155,286
Assets				
Current assets				
Cash and cash equivalents	14	11,750	6,218	14,779
Receivables	15	13,843	9,424	7,721
Non-current assets held for sale	17	445	-	875
Prepayments	15	731	192	837
Other current financial assets	18	14,983	-	35,000
Current assets total		41,753	15,834	59,212
Non-current assets				
Other non-current financial assets	18	10,644	2,985	10,273
Investment in associates	19	207	222	222
Investments in CCO and other similar entities	20	3,603	3,458	3,603
Intangible assets	22	3,265	2,858	3,443
Forestry assets	23	8,539	6,842	6,843
Property, plant and equipment	21	1,374,476	1,303,243	1,248,923
Non-current assets total		1,400,733	1,319,608	1,273,307
Assets total		1,442,486	1,335,442	1,332,519
Liabilities				
Current liabilities				
Creditors and other payables	24	17,580	11,860	14,547
Current employee entitlements	26	2,479	2,012	2,360
Borrowings and other financial liabilities	25	25,000	25,000	45,000
Derivative financial instruments	16 & 44	465	14,798	9,655
Current portion provisions	27	313	311	312
Current liabilities total		45,837	53,981	71,875
Non-current liabilities				
Non current employee entitlements	26	15	22	24
Non current provisions	27	322	330	334
Non current borrowings and other financial liabilities	25	100,000	100,000	105,000
Derivative financial instruments	44	8,397	-	-
Non-current liabilities total		108,734	100,352	105,358
Liabilities total		154,571	154,333	177,233
Net assets		1,287,915	1,181,109	1,155,286

The accompanying notes form part of these financial statements.



Garry Webber
Mayor, Western Bay of Plenty District

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2018

	NOTE	RETAINED EARNINGS	ASSET REVALUATION RESERVE	COUNCIL RESERVES	TOTAL EQUITY
Balance at 1 July 2016	28	754,269	341,279	26,207	1,121,755
Total comprehensive income for the year		29,915	-	3,615	33,531
Balance at 30 June 2017		784,184	341,279	29,822	1,155,286
Total comprehensive income for the year	28	65,787	65,960	883	132,629
Balance at 30 June 2018		849,971	407,239	30,705	1,287,915

The accompanying notes form part of these financial statements.

WESTERN BAY OF PLENTY DISTRICT COUNCIL

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2018

		ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	NOTE	2018	2018	2017
Cash flows from operating activities				
Receipts from rates revenue		65,544	63,828	62,592
Regional Council rates		5,865	6,293	6,439
Interest received		1,824	413	637
Dividends received		132	-	227
Receipts from other revenue		32,812	30,992	31,138
Payments to suppliers and employees		(52,193)	(53,866)	(50,833)
Interest paid		(7,920)	(7,800)	(7,966)
Regional Council rates		(5,865)	(6,293)	(6,439)
Goods and services tax (net)		(1,136)	-	360
Net cash from operating activities	33	39,063	33,567	36,155
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		1,654	85	1,175
Purchase of property, plant and equipment		(38,232)	(34,568)	(26,129)
Purchase of intangible assets		(531)	(150)	(399)
Purchase of investments		-	(320)	(35,205)
Sale of Investments		20,017	-	
Net cash from investing activities		(17,092)	(34,953)	(60,558)
Cash flows from financing activities				
Proceeds from borrowings		-	20,000	35,000
Repayment of borrowings		(25,000)	(45,000)	(13,000)
Net cash from financing activities		(25,000)	(25,000)	22,000
Net (decrease)/increase in cash held		(3,029)	(26,386)	(2,402)
Cash, cash equivalents and bank overdrafts at the beginning of the year		14,779	32,603	17,181
Cash, cash equivalents and bank overdrafts at the end of the year	14	11,750	6,218	14,779

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

Refer to Note 33 for reconciliation from net surplus to cash flows from operating activities.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2018

Reporting entity

Western Bay of Plenty District Council (Western Bay Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing Western Bay Council's operations includes the LGA and the Local Government (Rating) Act 2002.

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

Western Bay Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

The financial statements of Western Bay Council are for the year ended 30 June 2018. The financial statements were authorised for issue by Council on 20 September 2018.

Basis of preparation

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

Statement of compliance

The financial statements of Western Bay Council have been prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE Standards.

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Western Bay Council has applied these standards in preparing the 30 June 2018 financial statements.

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

Interests in other entities

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

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

Financial instruments

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

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

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

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

Employee benefits

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

Service Performance Reporting

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

Changes in Accounting Policies

Revenue from rates (excluding water by meter) is now recognised once the rates are struck in accordance with PBE IPSAS 23 Non-exchange Revenue. Previously revenue from rates was recognised when instalment invoices were issued. As rates are invoiced for the period 1 July to 30 June each year it is not expected that this change will have any impact on the prospective rates revenue.

Presentation currency and rounding

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

Statement of Significant Accounting Policies

Basis of consolidation

Associate

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

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

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

incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

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

Revenue

Revenue is measured at fair value.

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

Rates revenue

The following policies for rates have been applied:

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

Financial contributions

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

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

New Zealand Transport Agency roading subsidies

Western Bay Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of Western Bay Council's local pools. Revenue from entrance fees is recognised upon entry to such facilities.

Sale of goods

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

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when Western Bay Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), Western Bay Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Western Bay Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately and an expense in the surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less losses, the net amounts are presented as a liability.

Borrowing costs

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

Grant expenditure

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

Discretionary grants are those grants where Western Bay Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by Western Bay Council and the approval has been communicated to the applicant. Western Bay Council's grants awarded have no substantive conditions attached.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Income tax

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

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Western Bay Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Western Bay Council does not currently have any finance leases.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Receivables are recorded at their face value, less any provision for impairment.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to foreign exchange arising from Western Bay Council's operational activities and interest rate risks arising from Western Bay Council's financing activities. In accordance with its treasury policy, Western Bay Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

Western Bay Council has elected not to hedge account.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which Western Bay Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Western Bay Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- Fair value through surplus or deficit
- Loans and receivables
- Held-to-maturity investments; and
- Fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. Western Bay Council includes in this category:

- investments that Western Bay Council intends to hold long-term but which may be realised before maturity; and
- shareholdings that Western Bay Council holds for strategic purposes.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant, and equipment

Property, plant, and equipment consist of:

Operational assets – These include land, buildings, landfill post-closure, library books, plant and equipment, and motor vehicles.

Restricted assets – Restricted assets are mainly parks and reserves owned by Western Bay Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by Western Bay Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Transportation assets including roads, bridges and footpaths were revalued at depreciated replacement cost at 1 July 2017 and certified by Opus International Consultants Limited.

Water, wastewater and stormwater assets including reticulation, treatment plants, reservoirs and bores were revalued at depreciated replacement cost at 1 July 2017 and certified by Aecom New Zealand Limited.

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

All other asset classes are carried at depreciated historical cost.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Western Bay Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are

transferred to accumulated funds.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Western Bay Council of the item can be measured reliably.

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

Depreciation

Depreciation is provided on a straight-line basis on all buildings, bridges, reticulation assets and other structures, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Diminishing value is used for motor vehicles, office equipment and furnishings, library books and computer systems. Land and drains are non-depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as provided below.

Buildings		
• Concrete	100 years	Straight line
• Wooden	40 years	Straight line
• Improvements	10 years	Straight line
Land (not depreciated)		
Other plant and equipment	10 years	Diminishing value
Office equipment and furnishings	10 years	Diminishing value
Computer systems	5 years	Diminishing value
Motor vehicles	5 years	Diminishing value
Library books	10-15 years	Straight line
Infrastructure		
Roading network		
Pavement (base course)	25 to 75 years	Straight line
Seal	12 years	Straight line
Unsealed	3 to 5 years	Straight line
Other	5 to 70 years	Straight line
Formation (not depreciated)		
Bridges		
• Concrete	100 years	Straight line
• Steel	50 years	Straight line
Reticulation		
Water	20 to 60 years	Straight line
Sewerage	60 to 100 years	Straight line
Stormwater	80 to 120 years	Straight line
Treatment plant and equipment	25 to 50 years	Straight line
Other structures		
Wooden reservoirs	80 years	Straight line
Concrete reservoirs	100 years	Straight line
Dams	100 years	Straight line
Bores	100 years	Straight line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

Computer software	3 to 5 years	20% to 33.3%
Resource consents	life of the asset	5%
Property subdivision right	19 years	5.3%

Impairment of property, plant, and equipment and intangible assets

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

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

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

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retirement gratuity and long-service leave expected to be settled within 12 months and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Western Bay Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Landfill post-closure provision

Western Bay Council as operator of the Te Puke and Athenree landfills, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfills post-closure.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Western Bay Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that Western Bay Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- the present value of the estimated amount to settle the guarantee obligation if it is probable there will be an outflow to settle the guarantee, or
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Equity

Equity is the community's interest in the Western Bay Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds
- Restricted reserves
- Property revaluation reserve
- Fair value through other comprehensive revenue and expense reserve, and
- Council created reserves.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Western Bay Council.

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

Also included in restricted reserves are reserves restricted by Council decision. Western Bay Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Western Bay Council.

Property revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Council created reserves

These reserves are made up general reserves and form a component of equity. They include asset replacement reserves, disaster contingency reserves and general reserves.

Goods and services tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its Long Term Plan 2015-2025. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

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

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

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

Cost of service statement policies

Council has derived the cost of service for each significant activity of the Western Bay Council using the cost allocation system set out below:

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

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

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example Western Bay could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, stormwater, wastewater and water supply pipes which are underground. This risk is minimised by Council performing a combination of physical inspections and condition modeling assessments of underground assets
- Estimating any obsolescence or surplus capacity of an asset
- Estimates being made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the assets, then Western Bay could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk Western Bay's infrastructural assets useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation

and Depreciation Guidelines, published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modeling are also carried out regularly as part of the Western Bay's asset management planning activities, which gives Western Bay further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2017:

Treatment of airport land

The airport land consists of some 225Ha of land of which some 86ha is jointly owned by Tauranga City Council (TCC) and Western Bay of Plenty District Council. TCC are the legal owners of the land and Western Bay Council are the beneficial or equitable owners of the jointly owned land. Western Bay Council own 14.45% of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and Western Bay Council. As the legal owner TCC must exercise its rights of ownership in terms of the trust and for the benefit of the trustees.

The terms of the trust are that TCC may use the jointly acquired land rent free provided the land is used as an airport. In the event that the jointly owned airport land is sold and the principal use of the land is no longer an airport then a liability to Western Bay Council is created for the sale price of the jointly owned land at that point.

Classification of property

Western Bay Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

Accounting for donated or vested land and buildings with use or return conditions

Western Bay Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received. The Council considers an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

SUMMARY OF COST OF SERVICES

2. TOTAL OPERATING REVENUE

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2018	2018	2017
Significant activities			
Representation	2,704	3,031	2,755
Planning for the future	2,309	2,259	2,219
Communities	8,989	6,696	6,427
Recreation and leisure	27,138	7,306	9,352
Regulatory services	8,027	7,220	7,551
Transportation	38,687	27,402	29,897
Water supply	14,209	12,130	12,336
Stormwater	10,805	7,041	7,050
Natural environment	812	726	782
Wastewater	18,741	18,065	14,665
Solid waste	2,113	1,948	1,783
Economic	967	993	955
Council services	13,496	4,367	10,475
Total operating revenue by activity	148,997	99,182	106,247
Council services	148,997	99,182	106,247

3. TOTAL OPERATING EXPENDITURE

	ACTUAL	BUDGET	ACTUAL
	\$'000	\$'000	\$'000
	2018	2018	2017
Significant activities			
Representation	2,635	3,031	2,720
Planning for the future	2,239	2,061	2,171
Communities	6,145	6,540	6,468
Recreation and leisure	6,788	6,320	6,509
Regulatory services	8,048	7,449	7,285
Transportation	19,853	20,794	19,862
Water supply	11,131	11,158	10,535
Stormwater	4,072	3,963	3,820
Natural environment	717	791	691
Wastewater	12,899	13,337	13,316
Solid waste	1,889	2,042	1,536
Economic	626	648	637
Council services	5,350	4,217	4,904
Total operating expenditure by activity	82,392	82,351	80,454
Council services	82,392	82,351	80,454

4. FEES AND CHARGES FROM ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Significant activities			
Representation	3	-	67
Planning for the future	-	-	-
Communities	242	75	391
Recreation and leisure	236	26	47
Regulatory services	4,636	5,234	4,871
Transportation	3,599	10	334
Water supply	89	-	73
Stormwater	9	-	209
Natural environment	-	-	-
Wastewater	57	2	19
Solid waste	98	82	94
Economic	-	-	-
Council services	161	10	177
Total revenue from significant activities	9,131	5,439	6,282

GENERAL RATE INCOME

5. GENERAL RATE INCOME

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Representation	2,267	2,612	2,246
Planning for the future	2,296	2,247	2,204
Communities	3,589	3,682	3,683
Recreation and leisure	5,423	4,993	5,044
Regulatory services	2,529	1,914	1,911
Transportation	13,926	13,756	14,014
Stormwater	1,489	1,489	1,468
Natural environment	246	192	213
Wastewater	1,912	1,912	2,003
Solid waste	415	632	363
Economic	675	696	681
Council services	726	1,139	1,260
Total general rates	35,493	35,264	35,088

6. TARGETED RATES ATTRIBUTABLE TO ACTIVITIES

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
General rates	35,493	35,264	35,088
Targeted rates attributable to activities			
Representation	433	419	441
Planning for the future	13	13	13
Communities	1,929	1,876	2,066
Recreation and leisure	-	-	-
Regulatory services	-	-	-
Transportation	-	-	44
Water supply	6,445	6,642	6,401
Stormwater	4,066	3,997	3,836
Natural environment	346	349	325
Wastewater	9,964	9,922	9,447
Solid waste	1,053	1,024	1,031
Economic	290	295	271
Council services	926	918	928
Total targeted rates	25,465	25,453	24,804

Environment Protection is included as part of targeted rates.

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage and water. Non-rateable land does not constitute a remission..

Rates remissions

Rates revenue is shown net of rates remissions of \$40,232 (2017: \$37,677). Western Bay Council's rates remission policy allows Western Bay Council to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport and land protected for historical or cultural purposes.

7. TARGETED RATES FOR WATER SUPPLY

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Metered water charges	4,086	3,953	3,765
Total rates revenue	65,044	64,670	63,657

8. FINANCE INCOME AND FINANCE COSTS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Finance income			
Interest income	1,460	1,267	1,262
Unrealised hedge movement	-	-	-
Rates postponement scheme	8	13	10
Total finance income	1,468	1,280	1,272
Finance costs:			
- interest on bank borrowings	4,260	7,800	4,908
- interest rate swap expense	3,660	-	3,337
Total finance costs	7,920	7,800	8,246
Net finance income / (costs)	(6,452)	(6,520)	(6,974)

9. VESTED ASSETS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Significant activities			
Recreation and leisure	166	-	-
Transportation	2,947	1,400	1,970
Water supply	1,339	200	280
Stormwater	4,245	300	950
Wastewater	2,268	340	457
Council services	-	-	-
Total significant activities	10,965	2,240	3,658

10. SUBSIDIES AND GRANTS

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Ministry for the Environment - territorial authority levy for trade waste	180	130	176
Bay of Plenty Regional	1,045	2,447	-
NZ Lotteries	350	-	-
Lion Foundation	50	473	-
Land Transport NZ subsidy	14,266	9,758	10,087
TECT	103	10	43
Creative NZ	-	-	18
Glass Packaging Forum Scheme	-	-	24
Other	-	-	10
Total subsidies and grants	15,994	12,818	10,359

There are no unfulfilled conditions or other contingencies attached to subsidies recognised (2017: nil).

11. OTHER REVENUE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2018	2018	2017
Petrol tax	466	400	446
Sale of goods and services	1,184	995	1,313
Cost recoveries	79	230	62
Total other revenue	1,729	1,625	1,821
Made up of:			
Exchange	1,227	1,040	1,357
Non exchange	503	585	464
Financial contributions			
Recreation and leisure	2,313	1,583	2,302
Transportation	2,659	2,216	3,396
Water supply	1,534	1,339	1,726
Stormwater	622	1,255	585
Natural environment	219	185	244
Wastewater	2,160	3,441	2,739
Total revenue from financial contributions	9,506	10,020	10,993

12. OTHER EXPENSES

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Audit fees for financial statement audit		
- audit fees for financial statement audit	135	142
- audit fees for long term plan audit	101	-
- audit fees for debenture trust deed audit	8	-
- audit fees for grant funding assurance audit	5	-
Insurance premiums	371	334
Consultant and legal fees	1,890	2,073
Impairment of receivables	1,938	2,408
Loss on sale of property, plant and equipment	125	818
Minimum lease payments under operating leases	86	78
Other operating expenses	31,653	30,088
Asset revaluation	(22)	25
Total other expenses	36,290	35,966

13. PERSONNEL COSTS

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Salaries and wages	18,399	16,664
Employer contributions to health insurance scheme	189	166
Total personnel costs	18,588	16,830

Council's total Kiwisaver contributions to 30 June 2018 were \$431k (2017: \$425k).

14. CASH AND CASH EQUIVALENTS

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Cash at bank and on hand	3,732	4,861
Petty cash	2	2
Term deposits with maturities less than 3 months	8,016	9,916
Total cash and cash equivalents	11,750	14,779

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

Interest rates

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

	2018	2017
Short-term deposits	3.12%	3.47%

15. DEBTORS AND OTHER RECEIVABLES

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Rates debtors	5,971	6,596
Metered water debtors	1,501	1,062
Other trade debtors	2,449	1,995
Sundry debtors	6,169	1,876
GST Receivables	1,191	-
Debtors and other receivables prior to impairment	17,281	11,529
Less provision for impairment of receivables	3,438	3,808
	13,843	7,721
Prepayments	731	837
	14,574	8,558
¹ Receivables from non-exchange transactions	14,033	8,240
Receivables from exchange transactions	541	318
	14,574	8,558

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 (2017:\$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 2018 and 2017 are detailed below:

	2018			2017		
	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not past due	13,372	721	12,571	7,229	811	6,418
Past due 90 days - 2 years	1,105	484	621	1,187	477	710
Past due 2-3 years	873	645	228	913	679	234
Past due > 3 years	1,931	1,588	343	2,200	1,841	359
Total	17,281	3,438	13,843	11,529	3,808	7,721

Receivables greater than 90 days are considered past due.

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

	ACTUAL	ACTUAL
	\$'000	\$'000
	2018	2017
Individual impairment	1,588	1,841
Collective impairment	1,850	1,967
As at 30 June	3,438	3,808

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

	ACTUAL	ACTUAL
	\$'000	\$'000
	2018	2017
Past due 30-59 days	-	-
Past due 60-89 days	-	-
Past due > 90 days	1,588	1,841
As at 30 June	1,588	1,841

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

	ACTUAL	ACTUAL
	\$'000	\$'000
	2018	2017
As at 1 July	3,808	4,445
Additional provisions made during the year	1,568	1,771
Provisions reversed during the year	-	-
Receivables written off during the year	(1,938)	(2,408)
As at 30 June	3,438	3,808

16. DERIVATIVE FINANCIAL INSTRUMENTS

	ACTUAL	ACTUAL
	\$'000	\$'000
	2018	2017
Current portion		
Interest rate swaps - not hedge accounted	(8,862)	(9,655)
Total derivative financial instruments	(8,862)	(9,655)

Fair value

Interest rate swaps

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices. This valuation has been performed by ETOS Limited, independent valuers.

The notional principal amounts of the current outstanding interest rate swap contracts for the Western Bay Council were \$184m (2017: \$173m). At 30 June 2018, the fixed interest rates of interest rate swaps vary from 2.04% to 5.99% (2017: 3.04% to 5.99%).

17. NON-CURRENT ASSETS HELD FOR SALE

Western Bay Council owns two residential sections (2017: four). One property is located at Waihi Beach and the other property is located at Pukehina Beach. These properties have been identified as being surplus to requirements and have been approved for sale. These properties are expected to be sold within the next twelve months. There is no accumulated property revaluation reserve on these properties.

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Non-current assets held for sale are:		
- land	445	875
Total non-current asset held for sale	445	875

18. OTHER FINANCIAL ASSETS

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Current portion		
Investments	-	-
Term deposits maturing within 12 months of balance date	14,983	35,000
Total investments	14,983	35,000
Total current other financial assets	14,983	35,000
Non-current portion		
Non-current assets available for sale are:		
Zespri Group Limited		
17,660 shares (no change from 2017) with a market value as at 30 June 2018 of \$8.75 (\$5.35 in 2017) per share.	155	95
Seeka Kiwifruit Industries Limited		
11,247 shares (2017: 11,247) with a market value as at 30 June 2018 of \$6.70 (\$5.10 in 2017) per share.	75	57
Total non-current assets available for sale	230	152
Loans and receivables		
Te Tumu investment (note 42)	10,414	10,121
Total loans and receivables	10,414	10,121
Total non-current other financial assets	10,644	10,273
Total other financial assets	25,627	45,273

Quoted shares

The fair values of listed shares are determined by reference to published current bid price quotations in an active market.

19. INVESTMENTS IN ASSOCIATES

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Share in associates		
Western Bay of Plenty Tourism and Visitors' Trust (50%)	207	222
Total share in associates	207	222

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

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Bay of Plenty Local Authority Shared Services Limited	14	14
BOPLASS Limited 9.7% share (2017: 9.7%)		
New Zealand Civic Financial Services	43	43
28,142 shares (2017: no change) with a market value as at 30 June 2018 of \$1.54 per share (2017: no change)		
New Zealand Local Government Funding Agency Limited	1,866	1,866
3,731,958 shares (2017: no change) at \$1 per share \$0.50 share paid up capital (2017: no change)		
New Zealand Local Government Funding Agency Borrower Notes	1,680	1,680
Total Investment in Council Controlled Organisations (CCO's) and other similar entities	3,603	3,603

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Bay of Plenty Local Authority Shared Services (BOPLASS)		
Assets	1,192	995
Liabilities	1,152	945
Revenues	1,445	1,742
Surplus / (deficit)	11	2
Western Bay's % interest	9.7%	9.7%

Balance date of all Council Controlled Organisations is 30 June.

21. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment notes

- There were no assets impaired, lost or given up during the year.
- Council has not pledged any property plant or equipment as security for liabilities.
- Land and buildings in the "Restricted Asset" category are subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for which the assets can be used).

Reconciliation of property, plant and equipment to statement of financial position

- In respect of the roading component of infrastructural assets:

Western Bay Council has formerly recorded a decision to maintain the network in a defined and appropriate operating capacity by a programme of restoration to ensure that its life will be indefinitely prolonged.
- An appropriate Asset Management Plan has been adopted by Council.

The Plan provides:

 - the level of service required;
 - the current physical extent, condition and capacity of the network;
 - the timing, extent and cost of work required to maintain and restore the network's defined operating capacity in future years.

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation and Amortisation Expense	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Representation	9	12
Planning for the future	4	5
Communities	367	542
Recreation and leisure	1,525	1,652
Regulatory services	71	64
Transportation	8,167	8,381
Water supply	3,396	2,742
Stormwater	1,353	1,125
Natural environment	3	5
Wastewater	3,158	3,764
Solid waste	20	31
Economic	-	-
Total depreciation and amortisation by activity	18,074	18,324
Depreciation and amortisation related to support services	1,521	1,089
Total depreciation and amortisation expense	19,594	19,413
Made up of:		
Depreciation	18,678	19,052
Amortisation	916	360
Revaluation gains	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Representation	-	1
Planning for the future	-	2
Communities	-	3
Transportation	12,822	52
Water supply	18,320	-
Wastewater	(3,735)	-
Stormwater	14,837	-
Support services	-	460
Land	43,854	
Buildings	8,063	
Coastal marine structures	1,304	
Library books	187	
Improvements	686	
Property plant and equipment gains	96,338	518
Intangibles (Emission Trading Scheme NZ Units)	137	-
Forestry	1,695	1,024
Total gains	98,170	1,542

The 2018 property, plant and equipment gains of \$96.3m relate to the revaluation movement of land, buildings and infrastructure assets, being \$31.2m reflected in net surplus and \$65.9m reflected in other comprehensive income. An external revaluation occurs every 3 years. This movement reflects the increase in values between 30 July 2015 and 1 July 2017.

Work in Progress	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Communities	5,081	289
Recreation and leisure	718	1,095
Transportation	11,203	4,337
Water supply	5,010	2,044
Stormwater	4,088	1,610
Wastewater	4,927	1,696
Economic	-	-
Support services	2,090	2,333
Total work in progress	33,117	13,405

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuations

Operational and restricted land and buildings

At fair value as determined from market based evidence by an independent valuer. The most recent valuation performed by Landmass Technology and the valuation was effective as at 1 July 2017. Once the ownership structure has been determined a revaluation movement will be taken up to reflect the correct value of Western Bay Council's share. Management are satisfied that the carrying value approximates fair value.

Coastal and Marine Structures

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Tonkin and Taylor Limited along with Council's Reserves and Facilities Projects and Assets Manager, and the valuation is effective as at 1 July 2017.

Infrastructural asset classes

Land

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

Sewerage and Wastewater

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

Stormwater

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

Water

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

Roading

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Opus International Consultants Limited and the valuation is effective as at 1 July 2017.

Land under roads

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

Vested infrastructural assets

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

Library collections

At depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of New Zealand in May 2002. Library stock has been valued effective 1 July 2017 by independent registered valuers, Aecom New Zealand Limited.

Airport land

The airport land consists of some 225Ha of land of which some 86ha is jointly owned by Tauranga City Council (TCC) and Western Bay of Plenty District Council. TCC are the legal owners of the land and Western Bay Council are the beneficial or equitable owners of the jointly owned land. Western Bay Council own 14.45% of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and Western Bay Council. As the legal owner TCC must exercise its rights of ownership in terms of the trust and for the benefit of the trustees.

The terms of the trust are that TCC may use the jointly acquired land rent free provided the land is used as an airport. In the event that the jointly owned airport land is sold and the principal use of the land is no longer an airport then a liability to Western Bay Council is created for the sale price of the jointly owned land at that point.

Total fair value of property, plant and equipment valued by each valuer:

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

Insurance disclosure as required under the Local Government Act 2002

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	CARRY AMOUNT \$'000	INSURED AMOUNTS \$'000
	30 JUNE 2018	30 JUNE 2018
Category A Insurance Contracts		
Water	100,073	160,583
Wastewater	115,814	177,485
Stormwater	96,665	105,766
Mobile Plant & Vehicles	993	1,340
Forestry	8,538	10,438
	322,083	455,612
Material Damage cover	-	39,966
Buildings	43,059	-
Coastal Marine	8,632	-
Libraries	1,133	-
Office Equipment	1,654	-
Plant & Equipment	70	-
	54,548	39,966
Category A Total	376,631	495,579
Category B Financial Risk Sharing Arrangements assets		
Nil	-	-
Category B Total	-	-
Category C Self Insured Assets		
Disaster Contingency Reserve	-	-
Land under roads	261,910	-
Roading - Other	52,031	-
Roading - Surfaces	514,175	-
Land	145,766	-
Category B Total	973,882	-
Total	1,350,513	491,990

Work in progress

The total amount of property, plant and equipment in the course of construction is \$33.1m (2017: \$13.4m).

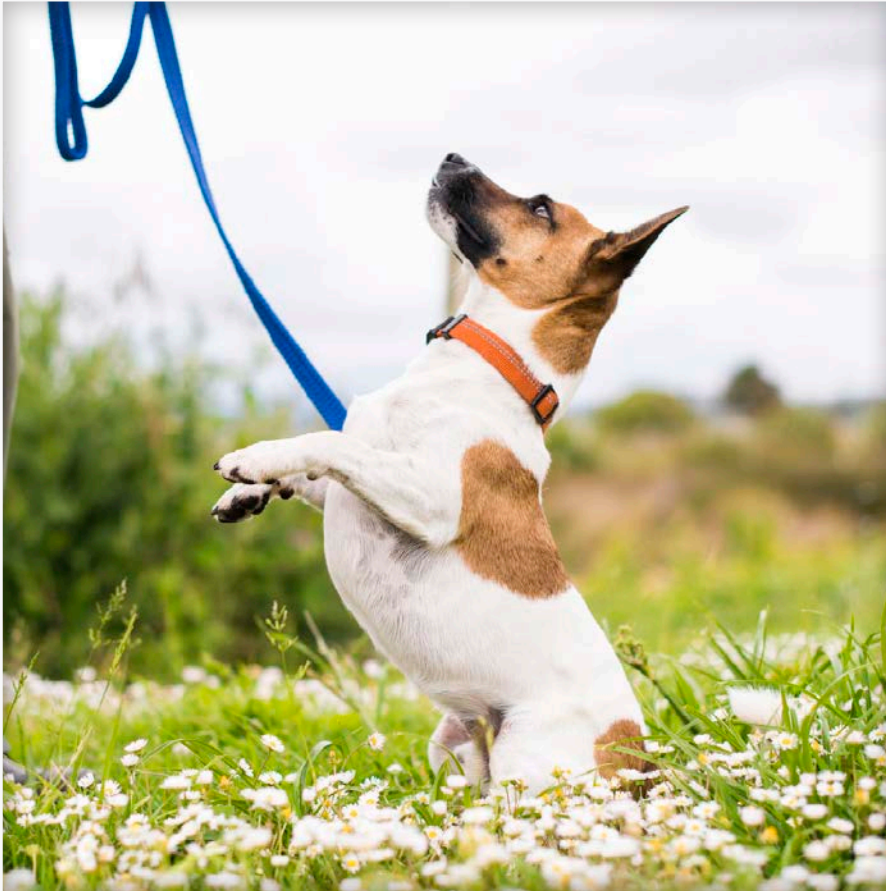
Impairment

There were no impairment losses in the year 30 June 2018 (2017: \$nil).

Core infrastructure asset disclosures

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

Core infrastructure assets	CLOSING BOOK VALUE	ADDITIONS: CONSTRUCTED BY COUNCIL	ADDITIONS: TRANSFERRED TO COUNCIL	MOST RECENT REPLACEMENT COST ESTIMATE FOR REVALUED ASSETS
	\$'000	\$'000	\$'000	\$'000
Water				
- treatment plants and facilities	2,149	2	-	3,110
- other assets (such as reticulation systems)	97,924	2,521	1,339	167,741
Stormwater drainage	96,665	385	4,054	118,806
Wastewater				
- treatment plants and facilities	10,896	-	-	24,987
- other assets (such as reticulation systems)	104,918	2,851	2,268	149,710
Flood protection and control works	-	-	-	-
Roads and footpaths	566,206	9,682	2,539	736,564
Total core infrastructure assets	878,758	15,441	10,200	1,200,918



Alfie
1/11/2017

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

2017	Cost /	Accumulated	Carrying	Current	Current	Current	Current year	Transfers	Current year	Revaluation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	depreciation	amount	year	year	year	disposal		depreciation		depreciation	Valuation	depreciation	amount
		and impairment		additions	vested	disposals	depreciation						and impairment	
	1 July 2017	1 July 2017	1 July 2017		assets							30 June 2017	30 June 2017	30 June 2017
	\$'000	\$'000	\$'000									\$'000	\$'000	\$'000
Council 2017														
Operational assets														
Land	28,702	-	28,702	-	-	-	-	-	-	-	-	28,702	-	28,702
Buildings	14,716	(589)	14,128	200	-	(20)	1	-	(298)	-	-	14,896	(886)	14,010
Coastal Marine	7,702	(775)	6,928	141	-	-	-	-	(417)	-	-	7,843	(1,192)	6,651
Libraries	1,672	(641)	1,031	240	-	-	-	-	(386)	-	-	1,912	(1,027)	885
Office equipment	6,391	(4,745)	1,646	330	-	-	-	-	(351)	-	-	6,721	(5,096)	1,625
Plant and equipment	218	(143)	75	-	-	-	-	(11)	(12)	-	-	207	(155)	52
Vehicles	1,949	(839)	1,110	471	-	(255)	174	11	(371)	-	-	2,177	(1,037)	1,140
Work in progress	196	-	196	2,423	-	-	-	-	-	-	-	2,619	-	2,619
Total operational assets	61,547	(7,731)	53,816	3,805	-	(275)	175	-	(1,836)	-	-	65,076	(9,392)	55,684
Infrastructural assets														
Land	12,509	-	12,509	-	-	(670)	-	-	-	-	-	11,839	-	11,839
Buildings	1,633	(168)	1,465	-	-	(549)	35	-	(38)	-	-	1,084	(170)	914
Water - treatment	2,498	(337)	2,162	205	-	-	-	-	(147)	-	-	2,703	(483)	2,220
Water - other	82,963	(5,230)	77,733	3,587	280	-	32	-	(2,617)	-	-	86,830	(7,815)	79,015
Stormwater	80,289	(2,303)	77,985	129	950	(20)	-	-	(1,121)	-	-	81,349	(3,425)	77,924
Wastewater - treatment	14,499	(1,420)	13,079	117	-	-	17	-	(1,044)	-	-	14,616	(2,447)	12,169
Wastewater - other	112,511	(5,523)	106,988	247	464	(40)	5	-	(2,709)	-	-	113,182	(8,227)	104,955
Land under roads	260,955	-	260,955	-	569	-	-	-	-	-	-	261,523	-	261,523
Roading other	53,120	(3,502)	49,618	3,761	715	-	-	-	(1,806)	-	-	57,596	(5,308)	52,288
Roading surface	510,085	(13,759)	496,326	6,548	687	-	-	-	(6,540)	-	-	517,319	(20,298)	497,021
Work in progress	3,191	-	3,191	6,499	-	-	-	-	-	-	-	9,690	-	9,690
Total infrastructural assets	1,134,253	(32,243)	1,102,010	21,094	3,665	(1,279)	89	-	(16,021)	-	-	1,157,733	(48,174)	1,109,559
Restricted assets														
Land	61,672	-	61,672	-	-	-	-	(420)	-	-	-	61,252	-	61,252
Buildings	18,698	(2,141)	16,557	656	-	(25)	4	-	(1,137)	-	-	19,328	(3,275)	16,054
Improvements	5,556	(159)	5,397	5	-	(34)	-	-	(89)	-	-	5,528	(248)	5,279
Work in progress	352	-	352	743	-	-	-	-	-	-	-	1,095	-	1,095
Total restricted assets	86,278	(2,301)	83,978	1,403	-	(59)	4	(420)	(1,226)	-	-	87,202	(3,523)	83,680
Total Council	1,282,078	(42,274)	1,239,804	26,302	3,665	(1,613)	268	(420)	(19,084)	-	-	1,310,012	(61,089)	1,248,923

22. INTANGIBLE ASSETS

There are no restrictions over the title of Western Bay's intangible assets, nor are any intangible assets pledged as security for liabilities. Property subdivision rights – refer to Note 42.

	COMPUTER SOFTWARE		RESOURCE CONSENTS		EMISSIONS TRADING SCHEME NZ UNITS		PROPERTY SUBDIVISION RIGHTS		TOTAL	
	\$'000		\$'000		\$'000		\$'000		\$'000	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Balance at 1 July 2017										
Cost	4,636	4,212	600	600	219	219	2,627	2,627	8,082	7,658
Accumulated amortisation and impairment	(3,432)	(3,228)	(184)	(166)	359	384	(1,383)	(1,245)	(4,639)	(4,254)
	1,204	984	416	434	578	603	1,244	1,382	3,443	3,404
Work in progress	-	-	-	-	-	-	-	-	-	-
Opening carrying amount	1,204	984	416	434	578	603	1,244	1,382	3,443	3,404
Year ended 30 June 2018										
Additions	227	424	193	-	-	-	-	-	420	424
Transfer	-	-	-	-	-	-	207	-	207	-
Amortisation & impairment charge	(276)	(204)	(18)	(17)	-	(25)	(622)	(137)	(916)	(384)
Gains	(25)	-	-	-	137	-	-	-	112	-
Disposals	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	1,130	1,204	591	417	715	578	829	1,245	3,265	3,444
Balance as 30 June 2018										
Cost	4,863	4,636	793	600	356	219	2,834	2,627	8,847	8,082
Accumulated amortisation and impairment	(3,733)	(3,432)	(202)	(184)	359	359	(2,004)	(1,382)	(5,580)	(4,639)
	1,130	1,204	591	417	715	578	829	1,245	3,265	3,443
Work in progress	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	1,130	1,204	591	417	715	578	829	1,245	3,265	3,443

Carbon credits

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

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

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

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

23. FORESTRY ASSETS

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Balance at 1 July	6,843	5,819
Gains/(losses) arising from changes attributable to physical changes	645	665
Gains/(losses) arising from changes attributable to price changes	1,051	359
Balance at 30 June	8,539	6,843

TECT All Terrain Park Forest

The TECT All Terrain Park owns 463.88 hectares of Pinus Radiata forest, 44.73 hectares of Douglas Fir, 53.29 other minor species of mixed varieties which are at varying stages of maturity ranging from 3 to 24 years. The total value of the forestry stand is \$8.86 million of which Council owns 50%.

Waihi Beach Forest

Western Bay Council owns 30.9 hectares of Pinus Radiata forest that have a maturity of 22.9 years. June 2012 was the first date in which this forestry has been identified for valuation purposes. The total value of this forestry stand is \$839,507.

Matakana Island Forest

Western Bay Council owns 126.4 hectares of Pinus Radiata forest which are at varying stages of maturity ranging from 7 to 34 years with an average age of 18.5 years. The total value of the forestry stand is \$3.13 million.

Lund Road Forest

Western Bay Council owns 58.9 hectares of Pinus Radiata forest which are at varying stages of maturity ranging from 3 to 5 years with an average age of 3 years. The total value of the forestry stand is \$140,598.

Valuation assumptions

Independent registered valuer, Interpine Forestry Limited, valued Western Bay Council's forestry assets as at 30 June 2018. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- a discount rate of 8.7 % (2017: 8.7%) has been used in discounting the present value of expected cash flows
- notional land rental costs have been included for freehold land
- the forest has been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis
- no allowance for inflation has been provided
- costs are current average costs for established stands. Immature stands cost are compounded at 3.5% (2017: 3.5%)
- no allowance has been made for cost improvements in future operations
- log prices are based on a twelve quarter rolling average to March 2018, and there are no restrictions on title.

Financial risk management strategies

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

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

Securities

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

24. PAYABLES AND DEFERRED REVENUE

CURRENT PORTION

	ACTUAL	ACTUAL
	\$'000	\$'000
	2018	2017
<i>Payables and deferred revenue under exchange transactions</i>		
Trade payables and accrued expenses	11,518	8,801
Other income in advance	248	263
Sundry payables	381	522
Total payables and deferred revenue under exchange transactions	12,147	9,586
<i>Payables and deferred revenue under non-exchange transactions</i>		
Rates in advance	3,679	3,365
Bonds and deposits	1,389	1,137
GST payables	-	105
Environment Bay of Plenty Regional Council rates	365	354
Total payables and deferred revenue under non-exchange transactions	5,433	4,961
Total current portion	17,580	14,547

NON-CURRENT PORTION

	ACTUAL	ACTUAL
	\$'000	\$'000
	2018	2017
<i>Payables and deferred revenue under exchange transactions</i>		
Employee entitlements	15	24
Total payables and deferred revenue	17,595	14,571

Trade payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade payables approximates their fair value.

25. BORROWINGS

CURRENT

	ACTUAL	ACTUAL
	\$'000	\$'000
	2018	2017
Secured loans fixed		-
Secured loans floating	25,000	45,000
Total current secured loans	25,000	45,000
Total current borrowings	25,000	45,000

25. BORROWINGS (CONTINUED)

NON-CURRENT

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Secured loans fixed	20,000	20,000
Secured loans floating	80,000	85,000
Total non-current secured loans	100,000	105,000
Total non-current borrowings	100,000	105,000
Total public debt	125,000	150,000

Western Bay Council's secured debt of \$105,000m (2017: \$130,000m) is issued at floating rates of interest. This is converted to fixed rates through the use of interest rate swaps in line with Western Bay Council's adopted treasury policy.

Western Bay Council's secured floating debt of \$25,000m (2017: \$45,000m) is issued at a margin of 62bps (2017: 155bps, 120bps and 134bps) above bank wholesale rates BKBM.

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

SECURITY

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

REPAYMENT TERMS

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Payable no later than one year	25,000	45,000
<i>Weighted average interest rate</i>	2.62%	3.33%
Later than one, not later than five years	45,000	55,000
<i>Weighted average interest rate</i>	3.31%	3.14%
Later than five years	55,000	50,000
<i>Weighted average interest rate</i>	3.27%	3.36%
	125,000	150,000

FAIR VALUES OF NON-CURRENT BORROWINGS

	CARRYING AMOUNTS \$'000	CARRYING AMOUNTS \$'000	FAIR VALUES \$'000	FAIR VALUES \$'000
	2018	2017	2018	2017
Secured loans	100,000	105,000	99,007	104,210
Total	100,000	105,000	99,007	104,210

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

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

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

INTEREST RATES

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Secured loans and debentures	3.16%	3.27%

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 2018 Western Bay Council had \$30.0 million of undrawn cash facilities available (2017: \$30.0 million).

Debentures

Western Bay Council's secured debt of \$125.0 million (2017: \$150.0 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 0.58% to 0.85% 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 (2017: \$600,000). There are no restrictions on the use of this facility.

26. EMPLOYEE ENTITLEMENTS

	ACTUAL	ACTUAL
	\$'000	\$'000
	2018	2017
Accrued pay	554	509
Accrued leave and accrued entitlements	1,868	1,778
Sick pay	57	73
Retirement gratuities	15	24
	2,494	2,384
Represented by:		
Current	2,479	2,360
Non-current	15	24
Total employee entitlements	2,494	2,384

27. PROVISIONS

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
Current portion		
Landfill aftercare provision	12	12
Weatheright Homes Resolution Service	301	300
Total current portion	313	312
Non-current portion		
Landfill aftercare provision	322	334
Total non-current portion	322	334
Total provisions	635	646

Movements for each class of provision are noted overleaf:

27. PROVISIONS (CONTINUED)

	LANDFILL \$'000	WEATHERTIGHT HOMES \$'000	TOTAL \$'000
Balance at 1 July 2016	357	300	657
Additional provisions	-	-	-
Amounts used	(11)	-	(11)
Balance at 30 June 2017	346	300	646
2017			
Balance at 1 July 2017	346	301	647
Additional provisions	-	-	-
Amounts used	(12)	-	(12)
Balance at 30 June 2018	334	301	635

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 \$0.32 million (2017: \$0.34 million) and for post-closure of Te Puke of \$0.24 million (2017: \$0.26 million) over the remaining life (Athenree 17 years, Te Puke 14 years) of the resource consents. This liability has been discounted back to a current value of \$0.33m (2017: \$0.35 million) using a discount rate of 7% (2017: 7%).

Weatheright Homes Resolution Services

Note 35 page 171 provides additional information regarding this provision.

EQUITY

28. RETAINED EARNINGS

	ACTUAL	ACTUAL
	\$'000	\$'000
	2018	2017
Opening balance	784,184	754,269
Surplus / (deficit)	66,589	25,587
Other surplus /(deficit) through comprehensive income	78	7,944
Reclassification from prior year	-	-
Reclassification of reserves to equity	-	-
	850,851	787,800
Transfers to:		
Restricted reserves	(16)	(16)
Council created reserves	(23,201)	(22,056)
	(23,217)	(22,072)
Transfers from:		
Restricted reserves	11	11
Council created reserves	22,326	18,446
Asset revaluation reserve	-	-
	22,337	18,457
Closing balance	849,971	784,184

29. RESTRICTED RESERVES

	ACTUAL	ACTUAL
	\$'000	\$'000
	2017	2016
Opening balance	266	261
Transfers to:		
Accumulated funds	(11)	(11)
Transfers from:		
Accumulated funds	16	16
Closing balance	271	266

30. COUNCIL-CREATED RESERVES

	ACTUAL	ACTUAL
	\$'000	\$'000
	2018	2017
Opening balance	29,556	25,946
Transfers to:		
Accumulated funds	(22,323)	(18,446)
Transfers from:		
Accumulated funds	23,201	22,056
Closing balance	30,434	29,556

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

31. GENERAL ASSET REVALUATION RESERVE

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Opening balance	341,279	341,279
Change in asset value	65,960	-
Transfer to retained earnings on disposal of property	-	-
Reclassification of reserves to equity	-	-
Closing balance	407,239	341,279
Comprising:		
Land	13,439	-
Buildings	7,858	175
Water supply	46,450	28,014
Roading	227,593	214,798
Wastewater	47,328	51,153
Stormwater	56,918	42,215
Coastal marine structures	5,476	3,896
Library books	997	810
Improvements	1,180	218
Total asset revaluation reserve	407,239	341,279

Asset revaluation reserves

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

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Infrastructural:		
Water supply	46,450	28,014
Road Reserves	68,500	68,500
Road Surface	150,314	135,952
Other Roding	8,779	10,345
Wastewater	47,328	51,153
Stormwater	56,918	42,215
Operational assets:		
Land	13,439	-
Buildings	7,858	175
Coastal marine structures	5,476	3,896
Library books	997	810
Improvements	1,180	218
Total general asset revaluation reserve	407,239	341,279

32. RESERVE FUNDS

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2017	DEPOSITS TO FUND TO 30 JUNE 2018	WITHDRAWALS FROM FUND TO 30 JUNE 2018	CLOSING BALANCE 30 JUNE 2018
<i>Restricted Reserves</i>	<i>Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor.</i>					
Hunter Estate	Established from bequest made in the late 1980s. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and Leisure	35,275	2,116	-	37,391
l'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Leisure	8,972	538	-	9,510
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	206,451	12,387	(11,093)	207,745
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Leisure	15,102	906	-	16,008
Total Restricted Reserves			265,800	15,947	(11,093)	270,654
Asset Replacement Reserves						
Asset Replacement Reserves - general approach	Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.					
Asset Replacement - computers		Support Services	685,130	571,531	(561,041)	695,620
District Reserves		Support Services	2,509,843	372,637	(209,750)	2,672,730
Huharua Sub Regional Park		Recreation and Leisure	155,662	22,511	-	178,173
TECT All Terrain Park		Recreation and Leisure	661,707	113,487	-	775,194
Asset Replacement - office buildings		Recreation and Leisure	1,386,860	302,081	(506,591)	1,182,350
Asset Replacement - vehicles		Support Services	(6,018)	312,470	(400,164)	(93,711)
Asset Replacement - civil defence vehicle		Communities	156,507	-	(25,000)	131,507
Asset Replacement - telemetry		Communities	77,044	4,623	-	81,667
Asset Replacement - swimming pool		Recreation and Leisure	176,972	74,660	-	251,632
Asset Replacement - library books		Communities	2,321,014	248,013	(278,702)	2,290,325
Asset Replacement - library computers		Communities	1,566	-	-	1,566
Asset Replacement - Cemetery		Communities	200,472	25,954	-	226,426
Asset Replacement - coast marine		Recreation and Leisure	27,060	259,834	(635,564)	(348,670)
Total Asset Replacement Reserves			8,353,819	2,307,801	(2,616,812)	8,044,809

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2016	DEPOSITS TO FUND TO 30 JUNE 2017	WITHDRAWALS FROM FUND TO 30 JUNE 2017	CLOSING BALANCE 30 JUNE 2017
<i>Restricted Reserves</i>	<i>Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor.</i>					
Hunter Estate	Established from bequest made in the late 1980s. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and Leisure	33,278	1,997	-	35,275
I'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Leisure	8,464	508	-	8,972
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	204,721	12,283	(10,553)	206,451
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Leisure	14,247	855	-	15,102
Total Restricted Reserves			260,710	15,643	(10,553)	265,800
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	583,224	507,820	(405,914)	685,130
District Reserves		Support Services	2,202,319	738,591	(431,067)	2,509,843
Huharua Sub Regional Park		Recreation and Leisure	130,064	25,598	-	155,662
TECT All Terrain Park		Recreation and Leisure	554,180	107,527	-	661,707
Asset Replacement - office buildings		Recreation and Leisure	1,253,158	292,344	(158,641)	1,386,860
Asset Replacement - vehicles		Support Services	90,997	377,845	(474,860)	(6,018)
Asset Replacement - civil defence vehicle		Communities	156,507	-	-	156,507
Asset Replacement - telemetry		Communities	72,683	4,361	-	77,044
Asset Replacement - swimming pool		Recreation and Leisure	150,012	26,960	-	176,972
Asset Replacement - library books		Communities	2,039,944	520,624	(239,554)	2,321,014
Asset Replacement - library computers		Communities	1,566	-	-	1,566
Asset Replacement - Cemetery		Communities	170,316	30,156	-	200,472
Asset Replacement - coast marine		Recreation and Leisure	217,557	13,053	(203,551)	27,060
Total Asset Replacement Reserves			7,622,526	2,644,880	(1,913,587)	8,353,819

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2017	DEPOSITS TO FUND TO 30 JUNE 2018	WITHDRAWALS FROM FUND TO 30 JUNE 2018	CLOSING BALANCE 30 JUNE 2018
Community Board Reserves						
Community Boards - general approach	We have five community boards but not all of our District is covered by these boards. The Community Board rate is a fixed charge for their community board area of benefit. The level of rating is determined based on the expected expenditure of the Board and may vary between Boards. Any unspent money at year end is transferred to the respective community board reserve account. Reserve funds can only be used for capital, one-off, or non-recurring expenditure items or grants.					
Waihi Beach Community Board		Communities	276,225	37,107	(35,000)	278,331
Katikati Community Board		Communities	117,329	15,339	(6,461)	126,207
Omokoroa Community Board		Communities	297,964	40,334	(91,857)	246,441
Te Puke Community Board		Communities	124,192	21,154	(26,734)	118,612
Maketu Community Board		Communities	149,410	29,447	(20,000)	158,857
Total Community Board Reserves			965,120	143,381	(180,052)	928,448
Other Community Reserves						
Other community reserves - general approach	These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates.					
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements as well as encourage business development in Katikati.	Planning for the future	13,295	798	-	14,092
Waihi Beach Town Centre Development	For town centre development.	Economic	(13,150)	816,281	(366,919)	436,212
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	317,691	106,182	(167,229)	256,644
Omokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	33,993	182,040	-	216,033
Te Puke Town Centre Development	The development of Te Puke's town centre is currently underway and is planned to be completed in 2013.	Economic	672,228	36,881	-	709,109
Pukehina Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area.	Planning for the future	601,108	63,992	-	665,101
Total Other Community Reserves			1,625,165	1,206,174	(534,148)	2,297,191
Total Community Board and Other Reserves			2,590,285	1,349,555	(714,200)	3,225,639

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2016	DEPOSITS TO FUND TO 30 JUNE 2017	WITHDRAWALS FROM FUND TO 30 JUNE 2017	CLOSING BALANCE 30 JUNE 2017
Community Board Reserves						
Community Boards - general approach	We have five community boards but not all of our District is covered by these boards. The Community Board rate is a fixed charge for their community board area of benefit. The level of rating is determined based on the expected expenditure of the Board and may vary between Boards. Any unspent money at year end is transferred to the respective community board reserve account. Reserve funds can only be used for capital, one-off, or non-recurring expenditure items or grants.					
Waihi Beach Community Board		Communities	247,593	28,631		276,225
Katikati Community Board		Communities	120,070	19,509	(22,250)	117,329
Omokoroa Community Board		Communities	330,353	33,911	(66,300)	297,964
Te Puke Community Board		Communities	147,464	9,544	(32,816)	124,192
Maketu Community Board		Communities	154,564	34,388	(39,542)	149,410
Total Community Board Reserves			1,000,045	125,983	(160,908)	965,120
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	12,542	753	-	13,295
Waihi Beach Town Centre Development	For town centre development.	Economic	(13,074)	-	(76)	(13,150)
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	67,235	250,456	-	317,691
Omokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise.	Economic	32,069	1,924	-	33,993
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	634,310	37,918	-	672,228
Pukehina Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area.	Planning for the future	540,762	60,346	-	601,108
Total Other Community Reserves			1,273,844	351,396	(76)	1,625,164
Total Community Board and Other Reserves			2,273,889	477,379	(160,984)	2,590,284

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2017	DEPOSITS TO FUND TO 30 JUNE 2018	WITHDRAWALS FROM FUND TO 30 JUNE 2018	CLOSING BALANCE 30 JUNE 2018
Financial Contributions Reserves						
Financial contributions reserves - general	These are specific reserves that must be applied for a particular purpose and under specific criteria or qualifying conditions. These reserves are not cash reserves.					
Ecological financial contributions - capital	Financial contributions split into capital and operational components that are to be spent based on Council's annually approved ecological education programme. Capital expenditure must be by Council resolution and satisfy criteria for privately owned land. Operational expenditure is based on the prior year's closing operations balance available.	Natural Environment	321,239	-	(15,063)	306,176
Ecological financial contributions - operational	As above	Natural Environment	79,286	463,017	(155,824)	386,479
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	(342,222)	2,104,618	(1,106,028)	656,368
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	50,105	-	(131)	49,974
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	348,467		-	348,467
Total Financial Contribution Reserves			456,875	2,567,635	(1,277,046)	1,747,464
General Reserves	Established reserves for specific purposes					
Community Discretionary	For any under spent expenditure at year end.	Communities	14,386	-	-	14,386
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve.	All	5,155,984	94,782	(543,171)	4,707,594
Environmental Protection Rate	For the accumulation of any net surplus arising from the Environmental Protection Rate account Deficits are not permitted in this reserve.	All	2,191,442	62,353	(180,377)	2,073,418
Traffic and parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980s. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	175,561	10,534	-	186,095
Total General Reserves			7,537,373	167,669	(723,548)	6,981,493

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2016	DEPOSITS TO FUND TO 30 JUNE 2017	WITHDRAWALS FROM FUND TO 30 JUNE 2017	CLOSING BALANCE 30 JUNE 2017
Financial Contributions Reserves						
Financial contributions reserves - general	These are specific reserves that must be applied for a particular purpose and under specific criteria or qualifying conditions. These reserves are not cash reserves.					
Ecological financial contributions - capital	Financial contributions split into capital and operational components that are to be spent based on Council's annually approved ecological education programme. Capital expenditure must be by Council resolution and satisfy criteria for privately owned land. Operational expenditure is based on the prior year's closing operations balance available.	Natural Environment	377,627	-	(56,388)	321,239
Ecological financial contributions - operational	As above	Natural Environment	179,697	-	(100,411)	79,286
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	(2,398,812)	2,635,226	(578,636)	(342,222)
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	50,105	-	-	50,105
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	348,467	-	-	348,467
Total Financial Contribution Reserves			(1,442,915)	2,635,226	(735,435)	456,876
General Reserves	Established reserves for specific purposes					
Community Discretionary	For any under spent expenditure at year end.	Communities	14,386	-	-	14,386
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve.	All	5,427,293	972,781	(1,244,090)	5,155,984
Environmental Protection Rate	For the accumulation of any net surplus arising from the Environmental Protection Rate account Deficits are not permitted in this reserve.	All	2,015,123	188,048	(11,729)	2,191,442
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	165,624	9,937	-	175,561
Total General Reserves			7,622,427	1,170,766	(1,255,819)	7,537,373

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2017	DEPOSITS TO FUND TO 30 JUNE 2018	WITHDRAWALS FROM FUND TO 30 JUNE 2018	CLOSING BALANCE 30 JUNE 2018
Special Reserves						
Disaster Contingency	Council's infrastructure self-insurance fund provided from the sale of power company shares in the 1990s. Council's policy is to self insure based on the premise that commercial infrastructure insurance is not available. Assumes New Zealand Transport Agency (NZTA) would provide 93% of the funds for roading replacement and the Government would provide 50% on the failure of any other infrastructural assets. Major infrastructure, apart from district roading is geographically dispersed throughout our District (primarily stand-alone sewerage and water schemes) and the likelihood of failure of this entire infrastructure at once is assessed as very low.	Communities	8,281,964	496,918	-	8,778,882
Matakana Island Trust	Reserves accumulated several years ago from the appeal against the Katikati Reserve extension across to Matakana Island. The funds are available to be used for improvements to the Matakana Island community.	Planning for the future	258,803	-	-	258,803
Corporate Property and Assets	For any surplus arising from the corporate property/land purchase account.	Support Services	1,455,945	8,235	(720,956)	743,224
Weathertight Homes		Regulatory	200,000	12,000	-	212,000
Panepane Point Development Reserve		Reserves	421,418	20,615	-	442,033
Total Special Reserves			10,618,130	537,768	(720,956)	10,434,942
Total Council Created Reserves			29,556,482	6,930,428	(6,052,562)	30,434,347
Total All Council Reserves			29,822,282	6,946,375	(6,063,655)	30,705,001

RESERVE NAME	PURPOSE	ACTIVITY	OPENING BALANCE 1 JULY 2016	DEPOSITS TO FUND TO 30 JUNE 2017	WITHDRAWALS FROM FUND TO 30 JUNE 2017	CLOSING BALANCE 30 JUNE 2017
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	7,813,174	468,790	-	8,281,964
Matakana Island Trust	Reserves accumulated several years ago from the appeal against the Katikati Reserve extension across to Matakana Island. The funds are available to be used for improvements to the Matakana Island community.	Planning for the future	258,803	-	-	258,803
Corporate Property and Assets	For any surplus arising from the corporate property/land purchase account.	Support Services	1,400,857	173,811	(118,722)	1,455,945
Civil Defence Contingency	We expect this balance to be maintained at \$20,000 being our costs for a specific civil defence emergency.	Communities	(1)	1	-	-
Weathertight Homes		Regulatory	-	200,000	-	200,000
Panepane Point Development Reserve		Reserves	397,564	23,854	-	421,418
Total Special Reserves			9,870,397	866,455	(118,722)	10,618,130
Total Council Created Reserves			25,946,325	7,794,705	(4,184,547)	29,556,483
Total All Council Reserves			26,207,034	7,810,348	(4,195,100)	29,822,282

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

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Net surplus / (deficit)	66,589	25,587
Add/(less) non-cash items		
Depreciation	18,678	19,052
Amortisation	916	360
Vested assets	(10,965)	(3,658)
Fair value movement in derivative financial instruments	(794)	(5,142)
Gains	(33,055)	(1,542)
Share of associate surplus/deficit	(16)	205
Add/(less) movements in working capital items:		
Movement in prepayments	(106)	(372)
Movement in non-current assets held for sale	430	(420)
Movement in accounts receivable	(5,752)	(878)
Movement in accounts payable	2,939	2,854
Movement in provisions	65	(894)
Movement in employee entitlements	110	261
Add/(less) items classified as investing activities		
Loss on sale of assets	103	818
Revaluation of shares	(78)	(76)
Net cash inflow (outflow) from operating activities	39,063	36,155

34. CAPITAL COMMITMENTS AND OPERATING LEASES

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

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Operational		
Land	-	-
Building	170	41
Coastal Marine	219	224
Infrastructure		
Water	190	1,313
Wastewater	1,712	2,689
Stormwater	349	248
Roading	16,056	19,828
Restricted		
Building	-	-
Total capital commitments	18,696	24,343

Operating leases as lessee

Western Bay Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as noted overleaf:

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Not later than one year	106	107
Later than one year and not later than two years	89	103
Later than two years and not later than five years	72	133
Later than five years	905	929
Total non-cancellable operating leases	1,172	1,272

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

There are no restrictions placed on Western Bay Council by any of the leasing arrangements.

No contingent rents have been recognised in the statement of comprehensive income during the period.

Other Commitments - roading network and utilities maintenance contracts

In November 2014, Western Bay Council entered into a seven year One Network Maintenance Contract with Opus International Consultants Limited to provide capital and maintenance work to the District's roading network. The value of the contract is \$75.99 million and as at 30 June 2018 \$40.80 million remained committed on this contract for the remaining 40 months, including estimated escalations in the contract.

In July 2015, Western Bay Council entered into a four year contract with Veolia Water Services (ANZ) PTY Ltd for the provision of maintenance and professional services to the utilities network. The value of the contract as of 1 July 2015 is \$17.24 million and as at 30 June 2018 \$6.866 million remained committed on this contract for the remaining 12 months, including estimated escalations in the contract.

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

35. CONTINGENCIES

Contingent liabilities

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Building Act claims	50	50
Weathertight Homes Resolution Service (WHRS)	400	400
Local Authority Protection Programme Disaster Fund (LAPP)	-	380
Total contingent liabilities	450	830

Other legal proceedings

Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. At the date of this report, there were no matters under the Act indicating potential liabilities (2017: \$Nil). The \$50,000 disclosed relates to the expected cost to Western Bay of Plenty 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 2018 (2017: NIL). These claims relate to weather-tightness issues of homes in the Western Bay of Plenty District area and name Western Bay of Plenty District Council as well as other parties. One of these claims have been closed. There are a total of 7 claims that are still open as at balance date (2017: 8).

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 Council'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 Council. As a result \$400,000 has been recognised as a contingent liability.

Carter Holt Harvey Limited

In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadowclad plywood cladding sheets manufactured and distributed by CHH. The MOE's original claim against CHH was for 833 school buildings, 16 of which are located within the Western Bay of Plenty District.

In 2016, CHH commenced 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.

During the current year the Councils sought to strike out CHH's claims against them. The High Court declined the strike out of the claim, but struck out proceedings in relation to 28 school buildings built outside the 10 year long stop contained within the Building Act 2004. Further, CHH applied for trial staging, with proceedings to commence in relation to 20 buildings. MoE opposed the application, seeking a trial on the determination of whether shadowclad is inherently defective. The High Court accepted the MoE proposal. CHH has appealed this decision.

At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

New Zealand Local Government Funding Agency Limited (LGFA)

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

As at 30 June 2018 there were 31 (2017: 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 \$8,699m (2017: \$7,946m) at 30 June.

New Zealand Financial International Reporting Standards require Western Bay Council to recognise the guarantee liability at fair value. However, the Western Bay Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Western Bay 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.

Civil Claim

Western Bay Council has had declaration proceedings lodged in the environment court relating to the legality of storm water discharges. These proceedings are currently on hold and at present there is insufficient information to conclude on potential liability and claim quantum, if any.

Share of associates' contingent liabilities

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

36. PRIOR YEAR ADJUSTMENTS

There were no prior year adjustments.

37. RELATED PARTY TRANSACTIONS

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

Transactions with Councillors and key management personnel compensation

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Councillors		
Full-time equivalent members	17	17
Salaries and other short term employee benefits	519	505
Senior Management Team, including the Chief Executive		
Full-time equivalent members	5	5
Salaries and other short term employee benefits	1,283	1,275
Total senior management remuneration	1,802	1,780

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 2018

ACTUAL \$'000		ACTUAL \$'000
2016/17		2017/18
1,742	Revenue	1,445
(1,740)	Expenditure	(1,455)
2	Surplus / (deficit)	(1)
2	Net surplus / (deficit) year	(1)
995	Total assets	1,192
945	Total liabilities	1,152

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 2018-2021 and associated budget formally adopted by the directors at the meeting held on 19 June 2018.

From page 173 - 177 is a report of performance against targets set in the Statement of Intent for 2017/18.

PERFORMANCE TARGETS FOR 2017-2018		
OUTCOMES	MEASURE	RESULT
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils	<p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participati</p>	<p>Joint procurement initiatives undertaken for:</p> <p><u>Health, Safety & Risk Management Software</u> - A project to investigate collective procurement of health and safety risk management software to provide improved functionality and cost savings for councils. Also included Waikato councils.</p> <p><u>Infrastructure Insurance</u> - BOPLASS represented a collective group of 41 councils in negotiations for placement of councils' infrastructure insurance in the London markets. Requirements included increased limits and higher insured values for BOPLASS councils. Very competitive pricing achieved at rates up to 30% cheaper than had councils insured individually.</p> <p><u>Health & Safety in Design</u> - BOPLASS facilitated the opportunity for councils' to participate in using design services to minimise health and safety risks of council driven projects.</p> <p><u>Enterprise Content Management / EDRMS Strategic Review</u> - BOPLASS councils collectively reviewed vendor offerings and options for electronic document management systems. Ongoing reviews underway to determine benefits from collective approach to vendors.</p> <p><u>Managing Contractors' Onsite Safety</u> - BOPLASS investigated the opportunity for councils to participate in joint procurement of the Forsite contractor management system to assist with managing contractors' onsite safety. It was determined that the system was not currently required by all councils and individual contracts would be pursued rather than entering into a collective agreement.</p> <p><u>Video Conferencing</u> - A project to review options for councils' desktop and meeting room video conferencing systems included a review and testing of multiple providers. Zoom selected as preferred supplier to BOPLASS and councils.</p>

PERFORMANCE TARGETS FOR 2017-2018

OUTCOMES	MEASURE	RESULT
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils. Continued.</p>		<p><u>Video Conferencing</u> (continued) - Contract provides for cost savings, standard solution across councils and simplification of video conferencing for desktop or meeting-room calling.</p> <p><u>Drug and Alcohol Testing</u> - BOPLASS investigated the opportunity to establish a collective agreement and secure improved pricing from the incumbent supplier to the majority of the BOPLASS and Waikato councils to provide cost savings and common standards. Still under action.</p> <p><u>Occupational Health Service Preferred Supplier</u> - Following the completion of a tender Waikato Occupational Health Consultancy (WOHC) were appointed as the preferential Health Service supplier for the BOPLASS councils. Access to improved and consistent levels of service achieved at significantly reduced costs through a collaborative agreement. Waikato LASS also with the same provider.</p> <p><u>Media Distribution Services</u> - BOPLASS is investigating opportunities for regional coordination for the release and distribution of media notifications through common software and standardisation of services.</p> <p><u>Training</u> - Collaborative training has been arranged across a number of areas of council business, providing for discounted rates, reduced staff travel (as trainer is prepared to travel to region for a larger group), opportunity to network with peers from other councils and development of tailored material.</p>
<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects.</p>	<p>BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.</p> <p>Quarterly satisfaction reviews with participating councils. Resource assignment measured from project job tracking.</p>	<p>0.46 FTE provided through BOPLASS staff engagement committed directly to support of council shared service projects or individual council support - measured by fortnightly timesheets.</p> <p>Support provided to councils in development of the following services:</p> <p><u>GIS Centralised Data Repository / Shared SDE</u> - Establishment of central GIS storage services for councils. BOPLASS also investigated setting up a SDE (spatial data enterprise) on behalf of its councils. Following completion of initial architecture, it was determined that this was not feasible as it would require too much effort in terms of resource.</p> <p><u>Radio Telephony (RT) strategy</u> - A region-wide strategy has been developed by BOPLASS for the sharing and utilisation of Radio Telephone services and technologies. This is considered to be of significant importance in shared civil defence strategies.</p> <p><u>GIS Operating Guide for Civil Defence Emergency Events</u> - Developed by BOPLASS councils to capture learnings from the Edgecumbe event and as a reference to support collaborative working. Operating guide shared with the Local Government Geospatial Alliance and is now being developed into a national reference document through this national GIS collaborative group.</p> <p><u>Online Natural Hazards Mapping</u> - Developed as a shared data initiative with App available to BOPLASS councils to notify owners as hazards such as tsunami or flooding.</p> <p><u>Regional / Cross-Regional Approach to Licensing and Data Collection for Waste Operators</u> - Scoping of a project to provide a consistent approach to licensing of private waste operators and standards within the industry, while enabling improved data collection for councils' waste planning. Project also covers Waikato councils.</p>

PERFORMANCE TARGETS FOR 2017-2018

OUTCOMES	MEASURE	RESULT
<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects. Continued.</p>		<p><u>Diversion of Organic Waste from Landfill</u> – Investigation of opportunities for the facilitation and development of a regional shared food waste collection service for BOPLASS councils. Initial scoping phase undertaken.</p> <p><u>Solid Waste Regional Infrastructure Strategy</u> – A regional or cross-regional approach to planned and potential waste infrastructure developments within the region. Project identified to be progressed with Waikato councils.</p> <p><u>Sustainable Procurement Research Project</u> – BOPLASS facilitated council participation in this project in conjunction with the Sustainable Business Network and Toi Ohomai. Collective project benefitted councils by assisting in establishing how current local government procurement policies and practices are aligned with national objectives of sustainability, and where improvements might be made.</p> <p><u>Support of Video Conferencing services for councils</u> – Ongoing support for councils in-house and external video conferencing services. Central management of virtual meeting rooms and directories.</p> <p>Review of Inter-Council Network (ICN) suppliers and services:</p> <p>A full review of the ICN was undertaken, with a number of providers changed, new services established, and new contracts negotiated on behalf of the councils participating in this shared service.</p> <p>Improved levels of service achieved, additional services added, and \$97,635 in annual savings achieved:</p> <ol style="list-style-type: none"> 1. Wireless WAN solution for ICN in Opotiki 2. Increase of fibre pipeline from Opotiki 3. Migration off of the One.Govt service for ICN Whakatane & Rotorua 4. Establishment of community internet backhaul for Kawerau 5. Alchemy Network Service – Opotiki fibre 6. Vocus Communications 7. Cybersmart – Support of the ICN (ICN – new contract signed with new supplier). New service to provide technical support services. <p><u>Audit and Risk Insights Panel Sessions</u> – BOPLASS coordinated workshops with senior leaders of the KPMG advisory team to provide councils their insights and experience in the areas of:</p> <ul style="list-style-type: none"> • Internal Audit Trends, • Enabling Data Analytics in Internal Audits, • Cyber Security, • and Fraud Awareness <p>Workshops provided at no cost to councils and included inter-council sharing of invaluable information.</p> <p><u>Joint Development of Health & Safety Policies and Terms of Reference</u> – BOPLASS H&S group facilitated the sharing of existing H&S procedures or shared development of new procedures across the BOPLASS and Waikato councils. Includes H&S in procurement, common documentation, processes, H&S liabilities and standard reporting measures for councils and governance. Provides for reduced effort for all councils and ability to share best practice.</p>

PERFORMANCE TARGETS FOR 2017-2018		
OUTCOMES	MEASURE	RESULT
Provide support to BOPLASS councils that are managing or investigating Shared Services projects. Continued.		<p>Support for Shared Services projects identified and reviewed by BOPLASS Operations Committee - Projects under review or progressed as opportunities for further council collaboration in Shared Services:</p> <ul style="list-style-type: none"> • GIS <ul style="list-style-type: none"> - Further opportunities to align and share services / resources • Digitalisation <ul style="list-style-type: none"> - Development of standard process and shared software and/or infrastructure • Shared Data Centre <ul style="list-style-type: none"> - Utilisation of shared infrastructure by multiple BOPLASS councils • Accounts Payable <ul style="list-style-type: none"> - Development of standard process and shared software and/or infrastructure • Debt Management/Collections <ul style="list-style-type: none"> - Development of shared service • Building Consents <ul style="list-style-type: none"> - Development of standard processes across councils and opportunities for sharing of resource • Capex projects <ul style="list-style-type: none"> - Alignment or sequencing of capital projects
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>Provide access to the Collaboration Portal for councils outside of BOPLASS and utilise technologies to provide secure access. Proactively market the benefits to councils.</p> <p>All NZ councils are made aware of the Collaboration Portal and its benefits. Portal is operational outside of the LASS groups with a minimum of ten additional councils or local government related organisations having utilised the portal.</p>	<p>Project completed to review usage of the Collaboration Portal and opportunities to further develop the Portal to increase the support for collaboration across local government in New Zealand. User survey undertaken along with a review of best practice methodologies.</p> <p>Design-thinking workshop run, with council staff reviewing opportunities to improve the user experience while providing direct input into developing improvements.</p> <p>Ongoing promotion and profiling of the Collaboration Portal has resulted in new councils and local government related organisations joining the Collaboration Portal</p> <p>On-boarding and training provided to new councils to maximise usage and ensure increased uptake.</p> <p>Collaboration Portal membership has increased by 13 local government organisations over the last year. There are now:</p> <p>72 councils or local government related organisations registered on the Portal and 569 users.</p>
Ensure appointed vendors remain competitive and continued best value is returned to shareholders.	<p>Manage and/or renegotiate existing contracts.</p> <p>Contracts due for renewal are tested for competitiveness in the marketplace. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors.</p>	<p>Contracts negotiated and/or renewed for:</p> <p><u>Councils' liability insurance</u> - Providers reviewed and renewed. Solutions proposed and reviewed from alternative brokers and insurers</p> <p><u>GIS software and services</u> -</p> <ul style="list-style-type: none"> • Geocortex Essentials • Geocortex Optimizer • FME • X-Tools • NZAA <p>Contracts renegotiated and renewed - no alternative suppliers.</p> <p><u>Print Media Copyright Agency (PMCA)</u> - Contract and requirements reviewed. Re-signed with PMCA - sole NZ provider.</p> <p><u>ESRI Enterprise Licensing Agreement</u> - Renegotiated and renewed. No alternative provider in NZ.</p> <p><u>Insurance brokerage services</u> - A review of options for the appointment of an insurance broker to the BOPLASS councils was undertaken. Aon reappointed for a further two year period, as provided for under the agreement. A full tender for brokerage services will be undertaken by BOPLASS at the conclusion of this extension.</p>

PERFORMANCE TARGETS FOR 2017-2018

OUTCOMES	MEASURE	RESULT
<p>Complete independent review of governance performance and structure to ensure it supports BOPLASS' strategic direction.</p>	<p>Engage external party to complete independent review of BOPLASS governance.</p> <p>Affirmative feedback received from shareholding councils following 2017/18 governance review.</p>	<p><u>Aerial Photography</u> – BOPLASS contract extended as flying not completed within existing programme.</p> <p><u>Media Monitoring services</u> – Contract with iSentia was reviewed and renewed. Services reviewed from two companies.</p> <p><u>New contracts negotiated for Inter-Council Network</u> – All ICN contracts were reviewed and, where there were alternative options, tested in the market. Several providers were changed; providing for improved service levels or cost savings for participating councils.</p> <p><u>Insurance Forum</u> – BOPLASS hosted a forum which included presenters from London and Australia. This gave an opportunity for the London underwriter to get a better understanding of the regions they insure and for councils to meet with the underwriters and to gain a better understanding of the challenges facing the insurance industry. Ultimately leading to improved services and rates for BOPLASS councils.</p> <p>Governance review initiated. After preliminary review of governance, Board made decision to complete a strategic review of BOPLASS and include governance structure as an important aspect of this full review. A shortlist of independent consultants identified by BOPLASS Board.</p> <p>Review put on hold as a strategic alliance with Waikato LASS was proposed. Consultant engaged to review and facilitate the opportunity for the two LASS to develop a jointly aligned strategy. Review also covered LASS governance. BOPLASS and Waikato Boards completed collective evaluation.</p> <p>Decision made to proceed with independent reviews of the two LASS. BOPLASS progressing strategic review and independent governance review. The governance review has not been completed at this stage.</p>
<p>Communicate with each shareholding council at appropriate levels.</p>	<p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	<p>Executive-level meetings held with councils. Five Operations Committee meetings held during the year with executive level input provided by all shareholding councils. Executive Leadership Team representation and attendance at one or more meetings from every council.</p>
<p>Ensure current funding model is appropriate.</p>		<p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2018: \$10,794 deficit.</p>

Above performance targets are unaudited preliminary 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 2018

ACTUAL \$'000		ACTUAL \$'000
2016/17		2017/18
17,514	Revenue	18,965
(6,468)	Expenditure	7,163
11,046	Surplus/(deficit)	11,802
11,046	Net surplus/(deficit) year	11,802
8,491	Total assets	8,835
8,438	Total liabilities	8,771

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 2017/18 and associated budget formally adopted by the company on 22 June 2018.

From page 178 - 179 is a report of performance against targets set in the Statement of Intent for 2017/18.

PERFORMANCE TARGETS FOR 2017-2018		
OUTCOMES	MEASURE	RESULT
Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing based on the methodology set out in LGFA's Annual Report 2017-2018.	LGFA measures the pricing performance of bond tenders against two key benchmarks.	<ul style="list-style-type: none"> • LGFA have continued with their base on-lending margins to 9 bps (terms out to 2019), 10 bps (2020s and 2022s) and 11 bps (2023s and longer). • LGFA's average margin across all LGFA maturities is 10 bps. • LGFA's estimated annual savings to councils based upon the secondary market levels at 30 June 2018 of LGFA bonds compared to bonds issued by Auckland and Dunedin councils is between 10 bps and 21 bps depending upon term of maturity.
Making longer-term borrowings available to Participating Local Authorities.	Maturities available to participating local authorities.	<ul style="list-style-type: none"> • The average borrowing term (excluding short-dated borrowing) for the 12-month period to June 2018 by council members was 6.9 years and this was significantly shorter than the average borrowing term of 8.1 years for the prior year. The shortening in term was due to councils reacting to the recent widening of borrowing margins in the longer-dated maturities. Also, many councils had taken advantage of the tighter margins and lower yields in early 2017, using the opportunity to extend longer when the 2033 maturities were first made available in April 2017. • In April 2018, LGFA commenced the issuance of a 4-year bond (April 2022) and this shorter maturity went against the recent trend of introducing a newer longer-dated bond each financial year. The decision to issue a new shorter bond maturity was made to reduce some of the mismatch between our bond issuance and council on-lending. However, with the issuance of the April 2033 LGFA bond, councils can borrow on a bespoke basis out to 15 years.

PERFORMANCE TARGETS FOR 2017-2018		
OUTCOMES	MEASURE	RESULT
<p>Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice.</p> <p>Offering more flexible lending terms to Participating Local Authorities.</p>	Volume to bid ratio.	<ul style="list-style-type: none"> • LGFA listed its bonds on the NZX Debt Market in November 2015 and this has led to greater awareness and participation in LGFA bonds by domestic retail and offshore investors. Average turnover on the NZX Debt Market since listing has been \$13 million per month or 9% of the total turnover of the NZX Debt Market. Turnover has reduced over the past twelve months as retail investors are more attracted to higher term deposit rates. • LGFA commenced the issuance of LGFA Bills for terms of three months and six months in late 2015. Because of this issuance, LGFA has offered shortterm loans of less than one year to councils since 2015. As at 30 June 2018, LGFA has short-term loans outstanding to 20 councils of \$236 million. • LGFA held nine bond tenders during the 12-month period to 30 June 2018, with an average tender volume of \$136.5 million and a range of \$110 million of \$190 million in size. • Councils can currently access flexible lending conditions by using the short-term lending and bespoke lending products. Short-term lending is for loans between 30 days and 364 days while bespoke lending is where councils can borrow for any term between one year and the longest dated LGFA bond maturity (currently 14 April 2033) on any drawdown date. Therefore, council members can borrow for terms ranging from 30 days to 15 years at any time they wish to drawdown. • Bespoke lending for council members has continued to grow in popularity over the past year. During the 12-month period to 30 June 2018 we lent \$842.6 million on a bespoke basis to 35 councils. This was 77% of total term lending to our council members over that period. • Short-term borrowing by councils as at 30 June 2018 was \$244 million comprising borrowing from 20 councils for terms between one and 12 months.
Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities.	Percentage of market share.	<ul style="list-style-type: none"> • Three councils joined LGFA in the 12-month period to June 2018, bringing the total number of council members to 56. Stratford, Rangitikei and Westland District Councils all joined as non-guarantor borrowers. • Councils have strongly supported LGFA by joining as members and borrowing from LGFA. As at 30 June 2018, 54 participating councils have so far borrowed from LGFA.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	Credit rating of AA+ is maintained.	<ul style="list-style-type: none"> • LGFA has credit ratings from Standard and Poor's (S&P) and Fitch Ratings (Fitch) and meets with both agencies in September and October each year. Meetings were held in 2017 with both agencies and S&P affirmed the long-term rating of LGFA at AA+ (stable outlook) on 25 September 2017 and Fitch affirmed the rating at AA+ (stable outlook) on 10 November 2017.

Above performance targets are audited result.

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

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

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

The Trust is governed by a Board of Trustees.

Financial performance for the year ended 30 June 2018

ACTUAL \$'000		ACTUAL \$'000
2016/17		2017/18
2,350	Revenue	2,474
(2,425)	Expenditure	(2,500)
(75)	Surplus/(deficit)	(26)
(75)	Net surplus/(deficit) year	(26)
867	Total assets	760
428	Total liabilities	347

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 2018/19 - 2020/21 and associated budget formally adopted by the company on 26 June 2018.

From page 180 - 181 is a report of performance against targets set in the Statement of Intent for 2017/18 to 2019/20.

PERFORMANCE TARGETS FOR 2017-2018		
OUTCOMES	MEASURE	RESULT
Grow the tourism industry and increase visitor spend.	<p>Target the right visitors at the right time - Creation of demand generation calendar to target value at peak, volume and value off-peak. New brand proposition launched.</p> <p>International visitor attraction strategy - International trade and media activity in Australia, Americas, UK, and India in partnership with NZ, Air NZ, ECNI and regional agencies involved in international relations.</p> <p>Domestic visitor attraction strategy - direct to consumer marketing activity in Auckland, Waikato, Wellington and Christchurch, and Australia. 'No Place Like Home' Campaign to residents.</p>	<p>Key deliverables met throughout July 2017 - June 2018 such as:</p> <ul style="list-style-type: none"> Increase overall and off-peak visitor spend by 3.3%. Achieved. \$1.016b to May 2018 (7.1% increase from May 2017). Increase international visitor spend by 3.7%. Achieved. \$217m to May 2018 (12.0% increase from May 2017). Increase domestic visitor spend by 2.9%. Achieved. \$799m to May 2018 (5.8% increase from May 2017).
Support tourism development and encourage investment.	<p>Enhance the visitor experience - commence a Destination Management strategy that balances interest of visitors, service providers and the community and balances growth with environmental and cultural sustainability.</p> <p>Grow capability and increase supply - lobby for funding to support Regional Growth Study priorities. Infrastructure planning to meet demand and grow sustainably via the Regional Growth Study. Partner with Priority One on investment attraction and new product development. Partner with International Education and education institutes on skills requirements.</p> <p>Infrastructure planning to meet demand and grow sustainably via the Regional Growth Study. Partner with Priority One on investment attraction and new product development. Partner with International Education and education institutes on skills requirements.</p>	<p>Key deliverables met throughout July 2017 - June 2018 such as:</p> <ul style="list-style-type: none"> Increased visitor satisfaction measured by a new Visitor Experience Survey. Not achieved. Will be implemented in 2018-2019. Funding for Mount Maunganui VIC. Business Case for Tauranga VIC. To be confirmed. Unsuccessfully applied for \$1.242m of funding from the MBIE Regional Mid-Sized Tourism Facilities Grant Fund and the MBIE Tourism Infrastructure Fund. Awaiting result of application to the MBIE Provincial Growth Fund. Regional Growth Study priorities implemented. Regional Growth Study delivery. Achieved. Growth Study completed December 2017. MBIE Tourism Infrastructure Fund funding achieved for Omanawa Falls development. Regional Brand Story continues to be rolled out in all collateral and campaigns. Industry Growth Programme developed. Establish Industry Advisory Group. Achieved. 3 new export ready operator (Bay Explorer, Brew Bus and Mighty Motu Bike Tours). Industry Advisory Group established, and 2 meetings held.

PERFORMANCE TARGETS FOR 2017-2018		
OUTCOMES	MEASURE	RESULT
Partnership and collaboration locally, regionally and nationally.	<p>Regional brand story - compelling attributes and competitive advantages told consistently by multiple agencies.</p> <p>Connect with residents - increase social licence to grow tourism, increase civic pride and create an involved and informed residential base.</p> <p>Major events collaboration - support strategic events that increase off-peak visitation, GDP and visitor spend growth.</p> <p>Western Bay of Plenty stakeholder communication plan - implement Stakeholder Communication Plan to ensure collaborative relationships with key stakeholders.</p>	<p>Key deliverables met throughout July 2017 - June 2018 such as:</p> <ul style="list-style-type: none"> Regional Brand Story developed. Achieved. Regional Brand Story approved and embraced by stakeholders. Rolled out in all collateral and campaigns (such as the CIAL campaign). No Place Like Home Campaign implemented. Achieved. No Place Like Home campaign reviewed, revamped and launched to media and residents. Support of 5 Major Events per annum. Achieved. Support of U19 CWC, 4 Nations Hockey, Sevens Tournament, Jazz Fest and Winter Nights Lights. Stakeholder Engagement and Communications Plan delivery. Achieved. The Plan has been completed and is being implemented with over 200 engagements. Significantly utilised in the TCC Long Term Plan application for community buy-in.
Support our unique cultural heritage.	<p>Regional brand story (RBS) - support our unique cultural heritage through bi-cultural story telling at all touch points.</p> <p>Grow capability and increase supply - partner with Iwi on infrastructure planning, investment attraction and new product development.</p>	<p>Key deliverables met throughout July 2017 - June 2018 such as:</p> <ul style="list-style-type: none"> TBOP Board Representation. Regular Iwi communications. Iwi involvement in VES and RBS. Achieved. TBOP Board representation complete Regular Iwi communications take place including regional Iwi attendance of World indigenous Tourism Summit 2018 in Waitangi. Iwi were involved in VES and RBS. Four new product developments. Achieved. Arataki Cultural Trails and made progress with initiatives on Matakana Island and at a Maketu marae. Also assisted Kohutapu Lodge & Tribal Tours.
Environmentally responsible for current and future generations.	<p>Environmentally responsible tourism industry - partner with Regional Council, Iwi, DOC, Conservation Board and industry to champion sustainable growth whilst protecting natural assets.</p>	<p>Development/input into a sustainable tourism plan and initiatives. Not achieved. Qualmark assessment methodology has changed and so numbers of Qualmark operators have decreased based on more stringent criteria.</p>
Governance Best Practice.	<p>Visitor economy strategy - complete the Visitor Economy Strategy 2018-2028 (VES) to move the organisation from destination promotion to destination management and participate fully in the Long-Term Planning processes of Councils.</p> <p>Alternative funding mechanisms research project - lead an investigation into alternative funding mechanisms, including from within the tourism sector, including stages to complete this work.</p> <p>Manage profit and loss to budget. Code of Conduct compliance. Compliance and regulatory obligations met. Enterprise Risk Management Policy adherence. No surprises policy maintained.</p>	<p>Key deliverables met throughout July 2017 - June 2018 such as:</p> <ul style="list-style-type: none"> Draft VES 2018-2028 completed for consultation. Commence study using Fresh info. External consultants. Achieved. VES approved and adopted into the Councils' Long Term Plan 2018-2028. Stage 1 of alternative funding mechanisms research project completed. Manage profit and loss to budget. Code of Conduct compliance. Compliance and regulatory obligations met. Enterprise Risk Management Policy adherence. No surprises policy maintained. Achieved. Budgets managed with no surprises to profit and loss forecast. Code of Conduct and Health & Safety obligations complied with as per Risk Management Framework. Risks are identified, reviewed and monitored on an ongoing bases as outlined in Sections 10 to 15 of the Policy. Compliance and regulatory obligations met on time and in a professional way, as per the Auditor and Council's feedback. 'No surprises policy' adhered to, as per Council's feedback.

Above performance targets are audited results.

38. REMUNERATION

Chief Executive

The Chief Executive of Western Bay of Plenty District Council under section 42 of the Local Government Act 2002 received a salary of \$306,114 (2017: \$294,348).

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

	ACTUAL	ACTUAL
	\$	\$
	2018	2017
Salary	306,114	294,348
Employer contributions to superannuation fund	9,183	8,830
Vehicle	18,124	26,098
Other benefits (including medical insurance)	2,831	2,651
Total remuneration	336,252	331,927

Elected Representative

Elected representatives received the following remuneration:

	ACTUAL	ACTUAL
	\$	\$
	2018	2017
Councillors		
Dally, Grant Ronald	32,524	22,755
Dean, Mark	32,524	22,755
Goudie, Andrew Ian Ross	-	9,225
Gunn-Thomas, Karyl	-	9,225
Lally, Michael Patrick	32,524	22,755
Mackay, Peter	40,853	37,241
Marsh, Kevin Alexander	40,853	37,241
Marshall, David Clark	32,524	22,755
Matthews, Susan	-	9,225
Merriman, Gwenda	-	12,978
Murray-Benge, Margaret Elizabeth	32,524	31,980
Palmer, John Richard	32,524	22,755
Paterson, Ross James (Mayor until 16 October 2016)	-	32,537
Scrimgeour, John Rob	40,853	37,241
Thwaites, Donald Alan	40,853	39,603
Webber, Garry John (Mayor from 17 October 2016)	115,107	92,467
Williams, Michael	45,755	42,699
Total Councillors	519,418	505,436

38. REMUNERATION (CONTINUED)

Community Board Members

Community board members received the following remuneration:

	ACTUAL \$	ACTUAL \$
	2018	2017
Community Board Members		
Beech, Shane William	5,629	5,343
Button, Beverley Joyce	5,317	3,720
Cameron, Donald Richard	-	2,188
Cantlon, Gary Lewis	2,815	2,768
Clark, Rachel Ann	2,815	2,768
Dally, Grant Ronald	-	1,508
Dugmore, Joan Elizabeth	5,317	3,720
Dunlop, Francis Miles (Sam)	-	3,016
Gibbs, Brendan	5,317	5,228
Grainger, Murray	7,714	5,134
Hepenstall, Brian	4,378	3,063
Hobbs, Jennifer Robyn	10,633	8,585
Maurice, Timothy Edward	-	1,094
Mayo, Norman Frederick	5,317	3,720
Mcfadyen, Wendy	2,815	1,970
Miller, Peter	10,633	10,093
Mills, Derek	-	1,242
Nielsen, Fernley-Ann	-	1,508
Palmer, John Richard	-	1,094
Parsons, Ruth Miriam	4,378	4,305
Presland, Peter John	3,857	2,626
Roberts, Marilyn Kathleen	4,378	4,305
Sage, Derek Keith	3,857	2,837
Sage, Teresa	3,857	2,837
Sole, Allan James	8,756	8,312
Spratt, Ronald Parker	5,317	3,418
Warren, Benjamin Christian	5,317	3,720
Woods, Christopher	-	1,094
Wratt, Keith Allan	-	1,508
Total Community Board Members	108,417	102,725
Non-monetary remuneration		
Paterson, Ross James (until 16 October 2016)	-	8,783
Webber, Garry John (from 17 October 2016)	19,049	28,141

38. REMUNERATION (CONTINUED)

Remuneration scale

	NUMBER OF EMPLOYEES	NUMBER OF EMPLOYEES
	2018	2017
<\$60,000	76	87
\$60,000 - \$79,999 per annum	70	69
\$80,000 - \$99,999 per annum	47	37
\$100,000 - \$119,999 per annum	11	10
\$120,000 - \$139,999 per annum	13	12
\$140,000 - \$239,999 per annum	8	6
>\$240,000 - \$339,999 per annum	1	2
Total employees	226	223

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

At balance date, the Council employed 184 (2017: 180) full-time employees, with the balance of 42 staff representing 25.5 (2017: 23) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

39. SEVERANCE PAYMENTS

For the year ended 30 June 2018 Western Bay of Plenty District Council made three (2017: two) severance payments to employees totalling \$154,030 (2017: \$114,849).

The value of each of the severance payments made in 2018 was \$13,750, \$45,622 and \$94,658 (2017: \$20,371 and \$94,478).

40. EVENTS AFTER THE BALANCE

There were no significant events after the balance date.

41. FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS CATEGORIES

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

	NOTE	ACTUAL \$'000	ACTUAL \$'000
		2018	2017
Financial assets			
Fair value through surplus & deficit			
- New Zealand Local Government Funding Agency	20	1,866	1,866
Total fair value through surplus and deficit		1,866	1,866
Loans and receivables			
Cash and cash equivalents	14	11,750	14,779
Debtors and other receivables	15	13,843	7,721
LGFA Borrower Notes	20	1,680	1,680
Te Tumu Investment	18	10,414	10,121
Term deposits	18	14,983	35,000
Total loans and receivables		52,670	69,301
Fair value through other comprehensive income			
Other financial assets:			
- local authority stock	20	43	43
- listed shares	18	230	152
Total Fair value through other comprehensive income		273	195
Financial liabilities			
Fair value through surplus and deficit			
Derivative financial instrument liability	16	8,862	9,655
Total Fair value through surplus and deficit		8,862	9,655
Financial liabilities at amortised cost			
Creditors and other payables	24, 26 & 27	16,783	17,577
Borrowings:			
- secured loans	25	125,000	150,000
Total financial liabilities at amortised cost		141,783	167,577

42. TE TUMU FINANCIAL INSTRUMENTS

Interest Free Loan

In 2007, Western Bay of Plenty District Council and Tauranga City Council (TCC) together acquired a block of land referred to as Te Tumu. This land was purchased with the condition of providing the vendor the option to acquire it sometime from December 2016 to December 2026. The rationale for Western Bay Council and TCC purchasing the land was to ensure development of this land was consistent with the SmartGrowth strategy.

With this purchase of land, the vendor has the right to use the land in its undeveloped state until December 2016 (extendable annually for a further ten years). As Western Bay Council does not have the right to use this land over this period, it is not recognised as a traditional land purchase in the Western Bay Council's accounts.

Instead, this transaction gives rise to the creation of a financial asset where Western Bay Council has a right to receive cash when the vendor exercises their option to repurchase the property. This asset is recognised as an interest free loan. If the vendor does not exercise their right, the land reverts to Western Bay Council and will be recognised as land in Western Bay Council's accounts.

Fair value of the interest free loan is \$10m (2017: \$10m) determined as the present value of future cash flows based on a fixed investment financing rate of 11.5% discounted at 4%. In December 2016, as per the agreement, the interest rate was renegotiated to a market related rate.

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

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

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

43. FAIR VALUE HIERARCHY DISCLOSURES

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

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

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

	VALUATION TECHNIQUE			
	Total	Quoted Market Price	Observable Inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
30 June 2018				
Financial Assets				
Local authority stock	43	43		
Shares	230	230		
Te Tumu investment	10,414			10,414
New Zealand Local Government Funding Agency Ltd	3,546		3,546	
Financial Liabilities				
Derivatives	8,862		8,662	
30 June 2017				
Financial Assets				
Local authority stock	43	43		
Shares	152	152		
Te Tumu investment	10,121			10,121
New Zealand Local Government Funding Agency Ltd	3,546		3,546	
Financial Liabilities				
Derivatives	9,655		9,655	

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements.

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Balance at 1 July	10,122	1,619
Gains/(losses) recognised in surplus and deficit	292	635
Reversal of impairment	-	7,868
Balance at 30 June	10,414	10,122

44. FINANCIAL INSTRUMENT RISKS

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

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Western Bay Council is exposed to equity securities price risk on its investments. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of Western Bay Council's investment portfolio in accordance with the limits set out in Western Bay Council's investment policy.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Western Bay Council purchases plant and equipment associated with the construction of certain infrastructural assets from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is the Western Bay Council's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above \$100,000 by entering into forward foreign exchange contracts to manage the foreign currency risk exposure. This means the Western Bay Council is able to fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Western Bay Council to fair value interest rate risk. Western Bay Council's liability management policy is to maintain between 50% and 95% of its borrowings in fixed rate instruments. Interest rate swaps are entered into to hedge the fair value interest rate risk arising from Western Bay Council's borrowings to ensure they remain within these limits.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Western Bay Council to cash flow interest rate risk.

Generally, Western Bay Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Western Bay Council borrowed at fixed rates directly. Under the interest rate swaps, Western Bay Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Western Bay Council, causing Western Bay Council to incur a loss. Due to the timing of its cash inflows and outflows, Western Bay Council invests surplus cash into term deposits and local authority stock which gives rise to credit risk.

Western Bay Council's investment policy limits the amount of credit exposure to any one financial institution or organisation. Investments in other Local Authorities are secured by charges over rates. Other than other local authorities, the Western Bay Council only invests funds with entities that have a Standard and Poor's or Moody's credit rating of A- or above for long-term investments.

Western Bay Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

44. FINANCIAL INSTRUMENT RISKS (CONTINUED)

Maximum exposure to credit risk

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Cash at bank and term deposits	26,733	49,779
Debtors and other receivables	13,843	7,721
Local authority and government stock	273	195
New Zealand Local Government Funding Agency	3,546	3,546
Derivative financial instruments	(8,862)	(9,655)
Financial instruments	10,414	10,121
Total credit risk	45,947	61,707

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	ACTUAL \$'000	ACTUAL \$'000
	2018	2017
Counterparties with credit ratings		
Cash at bank and term deposits		
A-1+	26,733	49,779
Total cash at bank and term deposits	26,733	49,779
Local authority and government stock		
AA+	3,546	3,546
A	43	43
Total local authority and government stock	3,589	3,589
Derivative financial instrument assets		
AA	-	-
Total derivative financial instruments	-	-
Financial instrument assets		
No rating	10,414	10,121
Total financial instrument assets	10,414	10,121
Counterparties without credit ratings		
Existing assets with no defaults in the past	230	152
Total counterparties without credit ratings	230	152

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 (2017: \$600,000). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities

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

44. FINANCIAL INSTRUMENT RISKS (CONTINUED)

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Council 2018						
Creditors and other payables	16,783	16,783	16,783	-	-	-
Net settled derivative liabilities	8,862	8,862	465	2,048	3,555	2,794
Secured loans	125,000	157,767	45,007	3,168	50,670	58,922
Total	150,645	183,412	62,254	5,216	54,225	61,716
Council 2017						
Creditors and other payables	17,577	17,577	17,577	-	-	-
Net settled derivative liabilities	9,655	9,907	577	1,917	4,663	2,750
Secured loans	150,000	171,402	49,857	28,214	18,169	75,162
Total	177,232	198,886	68,011	30,131	22,832	77,912

Contractual maturity analysis of financial assets

The table below analyses Western Bay's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Council 2018						
Cash and cash equivalents	11,750	11,750	11,750	-	-	-
Debtors and other receivables	13,843	13,843	13,843	-	-	-
Net settled financial instruments	10,414	10,743	-	-	-	10,743
Other financial assets:						
- Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	14,983	14,983	14,983	-	-	-
- Local authority and government stock	3,819	-	-	-	-	3,819
Total	54,809	51,319	40,517	-	-	14,562
Council 2017						
Cash and cash equivalents	14,779	14,779	14,779	-	-	-
Debtors and other receivables	7,721	7,721	7,721	-	-	-
Net settled financial instruments	10,121	19,996	-	-	-	19,996
Other financial assets:						
- Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	35,000	35,000	35,000	-	-	-
- Local authority and government stock	3,741	-	-	-	-	3,741
Total	71,362	77,496	57,500	-	-	23,737

44. FINANCIAL INSTRUMENT RISKS (CONTINUED)

Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Western Bay Council's financial instrument exposures at the balance date.

INTEREST RATE RISK	NOTE	2018 \$'000				2017 \$'000			
		PROFIT	- 100BPS OTHER EQUITY	PROFIT	+ 100BPS OTHER EQUITY	PROFIT	- 100BPS OTHER EQUITY	PROFIT	+ 100BPS OTHER EQUITY
Financial assets									
Cash and cash equivalents	1	(118)		118		(148)		148	
Financial instruments	2	(104)		104		(101)		101	
Other financial assets:									
- Local authority stock	3		(17)		17		(17)		17
Financial liabilities									
Derivatives - interest rate swaps	4	(13,737)		4,378		(5,036)		4,683	
Borrowings:									
Debentures	5	1,000		(1,000)		1,300		(1,300)	
Total sensitivity to interest rate risk		(12,959)	(17)	3,600	17	(3,985)	(17)	3,632	17

EQUITY PRICE RISK	NOTE	PROFIT	- 10% OTHER EQUITY		+10% OTHER EQUITY		PROFIT	- 10% OTHER EQUITY		PROFIT	+10% OTHER EQUITY	
			PROFIT		PROFIT			PROFIT			PROFIT	
Financial assets												
Other financial assets:				(23)		23			(8)			8
- Quoted share investments	6											
Total sensitivity to equity price risk		-	(23)	-	23	-	(8)	-	8			

Explanation of sensitivity analysis

1. Cash and cash equivalents

Cash and cash equivalents include deposits on call totalling \$11,750,000 (2017: \$14,777,906) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$118,000 (2017: \$147,779).

Derivatives

2. Financial instruments

Financial instruments include Te Tumu land purchase totalling \$10.41m (2017: \$10.12m). A movement in interest rates of 1.0% has an effect of \$104,141 (2017: \$101,211) on the unrealised value of the financial instruments.

3. Local authority stock

A total of \$1,723,000 (2017: \$1,723,000) of investments in local authority stock are classified at fair value through equity. A movement in interest rates of plus or minus 1.0% has an effect of \$17,233 (2017: \$17,233) on the fair value through other comprehensive income

4. Financial liabilities

Derivative financial assets not hedge accounted includes interest rate swaps with a fair value totalling \$8.861m (2017: \$9.66m). A movement in interest rates of plus 1.0% has an effect of reducing the swap deficit value by \$13.737m (2017: \$5.04m). A movement in interest rates of minus 1.0% has an effect of increasing the swap deficit value by \$4.37m (2017: \$4.68m).

5. Debentures - secured loans

Council has floating rate debt with a principal amount totalling \$105.00 million (2017: \$130.00m). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$1,050,000 (2017: \$1,300,000). 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 \$155,000 (2017: \$95,000) and Seeka Kiwifruit Industries Limited valued at \$75,000 (2017: \$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 \$23,000 (2017: \$15,000).

Creditors and other payables

Trade payables do not include any foreign currency denominated payables in relation to plant and equipment purchases. Therefore there is no currency price risk and no movement under sensitivity analysis.

45. CAPITAL MANAGEMENT

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

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

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

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

Western Bay Council has the following council created reserves:

- Reserves for different areas of benefit
- Self-insurance reserves; and
- Trust and bequest reserves.

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

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

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

46. EXPLANATION OF MAJOR VARIANCES

Explanations for major variations from Western Bay Council's estimated figures in the Annual Plan 2017-18 and 2018 actuals are as follows:

Statement of Comprehensive Income

Actual 2018 surplus of \$66.299 million versus 2018 budget surplus of \$16.831 million. A favourable variance of \$49.468 million.

The major contributors to the variance were:

Total revenue was \$49.815 million over budget.

	\$'000
Revenue variances positive / (negative):	
¹ Fees and charges from activities	3,692
² Rates revenue including target water supply rates	374
³ Financial contributions	(514)
⁴ Vested assets	8,725
⁵ Subsidies & grants	3,175
⁶ Gains	33,055
⁷ Other revenue	1,308
	49,815

Total expenditure was \$0.314 million over budget.

	\$'000
Expenditure positive / (negative):	
⁸ Other expenses	1,253
⁹ Personnel costs	(752)
¹⁰ Depreciation and amortisation	(580)
¹¹ Finance cost - realised	410
Share of associate surplus	(16)
	314

¹ Contributions for the Tauranga to Omokoroa cycleway project from NZ Community Trust, Tauranga City Council and NZTA.

² Rates revenue of \$65.044m is \$374k higher than budget, therefore in line with the budget of \$64.670m.

³ Due to ongoing development in the District year-on-year, financial contributions of \$9.506m was in line with budget of \$10.020m.

⁴ Vested assets income of \$10.965m is \$8.725m higher than budget of \$2.240m. This is due to higher levels of assets being vested in Council.

⁵ Subsidies and grants income of \$15.994m was \$3.175m higher than budget of \$12.818m due to timing and availability of capital works eligible for NZTA funding.

⁶ Gains income of \$33.1m predominantly relates to the revaluation movements of Council held assets across most activities.

⁷ Other revenue of \$5.125m is \$1.308m higher than budget of \$3.995m. This is predominantly due to movements in interest rate swaps, dividend income and petrol tax income.

⁸ Other expenses of \$36.290m being \$1.253m higher than budget of \$35.037m due to higher costs associated with clearing old debt and running the transportation One Network Maintenance Contract (ONMC).

⁹ Personnel costs of \$18.588m is \$0.752m lower than budget of \$19.340m. This is due to a number of unfilled vacancies during the year.

¹⁰ Depreciation and amortisation costs of \$19.594m is \$0.580m lower than the budget of \$20.174m.

¹¹ Finance costs realised of \$8.210m were \$0.410m higher than budget of \$7.800m.

46. EXPLANATION OF MAJOR VARIANCES (CONTINUED)

Explanations of variances between 2017 and 2018 are as follows:

Statement of Financial Position

Actual net equity of \$1,287,915 million versus \$1,155,286 million in 2017.

There was an increase in overall net equity from actual 2017 of \$132.629 million. The majority of this movement was due to:

	\$'000
Decrease in cash held at year end	(3,028)
Increase in debtors and prepayments	6,016
Increase in investments and financial assets	(19,662)
Increase in non-current assets held for sale	(430)
Increase in forestry assets	1,695
Increase in intangible assets	(177)
Increase in property plant and equipment	125,553
	109,967
Increase in debt for the year	25,000
Decrease in interest rate swap liability	793
Increase in creditors and other payables	(3,033)
Increase in other liabilities	(98)
	22,661
Net movement	132,628

The major variances to prior year were:

- Investments and financial assets were \$19.662 million lower than last year. This decrease reflects the reduction in short term deposits year-on-year.
- Property, plant and equipment was \$125.553 million higher than last year. The increase reflects capitalisation of completed projects and revaluation of existing assets.
- Borrowings were \$25.000 million lower than last year and reflects the lower level of short term borrowing and placed on deposit.

Statement of Cash flows

2018 actual movement was a net increase in cash held of \$11.750 million versus a budgeted net increase of \$6.218 million and actual 2017 net increase in cash held of \$14.779 million.

Net cashflows from operating activities of \$39.063 million versus a budgeted net increase of \$33.567 million and last year actual of \$36.155 million.

Actual receipts from rates has increased \$2.952 million due to increased properties in the District. Other revenue income has increased by \$1.674 million due to increased development in the District. This has been offset by increased payment to suppliers of \$1.360 million.

Net Cashflows from investing activities of \$17.092 million versus \$34.953 million budget and last year actual of \$60.558 million.

This is due to the \$35.000 million short term deposit last year, offset in part by higher purchases of property, plant and equipment.

Net Cashflows from financing activities of \$25.000 million versus \$25.000 million budget and last year actual of (\$22.000) million.

This reflects Council's borrowing from LGFA last year and placing funds on short term deposit, as well as higher debt repayment in 2018 compared to 2017.

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 (WHOLE OF COUNCIL)

For the years ended 30 June		ANNUAL PLAN \$'000	ACTUAL \$'000	ANNUAL PLAN \$'000	ACTUAL \$'000
		2017	2017	2018	2018
Sources of operating funding					
General rates, uniform annual charges, rates penalties		21,261	21,637	22,066	22,140
Targeted rates		37,712	42,021	38,691	38,865
Subsidies and grants for operating purposes		3,779	9,901	4,038	16,030
Fees and charges		8,515	5,881	9,353	9,788
Interest and dividends from investments		-	227	100	132
Local authority and fuel tax, fines, infringement fees, and other receipts		3,706	5,362	3,895	8,878
Total operating funding	(A)	74,973	85,029	78,143	95,833
Applications of operating funding					
Payments to staff and suppliers		50,034	52,575	54,346	54,573
Finance costs		7,890	8,246	7,800	8,788
Other operating funding applications		183	195	32	101
Total applications of operating funding	(B)	58,107	61,016	62,178	63,463
Operating funding - surplus/(deficit)	(A-B)	16,865	24,012	15,965	32,370
Sources of capital funding					
Subsidies and grants for capital expenditure		6,259	476	8,780	-
Development and financial contributions		7,051	10,993	10,020	9,506
Increase/(decrease) in debt		9,363	(5,232)	2,066	(1,642)
Gross proceeds from sale of assets		85	268	85	(384)
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	22,758	6,504	20,951	7,480
Applications of capital funding					
Capital expenditure					
• to meet additional demand		14,608	8,867	12,048	14,202
• to improve the level of service		14,275	8,516	13,605	15,827
• to replace existing assets		12,396	9,442	14,064	8,968
Increase/(decrease) in reserves		(1,656)	3,615	(2,802)	839
Increase/(decrease) in investments		-	76	-	16
Total applications of capital funding	(D)	39,624	30,516	36,916	39,852
Capital funding - surplus/(deficit)	(C-D)	(16,865)	(24,012)	(15,965)	(32,370)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 (WHOLE OF COUNCIL)

RECONCILIATION OF SUMMARY FUNDING IMPACT STATEMENT TO STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 30 June	LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
	2017	2018	2018
Operating funding per Funding Impact Statement	72,979	86,923	95,833
Add: Subsidies and grants for capital expenditure	8,780	-	-
Swap revaluation movement	-	-	-
Financial contributions	6,990	10,020	9,506
Lump sum contributions	-	-	-
Revaluation adjustments	-	-	-
Total	88,750	96,943	105,339
Total Revenue per Statement of Comprehensive Income	91,041	99,182	149,075
Less: Loss on shares adjustment			
Less: Vested Assets	2,291	2,240	10,965
Less: Gains	-		
Total	88,750	96,942	138,110
Variance	-	-	(32,770)
Application of operating funding per Funding Impact Statement	58,255	62,178	63,463
Total expenditure per Statement of Comprehensive Income	78,542	82,351	82,392
Less depreciation and amortisation	20,287	20,174	19,594
Less revaluation movement	-	-	(32,766)
Less unrealised hedging movement	-	-	(794)
Less asset impairment/loss on sale	-	-	125
Less other adjustments	-	-	-
	58,255	62,177	96,233
Variance	-	-	(32,770)
Net Variance	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR REPRESENTATION

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		3,137	3,123	2,700
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		601	614	590
Local authority and fuel tax, fines, infringement fees, and other receipts		77	-	3
Total operating funding	(A)	3,815	3,738	3,293
Applications of operating funding				
Payments to staff and suppliers		1,520	1,552	1,387
Finance costs		(24)	(4)	(58)
Internal charges and overhead costs applied		2,125	2,177	1,785
Other operating funding applications		188	2	101
Total applications of operating funding	(B)	3,808	3,728	3,215
Operating funding - surplus/(deficit)	(A-B)	7	10	79
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	-	-	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		7	10	79
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	7	10	79
Capital funding - surplus/(deficit)	(C-D)	(7)	(10)	(79)
Funding balance	((A-B) + (C-D))	-	-	-

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

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2,138	2,328	2,296
Targeted rates		-	-	13
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	-
Total operating funding	(A)	2,138	2,328	2,309
Applications of operating funding				
Payments to staff and suppliers		1,350	1,511	1,501
Finance costs		(169)	(186)	(37)
Internal charges and overhead costs applied		779	804	770
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	1,961	2,129	2,235
Operating funding - surplus/(deficit)	(A-B)	177	199	74
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	-	-	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		177	199	74
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	177	199	74
Capital funding - surplus/(deficit)	(C-D)	(177)	(199)	(74)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR COMMUNITIES

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		3,259	3,338	3,589
Targeted rates		1,943	2,052	1,929
Subsidies and grants for operating purposes		-	-	437
Fees and charges		77	79	83
Internal charges and overhead costs recovered		827	855	793
Local authority and fuel tax, fines, infringement fees, and other receipts		476	490	594
Total operating funding	(A)	6,581	6,813	7,424
Applications of operating funding				
Payments to staff and suppliers		3,678	3,820	4,360
Finance costs		29	18	(119)
Internal charges and overhead costs applied		2,235	2,291	2,331
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	5,942	6,129	6,572
Operating funding - surplus/(deficit)	(A-B)	639	684	852
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		51	72	2,956
Gross proceeds from sale of assets		-	-	(3)
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	51	72	2,953
Applications of capital funding				
Capital expenditure				
• to meet additional demand		49	60	4,133
• to improve the level of service		-	-	4
• to replace existing assets		336	370	932
Increase/(decrease) in reserves		305	326	(1,263)
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	690	756	3,806
Capital funding - surplus/(deficit)	(C-D)	(639)	(684)	(852)
Funding balance	((A-B) + (C-D))	-	-	-

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

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		5,285	5,631	5,423
Targeted rates		199	203	25
Subsidies and grants for operating purposes		655	-	104
Fees and charges		-	-	-
Internal charges and overhead costs recovered		1,037	1,063	1,258
Local authority and fuel tax, fines, infringement fees, and other receipts		671	693	1,006
Total operating funding	(A)	7,847	7,591	7,817
Applications of operating funding				
Payments to staff and suppliers		3,711	3,730	4,588
Finance costs		64	77	(267)
Internal charges and overhead costs applied		1,935	2,000	2,199
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	5,710	5,808	6,520
Operating funding - surplus/(deficit)	(A-B)	2,137	1,783	1,296
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		1,585	1,662	2,313
Increase/(decrease) in debt		161	462	(101)
Gross proceeds from sale of assets		-	-	45
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	1,746	2,124	2,257
Applications of capital funding				
Capital expenditure				
• to meet additional demand		1,900	1,472	511
• to improve the level of service		276	283	(101)
• to replace existing assets		948	1,533	1,141
Increase/(decrease) in reserves		758	619	2,002
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	3,883	3,907	3,554
Capital funding - surplus/(deficit)	(C-D)	(2,137)	(1,783)	(1,296)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR REGULATORY SERVICES

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,858	1,288	2,529
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		3,697	3,908	5,404
Internal charges and overhead costs recovered		29	30	-
Local authority and fuel tax, fines, infringement fees, and other receipts		37	38	94
Total operating funding	(A)	5,621	5,264	8,027
Applications of operating funding				
Payments to staff and suppliers		3,598	3,398	5,422
Finance costs		(11)	(13)	(23)
Internal charges and overhead costs applied		1,707	1,766	2,578
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	5,294	5,151	7,978
Operating funding - surplus/(deficit)	(A-B)	327	113	50
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(19)	(21)	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(19)	(21)	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		308	93	50
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	308	93	50
Capital funding - surplus/(deficit)	(C-D)	(327)	(113)	(50)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR TRANSPORTATION

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	-	-
Targeted rates		13,703	14,090	13,926
Subsidies and grants for operating purposes		7,169	8,538	14,265
Fees and charges		-	-	17
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		264	271	3,655
Total operating funding	(A)	21,135	22,898	31,863
Applications of operating funding				
Payments to staff and suppliers		8,997	9,197	9,582
Finance costs		1,371	1,325	851
Internal charges and overhead costs applied		1,298	1,391	1,253
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	11,667	11,913	11,686
Operating funding - surplus/(deficit)	(A-B)	9,468	10,985	20,177
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		2,330	2,284	2,659
Increase/(decrease) in debt		(891)	(438)	(6,094)
Gross proceeds from sale of assets		-	-	(73)
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	1,440	1,846	(3,508)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		1,119	2,429	4,573
• to improve the level of service		5,703	6,225	10,548
• to replace existing assets		4,086	4,178	1,597
Increase/(decrease) in reserves		-	-	(48)
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	10,908	12,831	16,669
Capital funding - surplus/(deficit)	(C-D)	(9,468)	(10,985)	(20,177)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR WATER SUPPLY

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	-	-
Targeted rates		5,967	5,925	6,445
Subsidies and grants for operating purposes		-	-	-
Fees and charges		3,387	3,858	4,134
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	11
Total operating funding	(A)	9,354	9,782	10,590
Applications of operating funding				
Payments to staff and suppliers		4,748	4,795	4,713
Finance costs		1,763	1,954	1,498
Internal charges and overhead costs applied		1,485	1,541	1,525
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	7,997	8,290	7,735
Operating funding - surplus/(deficit)	(A-B)	1,357	1,492	2,855
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		784	804	1,534
Increase/(decrease) in debt		2,115	2,970	1,111
Gross proceeds from sale of assets		-	-	(7)
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	2,899	3,775	2,637
Applications of capital funding				
Capital expenditure				
• to meet additional demand		461	1,283	1,877
• to improve the level of service		1,127	1,413	1,248
• to replace existing assets		2,668	2,571	2,367
Increase/(decrease) in reserves		-	-	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	4,256	5,267	5,492
Capital funding - surplus/(deficit)	(C-D)	(1,357)	(1,492)	(2,855)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR STORMWATER

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,635	1,703	1,629
Targeted rates		3,741	3,918	3,929
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	6
Total operating funding	(A)	5,376	5,621	5,564
Applications of operating funding				
Payments to staff and suppliers		750	783	749
Finance costs		1,671	1,587	1,546
Internal charges and overhead costs applied		601	619	424
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	3,022	2,989	2,719
Operating funding - surplus/(deficit)	(A-B)	2,354	2,631	2,845
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		731	751	622
Increase/(decrease) in debt		(1,403)	292	(905)
Gross proceeds from sale of assets		-	-	9
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(672)	1,043	(274)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		208	406	1,486
• to improve the level of service		716	396	73
• to replace existing assets		758	2,873	1,013
Increase/(decrease) in reserves		-	-	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	1,682	3,675	2,572
Capital funding - surplus/(deficit)	(C-D)	(2,354)	(2,631)	(2,845)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR NATURAL ENVIRONMENT

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		178	178	246
Targeted rates		320	329	346
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	-
Total operating funding	(A)	498	507	592
Applications of operating funding				
Payments to staff and suppliers		693	710	651
Finance costs		(40)	(43)	(4)
Internal charges and overhead costs applied		48	51	67
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	701	718	713
Operating funding - surplus/(deficit)	(A-B)	(203)	(211)	(121)
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		184	194	219
Increase/(decrease) in debt		1	3	(7)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	186	197	213
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		(17)	(14)	92
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	(17)	(14)	92
Capital funding - surplus/(deficit)	(C-D)	203	211	121
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR WASTEWATER

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1,884	1,932	1,912
Targeted rates		9,278	9,876	9,964
Subsidies and grants for operating purposes		-	-	1,045
Fees and charges		2	2	57
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		-	-	64
Total operating funding	(A)	11,164	11,810	13,042
Applications of operating funding				
Payments to staff and suppliers		4,138	4,339	4,678
Finance costs		3,527	3,560	3,403
Internal charges and overhead costs applied		1,544	1,594	1,658
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	9,208	9,493	9,739
Operating funding - surplus/(deficit)	(A-B)	1,956	2,317	3,303
Sources of capital funding				
Subsidies and grants for capital expenditure		4,024	476	-
Development and financial contributions		1,375	1,440	2,160
Increase/(decrease) in debt		391	(1,807)	635
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	5,790	109	2,794
Applications of capital funding				
Capital expenditure				
• to meet additional demand		831	909	1,215
• to improve the level of service		5,882	636	3,999
• to replace existing assets		1,033	881	883
Increase/(decrease) in reserves		-	-	-
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	7,746	2,426	6,097
Capital funding - surplus/(deficit)	(C-D)	(1,956)	(2,317)	(3,303)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR SOLID WASTE

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		639	658	415
Targeted rates		990	1,024	1,053
Subsidies and grants for operating purposes		135	139	179
Fees and charges		71	74	92
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		10	11	121
Total operating funding	(A)	1,845	1,905	1,860
Applications of operating funding				
Payments to staff and suppliers		1,325	1,362	1,155
Finance costs		26	27	4
Internal charges and overhead costs applied		504	519	510
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	1,855	1,908	1,668
Operating funding - surplus/(deficit)	(A-B)	(9)	(3)	192
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		11	4	(190)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	11	4	(190)
Applications of capital funding				
Capital expenditure				
• to meet additional demand		-	-	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		2	1	2
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	2	1	2
Capital funding - surplus/(deficit)	(C-D)	9	3	(192)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR ECONOMIC

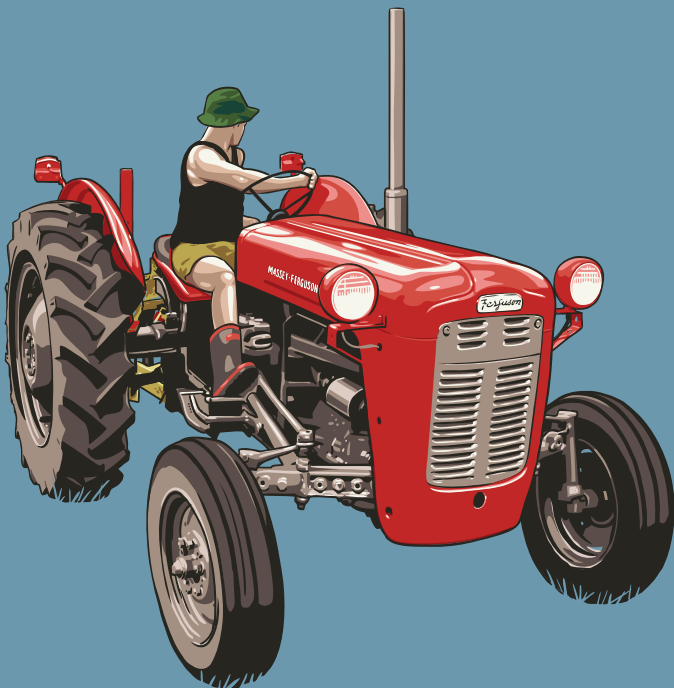
For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		733	757	675
Targeted rates		274	282	290
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		-	-	-
Local authority and fuel tax, fines, infringement fees, and other receipts		2	2	2
Total operating funding	(A)	1,009	1,041	967
Applications of operating funding				
Payments to staff and suppliers		608	623	621
Finance costs		(84)	(89)	(88)
Internal charges and overhead costs applied		127	136	93
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	651	671	626
Operating funding - surplus/(deficit)	(A-B)	358	371	341
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(27)	(25)	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(27)	(25)	-
Applications of capital funding				
Capital expenditure				
• to meet additional demand		581	282	-
• to improve the level of service		-	-	-
• to replace existing assets		-	-	-
Increase/(decrease) in reserves		(250)	63	325
Increase/(decrease) in investments		-	-	16
Total applications of capital funding	(D)	331	345	341
Capital funding - surplus/(deficit)	(C-D)	(358)	(371)	(341)
Funding balance	((A-B) + (C-D))	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2018 FOR SUPPORT SERVICES

For the years ended 30 June		LONG TERM PLAN \$'000	LONG TERM PLAN \$'000	ACTUAL \$'000
		2017	2018	2018
Sources of operating funding				
General rates, uniform annual charges, rates penalties		812	1,491	726
Targeted rates		936	959	945
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overhead costs recovered		14,097	14,598	14,683
Local authority and fuel tax, fines, infringement fees, and other receipts		2,097	2,213	3,453
Total operating funding	(A)	17,943	19,262	19,808
Applications of operating funding				
Payments to staff and suppliers		14,011	14,301	15,166
Finance costs		816	607	2,082
Internal charges and overhead costs applied		2,205	2,272	2,132
Other operating funding applications		-	-	-
Total applications of operating funding	(B)	17,032	17,180	19,380
Operating funding - surplus/(deficit)	(A-B)	911	2,082	427
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(760)	(1,082)	953
Gross proceeds from sale of assets		87	89	(355)
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding	(C)	(673)	(993)	598
Applications of capital funding				
Capital expenditure				
• to meet additional demand		71	72	407
• to improve the level of service		588	813	56
• to replace existing assets		440	604	1,035
Increase/(decrease) in reserves		(861)	(400)	(472)
Increase/(decrease) in investments		-	-	-
Total applications of capital funding	(D)	239	1,089	1,025
Capital funding - surplus/(deficit)	(C-D)	(911)	(2,082)	(427)
Funding balance	((A-B) + (C-D))	-	-	-

CHAPTER FOUR

Governance and Monitoring



CHAPTER FOUR

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OUR COUNCIL



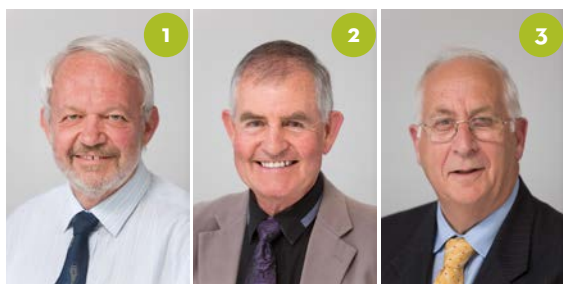
WESTERN BAY OF PLENTY DISTRICT MAYOR

Garry Webber

Ph 07 548 2224

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KATIKATI / WAIHI BEACH WARD

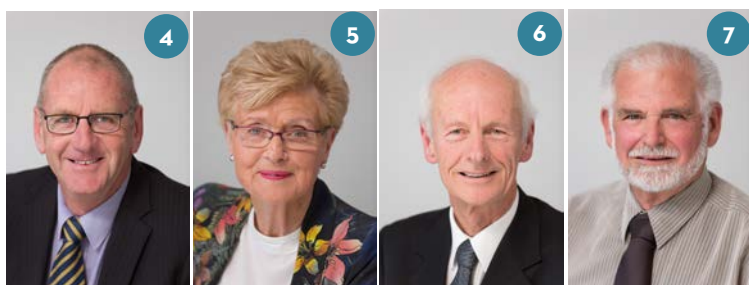


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KAIMAI WARD



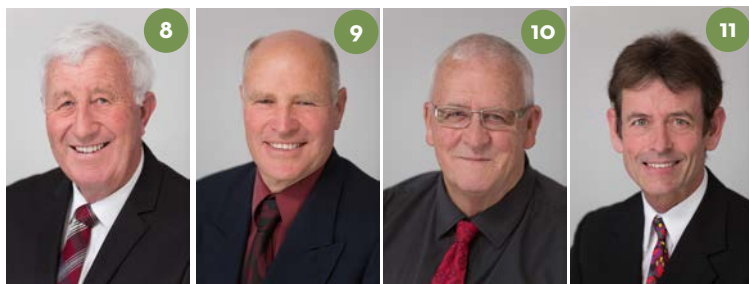
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MAKETU / TE PUKE WARD



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10 Mike Lally
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11 Grant Dally
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COMMITTEES AND MEMBERSHIP

His Worship the Mayor, Garry Webber

Councillor Mike Williams (Deputy Mayor)

Councillor Don Thwaites

Councillor John Scrimgeour

Councillor Kevin Marsh

Councillor Margaret Murray-Benge

Councillor Peter Mackay

Councillor David Marshall

Councillor Grant Dally

Councillor Mike Lally

Councillor John Palmer

Councillor Mark Dean

Operations and Monitoring Committee

Councillor Don Thwaites (Chairperson)

Councillor John Palmer (Deputy)

Mayor Garry Webber

Councillor Grant Dally

Councillor Mark Dean

Councillor Mike Lally

Councillor Peter Mackay

Councillor Kevin Marsh

Councillor David Marshall

Councillor Margaret Murray-Benge

Councillor John Scrimgeour

Councillor Mike Williams

Community Committee

Councillor Peter Mackay (Chairperson)

Councillor Margaret Murray-Benge (Deputy)

Mayor Garry Webber

Councillor Mike Williams

Councillor Grant Dally

Councillor Mark Dean

Councillor Mike Lally

Councillor Kevin Marsh

Councillor David Marshall

Councillor John Palmer

Councillor John Scrimgeour

Councillor Don Thwaites

Regulatory Hearings Committee

Mayor Garry Webber (Chairperson)

Councillor Peter Mackay

Councillor David Marshall

Councillor Margaret Murray-Benge

Councillor John Scrimgeour

Councillor Mike Williams

Policy Committee

Councillor Mike Williams (Chairperson)

Councillor David Marshall (Deputy)

Mayor Garry Webber

Councillor Grant Dally

Councillor Mark Dean

Councillor Mike Lally

Councillor Peter Mackay

Councillor Kevin Marsh

Councillor Margaret Murray-Benge

Councillor John Palmer

Councillor John Scrimgeour

Councillor Don Thwaites

Rural Committee

Councillor Kevin Marsh (Chairperson)

Councillor Mark Dean (Deputy)

Mayor Garry Webber

Councillor Grant Dally

Councillor Mike Lally

Councillor Peter Mackay

Councillor David Marshall

Councillor Margaret Murray-Benge

Councillor John Palmer

Councillor John Scrimgeour

Councillor Don Thwaites

Councillor Mike Williams

Tauranga Moana / Te Arawa ki Takutai Partnership Forum

Elected Members

Hapū/iwi representatives

COMMUNITY BOARD REPRESENTATIVES

Katikati Community Board

Member Jenny Hobbs (Chairperson)
Member Brendan Gibbs (Deputy Chair)
Member Norm Mayo
Member Ben Warren
Councillor Mike Williams
Councillor Peter Mackay

Omokoroa Community Board

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

Maketu Community Board

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

Te Puke Community Board

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

Waihi Beach Community Board

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

ORGANISATIONAL OVERVIEW

CEO SERVICES

Human Resources

- Human resources strategy
- Workforce development
- Cultural support
- Health and safety

Executive Assistance

- Chief Executive
- Mayor

Strategy

- Strategic advice
- Local government reform

Communications

- Strategic and Governance communications

TECHNOLOGY, CUSTOMER AND COMMUNITY SERVICES

Customer Services

- Library and Service Centres
- Governance / Democracy
- Bylaws
- Catering

Information Technology and Services

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

Community Engagement

- Social (including crime prevention)
- Local Economic
- Environment
- Community Funding
- Community Planning
- Corporate Events
- Community Development

Communications

- Operational communications
- Corporate identity
- Online communications

FINANCIAL SERVICES

Finance

- Financial Policy and Overview
- Financial Auditing
- Treasury
- Rates and Levies
- Income
- Expenditure
- Finance
- Annual Plan
- Annual Report
- Revenue and Finance Policy
- Long Term Plan (LTP)

Corporate

- LTP Project Management
- Corporate Development

Corporate Planning and Development

- Corporate Planning
- Business Planning
- Improvement and Project Management
- Business Excellence
- Quality and Risk Management
- Performance Monitoring and reporting
- Internal (non-financial) Audit
- Benchmarking
- Procurement

INFRASTRUCTURE SERVICES

Transportation

- Roading Network
- Asset Management
- West Roads contract

Utilities

- Utilities Asset Management
- Wastewater
- Stormwater
- Potable Water
- Solid Waste

Reserves and Facilities

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

Emergency Management

- Response Capability

Management Support

- Secretarial/Support Services
- Legal Administration
- Fleet Management
- Litter Control

Strategic Property

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

Development Engineering

- Engineering input into Council strategic documents

Rural Fire

POLICY, PLANNING AND REGULATORY SERVICES

Resource Management

- District Plan
- Structure Planning

Policy, Planning and Monitoring

- Strategic, Infrastructure and Reserves Planning
- Comprehensive Development Planning
- Strategic and Environmental Monitoring
- Long Term Plan (LTP)
- Bylaw Development

Regulatory

- Building and Health
- Animal Services
- Compliance Enforcement, Parking, Monitoring
- Land Information Memorandums
- Resource Consents

Cultural