



# ANNUAL REPORT TE PŪRONGO Ā-TAU 2022/23

For the period 1 July 2022 to 30 June 2023

[whakatane.govt.nz](http://whakatane.govt.nz)

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## Message from Mayor Dr Victor Luca

Kupu whakataki  
o te Koromatua

At the close of each financial year, Council is required to review the previous 12 months to assess what was delivered in terms of what was intended, for that year of the Long Term Plan. This report is prepared to capture that information and communicate with residents the progress in our work programme and how we performed against the measures we set. It's our 'report card' if you will.

This Annual Report tells residents about the services, community projects, and facilities Council provided from 1 July 2022 to 30 June 2023. It shows how these have contributed to achieving our vision, community outcomes and priorities that we determined, after consultation with our communities, for the 2021-31 Long Term Plan.

Everyone in business knows – and Council is essentially a big multi-delivery business – there have been operating challenges in the last few years, with the impacts of COVID-19 affecting global supply chains, unusually high rates of inflation driving up the cost of materials, and a tight job market. When I consider these factors, I think it's remarkable we were able to deliver what we did.

I strongly encourage people to take the time to read the report and learn more about what Council delivers for its communities. I'd like to think that with more understanding, people will be more encouraged to tell us what their aspirations are for their communities and get involved in engagement activities that help us, as Elected Members, to make the right decisions.

*Victor Luca*

Dr Victor Luca  
MAYOR KOROMATUA  
21 December 2023

# Your Council

## Ngā Kaikaunihera



Dr Victor Luca  
Mayor



Lesley Immink  
Deputy Mayor



Julie Jukes  
Councillor, Whakatāne-  
Ōhope General Ward



Nándor Tánczos  
Councillor, Whakatāne-  
Ōhope General Ward



Andrew Iles  
Councillor, Te Urewera  
General Ward



Gavin Dennis  
Councillor, Rangitāiki  
General Ward



Wilson James  
Councillor, Rangitāiki  
General Ward



John Pullar  
Councillor, Whakatāne-  
Ōhope General Ward



Tu O'Brien  
Councillor, Rangitāiki  
Māori Ward



Toni Boynton  
Councillor, Kāpū-te-rangi  
Māori Ward



Ngapera Rangiaho  
Councillor, Toi ki Uta  
Māori Ward

# Our Vision and Community Outcomes

## Tō mātau matakitenga

Our vision – *More life in life* – and community outcomes were established through the Long Term Plan 2021-31. Our vision and outcomes set out the high-level direction and goals Council will work towards to achieve its primary purpose to support and enhance the social, cultural, economic, and environmental wellbeing of our communities. Our vision embraces Council’s role in supporting our communities to flourish, fulfil their potential and live life to its fullest. A strong, resilient, and enabled Council organisation will help ensure we can achieve the things that are most important to us all.

## More life in life

*Working together to make living better for our communities, now and in the future*



*Strong, resilient Council organisation focused on continuous improvement*



## Our Strategic Priorities

### Ngā rautaki matua

The strategic priorities are the eight priorities Council consulted the community on when developing the 2021–31 Long Term Plan. The eight priorities provide the Council with key areas of focus to achieve our vision of ‘More life in life’. Each priority is supported by strategies, programmes of work and key projects.



Strengthening iwi, hapū and whanau partnerships



Preparing for population growth and housing demand



Enhancing the environmental outcomes of our activities



Improving the safety, security and resilience of infrastructure



Building climate change and natural hazard resilience



Enhancing the vibrancy of our communities



Facilitating economic regeneration and employment opportunities



Ensuring Council is enabled and fit for the future

# Our work

## Ā mātau mahi

The Local Government Act 2002 sets out the purpose of local government in New Zealand. It gives us a framework and empowers us to decide which activities we undertake, how we undertake them, and makes us accountable to our communities. It states that our overall role is to ensure democratic local decision-making and action by, and on behalf of, communities. We must meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Our mahi/work involves the delivery of a wide range of services and facilities that families, households, businesses, and visitors rely on and use every day. At the top of our list are services that ensure the health and safety of our communities, such as providing clean drinking water, appropriate treatment and disposal of wastewater, and local transport networks that allow people to move safely around the district. Many other Council activities play an essential role in making this a great district for us to live, work and play.

Our work is organised into eleven groups – including the corporate services group, which supports the delivery of our other activities. A Council-controlled organisation (CCO) operates the Whakatāne Airport in a Joint Venture agreement with the Ministry of Transport Te Manatu waka.

Our groups of activities, and everything we do at Council works towards our priorities, outcomes, and vision. To ensure our success in working towards our long-term vision, outcomes, and priorities; each of our groups of activities below have performance measures. Within the “Our activities and services” section of this report from page 36, which reports our results for these performance measures, we have included the outcomes that the activity works towards.

## Our groups of activities







## Celebrating our awards Me whakanui ka tika

### Excellence in Organisation and People Development Award

The Taituarā Local Government Excellence Awards are held annually to recognise outstanding projects, and approaches that exemplify professional excellence in local government management. A crucial aspect contributing to the success of these awards is the potential for other councils to easily replicate the winning project in their pursuit of similar improvements.

Council was announced as the recipient of the Excellence in Organisation and People Development Award in the 2023 Taituarā Local Government Excellence Awards.

This award acknowledges the outstanding efforts of over 140 Council staff members who contributed to the development of the organisational vision and values “Toitū to Kotahitanga – Better Together”. The judge’s commented that Toitū te Kotahitanga stood out not only for the improvements in staff engagement, but because of its strong linkage to the council’s strategic objectives.

The People First Programme *successfully* integrated a new vision and set of values that serve as guiding principles for staff members. This initiative has not only enhanced leadership capabilities and communication through leadership development but has also positively impacted performance in key areas such as leadership, culture, and communication.

In the spirit of Toitū to Kotahitanga – Better Together, the People First Programme invests in improving Council and enables us to deliver better for our communities.





# Delivering on our District's vision and outcomes

E tutuki ana i te matakite nga me ngā putanga hapori o te rohe

This section provides a snapshot of the services, community projects, and facilities Council provided over the financial year 1 July 2022 to 30 June 2023, which have contributed to achieving our vision, community outcomes and priorities.

This is the second Annual Report measuring our progress against the 2021-31 Long Term Plan.

# Constructively and collaboratively engaging with Iwi, hapū and whānau

*Kia mahi tahi ki ngā Iwi, ngā hapū me ngā whānau*

## Strengthening Iwi, hapū and whānau partnerships

*E whakawhanake ana i ngā rangapū ā-whānau, ā-hapū, ā-iwi anō hoki*

### Local Elections with Māori wards

In the 2022 Local Elections, Māori wards were included for the first time in the Whakatāne District. Māori wards are intended to substantially represent the importance of the Māori community voice, to provide assurance that issues of priority to Māori can be more directly brought to Council, and to promote confidence in Local Government decision making processes.

The Council structure now includes three general wards (Rangitāiki, Whakatāne-Ōhope and Te Urewera), and three Māori wards (Rangitāiki, Kāpū-te-rangi, and Toi ki Uta). Each Māori ward has one Councillor, and the general wards have a total of seven Councillors. Supporting the Council are four Community Boards: Murupara, Rangitāiki, Tāneatua and Whakatāne-Ōhope.

Tu O'Brien was elected as the Councillor for the Rangitāiki Māori Ward, Ngapera Rangiaho for Toi Ki Uta Māori Ward, and Toni Boynton for Kāpū-te-rangi Māori Ward.



### Our commitment to strong Māori relationships

Since the appointment of the Kaihautū Māori role and the establishment of Toi Kōtuia (Strategic Māori Partnerships Team), the focus has been on building a strong foundation of cultural capacity and capability with the support of Te Ohu Māori (Māori staff advisory group) within the organisation. Over the past year, the team has implemented the Te Toi Waka Whakarei – Māori Relationship Strategy. This strategy demonstrates our firm commitment to working with the seven Iwi, 80 hapū, and 69 marae and other Māori entities within our district's boundaries. Guiding practical solutions to ensure our engagement and relationships with Iwi, hapū and whānau are enduring, effective, and valued.

Our plan outlines, Whakatāne District Council's commitment to meeting our legal and relationship obligations, and how we can be more responsive to and proactive for Māori. Iwi, hapū and whānau have significant contributions to make for the betterment of the whole district through their cultural, social, environmental, and economic aspirations.

It is essential to keep in mind that as the current stewards of relationships between, Iwi, hapū and whānau, we have responsibilities as staff and Elected Members, to our partners to enable and support them to achieve their aspirations.

## **Te Toi Waka Whakareī (Māori Relationship Strategy)**

Te Toi Waka Whakareī – Māori Relationship Strategy sets out a schedule of annual activities that are internally focussed, setting up Council to be fit for purpose. Through internal engagement, discussion with Iwi, hapū and whānau, we have determined that six focus areas will assist us in achieving our plan. These include:

- Strengthening leadership- Elected Members and the Executive Leadership Team understand the Māori worldview and embody Te Tiriti o Waitangi to support and improve the relationship outcomes for Māori.
- Achieving partnership excellence- Champion a relationship-first approach with Māori to support effective and equitable engagement.
- Becoming an empowered organisation- Council works to fulfil its commitment and legal obligations to Māori under Te Tiriti o Waitangi and aims to ensure its staff can deliver Māori outcomes.
- Promoting Māori identity- The Council aims to reflect and promote Māori culture and identity within the environment and to value mātauranga Māori.
- Improving decision making- Agile policies that guide Council and reflect Māori views, knowledge, and Te Tiriti o Waitangi, and explore Māori aspirations (partnering or self-governance).
- Improving performance and accountability - Council and Māori collaboratively create performance measures to inform and improve, ensuring we are achieving partnership excellence.

These six focus areas not only drive the projects that Toi Kōtuitia manage, but also direct and guide other workstreams to implement these factors into their work programming.

## **Te Kahupapa - Culture Competency Framework**

Te Kahupapa is Council's cultural competency framework created by Toi Kōtuitia (Strategic Māori Partnership Team) and is designed to deliver cultural competency training throughout the Council. This contributes towards our Long Term Plan commitments and our responsibilities as a Te Tiriti Partner to continue to build and strengthen existing relationships through the activities of Council. It is an exciting time to be at Council as we focus on people and capability.

This framework is the foundation to ensure Council has a thorough understanding of Iwi, hapū and whānau within our District. Since the delivery of the trainings began, over 60% of staff (including Elected Members) have completed one or more cultural competency trainings.

## **Engagement with Iwi, hapū and whānau**

Council has increased our Māori focussed roles to support engagement and the delivery of Te Toi Waka Whakareī. Additional initiatives include shared business planning with Iwi and hapū, and the Better Off Funding Iwi Policy Hub, to support Iwi to participate in agreed projects. These support our journey to healthier relationships and ensuring Iwi, hapū, and whānau are enabled to participate, whilst continuing to build the level of trust and confidence as a Te Tiriti Partner.

Internal process and policies to build the guidance and knowledge within the organisation is changing how we operate and how we are seen and heard. Guidelines and te reo Māori training for staff is increasing the confidence of staff and how we converse and communicate publicly. Developing our methodologies to work closer with Iwi, hapū and whānau is ongoing, and ensuring staff and Elected Members have a greater understanding.

Arts and culture has been particularly busy. Council has partnered with Iwi and hapū to host exhibitions at Te Kōputu a te whanga a Toi Whakatāne Library and Exhibition Centre, as well as Te Whare Taonga o Taketake Whakatāne Collections, Archive and Research Museum. Collections have travelled the district also, hosted by hapū and marae with great feedback and enthusiasm for more.

Council staff have been supporting Iwi and hapū events locally in the CBD and in our remote communities, via our responsibilities as Council, but the manner in which we have conducted ourselves is different and the feedback has been positive.

The main Council Building Redevelopment Project has been a memorable project for Council staff who worked with members of Iwi and hapū from the whole district as we brought to life the highly treasured, maunga (mountains), awa (rivers) and the taonga (treasured) species that tell of the place and people in the district. This project to weave a cultural narrative through the building ensures we are moving steadily toward a Council that reflects the many communities and recognises and promotes the rich history of tangata whenua.





## Strong, connected, interdependent, diverse communities *Ngā hapori pūkeke*

### Preparing for population growth and housing demand *E whakarite ana ki te tipuranga o te taupori me ngā tonotono whare*

#### **Ensuring our infrastructure, facilities and services have capacity for growth.**

One of Council's core priorities throughout this financial year has been progressing the development of the Our Places – Eastern Bay of Plenty Spatial Plan. The Plan will set out where and how we can grow across the Eastern Bay of Plenty to accommodate population and employment growth in a positive way while contributing to our social, economic, environmental, and cultural wellbeing.

Partners in this collaborative project include the Eastern Bay of Plenty councils, Iwi authorities and Central Government agencies. Building effective and enduring partnerships will ensure that the needs and development aspirations of all Eastern Bay of Plenty communities are understood, and the plan is focused

on the most important community interests within the sub-region.

The sub-region's challenging natural geography, increasing demand on housing (including affordability and suitability of housing stock), increasing demand on existing infrastructure, and further development of economically important industries, are all key challenges that require integrated management and partner led solutions. It is also important while managing growth, that we deliver appropriate wellbeing outcomes where communities can live and access the lifestyle, they desire including employment, recreation, and cultural and social opportunities.

Development of the Spatial Plan will help position the Eastern Bay of Plenty in the development of a Regional Spatial Strategy and Infrastructure Strategies, the Waters Services Reform and Central Government investment priorities.

During the 2022/23 financial year, several key activities have been undertaken including:

- Finalising the five foundation reports and review of relevant tangata whenua documentation.
- Establishing the Project Leadership and Project Governance Groups.
- Finalising the project outcomes and agreeing a project plan.
- Updating the forecasts for population and housing and business land demand.
- Identifying areas vulnerable to natural hazards and other potential development constraints.
- Understanding the range of development options across the sub-region and the associated infrastructure implications.
- Developing an engagement strategy, which includes finalising project branding and setting up a website.

## Contributing to urban development and housing growth

One of the core functions of Council is the issuing of building and resource consents, which plays a vital role in shaping urban development and fostering economic growth. This aligns with our priorities in preparing for population growth and housing demand, and in facilitating economic regeneration and employment opportunities.

We have identified that we will need an additional 4,000 homes to accommodate an anticipated growth of 45,000 residents by the year 2050. This influx of residents wishing to find their home in the Whakatāne District creates demand for more robust infrastructure as well as an increase of places to live in our district.

This year, we have seen a decrease in the number of consent applications for both building and resource, which might be attributed to escalating interest rates, increase in material costs, and strain on material supply chains. Nonetheless, we have issued 124 consents for the construction of new homes with a value of \$46.8 million, and additional 11 consents for commercial structures with a value of \$6.8 million.



The enabling of more housing within the district can contribute positively towards the availability and affordability of homes.

We have also issued a total of 187 resource consents relating to land use and subdivision. Of note, during the 2022-2023 financial year, Council granted consents for residential developments including a 17-lot subdivision in Piripai Rise, and a six-lot townhouse development in Landing Road, Whakatāne. The issuing of these consents aligns with our Whakatāne District Plan in ensuring additional housing for our growing population.

One of the major developers contributing to our built environment is Kāinga Ora who help meet the need for social and affordable homes for whānau in Whakatāne. There has also been an increased interest in Papakāinga housing developments in our rural zones.

Each year we monitor satisfaction of our building and resource consents process. Feedback indicates that 65% of individuals who lodged a resource consent application with Council were satisfied with the process, with 69% satisfied with the building consents process. Both reaching our target of 60%. Notably, this year's results mark an improvement on the previous year which shows our commitment to always improving.





## Enhancing the vibrancy of our communities

### E whakanui ana i te whitawhita o ngā hapori

#### Active Whakatāne

Our Active Whakatāne Strategy has seen the delivery of a range of projects throughout the 2022/23 financial year. These projects have made it safer and easier for transport users and have enhanced our streets by lowering traffic speeds and encouraging traffic away from our residential streets. Just as importantly, the Active Whakatāne Programme has provided evidence to support bids for external funding. Funding assistance from the National Land Transport Fund, means that for every \$1 million in rates invested in this Long Term Plan period, we can deliver \$5.8 million worth of active transport improvements with the vast majority of work going to local suppliers and contractors. Without our Active Whakatāne Strategy, leveraging these opportunities wouldn't be possible.

The implementation of 'Locky Docks' across the community has been made possible by a generous \$80,000 grant from Trust Horizon. These innovative bike racks provide secure storage and free charging for e-bikes. These Locky Docks have been installed at the following locations:

- Robert Harris, The Strand Whakatāne
- Caroline Eve, The Strand Whakatāne
- Mahy Reserve, Ōhope Beach
- Whakatāne Aquatic and Fitness Centre, Short Street Whakatāne
- Viet Eatery, Kopeopeo

These Locky Docks will be the first across the country and are part of our ongoing efforts to promote an active lifestyle and sustainable transportation options. They offer a secure and convenient solution for cyclists, particularly e-bike users, encouraging more people to embrace eco-friendly modes of transportation.

In addition, an e-bike library has been funded by the Climate Emergency Response Fund. This allows residents to trial different types of e-bikes for a small fee. The library will include a range of town bikes, cargo bikes, and mountain bikes, and will allow people to try before purchasing one of their own.



As part of our Active Whakatāne Programme we have been working to make active travel like walking, cycling, and scootering, safer and easier for everyone. During the 2022/23 financial year we:

- Installed a raised crossing platform across the Salonika Street intersection for St Josephs and Allandale Primary schools and residents at the Disability Resource Centre.
- Installed a raised crossing platform across Goulstone Road to allow safer access to Rex Morpeth Park, the Whakatāne Aquatic Centre, Rugby Park and schools.
- Installed speedbumps, crossing platforms and narrowed the intersection on Pouwhare Street. This has made the route slower and has improved accessibility for mobility impaired users, cyclists, and walkers by providing them level access across roads.
- Created a slow speed area outside Edgecumbe Primary and Edgecumbe College to reduce the risk to students and whānau in this busy area. We also created a shared use path to encourage more active travel by school students. This project is being completed across 2022/23 and 2023/24.

These efforts under the Active Whakatāne Programme demonstrate our commitment to creating a safer and more accessible environment for active travel throughout our community.



## Better Off Funding projects

The Whakatāne District has been granted \$5.66 million of 'Better Off' funding dedicated to community wellbeing projects. Funding can be used for projects budgeted for in the current Long Term Plan (from years one to three) where the Better Off Funding could cover the additional costs from accelerating a project or be used for the full costs of a project in years four to 10 of the Long Term Plan, if Better Off Funding would accelerate, scale-up and/or enhance the quality of the planned investment.

The funding also had to be for projects that:

- Supported communities to transition to a sustainable and low-emissions economy, including building resilience to climate change and natural hazards
- Deliver infrastructure and/or services which allowed housing development and growth, with a focus on brownfield (previously developed land which is not currently in use) and infill development opportunities where those are available and/or
- Deliver infrastructure and/or services that support local place-making and improvements in community well-being.

The seven projects that will receive Better Off Funding are:

### 1. Planning for Murupara and Minginui regeneration, and amenity projects (\$700K)

Both Murupara and Minginui require significant support for town regeneration and infrastructure to enable housing, commercial, and wellbeing projects that will be transformational in their communities. The project will be delivered in partnership with Ngāti Manawa and Ngāti Whare, with funding provided for:

1. Master planning and infrastructure planning for Murupara township in partnership with Ngāti Manawa.
2. Master planning and infrastructure planning for Minginui village in partnership with Ngāti Whare.
3. Implementation of early recreation and amenity opportunities in each town.

### 2. Developing shared use cycle trail from Edgecumbe to Thornton (\$900K)

This project seeks to support the 'Small Towns Initiatives' focus within the Active Whakatāne strategy which aims to develop connections for active transport (often using stop banks as a route) in and between our district's smaller settlements. A specific opportunity for Better Off Funding is to develop the link between Edgecumbe and Thornton which is a longstanding aspiration and priority of the Edgecumbe community.

### **3. Enhancing Civil Defence preparedness and strengthening Waimana and Te Teko community halls (\$1.36 million)**

This initiative is for a suite of projects to support civil defence response capability and community resilience to natural hazards. Including:

- 1) Accelerating seismic strengthening of rural halls at Waimana and Te Teko that are expected to function as civil defence centres.
- 2) Development of civil defence response infrastructure across the district.

### **4. Commencing a two-year trial for a collective Iwi policy hub (\$1 million)**

All Iwi in the Whakatāne District are giving a strong and recurring message to the Council that capacity to engage in various complex programmes is a significant ongoing challenge and prevents engagement as desired. After formative conversations between Iwi Chief Executives and the Council Chief Executive, the proposal is for Council to directly fund a Policy Hub whereby Iwi can recruit (or provide existing people) skilled in policy, law, resource management, economic development and Mātauranga Māori to provide engagement and policy support.

### **5. Delivering Hono Hapori - mobile community outreach for Council services (\$500K)**

The Hono Hapori Community Outreach initiative aims to support better community access to Council services. The initiative acknowledges that the makeup of our District in terms of its size, numerous remote communities, deprivation, and internet barriers means there are varying levels of access to Council services. The proposal provides for community outreach by fitting out two vehicles (one of which is an e-Vehicle), to take a range of Council services into rural and remote communities, and engage with communities especially Iwi, hapū and whānau.

### **6. Providing for a CCTV upgrade and expansion (\$1 million)**

Much of the existing CCTV (closed-circuit television) network infrastructure is inefficient, ageing and/or requires more resources to enable active monitoring. This initiative proposes improvements to the current CCTV network to ensure greater deterrence of ram-raids and smash and grabs while responding to demand for greater security in our rural areas and smaller townships.

### **7. Accelerating the Our Places – Eastern Bay of Plenty Spatial Plan (\$200K)**

The development of an Eastern Bay of Plenty Spatial Plan is underway to support housing development and growth demands acknowledging current pressure, while maintaining a long term view. Largely driven by the timing of Central Government reforms, there is a need to accelerate the spatial plan to co-inform other critical infrastructure planning and strategy development. Critical links include waters strategy and asset management planning ahead of water services reforms and in advance of Council's next Long Term Plan.

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### **A year of creativity, community, and connection**

The Whakatāne Libraries and Galleries team has had a busy year and presented a varied range of programmes, events, and services for communities.

The Murupara Library provided a community hub for the 2023 Census Team, Wahine Whakapakari Courses, Murupara Area School class library sessions, local home-schooling group sessions, and as a meeting space for Midland/EBOP Auahi Kore Coalition, Māori Women's Welfare League, and Youth Space. The team has also particularly enjoyed collaborating with other community groups including Te Ara Tika, Eastbay REAP and Youth Space to deliver a series of successful school holiday programmes.

In April 2023 the Whakatāne Library team had a great time hosting celebrated author and Te Awhi Rito, NZ Reading Ambassador, Ben Brown, author, illustrator, and cartoonist Toby Morris, and students from James St School in Te Kōputu. As part of the Storyline's Trust tour, this was a great chance for tamariki to learn about bringing stories to life from two masters of their craft.



The library also had a jam-packed week full of activities and events for Matariki and again hosted the Molly Morpeth Canaday Award.

The school holiday programmes throughout the year have provided opportunities for families to be entertained, learn new arts and crafts, have fun, and meet other families. Events and activities included Doggie Storytime with Amy and canine companion Tippet from Harmony & Hope Animal Rescue, learning all about how to take care of our furry friends. A bird themed holiday programme featuring a very popular ‘Make Your Own Bird Feeder’ session using upcycled cat food tins, and a ‘Tweets n Beats’ composition session mixing native bird and tuatara calls into music. We also celebrated the return of Hā Kākano; the weekly Preschool Storytime, that has been attracting good crowds.

Customers at Te Kōputu have been thrilled with the addition of a new digital scanner for the community to digitise their family documents and favourite whānau photos, free of charge. On-demand streaming service Hoopla was introduced, allowing members to access online books, comics, movies, music and more 24/7 with their library card details, and online magazines were added to the popular BorrowBox platform. A classic DVD collection celebrating the oldies but goodies of the film world, was created to allow many of those who don’t have suitable Wi-Fi connections to still enjoy the movies they know and love.

## Mā Koutou, Mā Tātau – Our People, Our Spaces Strategy

The Whakatāne District boasts an abundance of shared spaces and facilities including rivers, mountains, parks, reserves, playgrounds, and sports fields. We have been working to develop a new People and Places Strategy to keep up with changing demand on these spaces. The projects incorporate two streams of work – the development of the Whakatāne People and Places Strategy and the Rex Morpeth Recreation Hub Master Plan.

The Whakatāne People and Places Strategy aims to address the open space requirements of our present and future communities. Its purpose is to enable effective decision making regarding the management, development, acquisition, and divestment of open spaces.

The Rex Morpeth Recreation Hub Master Plan will outline the future use and development of the 17 hectares of recreational space within Rex Morpeth Park and Rugby Park. This will include a development option for the Whakatāne War Memorial Hall, to ensure the provision of a suitable multipurpose facility for use in the future.

The development of the Whakatāne People and Places Strategy and the Rex Morpeth Recreation Hub Master Plan is a unique opportunity to help set the future direction and ensure current and future needs for open space within the Whakatāne District; while also contributing to the planning for a multipurpose facility and recreational space to address social, cultural, and sporting needs. Community engagement commenced in March 2023, with a final plan on track to be completed in December 2023.

### Community good projects

We are proud to share the numerous projects and initiatives undertaken by the Council to improve the beauty and functionality of the Whakatāne District we know and love. This includes:

- Shade sails installed at Sullivan Lake and Thompson Crescent in Whakatāne, and Puriri Crescent in Edgecumbe, ensuring that families can enjoy the playgrounds without concerns of excessive sun exposure.
- At Mananui Reserve Whakatāne, we replaced the existing modular playground, offering an improved play space for children to explore, learn, and have fun.





- The Harbourside trail in Ōhope and the bike track at Warren Park in Whakatāne were both resurfaced, to improve safety to users.
- We constructed a path around the stormwater pond at Whitehorse Drive retention pond in Whakatāne, to enable equal access to people of all abilities to enjoy the natural bush environment. This 'Bird Walk' path now features a picnic table donated by Halo and a drinking fountain contributed by the Whakatāne Ōhope Community Board.
- At Thornton Domain, we have improved amenities for visitors' convenience and comfort. The upgrades include the installation of an electric BBQ, a drinking fountain, two beach showers, and two picnic tables.

Thanks to the generous funding of \$200,000 secured from the Lion Foundation, we have successfully completed several other projects that have contributed to the well-being of our community. These projects include:

- Murupara basketball court: We transformed an existing netball court in Murupara into a full-sized basketball court, providing more opportunities for our youth to engage in active and healthy recreation. The project involved resurfacing the court, installing basketball hoops, and adding a fence to separate the basketball and netball courts, ensuring safe and enjoyable play for all.

- Eivers Park, Te Teko Playground Shade Sails: We installed shade sails at Eivers Park playground in Te Teko, ensuring that children can play out of the heat of the sun.
- Thornton/Okorero toilet: We addressed the need for toilet facilities in the area by installing a prefabricated dry vault toilet on the eastern side of the Rangitāiki River, opposite Thornton Domain.

## Community Wellbeing Project – Waitara Oranga Hapori

The Community Wellbeing Project (CWP) is a community and social sector-led initiative that sets out to achieve better social outcomes for Whakatāne District residents.

In 2022, more than 50 social sector providers (including representatives from Māori-led organisations) met to identify the key barriers to communities in the Whakatāne District thriving and to agree on opportunities to work collaboratively on solving issues. The focus areas identified for collaborative action are:

- Housing and homelessness
- Community connection (to services and each other) including transport and digital enablement
- Community safety
- Intergenerational and transferred trauma
- Rangatahi / Youth participation and achievement
- Social sector capacity and connection
- Attracting funding and better use of resources.

Several initiatives are underway as part of this project including a Social Sector Network group that meets quarterly to support collective action groups and track progress on focus areas. Two of the collective action groups underway are facilitating a collaborative response to homelessness in the district.

## Homelessness response

Two groups have been formed to address homelessness in the district:

- Homelessness Prevention Alliance (HPA)
- Homelessness Response Group (HRG)

Both groups have multi-agency membership. The HPA addresses the district's strategic approach to addressing homelessness and the HRG deals with day-to-day responses to issues of homelessness. The HPA commissioned a District Homelessness Overview Report which is now endorsed by Council. They have also applied to the Housing and Urban Development Innovation and Partnership fund for funding to implement a strategic plan. More planning, advocacy, and response initiatives will be rolled out during the 2023 year.

## Youth Strategy

A Youth Strategy, facilitated by the Whakatāne District Youth Council, was completed in 2022. This followed a comprehensive survey in 2021 that asked a range of rangatahi what living in Whakatāne District was like now, and what would make it an even better place to live. The Youth Strategy 2022-2027 (Te Rautaki Rangatahi) has a vision that 'Every young person is inspired and supported to explore unlimited opportunities and thrive as tomorrow's leaders.' It contains actions that the Youth Council will help rangatahi to deliver.

The Youth Council is a diverse group of young people aged between 12-24 with varying backgrounds and interests. The group is selected each year to represent the young people of the district, to learn about how local government works and what councils do and to advance youth-related issues and interests. The completed strategy is available to view on Council's website.

## Community Planning

Throughout the year, the Community Partnerships Team has been assisting with three community planning processes this year. These community plans are place-based plans, led by representatives of local communities and assisted by Council staff. They are 'community-owned,' but include actions directed at Council and other funding agencies for support. Community plans are tools for capturing and prioritising the aspirations of communities and providing a 'roadmap' for how to get there.

It is important that any community planning exercise is inclusive and representative of all sectors of the community. The process seeks to gain general agreement on actions for community improvement that can be delivered by a range of providers including, but not limited to, Council. Two community plans – Edgecumbe and Ōtamakaokao (Awatapu) are now complete and moving into the delivery phase, while the Murupara Community Plan is in progress.

## Eastern Bay of Plenty Road Safety Programme

Our Eastern Bay of Plenty Road Safety Programme aims to raise community awareness about road safety and works towards a safe road system throughout the region that is free of death and serious injury accidents.

The programme is facilitated by Council in partnership with programme sponsor Waka Kotahi NZ Transport Agency, NZ Police, ACC and other road safety agencies.

Key programmes delivered in 2022/23 in partnership with our community include a holiday season driver safety campaign focusing on reducing drink driving and 1st of January Fatigue Stop. Various young driver safety education events have also been delivered around the Eastern Bay and a marae-based recidivist drink-drive programme. Additionally, we provided cycle skills education to 735 young people, facilitated a Go by Bike Day, for adults and Wheels Days promoting Safe and Active Transport Modes, to over 2000 tamariki. During the colder months we have focused on Winter Pit Stops, and educating drivers on what car checks are required to stay safe.





## Facilitating economic regeneration and employment opportunities

### E whakahaere ana i te tipuranga o te taiōhanga me ngā āheinga mahi

#### Developing the Whakatāne Boat Harbour

Whakatāne town wharf and the entire East Coast of the North Island have reached maximum capacity for berthage. The new Boat Harbour aims to address this issue by offering a long-term solution, providing safer and more resilient berthage for storing vessels in the town.

The development plans include the establishment of a marine servicing centre equipped with a mobile boat hoist capable of lifting vessels. The Boat Harbour will offer a new option for lifting boats out of the water, allowing them to undergo maintenance and servicing.

Additionally, an onsite marine training school will be established to train skilled workers for the site and support the existing marine industry in Whakatāne. This industry currently includes two of New Zealand's largest and more popular aluminium boat builders.

The Boat Harbour project, with a budget of \$29.4 million, aims to retain existing jobs while generating over 600 new employment opportunities.

It is expected to bring significant economic, environmental, and social benefits to the region. Furthermore, the project will contribute to restoring the connections and mauri (life force) of the river, ensuring its preservation for future generations. The Kanoa - Regional Economic Development & Investment Unit of the Ministry of Business and Innovation and Employment is providing \$19.6 million and Whakatāne District Council is funding \$9.8 million from a loan against its existing Harbour Endowment Fund.

The commercial Boat Harbour project reached a significant milestone in January 2022 when land lease and company documents were agreed and signed enabling the Te Rāhui Herenga Waka 2021 Whakatāne Limited Partnership, being a partnership between Whakatāne District Council, Te Rāhui Lands Trust Limited Partnership and The Crown, to form and the Board of Directors to commence work on establishing the development company, consenting and construction procurement processes.



The Resource Consent was prepared, submitted, and then approved through the fast-track consenting process in August 2022 through the Environment Protection Agency. Once consent was approved the development company has been able to start preliminary site works and stakeholder engagement to prepare management plans required under the Resource Consent. The Bay of Plenty Regional Council and Whakatāne District Council are the monitoring and compliance agencies for the Resource Consent. Council, as a shareholder, attends board meetings and receives regular reports from its board appointed representative.

### **Supporting tourism recovery across the district**

Despite the challenges posed by inflation on consumer spending and the gradual recovery of international tourism post-COVID-19, we are pleased to report that the visitor market in the Whakatāne District has continued to flourish with an increase of 10.9% in visitor spending.

Alongside marketing activity to encourage more visitors, work continues to support new tourism products and infrastructure to help sustain growth in the future. New cycleway projects are underway and Wharfside Port Ōhope will see further investment prior to the 2023/24 summer period. Mitchell Park in Whakatāne CBD will also be upgraded over the next financial year to meet demand for an improved events and market space.

Events have bounced back post COVID-19 and continue to be a key driver for visitors. Council supported a number of events over the past year including, Toi's Challenge, Jazz in the Park, Farming Like Grandad, Local Wild Food Festival, West End Wiggle, Soaked in Adventure, Youth Development Rugby and Light Up Whakatāne.





## Improving the safety, security and resilience of infrastructure

E whakapai ana i te haumaruru me te aumangea o te hangaroto

### Matatā Wastewater Project

Our Matatā Wastewater Project aims to deliver a sustainable wastewater solution for Matatā that improves public health and community wellbeing, prevents, or minimises the adverse effects on the environment, reflects co-design principles, and is affordable to build and operate.

The project is supported by Te Nīaotanga o Mataatua o Te Arawa Co-design Group, which includes representatives from Te Mana o Ngāti Rangitihī Trust, Tūwharetoa ki Kawerau, Ngāti Awa hapu (Ngāi Te Rangihouhiri, Ngāti Hikakino and Te Tawera) and our Council.

Throughout 2022/23 we have continued working collaboratively on co-design of the wastewater project, continued environmental monitoring of surface and ground water and ecological monitoring of invertebrates, and commenced testing of specific requirements and subsequent sites for possible land disposal and treatment.

### Transport Capital Works

Over the past year the Council has made significant strides in enhancing our road network, ensuring the safety and well-being of our community and visitors. We re-implemented a seal extension programme for rural roads, recognising the considerable respiratory health benefits it brings to families residing in dust-prone areas. By extending the seal on roads like Hallett Road, Mangaone Road, Edgecumbe Soldiers Road, and Orini Road, we not only improve air quality and respiratory health but also protect our sensitive natural waterways, vegetation, and horticultural areas. Particularly, our kiwifruit production, known for its sensitivity to dust, benefits from this initiative.

With a growing region there are many more vehicles on the road with new residents and visitors travelling around our beautiful rohe for work and recreation as well as activity related to the growing economic prosperity. Making sure these activities on our roads can be undertaken safely and efficiently by car, foot,



or bike has been a focus for transport investment. This has seen seal extension work on Kohi Point Road completed, as well as design and pre-implementation work undertaken for significant safety improvements on Thornton Road and reconstruction of the Landing Road roundabout. We've also had our eye on improving the resilience of the network to the growing impacts of climate change with new drainage works delivered on Matahi Road and design work undertaken to reduce the impact of localised flooding on Peace Street, Whakatāne.

## Ensuring resilient three waters infrastructure

In the past year, Council has made significant strides in enhancing infrastructure and water management capabilities. Our team has been busy, and the following projects have now been completed:

### **Barry Avenue Stormwater Pumpstation rebuild:**

The Barry Avenue Stormwater Pumpstation in Whakatāne has been successfully reconstructed, replacing the aging facility that served the community for approximately 40 years. The new station, now situated 35 metres away from the original location, features two new flood pumps alongside a low-flow jockey pump that has replaced the older flood pumps. Importantly, the new location is well away from the stopbank which now doesn't undermine the structural integrity of the river defence system. This upgrade now ensures improved efficiency and resilience in managing stormwater.

**Braemar Water Treatment Plant upgrade:** We are committed to providing safe and high-quality drinking water and have installed new equipment at the Braemar Water Treatment Plant. The new equipment ensures water supply meets compliance by updating chlorination, arsenic removal, corrects pH, and includes UV treatment. This has enhanced the treatment plant, ensures safe water for our residents, and meets the drinking water standards that came into effect 1 January 2023. The upgrade works were substantially completed in June with progressive commissioning being carried out in July.

**Water network renewals:** A total of 2,342 metres of water mains were replaced across the district, with a particular focus on replacing old, galvanised iron water lines. These renewals have contributed to the reliability and efficiency of the water supply system.



### **Water pump upgrades at Whakatāne Water Treatment Plant and Bridger Glade:**

With a strong focus on energy reduction, we have undertaken upgrades at the Whakatāne Water Treatment Plant and Bridger Glade. Five new pumps have been installed at Whakatāne Water Treatment Plant and two at Bridger Glade, along with new variable speed drives and associated pipe work. These upgrades are part of our ongoing energy reduction programme and were identified from our energy audit as an action to complete. The new pumps at the Whakatāne Water Treatment Plant are generating electricity saving of approximately 23%, which equates to monthly energy savings of almost \$5,600.

**Wastewater pipe relining:** 690 metres of pipe along Domain Road, Whakatāne, from King Street to McAlister Street intersection, has been successfully relined. The work was carried out during night hours, with minimal disruption to traffic due to effective traffic management services.

**Oxidation pond fencing:** Prioritising community safety, we have fenced all five oxidation ponds, implemented electronic gates, installed information kiosks, and added pond ladders. These measures ensure that our essential water treatment facilities remain secure and safeguarded.



**Pohutu Street Sewer Pump Station upgrade:**

The upgrade of the Pohutu Street, Whakatāne Sewer Pump Station has been pivotal in reducing wet weather wastewater overflows. The station now boasts two new pumps, variable speed drives, updated electrical controls, and enhanced valving, contributing to more efficient wastewater management.

**Rūātoki new source investigations:**

Extensive research and drilling have been carried out to investigate potential new drinking water sources. Two investigation bores have already been completed and plans for a production bore at one of the investigated bore sites will be underway for the 2023-24 year. This aims to secure a reliable water supply for the community's future needs.

**Otumahi Reservoir site:** In preparation for the construction of the Otumahi Reservoir, the site access, stormwater management systems, and bulk earthworks have been completed as part of stage one of the project. These essential preliminary works lay the foundation for a successful reservoir construction, scheduled for completion in the upcoming year. This reservoir allows for better optimisation of water flow to the Edgecumbe and Te Teko supply area and also improves the resilience and continuity of water supply for the community.

**Bunyan Road East Sewer Pump Station:**

To accommodate the needs of developing land and ensure proper wastewater management, a new sewer pump station was constructed at Bunyan Road East. The project not only caters to the current six land developments but also provides provisions for serving an additional 74 proposed lots. The developers have committed to covering the full cost based on their proportion of lots developed, demonstrating a collaborative approach to infrastructure expansion.

These achievements reflect our Council's dedication to providing essential services, enhancing infrastructure, and ensuring the overall well-being of our communities.

# Ensuring Council is enabled and fit for the future

## E whakapakari ana i te Kaunihera ki anamata

### Preparing for Central Government Reforms

Central Government has been progressing a substantial programme of reforms that will reshape roles and functions of Local Government into the future. Throughout the 2022/23 financial year, Council has continued to understand and influence the reforms on behalf of our district and communities and to ensure smooth transition to new ways of working dependent on the reform outcomes. We have provided submissions on the Water Services Entities Bill 1, Water Services Legislation Bill 2, Water Services Economic Efficiency and Consumer Protection Bill 3. We have also provided feedback via workshops and made submissions to Future for Local Government Review to inform development of final recommendations. We also made submissions to Resource Management reform: Natural and Built Environment Bill, and Spatial Planning Bill. The key areas of reform include:

**Waters Services Reform:** Change is underway that will see Three Waters Services (drinking water, wastewater, and stormwater) currently run by 67 councils across New Zealand, being operated by 10 publicly owned, specialised water service entities. Over the past year, Council has taken up numerous opportunities to influence the development of new legislation while also working alongside central government to prepare for smooth transition of services, systems, data and information, and workforce. The new entities are required to be up and running no later than 30 June 2026.

**Resource Management Reform:** The current Resource Management Act will be replaced by the Spatial Planning Act and the Natural Built Environment Act which will transform the way we manage the environment and plan land use. In the past year Council has made submissions to central government on the draft Acts.



### Future for Local Government Review:

The Future for Local Government Review aims to identify how local government needs to evolve over the next 30 years to improve the wellbeing of local communities, the environment, funding, and financing, and to embody Te Tiriti. In the past year, Council has participated in workshops and made submissions to the review.

**Climate Change Reform:** The Climate Change Response (Zero Carbon) Amendment Act 2019, provided the framework for New Zealand to develop and implement policies to stabilise the climate in line with our Nationally Determined Contributions through the Paris Agreement. The act sets new domestic greenhouse gas targets, enabled the establishment of emission budgets, required the government to develop and implement policies for climate change adaptation (National Adaptation Plan) and mitigation (Emissions Reduction Plan) as well as establishing the independent climate change commission. The Emissions Reduction Plan and National Adaptation Plan are reviewed and updated every year.

**New Zealand Waste Strategy and Waste Legislation Reform:** The Waste Legislation Reform is developing new waste legislation to replace the current Waste Minimisation Act 2008 and the Litter Act 1979. The new legislation will support the delivery of many significant initiatives including the waste strategy and waste actions of the Emissions Reduction Plan. It is expected that the new legislation will be enacted in 2025.





## Civic Centre Council Building Redevelopment

The Council office building was constructed in 1989. Since, the functions of government and the expectations of what we deliver has continued to expand and evolve. Significant upgrade of the main Council office began at the end of 2021, with staff relocated to four office spaces within the Whakatāne town centre. By the end of the 2022/23 financial year, the building has been completed, on time and on budget, with staff set to move back into the redeveloped office in July 2023.

The redevelopment has meant that important health and safety upgrades have been made, including earthquake strengthening. Additionally, the redevelopment facilitated a more adaptable and versatile use of space, featuring an increase in meeting rooms and collaborate workspaces. To improve accessibility for the public and increase the visibility of democracy, the Council Chambers and public meeting rooms were relocated from the upper floor to the ground floor. This move allows for easier access to Council meetings and offers modern meeting spaces for community use. Throughout the redevelopment process the Council prioritised supporting local business and employment by adopting a procurement approach which supported local business whenever feasible.

## Adopting Annual Plan for 2023/24

In June 2023 we adopted a new Annual Plan for the 2023/24 financial year which updates and implements year three of the 2021-31 Long Term Plan.

The new Annual Plan aims to address the financial pressures that most Councils across the country are facing. These pressures are driven in part by rising inflation and interest rates and fund some additional projects and activities necessary to be carried out over the 2023/24 year.

The Annual Plan adopted an average 9.5% rates increase for the Whakatāne District. This increase reflects the balance between making things affordable for communities and navigating extraordinary inflationary pressures, while delivering services and facilities which make the Whakatāne District a fantastic place to live, work and play.

## Getting organised for the 24-34 Long Term Plan

Every three years, Council reviews the District's Long Term Plan. This plan will set Council's priorities, direction, and will carry the thoughts and aspirations of our communities' and turn them into actions. There's no denying we're living in a time of extraordinary inflationary and affordability pressures. Council will need to make some hard decisions, balancing investment with affordability, while ensuring we keep up our momentum and focus on what is most important to the people of the Whakatāne District. As we start drafting this next Long Term Plan, Council wants to work together with all communities to ensure the Whakatāne District continues to be the best it can be for the people living here now and for future generations. Throughout the last year, we have completed an environmental scan, reviewed what you have told us in the last five years, workshopped with focus groups, and received 364 pre-engagement submissions from you in May and June 2023.





## Thriving Circular Economies

### *Ka whakapuāwai ngā taiōhanga kōpae*

#### Enhancing the environmental outcomes of our activities

### *E whakanui ana i ngā putanga taiao i ā mātau mahi*

#### **Making Greener Decisions**

This year, we launched 'Future Fit', alongside Bay of Plenty Regional Council and Tauranga City Council. Future Fit was developed by Auckland City Council and is a questionnaire covering consumption under the categories of eat, move, energy, buy and talk. The answers then create a carbon footprint for your household and compare you to the world and national average. Future Fit also helps you set everyday actions to reduce your footprint.

In early 2023, we engaged Energy Management Solutions (EMSOL) to undertake a preliminary feasibility study to determine which of our sites had the potential for solar power to be installed. This feasibility study was a first step, and we anticipate more work will be required to take a solar project forward. As part of the review of our Climate Change Strategy, our technical advisory group will provide us with direction on the next steps for this work.

#### **Reducing our energy use**

Our Energy Management Programme has delivered continuous reductions and cost savings since it started in 2019. This program aims to identify, implement, and monitor opportunities for energy savings and emission reductions and was established in collaboration with the Energy Efficiency and Conservation Authority (EECA) and the support of Energy Management Solutions (EMSOL).

In the 2022/23 financial year, our Energy Management Program has achieved significant cost savings and a substantial reduction in carbon emissions. We have successfully saved approximately \$106,223 and reduced carbon emissions by 70,375 tCo2e through the implementation of energy-efficient practices and retrofitting initiatives. Moreover, our program resulted in a total energy savings of 55,520 kWh during the same period.

We have continued to see energy savings through energy reduction actions such as turning off swimming pool boilers over summer months, switching to LED lighting, and optimising heating, ventilation, and air conditioning systems. Our Three Waters team have also incorporated energy efficient measures into infrastructure including more energy efficient high lift pumps.

The installation of the pool cover at the Murupara pools is another example of energy efficiency as the cover traps heat and reduces the energy required to heat the pool. It is projected that the pool cover will save approximately 14,000 kWh, \$2,400, and 1,800 kg CO<sub>2</sub>e.

### Carbon Footprint

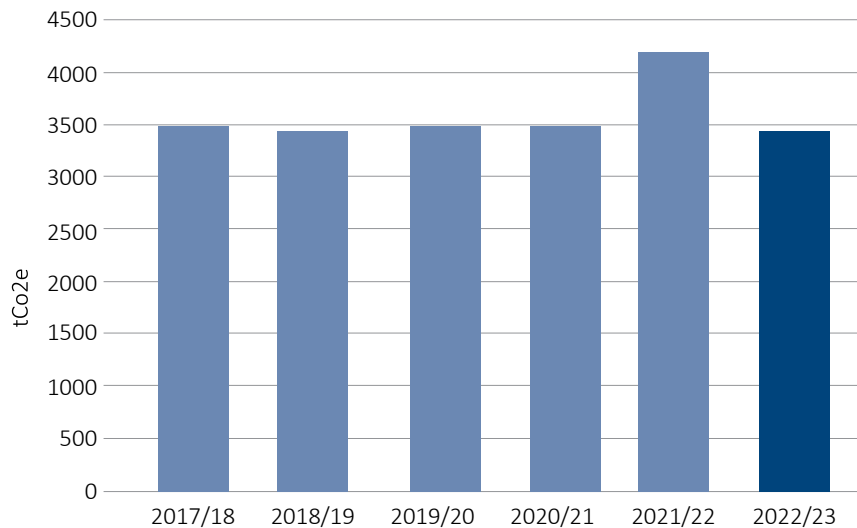
Our top five carbon emission sources:

- Wastewater Treatment Plant – 65%
- Electricity – 12%
- Diesel (cars) – 9%
- Natural gas – 3%
- Electricity transmission and distribution losses – 2%

Over the 2022/23 financial year, Council’s carbon footprint was 3,402 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). This is a 24% decrease in the activity measured over the 2021/22 financial year, at 4,330 tCO<sub>2</sub>e. This year we focused on data quality and aligning with the latest emissions factors, which enables us to gain a clearer picture of our progress.

Our Wastewater Treatment Plant accounted for 2219 tCO<sub>2</sub>e (65%). This was an increase on the 2017/18 base year and was attributed to changes in carbon accounting methodology (an increase in the emission factor for methane), and a greater volume of treated wastewater discharged resulting in higher emissions. Our electricity consumption decreased over the last year, contributing 421 tCO<sub>2</sub>e (12%) of our carbon footprint. As we transition away from high emission energy sources such as LPG and natural gas, we anticipate increases in electricity usage. A significant portion of our electricity consumption supports our Three Waters infrastructure and we are proud to report a 61% reduction in natural gas usage since the 2017/18 base year. This success can be attributed to the transition to electric heat pumps at the Whakatāne Aquatic Centre.

**Whakatāne District Council’s Council Footprint\***



*\* This data is subject to significant uncertainty and therefore the conclusions that are drawn should be treated with caution at this stage.*

## Waste minimisation

Council is dedicated to making a positive impact on waste management in our communities. We remain actively working on the 27 actions we set in our Waste Management and Minimisation Plan and continue to provide kerbside services to over 14,000 properties and the running of our two refuse transfer stations. With recent changes in waste-related legislation by central government, we've been quick to adapt our plans and operations accordingly.

On top of this, during the 2022/23 financial year we have:

- Started a major project with Community Resources Whakatāne (CReW) to increase the amount of construction and demolition waste diverted from landfill for re-use.
- Diverted 39% off all waste passing through Council's refuse transfer stations from landfill, including:
  - » composting over 5,200 tonnes of green waste
  - » crushing and reusing 426 tonnes of concrete
  - » recycling 1,548 tonnes of glass
- Worked with the community group Waste Zero Whakatāne to provide collections of hard to recycle items at markets.

Provided free composting courses.

- Implemented improved waste minimisation systems at schools.
- Provided free compost for community gardens.
- Continued to provide free waste education to schools.
- Provided 500 discounted home composting units to the community.

We set a target to stay below 70% of the national average of waste sent to landfill per person for the year. This year we are proud to share that we achieved our target and were 52.8% of the national average.







## Intergrating nature into our decision making

E whakaaro nui ana ki te taiao i ā mātau whakataunga

### Building climate change and natural hazard resilience

E whakakaha ana i te aumangea ki te huringa āhuarangi me ngā tūraru matepā taiao

#### Emergency Management

**Reduction:** The Council actively participated in the development of the Bay of Plenty Regional Climate Risk Reduction Assessment, as well as other natural hazard investigations revising the current tsunami inundation maps, and coastal hazard inundation and erosion risks. Council continues to collaborate with the Bay of Plenty Regional Council flood team on assessing and responding to the risk of a breach of the Whakatāne stop banks.

The Council has revised its landslide risk assessment initially completed in 2013, factoring climate change into the calculations. That has led to revised low, medium, and high-risk zones, and will be incorporated into the District Plan through a Plan Change in the 2023/24 year. The Council is progressing the preparation of a plan change to the Whakatāne District Plan to establish minimum floor levels for buildings across the district. The underlying flood

modelling for Whakatāne is now available for use by planners, building inspectors and our asset managers. We continue to work with building owners in the Whakatāne town centre to coordinate earthquake risk assessments to encourage a collaborative, timelier and cost-effective response to strengthen earthquake prone buildings.

The Council has continued its regular monitoring of the state of the escarpments, in Whakatāne and Ōhope, for vegetative and geological instability above residential houses. The Council advises the landowner if it appears there may be an increased risk from tree or rock fall, or the mass movement of a slope. Over the course of the wet summer, the Council worked with several landowners and responded to several slips along these escarpments. The Council has also undertaken remedial work on its properties where a risk was identified.

**Readiness:** The Council is supporting the preparation of several Community Emergency Response Plans, with their progress being highly variable. These will cover the areas of Matatā, Thornton, Edgecumbe, Waiōhau, Murupara, Waimana, Wainui, Manawahe, Te Teko, Minginui, Te Whāiti, Ōhiwa and Ōhope. Some of these are marae-based teams and some are allocated space in their local community halls for emergency preparedness for initial response phases. In three cases, the outcome of completed plans, has led to the establishment of a supporting Community Emergency Response Team, which comprises local volunteers who undertake initial response and support services to their communities.

**Response:** We have assisted two property owners in Manawahe Road as a result of flooding to their properties over time. This was a direct result of the wet summer and sheer amount of rainfall that fell in the Manawahe Hills. The Council co-ordinated the pumping of flood waters from a slow soakage area where no natural fall was occurring. Despite pumping 500 million litres of water over the period of one month, the houses were eventually flooded, leading to insurance settlements for both.

The Council is working collaboratively with the Rotorua Lakes Council, Western Bay of Plenty District Council and Bay of Plenty Regional Council, as surface and groundwater levels continue to cause flooding of the road network. While our emergency management team, and Council's Transport and Three Waters teams were well prepared in advance of Cyclone Gabrielle anticipating extensive damage, we were extremely fortunate to have minor flooding and wind damage. This enabled Council staff to deploy and support the response and ongoing recovery efforts in Wairoa, Napier and in Tairāwhiti/Gisborne. Two staff members were also deployed to the Auckland storm event, providing valuable insights into how our largest city responded to this event.





## Other things we do

### He aha atu anō ā mātau mahi

Providing core activities and services for our communities every day

E tutuki ana mātau i ngā mahi me ngā ratonga matua  
i whakamahia e te hapori i ia rā

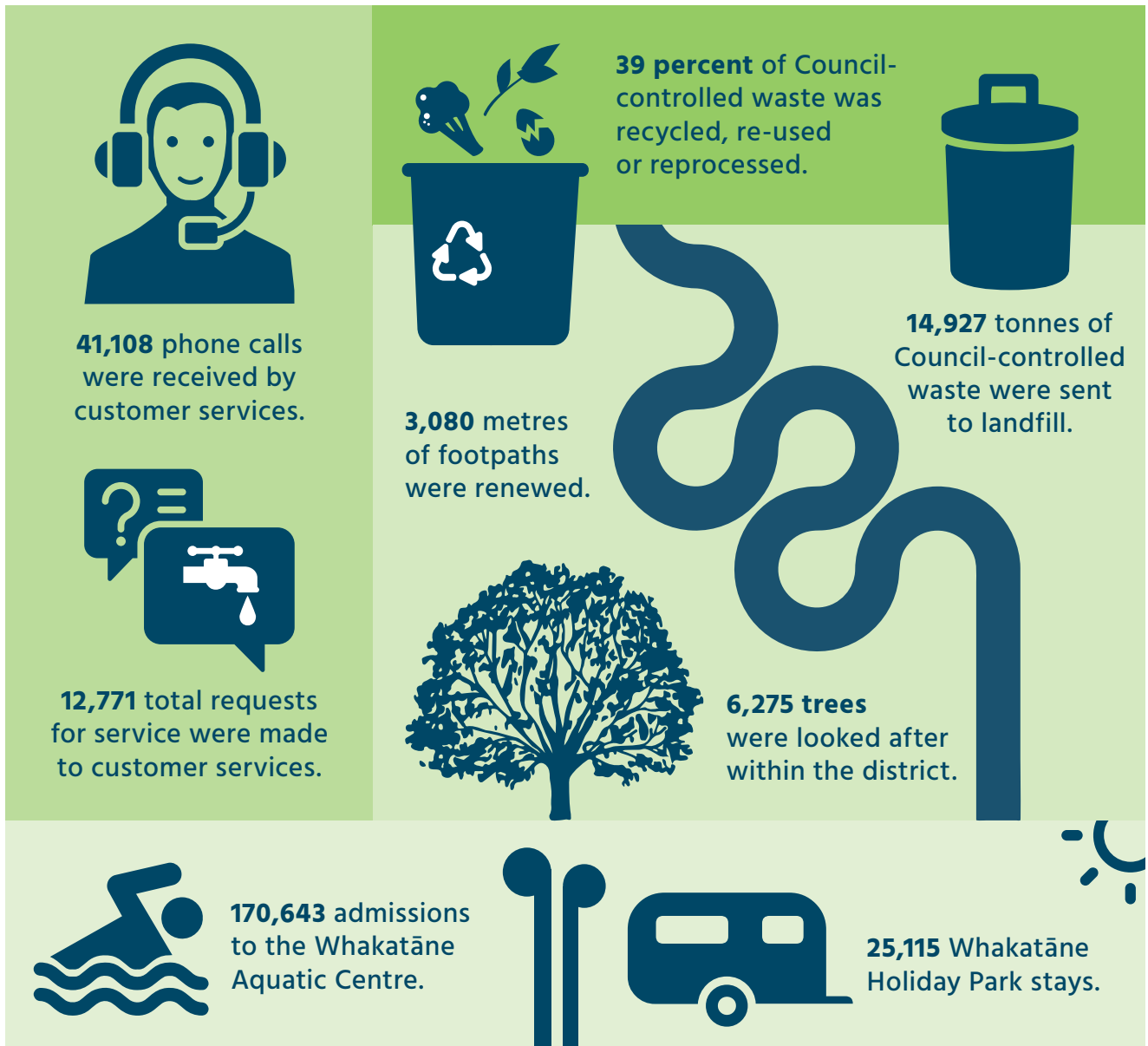
The Council plays an important role in promoting the social, economic, environmental, and cultural well-being of our communities. We do this in several ways, including through the delivery of core activities and services to our communities. We look after roads, cycleways, and footpaths, to ensure that everyone can journey safely around the district. We are also responsible for managing waste and ensuring that the water you drink is clean and safe. These essential services contribute to the health and economic prosperity of residents while also contributing to the protection of our environment.





Snapshot of some of the activities and services we provided in the past year.

Ētahi o ngā mahi me ngā ratonga kua tutuki pai i te tau kua pahure



# Overview of our non-financial performance

## Te tirohanga whānui a ngā mahi

### How we performed against our targets for the year

#### I pehea ā mātau mahi i ngā whāinga tiritiringa o te tau

The Council has 69 non-financial performance measures set throughout the Long Term Plan 2021-31. Within the 69 non-financial performance measures, 33 are mandatory as outlined in the Local Government Act 2002. These measures are indicated by an (M). DIA guidance has been followed in measuring performance against all mandatory performance measures.

Monitoring our non-financial performance allows us to see how we are tracking against the levels of service we said the community can expect from us. This means we can identify areas for specific focus if required.

We review our measures and structure every three years when we develop each Long Term Plan. This is the second time we are reporting on our performance against the 2021-31 Long Term Plan measures. These measures, the targets against each, and the results for the past year, are set out in the 'Our Activities and Services' section of this Annual Report.

We have selected a range of measures to help the public assess the level of service for major aspects and that are meaningful for the community. These include measuring how timely we are, our key project milestones, community perceptions and how happy users are.

Several of our measures relate to our 2022/23 Resident Survey, which is undertaken by SIL Research. The purpose of this research is to engage with Whakatāne District residents, to determine levels of satisfaction and perceptions of Council's services, communications, and management. 150 survey responses were collected each quarter, providing a total sample of 600 surveys for the final analysis.

Overall results are reported with margins of error at a 95% confidence level, with individual margins of error provided as a note below each measure throughout this report.

The results for two measures (in the environmental management – consents and building activities) are taken from a survey sent to users of the service. The Survey requests the services to be rated on a 1–10 score. Overall 'satisfaction' percentages are aggregated 6-10 responses on a 1-10 scale.

For our emergency management measures, a survey is conducted by the Bay of Plenty Civil Defence Emergency Management Group. The survey asks respondents 10 statements that are applicable to them.

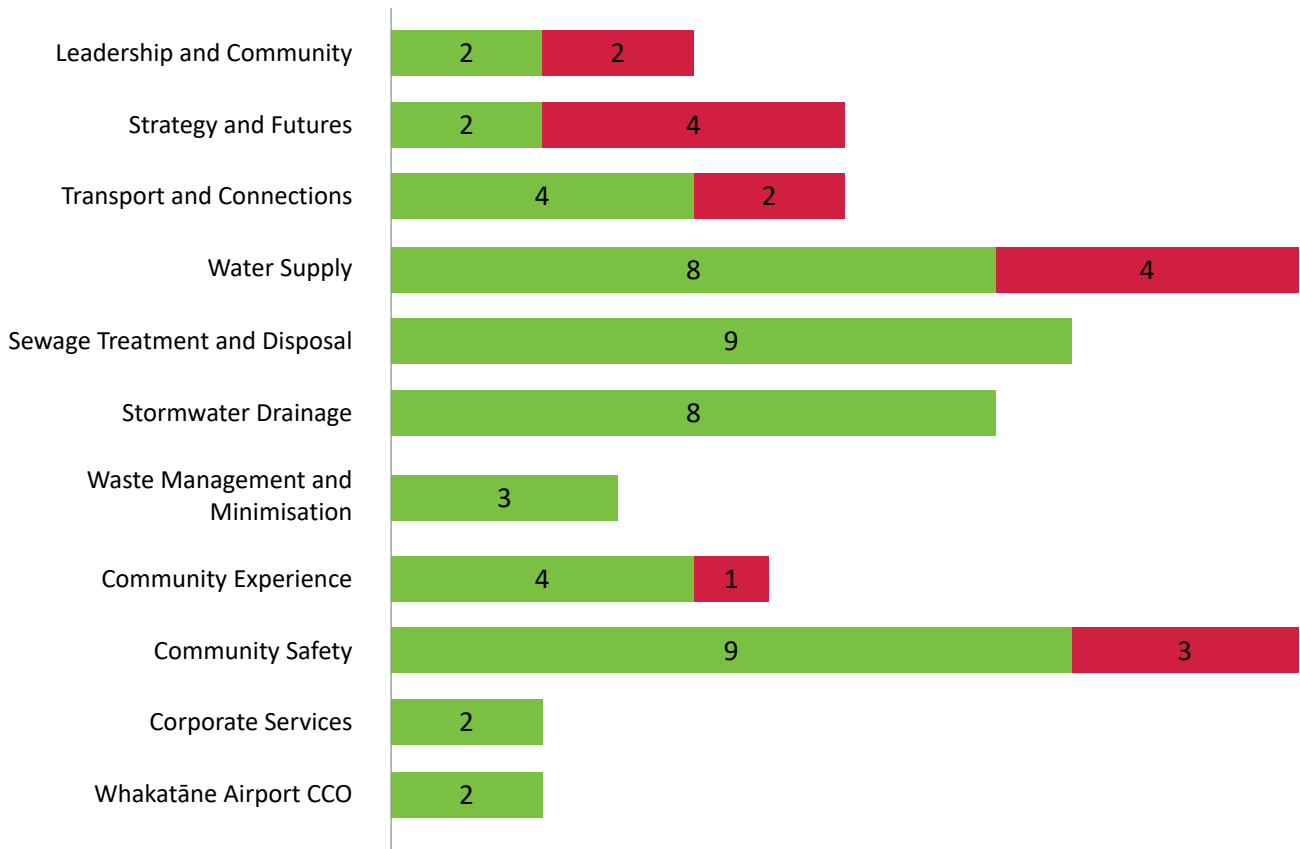
In reporting our performance, we indicate whether our result has met the year's target or has not met the year's target. When we have not met target we have provided a note that provides an explanation as to why we have not met target. This is an exception when it is a satisfaction measure, as we cannot make assumptions on why respondents of the survey were not happy with the service or facility. For comparison to previous years, we have provided the results of the performance measures from the last two years where we have the result available.

No significant judgements on aggregation.

The financial statements within the Annual Report were prepared in accordance with and comply with New Zealand Generally Accepted Accounting Principles (GAAP) and comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity.

The summary below shows our how we performed against our measures, grouped into 11 different activities.

### 2022/23 non-financial performance measure results



In summary our performance measure results show that:

- Overall, 61% of residents were satisfied with services received from the Whakatāne District Council compared with 58% for the whole of New Zealand.
- 60% of our measures relating to residents satisfaction of a service or facility met target
- 82% of the mandated measures were met
- Council met target for 77% of all performance measures

The Statement of Service Performance has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period, and complies with PBE financial reporting standards.



# Our activities and services

Ā mātou mahi me  
ngā ratonga



# How to read this chapter

## He whakamāramatanga o tēnei wāhanga

### Our activities and their effects

The work that we do is categorised into 11 different activities. We are a shareholder in four 'Council Controlled Organisations' (CCOs) – companies with council(s) as majority shareholders.

### For each group of activities

For each group of activities, we list the activities in that group and what those activities do for our communities. You will also find the community outcomes that each group of activities contributes to.

Long Term Plan 2021-31 Outcomes:

- Constructively and collaboratively engaging with Iwi, hapū and whānau
- Strong, connected, interdependent, diverse communities
- Integrating nature into our decision making and
- Thriving circular economies.



**CONSTRUCTIVELY AND COLLABORATIVELY ENGAGING WITH WHĀNAU, HAPŪ AND IWI**



**STRONG, CONNECTED, INTERDEPENDENT, DIVERSE COMMUNITIES**



**INTERGRATING NATURE INTO OUR DECISION MAKING**



**THRIVING CIRCULAR COMMUNITIES**

### How we performed

The following section shows how we performed against our targets for the year and, where possible, the previous two years as well.

### What these activities cost and how they were paid for (Funding impact statement)

The Funding Impact Statement for each group of activities shows our budgeted costs, as provided for in our Long Term Plan 2021-31, and our actual costs during the 2022/23 year. It also describes how the activities were funded and includes information about our internal borrowing movements for the activities in 2022/23. An explanation of the categories used in these statements can be found on the next page.

### Explanation of categories in the funding impact statements

Funding Impact Statements break down costs and funds at an 'operational' and 'capital' level. Operational costs include the ongoing maintenance and delivery of our services, while capital costs relate to the cost of constructing a new asset or extending or renewing an existing asset. Capital expenditure is generally 'one-off' in nature, whereas operational costs are ongoing. Taking all this information into account, we can then see how much we received, how much we spent, and whether we have a surplus or deficit at the end of the year.

## Operational

### Sources of operating funding (revenue)

General rates, uniform annual general charges (UAGC), rates penalties	Revenue from general rates charged on the capital value of all properties within the District, fixed charges across the whole district (UAGC), and penalties for late payment of rates.
Targeted rates	Rates where the benefit or use of a service can be assigned to specific households or communities, such as water, stormwater or promotion and economic development.
Subsidies and grants for operating purposes	Money received from other organisations that contribute to the operational cost of the service.
Fees and charges	Includes admission charges for Council facilities and regulatory fees e.g. permits and dog registration.
Internal charges and overheads recovered	Charges received from other departments of the Council such as overheads and direct costs.
Interest and dividends from investments	Money earned from our savings and investments through interest and dividend payments.
Local authorities fuel tax, fines, infringement fees, and other receipts	Miscellaneous revenue from other sources generally not of a significant nature e.g. local authority petrol tax.
<b>Total Operating Funding</b>	<b>Total revenue from the day to day operation of this activity.</b>

### Applications of operating funding (expenditure)

Payments to staff and suppliers	The day to day cost of running this activity e.g. salaries and wages, materials and services.
Finance costs	Interest payments we make on funds borrowed (loans).
Internal charges and overheads applied	Money paid to other departments of the Council such as overheads and direct costs.
Other operating funding applications	Miscellaneous expenses including bad debt expense, rates remissions and loss on disposal of assets.
<b>Total Applications of Operating Funding</b>	<b>Total operating expenditure for this activity.</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>Total revenue less total expenditure.</b>



## Capital

### Sources of capital funding

Subsidies and grants for capital expenditure	Money received from other organisations that contribute to the capital cost of the service.
Development and financial contributions	Money paid by developers towards providing assets or extending existing assets to cater for increased demand due to growth, e.g. extending sewerage systems.
Increase (decrease) in debt	Borrowing money to pay for new assets, parts of assets or to fund temporary deficits, less loan repayments.
Gross proceeds from the sale of assets	Revenue to be raised from the sale of assets belonging to this activity.
Lump sum contributions	Payments made by an eligible ratepayer for the purposes of contributing to a capital project. However, we do not accept lump sum contributions for targeted rates.
<b>Total Sources of Capital Funding</b>	<b>Total capital funding for this activity.</b>

### Applications of capital funding

Capital expenditure	Capital expenditure creating a completely new asset or extending or renewing an existing asset to provide the same or greater service than it currently provides e.g. extending a sewer pipe to increase capacity. The expenditure is split to fund level of service improvements versus population growth and/or renewal works. While a lot of our capital projects contribute to more than one of these drivers, legislation requires us to allocate each project to just one driver in the Funding Impact Statements.
Increase (decrease) in reserves	Transferring funds into and from a reserve account held for a special purpose. Includes: transferring development contribution revenue to development contribution reserves; using funds from depreciation reserves, and using funds from operational reserves to provide or to assist with maintaining existing assets or services.
Increase (decrease) of investments	Net movement of investments.
<b>Total Applications of Capital Funding</b>	<b>Total capital expenditure for this activity.</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>Sources of capital funding less applications of capital funding.</b>
<b>Funding Balance</b>	<b>Net operating funding less net capital funding.</b>



## Leadership and Community Hautūtanga me te Hapori

Contribution to community outcomes:

- Constructively and collaboratively engaging with Iwi, hapū and whānau
- Strong, connected, interdependent, diverse communities.

This group of activities provides open, effective, and accountable governance for the district and supports connected and inclusive leadership for our communities. We are committed to partnering with, and supporting the aspiration of Iwi, hapū and whānau. We acknowledge the value of doing this, and the resulting positive outcomes for all communities.

We also work with local interest groups, stakeholder groups, the general public, central government, neighbouring councils and others, because it helps us keep in touch with the priorities of our communities, and because it presents significant opportunities to deliver better outcomes for the district.

Activities in this group:

- Local governance
- Iwi, hapu, whānau relationships
- Community engagement
- Community development

**\$0 capital expenditure**

**\$3.9 million operating expenditure**

**2/4 performance measures met**

## What these activities cost and how they were paid for

Te utu o ēnei ngohe, ā, i pēhea i whakaea

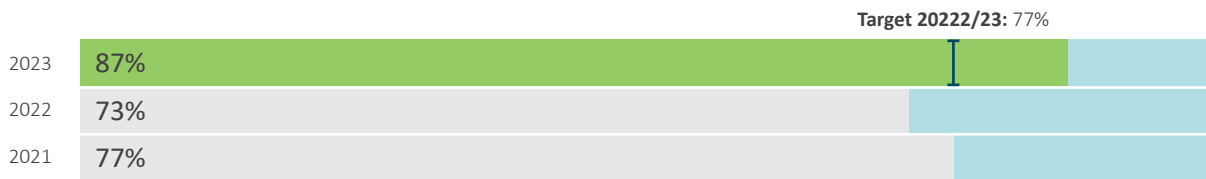
<b>FUNDING IMPACT STATEMENT: LEADERSHIP AND COMMUNITY WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>	<b>LTP 2021/22 \$000</b>	<b>LTP 2022/23 \$000</b>	<b>ACTUAL 2022/23 \$000</b>
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	3,150	3,230	3,222
Targeted rates	369	376	387
Subsidies and grants for operating purposes	30	-	64
Fees and charges	-	-	-
Internal charges and overheads recovered	1,446	1,484	1,387
Local authorities fuel tax, fines, infringement fees, and other receipts	3	23	173
<b>Sources of operating funding (A)</b>	<b>4,998</b>	<b>5,113</b>	<b>5,233</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,554	3,655	3,896
Finance costs	2	2	3
Internal charges and overheads applied	1,364	1,374	1,542
Other operating funding applications	-	-	-
<b>Applications of operating funding (B)</b>	<b>4,919</b>	<b>5,030</b>	<b>5,440</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>79</b>	<b>83</b>	<b>(208)</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(6)	(6)	(6)
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	73	77	(213)
Increase (decrease) of investments	-	-	-
<b>Applications of capital funding (D)</b>	<b>73</b>	<b>77</b>	<b>(213)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(79)</b>	<b>(83)</b>	<b>208</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



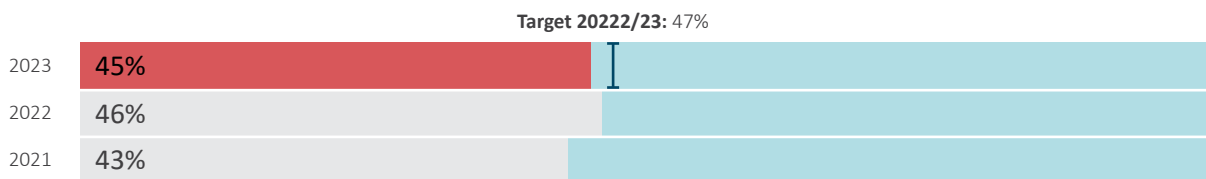
# How we performed *Ā mātau mahi*

## Performance measures (how we will measure our service delivery)

Percentage of users of the whakatane.govt.nz website that remain engaged.

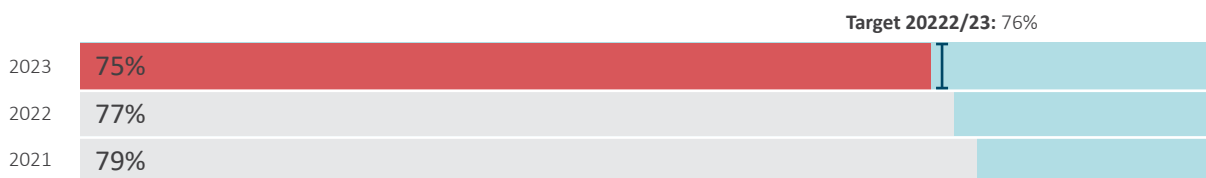


Overall satisfaction with performance in communicating with residents and ratepayers.



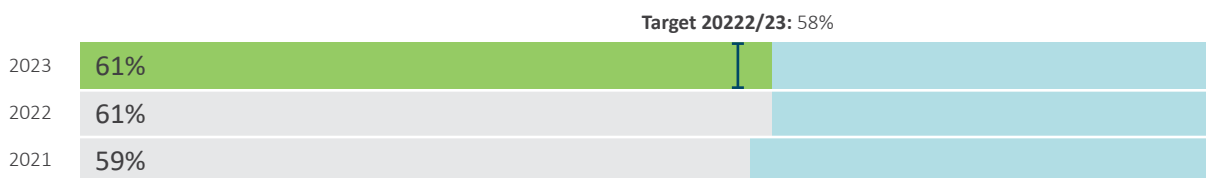
Note: Margin of error is 4%.

User satisfaction with Council’s Customer Service front desk.



Note: Margin of error is 6%.

Overall satisfaction with services received from the Whakatāne District Council.



Note: Margin of error is 4%.

**LEGEND**     Not comparable against target     Achieved     Not achieved     Target value indication



## Strategy and Futures

### Ngā Rautaki me te tirohanga ki Anamata

Contribution to community outcomes:

- Strong, connected, interdependent, diverse communities
- Integrating nature into our decision-making
- Thriving circular economies
- Constructively and collaboratively engaging with iwi, hapū and whanau.

This group of activities develops strategies, plans and policies to address the challenges and opportunities facing our district- such as climate change, housing demand and land use planning, and economic development. As the needs of our district and communities change, we aim to meet these evolving needs, and work towards a future that is important to all of us.

Activities in this group:

- Strategy and policy
- Economic development and regeneration
- Resource management – policy



**\$0.2 million capital expenditure**

**\$5.4 million operating expenditure**

**2/6 performance measures met**

## What these activities cost and how they were paid for

Te utu o ēnei ngohe, ā, i pēhea i whakaea

<b>FUNDING IMPACT STATEMENT: STRATEGY AND FUTURES</b>	<b>LTP 2021/22 \$000</b>	<b>LTP 2022/23 \$000</b>	<b>ACTUAL 2022/23 \$000</b>
<b>WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>			
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	4,851	5,065	4,878
Targeted rates	972	991	987
Subsidies and grants for operating purposes	920	887	324
Fees and charges	2,384	2,431	2,404
Internal charges and overheads recovered	255	260	192
Local authorities fuel tax, fines, infringement fees, and other receipts	29	29	287
<b>Sources of operating funding (A)</b>	<b>9,410</b>	<b>9,664</b>	<b>9,072</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	6,064	6,227	4,996
Finance costs	248	248	430
Internal charges and overheads applied	2,047	2,085	2,169
Other operating funding applications	-	-	-
<b>Applications of operating funding (B)</b>	<b>8,360</b>	<b>8,560</b>	<b>7,595</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,051</b>	<b>1,104</b>	<b>1,477</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	63
Development and financial contributions	-	-	-
Increase (decrease) in debt	(1)	410	(314)
Gross proceeds from sale of assets	2,025	2,225	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>2,024</b>	<b>2,635</b>	<b>(251)</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	24	67	4
- to improve level of service	-	-	160
- to replace existing assets	301	42	41
Increase (decrease) in reserves	2,750	3,629	1,021
Increase (decrease) of investments	-	-	-
<b>Applications of capital funding (D)</b>	<b>3,075</b>	<b>3,739</b>	<b>1,226</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,051)</b>	<b>(1,104)</b>	<b>(1,477)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



# How we performed *Ā mātau mahi*

## Performance measures (how we will measure our service delivery)

### Preparation of the Future Development Programme

**Target 2022/23:** Complete Eastern Bay Spatial Plan and Future Development Strategy



*Note: The Spatial Plan is expected to be completed by June 2025 as agreed by Council in September 2022. Therefore, target for year two set in the 2021-31 Long Term Plan has not been met. Long Term Plan targets were set prior to the agreement of the project plan.*

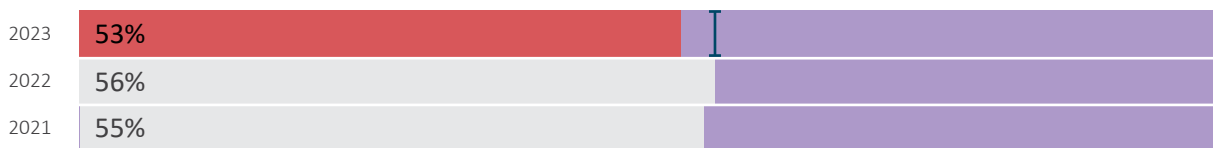
### Progress made to develop District Plan changes.

**Target 2022/23:** Develop plan changes to ensure the District Plan remains responsive to local issues and is consistent with the requirements of the broader planning framework including the National Policy Statement for Urban Development.



### Satisfaction with efforts to attract and expand business.

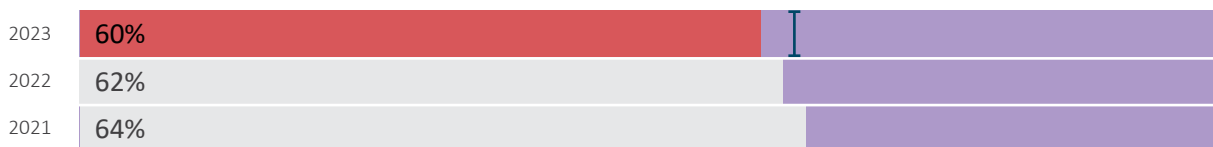
**Target 2022/23:** 56%



*Note: Margin of error 5%.*

### Satisfaction with efforts to promote tourism.

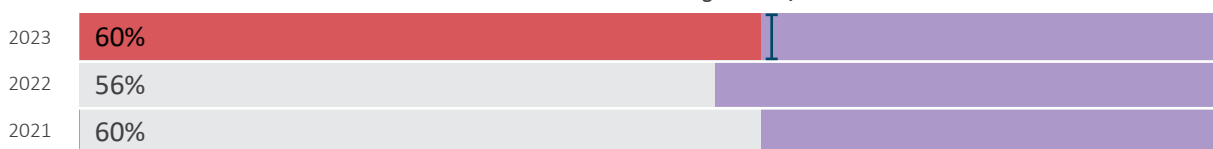
**Target 2022/23:** 63%



*Note: Margin of error 5%.*

### Satisfaction with efforts to enable and promote events.

**Target 2022/23:** 61%



*Note: Margin of error 5%.*

**LEGEND**  Not comparable against target  Achieved  Not achieved  Target value indication



## Council Controlled Organisation – Toi-EDA

Toi-EDA is the Economic Development Agency for the Eastern Bay of Plenty and is based in Whakatāne. It is a partnership between Kawerau District Council, Ōpōtiki District Council, Whakatāne District Council, and the Bay of Plenty Regional Council, working together with local Iwi. Toi-EDA undertakes activities to contribute to the sustainable growth and development of the local economy. Toi-EDA’s purpose and vision is to grow the Eastern Bay of Plenty: Tini o Toi – kia tipu, kia puawai (To create, grow and blossom the myriads of Toi). Toi-EDA contributes to the outcomes of the Economic Development and Regeneration activity in the ‘Strategy and Futures’ group of activities.

### How we performed *Ā mātau mahi*

#### Performance measures (how we will measure our service delivery)

Toi-EDA delivers initiatives under each of the three pillars; A Winning Brand, Economic Engine and Thriving Communities, that support the sustainable growth and development of the local economy.

**Target 2022/23:** At least three initiatives underway each year

2023	Achieved
2022	Achieved
2021	New Measure

#### LEGEND

Not comparable against target

Achieved

Not achieved

Target value indication



# Transport Connections

## Ngā hononga waka

Contribution to community outcomes:

- Strong, connected, interdependent, diverse communities
- Integrating nature into our decision-making
- Thriving circular economies.

This group of activities aims to provide a safe, reliable, and sustainable transport system that is accessible to everyone and caters to a variety of transport choices. This increasingly provides for pedestrians, cyclists, and the mobility impaired, alongside motorised vehicles. We aim to deliver a well-functioning transport system that keeps people and places connected, supports a vibrant economy, and allows for efficient day-to-day running of our communities.

Activities in this group:

- Transport connections



**\$14.1 million capital expenditure**

**\$10.3 million operating expenditure**

**4/6 performance measures met**

**LEGEND**

Not comparable against target

Achieved

Not achieved

Target value indication



## What these activities cost and how they were paid for

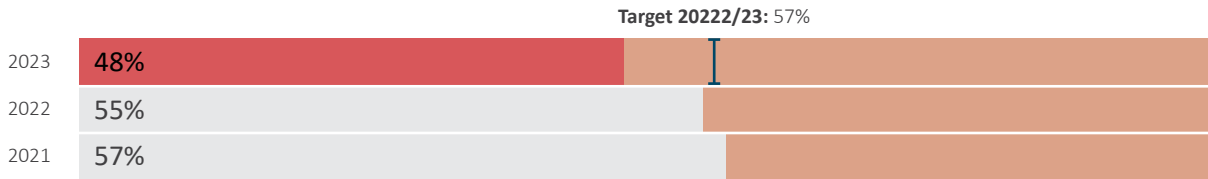
### Te utu o ēnei ngohe, ā, i pēhea i whakaea

<b>FUNDING IMPACT STATEMENT: TRANSPORT CONNECTIONS WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>	<b>LTP 2021/22 \$000</b>	<b>LTP 2022/23 \$000</b>	<b>ACTUAL 2022/23 \$000</b>
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	(31)	(31)	(31)
Targeted rates	5,985	6,492	6,323
Subsidies and grants for operating purposes	4,526	4,611	6,336
Fees and charges	34	35	115
Internal charges and overheads recovered	2,088	2,152	2,279
Local authorities fuel tax, fines, infringement fees, and other receipts	841	870	876
<b>Sources of operating funding (A)</b>	<b>13,442</b>	<b>14,128</b>	<b>15,899</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	7,116	7,321	9,568
Finance costs	378	434	696
Internal charges and overheads applied	3,142	3,230	3,214
Other operating funding applications	-	-	-
<b>Applications of operating funding (B)</b>	<b>10,636</b>	<b>10,985</b>	<b>13,478</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,806</b>	<b>3,144</b>	<b>2,421</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	6,495	9,002	8,522
Development and financial contributions	90	93	21
Increase (decrease) in debt	1,571	3,008	2,360
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>8,157</b>	<b>12,103</b>	<b>10,903</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	956	4,068	1,508
- to improve level of service	4,029	4,875	5,206
- to replace existing assets	5,584	5,757	7,435
Increase (decrease) in reserves	394	546	(823)
Increase (decrease) of investments	-	-	-
<b>Applications of capital funding (D)</b>	<b>10,963</b>	<b>15,247</b>	<b>13,325</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,806)</b>	<b>(3,144)</b>	<b>(2,421)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# How we performed *Ā mātau mahi*

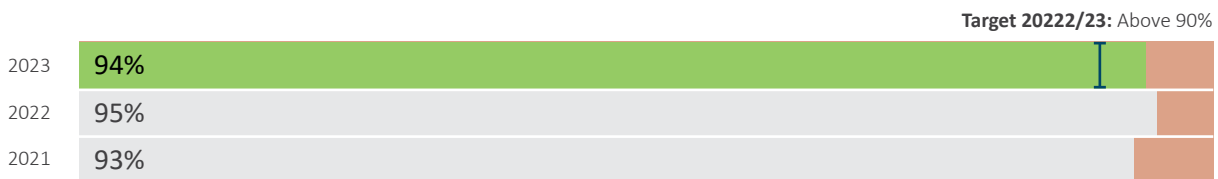
## Performance measures (how we will measure our service delivery)

Satisfaction with Council roads.



Note: Margin of error 4%.

The average quality of ride on a sealed local road network, measured by smooth travel exposure (M).

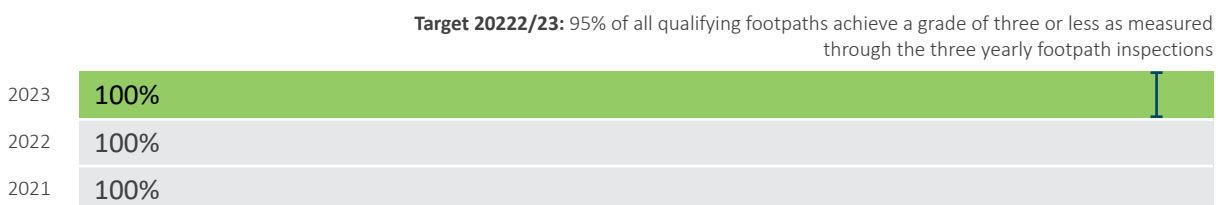


Percentage of sealed local road network that is resurfaced (M).

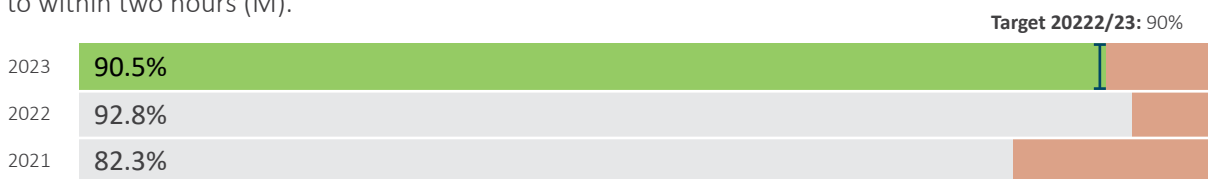


Note: We have a three-year program of resurfacing sealed roads. While we did not reach our annual target this year, we are on track to achieve our target over the three-year period.

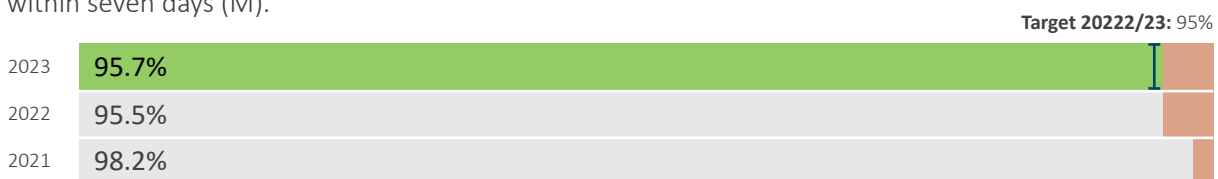
Percentage of qualifying footpaths within the district that fall within the level of service or service standard for the condition of footpaths set out in the Activity Management Plan (M).



Percentage of emergency customer service requests relating to roads and footpaths responded to within two hours (M).



Percentage of all other customer service requests relating to roads and footpaths responded to within seven days (M).



### LEGEND

- Not comparable against target
- Achieved
- Not achieved
- Target value indication

(M) – This performance measure is mandatory for all Councils to report on, set under the 'Non-Financial Performance Measures Rules 2013' in accordance with section 261b of the Local Government Act 2002.



## Water Supply

### Ngā puna wai

Contribution to community outcomes:

- Strong, connected, interdependent, diverse communities
- Integrating nature into our decision-making
- Thriving circular economies
- Constructively and collaboratively engaging with iwi, hapū and whānau.

This group of activities provides safe, reliable, and sustainable water supplies to our district. This currently includes provision to over 12,500 properties for domestic, industrial, commercial, and agricultural use. With large areas of our district being rural, and in some cases isolated, many households have independent systems supplying their own needs. Water is also provided for urban firefighting requirements.

Activities within this group:

- Water supply



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**\$6.4 million capital expenditure**

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**\$3.6 million operating expenditure**

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**8/12 performance measures met**



## What these activities cost and how they were paid for

Te utu o ēnei ngohe, ā, i pēhea i whakaea

<b>FUNDING IMPACT STATEMENT: WATER SUPPLY</b>	LTP 2021/22 \$000	LTP 2022/23 \$000	ACTUAL 2022/23 \$000
<b>WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>			
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	7,065	7,549	7,896
Subsidies and grants for operating purposes	165	-	-
Fees and charges	1,488	1,126	149
Internal charges and overheads recovered	248	254	111
Local authorities fuel tax, fines, infringement fees, and other receipts	4	4	4
<b>Sources of operating funding (A)</b>	<b>8,970</b>	<b>8,933</b>	<b>8,160</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,875	2,390	2,644
Finance costs	463	584	969
Internal charges and overheads applied	2,634	2,687	2,996
Other operating funding applications	-	-	-
<b>Applications of operating funding (B)</b>	<b>5,972</b>	<b>5,661</b>	<b>6,609</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,999</b>	<b>3,272</b>	<b>1,552</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	1,935	-	-
Development and financial contributions	71	74	(1)
Increase (decrease) in debt	1,829	7,598	4,655
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>3,835</b>	<b>7,672</b>	<b>4,655</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	75	699	185
- to improve level of service	5,074	8,168	4,791
- to replace existing assets	1,165	1,828	1,453
Increase (decrease) in reserves	520	249	(222)
Increase (decrease) of investments	-	-	-
<b>Applications of capital funding (D)</b>	<b>6,834</b>	<b>10,944</b>	<b>6,206</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,999)</b>	<b>(3,272)</b>	<b>(1,552)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

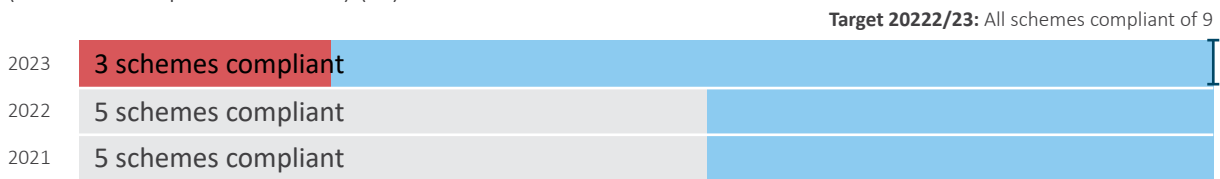
## How we performed *Ā mātau mahi*

### Performance measures (how we will measure our service delivery)

The regulatory framework for drinking water transitioned in the 2022/23 year from the Drinking-water Standards (Revised 2018) (DWSNZ 2018) to the Drinking Water Quality Assurance Rules (DWQAR), which came into effect on 14 November 2022. Compliance against both requirements was independently assessed and verified by Wai Comply.

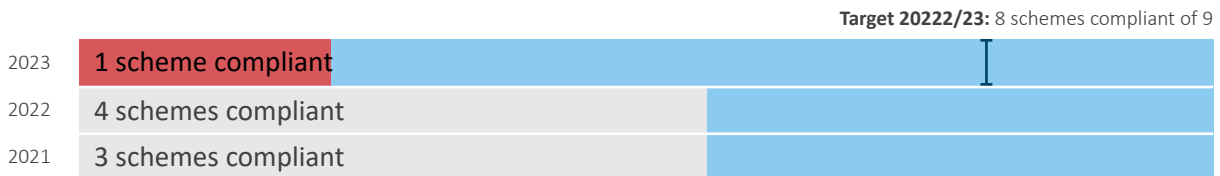
The first two performance measures below are mandated by the Department of Internal Affairs which we are required to report against in this Annual Report. There are currently no mandated performance measures pertaining to the new DWQAR and as such the results below are against the DWSNZ 2018 for the full financial year.

The extent to which Council’s drinking water supplies comply with Part 4 of the Drinking Water Standards (bacteria compliance criteria) (M).



*Note: Please refer to the table on the next page for a breakdown of compliance by scheme.*

The extent to which Council’s drinking water supplies comply with Part 5 of the Drinking Water Standards (protozoal compliance criteria) (M)



*Note: Please refer to the table on the next page for a breakdown of compliance by scheme.*

The bacterial compliance criteria (part 4) in the former DWSNZ 2018 applied to water leaving the treatment plants and water in the distribution zones. Water leaving the treatment plants was assessed against one of five criteria based on the type of disinfection employed. Water in the distribution zones was monitored for the presence of E. coli and met the bacterial compliance criteria when the number of samples in which E. coli was found was equal to or less than the allowable exceedances listed in the DWSNZ. Taumata Arowai is notified if any samples are positive for E. coli.

The protozoal compliance criteria (part 5) in the former DWSNZ 2018 were assessed at the treatment plants. A scheme was determined to achieve protozoal compliance if all treatment plants supplying the scheme during the reporting period met the criteria. Protozoal treatment of water is typically achieved through filtration and/or ultraviolet (UV) disinfection. However, if treatment is interrupted during the reporting period (for example due to power outages or flood events that cause periodic high turbidity issues), compliance with the protozoal criteria will not be met. As such, some Council schemes did not meet the part 5 criteria. To ensure a safe drinking water supply if treatment is interrupted, all Council water supplies are monitored with alarm systems which alert staff or automatically shut down the water supply if necessary for cases of high turbidity or low levels of free available chlorine equivalent (FACE).

**LEGEND**    Not comparable against target    Achieved    Not achieved    Target value indication

*(M) – This performance measure is mandatory for all Councils to report on, set under the ‘Non-Financial Performance Measures Rules 2013’ in accordance with section 261b of the Local Government Act 2002.*

## Council’s drinking water supplies compliance

Wai Comply Limited completed an independent assessment of the performance of Whakatāne District Council as a “water supplier” for the period of 1 July 2022 – 30 June 2023. The assessment was undertaken against the standards and regulatory framework outlined in the below table.

### Performance standard and general criteria

Period	Performance standard(s)	General assessment criteria
July to December 2022	Drinking Water Standards for New Zealand 2005 (Revised 2018) (DWSNZ 2018)	Section 4 Bacterial Compliance Criteria Section 5 Protozoal Compliance Criteria
January to June 2023	Drinking Water Quality Assurance Rules 2022 (DWQAR)	General Rule G17 T1, T2 & T3 Bacterial Rules T1, T2 & T3 Protozoal Rules D1, D2 & D3 Bacterial Rules
	Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWSNZ 2022)	<i>E. coli</i> maximum acceptable value (MAV)

### Assessment summary

Water Supply Scheme	Section and Component	DWSNZ 2018 Jul-Dec 2022	DWQAR outcome Jan-Jun 2023	<i>E. coli</i> review outcome Jan-Jun 2023
Whakatāne	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>2 zones</li> </ul>	<b>Met</b>	<b>Met</b>	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Met</b>	<b>Met</b>	<b>N/A</b>
Matatā	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>2 zones</li> </ul>	<b>Met</b>	<b>Not met</b> No UV disinfection was in place for several days in March 2023 due to a major treatment plant upgrade. Treatment plant chlorine rules were not met on one or more days during the audit period. No online UVT monitoring was in place during the audit period.	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Not met</b> Low UV intensity event in July 2022.	<b>Not met</b> No UV disinfection was in place for several days due to a major treatment plant upgrade. No online UVT monitoring was in place during the audit period.	<b>N/A</b>
Murupara	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Met</b>	<b>Not met</b> No bacterial treatment option was in place, zone residual disinfection rules not met during the audit period.	<b>Not met</b> <i>E. coli</i> detected at multiple locations on the 8th and 9th of February 2023, and the 28th of February.
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Not met</b> No recognised protozoa barrier in place during the audit period.	<b>Not met</b> No recognised protozoa barrier in place during the audit period.	<b>N/A</b>



Water Supply Scheme	Section and Component	DWSNZ 2018 Jul-Dec 2022	DWQAR outcome Jan-Jun 2023	<i>E. coli</i> review outcome Jan-Jun 2023
Otumahi	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Met</b>	<b>Not met</b> Low chlorine event in April 2023 and high turbidity across several days in April 2023 that were suspected to be a monitoring equipment issue.	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>2 treatment plants</li> </ul>	<b>Met</b>	<b>Not met</b> Paul Road Treatment Plant: no DWQAR-recognised protozoa barrier in place during the audit period. Te Teko Treatment Plant: no online UVT monitoring was in place during the audit period.	<b>N/A</b>
Rangitāiki Plains	Bacterial criteria <ul style="list-style-type: none"> <li>2 treatment plants</li> <li>1 zone</li> </ul>	<b>Not met</b> Johnson Road Treatment Plant: data loss event 8 and 9 September 2022.	<b>Not met</b> Braemar Treatment Plant and the Johnson Road Treatment Plant: treatment plant DWQAR chlorine rules were not met on one or more days during the audit period.	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>2 treatment plants</li> </ul>	<b>Not met</b> Braemar Treatment Plant and the Johnson Road Treatment Plant: no protozoa barrier in place during the audit period.	<b>Not met</b> Braemar Treatment Plant and the Johnson Road Treatment Plant: no DWQAR-recognised protozoa barrier in place during the audit period.	<b>N/A</b>
Rūātoki	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Not met</b> The maximum interval between <i>E. coli</i> samples exceeded the requirement each month between July and November 2022.	<b>Not met</b> Multiple days during the audit period, usually associated with events where poor-quality source water overwhelmed the treatment plant processes, affecting chlorine and UV disinfection rules, no online UVT monitoring was in place during the audit period.	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Not met</b> Multiple days during the audit period, usually associated with events where poor-quality (high turbidity) source water overwhelmed the treatment plant processes.	<b>Not met</b> Multiple days during the audit period, usually associated with events where poor-quality (high turbidity) source water overwhelmed the treatment plant processes, no online UVT monitoring was in place during the audit period.	<b>N/A</b>

Water Supply Scheme	Section and Component	DWSNZ 2018 Jul-Dec 2022	DWQAR outcome Jan-Jun 2023	<i>E. coli</i> review outcome Jan-Jun 2023
Tāneatua	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Not met</b> High turbidity and low UV intensity events between July and November 2022.	<b>Not met</b> Low chlorine event in June 2023.	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Not met</b> High turbidity and low UV intensity events between July and November 2022.	<b>Not met</b> No online UVT monitoring was in place during the audit period.	<b>N/A</b>
Te Mahoe	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Met</b>	<b>Met</b>	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Met</b>	<b>Not met</b> No DWQAR-recognised protozoa barrier in place during the audit period.	<b>N/A</b>
Waimana	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Met</b>	<b>Met</b>	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Met</b>	<b>Not met</b> No online UVT monitoring was in place during the audit period.	<b>N/A</b>

## E. coli transgressions in Murupara during 2022/23

Samples collected from the Murupara distribution zone on 8 February 2023 tested positive for *E. coli*. There were further *E. coli* transgressions in samples collected on 9 February 2023. The Council issued a boil water notice and began dosing with sodium hypochlorite. Daily sampling was carried out from 10 to 23 February, returning to the usual frequency after no further positive results were obtained. A water tanker was provided as an alternative supply to the community.

On 28 February 2023, a positive *E. coli* result of 1 MPN/100mL was detected in a sample collected from the Murupara distribution zone. The system was dosed with sodium hypochlorite and daily sampling was carried out on 1, 2 and 3 March 2023. Sampling returned to the usual frequency after no further positive results were obtained.

## Upgrades during 2022/23

During 2022/23, the Awakaponga water treatment plant (which supplies Matatā township) was upgraded, including installation of an upgraded UV treatment system and chlorine contact tank.

The Braemar Spring water treatment plant was upgraded with a new plant being constructed to include UV treatment and arsenic removal using an absorption media filtration process, in addition to chlorination.

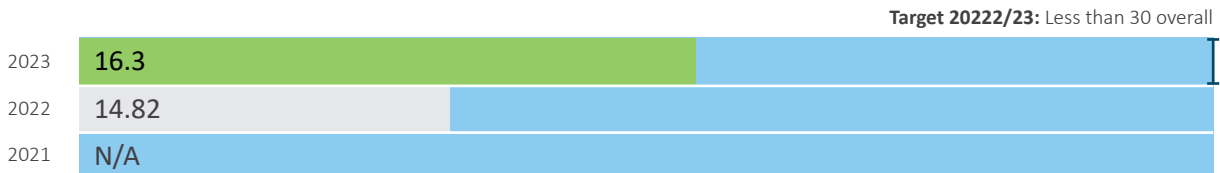
Planned upgrades include installation of UVT sensors where required and installation of UV treatment at the Te Mahoe and Paul Road water treatment plants. The Council is investigation alternative water sources for the Rūātoki supply. Consultation is underway with Iwi and the community in Murupara regarding water treatment options for the Murupara water supply.

# How we performed *Ā mātau mahi*

## Performance measures (how we will measure our service delivery)

The total number of complaints per 1,000 connects, received by the Council about any of the following:

- Drinking water clarity
- Drinking water taste
- Drinking water odour
- Drinking water pressure of flow
- Continuity of supply
- The Council’s response to any of these issues (M)

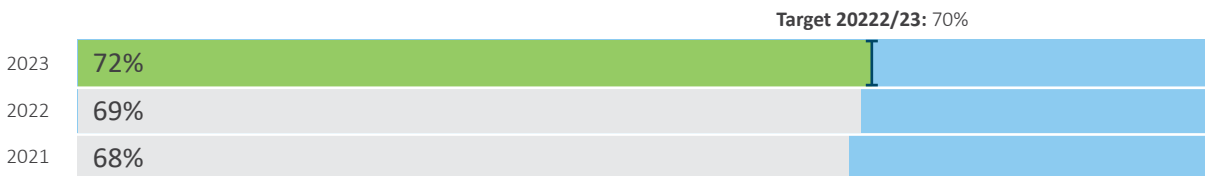


*Note: The 2022 and 2021 previous year results have been restated from 6.33 and N/A\* to better align with the DIA performance measure guidelines. This change in calculation has seen Council include complaints where we have found no problem on inspection of the complaint, and calculate the number of connections by rating system. Total number of connections as of 1 July 2022 was 13,360.*

*\*The method of restatement has enabled a comparative to be completed for 2021.*

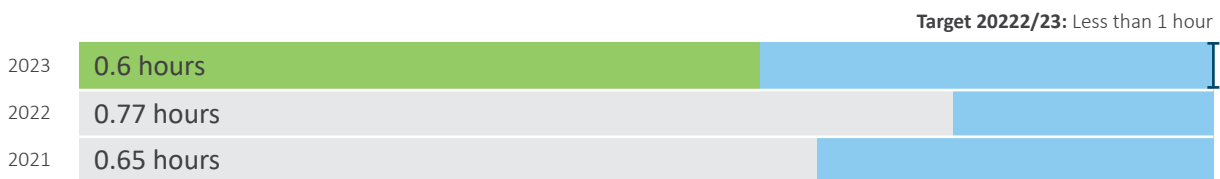
*The processes used by the Council and its afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013. Although Council has recorded the number of planned and unplanned shutdowns to water supply, it has not recorded the number of calls received in relation to these shutdowns. In respect of calls received by the afterhours call centre service, Council were not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.*

Satisfaction with the water supply and quality of drinking water (supplied by Council).

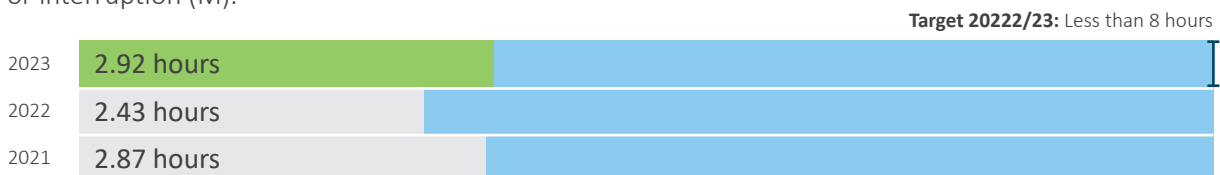


*Note: Margin of error 4%.*

Median response time to attend urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that the service personnel reach the site (M).



Median response time to resolve urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (M).



**LEGEND**  Not comparable against target  Achieved  Not achieved | Target value indication

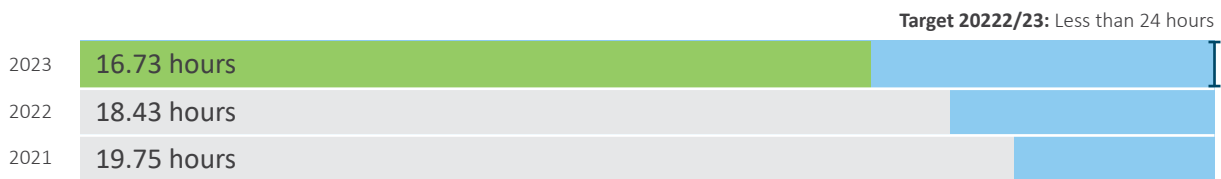
*(M) – This performance measure is mandatory for all Councils to report on, set under the ‘Non-Financial Performance Measures Rules 2013’ in accordance with section 261b of the Local Government Act 2002.*



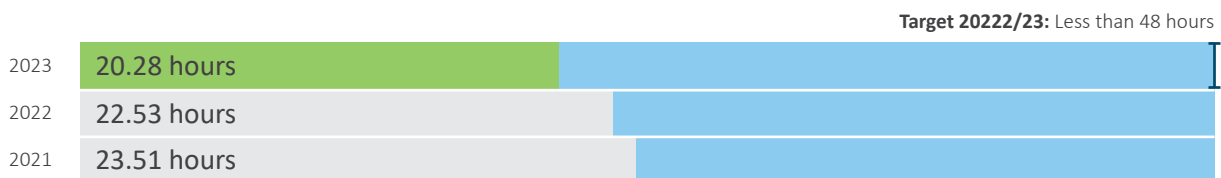
## How we performed *Ā mātau mahi*

### Performance measures (how we will measure our service delivery)

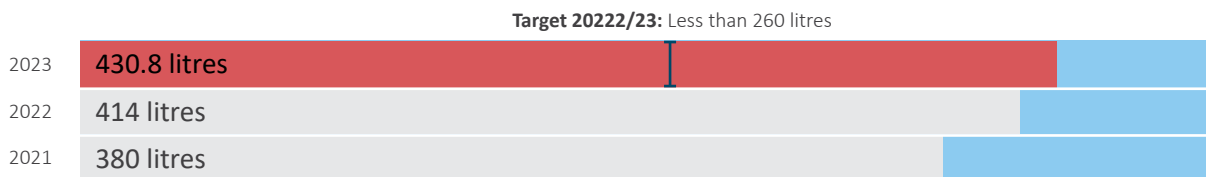
Median response time to attend non-urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel reach the site (M).



Median response time to resolve non-urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (M).

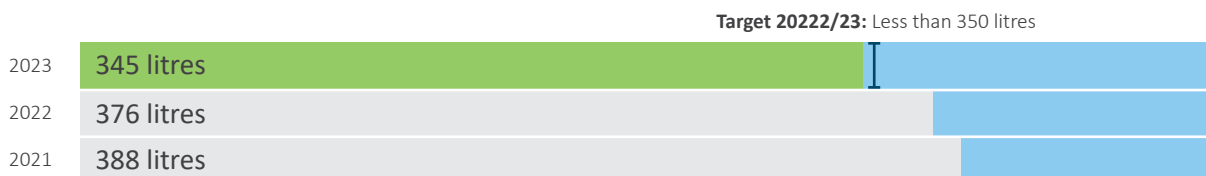


Average consumption of drinking water per day per resident in the district for metered areas supplied by Council (M).



*Note: A number of factors can contribute to council not meeting the target, including properties with internal leaks. As council is continuing to install water meters throughout the district a number of newly metered properties have shown to have previously undetected internal leaks. Meters are installed on properties in both urban and rural area and a number of farm connections are high water users.*

Average consumption of drinking water per day per resident in the district for unmetered areas supplied by Council (M)



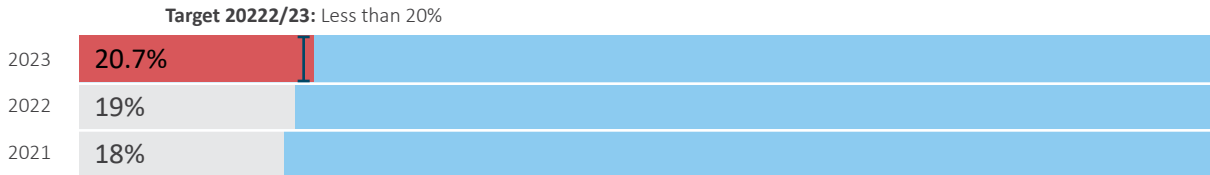
**LEGEND** ● Not comparable against target ● Achieved ● Not achieved | Target value indication

(M) – This performance measure is mandatory for all Councils to report on, set under the ‘Non-Financial Performance Measures Rules 2013’ in accordance with section 261b of the Local Government Act 2002.

# How we performed *Ā mātau mahi*

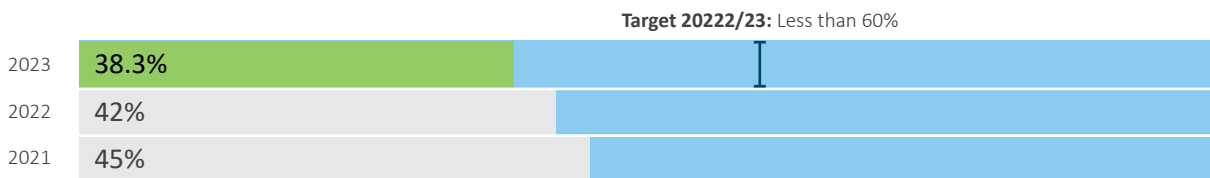
## Performance measures (how we will measure our service delivery)

Percentage of real water loss from Council-networked reticulation system for metered schemes based on the standard International Water Association (IWA) water balance (M).



*Note: Percentage of metered properties for water systems within the Whakatāne district: Whakatāne & Ōhope 100%; Plains 100%; Murupara 5%; Rūātoki 100%; Tāneatua 94%; Matatā 9%; Waimana 100%; Te Mahoe 100%. Council staff have been trained to undertake water loss data analysis based on industry best practice, utilising the International Water Association (IWA) methodology, Benchloss New Zealand software and Water NZ Waterloss Guidelines. Real water losses are dependent upon the size of a water supply system, water pressure, total length of pipes and whether metered or unmetered. Metered supplies use the recorded production volume and the consumption volume of water, with adjustments made for expected unavoidable water losses. Small, unmetered water supplies are calculated using minimum night flow assessment reduced by the estimated nighttime consumption. At times Council engages third-party consultants to review and validate Council data and processes.*

Percentage of real water loss from Council-networked reticulation system for unmetered schemes (M).



**LEGEND**  Not comparable against target  Achieved  Not achieved  Target value indication

(M) – This performance measure is mandatory for all Councils to report on, set under the ‘Non-Financial Performance Measures Rules 2013’ in accordance with section 261b of the Local Government Act 2002.



# Sewage and Treatment Disposal

## Te rāwekeweke me te rukea o te parakaingaki

Contribution to community outcomes:

- Strong, connected, interdependent, diverse communities
- Integrating nature into our decision-making
- Thriving circular economies
- Constructively and collaboratively engaging with Iwi, hapū and whānau.

This group of activities provides the district with reliable and sustainable sewage treatment and disposal services. We aim to provide services to collect, treat, and dispose of wastewater in a safe and sustainable way that protects public health and doesn't compromise ecosystems.

Activities in this group:

- Sewage treatment and disposal



**\$2.7 million capital expenditure**

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**\$1.9 million operating expenditure**

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**9/9 performance measures met**



## What these activities cost and how they were paid for

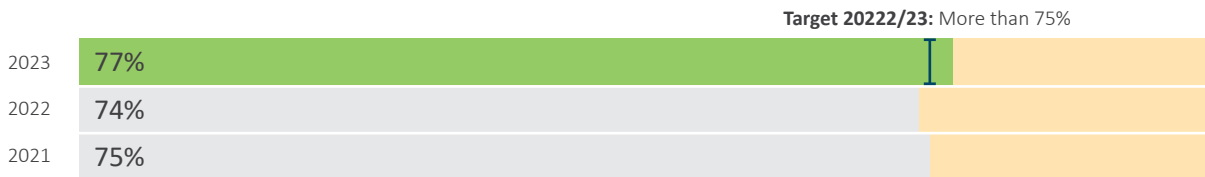
### Te utu o ēnei ngohe, ā, i pēhea i whakaea

<b>FUNDING IMPACT STATEMENT: SEWAGE AND TREATMENT DISPOSAL</b>	<b>LTP 2021/22 \$000</b>	<b>LTP 2022/23 \$000</b>	<b>ACTUAL 2022/23 \$000</b>
<b>WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>			
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	417	442	470
Targeted rates	5,101	5,306	5,192
Subsidies and grants for operating purposes	1	-	-
Fees and charges	189	207	212
Internal charges and overheads recovered	110	146	49
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	78
<b>Sources of operating funding (A)</b>	<b>5,817</b>	<b>6,102</b>	<b>6,000</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,155	1,234	1,316
Finance costs	340	341	571
Internal charges and overheads applied	1,993	2,079	2,332
Other operating funding applications	-	-	-
<b>Applications of operating funding (B)</b>	<b>3,488</b>	<b>3,654</b>	<b>4,219</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,329</b>	<b>2,448</b>	<b>1,781</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	659	-	-
Development and financial contributions	86	89	19
Increase (decrease) in debt	651	645	875
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>1,397</b>	<b>734</b>	<b>893</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	29	38	330
- to improve level of service	1,879	1,183	1,448
- to replace existing assets	580	1,065	881
Increase (decrease) in reserves	1,238	895	16
Increase (decrease) of investments	-	-	-
<b>Applications of capital funding (D)</b>	<b>3,726</b>	<b>3,182</b>	<b>2,674</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,329)</b>	<b>(2,448)</b>	<b>(1,781)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# How we performed *Ā mātau mahi*

## Performance measures (how we will measure our service delivery)

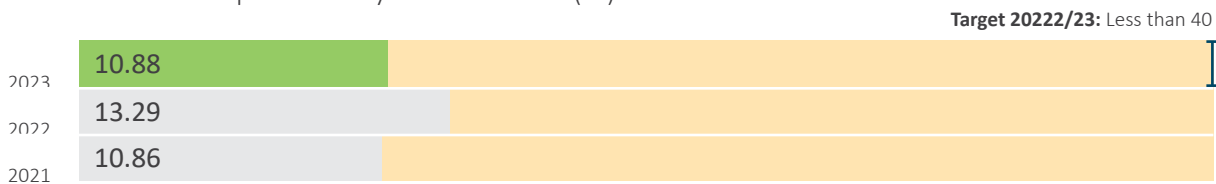
Satisfaction with the sewage system for areas supplied by the Council.



Note: Margin of error 4%.

Total number of complaints received per 1,000 connections about any of the following:

- sewage odour
- sewerage system faults
- system blockages
- the Council’s response to any of these issues (M).



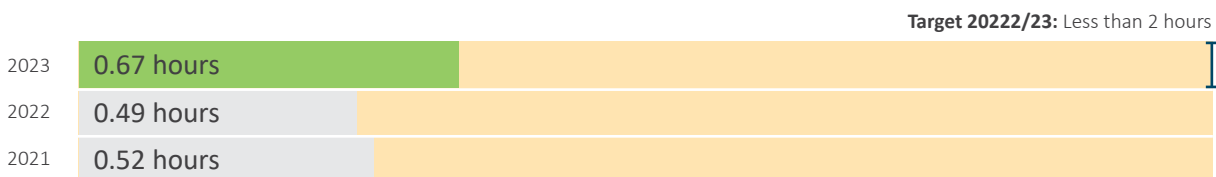
Note: The 2022 and 2021 previous year results have been restated from 9.42 and N/A\* to better align with the DIA performance measure guidelines. This change in calculation has seen Council include complaints where we have found no problem on inspection of the complaint, and calculate the number of connections by rating system. Total number of connections as of 1 July 2022 was 12,557.

\*The method of restatement has enabled a comparative to be calculated for 2021.

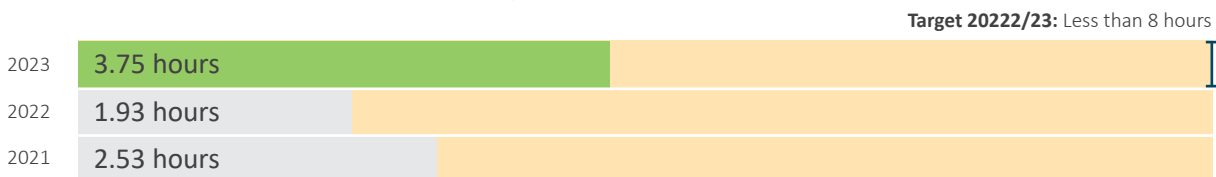
The process used by the Council’s afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013.

In respect of calls received by the afterhours call centre service, Council were not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.

Median response time to attend a sewage overflow resulting from a blockage or other fault in the Council’s sewerage system, from the time that the Council receives notification to the time that service personnel reach the site (M).



Median response time to resolve a sewage overflow resulting from a blockage or other fault in the Council’s sewerage system, from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault (M).



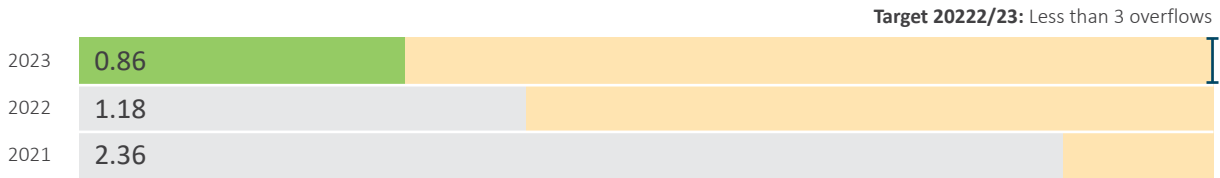
**LEGEND** ● Not comparable against target ● Achieved ● Not achieved | Target value indication

(M) – This performance measure is mandatory for all Councils to report on, set under the ‘Non-Financial Performance Measures Rules 2013’ in accordance with section 261b of the Local Government Act 2002.

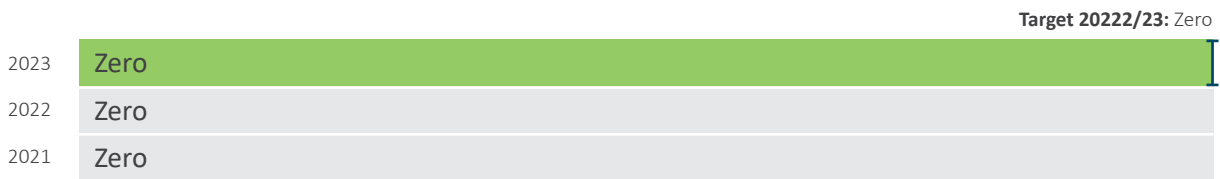
## How we performed *Ā mātau mahi*

### Performance measures (how we will measure our service delivery)

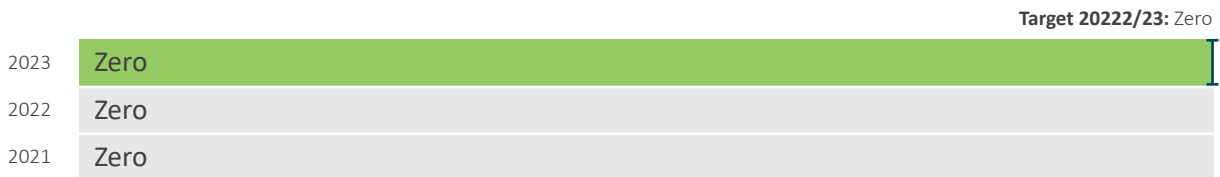
Number of dry weather sewage overflows from the Council’s sewerage system per 1,000 connections to that sewerage system (M).



Number of abatement notices received by the Council in relation to the resource consents for discharge from our sewerage systems (M).



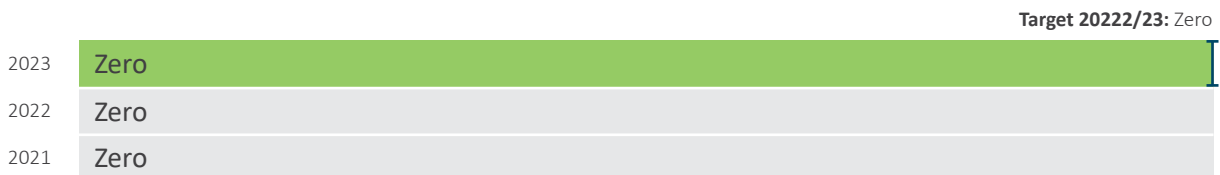
Number of infringement notices received by the Council in relation to the resource consents for discharge from our sewerage systems (M).



Number of enforcement orders received by the Council in relation to the resource consents for discharge from our sewerage systems (M).



Number of convictions received by the Council in relation to the resource consents for discharge from our sewerage systems (M)



**LEGEND**  Not comparable against target  Achieved  Not achieved | Target value indication

(M) – This performance measure is mandatory for all Councils to report on, set under the ‘Non-Financial Performance Measures Rules 2013’ in accordance with section 261b of the Local Government Act 2002.





## Stormwater Drainage

### Te awakeri o te wai āwhā

Contribution to community outcomes:

- Strong, connected, interdependent, diverse communities
- Integrating nature into our decision-making
- Thriving circular economies
- Constructively and collaboratively engaging with Iwi, hapū and whānau.

This group of activities helps protect people and property from the impacts of flooding as well as protecting public health from the potentially adverse effects of stormwater run-off. Because stormwater is discharged into streams, rivers, and coastal waters, it needs to be as clean as possible. While we do not treat stormwater run-off, we monitor stormwater discharge to ensure it meets the required standards. Alongside our stormwater activity, river stop banks are managed by Bay of Plenty Regional Council with the similar objective of protection from the impacts of flooding.

Activities:

- Stormwater drainage



**\$2.8 million capital expenditure**

**\$6.2 million operating expenditure**

**7/7 performance measures met**

## What these activities cost and how they were paid for

Te utu o ēnei ngohe, ā, i pēhea i whakaea

<b>FUNDING IMPACT STATEMENT: STORMWATER DRAINAGE</b>	LTP 2021/22 \$000	LTP 2022/23 \$000	ACTUAL 2022/23 \$000
<b>WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>			
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	324	322	323
Targeted rates	3,822	3,959	4,081
Subsidies and grants for operating purposes	778	-	654
Fees and charges	-	-	-
Internal charges and overheads recovered	2,472	2,525	3,498
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	42
<b>Sources of operating funding (A)</b>	<b>7,395</b>	<b>6,806</b>	<b>8,598</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	4,266	3,557	5,167
Finance costs	639	607	1,043
Internal charges and overheads applied	1,001	1,017	1,292
Other operating funding applications	-	-	-
<b>Applications of operating funding (B)</b>	<b>5,905</b>	<b>5,181</b>	<b>7,502</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,490</b>	<b>1,625</b>	<b>1,096</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	138	-	-
Development and financial contributions	17	18	3
Increase (decrease) in debt	(876)	(124)	(748)
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>(722)</b>	<b>(106)</b>	<b>(744)</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	10	112	15
- to improve level of service	154	961	601
- to replace existing assets	459	2,948	2,223
Increase (decrease) in reserves	146	(2,502)	(2,487)
Increase (decrease) of investments	-	-	-
<b>Applications of capital funding (D)</b>	<b>768</b>	<b>1,519</b>	<b>352</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,490)</b>	<b>(1,625)</b>	<b>(1,096)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

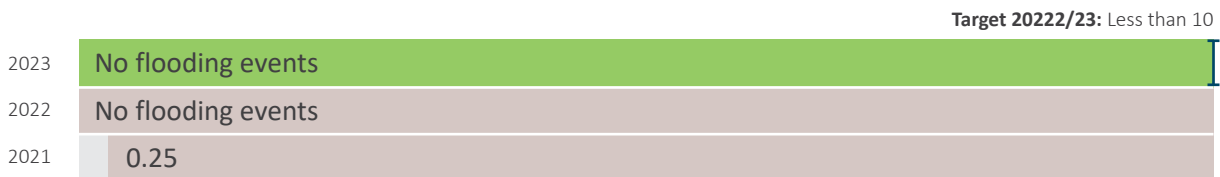
# How we performed *Ā mātau mahi*

## Performance measures (how we will measure our service delivery)

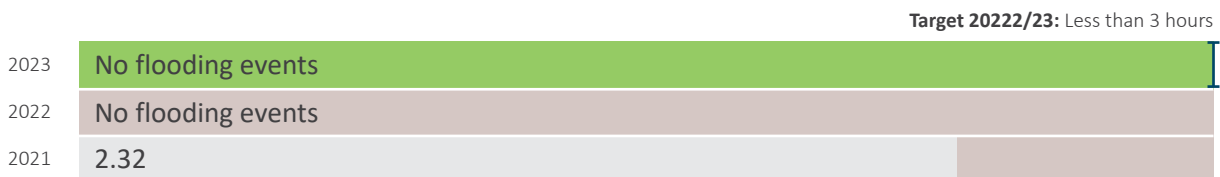
Number of flooding events\* in the district.



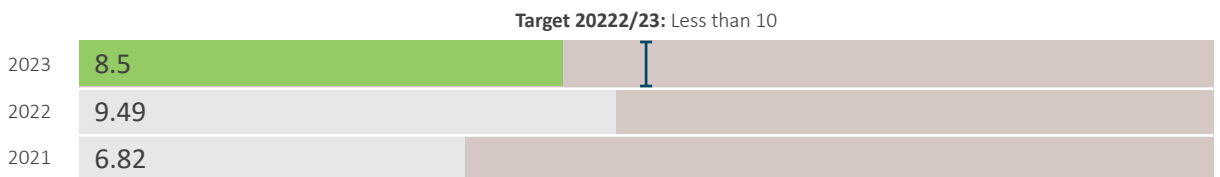
For each flooding event\*, the number of habitable floors affected (per 1,000 properties connected to the Council’s stormwater system) (M).



Median response time to attend a flooding event\* (M).



The number of complaints received about the performance of the stormwater system, expressed per 1,000 properties connected to the Council’s stormwater system (M).



*Note: The 2022 and 2021 previous year results have been restated from 11.57 and 2.03 to better align with the DIA performance measure guidelines. This change in calculation has seen Council include complaints where we have found no problem on inspection of the complaint, and calculate the number of connections by rating system. The number of properties connecting to the stormwater system as of 1 July 2022 was 10,435.*

*The process used by the Council’s afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013. In respect of calls received by the afterhours call centre service, Council were not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.*

**LEGEND**    ● Not comparable against target    ● Achieved    ● Not achieved    | Target value indication

(M) – This performance measure is mandatory for all Councils to report on, set under the ‘Non-Financial Performance Measures Rules 2013’ in accordance with section 261b of the Local Government Act 2002.

\*The DIA requires results for these measures to be presented according to the following definitions:

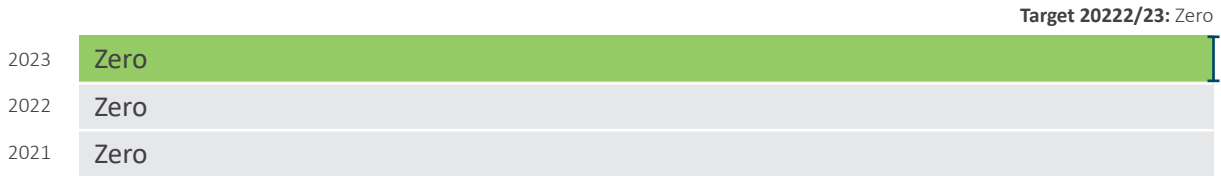
‘Flooding event’ - an overflow of stormwater from a territorial authority’s stormwater system that enters a habitable floor. ‘Stormwater system’ - the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off, from the point of connection to the point of discharge.



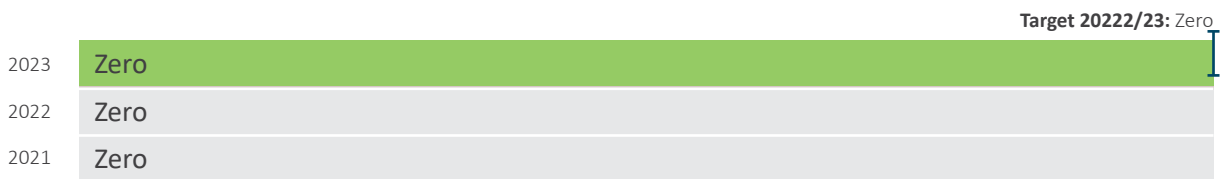
## How we performed *Ā mātau mahi*

### Performance measures (how we will measure our service delivery)

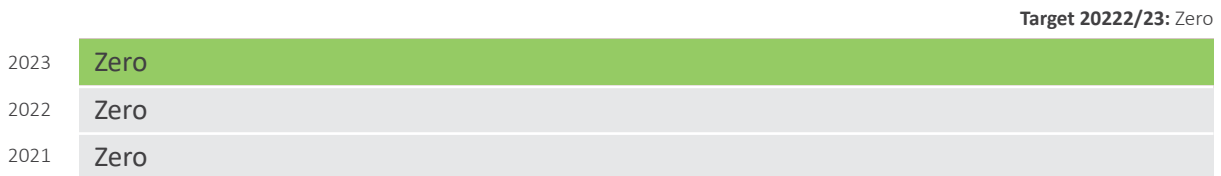
Number of infringement notices received by the Council in relation to the resource consents for discharge from our stormwater system (M).




Number of enforcement orders received by the Council in relation to the resource consents for discharge from our stormwater system (M).



Number of convictions received by the Council in relation to the resource consents for discharge from our stormwater system (M).



**LEGEND**     Not comparable against target     Achieved     Not achieved     Target value indication

(M) – This performance measure is mandatory for all Councils to report on, set under the ‘Non-Financial Performance Measures Rules 2013’ in accordance with section 261b of the Local Government Act 2002.



## Waste Management and Minimisation Te Whakahaere me te Whakaiti Para

Contribution to community outcomes:

- Integrating nature into our decision-making
- Thriving circular economies.

The Waste Management and Minimisation group is about protecting the health of people and the environment, by providing a reliable kerbside rubbish and recycling collection service and promoting waste minimisation and resource recovery. We aim to encourage and support waste reduction, reuse, and recycling through education programmes, and by providing the right infrastructure and services. Waste management must meet the requirements of several pieces of legislation, including the Waste Minimisation Act 2008, the New Zealand Waste Strategy 2010, and the Local Government Act 2002.

Activities:

- Waste management and minimisation



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**\$0.1 million capital expenditure**

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**\$7 million  
operating expenditure**

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**3/3 performance measures met**

## What these activities cost and how they were paid for

Te utu o ēnei ngohe, ā, i pēhea i whakaea

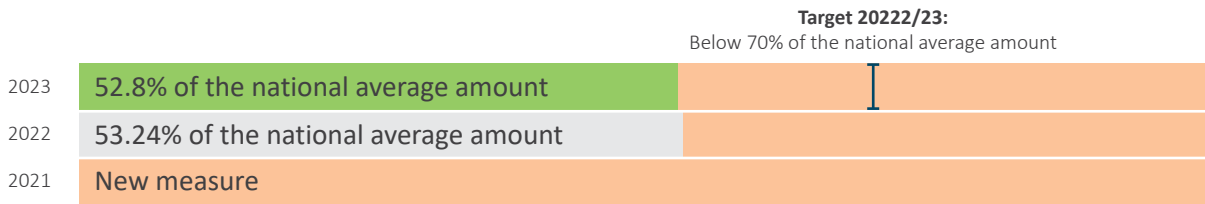
<b>FUNDING IMPACT STATEMENT: WASTE MANAGEMENT AND MINIMISATION WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>	<b>LTP 2021/22 \$000</b>	<b>LTP 2022/23 \$000</b>	<b>ACTUAL 2022/23 \$000</b>
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,629	1,676	1,334
Targeted rates	3,287	3,483	3,614
Subsidies and grants for operating purposes	130	235	414
Fees and charges	1,525	1,717	1,947
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	76
<b>Sources of operating funding (A)</b>	<b>6,571</b>	<b>7,110</b>	<b>7,384</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	5,573	6,104	6,907
Finance costs	69	60	119
Internal charges and overheads applied	540	551	562
Other operating funding applications	-	-	-
<b>Applications of operating funding (B)</b>	<b>6,182</b>	<b>6,715</b>	<b>7,588</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>389</b>	<b>395</b>	<b>(203)</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	80	321	-
Development and financial contributions	-	-	(13)
Increase (decrease) in debt	(257)	(256)	166
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>(177)</b>	<b>65</b>	<b>153</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	5	5	10
- to improve level of service	83	328	9
- to replace existing assets	19	29	59
Increase (decrease) in reserves	106	99	(128)
Increase (decrease) of investments	-	-	-
<b>Applications of capital funding (D)</b>	<b>212</b>	<b>461</b>	<b>(50)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(389)</b>	<b>(395)</b>	<b>203</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



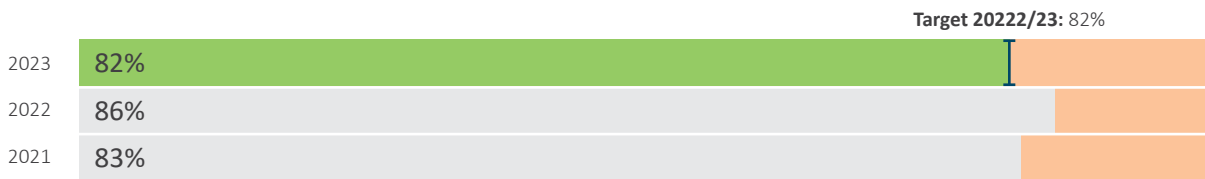
# How we performed *Ā mātau mahi*

## Performance measures (how we will measure our service delivery)

Amount of waste sent to landfill per person\* each year.

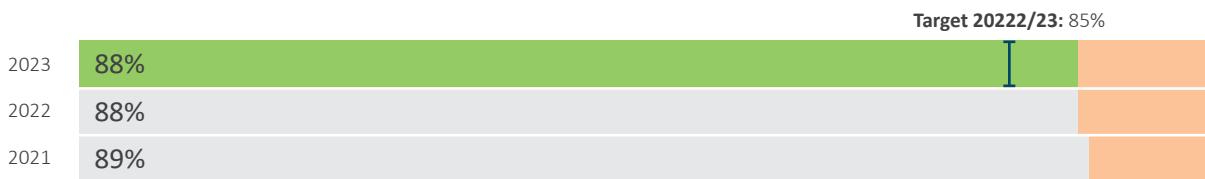


User satisfaction with refuse disposal (transfer station facilities).



Note: Margin of error 5%.

User satisfaction with the kerbside waste collection service.



Note: Margin of error 3%.

**LEGEND**    ● Not comparable against target    ● Achieved    ● Not achieved    | Target value indication

\*As per population estimates of the district provided by Stats



## Community Experience

### Ngā wheako hapori

Contribution to community outcomes:

- Strong, connected, interdependent, diverse communities
- Constructively and collaboratively engaging with iwi, hapū and whānau.

This group of activities provides and maintains a range of services, spaces and facilities for community use, recreation, and amenity. We aim to provide activities and spaces that enhance the quality of life for our residents and visitors and that celebrate our beautiful District, arts, and culture.

Activities in this group:

- Recreation
- Community facilities
- Arts and culture
- Ports and harbour
- Whakatāne Holiday Park



**\$2.7 million capital expenditure**

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**\$2.3 million operating expenditure**

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**4/5 performance measures met**

## What these activities cost and how they were paid for

Te utu o ēnei ngohe, ā, i pēhea i whakaea

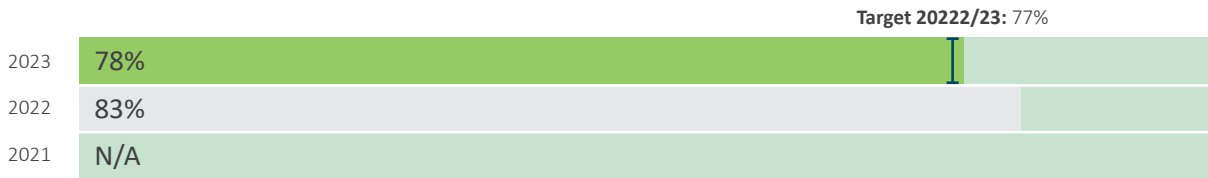
<b>FUNDING IMPACT STATEMENT: COMMUNITY EXPERIENCE</b>	LTP 2021/22 \$000	LTP 2022/23 \$000	ACTUAL 2022/23 \$000
<b>WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>			
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	11,703	12,033	11,445
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1,481	19	150
Fees and charges	2,682	2,753	2,779
Internal charges and overheads recovered	1,824	1,865	2,012
Local authorities fuel tax, fines, infringement fees, and other receipts	206	103	659
<b>Sources of operating funding (A)</b>	<b>17,896</b>	<b>16,774</b>	<b>17,044</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	8,108	8,331	11,443
Finance costs	482	505	906
Internal charges and overheads applied	6,289	6,426	6,813
Other operating funding applications	-	-	-
<b>Applications of operating funding (B)</b>	<b>14,879</b>	<b>15,262</b>	<b>19,161</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,017</b>	<b>1,512</b>	<b>(2,117)</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	5,438	1,197	210
Development and financial contributions	119	121	101
Increase (decrease) in debt	(1,816)	5,770	5,278
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>3,740</b>	<b>7,088</b>	<b>5,589</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	10,470	2,416	135
- to improve level of service	785	1,273	483
- to replace existing assets	1,626	2,339	2,068
Increase (decrease) in reserves	(6,124)	(2,916)	(4,701)
Increase (decrease) of investments	-	5,488	5,488
<b>Applications of capital funding (D)</b>	<b>6,757</b>	<b>8,599</b>	<b>3,472</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,017)</b>	<b>(1,512)</b>	<b>2,117</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



# How we performed *Ā mātau mahi*

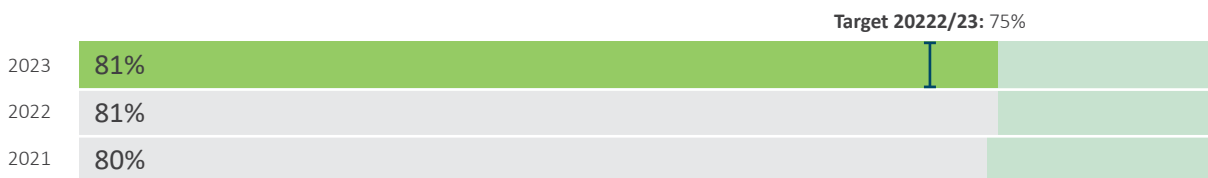
## Performance measures (how we will measure our service delivery)

User satisfaction with recreation facilities in the Whakatāne District (sports fields, parks and reserves, playgrounds, boat ramps and wharf facilities).



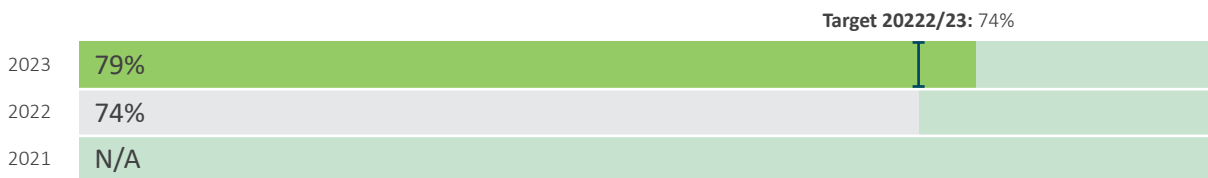
Note: Index results are average scores of other calculated measures. Unlike other measures in this report, index results are not directly collected from the population and do not have margin of errors.

User satisfaction with public swimming pools in the Whakatāne District.



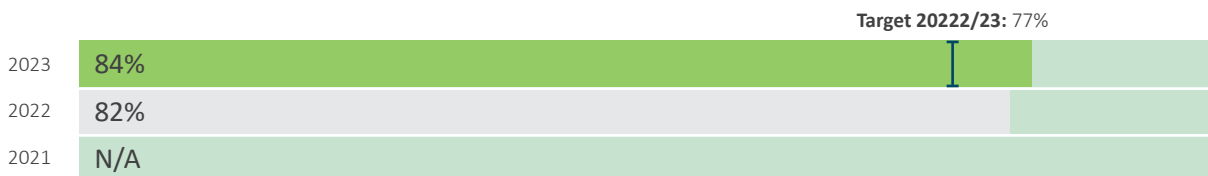
Note: Margin of error 6%.

User satisfaction with community facilities in the Whakatāne District (public toilets, public halls, cemeteries, crematorium facilities).



Note: Index results are average scores of other calculated measures. Unlike other measures in this report, index results are not directly collected from the population and do not have margin of errors.

User satisfaction with art and culture services in the Whakatāne District (Te Whare Taonga o Taketake-Whakatāne Museum and Research Centre, District Libraries, Te Kōputu a te Whanaga a Toi- Whakatāne Library and Exhibition Centre).



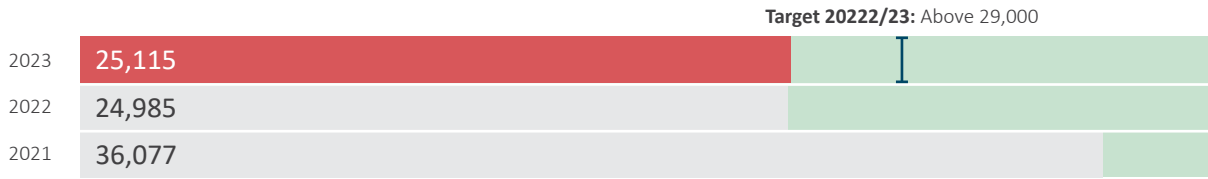
Note: Index results are average scores of other calculated measures. Unlike other measures in this report, index results are not directly collected from the population and do not have margin of errors.

**LEGEND**  Not comparable against target  Achieved  Not achieved  Target value indication

# How we performed *Ā mātau mahi*

## Performance measures (how we will measure our service delivery)

Total guest nights in the Whakatāne Holiday Park.



*Note: We did not meet target due to the ongoing impact from decreased international tourist market. The holiday park usually has a 22% international market but this year, it is only 7% this year which is an increase of 1% on last year. It is also important to note however that the Holiday Park exceeded its revenue targets and saw an increase of guest nights compared to last year.*

**LEGEND**



Not comparable against target



Achieved



Not achieved



Target value indication



## Community Safety

### Te marutau o te hapori

Contribution to community outcomes:

- Strong, connected, interdependent, diverse communities
- Integrating nature into our decision-making.

This group of activities delivers a range of functions that contribute towards the Whakatāne District being a place where people feel safe and are protected from a range of risks to their health and wellbeing. We aim to make sure that buildings and public places are safe for people that use them, and that legal standards are met. We also have a crucial role to play in civil defence emergencies, as our district has faced a number of natural hazard events in recent history.

Activities in this group

- Health and safety
- Resource management – consents
- Building control
- Road safety
- Emergency management



**\$0 million capital expenditure**

**\$4.7 million operating expenditure**

**9/12 performance measures met**



## What these activities cost and how they were paid for

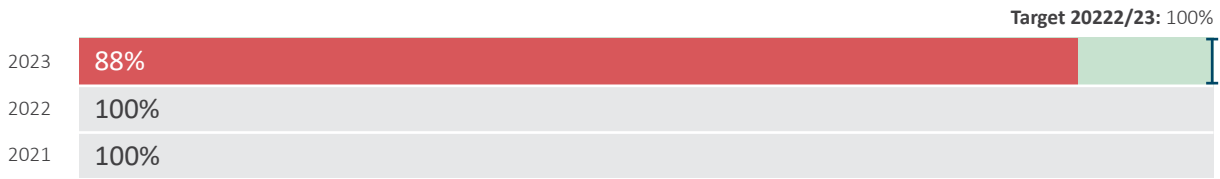
Te utu o ēnei ngohe, ā, i pēhea i whakaea

<b>FUNDING IMPACT STATEMENT: COMMUNITY SAFETY WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>	<b>LTP 2021/22 \$000</b>	<b>LTP 2022/23 \$000</b>	<b>ACTUAL 2022/23 \$000</b>
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	3,922	4,033	3,786
Targeted rates	-	-	-
Subsidies and grants for operating purposes	302	310	278
Fees and charges	2,524	2,573	1,907
Internal charges and overheads recovered	50	51	20
Local authorities fuel tax, fines, infringement fees, and other receipts	999	1,019	1,139
<b>Sources of operating funding (A)</b>	<b>7,796</b>	<b>7,986</b>	<b>7,130</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,762	3,861	4,544
Finance costs	88	78	128
Internal charges and overheads applied	3,216	3,283	3,467
Other operating funding applications	-	-	-
<b>Applications of operating funding (B)</b>	<b>7,065</b>	<b>7,222</b>	<b>8,140</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>731</b>	<b>763</b>	<b>(1,010)</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	11
Development and financial contributions	-	-	-
Increase (decrease) in debt	(260)	(268)	(235)
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>(260)</b>	<b>(268)</b>	<b>(224)</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	-	-	-
- to improve level of service	-	-	11
- to replace existing assets	-	-	-
Increase (decrease) in reserves	471	495	(1,245)
Increase (decrease) of investments	-	-	-
<b>Applications of capital funding (D)</b>	<b>471</b>	<b>495</b>	<b>(1,234)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(731)</b>	<b>(763)</b>	<b>1,010</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# How we performed *Ā mātau mahi*

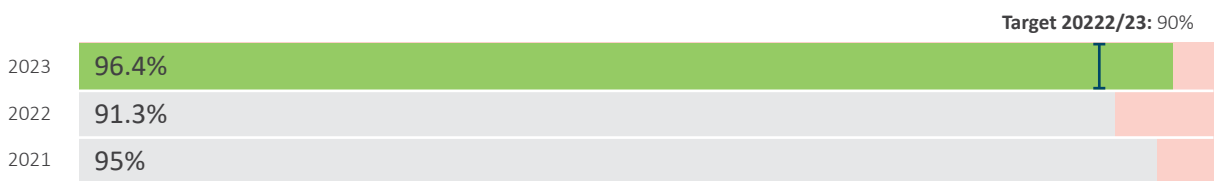
## Performance measures (how we will measure our service delivery)

Percentage of licenced premises inspected at least once per year, excluding special licences.

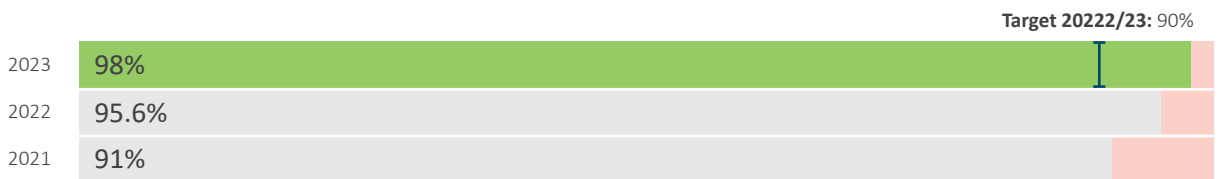


Note: Target not met due to staff turnover. Licensing inspector left 28 April with new licensing inspector beginning on 1 May, however, there were no inspections in May due to training of inspector.

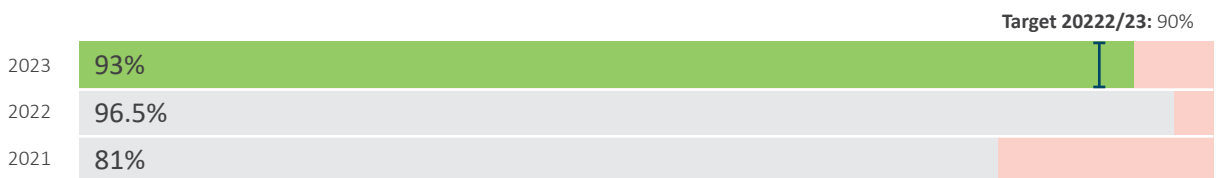
Percentage of complaints relating to abandoned cars, litter, and general bylaw offences responded to within two working days.



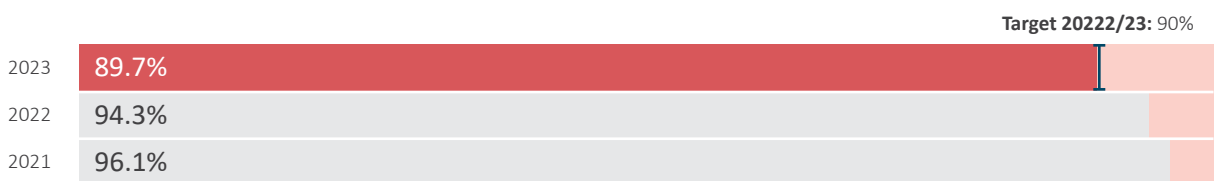
Percentage of after-hours excessive noise complaints responded to promptly.\*



Percentage of environmental health complaints (excluding noise) to within two working days.



Percentage of aggressive/threatening dogs and roaming stock complaints responded to within one hour.



Note: Note: Response time is slightly off target this year, this is due to staff shortages and illness as well as response time to complaints after hours.

**LEGEND**  Not comparable against target  Achieved  Not achieved  Target value indication

\*'Promptly' is defined as responding to excessive noise complaints within the following timeframes: Area 1 (Ōhope, Whakatāne, Tāneatua, Coastlands, Awakeri, Thornton Road to Golf Links Road): less than 60 minutes Area 2 (Edgecumbe, Matatā, Otamarakau, Otakiri, Onepū, Te Teko, Te Mahoe and Wainui to the Ōpōtiki intersection): less than 100 minutes Area 3: (Murupara, Galatea, and environs): less than 120 minutes.  
(M) – This performance measure is mandatory for all Councils to report on, set under the 'Non-Financial Performance Measures Rules 2013' in accordance with section 261B of the Local Government Act 2002.

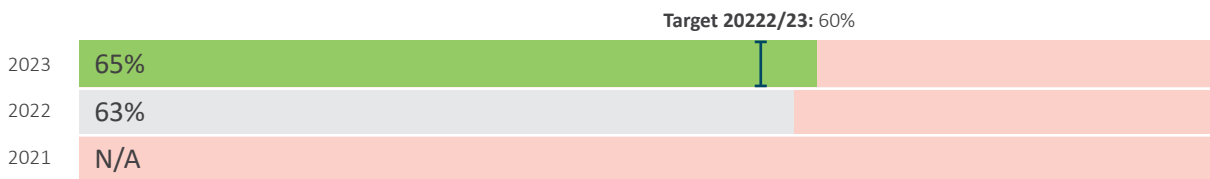
# How we performed *Ā mātau mahi*

## Performance measures (how we will measure our service delivery)

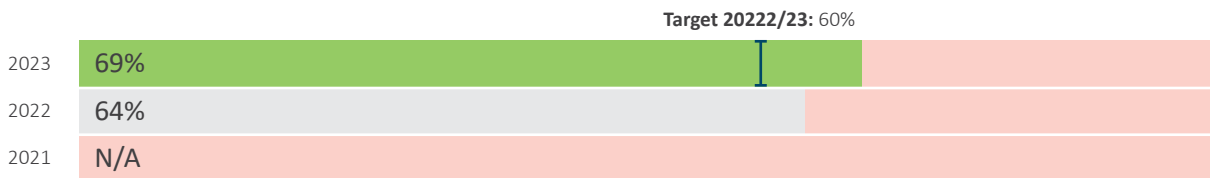
Percentage of all other animal control complaints responded to within two working days.



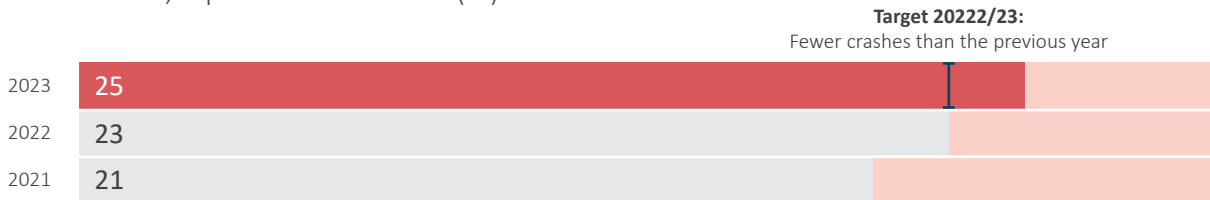
User satisfaction with Council’s resource consent process.



User satisfaction with Council’s building consent process.

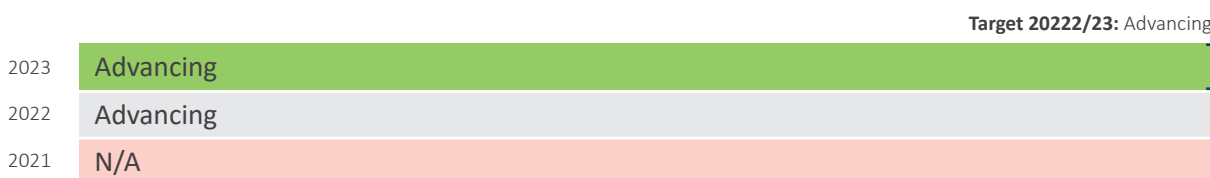


The change from the previous year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (M).



*Note: Whakatāne has sadly followed a national trend with increases in both fatal and serious crashes this year. Alcohol was a contributing factor in 68% of crashes and speed at 48%. Young drivers (15 to 24) were overrepresented at 42% of crashes. All these factors are being targeted in 2023-24 at both a local and national level.*

The district is prepared for and can effectively respond to an emergency.



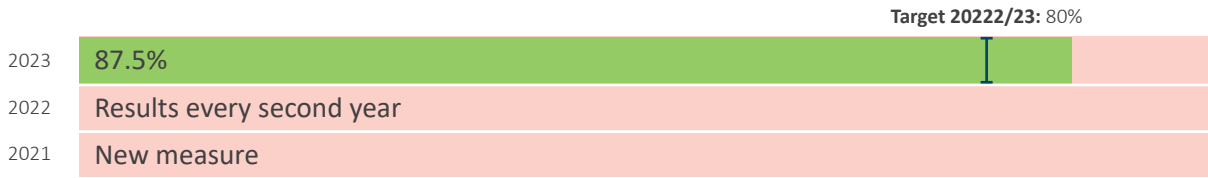
**LEGEND**  Not comparable against target  Achieved  Not achieved  Target value indication

(M) – This performance measure is mandatory for all Councils to report on, set under the ‘Non-Financial Performance Measures Rules 2013’ in accordance with section 261B of the Local Government Act 2002.

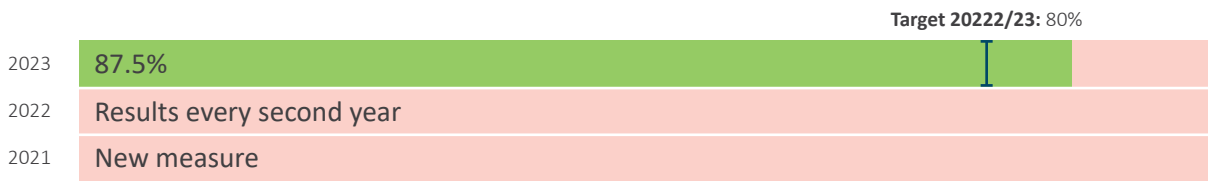
## How we performed *Ā mātau mahi*

### Performance measures (how we will measure our service delivery)

Percentage of residents that have an understanding of what consequences would be if a disaster struck their area.



Percentage of residents that have taken any action to prepare for an emergency.



**LEGEND**    ● Not comparable against target    ● Achieved    ● Not achieved    | Target value indication





## Corporate Services

### Ngā ratonga rangatōpū

Contribution to community outcomes:

- Strong, connected, interdependent, diverse communities

This group of activities delivers a range of functions and services that support all activities of Council. These are often referred to as our 'internal activities' and includes functions such as financial services, information management, human resources and technology and systems.

Activities:

- Corporate and District activities



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**\$14.1 million capital expenditure**

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**\$16.1 million operating expenditure**

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**4/4 performance measures met**

## What these activities cost and how they were paid for

### Te utu o ēnei ngohe, ā, i pēhea i whakaea

<b>FUNDING IMPACT STATEMENT: CORPORATE SERVICES</b>	LTP 2021/22 \$000	LTP 2022/23 \$000	ACTUAL 2022/23 \$000
<b>WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>			
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	(539)	667	1,825
Targeted rates	-	-	-
Subsidies and grants for operating purposes	35	-	-
Fees and charges	548	559	55
Internal charges and overheads recovered	15,309	15,603	16,493
Local authorities fuel tax, fines, infringement fees, and other receipts	344	354	(397)*
<b>Sources of operating funding (A)</b>	<b>15,698</b>	<b>17,184</b>	<b>17,975</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	13,204	13,462	14,673
Finance costs	(861)	(253)	54*
Internal charges and overheads applied	2,254	1,814	1,654
Other operating funding applications	1,525	1,533	1,422
<b>Applications of operating funding (B)</b>	<b>16,122</b>	<b>16,556</b>	<b>17,803</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(424)</b>	<b>627</b>	<b>172</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	74
Development and financial contributions	-	-	-
Increase (decrease) in debt	178	6,995	17,767
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>178</b>	<b>6,995</b>	<b>17,841</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	470	5,389	5,982
- to improve level of service	104	3,418	6,406
- to replace existing assets	1,823	1,085	1,756
Increase (decrease) in reserves	(2,643)	(2,269)	3,869
Increase (decrease) of investments	-	-	-
<b>Applications of capital funding (D)</b>	<b>(246)</b>	<b>7,623</b>	<b>18,013</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>424</b>	<b>(627)</b>	<b>(172)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*The negative figure is a result of fuel tax being distributed to the appropriate cost centre and recognising that it is effectively subsidising general rates collected.

\*\*Finance costs are negative as a result of spreading the total cost of debt across all appropriate cost centres and having a positive variance.

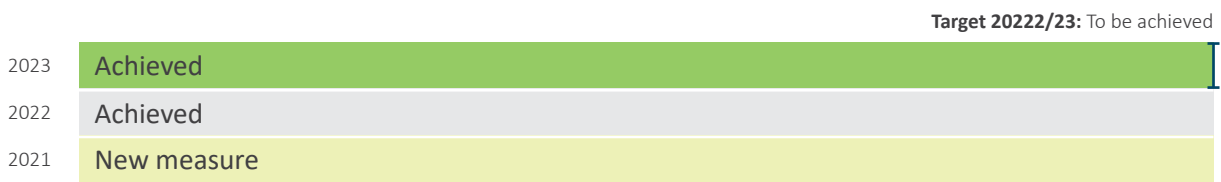
# How we performed *Ā mātau mahi*

## Performance measures (how we will measure our service delivery)

### Local Government Funding Agency (LGFA)

The Local Government Funding Agency allows Councils to borrow funds at lower interest margins than would be otherwise possible. In the past year this has provided Council with access to a broader range of borrowing options, so less ratepayer funds are spent on interest repayments. Find out more about the LGFA in our Long Term Plan or on the LGFA website.

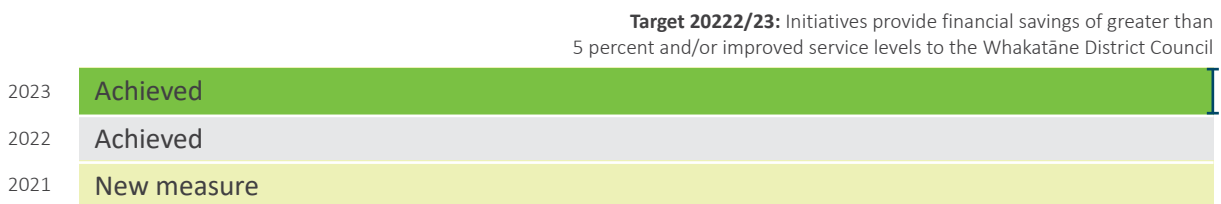
Estimated annual savings for the Council is between 5 bps and 10 bps (weighted average) below trading bank margins for term loans.



### Bay of Plenty Local Authority Shared Services

Bay of Plenty Local Authority Shared Services Limited investigates, develops, and delivers shared services, joint procurement, and communications for the participating Councils. In the past year the Council has continued to benefit from substantial cost savings as a result of participating in this CCO. Key areas where savings were achieved included the costs of insurance, postal services, software, and aerial photography. During the last year significant benefits have been achieved through inter-regional collaboration with BOPLASS leading a number of procurement projects across large collectives of Councils.

Total estimated savings to the Council for each financial year.



**LEGEND**    ● Not comparable against target    ● Achieved    ● Not achieved    | Target value indication

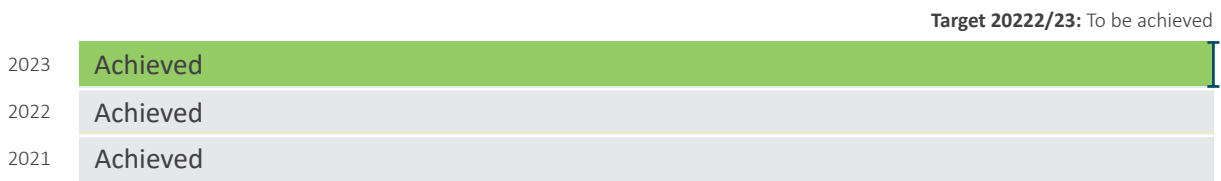
# How we performed *Ā mātau mahi*

## Performance measures (how we will measure our service delivery)

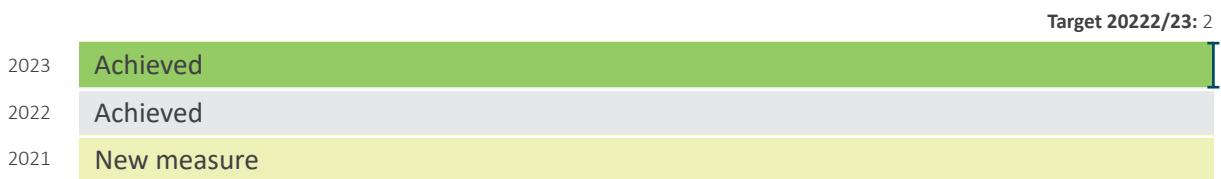
### Whakatāne Airport

The Whakatāne Airport continued to experience the ongoing effects of COVID-19 through the 2021/22 financial year, with Air Chathams still operating reduced flight services as a result. However, by the end of the financial year passenger numbers were starting to pick up again and a resumption of normal scheduled services was being planned. The Whakatāne Airport is a valued community asset, contributing to residents’ quality of life and is crucial to the economic wellbeing of the district and provides an essential lifeline service by providing emergency air transport facilities as required.

The Airport is maintained to Civil Aviation Authority (CAA) requirements.



Minimum of two executive management meetings per year with our Airport Operator and Airline.



**LEGEND**    ● Not comparable against target    ● Achieved    ● Not achieved    | Target value indication



## What these activities cost and how they were paid for

Te utu o ēnei ngohe, ā, i pēhea i whakaea

<b>FUNDING IMPACT STATEMENT: WHAKATĀNE AIRPORT</b>	LTP 2021/22 \$000	LTP 2022/23 \$000	ACTUAL 2022/23 \$000
<b>WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023</b>			
<b>OPERATIONAL</b>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	167	171	223
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	2	-
<b>Sources of operating funding (A)</b>	<b>169</b>	<b>173</b>	<b>223</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	530	410	634
Finance costs	14	14	25
Internal charges and overheads applied	166	172	182
Other operating funding applications	-	-	-
<b>Applications of operating funding (B)</b>	<b>710</b>	<b>596</b>	<b>840</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(541)</b>	<b>(423)</b>	<b>(617)</b>
<b>CAPITAL</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	135	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	49	(21)	3
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Sources of capital funding (C)</b>	<b>184</b>	<b>(21)</b>	<b>3</b>
<b>Applications of capital funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	-	-	9
- to improve level of service	210	35	80
- to replace existing assets	60	35	21
Increase (decrease) in reserves	(627)	(515)	(724)
Increase (decrease) of investments	-	-	-
<b>Applications of capital funding (D)</b>	<b>(357)</b>	<b>(444)</b>	<b>(614)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>541</b>	<b>423</b>	<b>617</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Our costs in detail

## Ngā taipitopito utu



## Introduction to 'our costs in detail'

### Te whakatakinga ki ngā taipitopito utu

This chapter of the Annual Report provides a breakdown of our costs in more detail as well as further information about how these costs are calculated and distributed.

### Update on major capital projects

#### *Ngā waitara uara matua*

This table provides an update on the major capital projects that were planned for the 2022/2023 year, and any new major capital projects that were progressed during the year. It sets out how we performed against our budget and summarises the reasons for any major variances.

### Financial prudence benchmarks

#### *Ngā paeraro ahumoni*

This statement discloses the Council's performance in relation to various financial prudence benchmarks to enable an assessment of Council's financial management.

### Financial statements

#### *Ngā matapae whakapuakanga pūtea*

The financial statements are included to provide an overview of the Council's financial performance and financial position for the 2022/23 year.

### Notes to the financial statements

#### *Ngā kōrero e tāpiri ake ki ngā whakapuakanga pūtea*

These notes explain the accounting policies used to prepare the financial statements. They also provide additional detail to support some of the line items reported in the financial statements.

# Capital projects

## Ngā waitara uara

PROJECT NAME	PROJECT COMMENT	LONG TERM PLAN	REVISED BUDGET	ACTUAL 2022/23
<b>STRATEGY AND FUTURES</b>				
Airport Land Purchase	Not required, earthwork development budgeted 2024 AP	-	184,563	-
<b>TRANSPORT CONNECTIONS</b>				
Active Whakatāne	Inflation impact	1,031,000	1,023,000	1,591,407
Blueberry Curves Road Safety Improvements	Rephased	3,526,020	170,000	149,108
Drainage-Culverts	Balance carried forward to 2024	194,859	193,347	139,628
Keepa Road Improvements	Business costs and design costs only this year. Rephased to 2024	-	3,719,390	111,827
Kōhī Point Road Seal Extension	Time delays and cost overrun due to historic site discovery.	-	194,181	338,635
Low Cost/Low Risk Improvements	Remaining works rephased to 2023/24	3,283,220	3,388,248	1,603,896
Low Cost/Low Risk Road to Zero	Remaining works rephased to 2023/24	-	1,633,830	408,829
Non-Financially Assisted Seal Extensions	Remaining works rephased to 2023/24	773,250	1,464,293	1,152,307
Pavement Rehabilitation	Complete	960,892	953,436	820,923
Resurfacing- AC	Complete	422,710	419,430	427,835
Resurfacing Chipseal	Complete	1,958,900	1,943,700	2,323,165
Structures- Bridges	Mainly Wainui Rd bridge, rephased to 2024	119,596	219,579	23,310
Unsealed Metalling	Inflation impact	541,275	537,075	778,020
Special Purpose Roads - Pavement Rehab	No works planned this year, all rephased to 2024	-	273,105	4,263
Special Purpose Roads - Unsealed Metalling	Remaining works rephased to 2023/24	216,510	214,830	139,920
Special Purpose Roads - Bridge Renewals	Mimiha stream bridge rephased to 2024	-	2,149,763	391,491
Special Purpose Roads- Low Cost/ Low Risk Improvement Structures	Mimiha stream bridge and guardrails rephased to 2024	-	4,067,385	30,160
Special Purpose Roads- Low Cost/Low Risk Improvements Carriageways	Remaining works rephased to 2023/24	257,750	255,750	156,102
<b>WATER SUPPLY</b>				
Blueberry Curves Watermain Relocation	Rephased to 2024 to align with roading project	-	540,225	-
Otumahi Water Storage	Timing, works will continue into 2024	4,657,500	5,030,709	805,193
WHK W Backflow Preventors	Main works rephased to 2024	345,000	343,000	26,214
Plains W Backflow Preventors	Rephased to 2024, still requires community consultation	621,000	617,400	14,167
Water Resilience Braemar	Inflation impact	1,552,500	2,305,804	2,800,129
Whk Sludge Treatment	No works planned this year	828,000	823,200	-
Whakatāne Water Treatment Plant Upgrade	Complete	517,500	514,500	612,610



# Capital projects

## Ngā waitara uara

PROJECT NAME	PROJECT COMMENT	LONG TERM PLAN	REVISED BUDGET	ACTUAL 2022/23
<b>SEWAGE TREATMENT AND DISPOSAL</b>				
Edgecumbe Wastewater Relining	Balance carried forward to 2024	517,500	514,500	21,790
Equalised Sewer Network Renewals	20% inflation impacts, \$350k to be bought forward from 2024	207,000	205,800	737,709
Matatā Wastewater Scheme	Balance carried forward to 2024	724,500	1,147,536	639,354
Whakatāne Wastewater- Upgrade Wastewater Treatment Plant	Main works rephased to 2024	310,500	969,256	147,429
<b>STORMWATER DRAINAGE</b>				
Whakatāne Stormwater Barry Ave Upgrade	Complete	-	1,204,846	2,130,050
Whakatāne Stormwater Western Catchment Upgrade	Remaining works 2023/24	3,379,275	3,779,918	313,669
<b>WASTE MANAGEMENT AND MINIMISATION</b>				
Local Organic Waste Processing Plant	Project on hold pending food waste project investigation and legislation changes. Carry forward funds to 2024	321,300	403,190	-
<b>COMMUNITY EXPERIENCE</b>				
Holiday Park- Renewals	Complete	50,950	51,050	49,307
Holiday Park Upgrades	Complete	50,950	51,050	65,783
In Town Wharf Remediation	Timing	-	504,783	21,695
Kakahoroa Development (Civic Heart)	Council continuing to work with Kanoa to determine high level options for reset of Te Aro Hou programme	1,146,375	6,323,625	-
Waterfront Promenade	Council continuing to work with Kanoa to determine high level options for reset of Te Aro Hou programme	1,146,375	6,305,627	-
Library Collection Improvement	Complete	20,400	20,520	18,050
Multi, Sports Events Centre	Balance carried forward to 2024	101,900	218,002	119,419
Shade Sail Implementation	Complete	40,760	40,840	40,510
Significant Sites- Whakatāne Renewals	Complete	50,950	34,999	35,850
Whakatāne Aquatic Plant Sandfilters	Contracts in place, rephase to 2024	-	459,450	196,081
Tidal Pool Remediation	Balance carried forward to 2024	101,900	201,509	13,872
Whakatāne Harbour Eastern Wall Strengthening	Requires consent and iwi approval. Main works rephased to 2024	478,930	479,870	-
Whakatāne New Cemetery	Investigation ongoing for the new site	509,500	1,553,114	5,459
<b>COPROPRATE AND DISTRICT ACTIVITIES</b>				
Council Building- Upgrades and 'Green' Options	Complete	6,656,312	10,817,379	10,898,079
Exhibition Centre LED Lighting	Complete	81,920	81,760	139
Investigate Enterprise Resource Planning (ERP) Replacement	Timing	2,048,000	2,402,841	6,365
CC Upgrade Meeting Room AV Equip	Timing	-	325,460	510,690
Library HVAC- fit for purpose	Balance carried forward to 2024	-	138,009	-
<b>COUNCIL CONTROLLED ORGANISATIONS</b>				
Replacement of Windsock Structures	Balance carried forward to 2024	0	50,000	0
Runway Lighting Navigation Upgrade	Balance carried forward to 2024	0	200,000	58,793

## Financial prudence benchmarks

### Ngā paeraro ahumoni

#### Annual report disclosure statement for the year ending 30 June 2023

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.

#### Rates affordability benchmark

The Council meets the rates affordability benchmark if:

- its actual rates revenue 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.

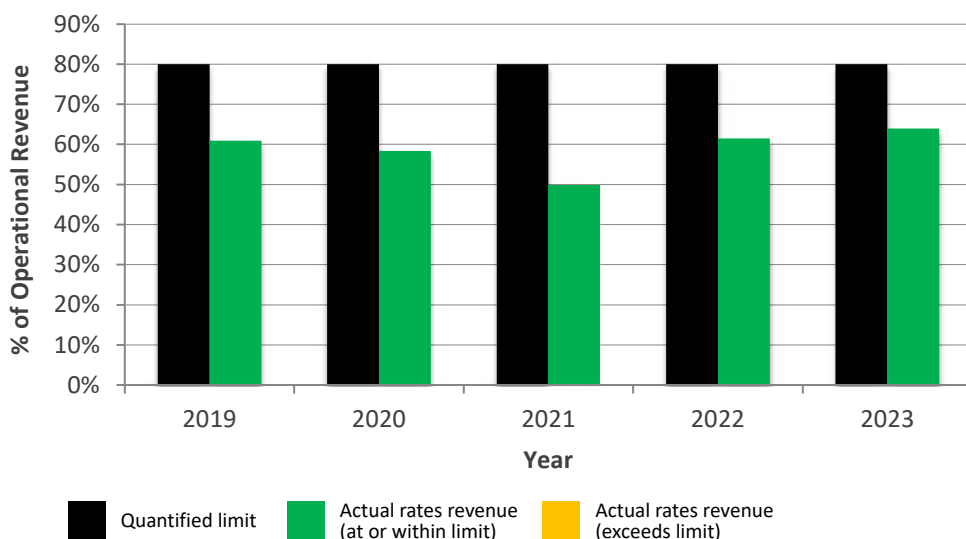
#### Rates income affordability

The following graphs compare the Council's actual rates income with quantified limits on rates included in the financial strategy

Quantified Limit is 80% of operating revenue

Operating revenue is total revenue less development contributions, vested assets and gains on valuation.

**Total rates revenue for each year of the Ten-Year Plan period will be limited to 80% of operating revenue.**

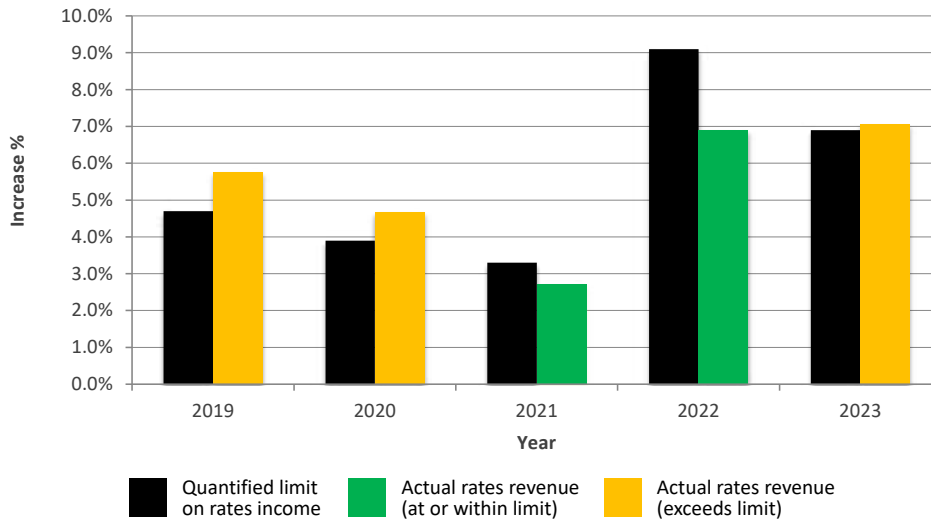


## Rates (increases) affordability

The following graph compares the Council’s actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council’s Long Term Plan

### Quantified limit on rates increases

- For 2018-2021, the annual percentage increase in the Local Government Cost Index\*+2%
- For 2022-2024 6.93% as specified in the 2021-31 LTP



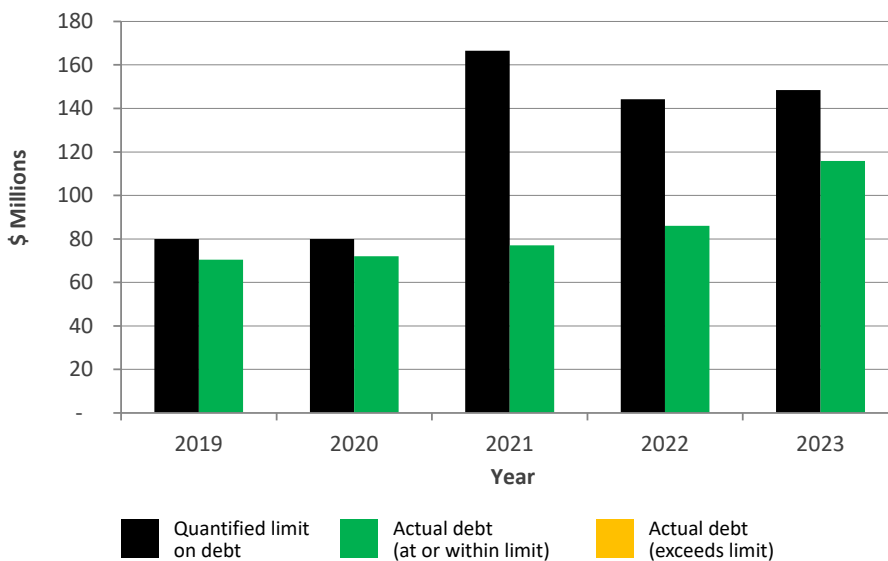
## Debt affordability benchmark

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

### Our limits for debt

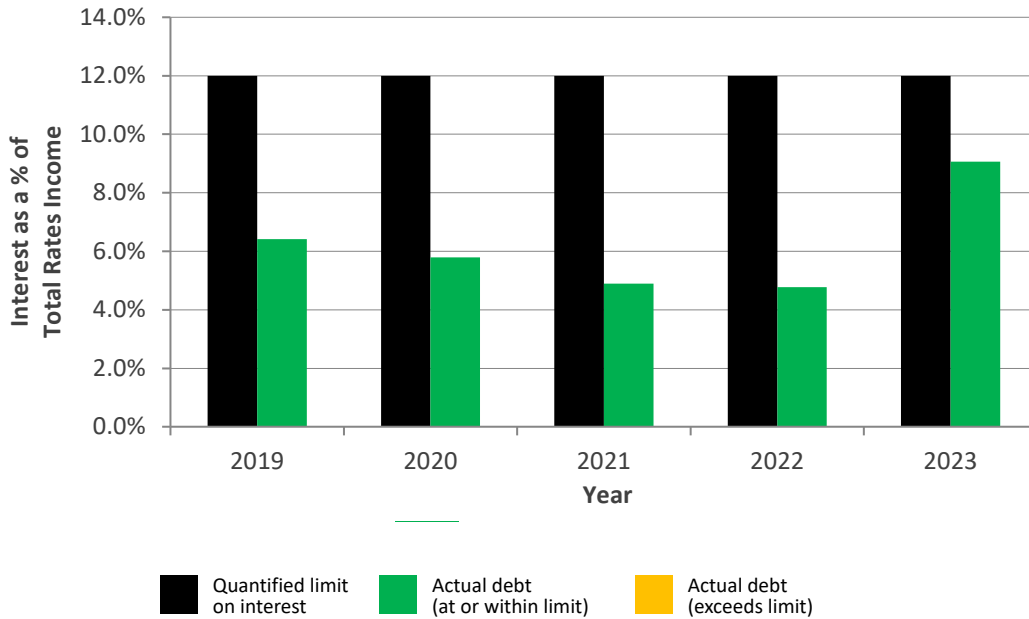
The following graph compares the Council’s actual total borrowing with the first quantified limit on borrowing stated in the financial strategy included in the Council’s Long Term Plan.

**The quantified limit with effect from the 2021-31 Long Term Plan is for total debt to be capped at 175% of total revenue.**



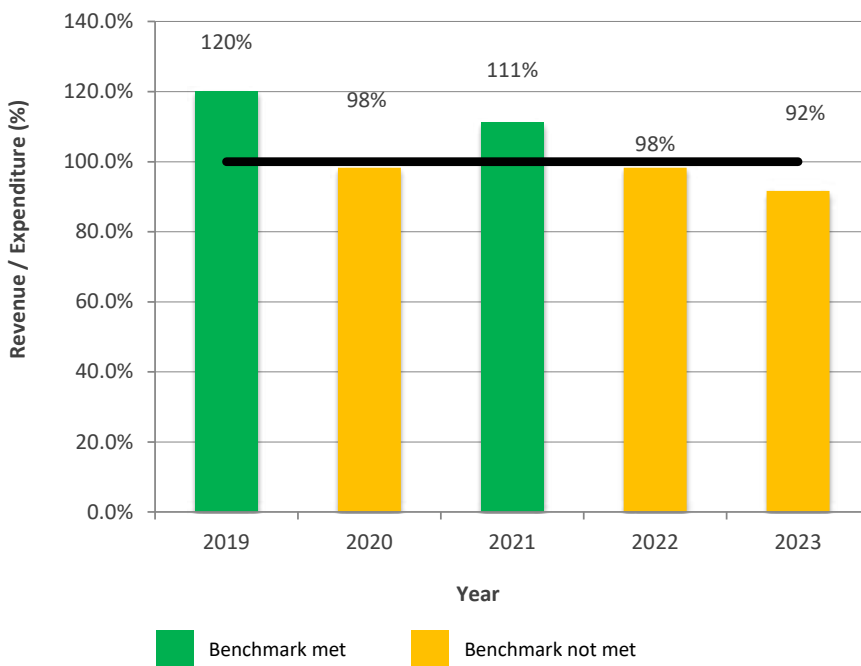
### Our limit on interest as a percentage of total rates income

The following graph compares the Council’s actual interest as a percentage of total rates revenue with the second quantified limit on borrowing stated in the financial strategy included in the Council’s Long Term Plan. The quantified limit is 12% of total rates.



### Balanced budget benchmark

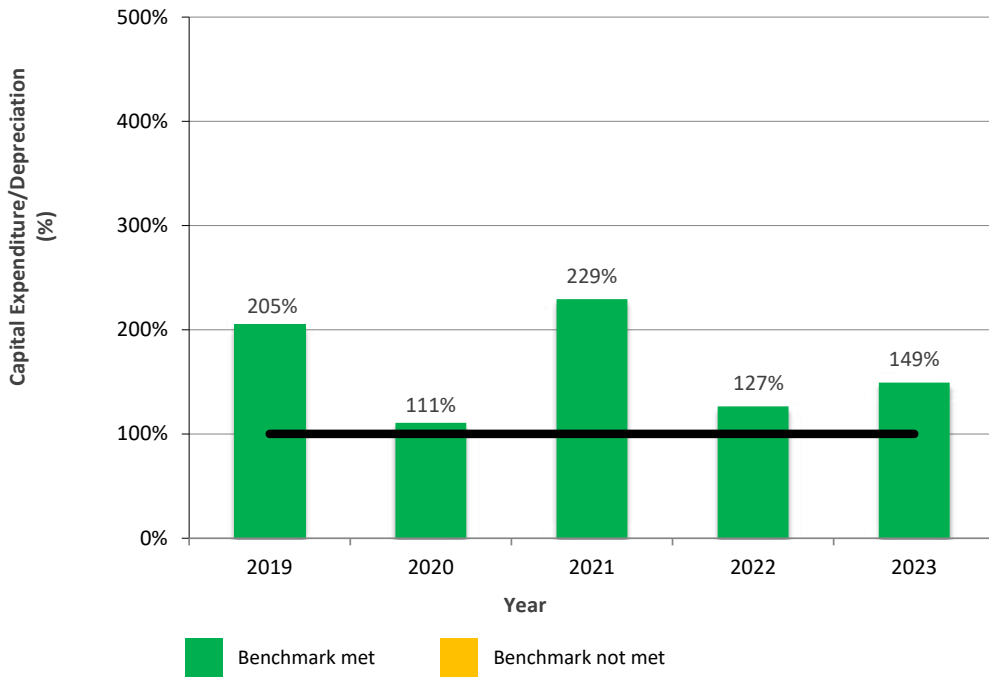
The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial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





## Essential services benchmark

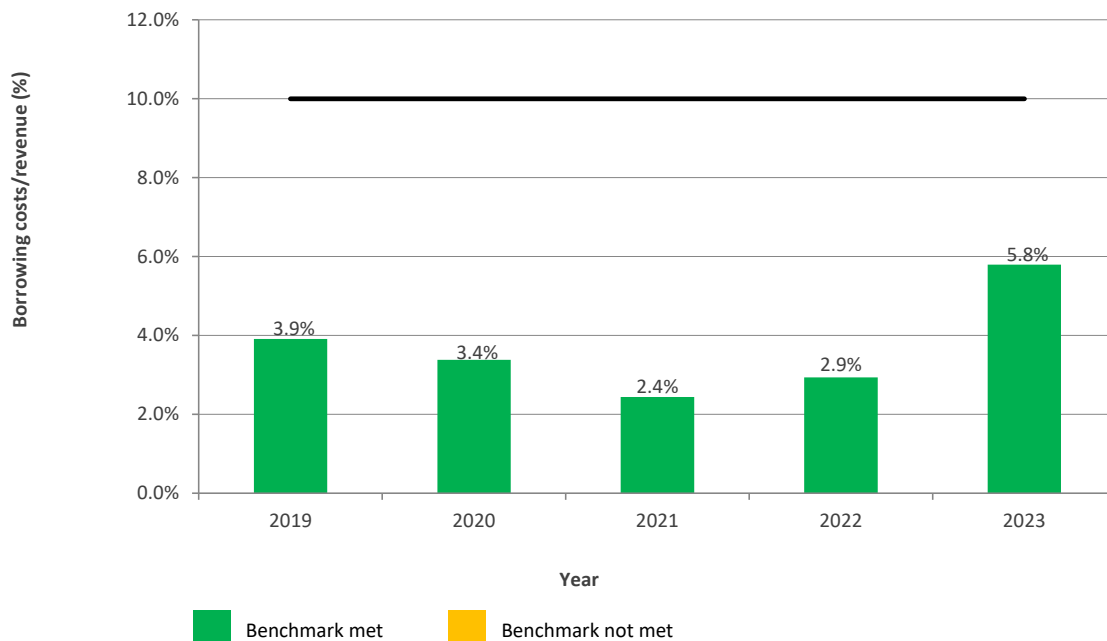
The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## Debt servicing benchmark

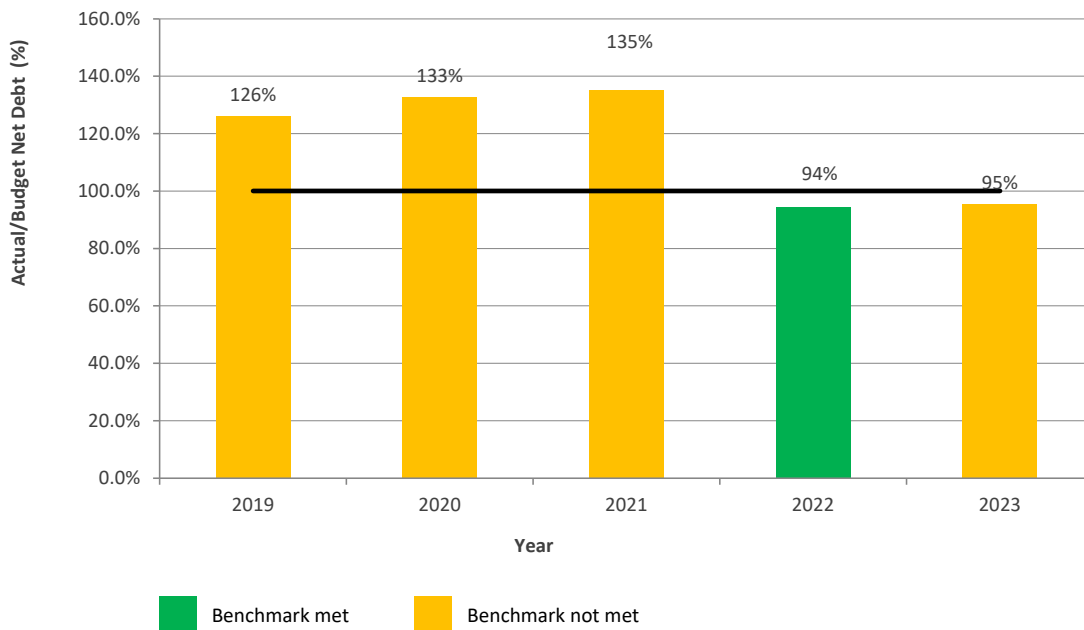
The following graph displays the Council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment).

Because Statistics New Zealand projects the Council’s population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



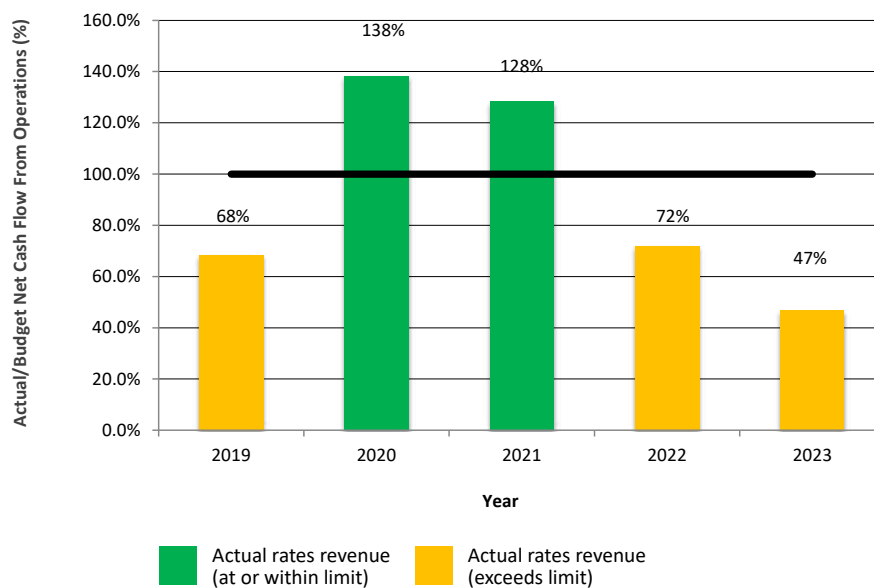
## Debt control benchmark

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 equals or is greater than depreciation on network services.



## 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.



# Financial Statements

## Ngā matapae whakapuakanga pūtea

Statement of comprehensive revenue and expense  
for the year ended 30 June 2023

		ACTUAL 2023 \$000	BUDGET 2023 \$000	ACTUAL 2022 \$000
Rates	Note 2	55,217	55,036	51,601
Subsidies and Grants	Note 3	17,722	23,280	18,745
Development and Financial Contributions		131	394	226
Fees and Charges	Note 3	8,001	8,734	8,061
Interest Revenue	Note 6	499	46	32
Other Revenue	Note 3	4,857	3,559	4,061
Gains	Note 7	1,483	191	7,224
<b>Total Revenue</b>		<b>87,910</b>	<b>91,240</b>	<b>89,950</b>
Personnel Costs	Note 4	25,177	22,795	21,953
Depreciation and Amortisation Expense	Note 5 & Note 14	23,086	17,948	21,690
Finance Costs	Note 6	4,917	2,606	2,417
Other Expenses	Note 5	37,526	34,738	37,720
Future loss on sale- investment property	Note 5	1,804	-	185
Revaluation Losses	Note 5	2,678	-	3
<b>Total Expenses</b>		<b>95,188</b>	<b>78,087</b>	<b>83,967</b>
Gains (Loss) on Share of Joint Venture/Associates equity	Note 13	(382)	(300)	(392)
<b>Surplus (Deficit) Before Tax</b>		<b>(7,660)</b>	<b>12,853</b>	<b>5,590</b>
Income Tax Expense (Benefit)	Note 8	865	-	-
<b>Surplus (Deficit) After Tax</b>		<b>(8,525)</b>	<b>12,853</b>	<b>5,590</b>
Other Comprehensive Revenue and Expense of Joint Ventures/Associates	Note 13	(227)	-	-
Gains (Loss) on Property, Plant and Equipment Revaluations		58,979	10,455	357,821
Deferred Tax on Revaluations		865	-	-
<b>Other Comprehensive Revenue and Expense</b>		<b>59,617</b>	<b>10,455</b>	<b>357,821</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>51,092</b>	<b>23,308</b>	<b>363,411</b>

Explanations of significant variances against budget are included in Note 34.

The Notes and the Statement of Accounting Policies on pages 99-163 form part of the Financial Statements.

# Statement of financial position as at 30 June 2023

		ACTUAL 2023 \$000	BUDGET 2023 \$000	ACTUAL 2022 \$000
Accumulated Funds	Note 23	447,522	480,972	448,049
Operating Reserves	Note 23	2,300	1,055	10,543
Restricted Equity	Note 23	15,074	10,580	14,913
Asset Revaluation Reserves	Note 23	728,546	339,408	668,703
<b>TOTAL EQUITY</b>		<b>1,193,442</b>	<b>832,015</b>	<b>1,142,209</b>
Cash and Cash Equivalents	Note 9	3,815	9,071	1,888
Term Deposits- Current	Note 9	-	-	6,000
Receivables	Note 11	16,802	12,724	11,622
Goods and Services Tax	Note 11	643	51	41
Inventory	Note 10	313	283	296
Derivatives	Note 12	134	-	-
Non-current Assets Held for Sale	Note 17	-	1,000	-
<b>Total Current Assets</b>		<b>21,707</b>	<b>23,129</b>	<b>19,847</b>
<b>Non-Current Assets</b>				
Non-current Assets Held for Sale	Note 17	10,051	12,710	11,855
Deferred Tax Asset	Note 8	-	-	-
Derivatives	Note 12	2,164	848	1,098
Investment in CCOs and other similar entities	Note 13	15,256	13,986	9,397
Operational Assets	Note 14	112,230	98,458	95,555
Infrastructural Assets	Note 14	1,061,841	713,711	995,325
Intangible Assets	Note 14	602	2,026	529
Forestry Assets	Note 16	280	272	244
Investment Property	Note 17	44,043	46,144	43,536
Restricted Assets	Note 18	61,088	46,261	55,511
Work in Progress	Note 14	10,519	12,011	24,184
<b>Total Non-Current Assets</b>		<b>1,318,075</b>	<b>946,427</b>	<b>1,237,234</b>
<b>TOTAL ASSETS</b>		<b>1,339,782</b>	<b>969,556</b>	<b>1,257,081</b>
Payables and Deferred Revenue	Note 19	20,467	24,884	18,644
Derivatives Financial Instruments	Note 12	1	-	1
Borrowings and Other Financial Liabilities	Note 22	12,300	10,000	10,000
Employee Entitlements	Note 21	3,374	3,141	2,964
Provisions	Note 20	757	40	641
Goods and Services Tax	Note 19	-	-	-
<b>Total Current Liabilities</b>		<b>36,899</b>	<b>38,065</b>	<b>32,250</b>
<b>Non-Current Liabilities</b>				
Derivative Financial Instruments	Note 12	-	-	-
Borrowings and Other Financial Liabilities LT	Note 22	104,500	92,000	77,000
Employee Entitlements LT	Note 21	502	655	479
Provisions LT	Note 20	4,439	6,788	5,143
Deferred Tax Liability	Note 8	-	33	-
<b>Total Non-Current Liabilities</b>		<b>109,441</b>	<b>99,476</b>	<b>82,622</b>
<b>TOTAL LIABILITIES</b>		<b>146,340</b>	<b>137,541</b>	<b>114,872</b>
<b>NET ASSETS (Assets minus Liabilities)</b>		<b>1,193,442</b>	<b>832,015</b>	<b>1,142,209</b>

Explanations of significant variances against budget are included in Note 34.

The Notes and the Statement of Accounting Policies on pages 99-163 form part of the Financial Statements.

Dr. Victor Luca  
Mayor  
21 December 2023

Steph O'Sullivan  
Chief Executive  
21 December 2023



## Statement of changes in net assets and equity for the period ended 30 June 2023

	ACTUAL 2023 \$000	BUDGET 2023 \$000	ACTUAL 2022 \$000
Balance at 1 July	1,142,209	808,707	779,226
Total Comprehensive Revenue and Expense for the Year	51,092	23,308	363,411
ECL adjustment due to adoption of PBE IPSAS 41	141	-	-
Other Adjustment	-	-	(429)
<b>Balance as at 30 June 2023</b>	<b>1,193,442</b>	<b>832,015</b>	<b>1,142,209</b>

*Explanations of significant variances against budget are included in Note 34.*

*The Notes and the Statement of Accounting Policies on pages 99-163 form part of the Financial Statements.*

# Statement of cashflows for the year ended 30 June 2023

	ACTUAL 2023 \$000	BUDGET 2023 \$000	ACTUAL 2022 \$000
Receipts from Rates Revenue	54,061	55,036	49,924
Subsidies and Grants Received	16,456	24,677	19,862
Fees and Charges and Other Revenue Received	11,048	8,297	14,272
Interest Received	499	46	32
Payments to Suppliers and Employees	(59,912)	(54,198)	(60,879)
Payments to Agencies	(2,279)	-	-
Interest Paid	(4,917)	(2,606)	(2,417)
GST (Net)	(602)	(500)	879
<b>Net Cash Flow from Operating Activities</b>	<b>14,354</b>	<b>30,752</b>	<b>21,673</b>
Receipts from Sale of Property, Plant and Equipment	1,041	-	988
Purchase of PPE	(43,383)	(39,397)	(28,807)
Acquisition of Investments	115	(6,379)	(6,270)
<b>Net Cash Flows from Investing Activities</b>	<b>(42,227)</b>	<b>(45,776)</b>	<b>(34,089)</b>
Proceeds from borrowings	38,800	29,000	14,000
Repayment of borrowings	(9,000)	(9,000)	(5,000)
<b>Net Cash Flow from Financing Activities</b>	<b>29,800</b>	<b>20,000</b>	<b>9,000</b>
Net increase/decrease in Cash	1,927	4,975	(3,416)
Cash at beginning of year	1,888	4,096	5,304
<b>Cash, Cash Equivalents and Bank Overdrafts at the End of the Year</b>	<b>3,815</b>	<b>9,071</b>	<b>1,888</b>
<b>Represented by:</b>			
<b>Cash at Bank</b>	<b>3,815</b>	<b>9,071</b>	<b>1,888</b>

The GST (net) amount of operating cost reflects net GST paid and received with the Inland Revenue Department

Explanations of significant variances against budget are included in Note 34.

The Notes and the Statement of Accounting Policies on pages 99-163 form part of the Financial Statements.

	2022 \$000	CASHFLOWS	NON-CASH CHANGES		NOTES	2023 \$000
			Acquisition	New Leases		
<b>Reconciliation of Liabilities Arising from Financing Activities</b>						
Long Term Borrowings	86,000	27,500	-	-	Note 22	113,500
Other Term Liabilities- Deposit Held	1,000	-	-	-	Note 22	1,000
ANZ Short Term Loan	-	2,300	-	-	Note 22	2,300
<b>Long Term debt</b>	<b>87,000</b>	<b>29,800</b>	<b>-</b>	<b>-</b>		<b>116,800</b>

# Funding impact statement for Whakatāne District Council

## Te Whakapuakanga Pūtea mō Te Kaunihera ā-rohe o Whakatāne

<b>FUNDING IMPACT STATEMENT: WHOLE OF COUNCIL WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2023 OPERATIONAL</b>	<b>ANNUAL PLAN 2021/22 \$000</b>	<b>ACTUAL 2021/22 \$000</b>	<b>ANNUAL PLAN 2022/23 \$000</b>	<b>ACTUAL 2022/23 \$000</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	25,426	25,515	27,232	27,252
Targeted rates	26,599	26,566	28,364	28,480
Subsidies and grants for operating purposes	8,368	7,763	6,974	8,220
Fees and charges	11,373	9,689	10,351	9,569
Interest and dividends from investments	45	31	46	499
Local authorities fuel tax, fines, infringement fees, and other	2,380	2,857	2,253	2,436
<b>Total sources of operating funding (A)</b>	<b>74,191</b>	<b>72,420</b>	<b>75,220</b>	<b>76,455</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	55,675	57,633	57,153	65,154
Finance costs	1,847	2,418	2,606	4,918
Other operating funding applications	1,525	1,046	1,531	1,422
<b>Total applications of operating funding (B)</b>	<b>59,047</b>	<b>61,097</b>	<b>61,290</b>	<b>71,494</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>15,144</b>	<b>11,324</b>	<b>13,930</b>	<b>4,961</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	14,745	10,444	15,823	8,880
Development and financial contributions	384	226	394	131
Increase (decrease) in debt	1,014	9,000	26,263	29,800
Gross proceeds from sale of assets	2,025	526	2,225	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>18,167</b>	<b>20,196</b>	<b>44,704</b>	<b>38,811</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	12,039	2,998	12,811	8,168
- to improve level of service	12,107	13,163	28,009	19,114
- to replace existing assets	11,557	12,010	15,748	15,916
Increase (decrease) in reserves	(2,392)	3,349	(3,421)	(4,915)
Increase (decrease) of investments	-	-	5,488	5,488
<b>Total Applications of capital funding (D)</b>	<b>33,311</b>	<b>31,520</b>	<b>58,635</b>	<b>43,772</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(15,144)</b>	<b>(11,324)</b>	<b>(13,930)</b>	<b>(4,961)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Reconciliation between the funding impact statement and comprehensive revenue and expense

The funding impact statement is prepared in compliance with the requirements of clause 15, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is not compliant with generally accepted accounting standards (GAAP).

The funding impact statement is intended to show in a transparent manner how all sources of funding received by Council are applied. It does not include “non-cash” that is classified as income on the statement of revenue and expense (as required by GAAP) such as assets that are vested to Council through the subdivision process, or unrealized gains on assets. The statement of comprehensive revenue and expense also requires “non-cash” expenses such as depreciation, amortisation and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement.

The reconciliation below identifies the differences between the two statements.

	NOTES	ACTUAL 2023 \$000	ACTUAL 2022 \$000
Total comprehensive revenue wholly attributed to Whakatāne District Council		51,092	363,411
Surplus (deficit) of operating funding per Whole of Council funding impact statement		4,961	11,324
<b>Difference</b>		<b>46,131</b>	<b>352,087</b>
<b>The difference comprises:</b>			
Depreciation and amortisation	Note 5, 14	(23,086)	(21,690)
Capital Income		9,011	10,670
Revaluation of Assets		58,979	357,821
Vested Assets	Note 3	1,475	116
Gains/ (Losses) on Revaluation	Note 7, 17	(1,195)	7,036
Adjustment for Provisions	Note 20	71	(2,638)
Income Tax Expense	Note 8	(865)	-
Other		1,741	772
	-	<b>46,131</b>	<b>352,087</b>



# Notes to the financial statements

## Ngā kōrero e tāpiri ake ki ngā whakapuakanga pūtea

### Note 1 - Statement of accounting policies

#### Reporting entity

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

The financial statements have been prepared for the Council and no longer include the Whakatāne Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return. The Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Council are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 15 December 2023.

S98 of the Local Government Act 2002 requires that Council adopts the annual report within 4 months after the end of the financial year.

#### Basis of entity

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 the Council have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP), and associated acts such as The Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R). We have not met the requirement to have the annual report

adopted by resolution within four months after the end of the financial year to which it relates per section 98(3). The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE standards.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data.

#### Standards newly effective which have been adopted

Standards and amendments which are newly effective and which are relevant to Council are:

##### **PBE FRS 48 – Service Performance Reporting**

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted.

##### **IPSAS 41 – Financial Instruments**

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Finance Instrument and is effective for financial years beginning on or after 1 January 2022, with early adoption permitted. The main changes compared with PBE IPSAS 29 that are relevant to Council 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 earlier recognition of impairment losses.

Accounting policies have been updated to comply with PBE IPSAS 41. There have been no material effects in doing so.

## Summary of significant accounting policies

### Basis of consolidation

The financial statements are no longer consolidated line by line with the Council investment in Whakatāne Airport.

### Joint venture

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

For jointly controlled operations, the Council recognises its investment in Whakatāne Airport as an investment but no longer consolidates 50% of the income and expenses of the venture.

### Revenue

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained in the following.

#### Rates revenue

The following policies have been applied:

- General rates, targeted rates (excluding water-by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when the 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 the Council has received an application that satisfies its rates remission policy.

- Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements, as the Council is acting as an agent for BOPRC.

### Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged.

Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

New Zealand Transport Agency roading subsidies

The 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 the Council's local facilities, such as pools, museum, and gallery. Revenue from entrance fees is recognised upon entry to such facilities.

### Landfill fees

Any fees for disposal of waste are recognised at the time the waste is disposed of by users.

### Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date.

### **Rendering of services**

Revenue derived through rendering of services is recognised when the service is provided to the customer.

### **Sales of goods**

Revenue from sales 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 tickets are paid.

### **Vested or donated physical assets**

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer. For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

### **Donated and bequeathed financial assets**

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability 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.

### **Salaries and wages**

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

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

### **Foreign currency transactions**

Foreign currency transactions 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 are recognised in the surplus or deficit.

### **Income tax**

Income tax expense includes components relating to both current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the

manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit. Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

## Leases

### Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not the title is eventually transferred. At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or 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 the 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.

### 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.

## Cash and cash equivalents

Cash and cash equivalents includes 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 amount due, less an allowance for expected credit losses (ECL).

Further aspects of the significant accounting policy related to Receivables are included in note 11 below to which it relates.

## Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The associated gains or losses of these derivatives are recognised in the surplus or deficit.

## Other Financial Assets

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 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. After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement 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. Loans to community organisations made at nil or below market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense. The loans are subsequently measured at amortised cost using the effective interest method.

### **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. The Council includes in this category:

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

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council includes in this category.

### **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 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.

## Inventory

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value. The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property, or property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

## 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 are not depreciated or amortised while they are classified as held for sale.

## Property, plant and equipment

Property, plant and equipment consists of:

### Operational assets

These include land, buildings, furniture and fittings, library books, plant and equipment, the museum collection and motor vehicles.

### Restricted assets

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

### Infrastructural assets

Infrastructural assets are the fixed utility systems owned by the 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, buildings (operational and restricted), museum, library books, and infrastructural assets (except land under roads) are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The Council assesses the carrying values of its revalued assets 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 re-valued.

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.

### 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 the Council and the cost of the item can be measured reliably. Work

in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

### Disposals

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

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Roading is valued on a regular basis and each asset is assigned a base life (estimate of total useful life), which is converted to a preliminary estimate of physical life by adjusting for age. An initial assessment of remaining life is then calculated as the difference between expected life and age of asset. Where information is available further adjustments are then made to the useful life estimate to take into account condition and use of the asset.

The Three Water assets are regularly valued with the economic life of an asset being the period of time it is economically worthwhile to replace rather than to continue to repair or maintain. The economic life varies for each asset. Assets lives are modified if local knowledge and experience suggests this is appropriate.

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

INFRASTRUCTURAL ASSETS (APPROX. AVERAGE OVER ALL ASSETS IN THAT CATEGORY)	YEARS
<b>Roading</b>	
Land – road reserve	Not depreciated
Road formation	Not depreciated
Sealed pavement	67
Sealed pavement surface	16
Unsealed pavement	Not depreciated
Unsealed wearing course	4
Bridge railings	10
Signs	16
Drainage (incl headwalls)	49
Large culverts	50
Retaining walls	74
Surface water channel	54
Railings	22
Traffic islands	50
Street lighting	26
Footpaths	47
Bridges	92
Car parks	50
<b>Water</b>	
Treatment plant / headworks	13
Pump stations	11
Reservoirs	38
Trunk main	41
Main	49
Service line	33
<b>Harbour assets</b>	
Harbour assets	15-30
<b>Stormwater</b>	
Gravity main	45
Rising main	46
Pump station	20
<b>Sewer</b>	
Service line	25
Gravity main	40
Rising main	57
Pump station	12
Treatment plant	47
Outfall	28
<b>Parks</b>	
Land	Not depreciated
Park assets	17.5
<b>Operation assets</b>	
Museum assets	Not depreciated
Land	Not depreciated
Buildings	8-55
Vehicles	5-8
Plant and equipment	4-33
Furniture and fittings	5-10
Library books	3-4
Office equipment	5-10

## 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. 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.

### Software as a service (SaaS)

Two IFRIC (IFRS Interpretations Committee) agenda decisions were released in 2019 and 2021. The 2019 agenda decision dealt with whether fees paid in exchange for access to the suppliers application software in a SaaS arrangement gives rise to an intangible asset or is a service contract.

The 2021 agenda decision dealt with the accounting treatment of the costs an entity incurs in customising or configuring the supplier's application software in a SaaS arrangement.

While the decisions of the committee do not directly impact PBE standards, which are mainly based on IPSAS1, given that NZIAS 38 Intangible Assets and PBE IPSAS 31 are similar, IFRIC's conclusions are authoritative support and may be considered under GAAP. As a result, the agenda decisions will be applied in Council's accounting policy and will be effective 'commencing from the reporting year reporting year ended 30 June 2022.

As at 30 June 2023, no intangible assets held by Council were impacted by this change in accounting policy.

### 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.

### 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 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 4 - 5 years 20% - 25%

There has been no other change to accounting requirements in relation to software development other than those addressed in the 2019 and 2021 IFRIC agenda decisions in respect of SaaS.

## 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, and goodwill, 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.

### Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.



## Forestry assets

Standing forestry assets are generally independently revalued annually at fair value less estimated costs to sell for one growth cycle. A valuation was carried out in 2022/23 year. 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 and 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 when incurred. 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, the Council measures all investment property 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 costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the 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, 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 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 and long service leave are valued on an actuarial basis. The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Three key assumptions used in calculating this liability include the discount rate, salary escalation rates and resignation rates. Any changes in these assumptions will affect the carrying amount of the liability. Projected cashflows are discounted back to the valuation date at the valuation discount rates. The discount rates have been chosen in accordance with PBE IPSAS 25 and have been and the valuation method is a refinement of that set out by Treasury in its paper entitled "Guidance on accounting for sick leave under NZ IAS 19 employee benefits".

A long-term annual rate of salary growth of 3.0% per year has been used. Sick leave and long service leave are classified as both current and long-term liabilities depending on predicted settlement. If the payment is likely to be made within 12 months of balance date the entitlement is classified as current. The balance of the valuation is classified as long term.

## Superannuation scheme

### Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

## 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”.

## Equity

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

- Accumulated funds;
- Restricted reserves;
- Asset revaluation reserve.

### Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council. Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified

purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

### Asset 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.

## Goods and services tax (GST)

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 Annual Plan 2022/23. 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 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.

## 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:

## Asset valuations and fair value assumption

Note 14 provides information about the valuation dates of assets. During 2022/23, valuations were carried out on Land, Buildings, Museum, Library Books, Harbour, Parks, Forestry, Restricted Assets, Investment Property and Property held for Sale. Fair Value Assessments were carried out on Roding and Three Waters.

All assets have been valued on the fair value assumption while taking account broader volatility in economic conditions such as rapid shifts in interest rates and higher than average inflation following on from COVID-19 economic impacts. Fair value is the amount at which asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## Landfill aftercare provision

Note 20 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Critical judgements in applying accounting policies

Management has exercised no critical judgements in applying accounting policies for the year ended 30 June 2023.

## Note 2 - Rates

	ACTUAL 2023 \$000	BUDGET 2023 \$000	ACTUAL 2022 \$000
<b>GENERAL RATES</b>			
General Rates	26,290	26,411	24,593
<b>TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:</b>			
District Growth	986	988	984
Solid Waste	3,614	3,634	3,292
Stormwater Drainage	4,081	4,123	3,810
Sewage Treatment and Disposal	5,192	5,262	5,063
Water Supply	3,372	3,315	3,146
Roads and Footpaths	6,323	6,322	5,988
Leadership	387	391	366
Council Controlled Activities	-	-	-
Rate Penalties	962	821	923
Rates Remissions	(515)	(560)	(480)
<b>VOLUMETRIC CHARGES FOR WATER</b>	4,524	4,329	3,916
<b>Net Rate Revenue</b>	<b>55,216</b>	<b>55,036</b>	<b>51,601</b>

### Rates Remissions

Rates revenue is shown net of rates remissions. Council's rates remission policy allows remission of rates on condition of a ratepayer's extreme financial hardship, land used for sport, land protected for historical or cultural purposes, water leakage, unpaid rates, unit affected by natural hazard, outstanding rates and penalties on undeveloped sections, educational institutions sewage charges and on uniform annual general charge and targeted rates for contiguous properties.

### 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, water, refuse and sanitation. Non-rateable land does not constitute a remission under Council's rates remission policy.

### Rating base information

The following rating base information is disclosed based on the rating base information at the end of the preceding financial year:

	30 June 2023	30 June 2022
The number of rating units within the District	17,081	17,039
The total capital value of rating units within the District	16,737,673,905	11,263,595,700
The total land value of rating units within the District	9,116,066,150	5,841,725,050

The council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other local authorities rate.



## Rating base information continued

The annual rates revenue of the Council for the year ended 30 June 2023 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
Rates	55,216	51,601
Lump Sum Contributions	-	-
<b>Total Annual Rates Revenue</b>	<b>55,216</b>	<b>51,601</b>

## Note 3 - Other revenue, subsidies and grants

	ACTUAL 2023 \$000	BUDGET 2023 \$000	ACTUAL 2022 \$000
<b>SUBSIDIES AND GRANTS</b>			
Government Grants	1,317	7,639	2,037
DIA Grant- 3 Waters	646	-	4,672
NZTA Subsidies	15,759	15,641	12,036
<b>Total Subsidies and Grants</b>	<b>17,722</b>	<b>23,280</b>	<b>18,745</b>
<b>OTHER REVENUE</b>			
Vested Assets	1,475	-	116
Infringements & Fines	261	285	292
Petrol Tax	301	318	278
Rental Revenue from Investment Properties	2,394	2,371	2,521
Rental Revenue Other	398	317	192
Dividend Revenue	7	5	5
Insurance recoveries	4	-	35
Other Services	17	263	622
<b>Total Other Revenue</b>	<b>4,857</b>	<b>3,559</b>	<b>4,061</b>
<b>Total subsidies and grants and other revenue</b>	<b>22,579</b>	<b>26,839</b>	<b>22,806</b>

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>FEES AND CHARGES</b>		
Aquatic Centre Fees	952	679
User Pays Fees and Charges- Waste	2,154	1,893
User Pays Fees and Charges- Community Safety	1,566	1,505
User Pays Fees and Charges- Recreation	1,140	1,159
User Pays Fees and Charges- Environmental	383	402
User Pays Fees and Charges- Other	676	395
Expense Recoveries- Recreation	8	461
Expense Recoveries- Environmental	275	230
Expense Recoveries- Other	125	289
BCA Development Levy	354	458
Licenses	205	208
Parking Fees	49	102
Berthage	113	119
Other Fees and Charges	-	161
<b>Total Fees and Charges</b>	<b>8,000</b>	<b>8,061</b>

## Note 4 - Personnel Costs

		ACTUAL 2023 \$000	BUDGET 2023 \$000	ACTUAL 2022 \$000
Salaries and Wages		24,510	20,495	21,387
Defined Contribution Plan for Employer Contributions	*	679	555	606
Increase (Decrease) in Employee Entitlements		(12)	1,745	(40)
<b>Total Personnel Costs</b>		<b>25,177</b>	<b>22,795</b>	<b>21,953</b>

For further detail on increases and variances to budget, please see Note 34.

\* Employer contributions to defined contribution plans include contributions to Kiwisaver

## Note 5 - Depreciation and other expenses

		ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>DIRECTLY ATTRIBUTABLE DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY</b>			
Community Safety		10	10
Leadership and Community		17	17
Strategy and Futures		144	128
Community Experience		3,830	3,276
Waste Management and Minimisation		55	53
Roads and Footpaths		9,453	9,000
Water Supply		4,057	3,819
Stormwater Drainage		1,564	1,552
Sewage Treatment and Disposal		2,375	2,257
Reportable Council-controlled Organisations		-	-
Corporate & District Activities Funds Applied		1,581	1,577
<b>Total Depreciation and Amortisation Expense</b>		<b>23,086</b>	<b>21,689</b>
<i>For further information on change of estimate, please refer to Note 34.</i>			
<b>OTHER EXPENSES</b>			
Audit NZ- Council Financial Statements		229	160
Audit NZ- Annual Plan / Long Term Plan		-	-
Audit NZ- Debenture Trust Deed		7	6
Audit Fees – Other		60	-
Grants and Subsidies		591	410
Insurance Premiums		1,479	1,256
Investment Property Expenses		171	177
Loss on disposal of assets		6	-
Movement in Doubtful Debt Impairment		(1,287)	872
Operating Leases		139	234
* Other Operating Expenses		38,522	32,963
** Movement in Provisions	**	(2,392)	1,642
<b>Total Other Expenses</b>		<b>37,525</b>	<b>37,720</b>

\* Other operating expenses included items such as: Contract payments \$17.9 million (2022: \$15.52 million) and Consultant payments \$4.69 million (2022: \$3.53 million).

\*\* Movement in Landfill, Aftercare, Weathertight and Other Claims and Investment Property Held for Sale Provisions.

		ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>NON-FINANCIAL INSTRUMENTS</b>			
Future Loss on Sale of Investment Property		1,804	185
Loss on Forestry Valuation			3
Loss on Investment Property		2,678	-
<b>FINANCIAL INSTRUMENTS</b>			
Derivative Financial Instruments	Note 12	-	-
<b>Total Revaluation Losses</b>		<b>4,480</b>	<b>188</b>

## Note 6 - Interest revenue and finance costs

	ACTUAL 2023 \$000	BUDGET 2023 \$000	ACTUAL 2022 \$000
Interest Revenue	499	46	32
Finance Costs- interest on borrowings	(4,917)	(2,606)	(2,417)
<b>Net Finance Costs</b>	<b>(4,418)</b>	<b>(2,560)</b>	<b>(2,385)</b>

## Note 7 - Gains

		ACTUAL 2023 \$000	BUDGET 2023 \$000	ACTUAL 2022 \$000
<b>NON-FINANCIAL INSTRUMENTS</b>				
Revaluation- Land and Buildings		-	-	-
Revaluation- Investment Property	Note 17	-	166	2,889
Revaluation- Forestry	Note 16	36	25	-
Gain on Disposal of Assets		247	-	120
<b>Total Non-Financial Instruments</b>		<b>283</b>	<b>191</b>	<b>3,009</b>
<b>NON-FINANCIAL INSTRUMENTS</b>				
Revaluation- Derivative Financial Instruments	Note 12	1,200	-	4,215
<b>Total Non-Financial Instruments</b>		<b>1,200</b>	<b>-</b>	<b>4,215</b>
<b>Total Gains</b>		<b>1,483</b>	<b>191</b>	<b>7,224</b>



## Note 8 - Income tax

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>COMPONENTS OF TAX EXPENSE</b>		
Current Tax	-	-
Adjustments to Current Tax in Prior Years	-	-
Deferred Tax	865	-
<b>Total Tax</b>	<b>865</b>	<b>-</b>
<b>RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING SURPLUS</b>		
Surplus (Deficit) Before Tax	(7,660)	5,590
Tax @ 28% (2022: 28%)	(2,145)	1,565
<b>Plus (Less) tax effect of:</b>		-
Non-deductible Expenditure	1,404	(1,565)
Non-taxable Revenue		-
Tax loss not recognised	1,847	-
Deferred Tax Adjustment		-
Prior Year Adjustment	(241)	-
<b>Tax Expense (Benefit)</b>	<b>865</b>	<b>-</b>

	PROPERTY, PLANT AND EQUIPMENT \$000	EMPLOYEE ENTITLEMENTS \$000	TAX LOSSES \$000	TOTAL \$000
<b>DEFERRED TAX ASSET (LIABILITY)</b>				
<b>Balance at 30 June 2021</b>	<b>(1,228)</b>	<b>-</b>	<b>1,228</b>	<b>-</b>
Charged to Surplus or Deficit	62		(62)	-
Charged to Other Comprehensive Revenue and Expense	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>(1,165)</b>	<b>-</b>	<b>1,165</b>	<b>-</b>
Charged to Surplus or Deficit	103		(969)	(865)
Charged to Other Comprehensive Revenue and Expense	865	-	-	865
<b>Balance at 30 June 2023</b>	<b>(197)</b>	<b>-</b>	<b>196</b>	<b>-</b>

A deferred tax asset has not been recognized in relation to unused tax losses of \$10,246,131 (2022:\$4,211,019).

## Note 9a - Cash and cash equivalents

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
Cash at bank and on hand	3,815	1,888
<b>Total cash and cash equivalents</b>	<b>3,815</b>	<b>1,888</b>
<i>The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.</i>		
<b>INTEREST RATES</b>		
The weighted average effective interest rates during the year on Cash and Cash Equivalents were:		
	2023	2022
Cash and cash equivalents	2.28%	0.28%

## Note 9b - Term deposits - current

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
Cash at bank and on hand	-	6,000
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>6,000</b>

## Note 10 - Inventories

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>HELD FOR DISTRIBUTION</b>		
Water and Sewerage Spare Parts	290	289
Road Safety Vouchers	22	7
Other	-	-
<b>Total Inventories</b>	<b>312</b>	<b>296</b>

No inventories are pledged as security for liabilities (2022: \$Nil). However some inventories are subject to retention of title clause. The carrying amount of inventories held for distribution that are measured at a current replacement cost as at 30 June 2023 amounted to \$Nil (2022: \$Nil). The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.

## Note 11 - Receivables

### Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation, or when there is objective evidence that the amount due will not be fully collected.

### Previous accounting policy

In the previous year, receivables were recorded at face value, less any provision for impairment. The impairment provision was calculated based on a review of specific overdue receivables and assessment, including an analysis of past collection history and debt write-offs.

### Breakdown of receivables and further information

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
Rates Receivables	7,574	7,800
Metered Water Receivables	4,523	4,617
Sundry Debtor Receivables	3,935	2,720
Regulatory Receivables	346	344
NZTA Receivable	3,066	1,466
Income Accrued	1,402	250
Airport Debtors	-	-
GST Receivable	643	41
	<b>21,489</b>	<b>17,238</b>
Less Provision for Impairment of Rates Receivables	(5,070)	(6,360)
Less Estimated Credit Loss on Other Receivables	(12)	(9)
	<b>16,407</b>	<b>10,869</b>
Prepayments	1,037	794
<b>Total Receivables including GST Receivable</b>	<b>17,444</b>	<b>11,663</b>
Receivables from non-exchange transactions- this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	7,670	6,098
Receivables from exchange transactions- this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	9,774	5,565

## Note 11 - Receivables (continued)

### Rates receivable

Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the 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 three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

In addition to LG(R)A 2002, there are a number of other acts, and Council Rates Remission and Postponement policies provided for within these Acts which impact on Councils ability to collect rates including:

- The Local Government Act 2002
- Local Government (Rating of Whenua Māori) Amendment Act 2021
- Māori Land Act 1993
- Te Ture Whenua Māori Act 1993
- Limitation Act 2010

The Council has provided for an impairment of rates receivable grouped into general land rates, Māori land rates and metered water rates. Impairment has been provided for each group based on the payment profile of revenue on credit over the prior six years and the corresponding historical rates write-offs experienced for that period.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Rates receivable includes rates receivable on behalf of Bay of Plenty Regional Council (BOPRC) for rating to properties within the Whakatāne District territorial authority boundaries for BOPRC related rates through 30 June 2022. BOPRC took over responsibility for invoicing directly for BOPRC rates from 1 July 2022.

The Chief Executive approved the write-off of rates receivable (exclusive of GST) during the year under the LG(R) A 2002 as follows:

- Section 90A: \$898,748 (2022: \$549,729)
- Section 90B: Nil (2022:Nil)

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>GENERAL LAND RATES RECEIVABLES DAYS PAST DUE</b>		
Not Past Due	-	-
Past due 30 days	-	-
Past due 60 days	519	336
Past due 90 days – 1 Year	994	936
Past due 1 – 3 years	1,379	1,331
Past due over 3 years	1,107	970
<b>Balance at 30 June</b>	<b>3,999</b>	<b>3,573</b>

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>MĀORI LAND RATES RECEIVABLES DAYS PAST DUE</b>		
Not Past Due	-	-
Past due 30 days	-	-
Past due 60 days	125	201
Past due 90 days – 1 Year	594	691
Past due 1 – 3 years	1,339	1,368
Past due over 3 years	1,517	1,967
<b>Balance at 30 June</b>	<b>3,575</b>	<b>4,227</b>

\* The prior year comparative was disclosed in the 2021/22 Annual Report as Nil, which has now been restated.



## Note 11 - Receivables (continued)

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>METERED WATER RATES RECEIVABLES DAYS PAST DUE</b>		
Not Past Due	3,209	3,578
Past due 30 days	1	-
Past due 60 days	73	46
Past due 90 days – 1 Year	453	326
Past due 1 – 3 years	497	421
Past due over 3 years	290	246
<b>Balance at 30 June</b>	<b>4,523</b>	<b>4,617</b>

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>MOVEMENT IN THE PROVISION FOR IMPAIRMENT OF RATES RECEIVABLES</b>		
At 1 July	6,360	5,496
Provision Adjustment Made During the Year	(392)	1,430
Receivables Written Off During the Year	(898)	(566)
<b>Balance at 30 June</b>	<b>5,070</b>	<b>6,360</b>

### Other receivables

The ECL rates for other receivables at 30 June 2023 and 1 July 2022 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

	2023 \$000	2022 \$000	2023 \$000	2022 \$000
	GROSS	GROSS	ECL	ECL
<b>OTHER RECEIVABLES DAYS PAST DUE</b>				
Not past due	3,237	1,846	-	-
Past due 30 days	100	75	-	-
Past due 60 days	48	105	-	-
Past due 90+ days	896	1,038	12	9
	<b>4,281</b>	<b>3,064</b>	<b>12</b>	<b>9</b>

	2023 \$000	2022 \$000
<b>ESTIMATED CREDIT LOSSES ON OTHER RECEIVABLES</b>		
Balance at 1 July measured under PBE IPSAS 29	153	-
ECL adjustment due to adoption of PBE IPSAS 41*	(141)	9
Opening balance for credit losses at 1 July	12	9
Additional provisions made during the year	105	161
Provisions reversed during the year	(97)	-
Other receivables written off during the year	(9)	(17)
<b>Balance at 30 June</b>	<b>12</b>	<b>153</b>

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

\* Re-measurements as a result of the Council's adoption of PBE IPSAS 41 have been recognised directly in accumulated funds – for more details refer to Note 32a.

## Note 12 - Derivative financial instruments

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>CURRENT ASSET PORTION</b>		
Interest rate swaps	134	-
<b>CURRENT LIABILITY PORTION</b>		
Interest rate swaps	1	1
<b>NON-CURRENT ASSET PORTION</b>		
Interest rate swaps	2,164	1,098
<b>NON-CURRENT LIABILITY PORTION</b>		
Interest rate swaps		
<b>Balance at 30 June</b>	<b>2,297</b>	<b>1,097</b>

### Fair Value

The fair values of interest rate swaps have been determined using a discounted cash flows technique based on quoted market prices. The valuation was performed using Hedgebook software and then checked to independent ANZ and BNZ confirmations. No interest rate swaps were due to mature at 30 June 2023.

### Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$61.5 million (2022: \$53.5 million). At 30 June 2023 the average fixed interest rates of cash flow hedge interest rate swaps were 3.62% (2022: 3.549%).

At 30 June 2023 the fixed interest rates of cash flow hedge interest rate swaps varied from 1.51% to 5.9% (2022 1.51% to 5.9%).

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2023 are released to the surplus or deficit as interest is paid on the underlying debt.

The Council have no fair value hedges.

The following interest rate swaps are currently held (in whole dollars):

## Note 12 - Derivative financial instruments continued

2023	SWAP 1	SWAP 2	SWAP 3	SWAP 4	SWAP 5	SWAP 6	SWAP 7	SWAP 8	SWAP 9
Maturity Date	20/07/2023	22/09/2023	21/03/2024	22/03/2024	20/04/2024	24/06/2024	22/09/2024	20/12/2024	30/03/2025
Fixed Rate	4.9900%	5.9000%	4.8700%	4.9500%	4.4000%	1.5100%	5.0000%	4.7300%	3.7800%
<b>Amount</b>	<b>\$2,000,000</b>	<b>\$1,700,000</b>	<b>\$1,600,000</b>	<b>\$1,000,000</b>	<b>\$2,500,000</b>	<b>\$2,000,000</b>	<b>\$1,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
Fair Value	2,980	(929)	10,730	6,129	33,002	81,975	8,588	26,543	58,393
2023	SWAP 10	SWAP 11	SWAP 12	SWAP 13	SWAP 14	SWAP 15	SWAP 16	SWAP 17	SWAP 18
Maturity Date	22/09/2025	22/07/2026	23/09/2026	20/04/2027	22/06/2027	20/07/2027	24/01/2028	22/03/28	20/04/28
Fixed Rate	4.8000%	3.1900%	3.2400%	3.7600%	3.7500%	1.8600%	1.8350%	3.70%	3.71%
<b>Amount</b>	<b>\$3,000,000</b>	<b>\$2,500,000</b>	<b>\$1,000,000</b>	<b>\$2,000,000</b>	<b>\$1,700,000</b>	<b>\$2,000,000</b>	<b>\$4,000,000</b>	<b>\$1,000,000</b>	<b>\$2,500,000</b>
Fair Value	34,699	140,920	52,319	73,238	65,716	210,065	495,214	26,883	62,723
2023	SWAP 19	SWAP 20	SWAP 21	SWAP 22	SWAP 23	SWAP 24	SWAP 25	SWAP 26	
Maturity Date	15/03/30	15/04/30	15/09/30	15/06/31	15/09/31	15/01/32	17/04/34	16/04/35	
Fixed Rate	3.19%	3.69%	3.19%	3.20%	3.19%	3.18%	3.78%	3.78%	
<b>Amount</b>	<b>\$2,000,000</b>	<b>\$3,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$3,000,000</b>	<b>\$4,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	
Fair Value	77,680	98,026	133,999	120,337	132,136	118,269	101,863	125,793	
<b>FAIR VALUE TOTAL</b>									<b>\$2,297,291</b>

## Note 13 - Investment in Council controlled organisations and other similar entities

### Accounting Policy

The Council adopted the new group standards, PBE IPSAS 34 to 38, in the 2019-20 year. In adopting these new standards, the council has updated its accounting policies for its investments in associates and joint ventures.

### Associate

An associate is an entity over which the council has significant influence and that is neither a subsidiary or an interest in a joint venture. Investments in associates are accounted for in the financial statements using the equity method of accounting.

Investments in associates are measured at cost in the council's financial statements.

### Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of the arrangement by way of binding agreement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in joint ventures are measured at cost in the Councils' financial statements.

## Note 13 - Investment in Council controlled organisations and other similar entities (continued)

### Equity method of accounting

Investments in associates and joint ventures are accounted for in the financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the groups share of the change in net assets of the entity after the date of acquisition. The council's share of the surplus / deficit is recognised in the council surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the council statements.

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

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
Shares- Civic Financial Services Ltd (formerly NZ Local Govt Insurance Corp Ltd): 38,788 shares @ \$1.29	50	50
Shares- Bay of Plenty Local Authority Shared Services Limited	9	9
Shares- NZ Local Government Funding Agency	100	100
Borrower Notes- NZ Local Government Funding Agency	2,432	1,664
Investment - Whakatāne Airport	6,641	7,224
Loan - Air Chathams	350	350
Investment - Te Rāhui Herenga Waka 2021 Whakatāne	5,674	-
<b>Total Investment in Council Controlled Organisations and Other Similar Entities</b>	<b>15,256</b>	<b>9,397</b>

## Note 13 - Investment in Council controlled organisations and other similar entities (continued)

### Breakdown of investment in joint venture and further information

The Council has a 50% interest in a joint venture, the Whakatāne Airport, which facilitates air services to Whakatāne and the surrounding district. The Ministry of Transport hold the other 50% interest in this venture.

The Council's interest in the Whakatāne Airport is measured using the equity method of accounting in the Council financial statements.

Financial information relating to Whakatāne Airport is provided below:

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>SUMMARISED FINANCIAL INFORMATION OF JOINT VENTURE</b>		
<b>INVESTMENT IN WHAKATĀNE AIRPORT</b>		
Current assets	1,469	1,103
Non-current assets at revaluation	12,034	13,309
Work in Progress	78	62
WDC loan account	(178)	71
Current Liabilities	(122)	(98)
Non-current liabilities	-	-
<b>Net Assets</b>	<b>13,281</b>	<b>14,447</b>
Reconciliation to equity accounted carrying amount		
Joint Venture's net assets	13,281	14,447
Council's share	50%	50%
<b>Council's Share of Equity Accounted in Joint Venture</b>	<b>6,641</b>	<b>7,224</b>
Revenue (excluding interest)	224	128
Interest Revenue		
Operating Expenses	788	768
Personnel Costs	35	27
Depreciation and Amortisation	113	117
Income Tax expense	-	-
<b>Surplus / (Deficit)</b>	<b>(712)</b>	<b>(784)</b>
Other comprehensive revenue and expense	(454)	2,116
<b>Total comprehensive revenue and expense</b>	<b>(1,166)</b>	<b>1,332</b>
Reconciliation of joint venture Surplus / (Deficit)		
Joint Venture's Surplus (Deficit)	(712)	(784)
Council's share	50%	50%
<b>Council's Share of Joint Venture Surplus / (Deficit)</b>	<b>(356)</b>	<b>(392)</b>



## Note 13 - Investment in Council controlled organisations and other similar entities (continued)

### Breakdown of investment in the limited partnership with Te Rāhui Herenga Waka 2021 LP and further information

The Council has an interest in a limited partnership, Te Rāhui Herenga Waka 2021 Whakatāne, which was formed to facilitate the construction of the new boat harbour. The other two equal partners are Te Rāhui Lands Trust and Ngāti Awa in this venture.

The Council, in accordance with the limited partnership agreement, has committed capital of \$9,800,000 of the total committed capital of \$24,000,000 reflecting an intended closing equity of 33.3% in the limited partnership.

In accordance with the limited partnership agreement clause 10.2, the entitlement to income and capital arising and losses accruing shall be allocated to the limited partners on a pro rata basis on the aggregate amount of paid up capital. At 30 June 2023 the Council's paid up capital in the limited partnership was \$5,700,000 of the Total Paid Up Capital of \$12,400,000. Therefore, Councils share to be applied to the equity accounting method at 30 June 2023 is 46%.

The Council's interest in this special partnership is measured using the equity method of accounting in the Council financial statements.

Financial information relating to Te Rāhui Herenga Waka 2021 Whakatāne is provided below:

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>SUMMARISED FINANCIAL INFORMATION OF THE LIMITED PARTNERSHIP</b>		
<b>INVESTMENT IN TE RĀHUI HERENGA WAKA 2021</b>		
Current assets	14,095	-
Work in Progress	3,486	-
Current Liabilities	(241)	-
Non-current liabilities	(4,995)	-
<b>Net Assets</b>	<b>12,345</b>	<b>-</b>
Reconciliation to equity accounted carrying amount		
Limited Partnership's net assets	12,345	-
Council's share	46%	-
<b>Council's Share of Equity Accounted in Limited Partnership</b>	<b>5,674</b>	<b>-</b>
Revenue (excluding interest)	15	-
Interest Revenue	359	-
Operating Expenses	213	-
Personnel Costs	-	-
Depreciation and Amortisation	-	-
Income Tax expense	-	-
<b>Surplus / (Deficit)</b>	<b>161</b>	<b>-</b>
Other comprehensive revenue and expense	-	-
<b>Total comprehensive revenue and expense</b>	<b>161</b>	<b>-</b>
<b>Reconciliation of Limited Partnership Surplus / (Deficit)</b>		
Joint Partnership's Surplus (Deficit)	161	-
Council's share	46%	-
<b>Councils Share of Joint Venture Surplus / (Deficit)</b>	<b>74</b>	<b>-</b>

## Note 13 - Investment in Council controlled organisations and other similar entities (continued)

### Unlisted shares

The fair value of unlisted shares in NZ Local Government Insurance Corporation Ltd and Bay of Plenty Local Authority Shared Services Ltd (BoP LASS Ltd) have been determined using the net asset backing method.

The Whakatāne District Council is a shareholder in BOPLASS Ltd, a CCO owned by councils in the Bay of Plenty Region. Each of the nine councils in the region hold shares with Whakatāne District Council holding 9.7% of the shares. BoP LASS Ltd has been established to foster collaboration between councils in the delivery of services particularly back office or support services.

Due to the immaterial size and nature of the Council's investment in the NZ Local Government Funding Agency, the Council has estimated the fair value of this investment based on the LGFA's net asset backing at 30 June.

### Other financial assets

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

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them. A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

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

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

### Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

### Subsequent measurement of financial assets at amortised cost

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

### Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred

to accumulated funds within equity. The Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

### **Subsequent measurement of financial assets at FVTSD**

Financial assets 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 and such an asset is classified as a current asset. Council's derivatives are categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied. The current/non-current classification of derivatives is explained in the derivatives accounting policy in note 22. After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

### **Expected credit loss allowance (ECL)**

The Council recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information.

The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior

to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

### **Shares in subsidiaries (at cost)**

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

### **Previous accounting policy (summarised)**

In the previous year, other financial assets were classified into the following categories:

- loans and receivables at amortised cost (included term deposits, related party loans, and community loans);
- held-to-maturity investments at amortised cost (included listed bonds); and
- fair value through other comprehensive revenue and expense (included shares and listed bonds).

The main differences for the prior year policies are:

Impairment was recorded only when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost was considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.

- Impairment losses on shares were recognised in the surplus or deficit.
- For shares, the cumulative gain or loss previously recognised in other comprehensive revenue and expense was transferred from equity to surplus or deficit on disposal of the investment

Refer to Note 32a for further detail on other financial assets.

### **Impairment**

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

# Note 14 - Property plant and equipment

Movement in the carrying value for each class of property, plant and equipment are as follows:

2023	1 JULY 2022					CURRENT YEAR					30 JUNE 2023		
	COST / VALUATION \$'000	ACCUMULATED DEPRECIATION & IMPAIRMENT \$'000	NET BOOK VALUE \$'000	ADDITIONS \$'000	DISPOSALS \$'000	TRANSFERS \$'000	IMPAIRMENT \$'000	DEPRECIATION REVERSED ON DISPOSAL/ REVALUATION \$'000	DEPRECIATION \$'000	REVALUATION \$'000	COST / REVALUATION \$'000	ACCUMULATED DEPRECIATION & IMPAIRMENT \$'000	NET BOOK VALUE \$'000
<b>OPERATIONAL ASSETS</b>													
Land*	33,004	-	33,004	500	-	251	-	-	(3,358)	30,397	-	30,397	
Buildings**	52,695	3,305	49,390	13,417	(2,236)	-	4,679	1,679	2,093	61,290	305	60,984	
Plant & equipment	7,758	4,150	3,608	973	33	-	33	512	-	8,698	4,629	4,070	
Furniture & fittings	3,388	2,428	960	883	-	-	-	176	-	4,271	2,604	1,667	
Office equipment	7,081	5,531	1,550	968	-	-	-	473	-	8,049	6,004	2,046	
Motor vehicles	4,097	2,416	1,681	1,556	747	-	646	477	-	4,906	2,247	2,659	
Harbour vessels	32	32	-	-	-	-	-	-	-	32	32	-	
Museum collection	5,092	-	5,092	-	-	-	-	-	4,505	9,597	-	9,597	
Library books	1,027	757	270	119	-	-	1,141	383	804	809	1	810	
<b>Total Operational Assets</b>	<b>114,174</b>	<b>18,619</b>	<b>95,555</b>	<b>18,415</b>	<b>780</b>	<b>(1,985)</b>	<b>6,498</b>	<b>3,699</b>	<b>4,044</b>	<b>128,049</b>	<b>15,820</b>	<b>112,229</b>	
<b>INFRASTRUCTURAL ASSETS</b>													
Land roading	91,363	-	91,363	-	-	-	-	-	-	91,363	-	91,363	
Stormwater	77,315	1,554	75,761	3,804	-	-	-	1,564	12,871	93,990	3,119	90,871	
Harbour	9,493	614	8,879	4,573	-	-	1,313	700	(3,091)	9,662	-	9,662	
Parks	14,198	1,913	12,285	1,935	-	-	3,061	1,147	(1,745)	11,327	-	11,327	
Refuse	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Core Council Infrastructure Assets</b>													
Roading network	607,708	-	607,708	13,513	-	-	-	9,319	14,608	635,829	9,319	626,510	
Water- Treatment plants & facilities	3,861	115	3,746	-	(2,186)	-	-	51	319	1,993	165	1,828	
Water- Other	125,512	3,710	121,802	10,202	-	2,186	-	4,006	12,657	150,557	7,716	142,841	
Sewerage- Treatment plants & facilities	7,439	225	7,214	-	-	14,517	-	715	5,443	27,399	940	26,459	
Sewerage- Other	68,599	2,030	66,569	3,452	(14,517)	-	-	1,648	7,126	64,661	3,678	60,982	
<b>Total Infrastructural Assets</b>	<b>1,005,488</b>	<b>10,161</b>	<b>995,327</b>	<b>37,480</b>	<b>-</b>	<b>-</b>	<b>4,374</b>	<b>19,150</b>	<b>48,186</b>	<b>1,086,779</b>	<b>24,937</b>	<b>1,061,841</b>	
<b>INTANGIBLE ASSETS</b>													
Computer software	5,494	4,964	530	312	-	-	-	239	-	5,806	5,203	603	
<b>Total</b>	<b>1,125,156</b>	<b>33,744</b>	<b>1,091,412</b>	<b>56,207</b>	<b>780</b>	<b>(1,985)</b>	<b>10,872</b>	<b>23,088</b>	<b>52,230</b>	<b>1,220,634</b>	<b>45,960</b>	<b>1,174,673</b>	

All infrastructural assets are constructed on behalf of Whakatāne District Council by contractors.

**Valuation uncertainty:** With more detailed valuations Council is able to determine assets categorised as treatment plant as opposed to other plant more accurately, for water and sewerage assets. An allocation has been made in the transfers column to ensure the proportions are more accurate according to the asset valuations. No property, plant and equipment is pledged as security. Refer Note 18 for restricted assets. Council has easements giving right to access to private property where infrastructure assets are located. It has not been feasible to value at this stage and when valued are not expected to be material. There are no restrictions over the title of the Council's intangible assets, nor are there any intangible assets pledged as security for liabilities.

# Note 14 - Property plant and equipment

Movement in the carrying value for each class of property, plant and equipment are as follows:

2022	1. JULY 2021				CURRENT YEAR							30 JUNE 2022	
	COST / VALUATION \$000	ACCUMULATED DEPRECIATION & IMPAIRMENT \$000	NET BOOK VALUE \$000	ADDITIONS \$000	DISPOSALS \$000	TRANSFERS \$000	IMPAIRMENT \$000	DEPRECIATION REVERSED ON DISPOSAL / REVALUATION \$000	DEPRECIATION \$000	REVALUATION \$000	COST / REVALUATION \$000	ACCUMULATED DEPRECIATION & IMPAIRMENT \$000	NET BOOK VALUE \$000
<b>OPERATIONAL ASSETS</b>													
Land*	25,388	-	25,388	-	-	-	-	-	7,616	33,004	-	-	33,004
Buildings**	52,506	1,814	50,692	189	-	-	-	1,491	-	52,695	3,305	3,305	49,390
Plant & equipment	7,063	3,679	3,384	695	-	-	-	471	-	7,758	4,150	4,150	3,608
Furniture & fittings	3,310	2,223	1,087	78	-	-	-	205	-	3,388	2,428	2,428	960
Office equipment	6,668	5,115	1,553	413	-	-	-	416	-	7,081	5,531	5,531	1,550
Motor vehicles	3,654	2,073	1,581	573	130	-	115	458	-	4,097	2,416	2,416	1,681
Harbour vessels	32	32	-	-	-	-	-	-	-	32	32	-	-
Museum collection	5,092	-	5,092	-	-	-	-	-	-	5,092	-	-	5,092
Library books	924	412	512	103	-	-	-	345	-	1,027	757	757	270
<b>Total Operational Assets</b>	<b>104,637</b>	<b>15,348</b>	<b>89,289</b>	<b>2,051</b>	<b>130</b>	<b>0</b>	<b>115</b>	<b>3,386</b>	<b>7,616</b>	<b>114,174</b>	<b>18,619</b>	<b>18,619</b>	<b>95,555</b>
<b>INFRASTRUCTURAL ASSETS</b>													
Land roading	91,363	-	91,363	-	-	-	-	-	-	91,363	-	-	91,363
Stormwater	77,207	2	77,205	108	-	-	-	1,552	-	77,315	1,554	1,554	75,761
Harbour	8,432	304	8,128	1,061	-	-	-	310	-	9,493	614	614	8,879
Parks	14,064	873	13,191	134	-	-	-	1,040	-	14,198	1,913	1,913	12,285
Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Core Council Infrastructure Assets</b>													
Roading network	282,418	15,777	266,641	8,668	-	-	24,776	8,999	316,622	607,708	-	-	607,708
Water- Treatment plants & facilities	3,861	-	3,861	-	-	-	-	115	-	3,861	115	115	3,746
Water- Other	119,332	7	119,325	6,180	-	-	-	3,703	-	125,512	3,710	3,710	121,802
Sewerage- Treatment plants & facilities	7,439	-	7,439	-	-	-	-	225	-	7,439	225	225	7,214
Sewerage- Other	68,705	6	68,699	-106	-	-	-	2,024	-	68,599	2,030	2,030	66,569
<b>Total Infrastructural Assets</b>	<b>672,821</b>	<b>16,969</b>	<b>655,852</b>	<b>16,045</b>	<b>-</b>	<b>-</b>	<b>24,776</b>	<b>17,968</b>	<b>316,622</b>	<b>1,005,488</b>	<b>10,161</b>	<b>10,161</b>	<b>995,327</b>
<b>INTANGIBLE ASSETS</b>													
Computer software	5,416	4,629	787	78	-	-	-	335	-	5,494	4,964	4,964	530
<b>Total</b>	<b>782,874</b>	<b>36,946</b>	<b>745,928</b>	<b>18,174</b>	<b>130</b>	<b>-</b>	<b>24,891</b>	<b>21,689</b>	<b>324,238</b>	<b>1,125,156</b>	<b>33,744</b>	<b>33,744</b>	<b>1,091,412</b>



# Note 14 - Property plant and equipment (continued)

## Work in progress

Property, plant and equipment in the course of construction by class of asset is detailed below:

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
Water, Stormwater & Wastewater Systems	6,761	12,388
Roading Network	2,219	290
Buildings	406	1,973
Parks and Reserves	34	2,281
Ports and Harbour	585	5,498
Intangible Assets	296	431
Plant and Equipment	218	1,323
<b>Total work in progress</b>	<b>10,519</b>	<b>24,184</b>

## Replacement cost - Core Council infrastructure assets

	MOST RECENT ESTIMATE OF REPLACEMENT COST \$000	DATE OF ESTIMATE
Roading Networks	839,010	30 June 2023
Water- treatment plants & facilities	286,877	30 June 2023
Sewerage- treatment plants & facilities	207,163	30 June 2023
Stormwater	160,009	30 June 2023

## Valuations on operational and restricted assets

	FAIR VALUE	VALUATION
Operational Land	30,397	30 June 2023
Operational Buildings	60,984	30 June 2023
Park Assets	11,327	30 June 2023
Harbour Assets	9,662	30 June 2023
Library Books	810	30 June 2023
Harbour Land Not Leased (Restricted Asset)	4,479	30 June 2023
Recreational Reserves	56,609	30 June 2023
Museum Collection	9,957	30 June 2023

## Insurance of assets

The following information relates to the insurance of Council assets at 30 June 2023.

	2023 \$000	2022 \$000	2021 \$000
The total net book value of all Council assets covered by insurance contracts	471,357	415,016	407,210
The maximum amount to which insured assets are insured	614,466	563,352	506,028
The total net book value of all council assets covered by financial risk sharing arrangements*	-	-	-
Maximum amount available to the Council under financial risk sharing arrangements*	-	-	-
The value of assets that are self-insured	831,024	811,726	437,898
The value of funds maintained for self-insurance **	213	283	284

*In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage and sewerage assets, and provide a subsidy towards the restoration of roads.*

*\* covered under insurance contracts in 2022/23*

*\*\* Funds withdrawn to support costs incurred following 2017 floods. The payments continued for the next two years and funds are just beginning to be built up again.*

*All infrastructural assets are constructed on behalf of Whakatāne District Council by contractors.*

## Note 15 - Valuation

### Land (operational, restricted and infrastructural)

The most recent valuation was performed by an independent Certified Practicing Valuer, P Erceg of Aon Risk Solutions. The valuation was effective as at 30 June 2023.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the unencumbered land value where there is a designation against the land or the use of the land is restricted because of reserve of endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

### Buildings (operational and restricted)

The most recent valuation was performed by an independent Certified Practicing Valuer, P Erceg of Aon Risk Solutions. The valuation was effective as at 30 June 2023.

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions.

Significant assumptions include:

- The replacement asset is based on the replacement with modern, equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

### Infrastructural asset classes: Sewerage, water, drainage and roads

Sewerage, water, drainage and roading infrastructure assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected 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 asset, then the Council could be over-or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise the risk, infrastructural asset 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-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

## Note 15 - Valuation (continued)

### Methods and significant assumptions applied in estimating the assets fair values

Optimised replacement costs have been calculated using modern equivalent materials. No design optimisation has been identified. Unit rates have been applied to components of the network based on size, material, depth and location.

The most recent valuation of Water, Wastewater and Stormwater assets was performed by Roger Khoo and Peter Erceg of Aon Valuation Services, and the valuation was effective as at 30 June 2021. A further fair value assessment was carried out at 30 June 2023.

The most recent valuation for Road assets was performed by Shahaanan Arulgnanapragasam, WSP Limited, and the valuation was effective as at 30 June 2022. A further fair value assessment was carried out at 30 June 2023.

### Land under roads

The road reserve land for formed roads only has been valued as at 1 July 2006. Road reserves have been valued on the average land valued by urban rating areas and rural ward, reduced by a factor of 30% to account for the restricted use of the land. On transition to New Zealand equivalents to International Financial Reporting Standards on 1 July 2006, the Council elected to use the fair value of land under roads as at 1 July 2006. Land under roads is no longer revalued.

### Vested infrastructural assets

Vested infrastructural assets are valued based on the actual quantities of infrastructural components vested and the current in-ground cost of providing identical services. Assets vested to Whakatāne District Council are recognised in the Statement of Comprehensive Revenue and Expense as revenue and in the Statement of Financial Position as property, plant, and equipment.

### Library collections

Library collections are valued at depreciated replacement cost in accordance with the International Valuation Standards 2017 and the relevant Accounting Standards and Policy. The most recent valuation of the library collection was performed by J Munroe, Certified Practicing Valuer of AON, and the valuation was effective as at 30 June 2023.

### Museum collection

Museum collections are valued at fair value determined on a variety of valuation methods including market values, book value, replacement value, comparative value and values used by other institutions. The most recent valuation was performed by Dunbar Sloane and the valuation was effective as at 30 June 2023.

### Harbour assets

The most recent valuation of Harbour assets was performed by an independent Certified Practicing Valuer, P Erceg of Aon Risk Solutions. The valuation was effective as at 30 June 2023.

## Note 16 - Forestry assets

Council owns 26.61 hectares of land predominantly held for soil conservation and river control reserve of which 7.2 hectares is stocked with Pinus Radiata.

Plantation forests have been valued by PF Olsen and Co, independent valuers, on the basis of arm's length market transaction of current market evidence as at 30 June 2023.

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
Balance at 1 July	244	247
Gains (Losses) Arising from Changes in Fair Value on Valuation	36	(3)
Decreases due to Sales	-	-
<b>Balance at 30 June</b>	<b>280</b>	<b>244</b>

## Note 17 - Investment property and non-current assets held for sale

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>INVESTMENT PROPERTY</b>		
Balance at 1 July	43,536	40,419
Sales and Disposals	-	(445)
Additions	-	-
Fair Value Gains (Losses) on Valuation	(2,678)	2,692
Transfer (to) from Restricted Assets	-	-
Transfer from Non-Current Assets Held for Sale	-	870
Transfer from Operational Buildings	1,985	-
Transfer from Operational Land	-	-
Transfer to Operational Land	-	-
Transfer from Restricted Land	1,200	-
Transfer to Restricted Land	-	-
<b>Balance at 30 June</b>	<b>44,043</b>	<b>43,536</b>
Information about the revenue and expenses in relation to investment property is detailed below:		
Rental Revenue	2,394	2,521
Direct Operating Expenses from Investment Property Generating Revenue	171	177
<b>NON-CURRENT ASSETS HELD FOR SALE</b>		
Balance at 1 July	11,855	12,528
Sales	-	-
Fair Value Gains (Losses) on Valuation	(1,804)	197
Impairment losses	-	-
Transfer to Operational Assets	-	-
Transfer to Investment Property	-	(870)
<b>Balance at 30 June</b>	<b>10,051</b>	<b>11,855</b>
<b>NON-CURRENT ASSETS HELD FOR SALE SPLIT BETWEEN</b>		
Assets where proceeds are expected within one year	-	-
Assets where proceeds are expected after one year	10,051	11,855
	<b>10,051</b>	<b>11,855</b>

The non-current assets held for sale relate to property currently held but on the market or about to be listed for sale.

Most of the value in the Non-Current Assets Held for Sale category relate to land that has been sold to developers under an Agreement for Sale and Purchase which is now unconditional.

A decision has been issued on legal issues relating to the Resource Consent and it is expected that the developer will once again begin the development progress and progress payments will be made accordingly.

## Note 17 - Investment property and non-current assets held for sale (continued)

All investment properties held by Council were valued at 30 June 2023 by Grant Utteridge an independent Valuer of Telfer Young (Rotorua) Ltd registered valuers. Telfer Young have extensive market knowledge in the types and location of investment properties owned by the Council.

The properties have been valued in accordance with PBE IPSAS 16 Investment Property. The basis of the valuation is Fair Value of each property as the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The valuation includes Lessors' Interests in freehold land holdings held by the Council. The majority of these leases are perpetually renewable of 14-year terms with rents mostly set at 5% of market value of the land. The valuation for Lessors' Interests within the portfolio was based on recent sales from centres throughout New Zealand. Valuations for Freehold Investment properties relate to the market value in comparison to comparable sales evidence for similar properties in the surrounding area. Restricted land within the investment category: \$nil (2022: \$nil).

### **Valuation uncertainty**

Volatility in economic conditions such as rapid shifts in interest rates and higher than average inflation following on from COVID-19 virus has had a major impact on the New Zealand economy. Due to the severe market disruption and lack of transactional data, a greater degree of uncertainty is attached to our valuation.



## Note 18 - Restricted assets

2023	COST/ REVALUATION 1 JULY 2022 \$000	ADDITIONS CURRENT YEAR \$000	DISPOSALS CURRENT YEAR \$000	TRANSFER TO OPERATING LAND \$000	TRANSFER FROM RECREATIONAL RESERVES \$000	TRANSFER TO HARBOUR LAND \$000	TRANSFER TO ASSETS HELD FOR SALE \$000	TRANSFER (TO) FROM INVESTMENT PROPERTY \$000	REVALUATION CHANGE CURRENT YEAR \$000	COST/ REVALUATION 30 JUNE 2023 \$000
Harbour Land (Not Leased)	6,594	-	-	-	(1,200)	-	-	-	(915)	4,479
Recreational Reserves	48,917	42	(14)	-	-	-	-	-	7,664	56,609
<b>Total</b>	<b>55,511</b>	<b>42</b>	<b>(14)</b>	<b>-</b>	<b>(1,200)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,749</b>	<b>61,088</b>

2022	COST/ REVALUATION 1 JULY 2021 \$000	ADDITIONS CURRENT YEAR \$000	DISPOSALS CURRENT YEAR \$000	TRANSFER TO OPERATING LAND \$000	TRANSFER FROM RECREATIONAL RESERVES \$000	TRANSFER TO HARBOUR LAND \$000	TRANSFER TO ASSETS HELD FOR SALE \$000	TRANSFER (TO) FROM INVESTMENT PROPERTY \$000	REVALUATION CHANGE CURRENT YEAR \$000	COST/ REVALUATION 30 JUNE 2022 \$000
Harbour Land (Not Leased)	5,495	-	-	-	-	-	-	-	1,099	6,594
Recreational Reserves	40,764	-	-	-	-	-	-	-	8,153	48,917
<b>Total</b>	<b>46,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,252</b>	<b>55,511</b>

Refer to Note 15 for revaluation details. Land in the Restricted Asset category is 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 under a bequest or donation that restricts the purpose for which the assets can be used).

## Note 19 - Payables and deferred revenue

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>PAYABLES AND DEFERRED REVENUE UNDER EXCHANGE TRANSACTIONS</b>		
Trade Payables	8,964	6,457
Accrued Expenses	3,458	2,142
Income Received in Advance	5,395	5,061
Deposits	1,371	1,340
Amounts due to Customers for Contract Work	674	760
Rates payable to Regional Council	605	2,884
<b>PAYABLES AND DEFERRED REVENUE UNDER NON-EXCHANGE TRANSACTIONS</b>		
Other Taxes Payable (GST)	-	-
Income Received in Advance	-	-
	<b>20,467</b>	<b>18,644</b>

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore the carrying value of creditors and other payables approximates their fair value.

## Note 20 - Provisions

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>CURRENT PORTION</b>		
Landfill Aftercare Provision	757	641
Weather-tightness and Other Claims Provision	-	-
<b>Balance at 30 June</b>	<b>757</b>	<b>641</b>
<b>NON-CURRENT PORTION</b>		
Landfill Aftercare Provision	2,643	1,543
Weather-tightness and Other Claims Provision	75	75
Future loss on Sale- Investment Property Provision	1,721	3,525
<b>Balance at 30 June</b>	<b>4,439</b>	<b>5,143</b>
<b>Total Provisions</b>	<b>5,196</b>	<b>5,784</b>
<b>LANDFILL AFTERCARE PROVISION</b>		
Balance at 1 July	2,184	417
<b>Increase (Decrease) in Net Present Value</b>	<b>1,216</b>	<b>1,767</b>
<b>Balance at 30 June</b>	<b>3,400</b>	<b>2,184</b>
<b>WEATHER-TIGHTNESS AND OTHER CLAIMS PROVISION</b>		
Balance at 1 July	75	385
<b>Increase (Decrease) in Provision</b>	<b>-</b>	<b>(310)</b>
<b>Balance at 30 June</b>	<b>75</b>	<b>75</b>
<b>FUTURE LOSS ON SALE-INVESTMENT PROPERTY PROVISION</b>		
Balance at 1 July	3,525	3,340
<b>Increase (Decrease) in Provision</b>	<b>(1,804)</b>	<b>185</b>
<b>Balance at 30 June</b>	<b>1,721</b>	<b>3,525</b>

## Note 20 - Provisions (continued)

### Landfill aftercare costs

Council's responsibilities include closure costs, incremental drainage control features, facilities for leachate collection and monitoring, facilities for water quality monitoring. Post closure costs include treatment and monitoring of leachate and groundwater surface monitoring.

Weather-tightness and other building related claims provision

The Weather-tight Homes Resolution Service (WHRS), a central government service established under the Weather-tight Homes Resolution Services Act 2006, no longer accepts claims. Council has no historical claims outstanding with this service. Council has continued to provide for potential liability in the 2023 financial statements of \$75,000 based on the expected outcome of known weather-tight and other building related claims.

### Future loss on sale - Investment property provision

A provision has been made to take account of the difference between the current fair value of Property Intended for Sale and the sale price as stated in the Sale and Purchase Agreement in September 2017. See also Note 17.

### Other claims

There are no other claims known at 30 June 2023 other than those provided for.

*Further details on potential liabilities are explained in Note 27 - Contingent Liabilities.*

## Note 21 - Employee Entitlements

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>CURRENT PORTION</b>		
Accrued pay	1,014	821
Annual and Long Service Leave	2,340	2,088
Sick Leave	19	54
<b>Total Current Portion</b>	<b>3,374</b>	<b>2,964</b>
<b>NON-CURRENT PORTION</b>		
Long Service Leave	459	456
Sick Leave	43	23
<b>Total Non-Current Portion</b>	<b>502</b>	<b>479</b>
<b>Total Employee Entitlements</b>	<b>3,875</b>	<b>3,443</b>

### Key assumptions in measuring retirement and long service leave obligations

Retirement and long service leave and sick leave were valued on an actuarial basis by Aon Retirement and Investment as at 30 June 2023. For sick leave the average discount rate used in the valuation was 4.7%.

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Three key assumptions used in calculating this liability include the discount rate, salary escalation rates and resignation rates. Any changes in these assumptions will affect the carrying amount of the liability. The Long Service Leave valuation also assumes annual salary growth of 3% p.a. but uses a rising discount rate of 4.19% to 5.43% over a 10-year period.

The valuation has been carried out in accordance with PBE IPSAS 39.

## Note 22 - Borrowings and other financial liabilities

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>CURRENT PORTION</b>		
Secured loans	12,300	9,000
Deposits	-	1,000
<b>Current Borrowings and Financial Liabilities</b>	<b>12,300</b>	<b>10,000</b>
<b>NON-CURRENT PORTION</b>		
Secured Loans	103,500	77,000
Other Financial Liabilities	1,000	-
<b>Non-Current Borrowings and Financial Liabilities</b>	<b>104,500</b>	<b>77,000</b>
<b>Total Borrowings</b>	<b>116,800</b>	<b>87,000</b>
<i>The fair values of borrowings including current portion equate to their carrying values.</i>		
<b>MATURITY PROFILE</b>		
Maturing in under one year*	12,300	10,000
Maturing in 1-2 years	17,000	10,000
Maturing in 2-3 years	22,000	11,000
Maturing in 3-4 years	32,500	14,000
Maturing in 4-5 years	17,000	14,000
Maturing in 5 years+	16,000	28,000
	<b>116,800</b>	<b>87,000</b>

\* The prior year comparative has been restated to reflect the correct Maturity profile in line with the summary and the Statement of Financial Position at 30 June 2022.

### Interest terms for secured loans

The Council's secured loans are mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk. External interest rates at 30 June 2023 range from 1.06% to 6.89% (2022: 1.06% to 4.04%) with a weighted average rate of 5.78% (2022: 3.29%). Interest expense for 2023 was \$4.918 million (2022: \$2.417 million).

### Security

The Council's secured loans are secured over future rating revenue of the Council.

### Internal borrowings

Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

### ANZ Loan Facility

The council has an interchangeable loan facility with ANZ of \$15 million. As at 30 June 2023, \$2.3 million of this facility was being utilised.

### Fair values

Due to interest rates on floating debt resetting to the market rate every three months, the carrying amounts of secured loans approximate their fair value.

## Note 23 - Equity

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>EQUITY</b>		
Accumulated funds	447,522	448,049
Council Created Operating reserves	2,300	10,543
Restricted Equity Reserves	15,075	14,913
Asset revaluation reserves	728,546	668,703
<b>Total Public Equity</b>	<b>1,193,442</b>	<b>1,142,208</b>
<b>ACCUMULATED FUNDS</b>		
<b>Balance at 1 July</b>	<b>448,049</b>	<b>443,255</b>
Other Reserve Movements	(85)	(429)
Surplus/(Deficit) for the Year	(8,525)	5,590
Transfers to Council Created Reserves	(20,937)	(17,498)
Transfers to Restricted Reserves	(3,023)	(2,812)
Transfers from Council Created Reserves	29,180	17,191
Transfers from Restricted Reserves	2,862	2,753
<b>Balance at 30 June</b>	<b>447,522</b>	<b>448,049</b>
<b>COUNCIL CREATED RESERVES (INCL. DEPRECIATION RESERVES)</b>		
<b>Balance at 1 July</b>	<b>10,543</b>	<b>10,235</b>
Transfer from accumulated funds	20,937	17,498
Transfer to accumulated funds	(29,180)	(17,191)
<b>Balance at 30 June</b>	<b>2,300</b>	<b>10,543</b>
<b>RESTRICTED EQUITY RESERVES</b>		
<b>Balance at 1 July</b>	<b>14,913</b>	<b>14,854</b>
Transfers from Accumulated Funds	3,023	2,812
Transfer to Accumulated Funds	(2,862)	(2,753)
<b>Balance at 30 June</b>	<b>15,075</b>	<b>14,913</b>
<b>ASSET REVALUATION RESERVE</b>		
Balance 1 July	<b>668,703</b>	<b>310,882</b>
Revaluation of Operational Assets	(461)	7,171
Revaluation of Museum	4,505	-
Revaluation of Restricted Assets	6,749	9,252
Revaluation of Roothing	14,608	341,398
Revaluation of Water	12,975	-
Revaluation of Sewerage	12,569	-
Revaluation of Land Drainage	12,871	-
Revaluation of Other Infrastructural Assets	(4,836)	-
Deferred Tax on Revaluation	865	-
<b>Balance at 30 June</b>	<b>728,546</b>	<b>668,703</b>



# Note 23 - Equity continued

Information about reserve funds held for a specific purpose is provided below. Note: ( ) depicts an overdrawn reserve account balance.

	ACTIVITY	PURPOSE	30 JUNE 2021 \$'000	2021/22 TRANSFERS IN \$'000	2021/22 TRANSFERS OUT \$'000	30 JUNE 2022 \$'000	2022/23 TRANSFERS IN \$'000	2022/23 TRANSFERS OUT \$'000	30 JUNE 2023 \$'000
<b>COUNCIL OPERATING RESERVES</b>									
<b>SEPARATE OPERATING RESERVES</b>									
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits	(159)	2,022	(3,913)	(2,050)	5,681	(5,067)	(1,436)
Roading Rate	Roads and Footpaths	For Roading Rate funded Surpluses or Deficits	1,523	568	(552)	1,539	70	(967)	642
Refuse Collection Rate	Waste	For Refuse Rate funded Surpluses or Deficits	42	153	(189)	6	18	(258)	(234)
Equalised Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(620)	1,266	(1,365)	(720)	1,685	(1,106)	(142)
Matatā Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(20)	-	(73)	(93)	-	(105)	(198)
Murupara Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(87)	66	(2)	(23)	14	(1)	(10)
Equalised Water	Water	For Water Rate funded Surpluses or Deficits	884	588	(338)	1,134	733	(1,166)	701
Murupara Water	Water	For Water Rate funded Surpluses or Deficits	55	50	(1)	104	4	(37)	71
Plains Water	Water	For Water Rate funded Surpluses or Deficits	(508)	101	(167)	(574)	136	(499)	(937)
Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits	(26)	-	(68)	(94)	-	(195)	(289)
Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits	51	1	(27)	25	-	(85)	(60)
Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits	598	19	-	617	32	-	649
Airport Whakatāne	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits	(1,219)	-	(305)	(1,525)	-	(463)	(1,988)
Fixed Assets			1,860	511	-	2,371	130	-	2,501
Disaster Mitigation	Stormwater	For Disaster Mitigation Surpluses or Deficits	21	7	(136)	(108)	140	(46)	(14)
Whakatāne Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	145	167	(322)	(10)	26	(311)	(295)
Ohope Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	201	14	(1)	214	9	(86)	137
Edgecumbe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	4	18	-	22	23	-	45

# Note 23 - Equity (continued)

Information about reserve funds held for a specific purpose is provided below. Note: ( ) depicts an overdrawn reserve account balance.

	ACTIVITY	PURPOSE	30 JUNE 2021 \$'000	2021/22 TRANSFERS IN \$'000	2021/22 TRANSFERS OUT \$'000	30 JUNE 2022 \$'000	2022/23 TRANSFERS IN \$'000	2022/23 TRANSFERS OUT \$'000	30 JUNE 2023 \$'000	
Matatā Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(6)	6	(0)	(0)	-	(108)	(108)	
Murupara Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	2	1	(0)	3	1	-	3	
Taneatua Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(12)	3	(0)	(9)	1	(0)	(9)	
Te Teko Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	1	-	(0)	1	-	(1)	(0)	
Te Mahoe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	4	110	(110)	4	-	(6)	(2)	
District Growth	District Growth	For District Growth Rate funded Surpluses or Deficits	83	231	(7)	307	25	(204)	128	
<b>COUNCIL OPERATING RESERVES</b>			<b>2,814</b>	<b>5,902</b>	<b>(7,576)</b>	<b>1,140</b>	<b>8,727</b>	<b>(10,712)</b>	<b>(846)</b>	
<b>OTHER RESERVES</b>										
Car Parks Development	Parking	For the Development of Car parks in the District	17	1	(0)	17	1	-	18	
Museum Collections	Exhibitions, Research, Storage & Archives	For the purchase of Assets for the Museum Collection	1	-	-	1	-	-	1	
Galatea Reserve Development	General Council	For amenities within the Galatea and Murupara areas	2	-	-	2	-	-	2	
Disabled Facilities	General Council	For the improvement of Disabled Facilities throughout the District	1	-	(0)	1	-	(0)	1	
Roading Storm Damage Reserve	Roads and Footpaths	To fund costs associated with storm damage to the Councils Roading network	284	191	0	475	202	(231)	446	
Te Mahoe Water- special	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme	23	1	-	24	1	-	25	
General Disaster Reserve	Corporate and District	To fund General Disasters	205	8	-	213	11	-	224	
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets	297	543	(43)	798	41	(13)	826	
Sale of Bennett Block	General Council	Surplus funds from the Divestment of Council Assets	(109)	-	(3)	(113)	-	(6)	(119)	
Leaky Homes Reserve	Building	To fund weather tight claims	71	156	(48)	179	168	(25)	322	
Whakatāne-Ōhope Community Board	Leadership	Separately collected rates for community projects	2	58	(0)	59	47	-	107	

# Note 23 - Equity (continued)

Information about reserve funds held for a specific purpose is provided below. Note: ( ) depicts an overdrawn reserve account balance.

	ACTIVITY	PURPOSE	30 JUNE 2021 \$'000	2021/22 TRANSFERS IN \$'000	2021/22 TRANSFERS OUT \$'000	30 JUNE 2022 \$'000	2022/23 TRANSFERS IN \$'000	2022/23 TRANSFERS OUT \$'000	30 JUNE 2023 \$'000
	Rangitaiki Community Board	Separately collected rates for community projects	33	18	(0)	50	3	(2)	50
	Taneatua Community Board	Separately collected rates for community projects	9	8	(0)	17	6	-	23
	Murupara Community Board	Separately collected rates for community projects	24	1	(1)	24	1	(1)	25
	Iwi Liaison Community Projects	Separately collected rates for community projects	8	-	-	8	-	-	9
	Waste Minimisation	For Funding Waste Minimisation Expenditure	178	171	(116)	232	441	(198)	475
	Whakatane Holiday Park	To fund the Whakatane Holiday Park	(612)	-	(353)	(965)	-	(298)	(1,264)
	Whakaari 2019 Eruption	To fund the Whakaari 2019 Eruption	(211)	-	(7)	(218)	-	(11)	(229)
	Parks and Reserves Financial Contribution	To fund Capital Expenditure for Parks and Reserves	130	43	(20)	153	88	-	241
	<b>OTHER RESERVES</b>		<b>353</b>	<b>1,197</b>	<b>(593)</b>	<b>957</b>	<b>1,011</b>	<b>(786)</b>	<b>1,182</b>
	<b>DEPRECIATION RESERVES</b>								
	Whakatane Water	To fund the renewal of Water assets	(476)	1,092	(1,291)	(676)	1,123	(672)	(224)
	Ohope Water	To fund the renewal of Water assets	(1,119)	136	(33)	(1,016)	138	(49)	(928)
	Edgecumbe Water	To fund the renewal of Water assets	(250)	55	(7)	(203)	56	(9)	(155)
	Matata Water	To fund the renewal of Water assets	167	16	-	183	19	(30)	172
	Taneatua Water	To fund the renewal of Water assets	20	29	(7)	42	31	-	73
	Murupara Water	To fund the renewal of Water assets	346	41	(133)	254	68	(3)	319
	Ruatoki Water	To fund the renewal of Water assets	172	5	(0)	177	9	(0)	186
	Waimana Water	To fund the renewal of Water assets	33	11	(1)	44	11	-	55
	Plains Water	To fund the renewal of Water assets	(380)	52	(184)	(512)	130	(365)	(747)
	Te Mahoe Water	To fund the renewal of Water assets	99	4	(184)	(82)	1	(4)	(85)
	Whakatane Wastewater	To fund the renewal of Wastewater assets	2,287	761	(727)	2,321	149	(802)	1,668
	Ohope Wastewater	To fund the renewal of Wastewater assets	(1,106)	173	(32)	(966)	178	(78)	(866)
	Edgecumbe Wastewater	To fund the renewal of Wastewater assets	1,575	540	-	2,115	151	(22)	2,244
	Taneatua Wastewater	To fund the renewal of Wastewater assets	643	134	-	777	157	(7)	927
	Te Mahoe Wastewater	To fund the renewal of Wastewater assets	(31)	7	(1)	(25)	7	13	(4)

# Note 23 - Equity (continued)

Information about reserve funds held for a specific purpose is provided below. Note: ( ) depicts an overdrawn reserve account balance.

ACTIVITY	PURPOSE	30 JUNE 2021 \$'000	2021/22 TRANSFERS IN \$'000	2021/22 TRANSFERS OUT \$'000	30 JUNE 2022 \$'000	2022/23 TRANSFERS IN \$'000	2022/23 TRANSFERS OUT \$'000	30 JUNE 2023 \$'000
Murupara Wastewater	To fund the renewal of Wastewater assets	450	176	-	626	200	-	825
Matatā Wastewater	To fund the renewal of Wastewater assets	-	59	-	59	64	-	123
Whakatane Land Drainage	To fund the renewal of Stormwater assets	(786)	388	(495)	(892)	356	(2,688)	(3,225)
Ohope Land Drainage	To fund the renewal of Stormwater assets	(113)	50	(3)	(66)	51	(24)	(38)
Edgecumbe Land Drainage	To fund the renewal of Stormwater assets	(15)	45	-	30	49	-	78
Matata Land Drainage	To fund the renewal of Stormwater assets	22	14	-	36	16	-	52
Taneatua Land Drainage	To fund the renewal of Stormwater assets	21	11	-	32	12	(30)	14
Te Mahoe Land Drainage	To fund the renewal of Stormwater assets	20	5	(0)	26	6	-	32
Murupara Land Drainage	To fund the renewal of Stormwater assets	105	41	-	146	47	-	193
Te Teko Land Drainage	To fund the renewal of Stormwater assets	7	3	-	10	4	-	13
Refuse Disposal	To fund the renewal of Refuse Disposal assets	77	39	(21)	95	40	(79)	56
Libraries	To fund the renewal of Library assets	91	118	(101)	108	21	(113)	16
Museum	To fund the renewal of Museum assets	158	7	(2)	163	11	(2)	172
Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks and Gardens & Sports fields assets	348	626	(540)	434	138	(556)	16
Cemeteries & Crematoria	To fund the renewal of Cemeteries & Crematorium assets	90	186	(48)	228	18	(43)	203
Recreation	To fund the renewal of Recreation assets	164	5	-	169	12	0	181
Swimming Pools	To fund the renewal of Aquatic Centre assets	127	250	(187)	190	207	(494)	(97)
Halls	To fund the renewal of Halls assets	(290)	383	(133)	(39)	189	(103)	47
Dog Control	To fund the renewal of Dog Control assets	(4)	-	(0)	(4)	-	(0)	(4)
Public Conveniences	To fund the renewal of Public Conveniences assets	74	90	(99)	64	91	(143)	13
Pensioner Housing	To fund the renewal of Pensioner Housing assets	413	13	-	426	22	-	448
Strategic & Investment Property	To fund the renewal of Commercial Property assets	3	-	-	3	-	(0)	3
Vehicle & Plant Reserve	To fund the renewal of Vehicle and Plant	665	553	(530)	688	55	(182)	561

# Note 23 - Equity (continued)

Information about reserve funds held for a specific purpose is provided below. Note: ( ) depicts an overdrawn reserve account balance.

	ACTIVITY	PURPOSE	30 JUNE 2021 \$'000	2021/22 TRANSFERS IN \$'000	2021/22 TRANSFERS OUT \$'000	30 JUNE 2022 \$'000	2022/23 TRANSFERS IN \$'000	2022/23 TRANSFERS OUT \$'000	30 JUNE 2023 \$'000	
Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets	958	319	(273)	1,003	(672)	(0)	331	
Information Management	Corporate & District Activities	To fund the renewal of Information Management assets	1,638	811	(617)	1,832	78	(1,862)	48	
Port	Ports & Harbour	To fund the renewal of Ports & Harbour assets	267	227	(973)	(479)	249	(200)	(430)	
Roading- assisted / non-assisted / special and safety	Roads and Footpaths	To fund the renewal of Roading assets	1,195	2,179	(1,721)	1,654	730	(2,221)	162	
Airport- Whakatane 50%	Whakatane Airport	To fund the renewal of Whakatane Airport assets	(628)	105	(18)	(541)	107	(37)	(471)	
Whakatane Holiday Park	Whakatane Holiday Park	To fund the renewal of Whakatane Holiday Park assets	35	44	(64)	15	44	(49)	9	
<b>DEPRECIATION RESERVES</b>			<b>7,071</b>	<b>9,802</b>	<b>(8,424)</b>	<b>8,449</b>	<b>4,371</b>	<b>(10,854)</b>	<b>1,966</b>	
<b>COUNCIL OPERATING RESERVES</b>			<b>10,238</b>	<b>16,901</b>	<b>(16,593)</b>	<b>10,545</b>	<b>14,109</b>	<b>(22,352)</b>	<b>2,303</b>	
<b>RESTRICTED RESERVES</b>										
Development Contributions - Whakatane Water	Water	To fund growth related capital expenditure	(218)	33	(6)	(192)	3	(14)	(203)	
Development Contributions - Ohope Water	Water	To fund growth related capital expenditure	130	5	-	135	15	-	150	
Development Contributions - Edgecumbe Water	Water	To fund growth related capital expenditure	8	-	-	9	-	-	9	
Development Contributions - Matata Water	Water	To fund growth related capital expenditure	78	2	-	81	4	-	85	
Development Contributions - Plains Water	Water	To fund growth related capital expenditure	(68)	5	(2)	(65)	-	(3)	(68)	
Development Contributions - Whakatane Wastewater	Wastewater	To fund growth related capital expenditure	(1,705)	8	(487)	(2,185)	18	(113)	(2,280)	
Development Contributions - Coastlands Wastewater	Wastewater	To fund growth related capital expenditure	(385)	-	(12)	(397)	-	(305)	(702)	
Development Contributions - Ohope Wastewater	Wastewater	To fund growth related capital expenditure	283	9	-	292	16	-	308	



# Note 23 - Equity (continued)

Information about reserve funds held for a specific purpose is provided below. Note: ( ) depicts an overdrawn reserve account balance.

	ACTIVITY	PURPOSE	30 JUNE 2021 \$'000	2021/22 TRANSFERS IN \$'000	2021/22 TRANSFERS OUT \$'000	30 JUNE 2022 \$'000	2022/23 TRANSFERS IN \$'000	2022/23 TRANSFERS OUT \$'000	30 JUNE 2023 \$'000
Development Contributions - Edgumbe Wastewater	Wastewater	To fund growth related capital expenditure	(4)	-	(0)	(4)	-	(0)	(4)
Development Contributions - Community Infrastructure	Arts & Culture, Recreation & Community Facilities	To fund growth related Community Infrastructure	434	67	(1)	500	50	(7)	543
Development Contributions - Parks, Gardens and Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure	150	5	(1)	154	8	-	162
Development Contributions - Rural Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	(34)	-	(1)	(36)	-	(2)	(37)
Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure	315	27	-	342	17	(13)	346
Development Contributions - Roading	Roads and Footpaths	To fund growth related Roading capital expenditure	678	75	(67)	686	56	(83)	659
Development Contributions - Non Fin Assisted Roading	Roads and Footpaths	To fund growth related capital expenditure	5	-	-	5	-	-	5
Development Contributions - Whakatane Land Drain	Stormwater	To fund growth related capital expenditure	164	18	(14)	168	12	(16)	164
Development Contributions - Ohope Land Drain	Stormwater	To fund growth related capital expenditure	135	4	-	140	7	-	147
Development Contributions - Matata Land Drainage	Stormwater	To fund growth related capital expenditure	-	-	-	1	-	-	1
Development Contributions - Whakatane Carparks	Roads and Footpaths	To fund growth related capital expenditure	(9)	-	(0)	(10)	-	(0)	(10)
Otarawairere Disaster Mitigation	Stormwater	To fund growth related capital expenditure at Otawairere	(51)	-	(2)	(52)	-	(3)	(55)
Capital Contributions - Roading	Roads and Footpaths	Financial Contributions for Roading Capital Projects	66	2	-	69	4	-	72
Subdivision Contributions - Whakatane	General Council	To fund capital expenditure in the Whakatane Ward	22	1	(8)	14	1	-	15
Subdivision Contributions - Ohope	General Council	To fund capital expenditure in the Ohope Ward	49	2	-	51	3	-	53
Subdivision Contributions - Edgumbe	General Council	To fund capital expenditure in the Edgumbe Ward	28	1	-	29	2	-	30
Subdivision Contributions - Matata	General Council	To fund capital expenditure in the Matata Ward	24	1	-	24	1	-	26

## Note 23 - Equity (continued)

Information about reserve funds held for a specific purpose is provided below. Note: ( ) depicts an overdrawn reserve account balance.

	ACTIVITY	30 JUNE 2021 \$'000	2021/22 TRANSFERS IN \$'000	2021/22 TRANSFERS OUT \$'000	30 JUNE 2022 \$'000	2022/23 TRANSFERS IN \$'000	2022/23 TRANSFERS OUT \$'000	30 JUNE 2023 \$'000
Subdivision Contributions - Murupara	General Council	(0)	-	(0)	(1)	-	(0)	(1)
Subdivision Contributions- Rural	General Council	6	-	-	6	-	-	6
Harbour Capital Fund	Ports & Harbour	1,608	2,133	(2,151)	1,589	2,099	(2,302)	1,386
Harbour Land Sales	Ports & Harbour	13,144	415	-	13,559	707	-	14,266
<b>RESTRICTED RESERVES</b>		<b>14,853</b>	<b>2,812</b>	<b>(2,753)</b>	<b>14,913</b>	<b>3,023</b>	<b>(2,861)</b>	<b>15,074</b>
<b>TOTAL RESERVES</b>		<b>25,091</b>	<b>19,713</b>	<b>(19,346)</b>	<b>25,458</b>	<b>17,132</b>	<b>(25,213)</b>	<b>17,377</b>

## Note 24 - Joint venture

The Council has a joint venture with the Whakatāne Airport.

Please see Notes 13 and 34 for further information on councils 50% share of the net assets in Whakatāne Airport.

## Note 25 - Reconciliation of net surplus (deficit) after tax to net cashflow from operating activities

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>Surplus / (Deficit) Before Tax</b>	<b>(7,660)</b>	<b>5,590</b>
<b>Add / (Less) Non-cash Items</b>		
Share of Joint Ventures/Associates Surplus / (deficit)	382	392
Vested Assets	(1,475)	(116)
Depreciation and Amortisation Expense	23,086	21,690
Impairments	-	-
(Gains)/Losses on Revaluation- Property Intended for Sale	1,804	(12)
(Gains)/Losses on Revaluation- Investment Property	2,678	(2,692)
(Gains)/Losses Forestry	(36)	3
(Gains)/Losses Museum Collection	-	-
(Gains)/Losses on Revaluation- Derivative Financial Instruments	(1,201)	(4,215)
<b>Total Non-Cash Items</b>	<b>25,238</b>	<b>15,050</b>
<b>Add / (less) Items classified as investing or financing activities</b>		
<b>(Gains)/losses on disposal of property, plant and equipment</b>	<b>(246)</b>	<b>(120)</b>
<b>Total Items Classified as Investing or Financing Activities</b>	<b>(246)</b>	<b>(120)</b>
<b>Add / (Less) Movements in other Working Capital Items</b>		
(Increase)/Decrease in Receivables	(4,386)	7,284
(Increase)/Decrease in Prepayments	(243)	(87)
(Increase)/Decrease in Inventory	(17)	(39)
Increase/(Decrease) in Payables	1,823	(7,954)
Increase/(Decrease) in Provisions	(588)	1,642
Increase/(Decrease) in Employment Entitlements	433	307
Increase/(Decrease) in Deferred tax	-	-
<b>Net movement in working capital items</b>	<b>(2,978)</b>	<b>1,153</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>14,353</b>	<b>21,673</b>

## Note 26 - Capital commitments and operating leases

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>CAPITAL COMMITMENTS</b>		
Roading Network	2,150	4,003
Stormwater	860	1,641
Wastewater	46	87
Water System	973	1,821
Port	4,100	9,588
<b>Total Capital Commitments</b>	<b>8,129</b>	<b>17,141</b>
<i>Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.</i>		
<b>OPERATING LEASES AS LESSEE</b>		
Not later than one year	34	72
Later than one year and not later than five years	98	16
<b>Total Non Cancellable Operating Leases as Lessee</b>	<b>132</b>	<b>88</b>
<i>The Council leases equipment in the normal course of 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 at 30 June are represented above. There are no restrictions placed on the Council by any of the leasing arrangements.</i>		
<b>OPERATING LEASES AS LESSOR</b>		
Not later than one year	2,115	2,312
Later than one year and not later than five years	6,315	5,287
Later than five years	6,812	5,808
<b>Total Non-Cancellable Operating Leases as Lessor</b>	<b>15,242</b>	<b>13,407</b>

Investment property is leased under operating leases. The amounts above are the future aggregate minimum lease payments to be collected under non-cancellable operating leases.

## Note 27 - Contingencies quantified contingent liabilities

### Quantified contingent liabilities

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
Other Claims	-	-
<b>Total Contingencies</b>	<b>-</b>	<b>-</b>

### Contingent liabilities

The Council has contingent liabilities for indemnity claims, but the only claims that might be estimated are related to weathertightness (see below) and a provision has been made in the financial statements to anticipate this liability.

With regard to the quantified contingent liabilities, there is one potential liability faced by the Council.

### Weathertightness and other building related claims

Refer Note 20. The Council has included a provision in the accounts for a potential liability in relation to weathertightness and other building related claims. The calculation is based on a forecast percentage estimate of the total claim.

The amount of other potential future claims cannot be reliably estimated and is therefore unquantifiable.

## Note 27 - Contingencies Quantified contingent liabilities continued

### Engineering report on subdivision

Representatives of the owners of properties within this subdivision have approached Council because of issues arising around slips and stormwater management in and around the accessway of the subdivision. In an attempt to find a resolution, the Council commissioned a geotechnical engineer to assess the accessway and to determine its state. While no formal legal proceedings have been issued against the Council, it has been notified. Staff are discussing the report conclusions with the representatives of the owners and working with the insurers on the issue.

### Resource consent on water bottling plant

The Supreme Court has granted leave to the appellants to challenge the Court of Appeal decision that led to the granting of resource consents for an expanded water bottling plant in Otakiri. The Court of Appeal decision was released in late 2022, effectively dismissing the appeals. The Court did not agree that the consent was appropriately considered as a “change of conditions” of an existing consent, and instead considered that a new resource consent should have been applied for. It did however decide that the full matters that would have been considered as a new consent were in fact considered during the processing of the s127 application and therefore the earlier Court decision stands. The Councils legal costs are \$282,145 and is unlikely to be covered by insurance. The Council may be asked to consider an application for a costs award should Council be successful in the Court of Appeal.

### Unquantified Claims

The Council was previously a member of the New Zealand Mutual Liability Riskpool Scheme (‘RiskPool’). The scheme was wound down, having provided public liability and professional indemnity insurance for its members until June 2017.

The Council has an ongoing obligation to contribute to the scheme should a call be made by the Riskpool Board in respect of any historical claims (to the extent those claims are not covered by reinsurance) based on the councils members in a related fund year, and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire.

However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, Riskpool notified its members on 2 August 2023 that it has a liability in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability regarding this claim, or any other future claims, is unable to be quantified.

### Employment dispute

There was one employment dispute at 30 June 2023. This cannot yet be quantified but may result in a payment of approximately \$10,000 (2022: nil).



## Note 27 - Contingencies Quantified contingent liabilities continued

### **New Zealand Local Government Funding Agency**

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a local currency rating from Fitch Ratings of AA+ and Standard and Poor's of AAA. Their foreign currency rating from both is AA+.

As at 30 June 2023, Council is one of 30 local authority shareholders and 68 local authority guarantors of the LGFA. In that regard it has uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2023, LGFA had borrowings totalling \$16,310 million (2022: \$15,789 million).

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

- We are not aware of any local authority debt default events 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.

### **Edgecumbe Stop bank Breach 2017**

In August 2023 a class action claim (Jill Payne and IAG New Zealand Ltd) was raised against Council together with Bay of Plenty Regional Council related to alleged duty of care in relation to monitoring and maintaining a flood wall located at 54-64 College Road, Edgecumbe. Council is contesting the claims which have not been quantified due to the nature of the issues, the uncertainty of the outcome and / or the extent to which the Council have a responsibility to the claimant.

### **Contingent assets**

There are no known contingent assets at balance date.

## Note 28 - Related party transactions to be disclosed

The Council has a 1/9th share in BOPLASS Limited. BOPLASS Limited has been established to foster collaboration between councils in the delivery of services particularly back office or support services. Whakatāne District Council's Chief Executive, Stephanie O'Sullivan was appointed as a director and Shareholder Representative of BOPLASS Limited during the 2019 financial year. During the year the Council contracted BOPLASS Limited for services costing \$139,907.70 (2022: \$144,910.52).

Council has a 50:50 joint equity venture with the Ministry of Transport (Air Transport Division) in the Whakatāne Airport and both entities are considered to be related parties. Administrative and maintenance transactions totalling \$56,584 (2022: 49,297) were carried out with the Joint Venture. Funds held by Council on behalf of the Airport total \$ 2,397,759 deficit (2022: \$2,031,585 deficit).

### Key management personnel compensation

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>COUNCILLORS AND MAYOR</b>		
Remuneration	670	637
Number of elected officials	11	11
<b>EXECUTIVE TEAM, INCLUDING THE CHIEF EXECUTIVE</b>		
Remuneration	1,926	1,787
Full-time equivalent member	8	7.8
<b>Total Key Management Personnel Remuneration</b>	<b>2,596</b>	<b>2,424</b>
<b>Total Full-Time Equivalent Personnel</b>	<b>19</b>	<b>18.8</b>

*Total remuneration includes the value of any non-financial benefits.*

*Due to the difficulty in determining the full-time equivalent for elected officials, the full-time equivalent figure is taken as the number of elected officials. Detailed salaries and allowances paid to elected officials are presented in Note 29.*

# Note 29 - Remuneration

## Chief Executive

The Chief Executive of the Whakatāne District Council, appointed under section 42(1) of the Local Government Act 2002 received a remuneration package of \$317,098.64 (2022: \$315,890.71) including KiwiSaver. In addition, a benefit of \$12,552.57 (2022 \$12,982.36) for a vehicle.

## Elected representatives

Elected representatives received the following remuneration:

MAYOR AND COUNCILLORS	2023				2022			
	SALARIES \$000	HEARINGS \$000	ALLOW AND EXP REIMB \$000	VEHICLE \$000	SALARIES \$000	HEARINGS \$000	ALLOW AND EXP REIMB \$000	VEHICLE \$000
Luca, Victor (Mayor)	110,933	-	2,870	2,021	37,417	-	1,750	-
Boynton, Toni	31,344	-	1,247	-	-	-	-	-
Dennis, Gavin	48,393	-	5,869	-	37,417	-	4,612	-
Iles, Andrew	52,142	-	8,731	-	67,351	-	9,481	-
Immink, Lesley (Deputy Mayor)	58,527	-	3,493	-	41,159	-	2,528	-
James, Wilson	48,393	-	1,750	-	37,417	-	1,750	-
Jukes, Julie	53,850	-	1,750	-	56,126	-	1,750	-
O'Brien, Thomas	31,344	-	1,247	-	-	-	-	-
Pullar, John	49,485	-	1,750	-	41,159	-	1,750	-
Rangiaho, Bella	31,344	-	1,955	-	-	-	-	-
Silcock, Alison	10,913	-	3,104	-	37,417	-	8,237	-
Tánczos, Nándor	53,850	-	1,750	-	56,126	680	1,750	-
Turner Judy (ex Mayor)	38,360	-	1,306	749	131,489	-	1,936	2,511
Van Beek, Gerard	16,370	-	503	-	56,126	-	1,750	-
<b>COMMUNITY BOARD MEMBERS</b>								
<b>Rangitāiki</b>								
Bourk, Graeme	1,533	-	275	-	5,258	-	800	-
Brown, Heemi	3,798	-	570	-	-	-	-	-
Byrne, Kris	3,067	-	275	-	10,515	-	800	-
Clark, Alison	1,533	-	230	-	5,258	-	800	-
Falwasser, Peter	3,798	-	570	-	-	-	-	-
Flowerday, Peter	3,798	-	646	-	-	-	-	-
Gardiner, Ross	3,798	-	728	-	-	-	-	-
Harvey, Evan	1,533	-	275	-	5,258	-	800	-
McIndoe, Clive	3,798	-	570	-	-	-	-	-
Ngaropo, Pouroto	1,533	-	230	-	5,258	-	800	-
Waaka, Leeann (C)	8,456	-	845	-	5,258	-	800	-

## Note 29 - Remuneration continued

MAYOR AND COUNCILLORS	2023				2022			
	SALARIES \$000	HEARINGS \$000	ALLOW AND EXP REIMB \$000	VEHICLE \$000	SALARIES \$000	HEARINGS \$000	ALLOW AND EXP REIMB \$000	VEHICLE \$000
<b>Tāneatua</b>								
Boynton Toni	1,182	-	230	-	4,053	-	800	-
Bryant, Talei	2,928	-	570	-	-	-	-	-
Faulkner, Mary	1,182	-	230	-	4,053	-	800	-
George, Natasha	2,309	-	449	-	-	-	-	-
Knowles, Les	1,182	-	230	-	4,053	-	800	-
Le Sueur Yvonne	1,182	-	230	-	4,053	-	800	-
Ruiterman, Luke	4,110	-	800	-	4,053	-	800	-
Stensness, Moana	2,154	-	472	-	-	-	-	-
Thrupp, Honey	2,928	-	570	-	-	-	-	-
Yalden, Diane (C)	6,674	-	800	-	8,107	-	800	-
<b>Whakatāne / Ōhope</b>								
Bonne, Linda	8,913	-	800	-	8,790	-	800	-
Hall, Tony	2,564	-	230	-	8,790	-	800	-
Hamill, Carolyn (C)	14,171	279	800	-	8,790	-	800	-
Hanna, Moira	5,128	-	230	-	17,581	-	800	-
Howard, Christopher	8,913	-	800	-	8,790	-	800	-
Inman, Mark	8,913	-	800	-	8,790	-	800	-
Iseri, Ozgur	6,349	-	570	-	-	-	-	-
Lee, Cindy	2,564	-	230	-	8,790	-	800	-
Manning, Jennifer	2,564	-	230	-	8,790	-	800	-
McLean, Douglas	6,349	-	570	-	-	-	-	-
<b>Murupara</b>								
Bannan Kenneth	4,110	-	1,307	-	3,606	-	712	-
Barnett, Tina	2,928	-	570	-	-	-	-	-
Goldsmith, James	2,928	-	570	-	-	-	-	-
Hynes, Ormond	1,182	-	230	-	4,053	-	800	-
Jenner, Memorie	1,182	-	230	-	4,053	-	800	-
McLean, Mere (C)	5,360	-	570	-	-	-	-	-
O'Brien April	1,182	-	230	-	4,053	-	800	-
Prentice, Irma	2,928	-	570	-	-	-	-	-
Rangiaho, Bella	1,182	-	230	-	4,053	-	800	-
Silcock, Alison	1,517	-	295	-	-	-	-	-
Te Amo, Jackie	2,229	-	230	-	8,107	-	800	-
<b>Total Elected Representatives' Remuneration</b>	<b>790,880</b>	<b>279</b>	<b>57,412</b>	<b>2,770</b>	<b>771,417</b>	<b>680</b>	<b>58,004</b>	<b>2,511</b>

The Local Government Members Determination is made by the Remuneration Authority under the Remuneration Act 1977. This governs the maximum payments that Councillors and Community Board members may receive. One community board member was overpaid by \$184.78 being \$154.67 remuneration and \$30.11 allowance. This will be recovered in the 2023/24 financial year.

## Note 29 - Remuneration continued

### Council employees

	2023		2022
<b>Total annual remuneration by band for employees as at 30 June:</b>			
\$0- \$59,999	122	\$0- \$59,999	135
\$60,000- \$79,999	69	\$60,000- \$79,999	62
\$80,000- \$99,999	63	\$80,000- \$99,999	56
\$100,000- \$119,999	30	\$100,000- \$119,999	25
\$120,000- \$139,999	21	\$120,000- \$139,999	15
\$140,000- \$159,999	10	\$140,000- \$159,999	9
\$160,000- \$239,999	6	\$160,000- \$239,999	7
\$240,000- \$340,000	4	\$240,000- \$340,000	2
<b>325</b>	<b>325</b>		<b>311</b>

At balance date, the Council employed 210 (2022: 209) full time employees, with the balance of staff representing 67.6 (2022: 60.79) full time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

## Note 30 - Severance Payments

For the year ended 30 June 2023 Whakatāne District Council made severance payments of \$5,309 to 1 employee. (2022: \$5,000 to 1 employee.)

## Note 31 - Events after balance date

The previous New Zealand Government commenced implementation of a water services reform programme intended to ensure all New Zealanders have safe, clean and affordable water services. It intended to achieve this establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform was enacted by three pieces of legislation:

The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements.

A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.

The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.

The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

There is uncertainty around the water services reform legislation. Recognising with the Coalition Agreement for the 54th Parliament being agreed for the current New Zealand Government, it may be repealed or substantially amended. (2022: Water Services Reform, Cyclone Gabrielle).



# Note 32a - Financial Instruments

## Adoption of PBE IPSAS 41

In accordance with the transitional provisions in PBE IPSAS 41, Council has elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2022 (the date of initial application).

The accounting policy for the year ended 30 June 2023 for receivables (Note 11) have been updated to comply with PBE IPSAS 41, to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.

On the date of initial of application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below:

	MEASUREMENT CLASSIFICATIONS		30 JUNE 2022 \$000	1 JULY 2022 \$000	ADOPTION ADJUSTMENT \$000
	PBE IPSAS 29	PBE IPSAS 41			
<b>FINANCIAL ASSETS</b>					
Cash and Cash Equivalents	Loans and Receivables	Amortised Cost	1,888	1,888	-
Term Deposits	Loans and Receivables	Amortised Cost	6,000	6,000	-
Receivables	Loans and Receivables	Amortised Cost	2,720	2,861	141
Interest Rates Swaps	FVTSD	FVTSD	1,098	1,098	-
Listed and Unlisted Shares	Available for Sale	FVOCRE	159	159	-
LGFA Borrower Notes	Loans and Receivables	FVTSD	1,664	1,664	-
Other Financial Assets	Loans and Receivables	Amortised Cost	9,397	9,397	-
<b>FINANCIAL LIABILITIES</b>					
Payables	Amortised Cost	Amortised Cost	12,243	12,243	-
Borrowings - Secured loans	Amortised Cost	Amortised Cost	86,000	86,000	-

FVTOCRE = Fair value through other comprehensive revenue and expense

FVTSD = Fair value through surplus or deficit

The measurement categories and carrying amounts for financial liabilities have not changed on transition to PBE IPSAS 41.

## Note 32b - Financial Instrument Categories

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

	ACTUAL 2023 \$000	ACTUAL 2022 \$000
<b>FINANCIAL ASSETS</b>		
<b>Fair value through surplus or deficit</b>		
<b>Financial Instruments</b>		
Derivative financial instrument assets	2,298	1,098
<b>Financial assets at amortised costs</b>		
Cash and cash equivalents	3,815	1,888
Receivables	6,800	2,819
<b>Total financial assets at amortised costs</b>	<b>12,913</b>	<b>5,805</b>
<b>Fair value through other comprehensive revenue and expense</b>		
<b>Other financial assets:</b>		
Civic Financial Services Ltd (formerly NZ Local Govt Insurance Corp Ltd)	50	50
BoP LASS Ltd	9	9
NZ Local Government Funding Agency	2,532	1,764
Investment in Whakatāne Airport	6,641	7,224
Loan to Air Chathams	350	350
Boat Harbour Te Rāhui Herenga Waka	5,674	-
<b>Total fair value through comprehensive revenue and expense</b>	<b>15,256</b>	<b>9,397</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Fair value through surplus or deficit</b>		
<b>Financial Instruments</b>		
Derivative financial instrument liabilities	-	-
<b>Financial liabilities at amortised cost</b>		
Payables	13,701	12,243
Borrowings- Secured loans	115,800	86,000
<b>Total Financial Liabilities at Amortised cost</b>	<b>129,501</b>	<b>98,243</b>

## Note 32c - 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 at fair value in the statement of financial position.

	TOTAL \$000	QUOTED MARKET PRICE \$000	OBSERVABLE INPUTS \$000	SIGNIFICANT NON- OBSERVABLE INPUTS \$000
<b>2022</b>				
<b>FINANCIAL ASSETS</b>				
Derivatives	1,098	-	1,098	-
Local authority stock	9	-	9	-
Shares	150	-	150	-
Borrower notes	1,664	-	1,664	-
Whakatāne Airport	7,224	-	7,224	-
Loan to Air Chathams	350	-	350	-
<b>FINANCIAL LIABILITIES</b>				
Derivatives	-	-	-	-
<b>2023</b>				
<b>FINANCIAL ASSETS</b>				
Derivatives	2,298	-	2,298	-
Local authority stock	9	-	9	-
Shares	150	-	150	-
Borrower notes	2,433	-	2,433	-
Whakatāne Airport	6,641	-	6,641	-
Loan to Air Chathams	350		350	-
<b>FINANCIAL LIABILITIES</b>				
Derivatives	-	-	-	-

## Note 32d - Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The Council has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established Council-approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

### 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. Equity securities price risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive revenue and expense. This price risk arises due to market movements in listed shares. This price risk is managed by diversification of Council's investment portfolio in accordance with the limits set out in Council's Investment policy.

#### 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 Council to fair value interest rate risk. Council's Liability Management policy is to maintain approximately 50-90% of its borrowings in fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where the Council has borrowed at fixed rates in excess of the target above.

#### 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 the Council to cash flow interest rate risk.

Generally, the 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 the Council borrowed at fixed rates directly. Under the interest rate swaps, the 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 the Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and local authority stock which gives rise to credit risk.

The 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 group invests funds only with entities that have a Standard and Poor's credit rating of A- or above for long-term investments.

The Council holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.

## Note 32d - Financial instrument risks (continued)

The Council's credit risk exposure for each class of financial instrument is as follows:

	2023 \$000	2022 \$000
<b>MAXIMUM EXPOSURE TO CREDIT RISK</b>		
Cash at bank and term deposits	3,815	1,888
Trade and other receivables	6,800	2,819
Local authority and government stock	2,433	1,664
Investment in Whakatāne Airport	6,641	7,224
Loan to Air Chathams	350	350
Derivatives	2,298	1,098
<b>Total Credit Risk</b>	<b>22,337</b>	<b>15,042</b>

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowing. Information about this exposure is explained in Note 27.

### 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:

		2023 \$000	2022 \$000
<b>COUNTERPARTIES WITH CREDIT RATINGS</b>			
Cash at bank and term deposits	AA-	3,815	1,888
<b>Total cash at bank and term deposits</b>		<b>3,815</b>	<b>1,888</b>
<b>Local authority stock and government bonds</b>			
NZ Local Government Funding Agency		2,532	1,764
<b>Total local authority stock and government bonds</b>	AA+	<b>2,532</b>	<b>1,764</b>
<b>COUNTERPARTIES WITHOUT CREDIT RATINGS</b>			
Civic Financial Services Ltd (formerly NZ Local Govt Insurance Corp Ltd)		50	50
Bay of Plenty Local Authority Shared Services Limited		9	9
Investment in Whakatāne Airport		6,641	7,224
Loan to Air Chathams		350	350
Boat Harbour Te Rāhui Herenga Waka		4,074	5,674
<b>Total Counterparties Without Credit Ratings</b>		<b>12,724</b>	<b>7,633</b>

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



## Note 32d - Financial instrument risks (continued)

### Liquidity risk

#### Management of liquidity risk

Liquidity risk is the risk that the 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. The Council aims to maintain flexibility in funding by keeping committed credit lines available. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy.

#### Contractual maturity analysis of financial liabilities

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

	LIABILITY CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-2 YEARS \$000	2-5 YEARS \$000	MORE THAN 5 YEARS \$000
<b>Council 2023</b>						
Trade and Other Payables	13,701	13,701	13,701	-	-	-
Secured Loans	115,800	115,800	12,300	16,000	71,500	16,000
<b>Total</b>	<b>129,501</b>	<b>129,501</b>	<b>26,001</b>	<b>16,000</b>	<b>71,500</b>	<b>16,000</b>
<b>Council 2022</b>						
Trade and Other Payables	12,243	12,243	12,243	-	-	-
Secured Loans	86,000	86,000	9,000	10,000	39,000	28,000
Financial Derivatives						
<b>Total</b>	<b>98,243</b>	<b>98,243</b>	<b>21,243</b>	<b>10,000</b>	<b>39,000</b>	<b>28,000</b>

The council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is in Note 27

## Note 32d - Financial instrument risks (continued)

### Contractual maturity analysis of financial assets

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	LIABILITY CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-2 YEARS \$000	2-5 YEARS \$000	MORE THAN 5 YEARS \$000
<b>Council 2023</b>						
Cash and Cash Equivalents	3,815	3,815	3,815	-	-	-
Receivables	6,800	6,800	6,800	-	-	-
<b>Other Financial Assets:</b>						
Local Authority and Government Stock	2,432	2,432	160	328	1,590	355
Loan to Air Chathams	350	350	-	350	-	-
Derivatives	2,297	2,297	134	94	1,162	908
<b>Total</b>	<b>15,694</b>	<b>15,694</b>	<b>10,909</b>	<b>772</b>	<b>2,751</b>	<b>1,263</b>
<b>Council 2022</b>						
Cash and Cash Equivalents	1,888	1,888	1,888	-	-	-
Receivables	2,819	2,819	2,819	-	-	-
<b>Other Financial Assets:</b>						
Local Authority and Government Stock	1,664	1,664	144	160	600	760
Loan to Air Chathams	350	350	-	350	-	-
Derivatives	1,097	1,097	(1)	(48)	45	1,101
<b>Total</b>	<b>7,818</b>	<b>7,818</b>	<b>4,850</b>	<b>462</b>	<b>645</b>	<b>1,861</b>

### Sensitivity analysis

Tables below illustrate the potential effect on surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at balance date.

	2023 \$000				2022 \$000			
	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY
<b>FINANCIAL ASSETS</b>								
Cash and cash equivalents	(38)	-	38	-	(19)	-	19	-
Derivatives- Interest rate swaps	-	-	-	-	-	-	-	-
Financial instruments	-	-	-	-	-	-	-	-
<b>Other Financial Assets</b>								
Local Authority and Government Stock	(26)	-	26	-	(18)	-	18	-
<b>Financial Liabilities</b>								
Derivatives- Interest rate swaps	3,570	-	7,112	-	2,703	-	5,608	-
<b>Borrowings</b>								
Bank overdraft	-	-	-	-	-	-	-	-
Debt	1,158	-	(1,158)	-	870	-	(870)	-
<b>Total sensitivity to interest rate risk</b>	<b>4,664</b>	<b>-</b>	<b>6,018</b>	<b>-</b>	<b>3,536</b>	<b>-</b>	<b>4,775</b>	<b>-</b>

## Note 32d - Financial instrument risks (continued)

### Explanation of interest risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1.0%.

### Derivatives

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2022:-100bps/+100bps). Derivative financial liabilities not hedge accounted include interest rate swaps with a fair value totalling \$2,297,000 (2022: \$1,097,000). A movement in interest rates of plus or minus 1.0% has an effect on the swap value of \$3,570,000 (2022: \$2,703,000) and \$7,112,000 (2022: \$5,608,000).

### Local authority stock

A total of \$59,000 (2022: \$59,000) 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 \$590 (2022: \$590) on the fair value through equity reserve.

### Secured loans (floating)

The Council has floating rate debt with a principal amount totalling \$69 million (2022: \$69 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$690,000 (2022: \$690,000). 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.

### 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.

## Note 33 - Capital management

The Council's capital is its equity (or ratepayer's funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interest of the community. Ratepayer's 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 Council. Intergenerational equity requires today's ratepayers to meet the costs of utilizing the 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 Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the cost of deferred renewals and maintenance.

The Act required the 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 LGA also sets out the factors that the 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 Council's LTP.

## Note 34 - Variances from budget

Explanations for major variations from the Council's budget figures in the 2022/23 Annual Report are as follows:

### Statement of comprehensive revenue and expense

The deficit before tax of \$7.6 million is \$20.5 million lower than the budgeted surplus of \$12.9 million set in the 2023 Annual Plan. The variance is attributable to the following factors:

#### Revenue (\$3.3 million 3.6% lower than budget)

- Subsidies and Grants were under budget by \$5.6 million.
- Gains were over budget by \$1.5 million predominantly due to Derivative Financial Instruments performing well with the steady rise in floating interest rates.

#### Expenditure (\$18.7 million 24% higher than budget)

- Other Expenses exceeded budget by \$2.8 million. This was mainly in the contracts and consultants area.
- Depreciation was over budget by \$5.1 million. This is mainly due to the increasing value of these assets particularly three waters and roading assets.
- The landfill provision increased by \$1.2 million due to extra necessary work being identified.
- Personnel costs finished at \$2.4 million above budget due to pay rises.
- Finance costs finished at \$2.3 million above budget due to increasing interest rates and higher loans.
- Losses were a \$4.5 million unbudgeted expense. The main losses were due to Investment Properties values taking a downward trend.

### Statement of changes in net assets and equity

The Council's equity has been adjusted by the current year total comprehensive revenue and expense, a surplus of \$51.1 million, which is the combination of the deficit after tax of \$8.5 million and a net gain on revaluation of \$59.6 million includes deferred tax on revaluations. The remaining movements are a result of movements in restricted reserves and council created reserves.

### Statement of financial position

The Net Assets variance to budget was 43% (\$361 million) more than budgeted. Nearly all of the variance was in non-current assets.

#### Total Assets (\$370 million 38% higher than budget)

- Non-current Assets exceeded budget by \$372 million.
- Much of this variance can be explained by having continuous and fair assessments rather than the historical 3 yearly cycles.
- During 2023 a further \$48 million was added to valuations and fair assessments of infrastructural assets.
- Infrastructural assets were over budget by \$348 million.
- Operational Assets were over budget by \$14 million, they were revalued up by \$4 million during 2023.
- Cash finished the year at \$5 million below budget.

#### Total Liabilities (\$8.8 million 6% more than budget)

- Loans were \$14.8 million more than budget due to capital expenditure being higher than usual and inflationary impacts on cost.
- Payables were \$4.4 million less than budget due to more creditors being paid before balance date.
- Provisions were \$1.6 million lower than originally anticipated as a result of landfill provisions increasing but being offset by future loss on sale of investment property decreasing.

## Note 34 - Variances from budget (continued)

### Statement of cashflows

Cash held at year end was \$5.3 million less than the budget of \$9 million.

The Net Increase / Decrease cashflows was \$3 million less than budget.

Net cashflows from operating activities was \$16 million less than budget, spending more (\$10.4 million) and receiving less income (\$6 million). This is mainly reflected in:

- Fees and charges and other revenue was over budget by \$2.7 million.
- Subsidies and Grants received were below budget by \$8 million due to some delays in grants that were moved to the 2023/24 year.

Net cashflows from investing activities contributed \$3.6 million lower cash utilisation compared with budget, while capital purchases were over budget by \$4 million, this was offset by positive impact of receipts from sale of capital of \$1 million and acquisition of investments being \$6.6 million lower than budget.

Financing activities were overspent by \$9.8 million due to extra loans being raised for capital expenditure and inflationary impacts on costs.




## Statement of compliance

### Te Whakapuakanga Whakaū ki ngā Ture

The Council of Whakatāne 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, with the exception of section 98(3) which requires the adoption of the annual report by resolution within 4 months after the end of the financial year to which it relates.



*Dr Victor Luca  
Mayor  
21 December 2023*



*Steph O'Sullivan  
Chief Executive  
21 December 2023*

## Independent Auditor's Report

### To the readers of Whakatāne District Council's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of Whakatāne District Council (the District Council). The Auditor-General has appointed me, David Walker, 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 21 December 2023. This is the date on which we give our report.

### Opinion on the audited information

#### ***Unmodified opinion on the audited information, excluding the non-financial performance information***

In our opinion:

- the financial statements on pages 93 to 96 and pages 98 to 163:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2023; and
    - 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 97, 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 statement about capital expenditure for each group of activities on pages 41 to 83, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s Long-term plan; and
- the funding impact statement for each group of activities on pages 41 to 83, 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.

### ***Qualified opinion on the non-financial performance information***

In our opinion, except for the possible effects of the matter explained in the *Basis for our opinion on the audited information* section of our report, the non-financial performance information on pages 34 to 83:

- presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2023, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
  - 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.

### **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 88 to 92, 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.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

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

### ***Non-financial performance information: Our work was limited in respect of the number of complaints received about water supply, wastewater and stormwater***

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measures Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the number of complaints received.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. The District Council and its afterhours call centre provider have not been recording and classifying complaints in accordance with this guidance and the method of recording was likely to have understated the actual number of complaints received.

As a result, our audit work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures.

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.

### **Emphasis of matter - uncertainty over the water services reform programme**

Without modifying our opinion, we draw attention to Note 31 on page 153, which outlines developments in the water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities.

On 14 December 2023, the Government announced its intention to introduce and pass legislation early next year to repeal and replace the "Three Waters" legislation. The effect of this announcement on the Council is uncertain until such legislation is passed.

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

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

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

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

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

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

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

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

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's 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 non-financial performance information, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s 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.

Our responsibilities arise from the Public Audit Act 2001.

## **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 33 and 84 to 87, but does not include the audited information and the disclosure requirements, and our auditor’s report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement

of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

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

Other than the audit and our report on the disclosure requirements, we will perform a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council.



David Walker  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand



## WHAKATĀNE DISTRICT COUNCIL

Civic Centre, Commerce Street, Whakatāne  
Private Bag 1002, Whakatāne 3158

Email: [info@whakatane.govt.nz](mailto:info@whakatane.govt.nz)

Phone: 07 306 0500

Fax: 07 307 0718

Website: [whakatane.govt.nz](http://whakatane.govt.nz)



Whakatāne District Council



@whakataneDC1

## SERVICE CENTRE MURUPARA

Pine Drive, Murupara

Phone: 07 366 5896

Fax: 07 366 5897