

ANNUAL REPORT 2020/21

PŪRONGO Ā-TAU 2020/21



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MESSAGE FROM MAYOR JUDY TURNER

Kupu whakataki o te Koromatua

Nau mai ki te Pūrongo ā-tau o te Kaunihera ā-rohe o Whakatāne mō te tau pūtea 2020/21.

E tū ana te Kaunihera ā-rohe o Whakatāne kia whakatairanga ake, kia whakatinana i ngā whaipānga o ngā hapori, ka mutu ka tautoko i ngā whāinga o ngā whānau, ngā hapū, me ngā iwi. Ko te matakitenga o te Kaunihera, ko te 'Kia piki ake te ora i te ora: E mahi tahi ana kia whakapiki ake ai te ora o ngā hapori, ināianei, ki anamata anō hoki'. Ko te take o te Kaunihera kia pai ai te hauora o ngā hapori ā-pāpori, ā-ōhanga, ā-taiao, ā-ahurea anō hoki.

Ko tā te Kaunihera mahi he tuku i ngā ratonga me ngā rawa e whakamahia ana e ngā whānau, ngā hunga me ngā pakihi ia rā. Ko tā mātau take matua kia tuku i ngā ratonga kia pai ai te hauora me te haumarua o ngā hapori, pērā i te wai inu me ngā hononga waka kia haumarua ai ngā haerenga i te rohe. He mahi anō tā mātau kia pai ai te rohe nei ki te noho, ki te mahi, ki te tākaro anō hoki.

I tēnei tau, i mahi tonu mātau i te whaitua Kowheori ā-rohe, ā-mōtū, ā te ao whānui. He maha ngā wero heoi anō he hua hoki ki roto kia aro ai ki ngā rautaki hou, ki ngā rautaki rerekē. Nā te mahi ā mātau ko ngā rangapū me te hapori pakihi, i pai ake ngā kawatau o te taiōhanga o te rohe. Ko tēnei rohe tētahi o ngā rohe e ono noa iho i whakatipu ake i te whakapau pūtea o ngā manuhiri ki te rohe. Ahakoa te painga o tēnei, me mahi tonu mātau nā te mea e pāhekeheke ana ngā rā e heke mai nei i te rohe nā te aukatinga me te pōhauhau o ngā mira.

Ko te mahi tahi tētahi o ngā take matua e aumangea ana te rohe o Whakatāne. I whakamahia te Pūtea Whakatipu Rohe e te hōtaka mahi Kia Kaha Whakatāne kia mahi ai ngā tāngata 200 i ngā waitara huarahi, hangaroto, taiao anō hoki i te rohe. E haere tonu ana hoki ētahi atu waitara, pērā i te Mahere Whakahaere me te Whakaiti Para, te whakawhanake herenga waka, te waitara wai para o Matatā, te urupare atu ki te Huringa Āhuarangi, me ētahi atu waitara.

E mahi tonu ana te Kaunihera ki te taha o ngā whānau, ngā hapū, me ngā rangapū iwi i ngā kaupapa maha, pērā i ngā waitara taiao me te tukunga mahi, ngā raru whakawhanake

whenua/tāke whenua Māori rānei, me te kaupapa nui o te urunga mai o ngā takiwā Māori.

Kei te taka mai ngā whakahoutanga, i ngā wai e toru, i te Ture Whakahaere Rawa, i te mahi hoki a te Kāwanatanga ā-rohe. E kōrero tonu ana te Kaunihera ki ngā rangapū, ngā Kaunihera pātata, me ngā hunga whaipānga kia mārama ai ki anamata. E whakarite ana mātau i a mātau anō ki te urutau, ki te whai hua hoki i ngā whakahoutanga e puta mai ana.

Nā runga i ēnei whakaaro, kua whakaritea e mātau he Mahere Pae Tawhiti hei aro ki te hauora o ngā hapori i a te Kaunihera e kōkiri ana i ngā haumitanga matua i te wai inu, te wai āwhiowhio, me ngā hanganga wai para. Kua whakanui ake hoki i tō mātau Tira Whakahaere, ā, kua whakauru tētahi Kaihautu Rangapū Māori ki te Tira.

He tau tēnei o ngā panonitanga nui me te urutaunga. E noho tau ana mātau ki te huri, ki te urutau hoki ki ēnei panonitanga kia noho tonu ai te Kaunihera hei rōpū ārahi ki te whakapai i tēnei rohe hei rohe pai ki te noho, ki te mahi, ki te tākaro anō hoki.

Welcome to the Whakatāne District Council Annual Report for the 2020/21 financial year.

Whakatāne District Council exists to promote and represent the interests of its communities, and support the aspirations of whānau, hapū and iwi. Council's vision is 'More life, in life: Working together to make living better for our communities, now and in the future' and its purpose is to ensure the social, economic, environmental and cultural wellbeing and hauora of communities.

Council mahi involves the delivery of a wide range of services and facilities that families, households and businesses rely on and use every day. At the top of our list of priorities is providing services that ensure the health and safety of our communities, such as providing clean drinking





water, 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.

This year we continued to operate within a COVID-19 environment locally, nationally and internationally. This has created many challenges, but also opportunities to refocus and do things in new and different ways. Due to much hard work by ourselves, partner agencies and the business community, the local economy has performed ahead of expectations. This region was one of only six to achieve visitor spend growth over this period. While this is pleasing news, continued vigilance and hard work is required, as evidenced by the challenges and uncertain future being faced in our region by the closure and threatened closure of mills that operate as part of the wood and fibre processing sector.

Collaboration has been one of the keys to Whakatāne District's continued resilience. Provincial Growth Fund co-investment was used to keep more than 200 people working on roading, infrastructure and environmental projects throughout the district as part of the Kia Kaha Whakatāne programme. We've also made progress on projects such as the Waste Management and Minimisation Plan, Boat Harbour development, Matatā wastewater project, our response to Climate Change, and more.

Council continues to work closely with whānau, hapū and iwi partners, covering a range of matters including

environmental and service delivery projects, land development/Māori land rating issues and, significantly, the introduction of Māori wards.

Reform is coming from many directions, but most notably in the areas of three waters, the Resource Management Act, and how Local Government itself operates. Conversations continue with partner agencies, neighbouring councils and stakeholder groups to better understand what the future looks like. Our approach to reform is to make ourselves as ready as we can be, to adapt and benefit from any proposed change.

As part of this response we have developed a well-balanced Long Term Plan that is centred on the wellbeing of communities, while also enabling Council to progress essential investment needed in drinking water, stormwater and wastewater infrastructure. We have also boosted our Executive Team, including the recruitment of a Kaihautu Strategic Māori Partnerships role.

This has been a year of significant change and adaptation. We are well placed to move and adapt with these changes so that Council continues to play an essential role in making this a great district for us to live, work and play.

Judy Turner
MAYOR MANUKURA
8 June 2022



DELIVERING ON OUR DISTRICT'S PRIORITIES

E tutuki ana i ngā arotahi matua o te rohe

This section provides a snapshot of the services and facilities that we provided in the 2020/21 financial year.

This is the last time that we will be reporting on our progress against the Long Term Plan 2018-28 (LTP).

Our district has changed a lot since we developed the LTP. Our population is growing faster than expected, major local government reforms are on the horizon, and COVID-19 has affected the world we live in.

These changes are reflected in our new Long Term Plan, which is for the years 2021-31.

Our aim is to prepare the district for growth and respond to new challenges and opportunities. We will report on our progress with this new Long Term Plan in future annual reports, as well as on our website and social media platforms.

Council's response to COVID-19

Te urupare a te Kaunihera ki a COVID-19

In March and April of 2020, our district joined the rest of the country in an alert level 4 lockdown as a response to the COVID-19 pandemic. In August 2020 and February 2021, Auckland moved to the slightly less-strict alert level 3 while the rest of New Zealand went to alert level 2. Although our district moved to level 1 in March 2021, New Zealand's borders remained closed most of the year with the temporary exception from April onwards of some quarantine-free travel between Australia and New Zealand. This had a dramatic effect on tourism and directly affected some of our work programmes and services. During the financial year 2020/21, we helped our communities tackle these challenging times.

Our 13-step COVID-19 recovery plan aimed to address short-term needs for the people who required it most, while planning to best support, rebuild and 'reimagine' our district in the long-term. Our core focus was to support the local tourism sector and provide employment opportunities.

Stay up to date with our COVID-19 response by visiting whakatane.govt.nz/residents/covid-19



Kia Kaha Whakatāne programme supports employment

E tautoko ana te hōtaka o Kia Kaha Whakatāne i te whiwhinga mahi

In partnership with Central Government and the Bay of Plenty Regional Council, we supported many people in our communities by providing employment opportunities in the wake of the COVID-19 lockdown through the Kia Kaha Whakatāne Programme.

Provincial Growth Fund-co funding of Kia Kaha Whakatāne projects provided urgent economic relief for the local workforce, particularly those who had lost jobs through COVID-19. A vast majority of contractors appointed for the projects were from the Eastern Bay of Plenty.

The programme exceeded employment expectations by creating employment for more than 200 people on roading, infrastructure and environmental projects throughout the district.

A number of road safety improvement projects were completed, including the installation of turning bays on Wainui Road, a high-speed rural road. Kia Kaha Whakatāne project work also included the removal of wilding pest trees along rivers, streams, road reserves and other public spaces, track maintenance, shore cleaning, water infrastructure condition assessments and maintenance, parks and reserves maintenance and an upgrade of the Whakatāne Airport watermain.

Helping our local tourism sector

E āwhina ana i te ahumahi tāpoi

Tourism employs a lot of people in our district, supporting our hospitality and retail sectors. Therefore, one of our key goals was to encourage people to visit and spend in our district.

While the rest of the world was in lockdown, we bolstered our tourism sector with our Sunniest Place in the World campaign. This reached millions of New Zealanders via digital media, TV, billboards and radio. Additional investment into tourism marketing (supported by MBIE) also fuelled growth in the sector.

Consequently, our district benefited from a massive 24% increase in visitor spend in the year to June 2021. This was well ahead of expectations and one of the strongest growth rates in New Zealand. Although tourism expenditure was artificially inflated by comparison to last year's lockdown, it is still up 13% on the year to June 2019. Ours was one of only six regions to achieve visitor spend growth.

Working together for the future of our district

E mahi ngātahi ana kia pai ai te anamata o te rohe

Our district faces a time of unprecedented change.

We have been working with our communities and other partners to prepare our district for the opportunities and challenges that lie ahead. During the past year, we worked towards the future by starting many new work programmes and progressing with existing ones.

Adopting a new Long Term Plan for 2021-2031

I whakaaetia te Mahere Pae Tawhiti 2021-31

Last year we adopted our new Long Term Plan 2021-31 (LTP), which sets out our policies, budgets and work plans for the coming decade. **Find out more at Long Term Plan - LTP 2021-31**

We thank our communities and many partners for sharing their concerns, preferences and aspirations with us during the LTP consultation period.

Here are some key points from the plan, outlining decisions made by our mayor and councillors:

PROPOSAL FOR CONSULTATION	DECISION
1. Should we do more to support active and alternative transport options?	Council budgeted \$1 million per year towards Active Whakatāne projects over the next 10 years.
2. Should we fund a sealing programme for metal roads?	Council budgeted \$750,000 per year towards road sealing over the next 10 years.
3. What option should Council take for upgrading the Whakatāne Civic Centre?	Council budgeted for: <ul style="list-style-type: none"> • core improvements for health, safety and resilience • enhancing productivity through modern adaptable work spaces • embracing the role of the Civic Centre as a community hub
4. Should we 'set' rates for the first three years?	Council smoothed rates for the first three years of the plan.
5. Should we increase our debt cap?	Council increased our debt limit to 175% of total revenue.
6. Overall, have we got the balance right between the things we deliver and the cost to our communities?	80% believed that we got the balance right or we should do more. This helped inform other decisions.
7. Other feedback from our communities not directly relating to key proposals.	Council read all submissions and made a large number of decisions in response.

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



STRENGTHENING WHĀNAU, HAPŪ AND IWI PARTNERSHIPS



BUILDING CLIMATE CHANGE AND NATURAL HAZARD RESILIENCE



PREPARING FOR POPULATION GROWTH AND HOUSING DEMAND



ENHANCING THE VIBRANCY OF OUR COMMUNITIES



ENHANCING THE ENVIRONMENTAL OUTCOMES OF OUR ACTIVITIES



FACILITATING ECONOMIC REGENERATION AND EMPLOYMENT OPPORTUNITIES



IMPROVING THE SAFETY, SECURITY AND RESILIENCE OF INFRASTRUCTURE



ENSURING COUNCIL IS ENABLED AND FIT FOR THE FUTURE



FIND OUT MORE ABOUT THE KEY DECISIONS HERE.

During the Long Term Plan process, we set the new vision “More Life in Life”. We also established new priorities to help guide our work.

We acknowledge that our future contains much change and uncertainty. We face opportunities and challenges for things like population growth, climate change, local government reform, the need to upgrade our three waters infrastructure and progressing with the Whakatāne regeneration economic development programme.

Local government reforms gain momentum

Kei te whakahou tonu te Kāwanatanga ā-kāinga

Central Government has initiated several reforms affecting local government organisations such as ours.

These reforms are occurring at a pace not seen since the wholesale reforms of the late 1980s – and there are significant implications for ourselves and the communities we serve.

Over the next few years we will need to work closely with iwi, our communities, central government, neighbouring councils and other stakeholders to navigate the reforms and ensure they place our communities in a better position for the future.



The Government has signalled it will establish four inter-regional water entities over the next three years to manage the delivery of fresh water (drinking water), wastewater and stormwater in place of councils such as ours.



The Act will be replaced by the *Natural and Built Environments Act (NBA)*, *Strategic Planning Act (SPA)* and *Climate Change Adaptation Act (CAA)*.



The Department of Internal Affairs is leading a review of what the sector does, how it does it, and how it pays for it

We have focused on being adaptable to this changing environment and benefiting from any proposed changes.

We continue to speak with partner agencies, neighbouring councils and other stakeholder groups to ensure we are as well-prepared as possible for the outcomes of these reforms.



Our new Waste Management and Minimisation Plan (WMMP)

Te Mahere Whakahaere me te Whakaiti Para

Every six years, we are required to produce a Waste Management and Minimisation Plan (WMMP) under the Waste Minimisation Act (2008).

We reviewed our plan during the past year.

As the name suggests, the plan describes how we will manage and minimise waste now and in the future. It includes actions that we and our communities will undertake to achieve this.

We have confirmed a new vision for waste, and we are committed to working with our communities to support efforts to reduce, recycle or reuse waste as a resource opportunity.

The Plan aims to align with te Ao Māori and responsibilities such as kaitiakitanga. Increasingly we see whānau, hapū and iwi, land trusts, Māori businesses and communities identifying and expressing their waste minimisation aspirations.

It's not enough to simply assume our waste will be taken care of – we need to rethink about what we are producing, buying and throwing away.

We held workshops with elected members, iwi, community groups and schools to aid development of the draft plan. We received over 80 public submissions, and the plan was adopted on 14 June 2021.

You can find a copy on our website at:

[Waste Management and Minimisation Plan 2021](#)

New vision and target *Translation*

OUR VISION IS:

Our communities working together to turn our waste into resources

Whakatāne District will stay below 70% of the national average amount of waste sent to landfill per person, each year

Collaborating with Crown and local government partners on priorities for our district's future

*E mahi tahi ana ki te Karauna me ngā rangapū
kāwanatanga ā-kāinga ki ngā arotahi matua o te rohe*

This year we made submissions to central Government on the:

- Regional Land Transport Plan
- Climate Change Commission consultation on their first advice to Government
- Bay of Plenty Regional Council Long Term Plan
- Ōpōtiki District Council Long Term Plan

The mayor and the strategy manager presented a submission to the Regional Land Transport Plan, focusing on alternative transport options, the importance of ongoing discussion about a second bridge, and support for a strong focus on climate change.

Our Climate Change Commission submission identified areas where the proposal aligned with our own climate change principles and work programme, the importance of engagement with local government, and encouraged engagement with iwi and communities at a local level.

The mayor, deputy mayor, chief executive and key planning staff presentation to the Bay of Plenty Regional Council Long Term Plan focused on the importance of our partnership with them, climate change, Matatā Waste Water investment requirements and support for spatial planning.

A submission was made to the Ōpōtiki District Council Long Term Plan, and presented by the mayor and chair of the Strategy and Policy Committee. The submission was largely supportive of the proposals put forward by the Ōpōtiki District Council and also reinforced collaboration on a number of common areas of focus. Examples include our respective harbour development projects, further development of cycle trails, providing for growth, exploring opportunities in social development, and responding to climate change.

Embarking on a programme to strengthen our capacity and capability

E whakapakari ana i tā mātau tīma

We are investing strongly in our people to meet the challenges of COVID-19, organisational changes, sector reform, general work pressures and a significant work programme.

In August 2020, an independent report shared its view on how the organisation was functioning and what changes could be made to ensure we best meet the needs of our communities in the future.

Following this report, we adopted a new operating model and made changes to the Executive Leadership Team structure to include six general managers and one kaihautu: strategic Māori partnerships.

We also ensured that the Three Waters team had the appropriate structure and resource to manage a significantly increased work programme.

Work will continue developing an organisational performance framework, risk framework, cultural IQ development, staff wellbeing, organisational cultural work and organisational development.

Work has also started on a community wellbeing strategy.



PARTNERING WITH WHĀNAU, HAPŪ AND IWI FOR THE FUTURE OF THE DISTRICT

*Te mahi rangapū i waenganui i ngā whānau,
ngā hapū, ngā iwi me te Kaunihera mō te
ānamata o te rohe*

We recognise Te Tiriti o Waitangi as the founding document binding Māori and the Crown, and we recognise Māori as tangata whenua of the Whakatāne District. Six iwi, 83 hapū are represented within Whakatāne district which includes 69 marae. Our decision-making processes include provisions for Māori participation, and every year we work in collaboration with whānau, hapū and iwi on a variety of projects, services and proposals. We are focussed on quality engagement and progressing meaningful partnerships. We regularly meet with iwi and other key stakeholders to advance outcomes important to iwi and hapū.

Agreeing to establish Māori wards for the 2022 and 2025 local body elections

Kua whakatūngia ngā takiwā Māori mō ngā whakatairanga pōtitanga o 2022 & 2025

History was made on 20 May 2021, when our mayor and councillors voted unanimously to establish Māori wards for the 2022 and 2025 local body elections.

This opportunity arose from Parliament establishing the Local Electoral (Māori Wards and Māori Constituencies) Amendment Bill three months earlier.

The process provided opportunities for people to share their views on Māori wards. The Iwi Chairs Forum was well represented and strongly supported the establishment of such wards.

The next step is to consider Māori wards as part of our representation review – a process which decides how our mayor and councillors are elected. We will work with whānau, hapū and iwi on ways to include a Māori ward into proposals for public consultation.

Embarking on a journey to enhance Māori capability within Council

E tīmata ana te haerenga kia whakakaha ai ngā āheinga Māori i te Kaunihera

Our commitment to enhancing whānau, hapu and iwi capability is reflected in several important initiatives within Council.

These include the establishment of a new Kaihautu Māori role within our Executive Leadership Team and our new Māori relationships unit. We are also working on a Māori responsiveness framework that aims to improve our relationships with whānau, hapu and iwi.

We will develop our internal cultural competence and confidence to strengthen our relationship building, build the resources to support staff to step up and deliver the Council's responsibilities as a Treaty partner. We will work with whānau, hapū and iwi to identify opportunities, employment and training to build capacity and workforce.



Partnering on topics and projects

Ngā mahi rangapū i ngā kaupapa me ngā waitara

We are working with our whānau, hapū and iwi partners on work programmes included in our Long Term Plan.

These include:

- reviewing our waste management minimisation strategy
- infrastructure projects
- service delivery
- environmental projects
- lifelong learning and museum projects
- open space use and recreational projects
- land development/Māori land rating issues
- regulatory issues

A good example is the past year's progress on the Commercial Boat Harbour development. We have been involved in complex negotiations with our project partners to establish what we call a 'Special Purpose Vehicle (SPV)' – an entity that will develop, own and manage the facility on behalf of Te Rāhui Lands Trust, Ngāti Awa Group Holdings Limited, Whakatāne District Council and the Crown.

We also commenced a partnership approach with iwi and hapū at Matatā for the proposed wastewater plant. The intent is for this co-design partnership approach to be the way we work together with iwi on our significant projects and programmes across the District.

THRIVING ECONOMY

E puāwai ana te ōhanga

People who live in and visit Whakatāne District know that it offers some amazing lifestyle and business opportunities. Over the past year, we have continued to work in partnership with our communities and other key stakeholders to create a district where people and businesses thrive. Our co-investments with the Provincial Growth Fund into high-priority projects kept more than 200 people working on roading, infrastructure and environmental projects during the past year. There are still opportunities to source central government co-funding to improve our economy.

Town centre and riverfront revitalisation

Te Kaupapa Whakahaumanu Tāone

The Whakatāne Town Wharf Remediation project progressed well in the past year and will be completed in 2021. This programme of works includes the Commercial Wharf upgrade, the Western Timber Wharf upgrade and eventual removal of the Eastern Finger Jetty on completion of the Commercial Boat Harbour development.

This is an important outcome of major investment in infrastructure by ourselves and the Provincial Growth Fund as part of the wider Town Centre and Riverfront Revitalisation Programme.

While undertaking these works to extend the wharf's lifespan, we retained an active CBD waterfront and allowed for marine activities to continue.

We received valuable feedback on our communities' priorities and aspirations for the Town Centre Heart and Riverfront Promenade components of the programme.

We have since been working closely with Kānoa- REDIU (formerly the Provincial Development Unit) to reset the Te Ara Hou programme. This recognises contextual changes since our application in September 2019, and aims to ensure the scope can meet community and partner aspirations.

Ōhope Wharf project

Te waitara Wāpu o Ōhope

The Ōhope Wharf was built by the Whakatāne Harbour Board in 1957. After serving our communities well for nearly 70 years, it was refurbished and strengthened during the last financial year.

The \$1m project started in July 2020 and was completed in June 2021, after a short hiatus during the peak summer season.

The works focused primarily on the wharf's concrete foundations, involving the removal of degraded concrete piles under the structure and rebuilding with modern concrete methods. The works were undertaken by the same contractor that completed the Whakatāne Town Wharf remediation project.

We took this opportunity to make several health and safety improvements to the wharf and replace its timber decking.

Thanks to these works, the wharf is ready to serve the Ōhope community for many years to come.



RESILIENT PEOPLE AND PLACES

Ngā tāngata me ngā wāhi manawaroa

Our district faces many challenges in the years ahead.

We are working to make sure that our district's people, places, and resources are resilient – meaning they are able to withstand or recover quickly from difficult situations.

Over the past year we have worked on managing the effects of natural hazards and climate change, maintaining a safe and secure water supply network, and ensuring that our infrastructure (like buildings, pipes, and roads) work well, meet future needs, and fulfil our legislative requirements.

Tsunami alert

Te whakaohiti tai āniwhaniwha

On Friday, 5 March 2021, our communities were tested when two tsunami alerts occurred in seven hours.

Our district's people responded in an incredibly positive way, vacating their homes and workplaces for several hours until the NEMA alert was cancelled. We were proud of the care, kindness and concern that people showed for each other during this very stressful time.

Debriefing sessions have identified some areas for improvement, and civil defence emergency management (CDEM) teams are working on these.

The event highlighted the importance of communities having a preparation plan, and of each individual household being ready with an evacuation plan and emergency 'go bag'.

Climate change

Huringa Āhuarangi

Adoption of the climate change strategy and action plans

Consultation in August and September 2020 identified our communities' aspirations for our leadership in climate change mitigation (reducing greenhouse gas emissions) and adaptation (increasing our resilience to a changing climate).

Like previous years, the consultation had strong youth input.

A clear vision and targets were set in September 2020 when our climate change strategy and action plans were adopted. This was crucial for ensuring that both ourselves and our district would take a strategic approach to climate change.

Work continues to ensure that the Council's climate change principles, as well as the strategy and action plans are embedded in all Council decision-making processes. For example, since April 2021, all Council and Committee reports have included a climate change assessment.

We created an e-learning hub as a 'one-stop shop' for accurate and engaging climate change information. This is publicly available on our website and will be updated.



Measuring our progress through reporting

Ngā tātai mahi i ngā pūrongo

We have set the ambitious target of becoming a carbon zero organisation by 2030.

In February 2021 the first set of climate change reporting on the actions, goals and targets in our climate change framework was received by the Council’s Organisational Performance Committee, marking another milestone in our climate change journey.

These six-monthly reports show our progress towards achieving the targets and actions in the climate change strategy and actions plans. They cover emission reduction, leadership, transportation, energy management, waste and circular economies, water services and land use and the built environment.

In addition to regular reporting, the Council is committed to celebrating its climate change journey through developing climate change case studies on specific project achievements, so that other organisations and communities can gain insight into climate change achievements.

A good example is the use of a unique method to wrap pallets, negating the need to use layers of plastic. Staff identified the issue and switched to ‘eco-pallet’ materials including reusable tarpaulins and tie-downs. This has saved more than 2,360 metres of plastic going to landfill – equal to 21 times the length of Eden Park Stadium in plastic wrap.

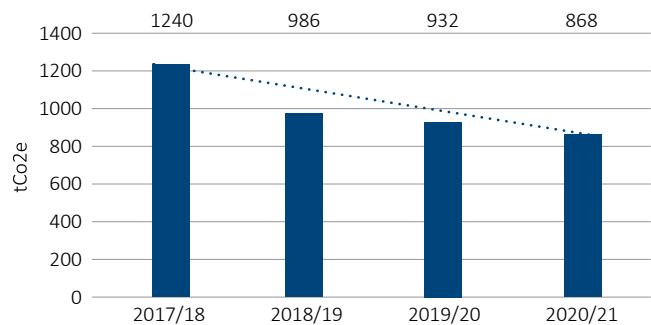
Reducing our energy use and carbon footprint

E whakaiti ana i te whakapaunga pūngao me te tapuwae waro

The Council is committed to continuous emission reduction and has been running an ongoing energy management programme since 2019, after conducting an energy audit in 2018. This programme is run in collaboration with the Energy Efficiency and Conservation Authority (EECA) and with the support of Council’s energy management contractor Emsol.

Implementing the energy audit recommendations has contributed towards a 30% decrease in Council’s total energy related emissions when compared to the base year 2017/18. This is largely driven by a 60% natural gas and 10% electricity use reduction.

COUNCIL’S TOTAL ENERGY RELATED EMISSIONS (ELECTRICITY AND NATURAL GAS + T&D LOSSES*)



* Transmission and distribution losses (T&D losses) = Energy losses that occur in the process of supplying energy to consumers due to technical and commercial reasons.

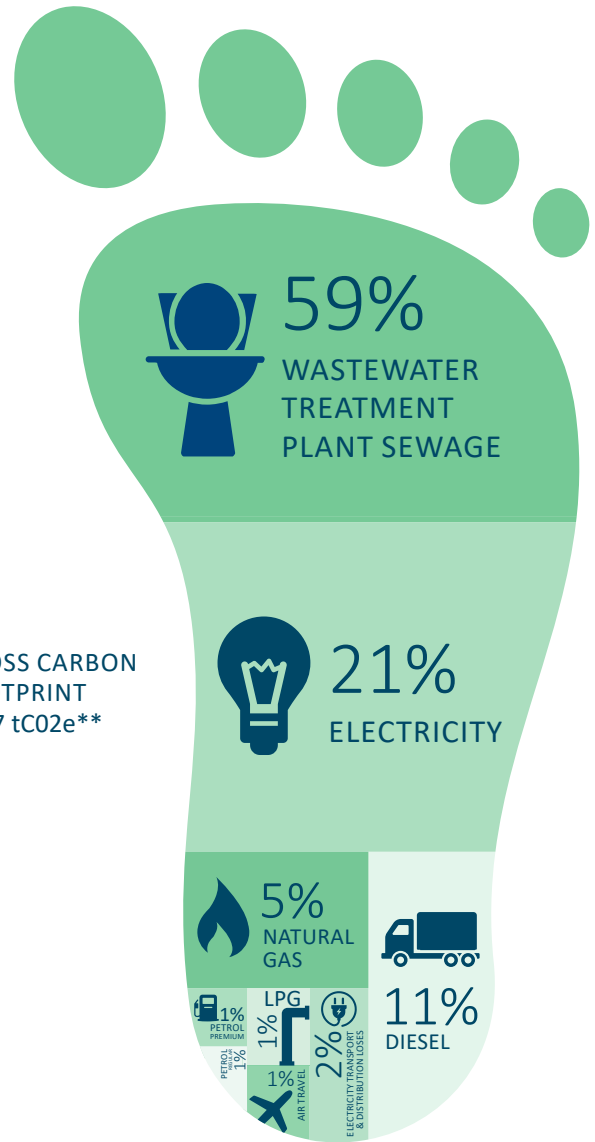
These achievements have been the result of combined effort across a range of facilities and sites, with the most impact achieved through the prioritisation of electric heat pumps over natural gas boilers at the Whakatāne Aquatic Centre, HVAC optimisation work at the Whakatāne Library and Exhibition Centre and Whakatāne Museum and Research Centre as well as pump upgrades at the Braemar Rd and Murupara pump stations.

Council has continued to calculate its carbon footprint and has been recertified for the 2020/21 year through Toitū Carbonreduce™.

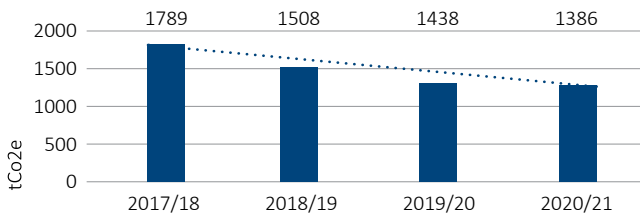
Council's total organisational footprint has decreased by 8% since the base year 2017/18. When excluding wastewater, the major source of biogenic methane and nitrous oxide emissions, Council's carbon footprint has seen a decrease of 23%.

One of the targets in Council's climate change strategy is a 15% reduction in Council's carbon footprint (excluding biogenic methane and nitrous oxide) by 2022. This target was achieved by June 2021.

Whakatāne District Council Emissions Profile for 2020/21



COUNCIL'S CARBON FOOTPRINT EXCLUDING WASTEWATER*



A total decrease of 23% since the base year 2017/18 (approximately 400tCO₂e), with a decrease of 4% between the 2019/20 and 2020/21 years

* Data certified by Toitū Carbonreduce™ audit. High uncertainty values are common and normal with carbon footprint audits given the wide range of emission sources and data providers.

Matatā wastewater project *Te waitara Wai Para o Matatā*

We are working with iwi to co-design some significant projects, with the Matatā Wastewater Project the first to be developed through this collaborative approach.

A Project Governance Group, as part of the co-design partnership approach, includes representatives from Te Mana o Ngāti Rangitihī Trust, Ngāti Tūwharetoa, Te Rūnanga o Ngāti Awa and our council to oversee the project and provide recommendations to the mayor and councillors.

The Governance Group is also supported by the Bay of Plenty Regional Council and Toi Te Ora Public Health.

A project delivery team is tasked with finding and delivering 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.

VIBRANT COMMUNITIES

Ngā hapori whitawhita

Much of our work contributes to the vibrancy of our communities.

We provide services for recreation and leisure to connect people to places and to each other, and that work to address some of our district's social challenges. Many of these projects would not be possible without the support of our partners, who enable us to make a real difference in the lives of our communities.

In short, our staff and contractors worked on a wide variety of projects to make Whakatāne District an even better place to live, work, learn and play.



***Whakahokia ki te taonga o te iwi
– Return the taonga to the people***

Art and culture

Te Mahi toi me te Ahurea

Highlights included a major arts award exhibition and a symposium commemorating the pardoning of Rua Kēnana.

The Molly Morpeth Canaday Award Exhibition 2021 featured 79 leading New Zealand artists and three local artists. It was dedicated to excellence in both contemporary and traditional painting and drawing – and was a huge success, with 500 entries and more than 150 people attending the awards evening.

The Rua Kēnana symposium was held at Tuapou Marae in April 2021. Te Whare Wananga o Awanuiarangi Professor of Maori and Indigenous Development Tairahia Black led the kaupapa. The symposium was built on partnership and collaboration between Te Whare Taonga o Taketake, Te Papa, Tuapou Marae and Nga Toenga o Nga Tamariki a Iharaia Nga Uri o Maungapohatu Charitable Trust. Te Whare Taonga o Taketake and Te Papa Tongarewa collaborated to facilitate the return of a kahu huruhuru (feathered cloak) which had provenance to Rua Kenana. This provided an opportunity to connect the kahu huruhuru with whānau, hapū and iwi and give the taonga a voice.

Wainui Road safety improvements

Ngā whakapainga ki te huarahi o Wainui

The road between Ōhope and Ōpōtiki is considerably safer thanks to the Wainui Road improvements that were completed in August 2021.

This project was part of a joint Whakatāne District Council and Waka Kotahi (NZ Transport Agency) Safe Network Programme, which aims to reduce deaths and serious injuries across New Zealand's highest-risk state highways and local roads.

Outdoor pool enclosure at Whakatāne Aquatic Centre

Te puna wai ki waho o te Puna Kaukau o Whakatāne

Work to construct a year-round all-weather enclosure for the outdoor pool is completed at the Whakatāne District Aquatic Centre.

As mentioned under 'Climate Change', the pool has also been fitted with an electric heat pump that is cheaper to run and reduces our carbon footprint.

The enclosure allows the pool to remain open all year round and helps attract more competitions and events to the pool, supporting our local economy.

The construction costs were mainly funded through external grants, with significant contributions coming from Trust Horizon (\$400,000), BayTrust (\$200,000), Grassroots Trust (\$100,000) and The Lion Foundation (\$100,000).

Reserves, parks, playgrounds and walkway

Ngā whenua tāpui, ngā pāka, ngā papa tākaro me ngā ara hiko

Stage two of the Ngā Tapuwae o Toi Walkway upgrade project was completed successfully. This year's programme included upgrading 700m of track – further enhancing a walkway that captures the essence of our district.

Further afield, improvements were also made to Maraetōtara Reserve, Mahy Reserve, Ocean Playground and The Glebe playgrounds in Whakatāne and Ōhope.

Riverslea Park in Edgecumbe was also upgraded, while Tūi Playground's makeover included a new 'Cube and Climb' structure and shade sails were installed.

Whakatāne Skate Park extension

Te torohanga o te Pāka Papa Reti

The Whakatāne Skate Park extension opened in time to provide whānau with much fun and exercise over summer.

The \$415,000 project was funded by agencies including NZ Community Trust, Pub Charity Ltd, Whakatāne-Ōhope Community Board, Eastern Bay Energy Trust and the Lottery Grants Board.



'Community Good' projects

Ngā Waitara Hapori

We secured more than \$300,000 from The Lion Foundation to fund several 'community good' projects around the district.

These include

- installing disability hoists at the Whakatāne Aquatic Centre and Murupara Community Pool
- replacing the basketball court surface in Murupara
- upgrading the playgrounds in Te Mahoe and Awatapu
- installing shade sails at playgrounds in Murupara, Tāneatua, Matatā and Thornton
- adding accessible toilets at the River Edge Park facility near the Whakatāne Skate Park.



OTHER THINGS WE DO

He aha atu anō ā mātau mahi?

Providing core services for our communities every day

E tutuki ana mātau i ngā ratonga matua i whakamahia e te hāpori ia rā

The Council plays a very important role promoting the social, economic, environmental, and cultural well-being of our communities.

We look after roads, cycleways and footpaths to ensure that everyone can journey safely around our district. We are also responsible for managing waste and ensuring that the water you drink is clean and safe. All these essential services contribute to the health and economic prosperity of residents and to the protection of our environment.

Some of what we do is more difficult to see, but is just as important in your day-to-day life.

We work with local businesses and agencies to support our local economy. We also work with our communities to deliver places and spaces for people to feel comfortable, connected and safe. Much of what we do is behind the scenes, trying to keep all of this work affordable but also to a high standard. We seek funding opportunities to try to keep rates down. We also advocate to central government on the implications of proposed legislative changes that will affect our communities.

Maintaining what we've got and being fit for the future

E whakapai ana i ngā rawa kia pai ai mō anamata

We maintain \$760 million worth of assets, most of which are core infrastructure such as pipes, pumps, treatment plants, roads and bridges. Just keeping these things in good working order to provide our communities with essential services accounts for a big portion of our investment each year.

We also fund the maintenance of our existing roads, footpaths and cycleways, ensure that our drinking water

is of a high standard, treat and disperse our sewage responsibly and make sure that stormwater is diverted safely away from populated areas.

We also need to respond to future challenges. The development of the infrastructure strategy this year has enabled us to identify five big challenges that the district needs to be prepared to respond to:

<p>CHALLENGE ONE Ensuring the security and resilience of our infrastructure</p>	<p>A large number of the Council's core infrastructure assets are coming to the end of their useful life and will need replacing within the 30 year period of the infrastructure strategy. There are also a number of source water supply issues and vulnerabilities that need to be addressed.</p>
<p>CHALLENGE TWO Providing infrastructure for our growing population</p>	<p>Since 2013, the Whakatāne District has experienced increased population growth. This growth is expected to continue over the next 30 years.</p> <p>In 2018, the population was 38,200 compared to 34,200 in 2013.</p>
<p>CHALLENGE THREE Responding to climate change and natural hazards</p>	<p>Climate change and natural hazards are already affecting our communities, with impacts of climate change expected to increase in frequency and magnitude over time</p>
<p>CHALLENGE FOUR Reducing the environmental impact of our infrastructure</p>	<p>The design and operation of the Council's infrastructure is a key contributor to our environmental footprint.</p>
<p>CHALLENGE FIVE Enhancing the health and safety of the community</p>	<p>The community expects certain levels of service from Council provided infrastructure and services, many of which have a strong health and safety focus.</p>

Snapshot of some of the services we provided in the past year

Ētahi o ngā ratonga kua tutuki pai i tēnei tau

1 long term plan centred on the wellbeing of communities

10m³ the size of a fatberg removed in sewerage near Victoria Avenue pump station

20 May 2021 – mayor and councillors voted unanimously to establish Māori wards

21 times the length of Eden Park Stadium of plastic wrap saved by changing pallet wrap

60 percent reduction in our total natural gas use compared with 2017-18

79 percent satisfaction with the customer service front desk

435 formal submissions received during long term plan consultation

1,817 metres of new footpath and 1614 metres of footpath renewals

4,000 people who 'owned' The Strand, Whakatāne, during the Sunshine Street Fiesta

8,294m² of cycleways

14,355 tonnes of Council-controlled solid waste sent to landfill

36,077 Whakatāne Holiday Park admissions

206,126 Whakatāne Aquatic Centre admissions

300,000 dollars secured from The Lion Foundation for 'community good' projects

8.2M dollars Provincial Growth Fund investment for Kia Kaha Whakatāne Programme

RESPONSIBLE MONEY MANAGEMENT

Te Aronui Whakahaere Pūtea

We recognise the need to keep rates affordable, particularly given the economic context for many of our communities.

While developing the Long Term Plan, we had to make some difficult decisions about which projects and services to include in our budgets and which ones to re-prioritise in the interests of rates affordability.

We based these decisions on getting the basics right – delivering the core services, infrastructure and programmes that our district needs to function effectively and safely. Beyond this, we had to prioritise. This means it is not affordable to provide all the things our communities want.

Some of the ways we consider rates affordability

Prioritising our work programme by making calls about what to include, what not to include

Considering the timing of what we deliver so we are not facing all the costs at the same time

Securing funding from sources other than rates wherever we can

Reduced rates by using some reserves where it is appropriate and financially sustainable to do so

Making some key projects contingent on receiving external funding contributions

Continuing to facilitate and support economic development and job creation

Smoothing rates increases over the first three years of the Long Term Plan

Using debt as effectively as possible to spread costs over time

Adjusting policy settings that determine how rates distribute across different communities and sectors of our District

Providing a range of rates options and rates remission and postponement policies for those struggling to meet costs



OVERVIEW OF FINANCIAL AND NON-FINANCIAL PERFORMANCE

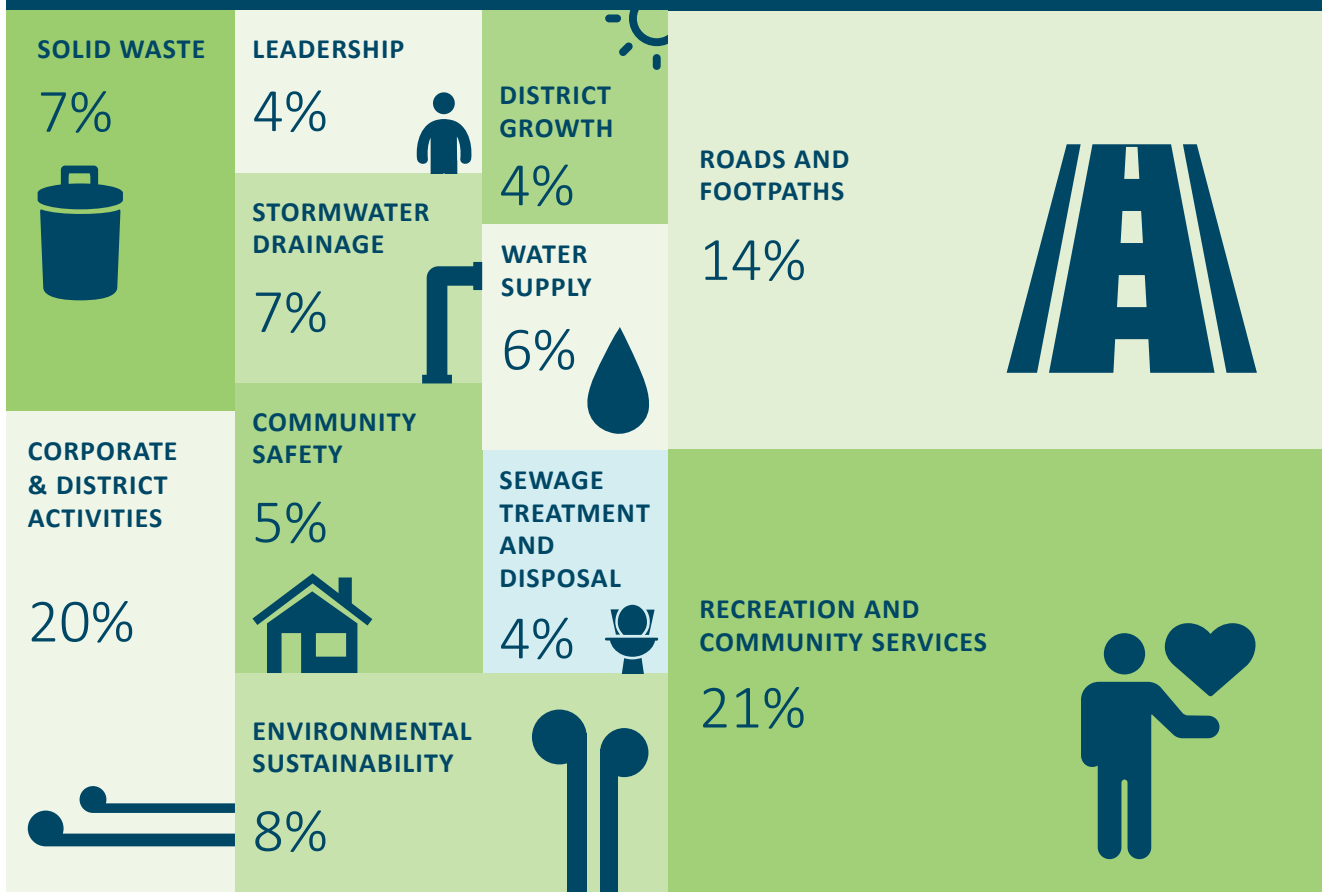
Te tirohanga whānui o ngā hua ahumoni me ngā huā kē

Operating spend against budgets

Te whakapau pūtea whakahaere i ngā tahua

We spent \$75.7 million on operating activities, services and facilities for our communities.

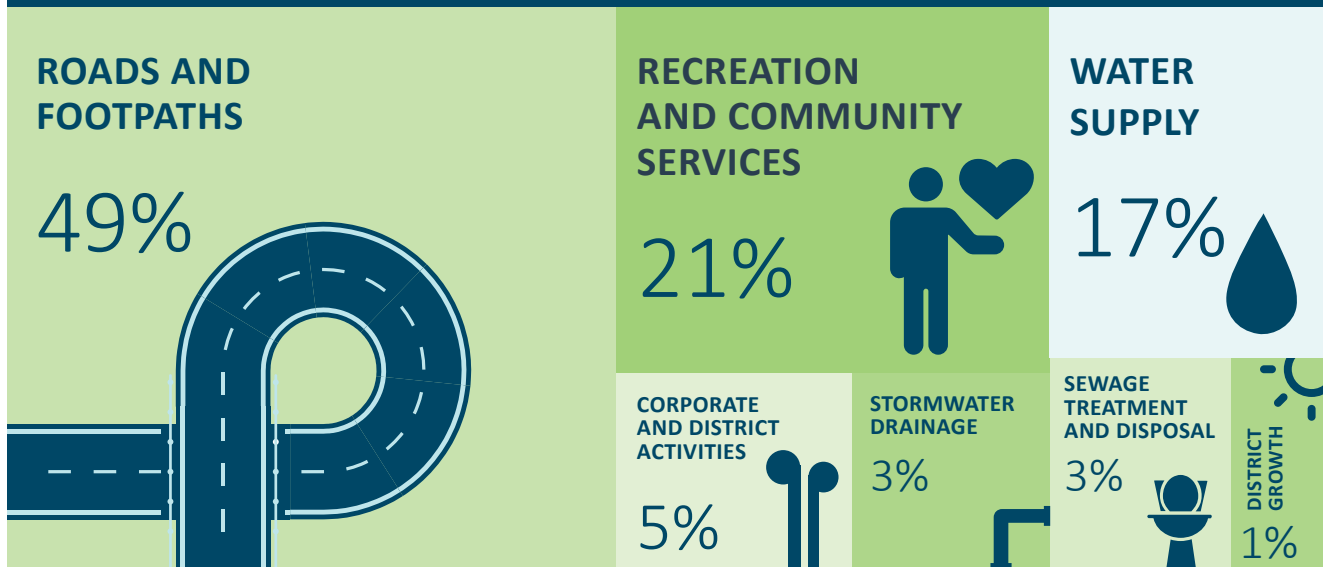
The following graph provides a breakdown of what we spent this money on. This is our operating expenditure and funds the day-to-day running costs of activities, services and facilities.



Note: These percentages align with the Whole of Council Funding Impact Statement (found in the 'Our Activities and Services' chapter) and represent cash expenses only.

We spent \$39.8 million delivering on new or improved assets for our communities.

Capital expenditure is the cost of buying or building a new asset, renewing an existing one or improving an asset to deliver a better service for our communities.



We work in partnership with others to maximise outcomes for our communities

This year we offset rates using \$34.4 million funding from grants and subsidies- which totals \$900.50 per person in the Whakatāne District.

We also worked tirelessly in partnership with others to attract funding to the Whakatāne District and the Eastern Bay of Plenty.

Did you know **49%** of council funding for the past year came from sources other than rates

We finished the financial year with an operating surplus *He pūtea whakahaere e toe ana i te mutunga o te tau*

An operating surplus or deficit is an indication of whether the right amount was budgeted for operational expenditure in the financial year. We finished the 2020/21 financial year with an operating surplus of \$17.69 million versus a budgeted surplus of \$4.38 million.

Contributing to this outcome, our revenue was \$14 million (16%) more than budget. The main reasons were subsidy revenue and gains more than budget. Gains were \$7.4 million more than budget, predominantly relating to an increased valuation for investment property and a gain on derivatives owing to current low interest rates. Subsidy revenue was \$5.6 million more than budget relating to Three Water Stimulus funded projects, acceleration funding for Provincial Growth funded projects and subsidy funded Roading projects.

Expenditure was around \$0.7 million (less than 1%) higher than budget. The key reasons for this variance were doubtful debts expense which was offset by costs for the Awatarariki Managed Retreat project which were less than budgeted in 2021 as more expenditure occurred in the 2020 financial year (timing).

For more information, see Note 34 in the “Our costs in detail” section of this Annual Report.

OUR PERFORMANCE

Te āhua a ngā mahi

How we performed against our targets for the year

I pehea tā mātau mahi i ngā whāinga tiritiringa o te tau

We have 92 non-financial performance measures set through the Long Term Plan 2018-28. 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. In next year’s Annual Report, we will begin reporting against updated measures and targets set out in the new Long Term Plan 2021-31.

Find out more at [Long Term Plan- LTP 2021-31](#)

This year:

- We achieved 57% (52 out of 92) of our performance targets.
- We achieved 76% of our targets for the measures that we were able to report against
- We could not accurately report on 26% (24 out of 92) of our targets. These relate to our Council satisfaction survey. Changes to our survey methodology in 2020 mean that this year, we are unable to accurately compare our results against the targets for these measures
- We did not achieve 17% (16 out of 92) of our performance targets.

Monitoring our non-financial performance allows us to see how we are tracking against the levels of service we have said the community can expect from us. This means we can identify areas for specific focus if required. For example, one area we have identified for improvement is the time taken to process resource consents. This has been affected by a shortage of consultant planners and experienced staff coupled with a substantial increase in building and planning queries. New appointments have been made to address this.

Several of our non-financial performance measures are based on results from our residents’ survey. We survey residents across our district every quarter to determine levels of satisfaction and perceptions of our services.

Overall, in 2020/21, 59% of residents were satisfied with services received from the Whakatāne District Council compared with 44% for the whole of New Zealand.

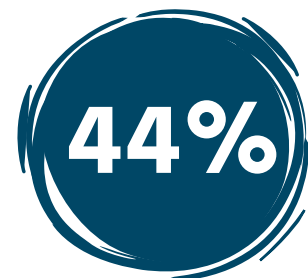
In line with a national trend across various councils, our results are lower compared to last year. While they remain well above the national average, we are continuing to work to identify opportunities for improvement.

Our latest survey results, as well as those for previous years are available on our website.

Satisfaction with overall services received



Whakatāne District Council



NZ Benchmark Result

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 broken down into different activities, and these are organised into groups. We review this structure every three years when we develop a Long Term Plan.

In addition to our 36 activities, we are a shareholder in four 'Council Controlled Organisations' (CCOs) – companies with council(s) as majority shareholders.

This chapter reports on how our activities performed over the past year.

For each group of activities

Activities page

The activities page for each group of activities lists the activities in that group, and what those activities do for you.

The Council promotes the social, economic, environmental, and cultural well-being of communities in the present and for the future. Every activity that we undertake contributes to the overall wellbeing of our communities.

In the top right hand corner you will also find the community outcomes that each group of activities contributes to. As we are reporting against the LTP 2018-28, we are referring to the outcomes of the LTP 2018-28.



Effective Leadership



Quality Services



Sustainable Economic Development



Valuing Our Environment



Community Needs



Reliable and Affordable Infrastructure

For more information about our current community outcomes from the LTP 2021-31, see our [website](#).

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 and actual costs during the 2020/21 year. It also describes how the activities were funded and includes information about our internal borrowing movements for the activities in 2020/21. An explanation of the categories used in these statements can be found on the next page.

For each activity

How we went

This section shows how we performed against our targets for the year and, where possible, the previous two years as well. These targets were set through our Long Term Plan and include some measures which are mandatory for all councils to report on.

Several of these measures relate to our annual perception survey. Unless noted, results for these are based on the percentage of respondents that are either 'very' or 'fairly' satisfied with a service or facility. The results for two measures (in the Environmental Management – Consents and Building activities) are taken from a different annual survey; results are based on a score out of 100, representing the average level of satisfaction reported by respondents. You can view the annual residents survey [here](#).

Explanation of categories in the funding impact statements

Whakapuakanga Pūtea

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.
Total Operating Funding	Total revenue from the day to day operation of this activity.

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.
Total Applications of Operating Funding	Total operating expenditure for this activity.
Surplus (Deficit) of Operating Funding	Total revenue less total expenditure.

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.
Total Sources of Capital Funding	Total capital funding for this activity.

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.
Total Applications of Capital Funding	Total capital expenditure for this activity.
Surplus (Deficit) of Capital Funding	Sources of capital funding less applications of capital funding.
Funding Balance	Net operating funding less net capital funding.

Funding impact statement for Whakatāne District Council

Te Whakapuakanga Pūtea mo Te Kaunihera ā-rohe o Whakatāne

FUNDING IMPACT STATEMENT: WHOLE OF COUNCIL WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	ANNUAL PLAN 2019/20 \$000	ANNUAL REPORT 2019/20 \$000	ANNUAL PLAN 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL				
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	23,045	23,215	25,285	25,421
Targeted rates	23,861	24,318	23,419	23,601
Subsidies and grants for operating purposes	9,176	11,929	13,731	13,884
Fees and charges	9,006	8,780	9,925	9,767
Interest and dividends from investments	45	13	45	79
Local authorities fuel tax, fines, infringement fees, and other	1,887	2,961	2,145	2,985
Total sources of operating funding (A)	67,020	71,216	74,549	75,738
Applications of operating funding				
Payments to staff and suppliers	54,515	59,616	61,907	62,412
Finance costs	2,600	2,674	2,599	2,319
Other operating funding applications	910	1,061	1,114	1,141
Total applications of operating funding (B)	58,025	63,351	65,620	65,872
Surplus (deficit) of operating funding (A-B)	8,995	7,866	8,930	9,866
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	16,682	8,312	14,610	20,010
Development and financial contributions	127	125	127	278
Increase (decrease) in debt	6,041	1,500	17,617	5,000
Gross proceeds from sale of assets	2,000	565	-	295
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	24,850	10,502	32,354	25,583
Applications of capital funding				
Capital expenditure				
- to meet additional demand	5,259	2,582	14,289	9,916
- to improve level of service	17,541	9,249	11,775	13,530
- to replace existing assets	13,605	9,392	18,226	16,304
Increase (decrease) in reserves	(2,561)	-	5,000	(4,301)
Increase (decrease) of investments	-	(2,855)	(8,007)	-
Total Applications of capital funding (D)	33,845	18,368	41,283	35,449
Surplus (deficit) of capital funding (C-D)	(8,995)	(7,866)	(8,930)	(9,866)
Funding Balance ((A-B) + (C-D))	-	-	-	-

LEADERSHIP

Hautūtanga

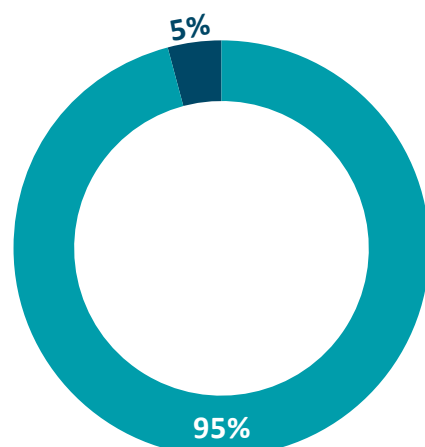




No capital
expenditure

\$3.7 million
operating
expenditure

0/1
performance
measures met

Sources of funding



-  Funding from rates
-  Other operating sources





Leadership
Roads and footpaths
Water supply
Sewage treatment and disposal
Stormwater drainage
Solid waste
Environmental sustainability
Community safety
District growth
Recreation and community services
Corporate and district activities
Council controlled organisations

Our activities and their effects

Ā mātou mahi me ngā hua

Governance

Mana whakahaere

Governance has supported our elected members to be effective, responsible and accountable representatives and decision makers on behalf of the District. Tools and information have been made available to aid decision-making processes and to ensure these decisions have been made in accordance with guiding legislation and policies.

Community support

Tautoko o te hapori

Our community support activity has been responsible for recognising, supporting and celebrating our local communities. Through community boards, annual grants and partner funders, we have provided support to community, cultural and sporting groups as well as individuals, managed civic ceremonies and fostered partner city relationships.

Strategy and policy

Rautaki me ngā kaupapa here

The strategy and policy activity has delivered strong evidence-based strategic advice to support Council's direction and decision-making processes. We have worked on Council's climate change project, developed strategies and policies and developed corporate documents such as the Annual Plan for the District.

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: LEADERSHIP WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,956	3,006	3,470
Targeted rates	339	344	269
Subsidies and grants for operating purposes	-	-	3
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	53	2	199
Sources of operating funding (A)	3,347	3,352	3,940
Applications of operating funding			
Payments to staff and suppliers	2,171	2,150	2,346
Finance costs	3	3	2
Internal charges and overheads applied	1,108	1,129	1,375
Other operating funding applications	-	-	-
Applications of operating funding (B)	3,282	3,282	3,723
Surplus (deficit) of operating funding (A-B)	65	70	217
CAPITAL			
Sources of capital funding			
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	-	-	-
Sources of capital funding (C)	(6)	(6)	(6)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	59	65	211
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	59	65	211
Surplus (deficit) of capital funding (C-D)	(65)	(70)	(217)
Funding balance ((A-B) + (C-D))	-	-	-

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

Performance measures *Ngā ine whaihua*

Satisfaction with the performance of the Mayor and Councillors



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

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

ROADS AND FOOTPATHS

Ngā huarahi me ngā ara

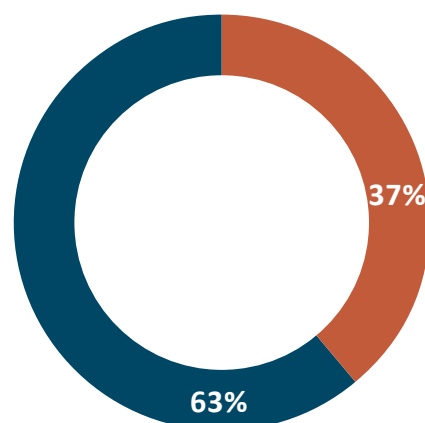


\$19.6 million
capital expenditure

\$12.5 million
operating expenditure

4/7
performance
measures met

Sources of funding



- Funding from rates
- Other operating sources



Leadership
Roads and footpaths
Water supply
Sewage treatment and disposal
Stormwater drainage
Solid waste
Environmental sustainability
Community safety
District growth
Recreation and community services
Corporate and district activities
Council controlled organisations

Our activities and their effects

Ā mātou mahi me ngā hua

Transport networks

Ngā ara waka

Our transport networks activity has been responsible for ensuring that people, goods and services are connected via safe, efficient and affordable road, cycling and footpath networks. We have provided steady maintenance and upgrades of our core infrastructure and signage over the previous year, and developed the Active Whakatāne Strategy.

Parking enforcement

Whakauruhi tūwaka

Our parking enforcement activity has supported the availability of parking and access to busy retail areas in the Whakatāne town centre and Kopeopeo. The activity also supported road safety by ensuring vehicles have valid registrations and warrants of fitness.

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: ROADS AND FOOTPATHS WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(25)	(26)	(29)
Targeted rates	6,412	6,550	5,848
Subsidies and grants for operating purposes	3,770	3,858	7,103
Fees and charges	28	29	202
Internal charges and overheads recovered	1,516	1,552	1,615
Local authorities fuel tax, fines, infringement fees, and other receipts	617	631	793
Sources of operating funding (A)	12,318	12,594	15,532
Applications of operating funding			
Applications of operating funding			
Payments to staff and suppliers	6,104	6,212	9,750
Finance costs	452	471	323
Internal charges and overheads applied	2,428	2,486	2,463
Other operating funding applications	-	-	-
Applications of operating funding (B)	8,984	9,168	12,535
Surplus (deficit) of operating funding (A-B)	3,333	3,426	2,997
CAPITAL			
Sources of capital funding			
Sources of capital funding			
Subsidies and grants for capital expenditure	7,423	9,752	14,959
Development and financial contributions	13	14	18
Increase (decrease) in debt	(204)	618	1,553
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	7,233	10,384	16,530
Capital expenditure			
Capital expenditure			
- to meet additional demand	1,451	2,679	6,851
- to improve level of service	3,216	4,543	6,808
- to replace existing assets	5,711	5,987	5,955
Increase (decrease) in reserves	187	600	(87)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	10,566	13,810	19,527
Surplus (deficit) of capital funding (C-D)	(3,333)	(3,426)	(2,997)
Funding Balance ((A-B) + (C-D))	-	-	-

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

Performance measures *Ngā ine whaihua*

Leadership

Satisfaction with roads in your District excluding state highways



Percentage of emergency customer service requests relating to roads and footpaths responded to within 2 hours*



Roads and footpaths

Water supply

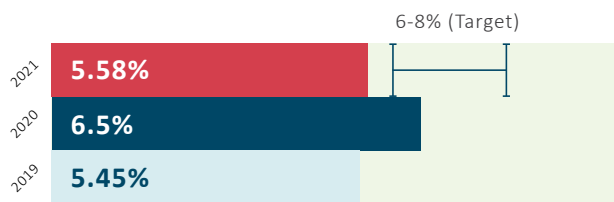
Average quality of ride on sealed local road network- smooth travel exposure*



Note: The level of service being received by the community is not affected, as the work is being carried out within the required timeframe. However, the internal administrative process has not been completed within the target timeframes. Staff turnover and shortage has impacted the Council's ability to meet this target but recruitment is underway.

Sewage treatment and disposal

Percentage of sealed local road network that is resurfaced*



Note: While the target is not met this year and the percentage can fluctuate on an annual basis, the average of the last 4 years is 6%.

Percentage of all other customer service requests relating to roads and footpaths responded to within 7 days*



Stormwater drainage

Solid waste

Percentage of qualifying footpaths within the Whakatāne District that fall within the level of service or service standard for the condition of footpaths set out in the Activity Management Plan*



Percentage of the time at least two patrols per day are carried out in Whakatāne



Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

*DIA Mandatory Measure

LEGEND Not comparable against target Achieved/Exceeded Not achieved Target value indication

WATER SUPPLY

Ngā puna wai

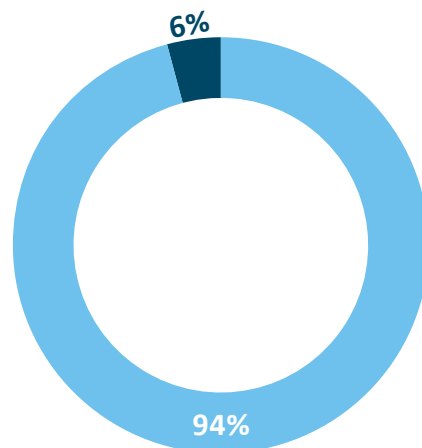




\$6.94 million
capital expenditure

\$5.3 million
operating expenditure

13/17
performance
measures met

Sources of funding



-  Funding from rates
-  Other operating sources



- Leadership
- Roads and footpaths
- Water supply**
- Sewage treatment and disposal
- Stormwater drainage
- Solid waste
- Environmental sustainability
- Community safety
- District growth
- Recreation and community services
- Corporate and district activities
- Council controlled organisations

Our activities and their effects

Ā mātou mahi me ngā hua

Water supply

Ngā puna wai

We provide safe, reliable, and sustainable drinking water to meet community demand and urban firefighting requirements. For the majority of 2020/21, we operated and maintained 10 drinking water supply schemes across the District. In December 2020, the Penetito water supply (also referred to as Galatea Road water supply scheme) was discontinued and customers were switched to the Otumahi water supply scheme.

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: WATER SUPPLY			
WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021			
OPERATIONAL	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	5,885	6,035	6,412
Subsidies and grants for operating purposes	-	-	165
Fees and charges	57	58	74
Internal charges and overheads recovered	55	56	125
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	24
Sources of operating funding (A)	5,996	6,149	6,801
Applications of operating funding			
Payments to staff and suppliers	1,717	1,767	2,431
Finance costs	552	654	361
Internal charges and overheads applied	1,925	1,985	2,465
Other operating funding applications	-	-	-
Applications of operating funding (B)	4,193	4,406	5,257
Surplus (deficit) of operating funding (A-B)	1,803	1,743	1,544
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	1,394
Development and financial contributions	43	44	149
Increase (decrease) in debt	3,096	900	1,330
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	3,138	943	2,873
Capital expenditure			
- to meet additional demand	2,390	410	1,254
- to improve level of service	1,108	1,061	2,174
- to replace existing assets	1,136	2,722	3,512
Increase (decrease) in reserves	308	(1,507)	(2,523)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	4,942	2,687	4,417
Surplus (deficit) of capital funding (C-D)	(1,803)	(1,743)	(1,544)
Funding Balance ((A-B) + (C-D))	-	-	-

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

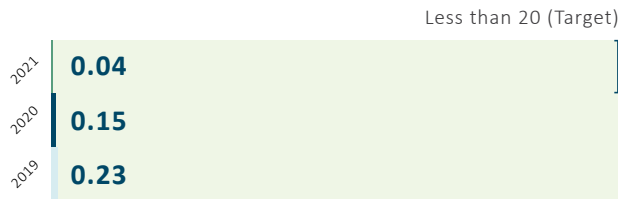
Corporate and district activities

Council controlled organisations

Performance measures *Ngā ine whaihua*

Leadership

Number of complaints, per 1,000 connections, received by the Council about drinking water odour*



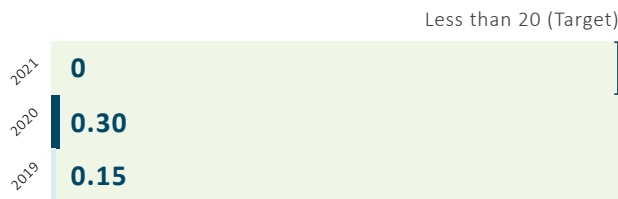
Number of complaints received, per 1,000 connections, about the Council's response to any of these issues (taste/odour/pressure/flow/continuity of supply)*



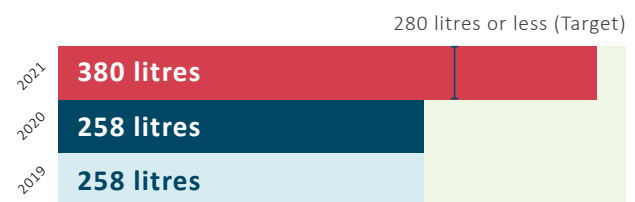
Roads and footpaths

Water supply

Number of complaints, per 1,000 connections, received by the Council about drinking water taste*



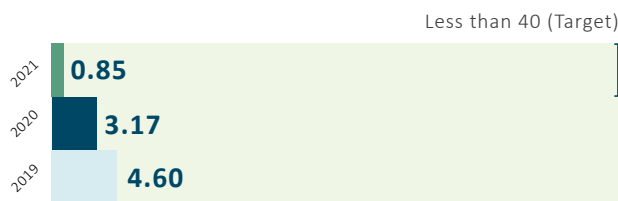
Average consumption of drinking water per day per resident in the District for metered areas*



Sewage treatment and disposal

Stormwater drainage

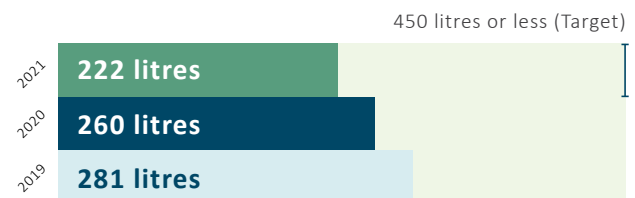
Number of complaints received, per 1,000 connections, by the Council about continuity of supply*



Note: This is the average consumption across five metered schemes. The increased consumption is due to Tāneatua and Waimana towns now being fully metered - some significant consumption has been identified in meter reading data from these areas. This result includes commercial and industrial consumption, such as from the Rangitāiki Plains and Otumahi supplies, which have high dairy farm usage.

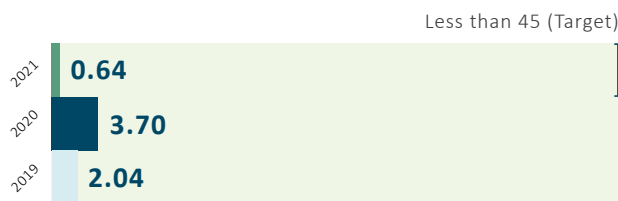
Solid waste

Average consumption of drinking water per day per resident in the District for unmetered areas*

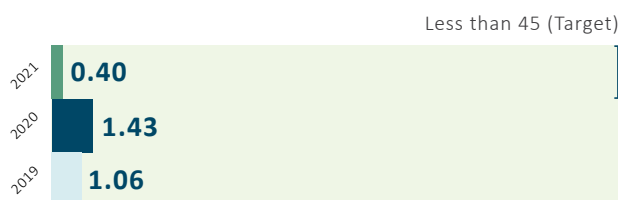


Environmental sustainability

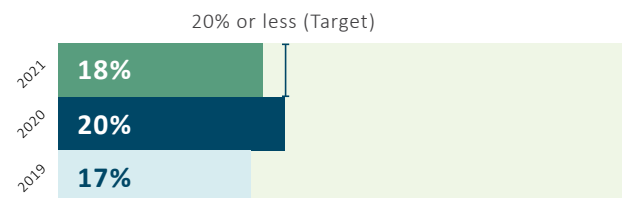
Number of complaints, per 1,000 connections, received by the Council about drinking water pressure or flow*



Number of complaints, per 1,000 connections, received by the Council about drinking water clarity*



Maintenance of reticulation- percentage of real water loss from our networked reticulation for metered schemes*



Note: 92% of our connections are metered.

Community safety

District growth

Recreation and community services

Corporate and district activities

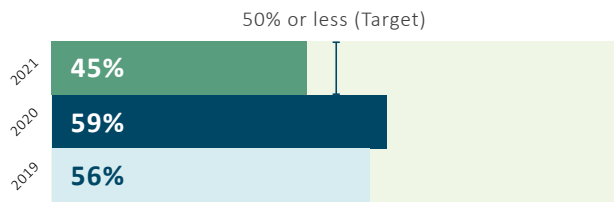
Council controlled organisations

*DIA Mandatory Measure

LEGEND **Achieved/Exceeded** **Not achieved** **Target value indication**

Performance measures *Ngā ine whaihua*

Maintenance of reticulation- percentage of real water loss from our networked reticulation for unmetered schemes*



Note: Council assesses water losses for unmetered properties based on Water New Zealand Water Loss Guidelines 2010

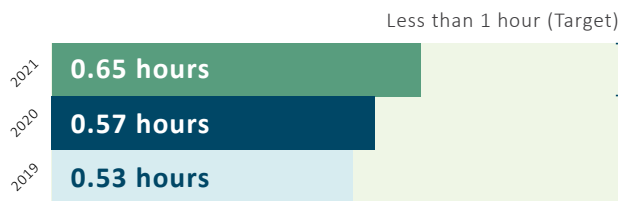
Satisfaction with the water supply



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

This is an aggregated average rating for water supply and quality.

Median response time to attend urgent call-outs*



Median response time to resolve urgent call-outs*



*DIA Mandatory Measure

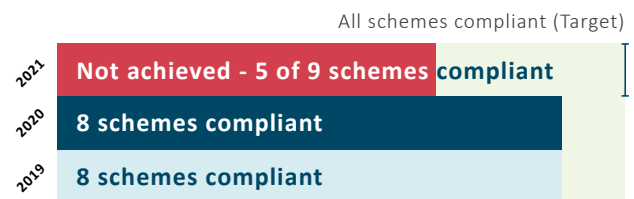
Median response time to attend non-urgent call-outs*



Median response time to resolve non-urgent call-outs*

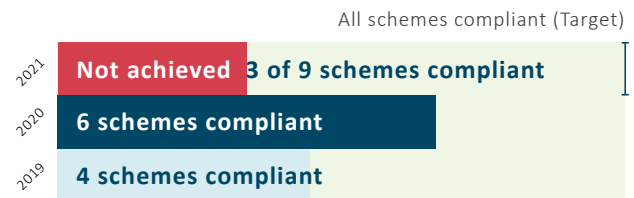


The extent to which Council's drinking water supplies comply with part 4 of the drinking water standards (bacteria compliance criteria)*



Note: 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)*



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

LEGEND Not comparable against target Achieved/Exceeded Not achieved Target value indication

Leadership
Roads and footpaths
Water supply
Sewage treatment and disposal
Stormwater drainage
Solid waste
Environmental sustainability
Community safety
District growth
Recreation and community services
Corporate and district activities
Council controlled organisations

Council's drinking water supplies compliance

Scheme	Compliant with DWS Part 4?	Compliant with DWS Part 5?
Matatā	No	No- Due to a brief instance of low UV intensity on 1 day in January.
Murupara	Yes	No- The water is untreated.
Otumahi (Edgecumbe, Te Teko and surrounds)	No- Otumahi (TP04011) was classed as non-compliant because this water supply joined Rangitāiki Water Scheme, thus the whole scheme was classed as non-compliant with Bacteriological and Protozoa compliance.	No- Due to instances of high turbidity and low UV intensity at the Tahuna Road water treatment plant, and mixing with water from the Rangitāiki Plains scheme for part of the year.
Rangitāiki Plains ¹	No- Due to instances of low FACE at the Johnson Road water treatment plant. There were no <i>E. coli</i> transgressions.	No- The water is chlorinated however there is no additional protozoa treatment.
Ruātoki	Yes	No- Due to instances of high turbidity and low UV intensity at Rūātoki water treatment plant.
Tāneatua	No- Due to instances of high turbidity and low UV intensity at the treatment plant and one <i>E. coli</i> transgression in the distribution zone.	No- Due to instances of high turbidity and low UV intensity at the Tāneatua water treatment plant.
Te Mahoe	Yes	Yes
Waimana	Yes	Yes
Whakatāne/ Ōhope	Yes	Yes

¹ Rangitāiki Plains is non-compliant with the chemical compliance criteria (part 8) of the DWSNZ due to the presence of naturally-occurring arsenic that exceeds the maximum acceptable value.

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

SEWAGE TREATMENT AND DISPOSAL

*Te rāwekeweke
me te rukea
o te arakaingaki*

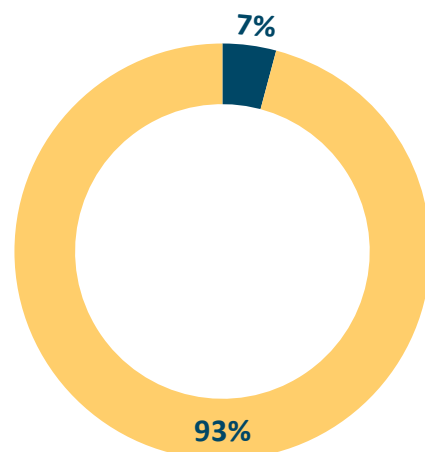




\$1.35 million
capital expenditure

\$3.5 million
operating expenditure

11/12
performance
measures met

Sources of funding



-  Funding from rates
-  Other operating sources



Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

Our activities and their effects

Ā mātou mahi me ngā hua

Sewage treatment and disposal

Te rāwekeweke me te rukea o te parakaingaki

We have provided efficient, reliable, safe and sustainable sewerage systems to protect the health of our communities and natural environment. This has involved operating and maintaining six wastewater schemes servicing 75% of the District's population. Infrastructure includes sewer lines, underground pipes, pump stations and treatment plants.

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: SEWAGE TREATMENT AND DISPOSAL WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	438	441	414
Targeted rates	4,038	4,468	4,492
Subsidies and grants for operating purposes	-	-	-
Fees and charges	140	145	230
Internal charges and overheads recovered	55	56	89
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	63
Sources of operating funding (A)	4,672	5,110	5,288
Applications of operating funding			
Payments to staff and suppliers	906	987	1,227
Finance costs	442	447	303
Internal charges and overheads applied	1,459	1,506	1,981
Other operating funding applications	-	-	-
Applications of operating funding (B)	2,806	2,939	3,512
Surplus (deficit) of operating funding (A-B)	1,866	2,171	1,776
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	138
Development and financial contributions	50	51	15
Increase (decrease) in debt	(149)	(106)	(290)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	(99)	(55)	(136)
Capital expenditure			
- to meet additional demand	34	40	278
- to improve level of service	457	526	511
- to replace existing assets	479	464	569
Increase (decrease) in reserves	797	1,085	282
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	1,767	2,116	1,640
Surplus (deficit) of capital funding (C-D)	(1,866)	(2,171)	(1,776)
Funding Balance ((A-B) + (C-D))	-	-	-

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

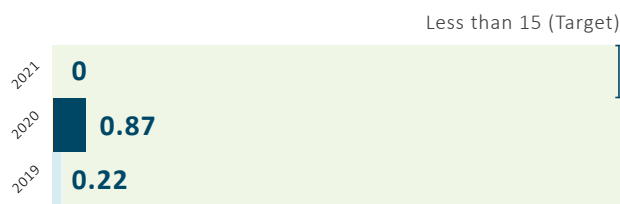
Performance measures *Ngā ine whaihua*

Satisfaction with the sewerage system

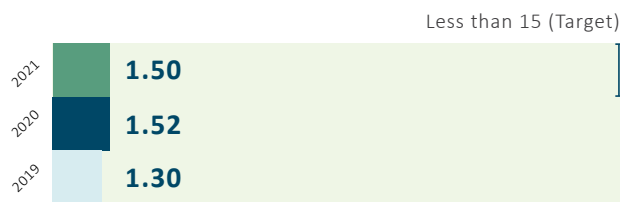


Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Number of complaints received per 1,000 connections about sewage odour*



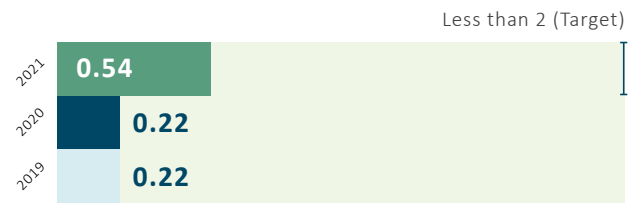
Number of complaints received per 1,000 connections about sewerage system faults*



Number of complaints received per 1,000 connections about sewerage system blockages*



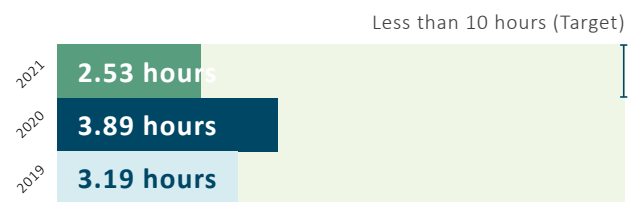
Number of complaints received per 1,000 connections about the Council's response to issues with our sewerage system*



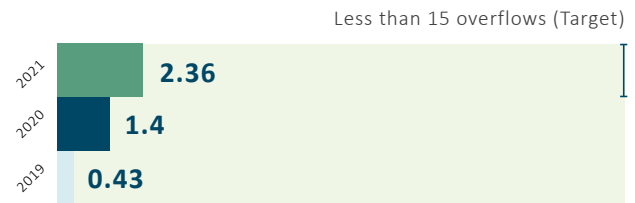
Median response time to attend a sewage overflow resulting from a blockage or other fault in the Council's sewerage system*



Median response time to resolve a sewage overflow resulting from a blockage or other fault in the Council's sewerage system*



Number of dry weather sewage overflows from the Council's sewerage system (per 1,000 connections)*



*DIA Mandatory Measure

LEGEND	Not comparable against target	Achieved/Exceeded	Not achieved	Target value indication
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Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

Performance measures *Ngā ine whaihua*

Number of abatement notices received by the Council in relation to the resource consents for discharge from our sewerage systems*



Number of enforcement orders received by the Council in relation to the resource consents for discharge from our sewerage systems*



Number of infringement notices received by the Council in relation to the resource consents for discharge from our sewerage systems*



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



*DIA Mandatory Measure

LEGEND	 Achieved/Exceeded	 Not achieved	 Target value indication
--------	--	---	--

Leadership
Roads and footpaths
Water supply
Sewage treatment and disposal
Stormwater drainage
Solid waste
Environmental sustainability
Community safety
District growth
Recreation and community services
Corporate and district activities
Council controlled organisations

STORMWATER DRAINAGE

*Te awakeri
o te wai āwhā*

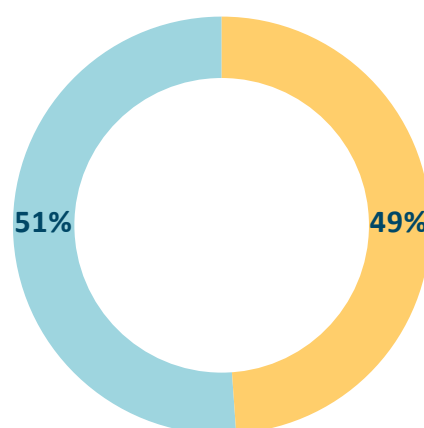


\$1.19 million
capital expenditure

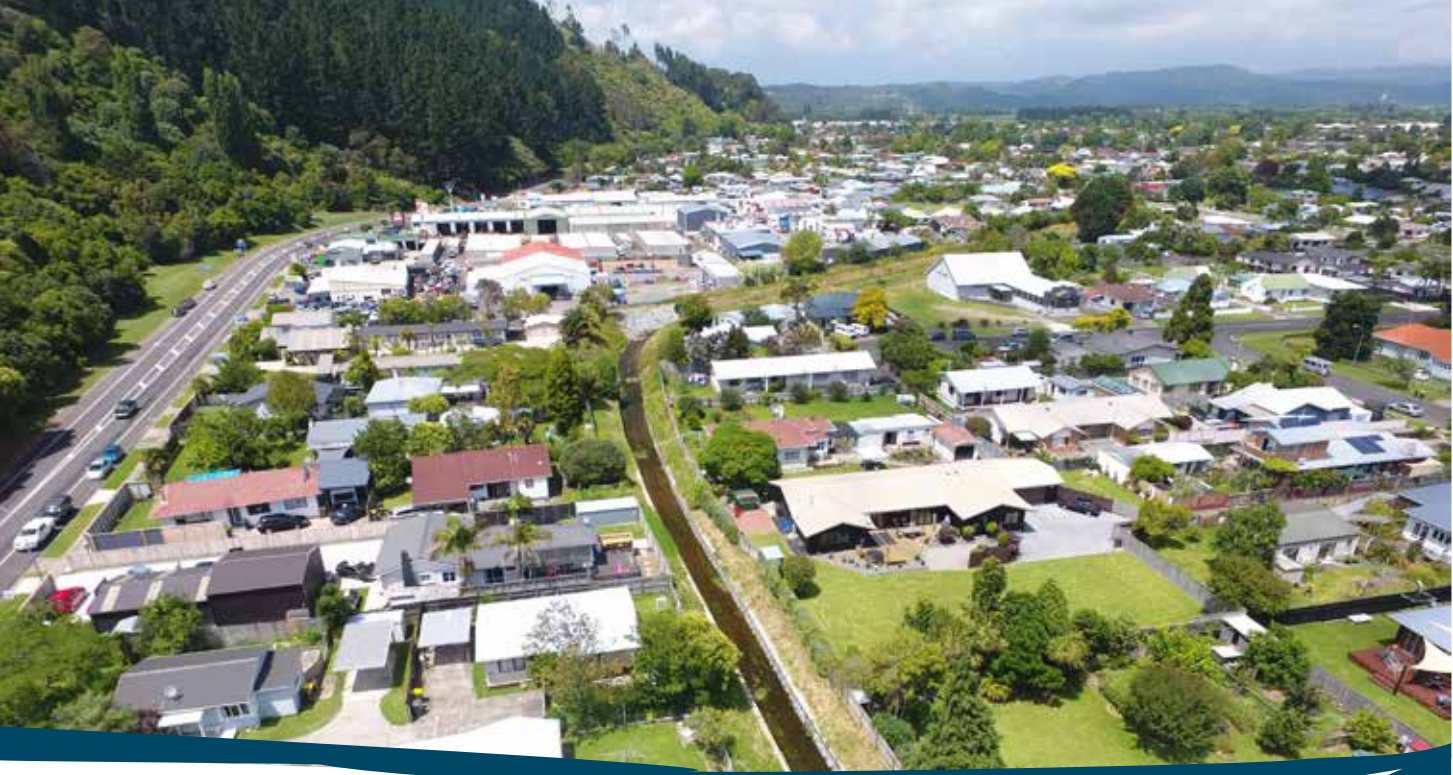
\$5.9 million
operating expenditure

8/8
performance
measures met

Sources of funding



- Funding from rates
- Other operating sources



Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

Our activities and their effects

Ā mātou mahi me ngā hua

Stormwater drainage

Te awakeri o te wai āwhā

Our stormwater drainage activity is responsible for maintaining and operating our stormwater systems, ensuring they are safe, sustainable, reliable, and efficient. We manage and maintain eight stormwater systems to remove water from urban and residential areas and dispersed it safely into waterways, minimising the risk to human life and property.

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: STORMWATER DRAINAGE WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	354	356	304
Targeted rates	3,390	3,597	3,107
Subsidies and grants for operating purposes	-	-	734
Fees and charges	-	-	1
Internal charges and overheads recovered	1,957	2,030	2,816
Local authorities fuel tax, fines, infringement fees, and other receipts	103	105	19
Sources of operating funding (A)	5,804	6,089	6,980
Applications of operating funding			
Payments to staff and suppliers	2,718	2,811	4,135
Finance costs	994	1,070	610
Internal charges and overheads applied	935	961	1,200
Other operating funding applications	-	-	-
Applications of operating funding (B)	4,646	4,841	5,945
Surplus (deficit) of operating funding (A-B)	1,158	1,248	1,035
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	196
Development and financial contributions	25	25	12
Increase (decrease) in debt	988	1,381	(543)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	1,012	1,406	(335)
Capital expenditure			
- to meet additional demand	51	145	7
- to improve level of service	1,899	2,692	640
- to replace existing assets	40	358	544
Increase (decrease) in reserves	180	(541)	(492)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	2,170	2,654	700
Surplus (deficit) of capital funding (C-D)	(1,158)	(1,248)	(1,035)
Funding Balance ((A-B) + (C-D))	-	-	-

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

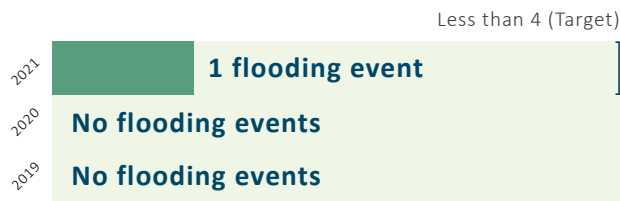
Corporate and district activities

Council controlled organisations

Performance measures *Ngā ine whaihua*

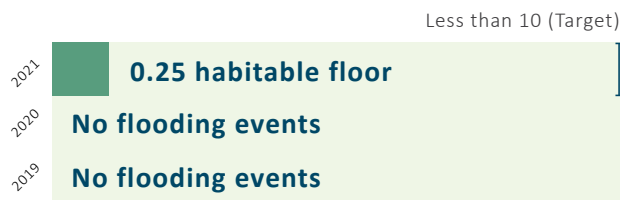
Leadership

Number of flooding events in the District*



Note: One flooding event occurred in Tāneatua in April 2021 following heavy rain.

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



Note: Flooding event was in Tāneatua. Remedial work has been completed.

Median response time to attend a flooding event*



Number of complaints received about the performance of the stormwater system per 1,000 connections*



*DIA Mandatory Measure

LEGEND

Achieved/ExceededNot achievedTarget value indication

Number of abatement notices received by the Council in relation to the resource consents for discharge from our stormwater systems*



Roads and footpaths

Water supply

Number of infringement notices received by the Council in relation to the resource consents for discharge from our stormwater systems*



Sewage treatment and disposal

Stormwater drainage

Solid waste

Number of enforcement orders received by the Council in relation to the resource consents for discharge from our stormwater systems*



Environmental sustainability

Community safety

Number of successful prosecutions received by the Council in relation to the resource consents for discharge from our stormwater systems*



District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

SOLID WASTE

Ngā para totoka

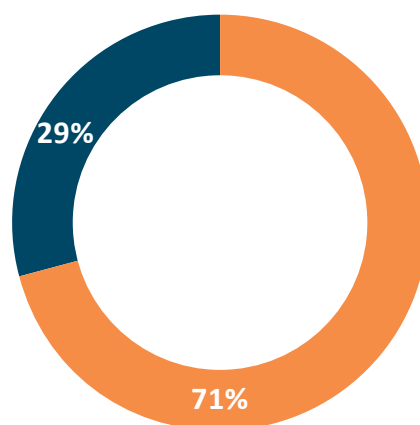




\$34,589
capital expenditure

\$5.8 million
operating expenditure

0/3
performance
measures met

Sources of funding



-  Funding from rates
-  Other operating sources



Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

Our activities and their effects

Ā mātou mahi me ngā hua

Solid waste

Ngā para totoka

Our solid waste activity has taken proactive steps to minimise environmental harm from solid waste, while sustainably managing our waste services, finances and assets for our communities. Our team has been responsible for the regular kerbside collections, management of our refuse transfer stations and the operation of our six closed landfill sites.

The team has also produced the 2021-27 Waste Management and Minimisation Plan setting out our communities' aspirations for managing our waste in the next 6 years.

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: SOLID WASTE WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,924	1,997	1,745
Targeted rates	2,732	2,830	2,594
Subsidies and grants for operating purposes	112	114	130
Fees and charges	724	738	1,538
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	103
Sources of operating funding (A)	5,492	5,679	6,110
Applications of operating funding			
Payments to staff and suppliers	4,575	4,700	5,191
Finance costs	123	115	74
Internal charges and overheads applied	513	528	512
Other operating funding applications	-	-	-
Applications of operating funding (B)	5,211	5,343	5,777
Surplus (deficit) of operating funding (A-B)	282	337	334
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	1
Increase (decrease) in debt	(246)	(248)	(255)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	(246)	(248)	(253)
Capital expenditure			
- to meet additional demand	5	5	3
- to improve level of service	5	5	5
- to replace existing assets	30	29	26
Increase (decrease) in reserves	(5)	50	46
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	36	89	80
Surplus (deficit) of capital funding (C-D)	(282)	(337)	(334)
Funding Balance ((A-B) + (C-D))	-	-	-

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

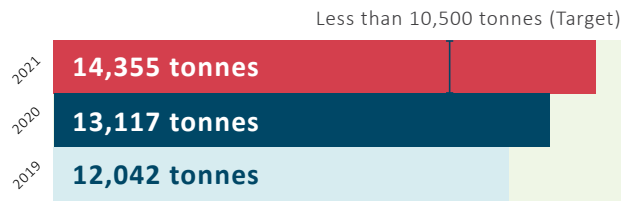
Recreation and community services

Corporate and district activities

Council controlled organisations

Performance measures *Ngā ine whaihua*

Amount of Council controlled solid waste sent to landfill



Note: Since this target was set, a private waste operator who was previously depositing at a non-Council facility has started to use the Whakatāne Transfer Station which has significantly increased landfill amounts.

In addition, the district is undergoing increased development, creating more waste. Council will continue to support waste minimisation programmes and investigate opportunities to divert waste from landfill.

Waste-related performance measures and targets were updated through the Long Term Plan 2021-31 to align with the Waste Management and Minimisation Plan 2021-27. These new measures and targets took effect from July 2021.

User satisfaction with refuse disposal (transfer station facilities)



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

User satisfaction with the kerbside waste collection service



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

- Leadership
- Roads and footpaths
- Water supply
- Stormwater drainage
- Sewage treatment and disposal
- Stormwater drainage
- Environmental sustainability
- Community safety
- District growth
- Recreation and community services
- Corporate and district activities
- Council controlled organisations



LEGEND

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

ENVIRONMENTAL SUSTAINABILITY

Toitū o te taiao

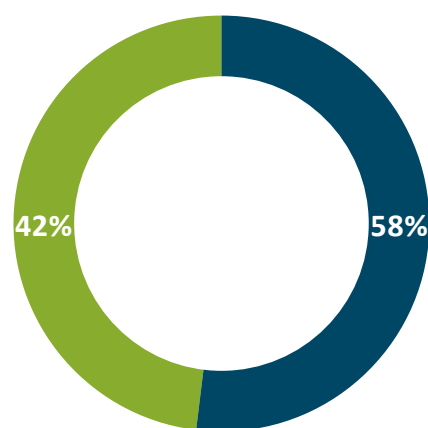


No capital expenditure

\$7 million
operating expenditure

2/6
performance
measures met

Sources of funding



- Funding from rates
- Other operating sources



Leadership
Roads and footpaths
Water supply
Sewage treatment and disposal
Stormwater drainage
Solid waste
Environmental sustainability
Community safety
District growth
Recreation and community services
Corporate and district activities
Council controlled organisations

Our activities and their effects

Ā mātou mahi me ngā hua

Resource management – policy

Whakahaere rawa – kaupapa here

Resource Management – Policy has provided support to Council activities across our District to ensure the use of land is balanced with the need for growth and protection of our spaces and people. A core focus of the past year has been continued work on a Spatial Plan and Future Development Strategy to provide for population growth, as well as developing changes to the District Plan to be responsive to the needs of our community and regulations such as the National Planning Standards.

Resource management – consents

Whakahaere rawa – whakaaetanga

Resource Management – Consents has provided advice and processing of resource consent applications, as well as monitoring compliance with the District Plan and conditions of consents, ensuring negative effects on our communities and environment have been avoided, remedied or mitigated. We have also worked with developers within the District, ensuring that the advice we have given and consents we have issued benefit the wider community.

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: ENVIRONMENTAL SUSTAINABILITY WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,892	1,984	2,337
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	2,555
Fees and charges	306	312	413
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	71	73	332
Sources of operating funding (A)	2,270	2,369	5,636
Applications of operating funding			
Payments to staff and suppliers	1,035	1,106	5,947
Finance costs	89	77	201
Internal charges and overheads applied	784	807	838
Other operating funding applications	-	-	-
Applications of operating funding (B)	1,907	1,990	6,987
Surplus (deficit) of operating funding (A-B)	362	379	(1,351)
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(314)	(327)	1,233
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	(314)	(327)	1,233
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	48	52	(117)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	48	52	(117)
Surplus (deficit) of capital funding (C-D)	(362)	(379)	1,351
Funding Balance ((A-B) + (C-D))	-	-	-

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

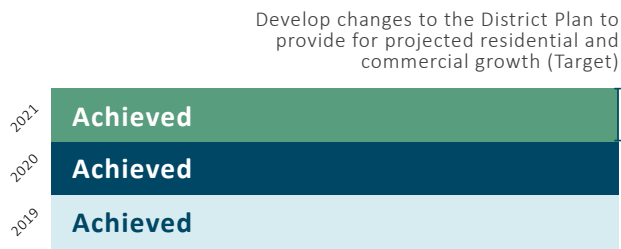
Corporate and district activities

Council controlled organisations

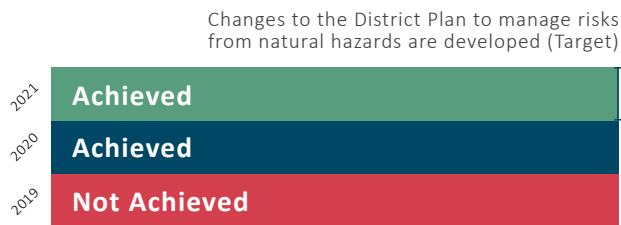
Performance measures *Ngā ine whaihua*

Leadership

Status of the District Development Strategy and District Plan



Progress made to develop the District Plan to respond to natural hazards

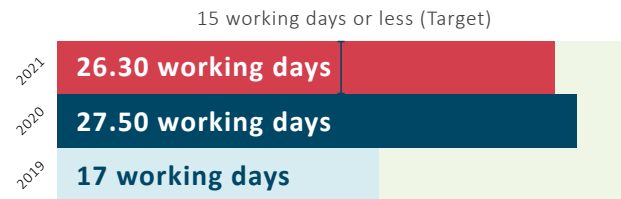


User satisfaction with Council's resource consent process



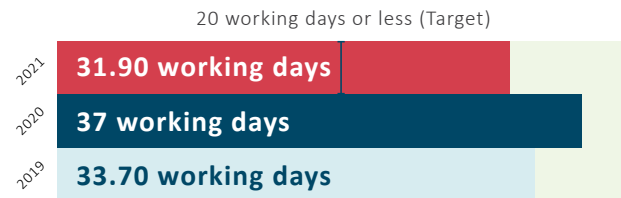
Note: Data collection has moved from an annual to a quarterly basis with a simplified survey that may have impacted this year's results. While the response rate was very low, the main reason for dissatisfaction was extended timeframes to process consents. A shortage of consultant planners and experienced staff coupled with a substantial increase in building and planning queries requiring ongoing staff engagement has resulted in extended timeframes. New appointments have been made to alleviate this pressure.

Average time to process non-notified land use resource consents



Note: A shortage of consultant planners and experienced staff coupled with a substantial increase in building and planning queries requiring ongoing staff engagement has resulted in extended timeframes. New appointments have been made to alleviate this pressure.

Average time to process non-notified subdivision resource consents



Note: A shortage of consultant planners and experienced staff coupled with a substantial increase in building and planning queries requiring ongoing staff engagement staff has resulted in extended timeframes.

Average time to process fast-tracked non-notified land use resource consents



Note: Only one application of this type was received for the 2020/21 year. There were some staffing shortages in the department at the time but this could have been processed more efficiently.

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

LEGEND

- Achieved/Exceeded
- Not achieved
- Target value indication

COMMUNITY SAFETY

Te marutau o te hapori

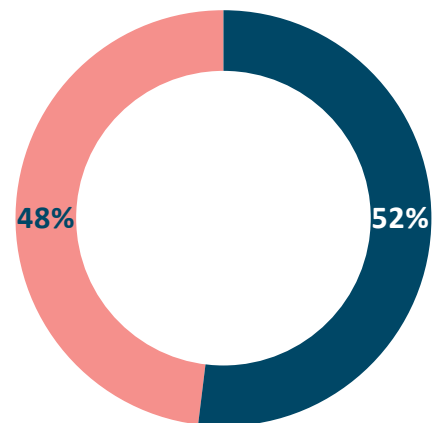


No capital expenditure

\$4.8 million
operating expenditure

8/12
performance
measures met

Sources of funding



- Funding from rates
- Other operating sources

Our activities and their effects

Ā mātou mahi me ngā hua

Licensing (alcohol and gambling)

Raihana (waipiro me te peti)

This activity has protected and enhanced the wellbeing of our communities by managing exposure to alcohol and gambling facilities. We have issued licenses and managers certificates, inspected premises and worked closely with other organisations to monitor adherence to license conditions and measure harm reduction.

Environmental health and regulation monitoring

Aroturuki ture

Our team has monitored and enforced environmental and public health standards to keep our communities safe and healthy. This involved the licensing of food premises, monitoring the state of the environment (including water supplies) and responding to complaints of noise or odour.

Building

Hangatanga

Our building activity has received, processed and issued building consents, as well as inspected building consents and issued code compliance certificates for issued building consents. The team has worked hard to ensure that all people, including developers, understand the requirements, costs and timeframes, and have provided advice and guidance to operate in the best interests of our communities.

Animal control

Take kararehe

The animal control activity has made our communities safer by responding to roaming or abandoned animal complaints, supplying them with shelter and food and rehoming animals where possible. They have received and responded to complaints from the public and issued fines where necessary. Animal control in Murupara and the surrounding area has been delivered in partnership with Te Rūnanga o Ngāti Manawa.

Emergency management

Mahi whakamarumarū

The Emergency Management function recognises that communities are at the forefront of any emergency response. This year, we focused on re-establishing key relationships with people, resources and facilities.

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: COMMUNITY SAFETY WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,463	2,473	2,650
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,399	1,454	1,736
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	544	554	712
Sources of operating funding (A)	4,405	4,481	5,098
Applications of operating funding			
Payments to staff and suppliers	2,558	2,576	2,509
Finance costs	-	-	85
Internal charges and overheads applied	1,569	1,616	2,188
Other operating funding applications	-	-	-
Applications of operating funding (B)	4,126	4,191	4,782
Surplus (deficit) of operating funding (A-B)	279	289	317
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	2,709
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	-	-	2,709
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	279	289	3,026
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	279	289	3,026
Surplus (deficit) of capital funding (C-D)	(279)	(289)	(317)
Funding Balance ((A-B) + (C-D))	-	-	-

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

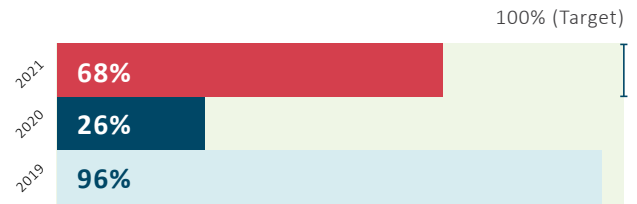
Performance measures *Ngā ine whaihua*

Leadership

Percentage of licensed premises inspected at least once per year, excluding special licenses



Percentage of registered premises verified within the timeframes defined by the Food Act 2014



Roads and footpaths

Water supply

Note: Results were affected by staff shortages within a small team, and rescheduling appointments to a more convenient time for the premises involved. There will be a focus on programming appointments at times that better suit premise owners to reduce postponements.

Sewage treatment and disposal

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



User satisfaction with the process Council used for your building consent



Stormwater drainage

Solid waste

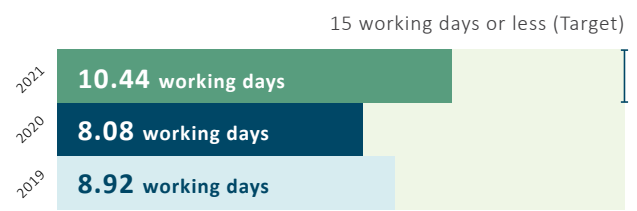
Note: Data collection has moved from an annual to a quarterly basis with a simplified survey this year. This survey has significantly reduced the burden for respondents, and may also have impacted results. The building team is analysing comments received to drive performance improvement. Targets have been reviewed through the Long Term Plan 2021-31 to reflect the change in survey methodology.

Environmental sustainability

Percentage of after-hours excessive noise complaints responded to promptly



Average time for processing building consents



Community safety

District growth

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



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



Recreation and community services

Corporate and district activities

Note: Response times were affected by staff shortages within a small team. There will be an increased focus on compliance for this measure, and roles are being filled to improve response time.

LEGEND

- Achieved/Exceeded
- Not achieved
- Target value indication

Council controlled organisations

Performance measures *Ngā ine whaihua*

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



Percentage of staff trained to the appropriate level agreed by the Civil Defence Emergency Management Group



Note : Insufficient staff completed the assessment for the intermediate course and therefore the target was not met. This percentage does not include staff that have gained experience through previous emergency events.

Percentage of roles for 24 hour operation of the Emergency Operation Centre / Emergency Communications Centre identified and staffed



Number of initiatives delivered to promote community resilience and safety



LEGEND

- Achieved/Exceeded
- Not achieved
- Target value indication

Leadership
 Roads and footpaths
 Water supply
 Sewage treatment and disposal
 Stormwater drainage
 Solid waste
 Environmental sustainability
Community safety
 District growth
 Recreation and community services
 Corporate and district activities
 Council controlled organisations

DISTRICT GROWTH

*Te whakatipuranga
o te rohe*

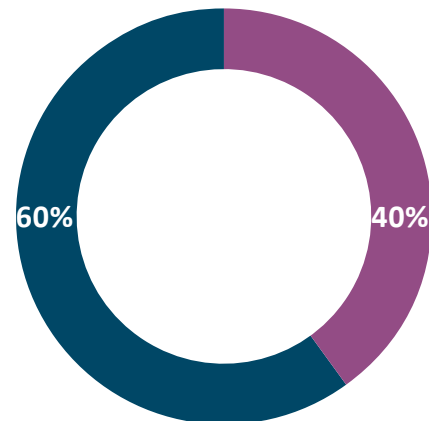




\$215,477
capital expenditure

\$3.8 million
operating expenditure

0/3
performance
measures met

Sources of funding



-  Funding from rates
-  Other operating sources



Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

Our activities and their effects

Ā mātou mahi me ngā hua

Business and economic development

Whakawhanaketanga pakihi me te ōhanga

The business and economic development activity has been a focus for Council, and has promoted and encouraged sustainable economic development and prosperity in the District. This has included working with stakeholders on the Whakatāne Regeneration Programme, progressing residential growth opportunities and supporting iwi-led development projects.

Events and tourism

Pāpono me te tapoi

Through our tourism, marketing and events activity, Council has been working hard to build the visitor economy, support local business and showcase our District a vibrant place to live, visit and work. We operate the i-SITE in Whakatāne, and work alongside Tourism Bay of Plenty, Tourism New Zealand, local businesses and the Ministry of Business, Innovation and Employment to support and reposition the local tourism economy in response to the impacts of the Whakaari / White Island eruption and COVID-19. Our tourism recovery programme has a focus on new product development across the District in the areas of visitor-related infrastructure, cluster development and business support.

Strategic property

Hautaonga

The strategic property activity has managed Council's commercial properties and other holdings. The rental income through leases has been used to pay for the ongoing operation, maintenance and improvements of the ports, harbour facilities and surrounds, reducing the rating costs to our communities.

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: DISTRICT GROWTH WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,128	1,180	1,231
Targeted rates	734	748	816
Subsidies and grants for operating purposes	20	21	259
Fees and charges	2,474	2,522	2,454
Internal charges and overheads recovered	143	145	296
Local authorities fuel tax, fines, infringement fees, and other receipts	29	30	108
Sources of operating funding (A)	4,528	4,646	5,164
Applications of operating funding			
Payments to staff and suppliers	1,660	1,726	2,549
Finance costs	5	5	5
Internal charges and overheads applied	807	829	1,231
Other operating funding applications	-	-	-
Applications of operating funding (B)	2,472	2,560	3,785
Surplus (deficit) of operating funding (A-B)	2,056	2,086	1,380
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(8)	(8)	10
Gross proceeds from sale of assets	2,000	-	295
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	1,992	(8)	306
Capital expenditure			
- to meet additional demand	3	84	86
- to improve level of service	102	-	19
- to replace existing assets	62	73	110
Increase (decrease) in reserves	3,882	1,921	1,470
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	4,048	2,078	1,686
Surplus (deficit) of capital funding (C-D)	(2,056)	(2,086)	(1,380)
Funding Balance ((A-B) + (C-D))	-	-	-

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

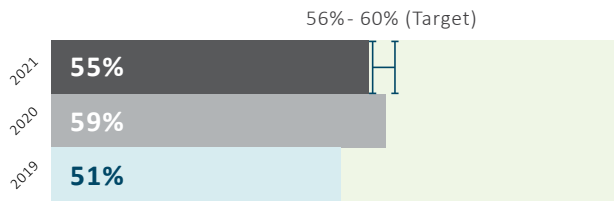
Recreation and community services

Corporate and district activities

Council controlled organisations

Performance measures *Ngā ine whaihua*

Satisfaction with efforts to attract and expand business



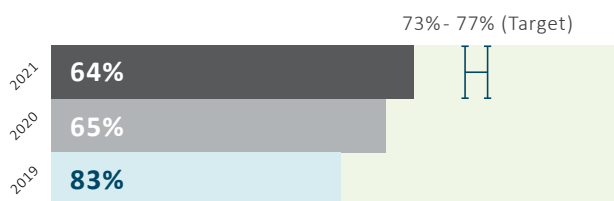
Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Satisfaction with efforts to enable and promote events



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Satisfaction with efforts to attract visitors or tourists to the area



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

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

RECREATION AND COMMUNITY SERVICES

*Ngā mahi a te rēhia
me ngā ratonga
hapori*

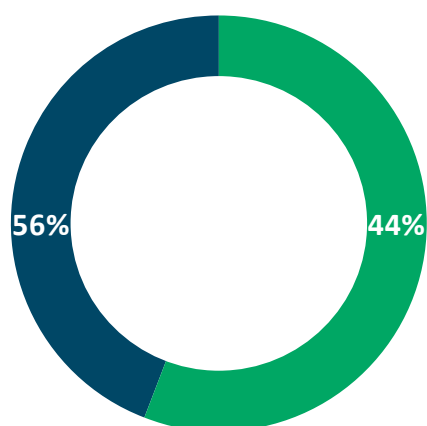




\$8.3 million
capital expenditure

\$18.3 million
operating expenditure

3/18
performance
measures met

Sources of funding



-  Funding from rates
-  Other operating sources



- Leadership
- Roads and footpaths
- Water supply
- Sewage treatment and disposal
- Stormwater drainage
- Solid waste
- Environmental sustainability
- Community safety
- District growth
- Recreation and community services
- Corporate and district activities
- Council controlled organisations

Our activities and their effects

Ā mātou mahi me ngā hua

Libraries

Ngā whare pukapuka

Our libraries have continued to be centres for lifelong learning within our District. We have continued to expand our already wide range of digital and physical information and when possible we have run well-attended, inclusive and high quality events for the public.

Museum and arts

Whare taonga me te toi

The museum and arts activity has been responsible not only for storing, preserving, exhibiting and fostering engagement with our District’s taonga at our new museum, but has been actively involved in creating new treasures for the District.

Halls

Ngā hōro

This team has worked diligently to provide parks and facilities that beautify our District, as well as promoting healthy, active life-styles and provide access and protection to our special places and environment.

Parks, reserves, recreation and sportsfields

Ngā papa rēhia, whenua tāpui me ngā papa tākaro

Our teams have been responsible for providing and maintaining parks and facilities that beautify our District, as well as promoting healthy, active lifestyles, and provided access and protection to our special places and environment for the enrichment of our communities. Key achievements include the extension of the Whakatāne skate park and significant improvements to the Riverslea Playground in Edgecumbe.

Cemeteries and crematorium

Ngā urupā me ngā whare tahu tūpāpaku

Our cemeteries and crematorium team has been responsible for ensuring that our facilities are attractive and restful places to celebrate the lives of our loved ones. Work included the delivery of a new natural burial service at Hillcrest Cemetery.

Public conveniences

Kaumanga/wharepaku

The public conveniences activity has been responsible for maintaining and improving important facilities for the public around the District, including toilets, drinking fountains, showers and changing rooms, and have been responsible for their regular maintenance and cleaning.

Whakatāne Holiday Park

Te Taupuni Hararei o Whakatāne

Our holiday park team has been promoting tourism in the District, operating a quality accommodation option for visitors, as well as emergency temporary accommodation for residents.

Aquatic centres

Ngā whare kauhoe

Our aquatic centres have been places for our community to come for education as well as recreation, hosting learn to swim classes, water safety programmes and a space for rehabilitation.

Ports and harbours

Ngā tumu herenga waka me ngā moana

The team has been responsible for running the facilities around our District's ports and harbours. Car parks, jetties, weigh stations and navigation markers have been maintained, as well as ensuring safe depths in our harbor, navigation channel and berthage areas through dredging.

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: RECREATION AND COMMUNITY SERVICES WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	10,717	10,955	10,687
Targeted rates	-	-	-
Subsidies and grants for operating purposes	278	283	2,935
Fees and charges	2,086	2,125	2,639
Internal charges and overheads recovered	1,738	1,767	1,484
Local authorities fuel tax, fines, infringement fees, and other receipts	157	160	1,491
Sources of operating funding (A)	14,976	15,290	19,236
Applications of operating funding			
Payments to staff and suppliers	7,481	7,587	11,471
Finance costs	600	590	434
Internal charges and overheads applied	5,691	5,826	6,355
Other operating funding applications	-	-	-
Applications of operating funding (B)	13,772	14,004	18,260
Surplus (deficit) of operating funding (A-B)	1,204	1,287	976
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	138	10	3,322
Development and financial contributions	-	-	83
Increase (decrease) in debt	(537)	(587)	(3)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	(399)	(576)	3,403
Capital expenditure			
- to meet additional demand	86	87	1,422
- to improve level of service	311	251	2,933
- to replace existing assets	2,329	6,584	3,947
Increase (decrease) in reserves	(1,921)	(6,212)	(3,923)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	805	710	4,379
Surplus (deficit) of capital funding (C-D)	(1,204)	(1,287)	(976)
Funding Balance ((A-B) + (C-D))	-	-	-

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

Performance measures *Ngā ine whaihua*

User satisfaction with public libraries



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

User satisfaction with the exhibition centre



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Number of people visiting Te Kōputu a te whanga a Toi Whakatāne Library and Exhibition Centre (foot traffic only)



Note: We have set ambitious targets and endeavour to deliver the best possible experience for our visitors. Visits increased by 6% compared to 2019/20, however COVID-19 continued to have an impact on visitor numbers. Access to digital information such as ebooks continued to grow this year.

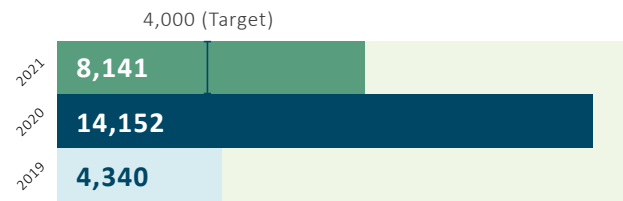
We continue to focus on community outreach programmes to provide services to as much of the community as possible.

User satisfaction with public halls



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Number of people engaging in public programmes delivered by libraries across the District



User satisfaction with playgrounds in the Whakatāne District



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

User satisfaction with the museum (Te Whare Tāonga o Taketake)



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

User satisfaction with sportsfields in the Whakatāne District



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

LEGEND ■ Not comparable against target ■ Achieved/Exceeded ■ Not achieved | Target value indication

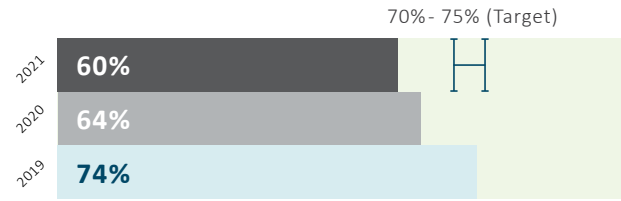
Performance measures *Ngā ine whaihua*

User satisfaction with cemeteries including maintenance of cemeteries



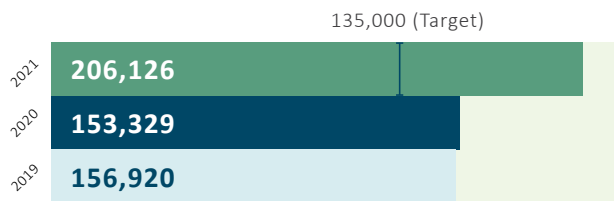
Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

User satisfaction with public toilets in the Whakatāne District



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Number of admissions at aquatic centres in the Whakatāne District



Perception of safety in the District



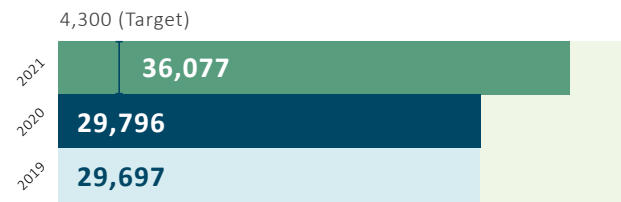
Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

User satisfaction with the crematorium facility



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Number of admissions to the Whakatāne Holiday Park



Satisfaction with harbour facilities including the port



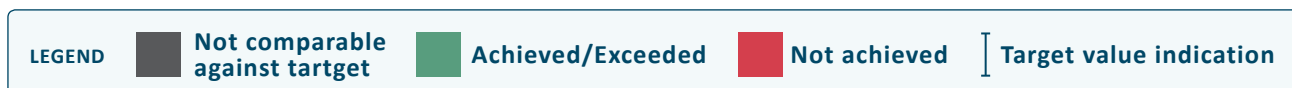
Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

The change from the previous year in the number of fatality and serious injury crashes on the local road network



Note: There were 23 fatality and serious injury crashes this year compared to 14 in 2019/20, which had lower numbers due mainly to COVID-19 restrictions. The number of crashes this year is also higher than in 2018/19. This year the Road Safety programme targeted vulnerable road users, with two driver marae-based alcohol programmes delivered for prevention purposes.

*DIA Mandatory Measure



Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

Performance measures *Ngā ine whaihua*

User satisfaction with swimming pools in the Whakatāne District



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

User satisfaction with parks and reserves in the Whakatāne District



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

*DIA Mandatory Measure

LEGEND	 Achieved/Exceeded	 Not achieved	 Target value indication
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CORPORATE AND DISTRICT ACTIVITIES

Ngā mahi
rangatōpū
a te rohe

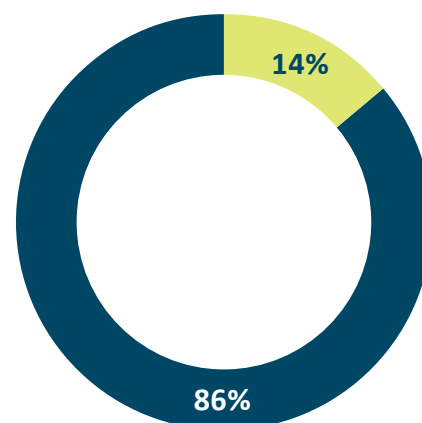




\$2.1 million
capital expenditure

\$17.4 million
operating expenditure

2/4
performance
measures met

Sources of funding



-  Funding from rates
-  Other operating sources

Our activities and their effects

Ā mātou mahi me ngā hua

Customer services

Ratonga tāngata

Whakatāne District Council's customer service has provided efficient, effective and friendly service to our community. This involved providing information and advice, processing requests for service, managing online interactions and processing financial transactions.

Public affairs

Take tūmatanui

Our public affairs team ensured our community had access to relevant, timely, accurate and meaningful information. We kept the community informed through a number of ways, including Council's newsletter (Kō Konei), our award winning website and social media platforms.

People and capability

Pūmanawa tangata

This activity is internally focused, and ensured that Council attracted, retained, motivated and rewarded high calibre employees to assist in the delivery of our core goals and values.

Finance

Ahumoni

Significant community engagement is a key focus for the Council's rates team, while the internally focused aspects of this activity have been responsible for resourcing Council services and activities, ensuring Council remained in a stable financial position while being responsive to the issue of rates affordability. Our team also worked to produce corporate documents such as the Long Term Plan 2021-31 for the District.

Corporate information

Pārongo rangatōpū

The corporate information activity has been the guardian of the Council's data, information and knowledge assets, delivering secure, quality information to internal and external customers.

Corporate property

Hautaonga rangatōpū

Corporate property has successfully managed and maintained essential property assets for the community, including the Civic Centre, the Library and Exhibition Centre and the Whakatāne Airport.

District income and expenditure

Te whiwhinga pūtea me te whakapaunga utu o te rohe

Our district income has been applied to reduce the rate requirement for Council activities throughout the year. This income has been sourced from commissions, petrol tax, interest and other revenue.

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: CORPORATE AND DISTRICT ACTIVITIES WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	692	691	2,474
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	367	374	478
Internal charges and overheads recovered	13,095	13,435	16,073
Local authorities fuel tax, fines, infringement fees, and other receipts	350	356	(786)*
Sources of operating funding (A)	14,505	14,857	18,238
Applications of operating funding			
Payments to staff and suppliers	11,047	11,368	14,644
Finance costs	812	798	(78)**
Internal charges and overheads applied	790	803	1,890
Other operating funding applications	908	926	1,141
Applications of operating funding (B)	13,557	13,894	17,597
Surplus (deficit) of operating funding (A-B)	947	963	642
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(287)	(615)	(740)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	(287)	(615)	(740)
Capital expenditure			
- to meet additional demand	117	-	16
- to improve level of service	255	91	440
- to replace existing assets	1,264	1,155	1,640
Increase (decrease) in reserves	(976)	(898)	(2,194)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	660	348	(99)
Surplus (deficit) of capital funding (C-D)	(947)	(963)	(642)
Funding Balance ((A-B) + (C-D))	-	-	-

* The negative figure is a result of sundry operating funding being distributed to the appropriate activity 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 activities and therefore reflecting a positive variance in this activity

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

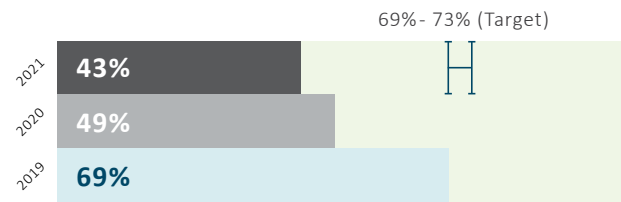
Council controlled organisations

Performance measures *Ngā ine whaihua*

Percentage of telephone calls that are answered within 30 seconds



Satisfaction with Council's provision of information



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

User satisfaction with the overall service from Council's front desk



Note: Changes in survey methodology from 2020 mean that this result is not directly comparable against the target. New targets were set through the Long Term Plan 2021-31, and took effect in July 2021.

Percentage of website users that remain engaged*



*Performance derived from the 'bounce rate', which indicates how many users are disengaging from the site because they are unable to quickly find the information they are seeking.

LEGEND	Not comparable against target	Achieved/Exceeded	Not achieved	Target value indication

COUNCIL CONTROLLED ORGANISATIONS

Ngā rōpū mahi
a Te Kaunihera
ā-rohe

A Council Controlled Organisation (CCO) is a company or organisation in which the Council, or a number of councils, hold 50% or more of the voting rights, or can appoint 50% or more of the trustees, directors or managers.

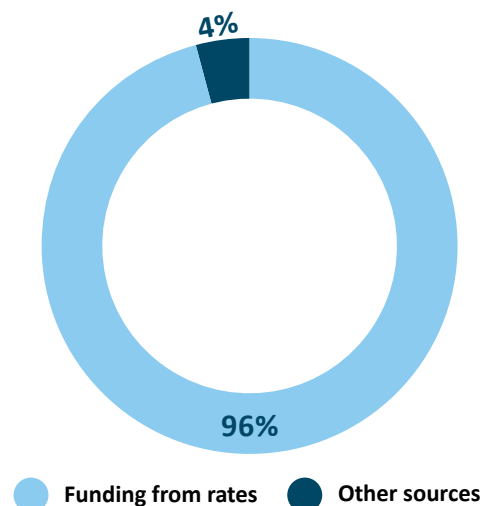
The Council engages in this form of partnership where it provides advantages for a more effective, efficient and financially viable means of delivering services.

In the 2020/21 year, the Whakatāne District Council has continued to be a shareholder in four Council Controlled Organisations:

1. Whakatāne Airport
2. Toi-Economic Development Agency (Toi-EDA)
3. Bay of Plenty Local Authority Shared Services Limited (BoPLASS)
4. The Local Government Funding Agency (LGFA)

All these CCOs undertake their own reporting. Their documents are made available on the website of each respective entity.

Sources of funding



Note: The above 'Operating Expenditure' and 'Sources of Funding' include funded depreciation requirements whereas the Funding Impact Statement that follows does not as it represents cash only.

Our activities and their effects

Ā mātou mahi me ngā hua

Whakatāne Airport

The Whakatāne Airport continues to experience the effects of last year COVID-19 lockdown. Air Chathams has operated reduced flight services which continue to be disrupted due to COVID-19. 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.

Find out more about the Whakatāne Airport in our [Long Term Plan](#) or on the [Council website](#).

Toi Economic Development Agency (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, Ōpōtiki and Whakatāne District Councils, and the Bay of Plenty Regional Council, working together with local iwi. In the past year, Toi EDA updated their Vision and Strategy. Key achievements from the past year included supporting the successful PGF funding applications across the Eastern Bay; and progressing work to address specific workforce, housing and infrastructure constraints and opportunities.

Find out more about Toi EDA in our [Long Term Plan](#) or on the [Toi EDA website](#).

Bay of Plenty Local Authority Shared Services (BOPLASS)

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 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.

Find out more about BOPLASS in our [Long Term Plan](#) or on the [BOPLASS website](#).

Local Government Funding Agency Limited (LGFA)

The Local Government Funding Agency enables 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](#).

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

What these activities cost and how they were paid for

Te utu o ēnei mahi, i pehea i whakaea

FUNDING IMPACT STATEMENT: WHAKATĀNE AIRPORT WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2021	LTP 2019/20 \$000	LTP 2020/21 \$000	ACTUAL 2020/21 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	220	243	143
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	5	-
Sources of operating funding (A)	225	248	143
Applications of operating funding			
Payments to staff and suppliers	317	325	457
Finance costs	26	27	14
Internal charges and overheads applied	141	148	177
Other operating funding applications	-	-	-
Applications of operating funding (B)	484	500	648
Surplus (deficit) of operating funding (A-B)	(259)	(252)	(505)
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	59	(17)	14
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	59	(17)	14
Capital expenditure			
- to meet additional demand	153	3	39
- to improve level of service	123	3	11
- to replace existing assets	123	-	-
Increase (decrease) in reserves	(599)	(275)	(541)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	(200)	(270)	(491)
Surplus (deficit) of capital funding (C-D)	259	252	505
Funding Balance ((A-B) + (C-D))	-	-	-

Leadership

Roads and footpaths

Water supply

Sewage treatment and disposal

Stormwater drainage

Solid waste

Environmental sustainability

Community safety

District growth

Recreation and community services

Corporate and district activities

Council controlled organisations

Performance measures *Ngā ine whaihua*

Whakatāne Airport performance measure

The Airport is maintained as a CAR Part 139 Certificated aerodrome in accordance with CAA aerodrome design for all aircraft undertaking Air Transport Operations and aircraft above 5,700kg Maximum Combined Take-Off Weight (MCTOW)



LEGEND	 Achieved/Exceeded	 Not achieved	 Target value indication
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BOPLASS performance

BOPLASS PERFORMANCE MEASURES*	TARGET / RESULT
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	Achieved
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	Achieved
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p> <p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	Achieved
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 10% per year.</p> <p>Number of active users to increase by 20% per year.</p>	Achieved
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	Achieved
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	Achieved

* As per BOPLASS Annual Report non audited draft results. For more comments, refer to BOPLASS Annual Report 2020/21

OUR COSTS IN DETAIL

Ngā taipitopito utu





Introduction to 'our costs in detail'

Whakatakinga 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

He kōrero mō ngā waitara uara matua

This table provides an update on the major capital projects that were planned for the 2020/2021 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 huapae pūtea

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 2020/21 year.

Notes to the financial statements

Ngā kōrero e tāpiri ake ki ngā tauākī 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
Roads & Footpaths				
Unsealed Metalling	Completed	523,500	500,000	615,529
Resurfacing-Chipseal	Completed	1,884,600	2,019,571	1,636,636
Resurfacing- AC	Completed	418,800	439,191	777,945
Drainage-Culverts	Completed	188,460	305,781	205,953
Drainage-Kerb & Channel	Completed	314,100	681,807	697,305
Pavement Rehabilitation	Completed	956,958	1,168,099	947,182
Structures-Bridge Renewals	Completed	115,170	160,260	68,689
Road Improvements - Landing Road	Design work underway in 2022 Financial Year; funding to be provided from NZTA in 2022	2,408,100	200,000	-
Low Cost/Low Risk Improvements	Completed	1,942,185	1,494,103	994,469
Safer Roads Alliance (Wainui Road)	Completed	-	5,773,661	5,773,661
Low Cost/Low Risk Active Whakatāne	Completed	-	910,000	1,337,145
Seal Extensions	Rebudgeted in the 2021-31 LTP	1,570,500	-	-
Special Purpose Roads- Low Cost/Low Risk Improvements - Carriageways	Completed with an overspend on two seal extensions on Matahi Valley Road 100% Waka Kotahi Funded.	209,400	200,000	2,413,008
Special Purpose Roads- Low Cost/Low Risk Improvements - Structures	Mimiha bridge will not be completed this year as Tūhoe weren't ready to progress works. Bridget 132 completed on Matahi Valley Road.	1,036,530	990,000	59,471
T35225- Innovating Streets- Kakahoroa	Project reclassified as operational expenditure	-	494,200	-0
T35226- 83 Landing Road- Purchase	Completed	-	610,000	611,955
Kia Kaha Roads & Footpaths Projects	Works programmed in 2020 financial year to stimulate local employment post Covid 19; projects completed in 2021- 100% Subsidy Funded	-	1,908,443	2,261,682

Capital projects

Ngā waitara uara

PROJECT NAME	PROJECT COMMENT	LONG TERM PLAN	REVISED BUDGET	ACTUAL
Water Supply				
Melville Drive pressure improvements project	Completed		38,220	108,387
Whakatāne Water Mains Renewals	Completion anticipated in 2022	315,600	1,899,170	1,238,381
Whakatāne Water - New Source	Drilling at Paul Road complete, contractor is commissioning bore hole in 2022 financial year	-	1,569,931	889,265
Whakatāne Water - Source Protection	Backflow prevent works awaiting finalisation of policy before progressing	178,840	308,965	57,875
Edgecumbe Water Main Replacements	Completion anticipated in 2022	480,000	613,220	638,248
Murupara Water - Water Safety Plans works	Completed	-	93,481	84,318
Otumahi additional watermains	Morrison bore legal arrangements for private scheme to be finalised	-	244,929	334,291
Whakatāne Condition & Improvement - Reservoirs	Complete underbudget	-	350,000	171,318
Tanetua Water - Hydrant & Valve renewals	Completed	-	470,995	507,322
WTP Filter Covering/ Clarifier	Completed	105,200	200,000	83,885
Waimana Water- Reservoir Upgrades	Completed	-	80,000	62,156
Upgrade Galatea Rd (Penetito)	Completed	-	250,000	260,123
Plains Water Mains Renewals	Completed	157,800	225,000	246,386
Three Water Reform/ Stimulus Projects	DIA stimulus funded projects (Three Water Reform)	-	-	1,394,462

Sewage Treatment and Disposal				
Coastlands Sewer Pump Station	Project to be completed in 2022	-	1,300,000	277,109
Ōhope WWTP	Emergency renewal for failed pump. Project to be completed in 2022			113,767
Whakatāne Wastewater- Upgrade Treatment Plant	Maintenance and management plan being prepared and new intake structure design underway.	-	423,313	237,216
Whakatāne Wastewater Asset Risk & Resilience	Ferry Rd Wastewater Pumpstation safety structural modifications design complete, works to progress in 2022	105,200	194,720	4,608
WHK WW- Seaview Renewal	Resource consent granted	-	160,000	180,300
Murupara Wastewater Resource Consent Renewal	Resource consent work progressing	105,200	100,000	63,909
Three Water Reform/ Stimulus Projects	DIA stimulus funded projects (Three Water Reform)	-	-	138,333

Capital projects

Ngā waitara uara

PROJECT NAME	PROJECT COMMENT	LONG TERM PLAN	REVISED BUDGET	ACTUAL
Stormwater Drainage				
Whakatāne Stormwater- Western Catchment Upgrade	Design works underway, with 2022 completion anticipated.		500,000	62,895
Whakatāne Upgrade from Comprehensive Management Plan	Works will progress once resource consent granted	-	200,000	54,707
OHOPE Stormwater- Maraetotara Stream	Works completed with contribution from land owner	26,300	288,021	259,278
WHK SW- Hinemoa PS & Pipes	Project rebudgeted in Whakatāne Stormwater - Western Catchment Upgrade	1,052,000	-	-
WHK SW- Pipe Upgrades	Project rebudgeted in Whakatāne Stormwater - Western Catchment Upgrade	789,000	-	-
WHK SW- Upgrade St Joseph PS	Project rebudgeted in Whakatāne Stormwater - Western Catchment Upgrade	526,000	-	-
Whakatāne Stormwater- Barry Avenue Upgrade	Project will be completed in 2022	-	1,607,905	359,596
Edgcumbe Stormwater Risk Assessment & Implementation	This project is underway and will be completed using 3 water stimulus funding	-	59,764	-
Three Water Reform/ Stimulus Projects	DIA stimulus funded projects (Three Water Reform)- Matatā Pond Desludging and upgrade, Edgcumbe Stormwater Renewals	-	-	195,835

Solid Waste				
Solid Waste Renewals	Completed	34,037	36,138	29,620

District Growth				
60 Bunyan Rd Woodwaste Remediation	Deferred, budget carried forward to 2022	-	177,916	-

Corporate and District Activities				
Investigate replacement for HRIS	Project to be completed in 2022	-	188,821	58,035
Investigate new Telephony system	Project Deferred to 2022	-	150,000	-
Renewal- Civic Centre	Budget to be utilised for Civic Centre refurbishment project	42,426	260,957	-
Civic Centre Earthquake Strengthening	Civic Centre Refurbishment project will continue in 2022 & 2023	-	5,862,500	159,943

Council Controlled Organisations				
Airport Toilet Refurbishment	Project Carried forward from 2021, completion in 2022	-	15,000	-
Airport Terminal Building	Project Carried forward from 2021, completion in 2022	-	82,588	37,124

Capital projects

Ngā waitara uara

PROJECT NAME	PROJECT COMMENT	LONG TERM PLAN	REVISED BUDGET	ACTUAL
Recreation & Community Services				
Kia Kaha Parks & Reserves Projects	Works programmed in 2020 financial year to stimulate local employment post Covid 19; projects completed in 2021- Subsidy Funded	-	777,899	792,985
Sullivan Lake Footpaths and Retaining Walls	Completed	16,089	15,500	16,863
Playground Renewals	Completed	107,433	103,500	108,583
Reserves Renewals	Completed	219,018	219,042	192,951
Skate Park	Upgrade project funded through subsidy; project commenced in 2020 with completion in 2021	-	415,000	417,715
Sports Facilities/ Grounds Renewals	Completed. Underspend applied to funding Eivers Park Lighting project	162,447	165,850	99,753
Game Wharf Park Upgrade	Stage 1 complete, stage 2 commencing August and will be completed this year	-	767,819	282,633
Eivers Park Lighting	Partial subsidy Funding received from Trust Horizon for replacement of lighting	-	-	112,386
Hillcrest Cemetery Expansion	Project will likely be combined with Whakatāne New Cemetery project as expansion not viable at the current site	-	254,050	2,881
Whakatāne Cemetery Renewals	Completed	64,356	62,000	61,584
Whakatāne New Cemetery	Investigation for a potential site	-	35,322	-
Public Conveniences Renewals	Completed	126,117	121,500	162,174
River Edge Toilet	Subsidy Funding received from Lions to install accessible toilet	-	-	52,268
Aquatic Centres Renewals/Upgrades	largely complete with a small carryforward next year	280,105	269,851	163,951
Whakatāne Outdoor Pool Roof	Project now completed	-	830,928	925,375
Safe Swimming Area- Wairaka	Consulting on options to improve health and safety measures	-	-	44,138
Port Ohope Wharf Structural Renewal	Project carried forward from 2020, completion in 2022	-	1,446,781	1,138,774
Harbour Renewals	The underspent is to be applied to the Game Wharf Park Upgrade	46,191	641,233	121,552
Renewals- Whk Main Wharf renewal	This project was rebudgeted In Town Wharf Remediation project in the 2021 Annual Plan	4,803,754	-	-
In Town Wharf Remediation	Completion anticipated in 2022	-	3,100,002	2,314,988
Waterfront & Town Centre Regeneration	This project has been rebudgeted in 2022	-	3,987,002	355,349
Ohope Hall Basketball Hoops	Completed, Subsidy Funding project	-	-	16,665
Multi, Sports Events Centre	Deferred, investigations to commence in 2022	-	397,000	-
Rural Halls- Renewals	Completed	75,255	72,500	71,761
Urban Halls- Renewals	Completed	72,660	70,000	75,228
Seismic Strengthening - Halls	Completed works for both Waimana and Te Teko Halls	-	80,000	78,965
Boat Harbour Equity Contribution	Deferred	-	5,000,000	-

Financial prudence benchmarks

Ngā huapae pūtea

Annual report disclosure statement for the year ending 30 June 2021

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.

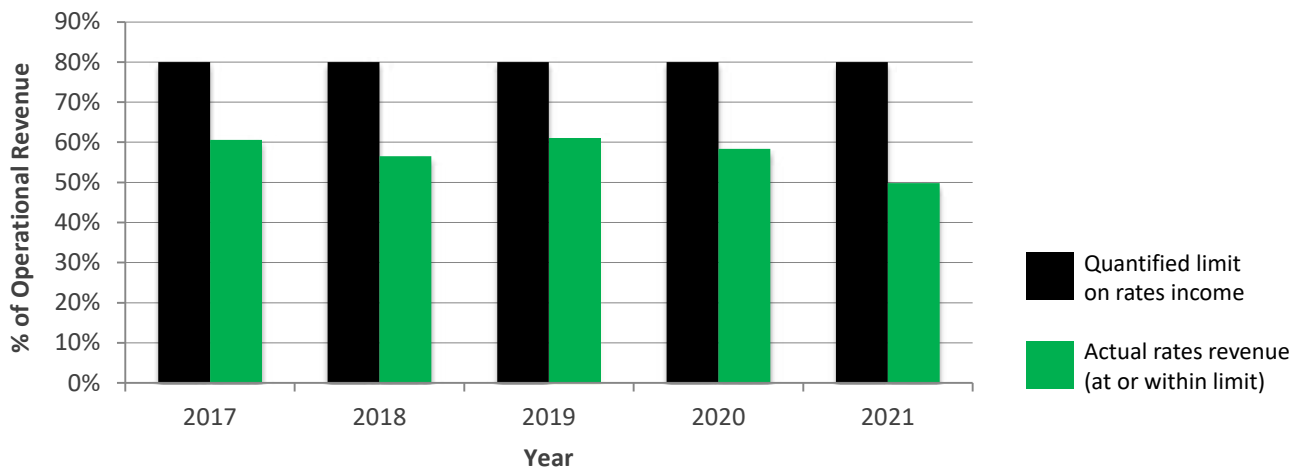
Quantified limit is 80% of operating revenue

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

Rates income affordability

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

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



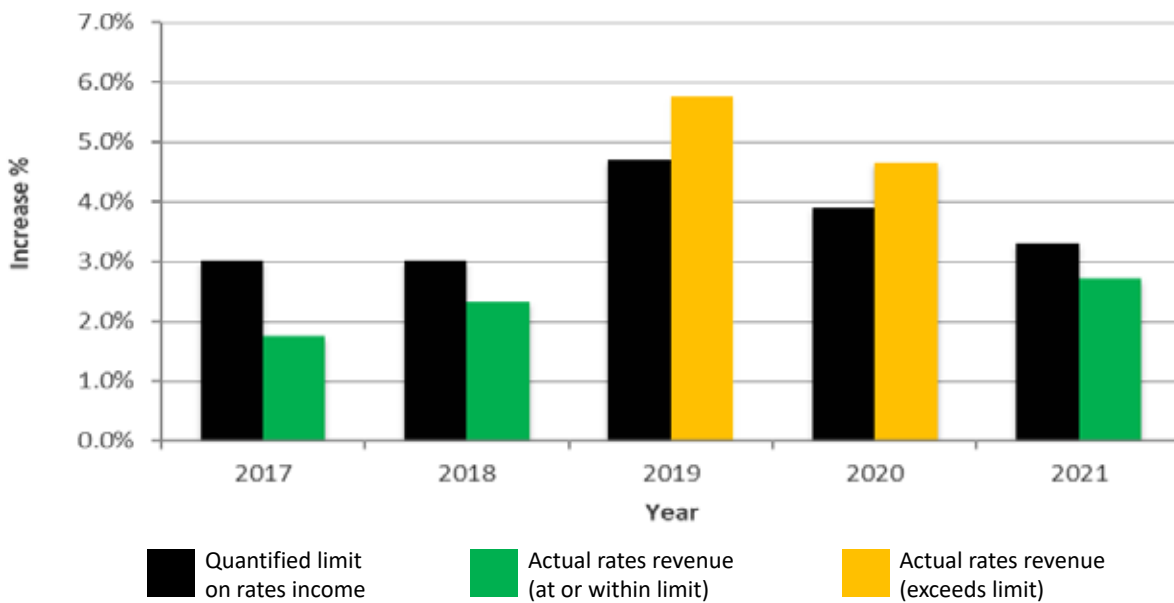


Rates (increases) affordability

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 is equal to:

- the annual percentage increase in the Local Government Cost Index*
- plus two percent



*Using the most recent Local Government Cost Index published by Berl.

Debt affordability benchmark

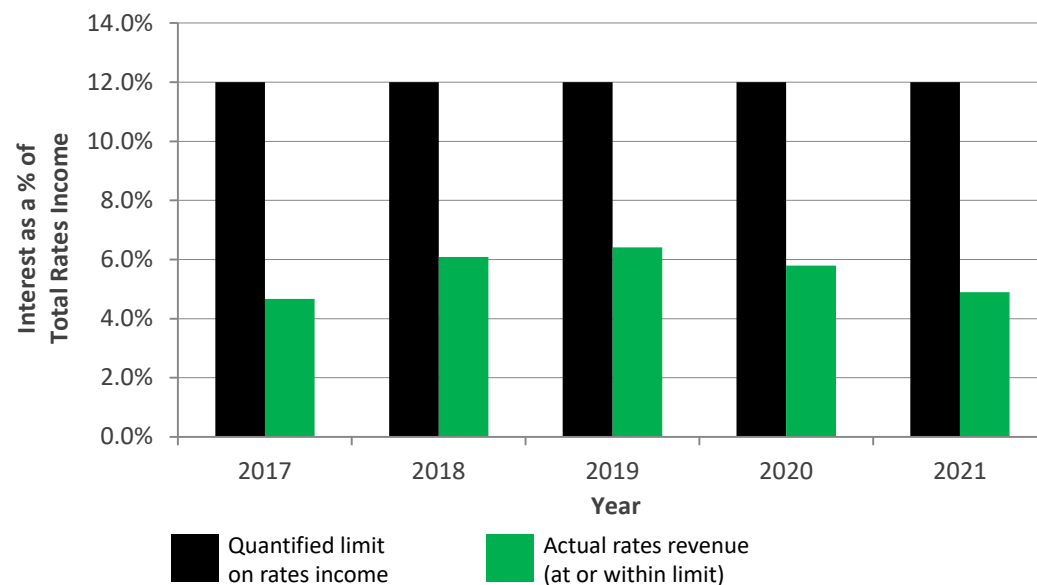
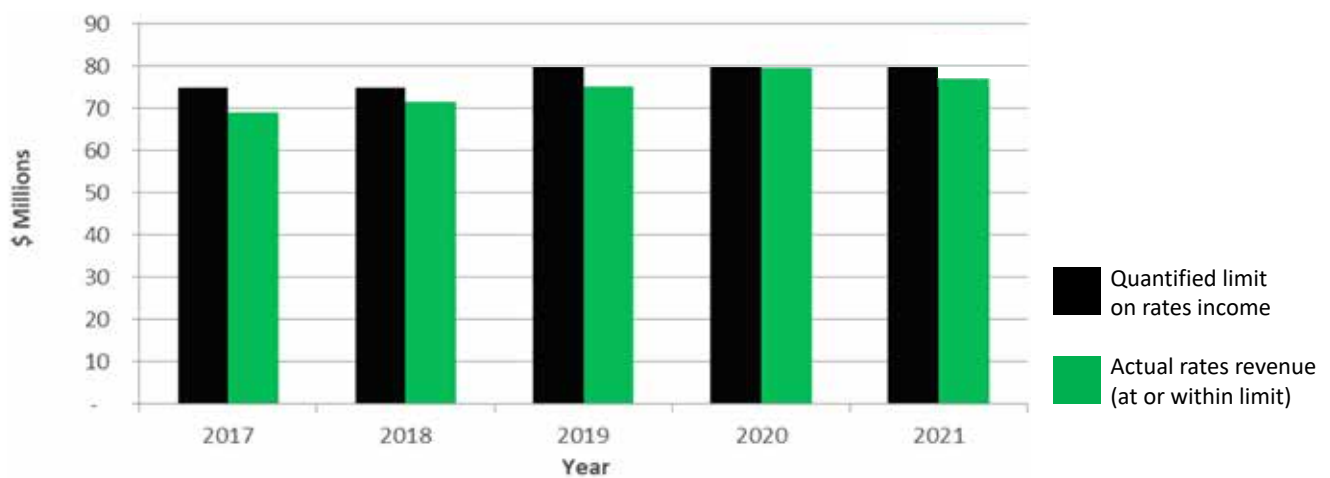
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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 in line with the 2018-2028 Long Term Plan is for total debt to be capped at \$80 million.

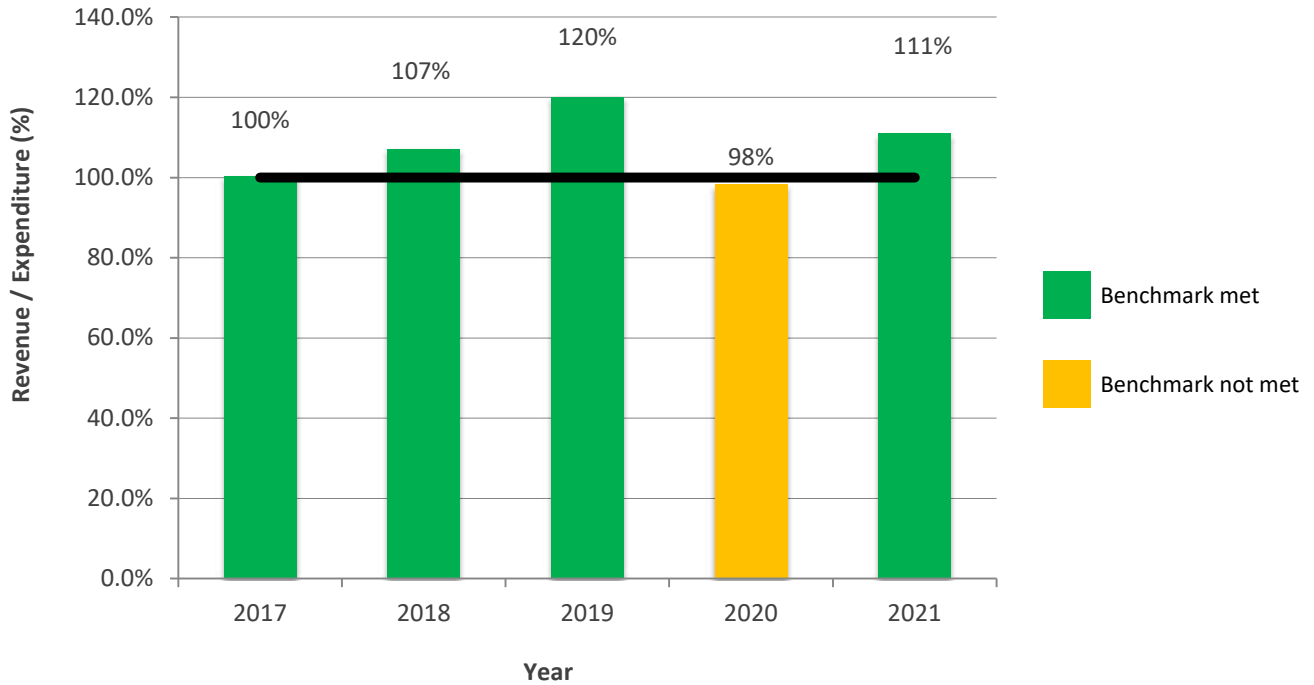
Our limit on interest as a percentage of total rates revenue

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.



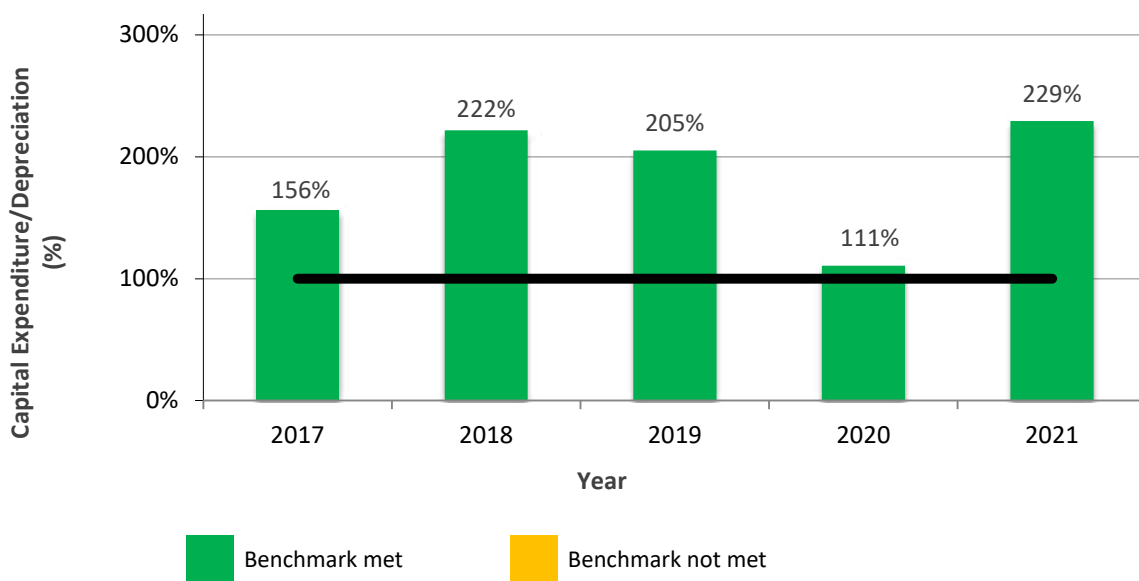
Balanced budget benchmark

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

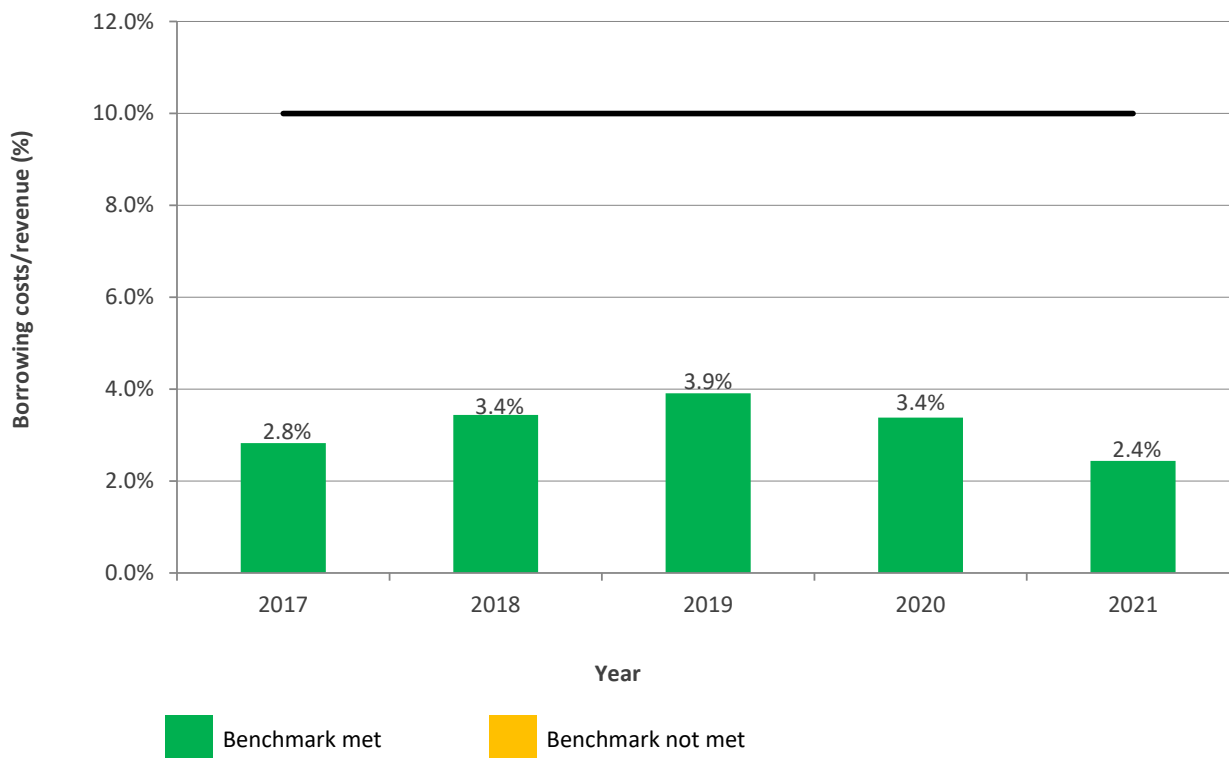
The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

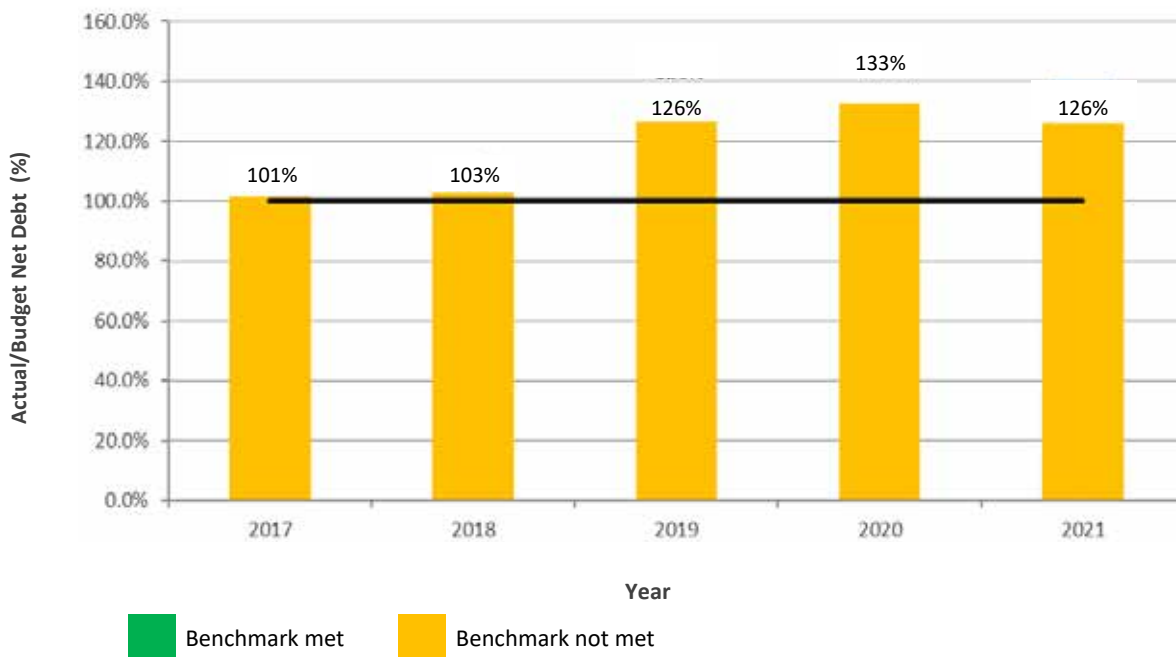
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt control benchmark

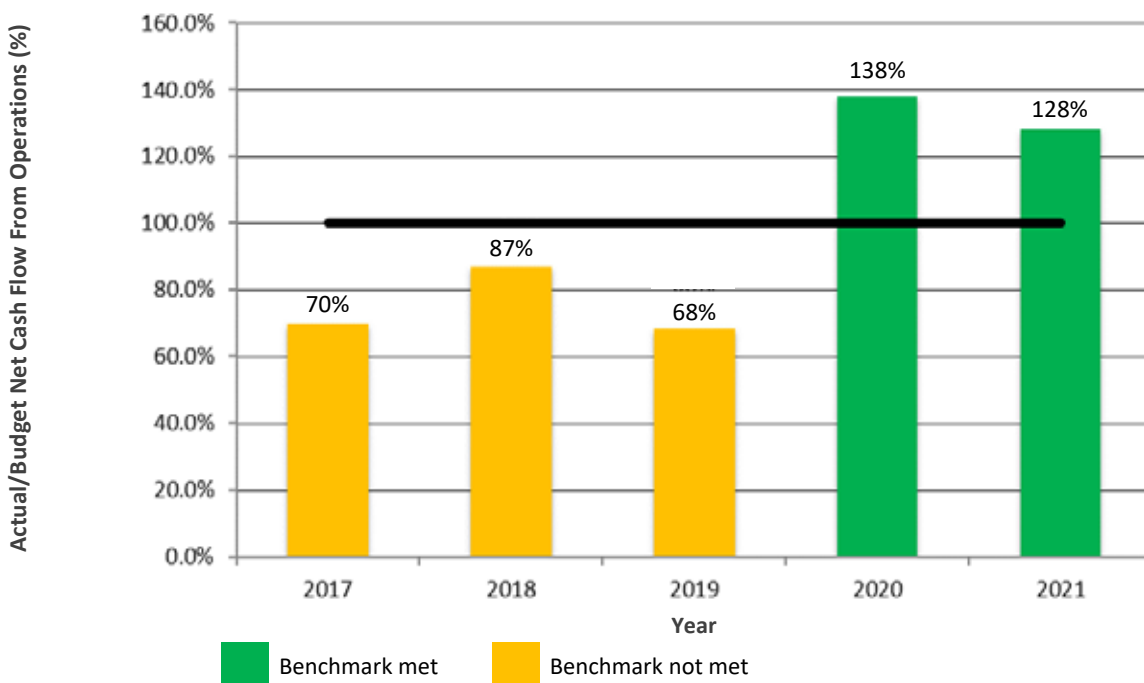
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

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



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Previously this graph was calculated based on Long Term Plan figures. Subsequently, further guidance was received from the Department of Internal Affairs stating the budgeted figures should be based on the Annual Plan.

FINANCIAL STATEMENTS

Ngā matapae whakapuakanga pūtea

Statement of comprehensive revenue and expense for the year ended 30 June 2021

ACTUAL 2020 \$000			ACTUAL 2021 \$000	BUDGET 2021 \$000
REVENUE				
47,107	Rates	Note 2	48,416	48,144
20,721	Subsidies and grants	Note 3	34,366	28,790
126	Development and financial contributions		278	127
7,308	Fees and charges	Note 3	8,416	7,648
13	Interest revenue	Note 6	79	45
3,951	Other revenue	Note 3	4,147	3,972
57	Gains	Note 7	11,647	500
79,283	Total revenue		107,349	89,226
EXPENSES				
18,981	Personnel costs	Note 4	20,816	21,050
17,191	Depreciation and amortisation expense	Note 5 & Note 14	17,340	16,594
2,674	Finance costs	Note 6	2,319	2,599
41,631	Other expenses	Note 5	45,047	43,700
3,748	Revaluation losses	Note 5	-	900
-	Future loss on sale - Investment property	Note 5	3,340	-
84,225	Total expenses		88,862	84,843
(293)	Share of joint venture surplus / (deficit)	Note 13	(315)	-
(5,235)	Surplus (deficit) before tax		18,172	4,383
(32)	Income tax expense (benefit)	Note 8	(881)	-
(5,203)	Surplus (deficit) after tax		19,053	4,383
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
2,129	Gains (loss) on property, plant and equipment revaluations		106,913	20,000
-	Gains (loss) on property, plant and equipment Impairments		-	-
-	Tax on Revaluation Surplus		-	-
(3,074)	Total Comprehensive Revenue and Expense		125,966	24,383

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

The Notes and the Statement of Accounting Policies on pages 103-162 form part of the Financial Statements.

Statement of financial position as at 30 June 2021

ACTUAL 2020 \$000			ACTUAL 2021 \$000	BUDGET 2021 \$000
	EQUITY			
431,417	Accumulated Funds	Note 23	453,492	461,505
15,697	Restricted Equity	Note 23	14,853	14,758
205,837	Asset Revaluation Reserves	Note 23	310,882	225,958
652,951	TOTAL EQUITY		779,227	702,221
	ASSETS			
	Current Assets			
12,589	Cash and Cash Equivalents	Note 9	5,304	5,198
17,762	Receivables	Note 11	17,940	16,882
-	Derivatives Financial Instruments	Note 12	-	-
511	Goods and Services Tax	Note 11	920	-
263	Inventory	Note 10	257	283
3,025	Non-current Assets Held for Sale	Note 17	1,000	3,908
34,150	Total Current Assets		25,421	26,271
	Non-Current Assets			
6,001	Non-current Assets Held for Sale	Note 17	11,528	5,478
-	Deferred Tax Asset	Note 8	848	-
7,663	Investment in CCOs and other similar entities	Note 13	8,461	1,553
87,907	Operational Assets	Note 14	89,293	96,963
531,217	Infrastructural Assets	Note 14	655,850	586,762
863	Intangible Assets	Note 14	786	1,229
206	Forestry Assets	Note 16	247	236
35,344	Investment Property	Note 17	40,419	38,748
46,038	Restricted Assets	Note 18	46,259	40,152
10,425	Work in Progress	Note 14	14,111	16,345
725,664	Total Non-Current Assets		867,802	787,466
759,814	TOTAL ASSETS		893,223	813,737
	LIABILITIES			
	Current Liabilities			
25,319	Payables and Deferred Revenue	Note 19	26,598	9,889
233	Derivatives Financial Instruments	Note 12	121	403
13,000	Borrowings and Other Financial Liabilities	Note 22	5,000	5,000
2,576	Employee Entitlements	Note 21	2,596	2,795
35	Provisions	Note 20	36	26
41,163	Total Current Liabilities		34,351	18,113
	Non-Current Liabilities			
5,293	Derivative Financial Instruments	Note 12	2,997	6,890
59,000	Borrowings and Other Financial Liabilities LT	Note 22	72,000	85,215
558	Employee Entitlements LT	Note 21	541	669
848	Provisions LT	Note 20	4,106	596
1	Deferred Tax Liability	Note 8	1	33
65,700	Total Non-Current Liabilities		79,645	93,403
106,863	TOTAL LIABILITIES		113,996	111,516
652,951	NET ASSETS (Assets minus Liabilities)		779,227	702,221

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

The Notes and the Statement of Accounting Policies on pages 103-162 form part of the Financial Statements.

Judy Turner
Mayor
8 June 2022

Steph O'Sullivan
Chief Executive
8 June 2022

Statement of changes in net assets and equity for the period ended 30 June 2021

ACTUAL 2020 \$000		ACTUAL 2021 \$000	BUDGET 2021 \$000
655,732	Balance at 1 July	652,951	471,879
(3,074)	Total Comprehensive Revenue and Expense for the Year	125,966	4,383
293	Other Adjustment	309	225,959
652,951	Balance at 30 June	779,226	702,221

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

The Notes and the Statement of Accounting Policies on pages 103-162 form part of the Financial Statements.

Statement of cashflows for the year ended 30 June 2021

ACTUAL 2020 \$000		ACTUAL 2021 \$000	BUDGET 2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
59,594	Receipts from rates revenue	60,299	60,218
29,796	Subsidies and grants received	24,908	25,575
2,659	Fees and charges and other revenue received	9,868	11,747
11	Interest received	79	45
8	Dividends received	3	6
(52,727)	Payments to suppliers & employees	(58,903)	(64,750)
(9,000)	Payments to agencies	(9,593)	(12,074)
(2,373)	Interest paid	(2,319)	(2,599)
(241)	GST (net)	(409)	-
(336)	Airport net cashflow	(630)	-
27,391	Net Cash Flow from Operating Activities	23,303	18,168
CASH FLOWS FROM INVESTING ACTIVITIES			
805	Receipts from sale of property, plant and equipment	422	-
(22,013)	Purchase of property, plant and equipment	(35,842)	(33,264)
(160)	Acquisition of investments	(798)	(160)
(478)	Airport net cashflow	(50)	-
(21,846)	Net Cash Flows from Investing Activities	(36,268)	(33,424)
CASH FLOWS FROM FINANCING ACTIVITIES			
10,000	Proceeds from borrowings	18,000	23,000
(8,500)	Repayment of borrowings	(13,000)	(8,000)
814	Airport net cashflow	680	-
2,314	Net Cash Flow from Financing Activities	5,680	15,000
7,859	Net increase (decrease) in cash, cash equivalents and bank overdrafts	(7,285)	(256)
4,730	Cash, cash equivalents and bank overdrafts at the beginning of the year	12,589	5,454
12,589	Cash, cash equivalents and bank overdrafts at the end of the year	5,304	5,198
	Represented by:		
12,589	Cash at bank	5,304	5,198

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

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

The Notes and the Statement of Accounting Policies on pages 103-162 form part of the Financial Statements.

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 2021. The financial statements were authorised for issue by Council on 8 June 2022.

S98 of the Local Government Act 2002 requires that Council adopts the annual report within 4 months after the end of the financial year. This was extended by a further 2 months due to the Covid 19 pandemic.

Basis of preparation

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

Statement of compliance

The financial statements of 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). 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.

Statements issued and not yet effective and not early adopted

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

PBE IPSAS 4 financial instruments

Applies for annual periods beginning on or after 1 January 2022.

The main changes are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

PBE IPSAS 2 cash flow statements

Applies for annual periods beginning on or after 1 January 2021. Disclosure Initiative (Amendments to IAS 7), issued by the IASB in January 2016, amended IAS 7 Statement of Cash Flows to require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial assets. The IPSASB subsequently amended IPSAS 2 Cash Flow Statements in Improvements to IPSAS, 2018 and the NZASB amended PBE IPSAS 2 in 2018 Omnibus Amendments to PBE Standards.

PBE IPSAS 41 financial instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Council intends to adopt the standard early to coincide with the budgets formulated in the Long Term Plan.

PBE FRS 48 service performance reporting

Mandatory for annual periods beginning on or after 1 January 2021. There has been no PBE Standard dealing solely with service performance reporting. This Standard establishes new requirements for public benefit entities (PBEs) to select and present service performance information.

Legislative changes

Amendments have been made to the Local Government (Rating) Act 2002. The Local Government (Rating of Whenua Maori) Amendment Act 2021 came into force on 1 July 2021.

It introduces new powers to Local Authority Chief Executives to write off rates. The sections are:

- 90A Chief executive may write off rates that cannot be recovered
- 90B Chief executive may write off rates of deceased owners of Māori freehold land
- 90C Chief executive may delegate power to write off rates
- 90D Amount of rates written off to be included in notes to financial statements

The council has done some preliminary analysis on the potential impact of these changes and has increased the doubtful debts provision to take account of this. Refer Note 11 Movement in provision for impairment of receivables for potential financial impact.

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 below:

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.

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 their face value, less any provision for impairment.

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 are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

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

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

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

Financial assets at fair value through surplus or deficit

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

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.

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

INFRASTRUCTURAL ASSETS (APPROXIMATE AVERAGE OVER ALL ASSETS IN THAT CATEGORY)	YEARS
Roading	
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
Water	
Treatment plant / headworks	13
Pump stations	11
Reservoirs	38
Trunk main	41
Main	49
Service line	33
Harbour assets	
Harbour assets	15-30
Stormwater	
Gravity main	45
Rising main	46
Pump station	20

Continued on the next page

INFRASTRUCTURAL ASSETS (APPROXIMATE AVERAGE OVER ALL ASSETS IN THAT CATEGORY)	YEARS
Sewer	
Service line	25
Gravity main	40
Rising main	57
Pump station	12
Treatment plant	47
Outfall	28
Parks	
Land	Not depreciated
Park assets	17.5
Operational assets	
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

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

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.

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.

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%

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 2020/21 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 2-3.0% 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 2020-21. 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 the 2020-21 year, independent valuations were carried out on forestry, investment property and property held for sale, and three waters.

All assets have been valued on the fair value assumption while taking account of 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 2021.

Note 2 - Rates

ACTUAL 2020 \$000		ACTUAL 2021 \$000	BUDGET 2021 \$000
GENERAL RATES			
22,272	General rates	24,420	24,485
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
-	Recreation and community services	-	-
884	District growth	816	824
2,463	Solid waste	2,594	2,599
3,164	Stormwater drainage	3,107	3,118
4,394	Sewage treatment and disposal	4,492	4,510
2,940	Water supply	2,507	2,776
6,041	Roads and footpaths	5,848	5,857
339	Leadership	269	272
	Council controlled activities	63	63
944	Rate penalties	1,002	800
(427)	Rates remissions	(607)	(560)
4,093	VOLUMETRIC CHARGES FOR WATER	3,905	3,400
47,107	Net rate revenue	48,416	48,144

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.

Note 2 - Rates continued

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 2021	30 June 2020
The number of rating units within the District	16,954	16,861
The total capital value of rating units within the District	11,197,735,300	11,129,295,300
The total land value of rating units within the District	5,822,555,050	5,812,766,550

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. The annual rates revenue of the Council for the year ended 30 June 2021 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2021 \$000	2020 \$000
Rates	48,416	47,107
Lump sum contributions	-	-
Total annual rates revenue	48,416	47,107

RATING UNITS - NUMBER OF RATING UNITS IN THE DISTRICT	
1 July 2017 - 30 June 2018	16,327
1 July 2018 - 30 June 2019	16,736
1 July 2019 - 30 June 2020	16,861
1 July 2020 - 30 June 2021	16,954

Note 3 - Other revenue and subsidies and grants

ACTUAL 2020 \$000		ACTUAL 2021 \$000
	SUBSIDIES AND GRANTS	
8,821	Government grants	14,280
	DIA Grant- 3 Waters*	2,301
11,900	NZTA subsidies	17,785
20,721	Total Subsidies and Grants	34,366

	OTHER REVENUE	
-	Vested assets	283
293	Infringements & fines	258
286	Petrol tax	305
2,482	Rental revenue from investment properties	2,449
233	Rental revenue other	352
8	Dividend revenue	3
0	Insurance recoveries	11
649	Other services	486
3,951	Total other revenue	4,147
24,672	Total subsidies and grants and other revenue	38,513

* A total grant of \$3.5M was received from DIA for 3 Waters with \$1.2 million of that total being received in advance.

ACTUAL 2020 \$000	FEES AND CHARGES - ANALYSIS	ACTUAL 2021 \$000
739	Aquatic Centre fees	994
1,203	User pays fees and charges - Waste	1,538
1,325	User pays fees and charges - Community safety	1,466
1,051	User pays fees and charges - Recreation	1,249
495	User pays fees and charges - Environmental	413
289	User pays fees and charges - Other	517
152	Expense recoveries - Recreation	728
325	Expense recoveries - Environmental	202
863	Expense recoveries - Other	376
278	BCA development levy	310
221	Licenses	228
104	Parking fees	130
128	Berthage	123
135	Other fees and charges	142
7,308		8,416

Note 4 - Personnel costs

ACTUAL 2020 \$000			ACTUAL 2021 \$000	BUDGET 2021 \$000
18,047	Salaries and wages		20,240	20,494
485	Defined contribution plan for employer contributions	*	573	556
449	Increase (decrease) in employee entitlements		3	-
18,981	Total Personnel Costs		20,816	21,050

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

* Employer contributions to defined contribution plus includes contributions to Kiwisaver.

Note 5 - Depreciation and other expenses

ACTUAL 2020 \$000		ACTUAL 2021 \$000
DIRECTLY ATTRIBUTABLE DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY		
42	Community safety	9
242	District growth	106
2,832	Recreation and community services	2,985
65	Solid waste	52
7,879	Roads and footpaths	7,899
2,073	Water supply	2,081
1,151	Stormwater drainage	1,165
1,538	Sewage treatment and disposal	1,548
-	Reportable council-controlled organisations	-
1,369	Corporate and district activities funds applied	1,495
17,191	Total Depreciation and Amortisation Expense	17,340
-	<i>For further information on change of estimate, please refer to Note 34</i>	-
OTHER EXPENSES		
135	Audit NZ- Council financial statements	147
	Audit NZ- Annual Plan / Long Term Plan	97
4	Audit NZ- Debenture trust deed	5
	Audit NZ- Whakatāne Airport joint venture	-
999	Grants and subsidies	522
873	Insurance premiums	1,064
205	Investment property pxpenses	700
187	Loss on disposal of assets	-
454	Movement in doubtful debt impairment	3,924
46	Operating leases	200
37,829	Other operating expenses	38,469
639	Impairment	-
261	Movement in provisions	(81)
41,632	Total other expenses	45,047

* Other operating expenses included items such as : Contract payments (\$17.9 million), Consultant payments (\$4.1 million) and Awatarariki retreat payments (\$3.2 million)

** Movement in Landfill and Weathertight Provisions

Note 5 - Depreciation and other expenses continued

REVALUATION LOSSES / LOSS ON SALE				
NON-FINANCIAL INSTRUMENTS				
30	Loss on forestry valuation		-	-
1,335	Loss on museum collection valuation		-	
1,604	Loss on investment property - Revaluation		-	
	Future loss on sale of investment property		3,340	
FINANCIAL INSTRUMENTS				
779	Derivative financial instruments	Note 12	-	900
3,748	Total revaluation losses		3,340	900

Note 6 - Interest revenue and finance costs

ACTUAL 2020 \$000		ACTUAL 2021 \$000	BUDGET 2021 \$000
13	Interest revenue	79	45
(2,674)	Finance costs- interest on borrowings	(2,319)	(2,599)
(2,661)	Net Finance Costs	(2,240)	(2,554)

Note 7 - Gains

ACTUAL 2020 \$000		ACTUAL 2021 \$000	BUDGET 2021 \$000
NON-FINANCIAL INSTRUMENTS			
-	Gain on revaluation- Investment property	Note 17	8,989
-	Revaluation- Forestry	Note 16	41
57	Gain on disposal of assets		209
57	Total non-financial instruments		9,239
FINANCIAL INSTRUMENTS			
-	Revaluation - derivative financial instruments	Note 12	2,408
-	Total financial instruments		2,408
57	Total gains		11,647

Note 8 - Income tax

ACTUAL 2020 \$000		ACTUAL 2021 \$000
	COMPONENTS OF TAX EXPENSE	
-	Current tax	-
-	Adjustments to current tax in prior years	-
(32)	Deferred tax	(881)
(32)	Total tax	(881)
	RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING SURPLUS	
5,235	Surplus (deficit) before tax	17,921
(1,466)	Tax @ 28% (2019: 28%)	5,018
	Plus (less) tax effect of:	
1,466	Non-deductible expenditure	(5,018)
-	Non-taxable revenue	-
-	Tax loss not recognised	(822)
(32)	Deferred tax adjustment	(60)
-	Prior year adjustment	
(32)	Tax expense (benefit)	(882)

DEFERRED TAX ASSET (LIABILITY)	PROPERTY, PLANT AND EQUIPMENT \$000	EMPLOYEE ENTITLEMENTS \$000	TAX LOSSES \$000	TOTAL \$000
Balance at 30 June 2019	(674)	-	641	(32)
Charged to surplus or deficit	364		(331)	32
Charged to other comprehensive revenue and expense	-	-	-	-
Balance at 30 June 2020	(310)	-	310	-
Charged to surplus or deficit	(37)		918	881
Charged to other comprehensive revenue and expense	(881)	-	-	(881)
Balance at 30 June 2021	(1,228)	-	1,228	-

A deferred tax asset has not been recognised in relation to unused tax losses of \$3,212,266 (2020: \$6,146,266).
A deferred tax asset has not been recognised in relation to unused tax losses of \$1,298,573 (2020: \$1,324,689)
in relation to the Whakatāne Airport joint venture (50% share).

Note 9 - Cash and cash equivalents

ACTUAL 2020 \$000		ACTUAL 2021 \$000
12,589	Cash at bank and on hand	5,304
12,589	Total cash and cash equivalents	5,304
The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.		
INTEREST RATES		
The weighted average effective interest rates during the year on Cash and Cash Equivalents were:		
2020		2021
0.24%	Cash and cash equivalents	0.06%

Note 10 - Inventories

ACTUAL 2020 \$000		ACTUAL 2021 \$000
HELD FOR DISTRIBUTION:		
252	Water and sewerage spare parts	247
11	Road safety vouchers	10
-	Other	-
263	Total Inventories	257

No inventories are pledged as security for liabilities (2020: \$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 2021 amounted to \$Nil (2020: \$Nil). The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.

Note 11 - Receivables

ACTUAL 2020 \$000		ACTUAL 2021 \$000
7,084	Rates receivables	8,030
4,426	Metered water receivables	3,950
1,845	Sundry debtor receivables	2,859
339	Regulatory receivables	1,053
2,669	NZTA receivable	5,588
2,599	Income accrued	745
-	Airport debtors	504
511	GST receivable	920
19,473		23,649
(1,572)	Less provision for impairment of receivables	(5,496)
17,901		18,153
372	Prepayments	707
18,273	Total receivables including GST receivable	18,860

Note II - Receivables continued

2020 \$000		2021 \$000
	TOTAL RECEIVABLES COMPRISE	
10,483	Receivables from non-exchange transactions- this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	7,437
7,790	Receivables from exchange transactions- this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	11,423

Fair value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their face value.

Impairment

The Council has various powers under the Local Government (Rating) Act 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.

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 if discounting is material.

All receivables greater than 30 days in age are considered to be past due. The impairment provision has been calculated based on a review of specific overdue receivables and assessment. The impairment provision is based on an analysis of past collection history and debt write-offs. Movements in the provision for impairment of receivables are as follows:

2020 \$000		2021 \$000
	MOVEMENT IN THE PROVISION FOR IMPAIRMENT OF RECEIVABLES	
1,119	At 1 July 2021	1,572
1,087	Provision adjustment made during the year	4,458
(634)	Receivables written off during the year	(534)
1,572	Balance at 30 June 2021	5,496

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

Rates written off

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

- Section 90A: Nil (2020:Nil)
- Section 90B: Nil (2020:Nil) to Māori freehold land) of the Local Government (Rating) Act 2002

Note 12 - Derivative financial instruments

ACTUAL 2020 \$000		ACTUAL 2021 \$000
	CURRENT ASSET PORTION	
-	Interest rate swaps	-
	CURRENT LIABILITY PORTION	
233	Interest rate swaps	121
	NON-CURRENT ASSET PORTION	
-	Interest rate swaps	-
	NON-CURRENT LIABILITY PORTION	
5,293	Interest rate swaps	2,997
5,526	Total derivative financial instrument liabilities	3,118

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 2021.

Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$45 million (2020: \$46.5 million). At 30 June 2021 the average fixed interest rates of cash flow hedge interest rate swaps were 3.819% (2020: 4.085%). At 30 June 2021 the fixed interest rates of cash flow hedge interest rate swaps varied from 1.51% to 5.9% (2020 1.51% to 5.9%)

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2021 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:

	SWAP 1	SWAP 2	SWAP 3	SWAP 4	SWAP 5	SWAP 6	SWAP 7	SWAP 8	SWAP 9
Maturity date	31/08/2021	22/03/2022	24/01/2023	22/03/2023	20/07/2023	22/09/2023	21/03/2024	22/03/2024	22/04/2024
Fixed rate	4.4800%	5.7900%	2.7800%	4.9700%	4.9900%	5.9000%	4.8700%	4.9500%	4.4000%
Amount	\$2,000,000	\$2,500,000	\$4,000,000	\$1,000,000	\$2,000,000	\$1,700,000	\$1,600,000	\$1,000,000	\$2,500,000
Fair value	(20,959)	(100,183)	(149,052)	(74,130)	(189,198)	(192,431)	(170,944)	(108,965)	(258,429)
	SWAP 10	SWAP 11	SWAP 12	SWAP 13	SWAP 14	SWAP 15	SWAP 16	SWAP 17	SWAP 18
Maturity date	24/06/2024	23/09/2024	20/12/2024	30/03/2025	22/09/2025	22/07/2026	23/09/2026	20/04/2027	22/06/2027
Fixed rate	1.5100%	5.0000%	4.9500%	3.7800%	4.8000%	3.1900%	3.2400%	3.7600%	3.7500%
Amount	\$2,000,000	\$1,000,000	\$2,000,000	\$2,000,000	\$3,000,000	\$2,500,000	\$1,000,000	\$2,000,000	\$1,700,000
Fair value	(30,375)	(126,912)	(250,347)	(193,446)	(445,525)	(237,635)	(94,429)	(135,599)	(132,337)
	SWAP 19	SWAP 20	SWAP 21	SWAP 22					
Maturity date	20/07/2027	24/01/2028	22/03/28	20/04/28					
Fixed rate	1.8600%	1.8350%	3.70%	3.71%					
Amount	\$2,000,000	\$4,000,000	\$1,000,000	\$2,500,000					
Fair value	1,990	6,286	(61,949)	(153,735)					
FAIR VALUE TOTAL (3,118,304)									

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

Accounting policy

The Council has 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 council's financial statements.

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 group's 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.

Breakdown of investment in associates and further information

The Council has a 9.7% (2020: 9.7%) interest in an associate, BOPLASS Ltd, which fosters collaboration among the Bay of Plenty councils in the delivery of services, particularly back office services.

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:

2020 ACTUAL \$000		2021 ACTUAL \$000
	INVESTMENT IN WHAKATĀNE AIRPORT	
419	Current assets	839
12,152	Non-current assets at revaluation	12,044
41	Work in progress	79
319	WDC loan account	231
(67)	Current liabilities	(78)
-	Non-current liabilities	-
12,864	Net assets	13,115
218	Revenue (excluding interest)	143
-	Interest Revenue	-
686	Operating expenses	626
17	Personnel costs	26
101	Depreciation and amortisation	121
	Income tax expense	
(586)	Surplus / (deficit)	(630)
2,866	Other comprehensive revenue and expense	-
2,280	Total comprehensive revenue and expense	(630)
	Reconciliation to equity accounted carrying amount	
12,864	Joint venture's net assets	13,115
50%	Council's share	50%
6,432	Equity accounted carrying amount	6,558

2020 ACTUAL \$000		2021 ACTUAL \$000
50	Shares- Civic Financial Services Ltd (formerly NZ Local Govt Insurance Corp Ltd): 38,788 shares@ \$1.29	50
9	Shares- Bay of Plenty Local Authority Shared Services Limited	9
100	Shares- NZ Local Government Funding Agency	100
1,072	Borrower Notes- NZ Local Government Funding Agency	1,395
6,432	Whakatāne Airport	6,558
-	Loan to Air Chathams	350
7,663	Total investment in Council controlled organisations and other similar entities	8,461



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. BoPLASS 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.

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:

2021	1 JULY 2020			CURRENT YEAR									30 JUNE 2021		
	COST / VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE	ADDITIONS	AIRPORT ADJUSTMENTS	AIRPORT ADJUSTMENTS	DISPOSALS	TRANSFERS	IMPAIRMENT	DEPRECIATION REVERSED ON DISPOSAL / REVALUATION	DEPRECIATION	REVALUATION	COST / REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE
OPERATIONAL ASSETS															
Land*	25,025	-	25,025	-	-	-	-	251	-	-	-	112	25,388	-	25,388
Buildings**	50,863	368	50,495	1,643	-	-	-	-	-	-	1,446	-	52,506	1,814	50,692
Plant & equipment	6,258	3,283	2,975	805	-	-	-	-	-	-	396	-	7,063	3,679	3,384
Furniture & fittings	3,155	2,021	1,134	155	-	-	-	-	-	-	202	-	3,310	2,223	1,087
Office equipment	5,956	4,704	1,252	712	-	-	-	-	-	-	411	-	6,668	5,115	1,553
Motor vehicles	3,172	1,929	1,243	798	-	-	316	-	-	261	405	-	3,654	2,073	1,581
Harbour vessels	32	32	-	-	-	-	-	-	-	-	-	-	32	32	-
Museum collection	5,029	-	5,029	63	-	-	-	-	-	-	-	-	5,092	-	5,092
Library books	848	96	752	76	-	-	-	-	-	-	316	-	924	412	512
Total Operational Assets	100,338	12,433	87,905	4,252	-	-	316	251	-	261	3,176	112	104,637	15,348	89,289
INFRASTRUCTURAL ASSETS															
Land roading	91,363	-	91,363	-	-	-	-	-	-	-	-	0	91,363	-	91,363
Stormwater	52,866	3,449	49,417	2,397	-	-	-	-	-	4,612	1,165	21,944	77,207	2	77,205
Harbour	7,959	1	7,958	473	-	-	-	-	-	-	303	0	8,432	304	8,128
Parks	11,544	-	11,544	2,520	-	-	-	-	-	-	873	0	14,064	873	13,191
Refuse	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-
<i>Core Council Infrastructure Assets</i>															
Roading network	262,398	7,879	254,519	20,020	-	-	-	-	-	-	7,898	-	282,418	15,777	266,641
Water- Treatment plants & facilities	2,615	639	1,976	-	-	-	-	-	-	852	213	1,246	3,861	-	3,861
Water- Other	72,748	5,220	67,528	4,007	-	-	-	-	-	7,080	1,867	42,577	119,332	7	119,325
Sewerage- Treatment plants & facilities	5,139	361	4,778	-	-	-	-	-	-	476	115	2,300	7,439	-	7,439
Sewerage- Other	46,233	4,097	42,136	2,193	-	-	-	-	-	5,524	1,433	20,279	68,705	6	68,699
Total Infrastructural Assets	552,865	21,646	531,219	31,610	-	-	-	-	-	18,544	13,867	88,346	672,821	16,969	655,852
INTANGIBLE ASSETS															
Computer software	5,197	4,333	864	219	-	-	-	-	-	-	296	-	5,416	4,629	787
Total	658,400	38,412	619,988	36,081	-	-	316	251	-	18,805	17,339	88,458	782,874	36,946	745,928

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

Valuation uncertainty: The COVID-19 virus is currently having 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. 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:

2020	1 JULY 2019			CURRENT YEAR									30 JUNE 2020		
	COST / VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE	ADDI-TIONS	AIRPORT ADJUST-MENTS	AIRPORT ADJUST-MENTS	DISPOSALS	TRANS-FERS	IMPAIR-MENT	DEPRECIATION REVERSED ON DISPOSAL / REVALUATION	DEPRECI-ATION	REVALU-A-TION	COST / REVALUA-TION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE
OPERATIONAL ASSETS															
Land*	23,677	-	23,677	-	(2,290)		63	528	-	-	-	3,173	25,025	-	25,025
Buildings**	45,354	2,069	43,285	2,836	(1,791)		84	-	-	3,141	1,440	4,548	50,863	368	50,495
Plant & equipment	6,129	2,917	3,210	673			-	(528)	16	-	366	-	6,258	3,283	2,975
Furniture & fittings	2,783	1,865	918	373			-	-	1	-	156	-	3,155	2,021	1,134
Office equipment	5,456	4,336	1,119	500			-	-	-	-	368	-	5,956	4,704	1,251
Motor vehicles	2,928	1,688	1,240	468			224	-	-	152	393	-	3,172	1,929	1,243
Harbour vessels	32	32	-	-			-	-	-	-	-	-	32	32	-
Museum collection	8,771	-	8,771	-			-	-	-	-	-	(3,742)	5,029	-	5,029
Library books	1,153	593	560	95			-	-	-	822	325	(400)	848	96	752
Total Operational Assets	96,283	13,500	82,782	4,945	(4,081)	-	371	-	17	4,115	3,048	3,579	100,338	12,432	87,906
INFRASTRUCTURAL ASSETS															
Land roading	91,363	-	91,363	-			-		-	-	-	0	91,363	-	91,363
Stormwater	52,287	2,298	49,989	579			-	-	-	-	1,151	0	52,866	3,449	49,417
Harbour	3,205	403	2,802	2,101			-	-	-	494	92	2,653	7,959	1	7,958
Parks	19,439	2,033	17,406	615			-	-	-	3,152	1,119	-8,510	11,544	-	11,544
Refuse	-	-	-	-			-	-	-	-	-	0	-	-	-
<i>Core Council Infrastructure Assets</i>															
Roading Network	275,540	15,470	260,070	14,171			-	-	-	15,470	7,879	-27,313	262,398	7,879	254,519
Water- Treatment plants & facilities	2,615	426	2,189	-			-	-	-	-	213	-	2,615	639	1,976
Water- Other	71,384	3,361	68,023	1,940			-	-	576	-	1,859	-	72,748	5,220	67,528
Sewerage- Treatment plants & facilities	5,139	243	4,896	-			-	-	-	-	117	-	5,139	361	4,778
Sewerage- Other	46,097	2,677	43,420	193			-	-	57	-	1,421	-	46,233	4,097	42,136
Total Infrastructural Assets	567,069	26,911	540,158	19,599	0	0	0	0	633	19,116	13,851	-33,170	552,865	21,646	531,219
INTANGIBLE ASSETS															
Computer software	5,161	4,043	1,118	36							290	-	5,197	4,333	864
Total	668,513	44,454	624,058	24,580	(4,081)	-	371	-	650	23,231	17,189	(29,591)	658,400	38,411	619,989

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:

WORK IN PROGRESS	ACTUAL 2021 \$000	ACTUAL 2020 \$000
Water, stormwater and wastewater systems	6,427	5,677
Roading network	-	407
Buildings	144	76
Parks and reserves	832	1,419
Ports and harbour	5,443	1,762
Intangible assets	317	203
Plant and equipment	948	881
Total work in progress	14,111	10,425

Replacement cost - Core Council infrastructure assets

	MOST RECENT ESTIMATE OF REPLACEMENT COST \$000	DATE OF ESTIMATE
Roading networks	384,045	1 July 2019
Water- treatment plants and facilities	233,291	30 June 2021
Sewerage- treatment plants and facilities	168,990	30 June 2021
Stormwater	130,657	30 June 2021

Valuations on operational and restricted assets

	FAIR VALUE	VALUATION
Operational land	83,584	30 June 2020
Operational buildings	37,800	30 June 2020
Park assets	15,894	30 June 2020
Harbour assets	3,031	30 June 2020
Library books	836	30 June 2020
Harbour land not leased (restricted asset)	4,425	30 June 2020
Recreational reserves	34,614	30 June 2020
Museum collection	8,771	30 June 2020

Insurance of assets

The following information relates to the insurance of Council assets at 30 June 2021.

	2021 \$000	2020 \$000	2019 \$000
The total net book value of all Council assets covered by insurance contracts	407,210	281,214	268,366
The maximum amount to which insured assets are insured	506,028	363,734	411,620
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	437,898	443,097	442,053
The value of funds maintained for self-insurance **	284	9	-

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 2020/21

** 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 Practising Valuer, P Erceg of Aon Risk Solutions. The valuation was effective as at 30 June 2020.

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 Practising Valuer, P Erceg of Aon Risk Solutions. The valuation was effective as at 30 June 2020.

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.

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.

The most recent valuation for Road assets was performed by Evan Ou Yang, Asset Information Analyst of Opus International Consultants Limited, and the valuation was effective as at 1 July 2019.

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 Practising Valuer of AON, and the valuation was effective as at 30 June 2020.

Museum collections

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 2020. A further addition of donated portraits was valued during the current 2020-21 year.

Harbour assets

The most recent valuation of Harbour assets was performed by an independent Certified Practising Valuer, P Erceg of Aon Risk Solutions. The valuation was effective as at 30 June 2020.

Note 16 - Forestry assets

2020 ACTUAL \$000		2021 ACTUAL \$000
236	Balance at 1 July	206
(30)	Gains (losses) arising from changes in fair value on valuation	41
-	Decreases due to Sales	-
206	Balance at 30 June	247

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 PFOlsen and Co, independent valuers, on the basis of arms length market transaction of current market evidence as at 30 June 2021.

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

2020 ACTUAL \$000		2021 ACTUAL \$000
	INVESTMENT PROPERTY	
36,588	Balance at 1 July	35,344
-	Sales and disposals	(161)
	Additions	-
(1,244)	Fair value gains (losses) on valuation	3,753
-	Transfer (to) from restricted assets	-
	Transfer to non-current assets held for sale	
-	Transfer from operational land	-
	Transfer to operational land	
-	Transfer from restricted land	-
-	Transfer to restricted land	-
35,344	Balance at 30 June	40,419
	Information about the revenue and expenses in relation to investment property is detailed below:	
2,482	Rental Revenue	2,449
205	Direct Operating Expenses from Investment Property Generating Revenue	700
	NON-CURRENT ASSETS HELD FOR SALE	
9,386	Balance at 1 July	9,026
-	Sales	-
(360)	Fair Value Gains (Losses) on Valuation	3,753
-	Impairment losses	-
-	Transfer to Operational Assets	(251)
-	Transfer from Investment Property	-
9,026	Balance at 30 June	12,528
	NON CURRENT ASSETS HELD FOR SALE SPLIT BETWEEN:	
3,025	Assets where proceeds are expected within one year	1,000
6,001	Assets where proceeds are expected after one year	11,528
9,026		12,528

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.

All investment properties held by Council were valued at 30 June 2021 by Grant Utteridge an independent Valuer of Telfer Young

Note 17 continued

(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 (2020: \$nil).

Valuation uncertainty: *The COVID-19 virus is currently having 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

2021	COST/ REVALUATION 1 JULY 2020	\$000								
		ADDITIONS CURRENT YEAR	DISPOSALS CURRENT YEAR	TRANSFER TO OPERATING LAND	TRANSFER FROM RECREATIONAL RESERVES	TRANSFER TO HARBOUR LAND	TRANSFER TO ASSETS HELD FOR SALE	TRANSFER (TO) FROM INVESTMENT PROPERTY	REVALUATION CHANGE CURRENT YEAR	COST/ REVALUATION 30 JUNE 2021
Harbour land (not leased)	5,495	-	-	-	-	-	-	-	-	5,495
Recreational reserves	40,543	221	-	-	-	-	-	-	-	40,764
Total	46,038	221	-	-	-	-	-	-	-	46,259

2020	COST/ REVALUATION 1 JULY 2019	\$000								
		ADDITIONS CURRENT YEAR	DISPOSALS CURRENT YEAR	TRANSFER TO OPERATING LAND	TRANSFER FROM RECREATIONAL RESERVES	TRANSFER TO HARBOUR LAND	TRANSFER TO ASSETS HELD FOR SALE	TRANSFER (TO) FROM INVESTMENT PROPERTY	REVALUATION CHANGE CURRENT YEAR	COST/ REVALUATION 30 JUNE 2020
Harbour land (not leased)	4,425	-	-	-	-	-	-	-	1,070	5,495
Recreational reserves	35,727	-	-	-	-	-	-	-	4,816	40,543
Total	40,152	-	-	-	-	-	-	-	5,886	46,038

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).

Valuation uncertainty: The COVID-19 virus is currently having 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 19 - Payables and deferred revenue

2020 ACTUAL \$000		2021 ACTUAL \$000
	PAYABLES AND DEFERRED REVENUE UNDER EXCHANGE TRANSACTIONS	
5,425	Trade payables	10,962
1,346	Accrued expenses	1,060
4,820	Income received in advance	7,636
13,496	Deposits	2,530
232	Amounts due to customers for contract work	805
	Rates payable to Regional Council	3,605
	PAYABLES AND DEFERRED REVENUE UNDER NON-EXCHANGE TRANSACTIONS	
-	Other taxes payable (GST)	-
-	Income received in advance	-
25,319	Total payables and deferred revenue	26,598

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

2020 ACTUAL \$000		2021 ACTUAL \$000
	CURRENT PORTION	
35	Landfill aftercare provision	36
-	Weathertightness and other claims provision	-
35	Total current portion	36
	Non-current portion	
468	Landfill aftercare provision	381
380	Weathertightness and other claims provision	385
-	Future loss on sale- Investment property provision	3,340
848	Total non-current portion	4,106
883	Total provisions	4,142
Movements for each class of provision are as follows:		
	LANDFILL AFTERCARE PROVISION	
352	Balance at 1 July	503
151	Increase (decrease) in net present value	(86)
503	Balance at 30 June	417
	WEATHERTIGHTNESS AND OTHER CLAIMS PROVISION	
270	Balance at 1 July	380
110	Increase (decrease) in provision	5
380	Balance at 30 June	385
	FUTURE LOSS ON SALE-INVESTMENT PROPERTY PROVISION	
-	Balance at 1 July	-
-	Increase (decrease) in provision	3,340
-	Balance at 30 June	3,340

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.

Weathertightness and other building related claims provision

The Weathertight Homes Resolution Service (WHRS), a central government service established under the Weathertight 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 2021 financial statements of \$385,000 based on the expected outcome of known weathertight and other building related claims. This is an increase of \$5,000 compared to last year's provision.

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 2021 other than those provided for.

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

Note 21 - Employee entitlements

2020 ACTUAL \$000		2021 ACTUAL \$000
	CURRENT PORTION	
693	Accrued pay	679
1,844	Annual and long service leave	1,877
39	Sick leave	39
2,576	Total Current Portion	2,596
	NON-CURRENT PORTION	
544	Long service leave	516
14	Sick leave	25
558	Total non-current portion	541
3,134	Total employee entitlements	3,137

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 2021.

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.

For sick leave an assumed discount rate of 1.9% p.a. has been used with an allowance of 3% average future salary growth. 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".

The Long Service Leave valuation also assumes annual salary growth of 2% p.a. but uses a rising discount rate of 0.38% to 2.98% over a 10 year period.

The valuation has been carried out in accordance with PBE IPSAS 25.

Note 22 - Borrowings

2020 ACTUAL \$000		2021 ACTUAL \$000
	CURRENT PORTION	
13,000	Secured loans	5,000
	NON-CURRENT PORTION	
59,000	Secured loans	72,000
72,000	Total borrowings	77,000
	MATURITY PROFILE	
13,000	Maturing in under one year	5,000
5,000	Maturing in 1-2 years	9,000
9,000	Maturing in 2-3 years	10,000
10,000	Maturing in 3-4 years	11,000
8,000	Maturing in 4-5 years	11,000
27,000	Maturing in 5 years+	31,000
72,000		77,000

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 2021 range from 1.43% to 2.53% (2020: 1.023% to 2.355%) with a weighted average rate of 1.69% (2020: 1.39%). Interest expense for 2021 was \$2.319 million (2020: \$2.674 million).

Security

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

Internal borrowings

Information about internal borrowings is provided on pages 23-86 of the Council's annual report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Fair values

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

Note 23 - Equity

2020 ACTUAL \$000		2021 ACTUAL \$000
	EQUITY	
431,417	Accumulated funds	453,492
15,698	Restricted reserves	14,854
205,837	Asset revaluation reserves	310,882
652,952	Total Public Equity	779,228
	ACCUMULATED FUNDS	
425,697	Balance at 1 July	419,275
293	Other reserve movements	309
(5,203)	Surplus/(deficit) for the year	19,053
(16,485)	Transfers to Council created reserves	(15,404)
(2,356)	Transfers to restricted reserves	(2,489)
14,334	Transfers from Council created reserves	17,310
3,448	Transfers from restricted reserves	3,333
(454)	Airport adjustment	1,868
419,275	Balance at 30 June	443,255
	Add Council created reserves (incl. depreciation reserves)	
9,991	Balance at 1 July	12,142
16,485	Transfer from accumulated funds	15,404
(14,334)	Transfer to accumulated funds	(17,310)
12,142	Balance at 30 June	10,235
431,417	Total accumulated funds	453,491
	Restricted Reserves	
16,790	Balance at 1 July	15,698
2,356	Transfers from accumulated funds	2,489
(3,448)	Transfer to accumulated funds	(3,333)
15,698	Balance at 30 June	14,854
	ASSET REVALUATION RESERVE	
203,274	Balance 1 July	205,837
11,731	Revaluation of operational assets	112
5,886	Revaluation of restricted assets	(89)
(11,843)	Revaluation of roading	
	Revaluation of water	51,755
	Revaluation of sewerage	28,955
	Revaluation of land drainage	26,180
(2,211)	Revaluation of other infrastructural assets	
(1,000)	Airport adjustment	(1,868)
205,837	Balance at 30 June	310,882

Note 23 - Equity continued

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

RESERVES SCHEDULE AS AT 30 JUNE 2021	ACTIVITY	PURPOSE	2020 - \$000				2021 - \$000		
			2019	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2020	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2021
Council Operating Reserves									
Separate Operating Reserves									
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits	263	2,704	(3,198)	(231)	1,616	(1,545)	(159)
Roading Rate	Roads and Footpaths	For Rooding Rate funded Surpluses or Deficits	1,265	551	(275)	1,541	480	(498)	1,523
Refuse Collection Rate	Waste	For Refuse Rate funded Surpluses or Deficits	264	60	(247)	77	54	(90)	42
Whakatāne Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(566)	841	(778)	(503)	904	(1,005)	(604)
Ohope Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(17)	2	(1)	(16)	-	(0)	(16)
Matatā Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	87	8	(35)	60	6	(87)	(20)
Taneatua Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(2)	-	-	(2)	-	(0)	(2)
Te Teko Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	1	-	-	1	-	-	1
Murupara Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(50)	11	(27)	(66)	-	(22)	(87)
Whakatāne Water	Water	For Water Rate funded Surpluses or Deficits	(452)	1,340	(67)	821	423	(361)	884
Murupara Water	Water	For Water Rate funded Surpluses or Deficits	94	29	-	123	4	(72)	55
Plains Water	Water	For Water Rate funded Surpluses or Deficits	(205)	97	(169)	(277)	-	(232)	(508)
Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits	(12)	4	(1)	(9)	-	(17)	(26)
Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits	134	5	(33)	106	3	(58)	51
Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits	571	19	(10)	580	17	-	598
Airport Whakatāne	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits	(1,178)	907	(814)	(1,085)	165	(301)	(1,219)
Fixed Assets			1,569	161	(8)	1,722	138	-	1,860
Disaster Mitigation	Stormwater	For Disaster Mitigation Surpluses or Deficits	352	14	(346)	20	9	(6)	21
Whakatāne Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	354	33	(73)	314	9	(176)	145
Ohope Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	162	105	(25)	242	9	(50)	201
Edgumbe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(31)	28	(1)	(4)	7	(0)	4
Matatā Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(13)	19	-	6	-	(12)	(6)
Murupara Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	1	2	-	3	-	(1)	2
Taneatua Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	8	-	(1)	7	-	(19)	(12)
Te Teko Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	1	-	-	1	-	-	1
Te Mahoe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	-	-	-	-	4	(0)	4
District Growth	District Growth	For District Growth Rate funded Surpluses or Deficits	(73)	252	(1)	178	76	(172)	83
Total Separate Operating reserves			2,528	7,192	(6,110)	3,610	3,926	(4,723)	2,814

Note 23 - Equity continued

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

RESERVES SCHEDULE AS AT 30 JUNE 2021	ACTIVITY	PURPOSE	2020 - \$000				2021 - \$000		
			2019	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2020	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2021
Other Reserves									
Car Parks Development	Parking	For the Development of car parks in the District	46	2	-	48	1	(31)	17
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	(9)	10	-	1	-	-	1
Roading Storm Damage Reserve	Roads and Footpaths	To fund costs associated with storm damage to the Councils Roding network	(79)	274	(186)	9	275	-	284
Te Mahoe Water- special	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme	22	1	-	23	1	-	23
General Disaster Reserve	Corporate and District	To fund General Disasters	-	102	-	102	103	-	205
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets	(504)	557	(27)	26	300	(29)	297
Sale of Bennett Block	General Council	Surplus funds from the Divestment of Council Assets	(102)	-	(4)	(106)	-	(3)	(109)
Leaky Homes Reserve	Building	To fund weather tight claims	(188)	150	(26)	(64)	150	(16)	71
Whakatāne Community Board	Leadership	Separately collected rates for community projects	13	12	-	25	55	(78)	2
Rangitaiki Community Board	Leadership	Separately collected rates for community projects	58	2	-	60	3	(30)	33
Ohope Beach Community Board	Leadership	Separately collected rates for community projects	53	2	-	55	-	(55)	-
Taneatua Community Board	Leadership	Separately collected rates for community projects	17	3	-	20	1	(10)	9
Murupara Community Board	Leadership	Separately collected rates for community projects	85	7	-	92	3	(70)	24
Iwi Liaison Community Projects	Governance	Separately collected rates for community projects	7	-	-	7	-	-	8
Digitisation	Corporate and District	To fund the Digitisation Project	227	5	(157)	75	-	(75)	-
Waste Minimisation	Waste	For Funding Waste Minimisation Expenditure	194	131	(145)	180	135	(139)	178
Edgcumbe Flood 2017 Reserve	Emergency Management	To fund the 2017 Edgcumbe Flood	(2,861)	-	(98)	(2,959)	2,959	-	-
Whakatāne Holiday Park	Whakatāne Holiday Park	To fund the Whakatāne Holiday Park	(288)	1	(196)	(483)	-	(128)	(612)
Whakaari 2019 Eruption	Emergency Manangement	To fund the Whakaari 2019 Eruption	-	-	(205)	(205)	-	(6)	(211)
Parks and Reserves Financial Contribution	Parks and Reserves	To fund Capital Expenditure for Parks and Reserves	-	46	-	46	84	-	130
Total Other reserves			(3,306)	1,305	(1,044)	(3,045)	4,070	(670)	353

Note 23 - Equity continued

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

RESERVES SCHEDULE AS AT 30 JUNE 2021	ACTIVITY	PURPOSE	2020 - \$'000				2021 - \$'000		
			2019	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2020	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2021
Depreciation Reserves									
Whakatāne Water	Whakatāne Water	To fund the renewal of Water assets	(63)	899	(367)	469	890	(1,836)	(476)
Ohope Water	Ohope Water	To fund the renewal of Water assets	(1,227)	136	(48)	(1,139)	136	(116)	(1,119)
Edgecumbe Water	Edgecumbe Water	To fund the renewal of Water assets	289	65	(23)	331	56	(638)	(250)
Matatā Water	Matatā Water	To fund the renewal of Water assets	265	14	(123)	156	11	0	167
Taneatua Water	Taneatua Water	To fund the renewal of Water assets	445	43	(3)	485	41	(507)	20
Murupara Water	Murupara Water	To fund the renewal of Water assets	487	28	(176)	339	18	(11)	346
Ruatoki Water	Ruatoki Water	To fund the renewal of Water assets	173	6	(8)	171	5	(4)	172
Waimana Water	Waimana Water	To fund the renewal of Water assets	52	27	(11)	68	27	(62)	33
Plains Water	Plains Water	To fund the renewal of Water assets	311	0	(316)	(5)	0	(376)	(380)
Te Mahoe Water	Te Mahoe Water	To fund the renewal of Water assets	487	10	(400)	97	3	(0)	99
Whakatāne Wastewater	Whakatāne Wastewater	To fund the renewal of Wastewater assets	1,934	540	(229)	2,245	413	(371)	2,287
Ohope Wastewater	Ohope Wastewater	To fund the renewal of Wastewater assets	(1,194)	183	(145)	(1,156)	173	(123)	(1,106)
Edgecumbe Wastewater	Edgecumbe Wastewater	To fund the renewal of Wastewater assets	696	408	(10)	1,094	508	(27)	1,575
Taneatua Wastewater	Taneatua Wastewater	To fund the renewal of Wastewater assets	453	86	(22)	517	125	0	643
Te Mahoe Wastewater	Te Mahoe Wastewater	To fund the renewal of Wastewater assets	(42)	7	(1)	(36)	7	(1)	(31)
Murupara Wastewater	Murupara Wastewater	To fund the renewal of Wastewater assets	324	172	(113)	383	210	(143)	450
Whakatāne Land Drainage	Whakatāne Land Drainage	To fund the renewal of Stormwater assets	(503)	194	(135)	(444)	191	(532)	(786)
Ohope Land Drainage	Ohope Land Drainage	To fund the renewal of Stormwater assets	(108)	43	(43)	(108)	38	(43)	(113)
Edgecumbe Land Drainage	Edgecumbe Land Drainage	To fund the renewal of Stormwater assets	(32)	9	(1)	(24)	9	(1)	(15)
Matatā Land Drainage	Matatā Land Drainage	To fund the renewal of Stormwater assets	14	4	0	18	4	0	22
Taneatua Land Drainage	Taneatua Land Drainage	To fund the renewal of Stormwater assets	18	1	0	19	1	0	21
Te Mahoe Land Drainage	Te Mahoe Land Drainage	To fund the renewal of Stormwater assets	21	1	0	22	1	(0)	20
Murupara Land Drainage	Murupara Land Drainage	To fund the renewal of Stormwater assets	96	3	0	99	6	0	105
Te Teko Land Drainage	Te Teko Land Drainage	To fund the renewal of Stormwater assets	5	0	0	5	0	0	7
Refuse Disposal	Waste	To fund the renewal of Refuse Disposal assets	127	12	(46)	93	11	(26)	77
Libraries	Libraries	To fund the renewal of Library assets	100	103	(104)	99	103	(111)	91

Note 23 - Equity continued

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

RESERVES SCHEDULE AS AT 30 JUNE 2021	ACTIVITY	PURPOSE	2020 - \$000				2021 - \$000		
			2019	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2020	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2021
Museum	Exhibitions, Research, Storage & Archives	To fund the renewal of Museum assets	148	5	0	153	4	0	158
Parks, Reserves, Recreation & Sports Fields	Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks and Gardens & Sports fields assets	604	528	(570)	562	332	(546)	348
Cemeteries & Crematoria	Cemeteries & Crematorium	To fund the renewal of Cemeteries & Crematorium assets	80	52	(43)	89	52	(52)	90
Recreation	Recreation	To fund the renewal of Recreation assets	154	5	-	159	5	-	164
Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets	44	196	(183)	57	208	(137)	127
Halls	Halls	To fund the renewal of Halls assets	169	126	(579)	(284)	150	(155)	(290)
Dog Control	Animal Control	To fund the renewal of Dog Control assets	1	-	(4)	(3)	0	(0)	(4)
Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets	188	193	(245)	136	53	(116)	74
Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets	388	13	-	401	11	-	413
Strategic & Investment Property	Commercial Property	To fund the renewal of Commercial Property assets	2	-	-	2	-	-	3
Vehicle & Plant Reserve	Vehicle & Plant	To fund the renewal of Vehicle and Plant	777	525	(508)	794	383	(512)	665
Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets	843	356	(313)	886	374	(302)	958
Information Management	Corporate & District Activities	To fund the renewal of Information Management assets	1,978	540	(658)	1,860	780	(1,002)	1,638
Port	Ports & Harbour	To fund the renewal of Ports & Harbour assets	2,007	237	(131)	2,113	221	(2,067)	267
Roading- assisted / non-assisted / special and safety	Roads and Footpaths	To fund the renewal of Roothing assets	787	2,062	(1,360)	1,489	1,704	(1,999)	1,195
Airport- Whakatāne 50%	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets	(580)	77	(187)	(690)	82	(19)	(628)
Whakatāne Holiday Park	Whakatāne Holiday Park	To fund the renewal of Whakatāne Holiday Park assets	50	62	(59)	53	62	(79)	35
Total Depreciation reserves			10,768	7,971	(7,164)	11,575	7,407	(11,917)	7,071
TOTAL COUNCIL CREATED RESERVES			9,991	16,468	(14,318)	12,141	15,403	(17,310)	10,238

Note 23 - Equity continued

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

RESERVES SCHEDULE AS AT 30 JUNE 2021	ACTIVITY	PURPOSE	2020 - \$000				2021 - \$000		
			2019	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2020	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2021
Restricted Reserves									
Development Contributions - Whakatāne Water	Water	To fund growth related capital expenditure	(216)	12	(13)	(217)	9	(11)	(218)
Development Contributions - Ohope Water	Water	To fund growth related capital expenditure	115	7	-	122	7	-	130
Development Contributions - Edgcumbe Water	Water	To fund growth related capital expenditure	7	-	-	8	-	-	8
Development Contributions - Matatā Water	Water	To fund growth related capital expenditure	74	3	-	76	2	-	78
Development Contributions - Plains Water	Water	To fund growth related capital expenditure	(66)	-	(2)	(67)	1	(2)	(68)
Development Contributions -Whakatāne Wastewater	Wastewater	To fund growth related capital expenditure	(1,622)	15	(65)	(1,671)	15	(49)	(1,705)
Development Contributions - Coastlands Wastewater	Wastewater	To fund growth related capital expenditure	(98)	-	(3)	(101)	-	(284)	(385)
Development Contributions - Ohope Wastewater	Wastewater	To fund growth related capital expenditure	265	9	-	275	8	-	283
Development Contributions - Edgcumbe Wastewater	Wastewater	To fund growth related capital expenditure	(3)	-	-	(4)	-	(0)	(4)
Development Contributions - Community Infrastructure	Arts & Culture, Recreation & Community Facilities	To fund growth related Community Infrastructure capital expenditure	411	14	-	424	14	(3)	434
Development Contributions- Parks, Gardens and Reserves	Parks, Reserves, Receration & Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure	182	6	(12)	175	5	(30)	150
Development Contributions - Rural Reserves	Parks, Reserves, Receration & Sports Fields	To fund growth related capital expenditure	(32)	-	(1)	(34)	-	(1)	(34)
Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure	292	13	-	305	10	-	315
Development Contributions - Roding	Roads and Footpaths	To fund growth related Roding capital expenditure	681	59	(66)	675	37	(35)	678
Development Contributions - Non Fin Assisted Roding	Roads and Footpaths	To fund growth related capital expenditure	4	-	-	5	-	-	5
Development Contributions - Whakatāne Land Drain	Stormwater	To fund growth related capital expenditure	136	16	(1)	150	16	(2)	164

Note 23 - Equity continued

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

RESERVES SCHEDULE AS AT 30 JUNE 2021	ACTIVITY	PURPOSE	2020 - \$000				2021 - \$000		
			2019	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2020	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2021
Development Contributions - Ohope Land Drain	Stormwater	To fund growth related capital expenditure	127	4	-	132	4	-	135
Development Contributions - Matatā Land Drainage	Stormwater	To fund growth related capital expenditure	-	-	-	-	-	-	-
Development Contributions - Whakatāne Carparks	Roads and Footpaths	To fund growth related capital expenditure	(8)	-	-	(9)	-	(0)	(9)
Otarawairere Disaster Mitigation	Stormwater	To fund growth related capital expenditure at Otawairere	(48)	-	(2)	(49)	-	(1)	(51)
Capital Contributions- Roothing	Roads and Footpaths	Financial Contributions for Roothing Capital Projects	62	2	-	65	2	-	66
Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in the Whakatāne Ward	115	4	-	119	3	(101)	22
Subdivision Contributions- Ohope	General Council	To fund capital expenditure in the Ohope Ward	47	2	-	48	1	-	49
Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward	26	1	-	27	1	-	28
Subdivision Contributions- Matatā	General Council	To fund capital expenditure in the Matatā Ward	23	1	-	23	1	-	24
Subdivision Contributions- Murupara	General Council	To fund capital expenditure in the Murupara Ward	(1)	-	-	(0)	-	(0)	(0)
Subdivision Contributions- Rural	General Council	To fund capital expenditure in the Rural Ward	5	-	-	6	-	-	6
Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits	3,950	1,764	(3,277)	2,436	1,950	(2,778)	1,608
Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets	12,355	424	-	12,779	365	-	13,144
Total Restricted reserves			16,784	2,356	(3,442)	15,698	2,454	(3,298)	14,853
TOTAL RESERVES			26,775	18,824	(17,760)	27,839	17,857	(20,608)	25,091

Note 24 - Joint venture

The Council has a joint venture with the Whakatāne Airport .

Please see Notes 13 and 35 for further information on Council's 50% share of the net assets in Whakatāne Airport.

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

2020 ACTUAL \$000		2021 ACTUAL \$000
(5,235)	Surplus / (Deficit) Before Tax	18,172
	Add / (Less) Non-cash Items	
293	Share of joint venture surplus / (deficit)	315
	Vested assets	(283)
17,191	Depreciation and amortisation expense	17,340
650	Impairments	
360	(Gains)/losses on revaluation- Property intended for sale	(3,753)
1,244	(Gains)/losses on revaluation- Investment property	(5,236)
30	(Gains)/losses forestry	(41)
1,335	(Gains)/losses museum collection	
779	(Gains)/losses on revaluation- Derivative financial instruments	(2,408)
-	Rates penalty adjustment	(630)
21,882	Total non-cash Items	5,304
	Add / (less) Items classified as investing or financing activities	
130	(Gains)/losses on disposal of property, plant and equipment	(209)
130	Total Items Classified as Investing or Financing Activities	(209)
	Add / (Less) Movements in other Working Capital Items	
(3,789)	(Increase)/decrease in receivables	(3,291)
61	(Increase)/decrease in prepayments	(335)
20	(Increase)/decrease in inventory	6
13,644	Increase/(decrease) in payables	394
261	Increase/(decrease) in provisions	3,259
449	Increase/(decrease) in employment entitlements	3
(32)	Increase/(decrease) in deferred tax	-
10,614	Net movement in working capital items	36
27,391	Net cash inflow/(outflow) from operating activities	23,303

Note 26 - capital commitments and operating leases

2020 ACTUAL \$000		2021 ACTUAL \$000
	CAPITAL COMMITMENTS	
1,746	Roading network	7,400
105	Stormwater	1,608
402	Wastewater	756
2,082	Water system	1,772
27	Port	
790	Recreation	
5,152	Total capital commitments	11,536
<i>Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.</i>		
	OPERATING LEASES AS LESSEE	
137	Not later than one year	68
4	Later than one year and not later than five years	-
141	Total Non Cancellable Operating Leases as Lessee	68
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.		
	OPERATING LEASES AS LESSOR	
2,314	Not later than one year	1,938
5,275	Later than one year and not later than five years	4,778
1,924	Later than five years	3,162
9,513	Total Non Cancellable Operating Leases as Lessor	9,878

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

2020 ACTUAL \$000		2021 ACTUAL \$000
-	Legal disputes	-
-	Total contingencies	-

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.

Claim of nuisance

The council was served proceedings on the 24 September 2019 on an alleged claim of nuisance arising from the Edgecumbe flood event. It is unclear as to whether this claim would be covered by insurance and as such the liability is unquantified at this stage. The proceedings will be defended.

Unquantified liability-settled

Council secured partial funding from Central and Local Government organisations for a 'retreat from hazard' payment to the owners of properties subject to a high loss-of life-risk in the Awatarariki Stream debris flow fanhead area at Matatā. The Council has purchased most of these properties. As at 30 June 2021, there were four properties not settled. One was under contract, two remain in multiple Māori ownership and one is under negotiation. The challenge in the Environment Court, listed last year, has been settled.

Unquantified claims

RiskPool, until June 2017, provided public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for that Fund year. The Council received a notice during 2012 for a call for additional contributions in respect of the 2003 and 2004 Fund years as those funds were exhibiting deficits due to the "leaky building" issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

A future call may be made in the 2023 year of approximately \$30,000.

Employment dispute

There are no employment disputes at 30 June 2021 (2020: nil).

New Zealand Local Government Funding Agency

Whakatāne District 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 and Standard and Poor's of AAA and a foreign currency rating of AA+.

As at 30 June 2021, Whakatāne District Council is one of 30 local authority shareholders and 63 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, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors,

Whakatāne District Council is a guarantor of all of LGFA's borrowings. At 30 June 2021, LGFA had borrowings totalling \$13,680m (2020: \$10,869m).

Financial reporting standards require Whakatāne District 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.

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 \$ 143,516.40 (2020: \$137,040.51).

Whakatāne District 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 the related parties. Administrative and maintenance transactions totalling \$52,996 (2020: 169,359) were carried out with the Joint Venture. Funds held by Council on behalf of the Airport total \$ 1,672,824 deficit (2020: \$1,491,594 deficit).

Key management personnel compensation

	2020 \$000	2021 \$000
Councillors and Mayor		
Remuneration	613	614
Number of elected officials	11	11
Executive team, including the Chief Executive		
Remuneration	1,301	1,696
Full-time equivalent member	5.6	5.8
Total key management personnel remuneration	1,914	2,310
Total full-time equivalent personnel	16.6	16.8

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 \$308,270.12 (2020: \$274,074.02) including KiwiSaver. And in addition a benefit of \$12,708.46 (2020 \$11,204.68) for a vehicle.

Elected representatives

Elected representatives received the following remuneration:

2020 \$			MAYOR AND COUNCILLORS	2021\$		
SALARIES	HEARINGS	ALLOW AND EXP REIMB		SALARIES	HEARINGS	ALLOW AND EXP REIMB
42,817		676	BONNE, Tony (Mayor July to October 2019)			
108,093	160	4,837	TURNER Judy (Deputy Mayor/ Mayor from October 2019)	125,873		6,681
58,314		8,453	Iles, Andrew (Deputy Mayor from October 2019)	64,280		11,460
24,671		2,270	Dennis, Gavin	35,711		5,265
1,311		368	Goodman, Phyllis (Hinerangi)			
26,933		688	Immink, Lesley	39,282		831
24,671		408	James, Wilson	35,711		590
10,365		182	Jarrett, Scott			
10,365		182	Johnston, George			
46,345		590	Jukes, Julie	53,567		590
24,671		408	Luca, Victor	35,711	320	590
15,548	23,374	766	Orr, Russell			
26,933		408	Pullar, John	39,282		590
33,677		9,905	Silcock, Alison	35,711		13,513
46,345		590	Tánczos, Nándor	53,567	320	590
46,345	160	590	Van Beek, Gerard	53,567	400	590
10,365		431	van der Boom, Michael			
COMMUNITY BOARD MEMBERS						
Edgecumbe - Tarawera						
5,180		400	Bourk, Graeme	5,180		400
8,461		400	Byrne, Kris	10,360		400
5,180		400	Clark, Alison	5,180		400
1,601		124	Dennis, Gavin (Councillor from October 2019)			
5,180		400	Harvey, Evan	5,180		400
14,279		276	Ngaropo, Pouroto	5,180		400
3,203		124	Stevenson, Charelle (C)			
3,579		276	Waaka, Leeann	5,180		630

2020 \$			MAYOR AND COUNCILLORS	2021\$		
SALARIES	HEARINGS	ALLOW AND EXP REIMB		SALARIES	HEARINGS	ALLOW AND EXP REIMB
Taneatua						
2,759		276	Boynton Toni	3,993		400
1,234		124	Chater, Geoffrey			
3,993		400	Faulkner, Mary	3,993		400
3,993		400	Knowles, Les	3,993		400
2,759		495	Le Sueur Yvonne	3,993		400
1,234		124	Ratu, Te Whata			
3,993		400	Ruiterman, Luke	3,993		400
7,672		400	Yalden, Diane (C)	7,987		400
Whakatāne/Ōhope						
5,983		276	Bonne, Linda	8,660		400
2,677		124	Boreham, Kay			
2,677		124	Casey, Gerard			
5,355		124	Chambers, Christine (C)			
2,677		124	Delahunty, Neville			
5,983		276	Hall, Tony	8,660		400
8,660		400	Hamill, Carolyn	8,660		400
14,193		400	Hanna, Moira	17,321		501
5,983		276	Howard, Christopher	8,660		400
8,660		400	Inman, Mark	8,660		400
5,983		276	Lee, Cindy	8,660		400
8,660		400	Manning, Jennifer	8,660		400
Murupara						
1,245		125	Bicknell, Shaun	3,993		400
3,993		400	Hynes, Ormond	3,993		400
3,993		528	Jenner, Memorie	3,993		400
3,993		400	O'Brien April	3,993		400
1,245		797	Rangiaho, Bella (Ngapera)	3,993		400
1,234		124	Rangiwai, Te Waiti			
6,467		400	Te Amo, Jackie (C)	7,987		400
731,732	23,694	42,744	Total Elected Representatives' Remuneration	742,367	1,040	52,020

Council employees

	2020	2021
Total annual remuneration by band for employees as at 30 June:		
<\$60,000	171	<\$60,000 147
\$60,000- \$79,999	56	\$60,000- \$79,999 60
\$80,000- \$99,999	42	\$80,000- \$99,999 56
\$100,000- \$119,999	22	\$100,000- \$119,999 23
\$120,000- \$139,999	11	\$120,000- \$139,999 10
\$140,000- \$189,999	6	\$140,000- \$159,999 7
>\$190,000	5	\$160,000- \$239,999 6
		>\$240,000 2
Total Employees	313	311

At balance date, the Council employed 208 (2020: 195) full time employees, with the balance of staff representing 59.55(2020: 56.50) 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 2021 Whakatāne District Council made severance payments of of \$98,000 to 4 employees. The payments were: \$30,000,\$30,000,\$36,000 and \$2,000 (2020: \$64,798 to 5 employees. The payments were \$4,293, \$4,075, \$2,912, \$4,480 and \$49,038).

Note 31 - Events after balance date

On the 27 October 2021 the Minister of Local Government announced that the Government is making the three waters reform mandatory Council-owned three waters services will be amalgamated into four regional bodies. These regional bodies will be owned by councils, although there will be a co-governance arrangement with mana whenua.

The Minister has announced that technical working groups will be established to work through that detail.

In terms of timing, three bills will be introduced to Parliament establishing how the entities will operate. The Water Services Entities Bill will be introduced at the end of this year, and be passed next year. An implementation bill will be introduced next year and an economic regulation bill will be introduced in early 2023. The Government is expecting the four new entities to be operational from 1 July 2024.

Some of the accounting impacts remain uncertain but it is likely that assets and liabilities related to the three waters activities will be removed from the council financial statements and possibly be replaced by a portion of equity in the new regional body.

The Whakatāne Regeneration Programme, which consists of partnerships between Te Rāhui Lands Trust, Ngāti Awa Group Holdings Limited, Te Rūnanga o Ngāti Awa and Whakatāne District Council, submitted two applications to the Provincial Growth Fund (PGF) in September 2019. An announcement made on 13 March 2020 confirmed all three applications were successful, securing \$19.6 million for a boat harbour development, \$9.6 million for the riverfront revitalisation project and \$7.8m for Ngāti Awa's Kāinga development at the Whakatāne Army Hall. During the 2021/22 year a partnership was established between the Te Rāhui Lands Trust, the Crown, Ngāti Awa Group Holdings Ltd and the council to build a new boat harbour on Te Rāhui Lands Trust land at the bridge end of Keepa Road.

The Covid 19 pandemic had a major impact on both how the council operated and how the community went about their everyday lives. Council set up a number of initiatives during the 2021 year to assist the community and to ensure council staff remained as safe as possible. Impacts included :

- Many office based staff working remotely
- Customer related staff working under strict health protocols
- Changes to the way council facilities operated and community use of them
- Providing rent relief for harbour property leaseholders and berth holders
- Discounting of landing fees at the airport
- Issuing guides to help the community access the support they needed
- Supporting the vaccination drives and health related organisations

There have been no other events after balance date that require adjustments to be made to the financial statements or disclosure (2020:Nil)

Note 32a - Financial instrument categories

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

ACTUAL 2020 \$000		ACTUAL 2021 \$000
	FINANCIAL ASSETS	
	Fair value through surplus or deficit	
	Financial instruments	
-	Derivative financial instrument assets	-
	Loans and receivables	
12,589	Cash and cash equivalents	5,304
7,707	Receivables	7,748
20,296	Total loans and receivables	13,052
	Fair value through other comprehensive revenue and expense	
	Other financial assets:	
50	Civic Financial Services Ltd (formerly NZ Local Govt Insurance Corp Ltd)	50
9	BoP LASS Ltd	9
1,172	NZ Local Government Funding Agency	1,495
6,432	Investment in Whakatāne Airport	6,558
-	Loan to Air Chathams	350
7,663	Total fair value through comprehensive revenue and expense	8,461
	FINANCIAL LIABILITIES	
	Fair value through surplus or deficit	
	Financial instruments	
5,526	Derivative financial instrument liabilities	3,118
	Financial liabilities at amortised cost	
7,003	Payables	15,547
72,000	Borrowings- Secured loans	77,000
79,003	Total financial liabilities at amortised cost	92,547

Note 32b - 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	QUOTED MARKET PRICE	OBSERVABLE INPUTS	SIGNIFICANT NON-OBSERVABLE INPUTS
2020				
FINANCIAL ASSETS				
Derivatives	-	-	-	-
Local authority stock	9	-	9	-
Shares	150	-	150	-
Borrower notes	1,072	-	1,072	-
Whakatāne Airport	6,432	-	6,432	-
FINANCIAL LIABILITIES				
Derivatives	5,526	-	5,526	-
2021				
FINANCIAL ASSETS				
Derivatives	-	-	-	-
Local authority stock	9	-	9	-
Shares	150	-	150	-
Borrower notes	1,395	-	1,395	-
Whakatāne Airport	6,558	-	6,558	-
Loan to Air Chathams	350	-	350	-
FINANCIAL LIABILITIES				
Derivatives	3,118	-	3,118	-

Note 32c - 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.

Exposure to credit risk as at 30 June 2021

The Council's credit risk exposure for each class of financial instrument is as follows:

2020 \$000		2021 \$000
	MAXIMUM EXPOSURE TO CREDIT RISK	
12,589	Cash at bank and term deposits	5,304
7,707	Trade and other receivables	7,748
1,072	Local authority and government stock	1,395
6,432	Investment in Whakatāne Airport	6,558
-	Loan to Air Chathams	350
27,800	Total Credit Risk	21,354

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:

2020 \$000			2021 \$000
	COUNTERPARTIES WITH CREDIT RATINGS		
12,589	Cash at bank and term deposits	AA-	5,304
12,589	Total cash at bank and term deposits		5,304
	Local authority stock and government bonds		
	Civic Financial Services Ltd (formerly NZ Local Govt Insurance Corp Ltd)	Unrated	-
1,172	NZ Local Government Funding Agency	AAA	1,495
1,172	Total local authority stock and government bonds		1,495
	COUNTERPARTIES WITHOUT CREDIT RATINGS		
50	Civic Financial Services Ltd (formerly NZ Local Govt Insurance Corp Ltd)		50
9	Bay of Plenty Local Authority Shared Services Limited		9
6,432	Investment in Whakatāne Airport		6,558
	Loan to Air Chathams		350
6,491	Bay of Plenty Local Authority Shared Services Limited		6,967

Receivable 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.

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.

	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
Council 2021						
Trade and other payables	15,547	15,547	15,547	-	-	-
Secured loans	77,000	77,000	5,000	9,000	32,000	31,000
Financial derivatives	3,118	3,118	121	223	1,967	807
Total	95,665	95,665	20,668	9,223	33,967	31,807
Council 2020						
Trade and other payables	7,003	7,003	7,003	-	-	-
Secured loans	72,000	72,000	13,000	5,000	27,000	27,000
Financial derivatives	5,526	5,526	233	350	2,904	2,039
Total	84,529	84,529	20,236	5,350	29,904	29,039

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.

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.

	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
Council 2021						
Cash and cash equivalents	5,304	5,304	5,304	-	-	-
Receivables	7,748	7,748	7,748	-	-	-
Other financial assets:						
Local authority and government stock	1,395	1,395	80	144	566	604
Loan to Air Chathams	350	350			350	
Total	14,797	14,797	13,132	144	916	604
Council 2020						
Cash and cash equivalents	7,707	7,707	7,707	-	-	-
Receivables	17,762	17,762	17,762	-	-	-
Other Financial Assets:						
Local authority and government stock	1,072	1,072	128	80	432	432
Total	26,541	26,541	25,597	80	432	432

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.

	2021 \$000				2020 \$000			
	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY
Financial assets								
Cash and cash equivalents	(53)	-	53	-	(126)	-	126	-
Derivatives- Interest rate swaps	-	-	-	-	-	-	-	-
Financial instruments	-	-	-	-	-	-	-	-
Other financial assets:								
Local authority and government stock	(16)	-	16	-	(12)	-	12	-
Financial liabilities								
Derivatives- Interest rate swaps	(1,424)	-	1,333	-	(1,616)	-	1,513	-
Borrowings:								
Bank overdraft	-	-	-	-	-	-	-	-
Debt	770	-	(770)	-	720	-	(720)	-
Total sensitivity to interest rate risk	(723)	-	632	-	(1,034)	-	931	-

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 (2020: -100bps/+100bps). Derivative financial liabilities not hedge accounted include interest rate swaps with a fair value totalling minus \$3,118,000 (2020: minus \$5,526,000). A movement in interest rates of plus or minus 1.0% has an effect on the swap value of minus \$1,424,000 (2020: minus \$1,616,000) and \$1,333,000 (2020: \$1,513,000).

Local authority stock

A total of \$58,000 (2020: \$58,000) 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 \$580 (2020: \$580) on the fair value through equity reserve.

Secured loans (floating)

The Council has floating rate debt with a principal amount totalling \$60 million (2020: \$46.5 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$600,000 (2020: \$465,000). 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 32d - Borrowings - Interest rate sensitivity, contractual maturity cashflows and fair value analysis

Sensitivity analysis

The sensitivity analysis relating to Whakatane District Council's (Council's) interest rate exposures as at 30 June 2021 is as follows:

PBE IPSAS 30 SENSITIVITY ANALYSIS ON BORROWING			30/06/2021	
Interest rate at risk			Potential impact on surplus and deficit	
Details	Currency	Amount	Plus 100bps	Minus 100bps
Variable rate borrowings	NZD	\$60,000,000	(\$573,562)	\$573,562
Interest rate derivatives	NZD	\$45,000,000	\$1,361,360	(\$1,444,305)
Fixed rate borrowings	NZD	\$17,000,000	(\$999,905)	\$1,070,346

Council had \$60 million of variable rate borrowings at 30 June 2021. \$45M of interest rate swaps were held as at 30 June 2021. The sensitivity analysis represents the change in fair value based on a change in the market swap curve. The interest rate impact for fixed rate borrowing is zero, as a change in market interest rates will not change interest cash flow amounts. The fair value change of fixed rate borrowing, shown in the table above, is provided for background information purposes only.

Contractual maturity analysis

The undiscounted cash flows relating to Councils borrowing and interest rate swap portfolios as at 30 June 2021 is as follows:

PBE IPSAS 30 DEBT - CONTRACTUAL MATURITY ANALYSIS			30/06/2021	
Period	Carrying amount	Contractual cash flows*	Bank standby facility	LGFA
Less than 1 year	\$5,000,000	\$6,165,111	\$-	\$6,165,111
1 to 2 years	\$9,000,000	\$10,414,132	\$-	\$10,414,132
2 to 5 years	\$32,000,000	\$35,510,418	\$-	\$35,510,418
More than 5 years	\$31,000,000	\$32,258,574	\$-	\$32,258,574
Grand Total	\$77,000,000	\$84,348,235	\$ -	\$84,348,235

* calculated on an undiscounted cash flow basis

PBE IPSAS 30 INTEREST RATE SWAPS - CONTRACTUAL MATURITY ANALYSIS		
Period	Carrying amount	Contractual cash flows*
Less than 1 year	\$4,500,000	\$5,499,333
1 to 2 years	\$5,000,000	\$5,752,805
2 to 5 years	\$18,800,000	\$19,917,073
More than 5 years	\$16,700,000	\$16,871,575
Grand Total	\$45,000,000	\$48,040,786

* calculated on an undiscounted cash flow basis

Note that the above table analyses the debt borrowing amounts based on the remaining period at balance date, 30 June 2021 through to the contracted maturity date. This analysis includes the cash flows associated with interest payment amounts and their terminal principal payment amount at the contracted maturity date on an undiscounted cash flow basis.

Fair value hierarchy of liabilities

Period	LEVEL 1	LEVEL 2	LEVEL 3
Floating rate loans (amortised cost)	\$60,000,000	-	-
Fixed rate loans (fair value)	-	\$16,353,880	-

Note these totals include only the non-current amounts within the debt portfolio and have been derived based on the same methodology as presented in the 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 2020-21 Annual Plan are as follows:

Statement of comprehensive revenue and expense

The surplus before tax of \$18.2million is \$13.8 million higher than the budgeted surplus of \$4.4 million in the 2020-21 Annual Plan. The variance is attributable to the following factors:

Revenue (\$18 million 20% more than budget)

- Subsidies and Grants were \$5.6 million more than budget. The larger variance were:
 - » Roading received \$2M more than forecast
 - » Three Waters received subsidies in excess of budget of \$2 million
 - » Port subsidies were \$1.7 million more than budget as part of PGF funding
- Gains were \$11 million more than budget. This was due to Investment property gaining \$8.8 million in the latest valuation after dropping in last years valuation due to COVID-19 uncertainty. Derivatives also gained by \$2.4 million due to the extension of the current low interest rates.
- Rates finished the year at \$0.3M above budget - a minor variance of 0.56%

Expenditure (\$4 million 5% higher than budget)

- Depreciation exceeded budget by \$0.7 million due to revaluations driving depreciation higher and a larger the usual capitalisation of projects
- Other expenses was over budget by \$1.4 million. This mainly made up of :
 - » Contributions and Extraordinary expenses combined were under budget by \$2.2 million mainly due to the timing of the Awatarariki settlements
 - » Doubtful Debts over by \$3.9 million due to extra provision being made for unpaid rates in light of future legislation
 - » Legal costs were over by \$0.6 million due to a number of hearings all occurring in this financial year
 - » Contracts were under budget by \$0.9 million. Most of this variance was in roading contracts (\$0.8 million) with the Kia Kaha project budget being redirected and the minor events budget being largely unspent

- Personnel costs finished at \$0.2 million below budget due to job vacancies
- Finance costs finished at \$0.3 million below budget due to lower than expected interest rates
- Losses were \$3.3 million against a budget of \$0.9 million. This loss was due to discounting the current fair value of property intended for sale against its agreed sale price

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 \$126 million, which is the combination of the surplus after tax of \$19 million and a net gain on revaluation of \$107 million. 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 11% (\$79 million) more than budgeted. Nearly all of the variance was in non-current assets.

Total assets (\$79 million 10% higher than budget)

- Non-current assets exceeded budget by \$80 million. Most of this variance was in the infrastructural assets area: Three Waters assets were revalued upward by \$107 million when only \$20 million increase was forecast. Property Intended for Sale also revalued up by \$6 million more than budgeted.
- Receivables finished the year at \$1 million higher than budget

Total liabilities (\$2.5 million 2% less than budget)

- Payables and deferred revenue exceeded budget by \$16.7 million predominantly due to post covid funding for PGF projects
- Borrowings were below budget by \$13 million PGF funding meant that less borrowing had to occur
- Derivative liabilities dropped below budget by \$4 million due to the sustained low interest rates

Statement of cashflows

- There was a minimal positive variance of cash held compared to budget of \$0.1 million.
- Net Cashflows from operating activities were \$5 million more than budget, spending more (\$7 million) and receiving more income (\$2 million). This is mainly reflected in:
 - » Fees and Charges and Other Revenue was \$2 million less than budget
 - » Payment to suppliers and agencies was \$8 million less than budget
- Net cashflows from investing activities paid \$3 million more than budget with capital purchase outflows over budget by this variance. More capital expenditure was paid for in this financial year than previously anticipated. Some of this arose from completing capital projects from previous years and council policy to pay contractors as soon as the work was completed in order to support them through the pandemic cashflow crisis.
- Financing activities were underspent by \$9 million with \$5 million less in loans being raised compared to budget. Adding to this was \$5 million more in loans being repaid than originally budgeted.
- Adding to this total variance was a positive variance in the anticipated opening bank balance of \$7 million.



APPENDICES

Nga Tāpiritanga



Statement of compliance

Te Whakapuakanga Whakaū ki ngā Ture



Judy Turner
Mayor
8 June 2022



Steph O'Sullivan
Chief Executive
8 June 2022

Independent Auditor's Report

To the readers of Whakatāne District Council's annual report for the year ended 30 June 2021

The Auditor-General is the auditor of Whakatāne District Council (the District Council). The Auditor-General has appointed me, Leon Pieterse, 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.

Our audit was completed late

Our audit was completed on 8 June 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by the section 98(7)(a) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns

Opinion on the audited information

In our opinion:

- the financial statements on pages 99 to 162:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2021;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the funding impact statement on page 31, 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 “Our Activities and Services” on pages 27 to 86:
 - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2021, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 89 to 92, 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 34, 38, 42, 48, 53, 57, 61, 65, 70, 75, 81 and 85, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 93 to 98, 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.

Emphasis of matter – The Government’s three waters reform programme announcement

Without modifying our opinion, we draw attention to note 31 on page 152, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council’s 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 "Our Activities and Services", as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 26, 88 and 164, but does not include the audited information, 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.

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

Independence

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

Other than the audit and our report on the disclosure requirements, we have performed a limited assurance engagement on the District Council's debenture trust deed and audit engagements for the 2021-31 Long-term plan Consultation Document and the 2021-31 Long Term Plan, which are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand



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