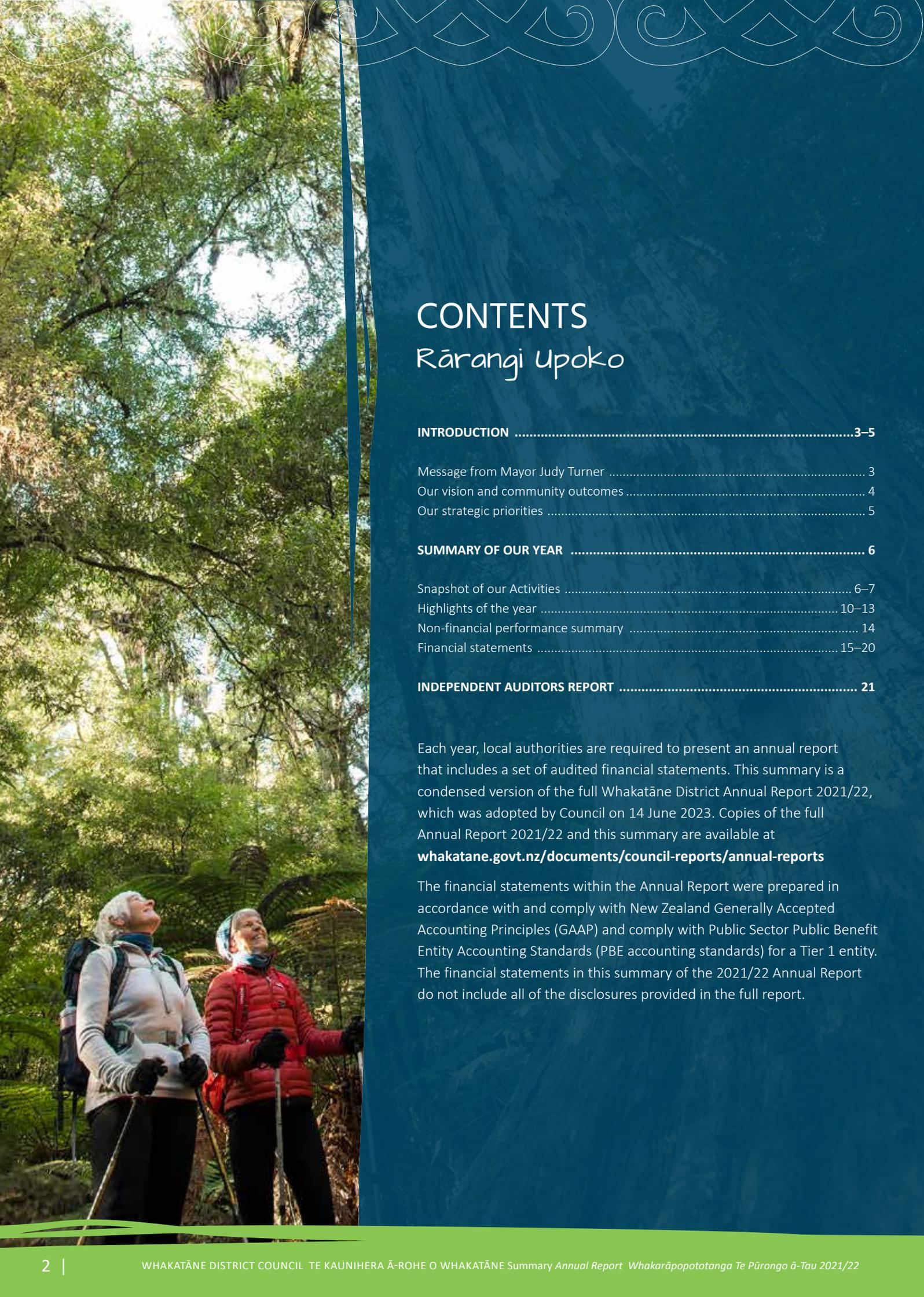




# SUMMARY ANNUAL REPORT 2021/22

## WHAKARĀPOPOTOTANGA PŪRONGO Ā-TAU 2021/22





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Each year, local authorities are required to present an annual report that includes a set of audited financial statements. This summary is a condensed version of the full Whakatāne District Annual Report 2021/22, which was adopted by Council on 14 June 2023. Copies of the full Annual Report 2021/22 and this summary are available at [whakatane.govt.nz/documents/council-reports/annual-reports](https://whakatane.govt.nz/documents/council-reports/annual-reports)

The financial statements within the Annual Report were prepared in accordance with and comply with New Zealand Generally Accepted Accounting Principles (GAAP) and comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity. The financial statements in this summary of the 2021/22 Annual Report do not include all of the disclosures provided in the full report.

# MESSAGE FROM MAYOR JUDY TURNER

## Kupu whakataki o te Manukura

Tēnā koutou katoa,

The Whakatāne District is one of the best places in the world to live and thrive.

This is the first Annual Report measuring our progress against the current 2021–31 Long Term Plan and as I look back over the past year, I'm proud of what we've achieved as a Council.

As a Council everything we do is aimed at improving the wellbeing of the people in the District. Our vision — More life in life — and community outcomes have set the direction and meant we have delivered a strong programme of work centred around the social, economic, environmental and cultural wellbeing and hauora of communities.

Every day, Council delivers a wide range of services and facilities in order to keep the District running the way it should. We build and maintain the local roads you drive on and footpaths you walk and cycle on, we lay and maintain the pipes that deliver your safe drinking water and take away your wastewater and manage stormwater. We make sure waste can be disposed of safely and keep the streets and parks in your neighbourhood clean and tidy and we provide community facilities for people to enjoy. But that's just the start.

As we continued to operate and navigate a COVID-19 world, there is no denying this has created challenges — with lockdown and restrictions, access to materials, increased costs, and demand for contractor resource. However, it's also created opportunities. It's prompted change and demanded a fresh way of thinking and working.

Council made some bold decisions and committed to a Long Term Plan which ensured we continued to look after the District's assets and services but also invested in things that would boost local amenity and wellbeing outcomes for residents.



We rolled out the Active Whakatāne Programme — aimed at getting more people to walk and cycle — and we completed Stage 1 of the Apanui Avenue Neighbourhood Greenway which has created a safer roading environment.

We adopted Te Toi Waka Whakareī — Māori Relationships Strategy which will guide us in supporting the aspirations of Iwi, hapū and whānau for the benefit of all our communities.

We signed the transformational partnership between the Crown, Te Rāhui Lands Trust, Ngāti Awa Group Holdings Limited and Council to create Te Rāhui Herenga Waka Whakatāne 2021 Limited Partnership for the Whakatāne Boat Harbour Development.

We've been working hard to understand what the impacts of the Central Government led reforms programme might mean for us — in particular the Three Waters Reform but also the Resource Management system reform and Future for Local Government Review.

Like most councils, the Eastern Bay of Plenty is experiencing consistent population and economic growth. Work got underway to determine and deliver a joint Spatial Plan for the Whakatāne and Kawerau districts which identifies how and where our communities grow in the future.

This year at Council has been one of leadership, advocacy, navigating complex situations, and making wise decisions for the future of the District, while ensuring we keep the wellbeing of communities at the heart of what we do. And I am proud to be working with you, for you.

Judy Turner  
MAYOR MANUKURA  
20 September 2022

# OUR VISION AND COMMUNITY OUTCOMES

## Tō mātau matakite me ngā putanga hapori

Our vision – More life in life – and community outcomes were established through the 2021–31 Long Term Plan. Our vision and outcomes set the high-level direction and goals Council will work towards to achieve its primary purpose - to support and enhance the social, cultural, economic, and environmental wellbeing of our communities.

Our vision embraces Council’s role in supporting our communities to flourish, fulfil their potential and live life to its fullest. A strong, resilient, and enabled Council organisation will help ensure we can achieve the things that are most important to us all.

# More life in life

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



*Strong, resilient Council organisation focused on continuous improvement*



# OUR STRATEGIC PRIORITIES

## Ngā Rautaki Matua

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



Strengthening Iwi, hapū and whanau partnerships



Preparing for population growth and housing demand



Enhancing the environmental outcomes of our activities



Improving the safety, security and resilience of infrastructure



Building climate change and natural hazard resilience



Enhancing the vibrancy of our communities



Facilitating economic regeneration and employment opportunities

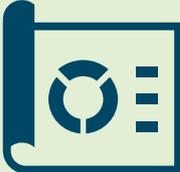


Ensuring Council is enabled and fit for the future

# Snapshot of some of the activities and services we provided in the past year (2021/22)

## Ētahi o ngā ngohe me ngā ratonga kua tutuki pai i a mātau i tēnei tau (2021/22)

**July 2021**  
 Two new exhibitions for Te Kōputu a te Whanga a Toi - Ngā Mata o te Ariki Tāwhirimātea and Came From Te Kore- brought Matariki alive.

**August 2021**  
 The 2021-31 Long Term Plan was adopted!  
 Council was awarded the inaugural Trust Horizon Sustainability Award.

**September 2021**  
We secured a massive funding boost from central government for transport projects.

**November 2021**  
 New interactive energy management platform launched.  
 McAlister Street Watermain Project was completed.

**December 2021**  
 Kōhī Point Lookout Road got some safety improvements.  
 Council launched the 'Wharfside' precinct for summers fun and food.

**January 2022**  
 The District geared up and welcomed a stream of pedal-powered athletes for Coast-to-Coast.

**February 2022**  
 Whakatāne came out on top at the national Keep New Zealand Beautiful Awards!  
-----  
Pouwhenua hou ki Kāpū Te Rangī was unveiled.

**March 2022**  
 The Whakatāne Skate Park got a splash of colour and a new lease of life.

# Snapshot of some of the activities and services we provided in the past year (2021/22) continued

Ētahi o ngā ngohe me ngā ratonga kua tutuki pai i a mātau i tēnei tau (2021/22)

## April 2022



Whakatāne Libraries and Galleries welcomed three new exhibitions- Te Maramataka: Ko Wai Koe?, I followed you into the sea and Whiria te hauora: Ngāti Rangitihī Koeke.

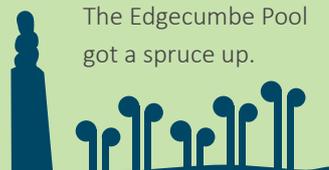


Free training was offered for school pool operators.



The Edgecumbe Pool got a spruce up.

The upgrade of our fave walking track Ngā Tapuwāe o Toi between Ōtarawairere Bay and Kāpū Te Rangī was completed.



633m of footpaths were renewed.

674 building consents were issued/renewed.



## May 2022

Te Kōputu a te Whanga a Toi-Whakatāne Library and Exhibition Centre turned 10!



The new Gambling Venues Policy was adopted.

## June 2022

From July 2021 – June 2022 our Customer Services team took:

A total of  
**39,110**  
phone calls

A total of  
**11,611**  
service requests

And...dealt with  
**19,465** emails!



136,324

admissions to the Whakatāne and Murupara Aquatic Centres.



26,464 tonnes

of Council-controlled waste was sent to landfill.



41%

of Council-controlled waste was recycled, re-used or reprocessed



24,985

Whakatāne Holiday Park stays.



\$200,000

secured from The Lion Foundation for 'community good' projects.





## HIGHLIGHTS OF THE YEAR

### Ngā mea hirahiratanga o te tau

#### Keeping Whakatāne active

The Active Whakatāne Programme continued to deliver key projects during the 2021-22 financial year. These projects all contribute to achieving the programme vision of “A District where active travel and recreation improves health, connectedness, our environment and economy.” Projects in this programme of work provide safe active travel options for kids to get to school, and key commuter links for active travel.

Completed projects include the James Street shared path and Rex Morepeth shared path. These paths create safe and accessible ways for people to walk, run and cycle to and from their destinations. Supporting projects included the installation of wayfinding signage, the installation of more bike racks, and a promotion campaign to support the safe and considerate use of the new shared paths. Design and planning work was also done for several other projects including two neighbourhood safe travel projects on the Crete Street and Goulstone Road intersection and the Hikurangi Street and Eivers Road intersection. Two raised safety platform crossings on Arawa Street in Matatā and speed humps in Murupara outside the Kohanga, school and medical centre were also installed as well as e-bike charging and parking stations in the Whakatāne CBD.

#### Te Kōputu a te whanga a Toi - Whakatāne Library and Exhibition Centre

In May this year (2022) we marked the tenth birthday of Te Kōputu a te whanga a Toi- Whakatāne Library and Exhibition Centre. A two-week long celebration of free homegrown activities including a poetry slam, a clothes swap, author visits and workshops to acknowledge Aotearoa and honour our tangata whenua celebrated this milestone. Te Kōputu a te whanga a Toi has become an exciting, fun, community hub for all ages. It has created opportunities for young, old and everyone in between to connect to their heritage, the stories that bind us together and help us appreciate our uniqueness through the printed word, the painted image, sacred objects, and the virtual world.

#### Upgrade of the Whakatāne Skate Park

Since its original development in 1998, the Whakatāne Skate Park has been a well-loved and well-used facility. The Park was recently repaired after several cracks were found on the surface. Concrete which had broken out from behind a grinding rail was replaced and the surface of the skatepark was smoothed off to remove imperfections. Local artist and skateboarder Maru Hotene gave the skatepark new life with a taniwha mural which was recognised around the country. It also received positive feedback from the community.

## Ngā Tapuwae o Toi Walkway Upgrade

The final stage of a five-year upgrade of the Ngā Tapuwae o Toi walkway has been completed. During the 2021-22 financial year, the remaining section of the walkway between Kapūterangi and Kōhī Point was upgraded along with further remedial works around the junction of the paths at Kāpū Te Rangi.

The upgrade of the first 550m of 'The Birdwalk' stretching from the Whitehorse Drive carpark to the Wainui Te Whara stream now has improved accessibility for wheelchairs and push chairs. This work was co-funded by funding raised by Halo through the Whakatāne-Ōhope Community Board and Grassroots Trust. The work included reshaping the existing track surface, widening and realignment in a few locations, installing drainage and covering the surface with a compact metal.

## Whakatāne Boat Harbour Development

The Boat Harbour Development is a transformational partnership between the Crown, Te Rāhui Lands Trust, Ngāti Awa Group Holdings Limited and Council. Together they are the Te Rāhui Herenga Waka Whakatāne 2021 Limited Partnership which will develop the commercial Boat Harbour.

In January 2022, the land lease agreement for the Boat Harbour (located on the river side of Keepa Road in Whakatāne) was signed. This agreement enabled the establishment of Te Rāhui Herenga Waka Whakatāne Partnership Company to manage the consenting processes for the development. Council is a shareholder. In June 2022, consent was granted for the Boat Harbour to be developed which signalled a significant milestone for the project. Early-stage works are expected to commence in September 2022.

Once complete, the Boat Harbour will provide an on-site marine training school, a boatyard, and a travel lift which provide for a fit for purpose facility for a growing marine sector, to meet current and future demand for moorings. It is an opportunity to group marine based activity for stronger employment, education, and environmental benefits. It is expected the Boat Harbour will significantly increase the number of jobs in the boat building industry, and marine tourism, overall contributing to our District's Gross Domestic Product (GDP).

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

One of Council's core priorities throughout this financial year has been progressing the development of the Whakatāne Kawerau Spatial Plan. The Plan will set out where and how we can grow across the District to accommodate population and employment growth in a positive way while contributing to our social, economic,



environmental, and cultural wellbeing. This Spatial Plan will be crucial in supporting the District as we are experiencing high demand for housing and economic growth, with an estimated 278 hectares and 3,600 new dwellings required between now and 2050.

This is a collaborative project between the Whakatāne District Council, Kawerau District Council, and Bay of Plenty Regional Council. As well as, partner agencies including Waka Kotahi NZ Transport Agency, Kāinga Ora and the Ministry of Housing and Urban Development. We have emphasised throughout this project a partnership-based approach, including with Iwi, hapū and whanau.

## Central Government reforms

Central Government has started a substantial programme of reforms that could potentially reshape the traditional roles and functions of local government. Throughout the 2021-22 financial year, Council has been working to understand and influence the reforms on behalf of the District and communities and to ensure smooth transition to new ways of working dependent on the reform outcomes. The reform programme includes:

**Resource Management Act** - the current Resource Management Act will be replaced by three new acts: Natural and Built Environment Act, Spatial Planning Act, and Climate Adaptation Act.

**Future for Local Government Reform** - aims to identify how Local Government needs to evolve over the next 30 years to improve the wellbeing of local communities, the environment, funding, and financing, and to embody Te Tiriti o Waitangi. Council has engaged thoroughly with the Future for Local Government Review, submitting its

views at the end of June 2022. Our submission focused on ensuring strong relationships with Iwi, aligned central government funding that considers equity, clarity of roles, and a clear and certain constitutional relationship with Central Government. The draft report was released in October 2022 and Council will consider its feedback on the reports findings prior to its finalisation in middle of 2023.

**Three Waters Reform** - proposes from 2024 four new publicly owned water service entities will manage three waters supply (drinking water, wastewater, and stormwater). The Three Waters Reform creates some uncertainty for our Council. Our submission to Central Government on Three Waters Reform considered conversations with Iwi and the wider community, raising points about the timing of the Reforms, the governance model, the cost and service impacts, the effects on private water supplies and suppliers, and the lack of adequate consultation with Iwi and the community.

As part of the Three Waters Reform programme, Central Government provided stimulus funds of \$7 million to Council in 2020. This was used to accelerate important capital projects in addition to normal work programmes identified in Council's Long Term Plan. The funding was used across more than 16 individual projects and invested in improvements across our water, wastewater and stormwater networks including upgrades to our existing plant, installation of backflow preventors, and pipe maintenance.

We also sought to understand our network more fully by investing in CCTV equipment and conducting additional condition surveys of our wastewater networks. During the 2021-22 financial year Council completed this work on time, on budget, as well as delivering our planned work for the year (as identified in the 2021-31 Long Term Plan).

Some key projects delivered include:

- Co-investment into an arsenic removal plant at Braemar water treatment plant;
- Back-up power generation for the Whakatāne water treatment plant;
- Boundary backflow prevention on the Rangitāiki Plains; and
- Purchase of Mobile CCTV equipment and condition assessment surveys.

**Climate Change Reform** - includes the Climate Change Response Amendment Act, introduces the Emissions Reduction Plan and National Adaptation Plan. Several national waste minimisation initiatives are in progress including the New Zealand Waste Strategy which aims to reduce emissions from waste and embed circular systems.

During the 2021-22 financial year, Council submitted on several waste related consultations within the Waste Minimisation Review. These included the New Zealand Waste Strategy, Compulsory Food Waste Collections and Standardised Kerbside Services, Waste and Litter Legislation, Transforming Recycling, Emission Reduction Plan, Tyres, E-Waste and Big Batteries Product Stewardship Schemes and Waste Data Reporting. The outcomes from most of these consultations are not yet finalised by Central Government but it does mean there are lots of changes coming in how Council and our communities will manage our waste in the future.

The suite of Central Government changes will affect Council's Waste Management and Minimisation Plan 2021-2027 (WMMP) which was adopted during the 2020/21 financial year. When the WMMP was developed, we anticipated some of the proposed changes and included them, however we did not anticipate the number of proposed changes to happen in such a short space of time. The impact will be huge and will place a high demand on Council's resources.

## Council Building Redevelopment

The upgrade of the main Council office began at the end of 2021, with staff relocated to four office spaces throughout the Whakatāne town centre. By the end of the 2021-22 financial year, much of the demolition work was complete and contractors have now started on the earthquake strengthening aspect of the rebuild. The redevelopment will provide core health, safety and security upgrades, improve the environmental sustainability of the building, and provide flexible and multi-functional use of space, with increased meeting rooms and collaborative workspaces. Council Chambers and public meeting rooms will be moved from upstairs to the ground floor to make it easier for the public to access Council meetings and make modern meeting spaces available for the community to use.

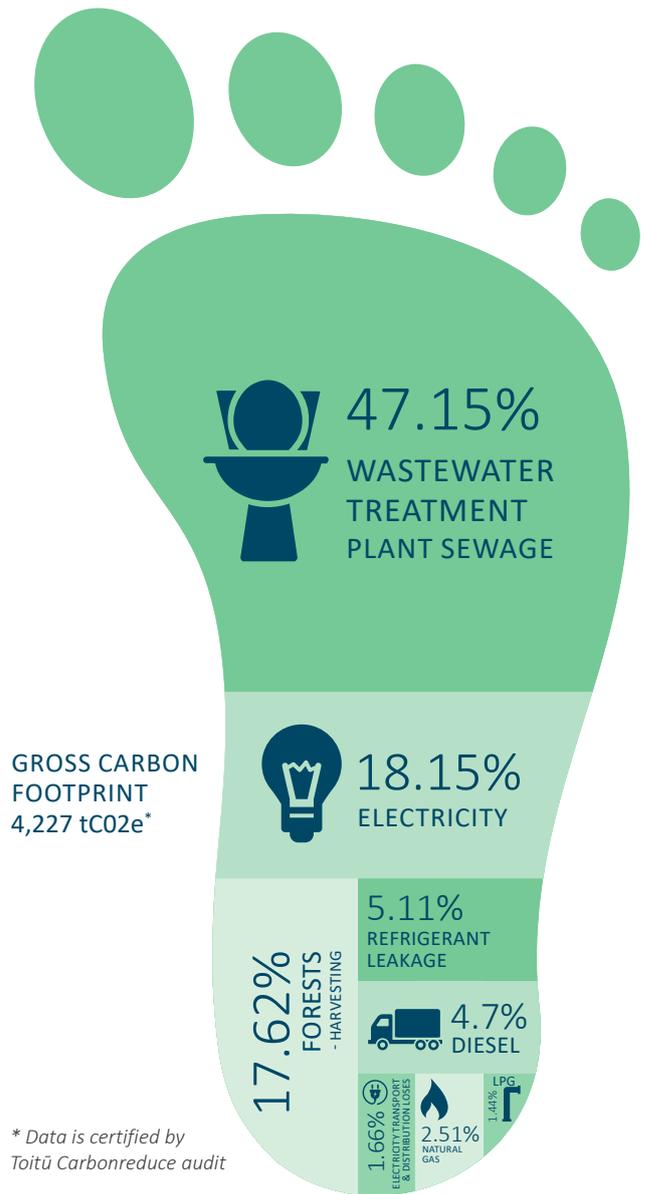
Council is supporting local businesses and employment by embracing a 'buy local' approach. Around 70 percent of the value of contracts will be kept within the Whakatāne District. To also support our commitment to climate change, a range of different components have been considered to improve the environmental sustainability of the main Council building.

## Our carbon footprint

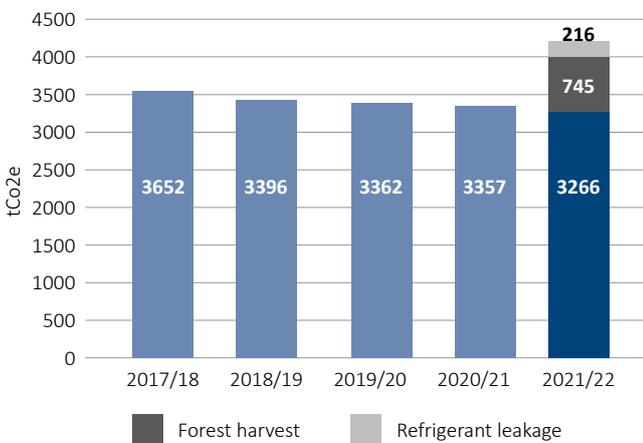
Over the 2021-22 financial year, Council’s carbon footprint was 4,227.09 tonnes of carbon dioxide equivalent (tCO2e). This is a 26 percent increase on the producing activity measured over the 2020-21 financial year, at 3,357.46 tCO2e.

Our carbon footprint has increased this year because of two large emitters added on to the ‘inventory’ that we measure. We added a one-off forestry harvesting event which was planted prior to Council adopting a Climate Change Strategy and was intended for harvest at approximately 27 years of age (2021). We have also included refrigerants leakage. Refrigerators, freezers and air conditioning units all contain refrigerants and sometimes a leakage can happen particularly as the unit’s age. Refrigerants are used in refrigerators and air conditioning units and they are made up of are made up of chlorofluorocarbons and hydrofluorocarbons which are potent greenhouse gases. When a leakage occurs, these are released into the atmosphere and contribute to warming. Council owns two large chillers, one being 140 kWh and the other being 325 kWh. These chillers are older units and refrigerant leaked in one due to a fractured joint in the heat exchange, and the other because of a non-return valve having failed. This is the first time that Council has recorded refrigerant leakage since participating in the Carbonreduce programme. We are working to discover how much refrigerant has leaked in previous years and update the carbon emission reports. Council is continuously working to improve our data collection and scope of activities being recorded to ensure we are accurately measuring and can take steps of improvement in the right areas.

## Whakatāne District Council emissions profile for 2021/22\*



## Whakatāne District Council’s Council Footprint\*



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

The graph on the left highlights the increase in our carbon footprint for the 2021-22 year. Without the addition of the two additional emitting activities added to the audit this year, Council’s carbon footprint has reduced by almost 11 percent since 2017-18 – resulting largely from a change in energy use.

As a Council we will continue to improve our data collection and how we can measure our emitting activity better. However, as we continue to add CO2 emitters to our inventory, we can expect to see our footprint fluctuate over the coming years. Following the last audit, Toitū carbonreduce® recommended we include the carbon dioxide which is used to manage PH levels at our swimming pools on our inventory. The result of this will mean an increase in our carbon footprint.



## Waste Management and Minimisation Plan (WMMP)

The Council's WMMP has 27 specific actions which we have started working on. There have also been several other waste minimisation initiatives in the past year that contributed to minimising our waste. We aim not only to divert as much waste as possible from landfill but also to treat waste as a resource and recycle, re-use and reprocess as much as possible, while providing education to help our communities play their part. During the 2021-22 financial year we:

- Composted 20 percent of all our waste.
- Crushed and re-used 1,357 tonnes of concrete waste on resurfacing Council access tracks.
- Had 29 schools signed up to our waste education service and provided them with free recycling collections.
- Provided re-useable nappies to early education centres.
- Ran Love Food, Hate Waste campaigns to help educate people to reduce food waste.
- Supplied advice and free bins to several community events.
- Provided free worm farms and compost bins to schools along with tours of our waste facilities.
- We set a target to stay below 70 percent of the national average of waste sent to landfill per person each year. This year, we achieved this target and were 53.24 percent of the national average.

## Awatarariki debris flow risk management

The Awatarariki Managed Retreat Programme mitigated the risk to life and property from any future debris flow events from the Awatarariki Stream catchment, and disaster resilience factors for the Matatā community.

In May 2005, extremely heavy rainfall in the steep catchments behind Matatā caused a number of debris flows, which devastated much of the coastal township. This event cut major transport links, destroyed 27 homes, damaged 87 other properties, and caused \$20 million in damages.

After several years, the Programme was completed and successfully eliminated the risk to people occupying properties within the high-risk area. Following purchase of the properties the sites were cleared of buildings, driveways and were levelled and grassed. Hazard warning signs were subsequently erected.

Given the scale of the Programme, and the significant interest from Central Government, a project debrief workshop was also held. Department of Internal Affairs and Ministry for the Environment officials attended the workshop to pick up on the lessons learned to help inform policy development around the proposed Climate Adaptation Act due in 2023.

## Introduction of Māori wards into the 2022 Local Body Elections

In May 2021, Council voted unanimously to introduce Māori wards for the next two local election cycles. Māori wards are intended to substantially represent the importance of the Māori community voice, to provide assurance that issues of priority to Māori can be more directly brought to Council, and to promote confidence in Local Government decisionmaking processes.

Early in the 2021-22 year because of this decision, a review was completed in order to assess the appropriate Council structure that would include Māori wards. The Council structure adopted includes three general wards (Rangitāiki, Whakatāne-Ōhope and Te Urewera), and three Māori wards (Rangitāiki, Kāpū Te Rangi, and Toi ki uta). Each Māori ward has one Councillor, and the general wards have a total of seven Councillors. Supporting the Council are four Community Boards. Our Community Boards are Murupara, Rangitāiki, Tāneatua and Whakatāne-Ōhope. The Local Government elections this year (2022) was the first election to implement this new structure.



## Māori Responsiveness Framework and Cultural Competency Framework

Since Council's appointment of a Kaihau Māori (Leader) in April 2021, the 2021-22 year can be characterised as one which continues to build on and nurture relationships with Iwi, hapū and whanau. Kaihau Māori and staff have worked with Iwi and staff to develop Te Toi Waka Whareī – our Māori Relationship Framework, which Council approved in June 2022. This Framework pulls together the rationale, and internal changes required by Council in order to deliver on our relationship and legislative responsibilities with Iwi, hapū and whanāu. One output of the Framework is a Relationship Work Plan that will assist Council staff on the 'when and how' to engage with Māori effectively. This will strengthen our leadership, empower our organisation, promote Māori identity, and improve decision making, performance and accountability. Council has also developed a programme of work to raise internal capability to partner with Iwi and hapu and have invested in the development and implementation of Te kahupapa- Cultural Competency Framework. This framework provides for structured training designed to raise the competency of staff including a greater understanding of Te Ao Māori – the Māori world view. There has been a variety of learning initiatives happening over the 2021-22 year, including weekly waiata practice, the commencement of our noho marae programme (staying on marae to learn in an immersion environment) and Engagement workshops.

## Pouwhenua hou ki Kāpū Te Rangi unveiled

A new pouwhenua now guards Kāpū Te Rangi pā, an ancient pā site above Whakatāne. Working in partnership with Ngāti Awa, Council assisted with co-ordinating the replacement of the deteriorated Pou, Toi-te-huatahi after standing watch over Whakatāne for the past 22 years.

With oversight from Heritage New Zealand, Council worked in partnership with Ngāti Awa to have the new carving transported from the East Coast. The installation included a special unveiling ceremony overseen by a gathering of the Mataatua Chairs, the Kāhui Kaumatua led by Tā Hirini Moko Mead, Dr Te Kei Merito, Dr Pouroto Ngārope and Joe Harawira, Tumuaiki/Chairman of Te Runanga o Ngāti Awa, Mayor of Whakatāne Judy Turner, Councillors, Council staff and Ngāti Awa uri.

The new pouwhenua was carved by Master Carver Kereama Hohua and is etched from kauri, stands 6.2 metres tall and depicts Toitehuatahi (Toi), the principle ancestor of many North Island tribes, including Ngāti Awa. The pou has taken more than two years to complete with original pouwhenua being preserved, restored, and put on display by Ngāti Awa.

# NON-FINANCIAL PERFORMANCE SUMMARY

## Te Whakarāpopototanga o ngā mahi kē

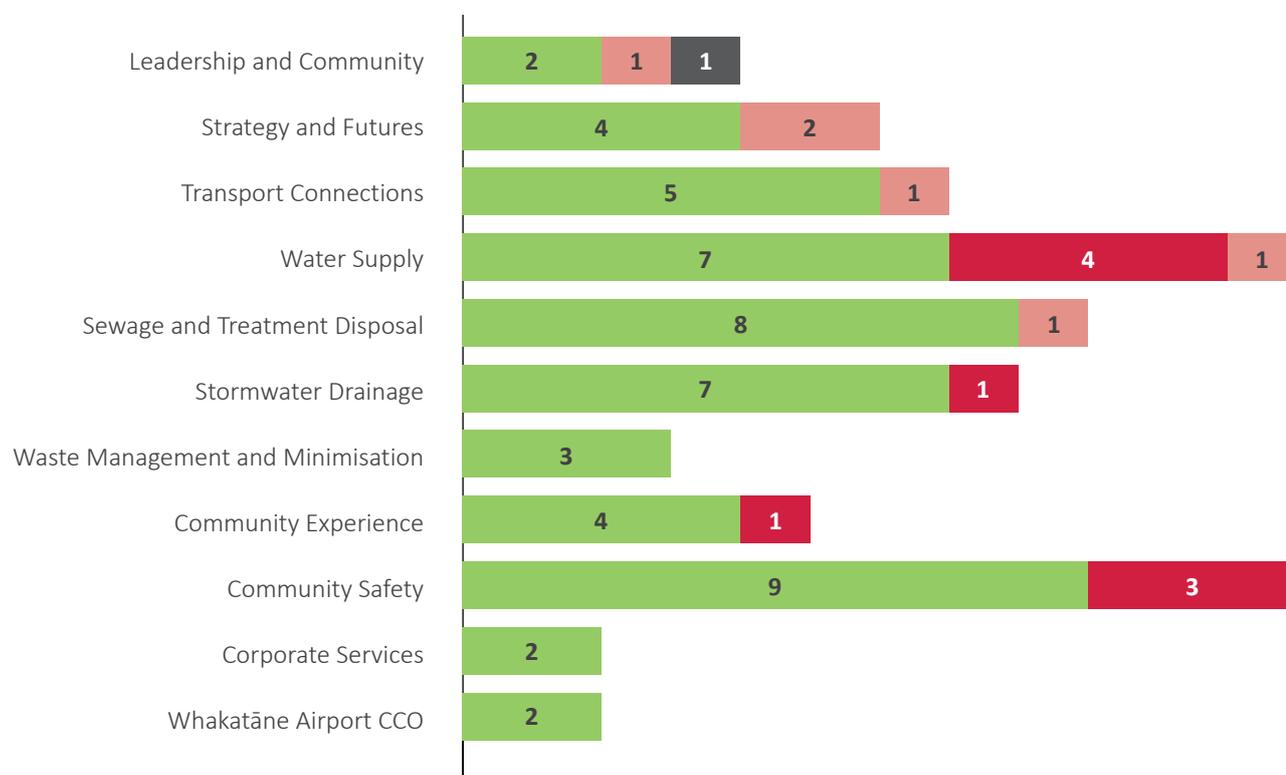
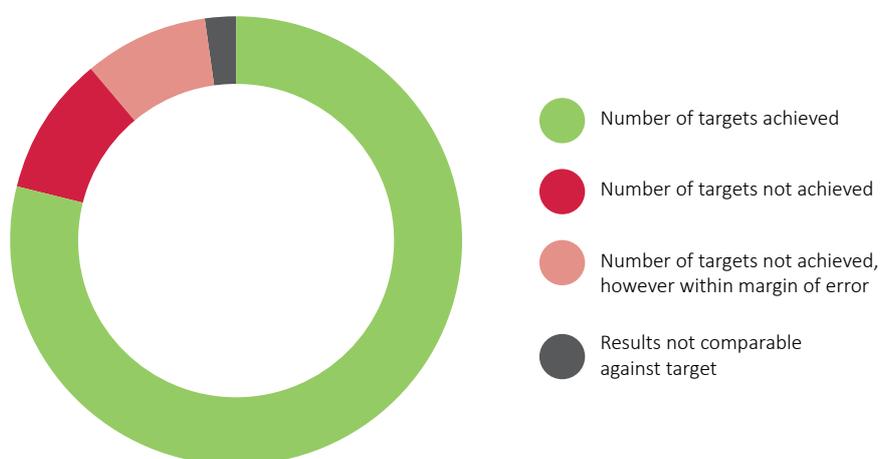
### We have achieved 77% of our non-financial performance measures

The Council plays a very important role in promoting the social, economic, environmental and cultural wellbeing of our communities. We manage a wide range of services such as water supply, waste management and minimisation, sewage treatment and disposal, community safety, transport, stormwater, and community facilities.

Within our 2021–31 Long Term Plan, Council has set 69 non-financial performance measures which monitor our non-financial performance and allows us to see how we are tracking against levels of service we have said the community can expect from us. This means we can identify areas for specific focus if required. We review our measures and structure every three years when we develop each Long-Term Plan. This is the first time we are reporting on our performance against the 2021–31 Long Term Plan measures.

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

### 2021/22 Non-financial performance measure results



The Community Safety result for “Not Achieved” includes two performance measures that are new and results are only available every second year. As such there is no available result for the first year.



# SUMMARY FINANCIAL STATEMENTS AND NOTES

## Whakarāpopototanga o ngā Whakapuakanga Ahumoni

Figures and disclosures in the 2021/22 Summary Annual Report have been extracted from the full 2021/22 Annual Report.

The full 2021/22 Annual Report were authorised for issue by Council on the 14 June 2023. The financial statements for each period presented in the Summary have been audited by Audit New Zealand and received an unmodified audit opinion. The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete understanding as provided by the full financial accounts.

A copy of the full financial statements can be obtained on the Whakatāne District Council website [whakatane.govt.nz](http://whakatane.govt.nz)

### Basis of Preparation

The full 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 full 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. The full financial statements comply with PBE standards.

The Summary Annual Report is in compliance with PBE FRS 43 summary financial statements.

### 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.

### Commitments, leases and contingencies

The council, at balance date, had capital commitments of \$17.106 million (2021: \$11.536 million), operating leases as lessor of \$13.407 million (2021: \$9.878 million), operating leases as lessee of \$88 thousand (2021: \$68 thousand) and nil contingencies (2021: nil).

### Related Party Transactions

The council has a 1/9th share in BOPLASS Ltd established to foster collaboration between councils in the delivery of services. During the year, the council contracted BOPLASS Ltd for services costing \$145 thousand (2021: \$144 thousand).

The council has a 50:50 joint equity venture with the Ministry of Transport (Air Transport Division) in the Whakatāne Airport. Funds held by council on behalf of the Airport total \$2.031 million deficit (2021: \$1.673 million deficit).

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

This table presents the financial performance of the council for the 2021/22 financial year. It summarises operating revenue and expense, and other comprehensive revenue and expense.

ACTUAL 2021 \$000			ACTUAL 2022 \$000	BUDGET 2022 \$000
<b>REVENUE</b>				
48,416	Rates		51,601	51,475
34,366	Subsidies and Grants		18,745	23,584
278	Development and Financial Contributions		226	384
8,416	Fees and Charges		8,061	9,429
79	Interest Revenue		32	45
4,147	Other Revenue		4,061	3,867
11,647	Gains	Note 1	7,224	611
<b>107,349</b>	<b>Total Revenue</b>		<b>89,950</b>	<b>89,395</b>
<b>EXPENSES</b>				
20,816	Personnel Costs		21,953	22,268
17,340	Depreciation and Amortisation Expense		21,690	19,381
2,319	Finance Costs		2,417	1,847
45,047	Other Expenses	Note 2	37,720	34,232
3,340	Future loss on Sale - Investment Property		185	-
-	Revaluation Losses		3	-
<b>88,862</b>	<b>Total Expenses</b>		<b>83,967</b>	<b>77,728</b>
(315)	Share of joint venture surplus / ( deficit )		(392)	(258)
<b>18,172</b>	<b>Surplus (deficit) before tax</b>		<b>5,590</b>	<b>11,409</b>
(881)	Income tax expense (benefit)		-	-
<b>19,053</b>	<b>Surplus (deficit) after tax</b>		<b>5,590</b>	<b>11,409</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>				
106,913	Gains (loss) on property, plant and equipment revaluations	Note 3	357,821	18,071
-	Gains (loss) on property, plant and equipment Impairments		-	-
-	Tax on Revaluation Surplus		-	-
<b>125,966</b>	<b>Total comprehensive revenue and expense</b>		<b>363,411</b>	<b>29,480</b>

### Summary notes

1. Gains included Revaluation of investment property of (\$3 million) and revaluation of derivative financial instruments (\$4.2 million)
2. Other operating expenses included items such as : Contract payments (\$15.5 million) and Consultant payments (\$3.4 million)
3. Gain on Property, Plant and Equipment valuations relates to a revaluation of Roading assets



## Major variances explained

The surplus before tax of \$5.6million is \$5.8 million lower than the budgeted surplus of \$11.4 million in the 2021–31 Long Term Plan. The variance is attributable to the following factors:

### Revenue (\$0.5 million 1% more than budget)

- Subsidies and Grants were \$4.8 million less than budget. The main variance was \$5.2 million in funding for the Waterfront promenade and Kakahoroa Development projects which did not go ahead in 2022
- Fees and Charges were under budget by \$1.4 million predominantly due to less building and COVID-19 interruptions
- Gains were \$7 million more than budget. This was due to Investment property gaining \$2.7 million more than budget in the latest valuation. The budgets had been set conservatively due to the COVID-19 disruptions. Derivatives gained by \$4.2 million due to the rise in the Official Cash rate and subsequent rise in interest rates.

### Expenditure (\$6.2 million 8% higher than budget)

- Depreciation exceeded budget by \$2.3 million due to revaluations driving depreciation higher and a larger than usual capitalisation of projects
- Other Expenses was over budget by \$3.5 million. This is mainly made up of:
  - » An increase in landfill provisions of \$1.8 million over budget due to extra necessary work being identified
  - » Awatarariki Expense was over budget by \$0.68 million
  - » Legal expenses, recoverable expenses and insurances collectively came in below budget by \$0.7 million
  - » Contracts were over budget by \$0.5 million
  - » An increase of doubtful debts of \$0.9 million
  - » An underspend to budget for Maintenance and Repairs of \$1 million
- Personnel costs finished at \$0.3 million below budget due to job vacancies
- Finance costs finished at \$0.6 million above budget due to increasing interest rates and higher loans
- Losses were a \$0.2 million unbudgeted expense. This loss was due to discounting the current fair value of property intended for sale against its agreed sale price.

# Statement of financial position as at 30 June 2022

This table represents the assets Council owns and the liabilities Council owes to the parties.

ACTUAL 2021 \$000			ACTUAL 2022 \$000	BUDGET 2022 \$000
<b>779,227</b>	<b>TOTAL EQUITY</b>		<b>1,142,209</b>	<b>684,372</b>
25,421	Total current assets		19,847	25,681
867,802	Total non-current assets	Note 1	1,237,234	771,712
<b>93,223</b>	<b>TOTAL ASSETS</b>		<b>1,257,081</b>	<b>797,393</b>
34,351	Total current liabilities		32,250	36,945
79,645	Total non-current liabilities		82,622	76,076
<b>113,996</b>	<b>TOTAL LIABILITIES</b>		<b>114,872</b>	<b>113,021</b>
<b>779,227</b>	<b>NET ASSETS (Assets minus liabilities)</b>		<b>1,142,209</b>	<b>684,372</b>

## Summary notes

### 1. Total non-current assets compromise:

Investment property	\$43,536
Restricted assets	\$55,511
Operational assets	\$95,555
Infrastructural assets	\$995,325
Other assets	\$ 47,307
	<u>\$1,237,234</u>

## Major variances explained

The Net Assets variance to budget was 67% (\$458 million) more than budgeted. Nearly all of the variance was in non-current assets.

### Total Assets (\$460 million 58% higher than budget)

- Non-Current Assets exceeded budget by \$465 million. Most of this variance was in the infrastructural assets area: Roading assets were revalued upward by \$341 million when only a \$18 million increase was forecast.
- Cumulative to this is the three waters revaluation that took place in 2021 of \$107 million that was not budgeted for at the time the LTP budgets were set
- Work in Progress exceeded budget by \$14.4 million due to more capital projects being incomplete than originally forecast
- Restricted Assets and Operational land increased by \$16.8 million more than budget due to a Fair Value Assessment which saw a rise in value in an out of cycle valuation year.

### Total Liabilities (\$1.9 million 1.7% more than budget)

- Loans were \$10 million more than budget due to pre-funding upcoming debt
- Provisions were \$4.3 million more than budget mainly due to cumulative increases in the landfill provision and provision for loss on investment property
- Payables at year end were \$6.5 million lower than budget due to late closure of the ledgers
- Derivatives losses were budgeted at \$6.7 million but due to the OCR rises (and interest rate rises), no loss was made.

## Statement of changes in net assets and equity for the period ended 30 June 2022

This table presents the equity movements over 2021/22 that have impacted on the Council's net worth.

ACTUAL 2021 \$000		ACTUAL 2022 \$000	BUDGET 2022 \$000
652,951	Balance at 1 July	779,226	654,892
125,966	Total Comprehensive Revenue and Expense for the Year	363,411	29,480
309	Other Adjustment	(429)	-
<b>779,226</b>	<b>Balance at 30 June</b>	<b>1,142,209</b>	<b>684,372</b>

### Major variances explained

The Council's equity has been adjusted by the current year total comprehensive revenue and expense, a surplus of \$363 million, which is the combination of the surplus after tax of \$5.5 million and a net gain on revaluation of \$358 million. The remaining movements are a result of movements in restricted reserves and council created reserves.

## Statement of cashflows for the year ended 30 June 2022

This table shows how Council generated and used cash. The overall net increase or decrease represents the change in our cash and cash equivalents arising from operating, investing and financing activities.

ACTUAL 2021 \$000		ACTUAL 2022 \$000	BUDGET 2022 \$000
<b>23,303</b>	<b>Net cash flow from operating activities</b>	<b>21,673</b>	<b>30,107</b>
<b>(36,268)</b>	<b>Net cash flow from investing activities</b>	<b>(34,089)</b>	<b>(25,461)</b>
<b>5,680</b>	<b>Net cash flow from financing activities</b>	<b>9,000</b>	<b>822</b>
(7,285)	Net increase (decrease) in cash, cash equivalents and bank overdrafts	(3,416)	5,468
12,589	Cash, cash equivalents and bank overdrafts at the beginning of the year	5,304	(1,372)
<b>5,304</b>	<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>1,888</b>	<b>4,096</b>

### Major variances explained

- Cash held at year end was \$2.2 million less than budget
- Net Cashflows from operating activities were \$8.6 million less than budget, spending less (\$8.2 million) and receiving less income (\$16.8 million). This is mainly reflected in:
  - » Rates take budgeted net \$1.6 million more than actual on the assumption that Council would be collecting rates on behalf of Regional Council. This is no longer collected
  - » Fees and Charges and Other Revenue was \$0.6 million more than budget
  - » Subsidies and Grants received was \$3.7 million less than budget due to delays in receiving them
  - » Interest paid was \$0.6 million more than budget
  - » Net GST was \$0.9 million
  - » Payment to suppliers and agencies was \$4.3 million more than budget
- Net cashflows from investing activities paid \$8.4 million more than budget with capital purchase over budget by \$0.7M and acquisition of investments (term deposits) exceeding budget by \$6.6 million
- Financing activities were overspent by \$9 million due to extra loans being raised to prefund upcoming maturities
- Adding to this total variance was a positive variance in the anticipated opening bank balance of \$6.7 million



## Events after balance date

### Water Services Reform

On 13 April 2023, Central Government has announced its reset plan for the Water Services Reform (previously the Three Waters Reform programme). Notable changes have been made on the timeline of the reform and the framework of the programme, including increasing the number of Water Services Entities from 1 to 10, which will 'go-live' in a staged approach from early 2025 to 1 July 2026, rather than the original start date of 1 July 2024 for all entities. Every council will now have representation in the Regional Representation Groups that will provide strategic oversight and direction to the entities. With the reset, Whakatāne District Council's water services will now transition to Water Services Entity C (Bay of Plenty), alongside Tauranga City Council, Western Bay District Council, Rotorua Lakes Council, Kawerau District Council and Ōpōtiki District Council.

A water services Bill, to enable the transfer of these assets and liabilities to water service entities, is currently before Parliament.

The timing of the transfer of assets and liabilities is uncertain until amendments to existing legislation is passed.

### Cyclone Gabrielle

On 8 February 2023, a small group of staff from the Emergency Operations Centre (EOC) group began preparing for Cyclone Gabrielle, a tropical cyclone approaching New Zealand. On the 13th February 2023, the EOC was activated in the Fisher Quay building in Whakatāne. The NZ Police, Fire and Emergency NZ (FENZ) and St Johns were also involved in the EOC. At this point, the significant issue that started to emerge was the risk of storm surge with concerns that large waves would swamp the low lying properties in Ōhope and along the coastline. The Acting Mayor, Leslie Immink declared a state of emergency at 3pm that day. Mandatory evacuation was then implemented for West End residents and specific lower lying properties along the margins of Ohiwa Harbour. Campgrounds along the coastline were also evacuated. The Whakatāne War Memorial Hall was opened as an evacuation centre to allow residents to rest and be assessed for needs. At 8pm a Regional Declaration was made which applied a State of Emergency across the Bay of Plenty region. The storm surge did not reach the levels predicted and no properties were inundated. On 14 February 2023 there were minor slips and tree fall which were cleared during the day. The Matata straights were the subject of further landslides but were cleared by 8 pm that night. The EOC was closed that night, and a number of staff were deployed to assist emergency response and recovery in Auckland and Wairoa.

There have been no other events after balance date that require adjustments to be made to the financial statements or disclosure (2021:Nil).

# INDEPENDENT AUDITOR'S REPORT

## Pūrongo o he Kaitātari Kaute motuhake

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

### Independent Auditor's Report

#### To the readers of Whakatāne District Council's summary of the annual report for the year ended 30 June 2022

The summary of the annual report was derived from the annual report of the Whakatāne District Council (the District Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following information on pages 14 to 20:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2022;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary "performance against our targets".

### Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2022 in our auditor's report dated 14 June 2023.

Our auditor’s report on the full annual report also includes an emphasis of matter paragraph drawing attention to development in the Government’s water services reform programme which will affect the District Council in future years. Legislation passed in December 2022 established four publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. A water services Bill to enable the transfer of these assets and liabilities to the water services entities, is currently before Parliament. Until the Bill is passed, the financial impact of the transfer on the District Council, remains uncertain. On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed. This matter is disclosed in note 31 of the summary financial statements.

### **Council’s responsibility for the summary of the annual report**

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

### **Auditor’s responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council.



David Walker  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand  
14 June 2023



## WHAKATĀNE DISTRICT COUNCIL

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Whakatāne District Council



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