

SUMMARY ANNUAL REPORT 2023/24

WHAKARĀPOPOTOTANGA PŪRONGO Ā-TAU 2023/24

For the period 1 July 2023 to 30 June 2024



Contents

Rārangi Upoko

MESSAGE FROM MAYOR DR VICTOR LUCA.....	3
YOUR COUNCIL	4
WHO WE ARE AND WHAT WE DO	5
Our vision and community outcomes	6
Our strategic priorities	7
Delivering on our vision, outcomes and priorities.....	8
Summary of our delivery.....	8
Service Performance	8
OVERVIEW OF OUR FINANCIAL & NON-FINANCIAL PERFORMANCE.....	9
LEADERSHIP AND COMMUNITY	13
STRATEGY AND FUTURES	14
TRANSPORT CONNECTIONS	15
PLANNING FOR THREE WATERS:	16
Three Waters Consent Replacement Strategy.....	16
WATER SUPPLY	17
SEWAGE AND TREATMENT DISPOSAL	18
STORMWATER DRAINAGE.....	19
WASTE MANAGEMENT AND MINIMISATION	20
COMMUNITY SAFETY.....	21
COMMUNITY EXPERIENCE	22
CORPORATE SERVICES AND COUNCIL CONTROLLED ORGANISATIONS	23
SUMMARY FINANCIAL STATEMENTS AND NOTES.....	24
INDEPENDENT AUDITOR’S REPORT	29

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 2023/24, which was adopted by Council on 20 March 2025. The full Annual Report 2023/24 and this summary are available at whakatane.govt.nz/annual-report. 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 2023/24 Annual Report do not include all of the disclosures provided in the full report.



Message from Mayor Dr Victor Luca

Kupu whakataki o te Koromatua

Our annual report is similar to that of a publicly traded company. It informs residents about the services, community projects, and facilities Council provided from 1 July 2023 to 30 June 2024 and most importantly how your money is being spent.

More specifically what this document shows is how the Council performed against defined measures to help assess how we are delivering services for our communities in both financial and non-financial terms. I liken it to a 'report card'. I think it shows that the Council has been 'diligent and conscientious', but as always, there will be 'room for improvement'. I continue to advocate for an *as low as reasonably achievable* approach to setting rates.

The Council delivers more than 30 different services and manages around \$1.4 billion worth of community assets. Without doubt, we are a large and very diverse business, and as such, the context in which we operate is fundamental to success.

At the beginning of the reporting period, we were already a month in to developing our 2024-34 Long Term Plan. We did this in the context of unprecedented geopolitical tensions and a maelstrom of economic uncertainty and inflation the likes of which we have not seen in more than a decade partly fuelled by those tensions. In this we were not alone – councils across the country faced extremely hard decisions on how to cover funding deficits and strike the balance between delivering only basic services and planning for communities that will serve future generations. In terms of our rates increases we were in the middle of the pack.

Throughout the Long Term Plan development process I called for the community to share its voices. As the Mayor I clearly expressed my own expectations. The Council ran its biggest engagement programme ever with 23 organised opportunities for people to find out more about the plan and let us know what they thought. We received almost 1,000 submissions from individuals and groups and heard from around 80 submitters in-person, which informed two days of Council deliberations. I applaud those people who got involved; I will always want more. I believe we need to explore better methods of engaging including the use of mobile telephony.

The repeal of the previous government's Water Services Reform has continued uncertainty and reinstated significant funding pressures, exceeding what the community can afford via rating increases. This is an ongoing challenge for the Council and I am exploring how we navigate through the minefield.

I encourage people to delve into the detail of this report. It is thorough, and I believe most people will be very surprised at the breadth of responsibility the Council has and the services it has delivered for our communities in the past 12 months.

Victor Luca

Dr Victor Luca
Mayor KOROMATUA

Your Council

Ngā Kaikaunihera



Dr Victor Luca
Mayor



Lesley Immink
Deputy Mayor



Toni Boynton
Councillor, Kāpū-te-rangi
Māori Ward



Gavin Dennis
Councillor, Rangitāiki
General Ward



Andrew Iles
Councillor, Te Urewera
General Ward



Wilson James
Councillor, Rangitāiki
General Ward



Julie Jukes
Councillor, Whakatāne-
Ōhope General Ward



Tu O'Brien
Councillor, Rangitāiki
Māori Ward



John Pullar
Councillor, Whakatāne-
Ōhope General Ward



Ngapera Rangiaho
Councillor, Toi ki Uta
Māori Ward



Nándor Tánczos
Councillor, Whakatāne-
Ōhope General Ward

Who we are and what we do

Ko wai mātau, ā, he aha ā mātau mahi

The Council plays a crucial role in the Whakatāne District by providing essential services, facilities and recreational opportunities people use every day. The Whakatāne District is governed by 11 elected community representatives who make key decisions to guide our activities and shape the future of the district.

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

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

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

THE FOLLOWING ARE OUR GROUPS OF ACTIVITIES:



Our groups of activities, and everything we do at the Council works towards our vision, outcomes, and strategic priorities; to ensure and monitor our success each group of activities have performance measures. Our 'Delivering on our Outcomes, Vision and Priorities' section will report on the outcomes and strategic priority the activity works towards, how we performed, what the activities cost and how they were paid for in accordance with PBE FRS 48 Service Performance Reporting standard.

Our vision and community outcomes

Tō mātau matakitenga me ngā hua hapori

Our vision - 'More life in life' - and community outcomes were established through the Long Term Plan 2021-31. Our vision and outcomes set out the high-level direction and goals the 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 the 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 mātua



Strengthening iwi, hapū and whānau 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

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

All the activities we carry out contribute to the achievement of our community outcomes. If we achieve all the expectations we have set for our service delivery, we will be making progress on achieving all eight priorities.



Delivering on our vision, outcomes and priorities

Te whakatutukitanga
o te matakiteanga, ngā hua
me ngā mahi mātua

Summary of our delivery

Te whakarāpopototanga o te whakatutukitanga

Delivering on our vision, outcomes and priorities reports on how well the Council's activity groups performed during 2023-24 against the performance measures and targets set out in the Long-Term Plan 2021-31. The performance measures and targets are from year three (2023-2024) of our Long Term Plan 2021-31, which you can find on our website [whakatane.govt.nz](https://www.whakatane.govt.nz)

Service Performance

Ngā mahi kē

The Council has 69 non-financial measures contained in the 2021-31 Long Term Plan. This year 50 targets were achieved, while 19 did not achieve the target.

50
targets
achieved

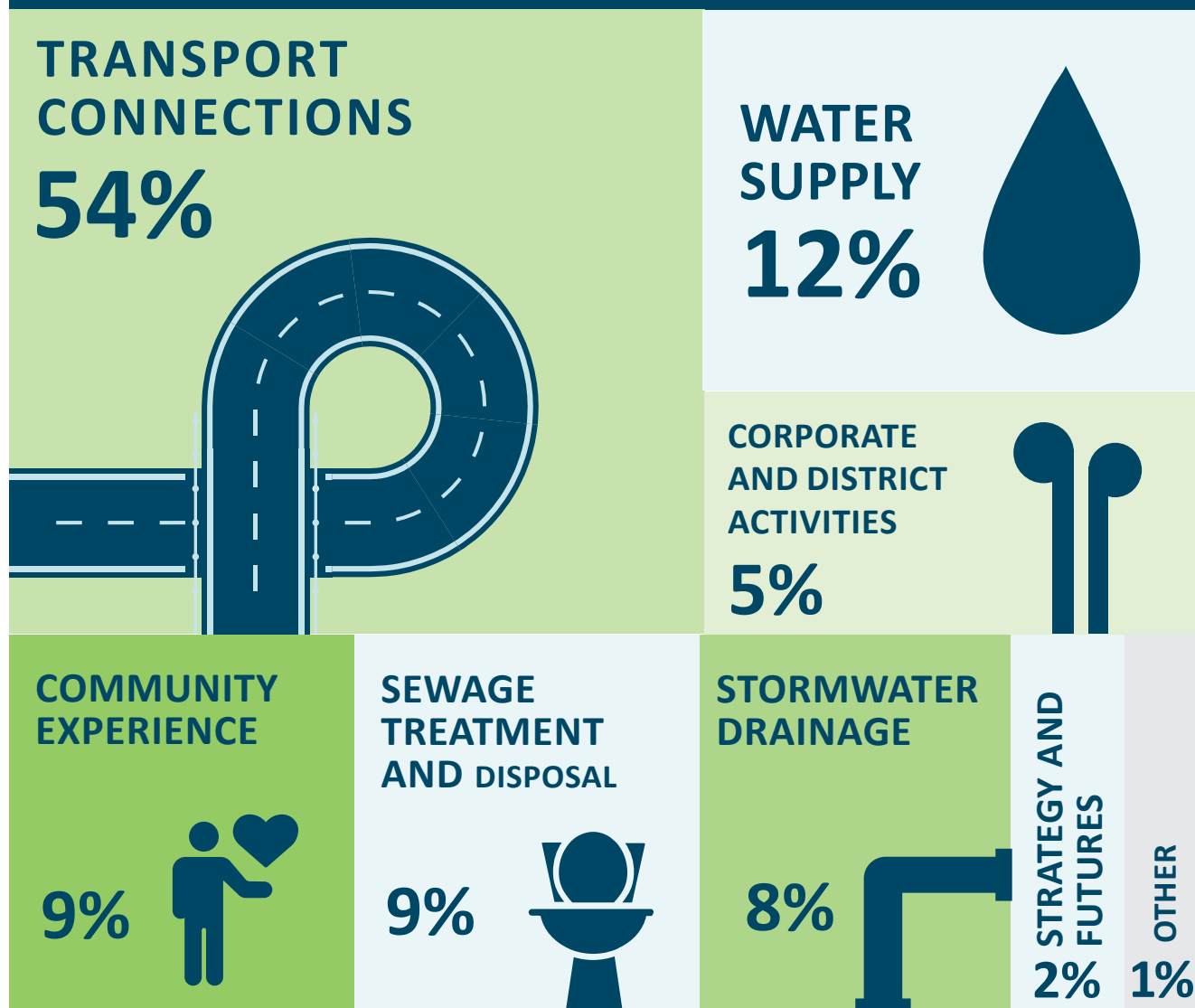


Overview of our financial and non-financial performance

Te tirohanga whānui o ngā hua
ahumoni me ngā mahi kē

We spent **\$45.5 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.



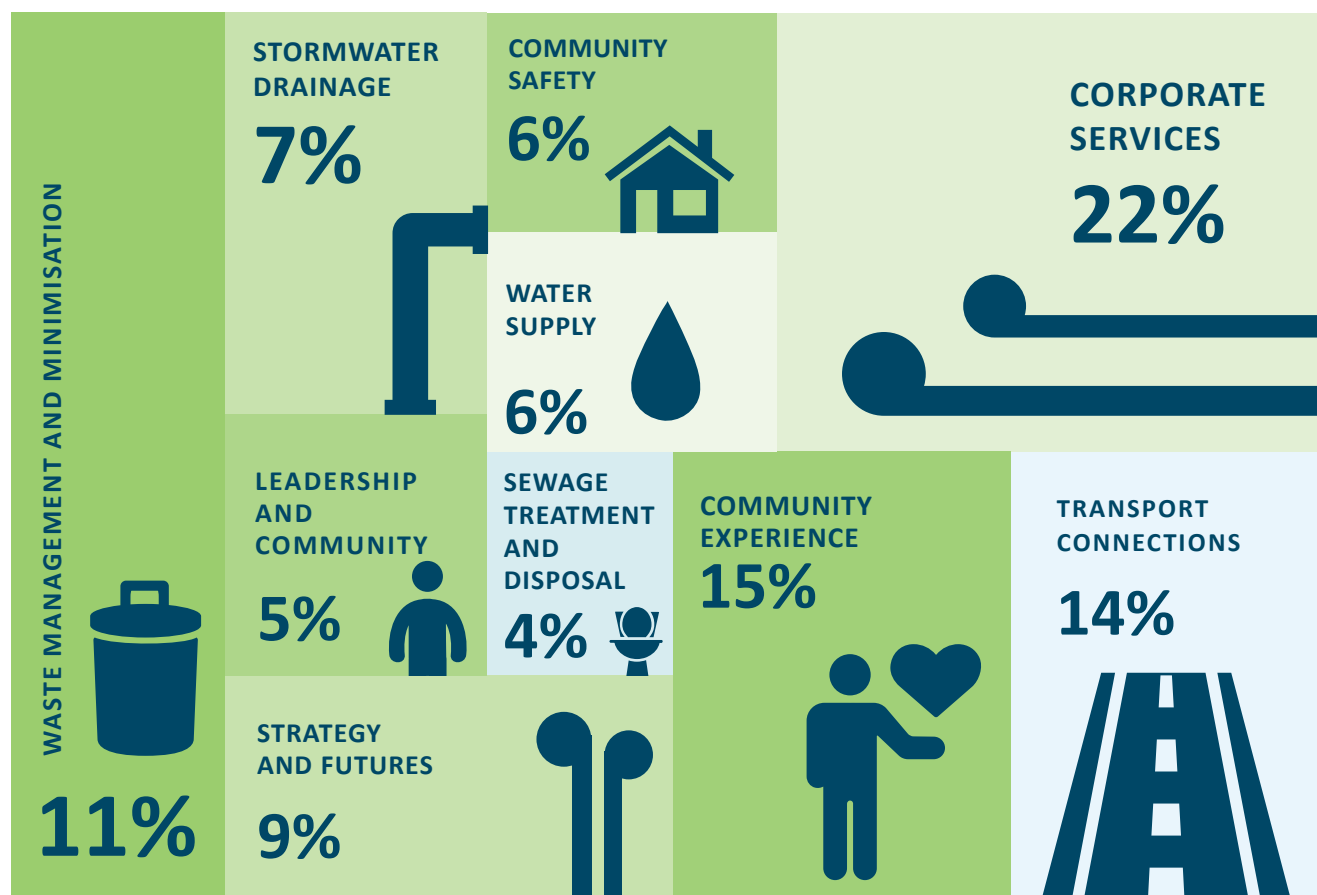
Operating spend against budgets

Te whakapaunga o te pūtea whakahaere i ngā tahua

We spent
\$76.6 million

on operating activities, services and facilities for our communities.

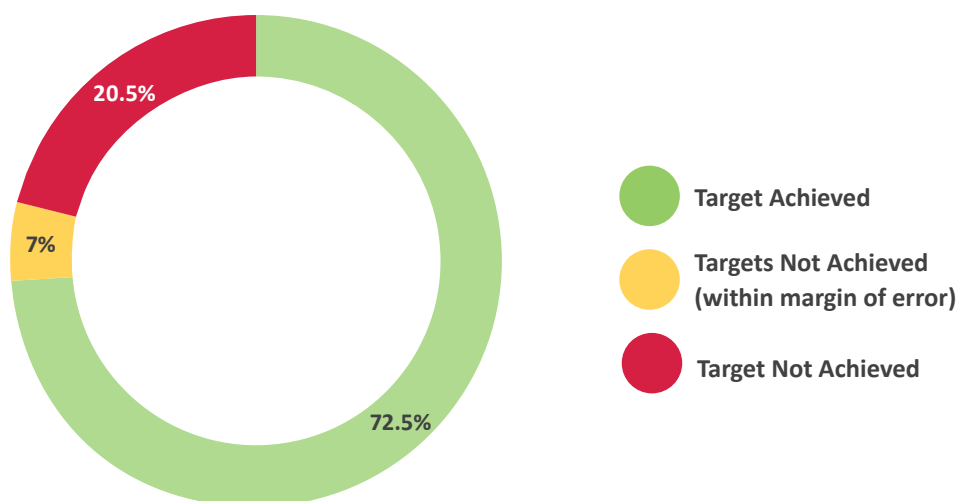
The following graph provides a breakdown of what we spent this money on. This is our operating expenditure and funds the day-to-day running costs of activities, services and facilities.



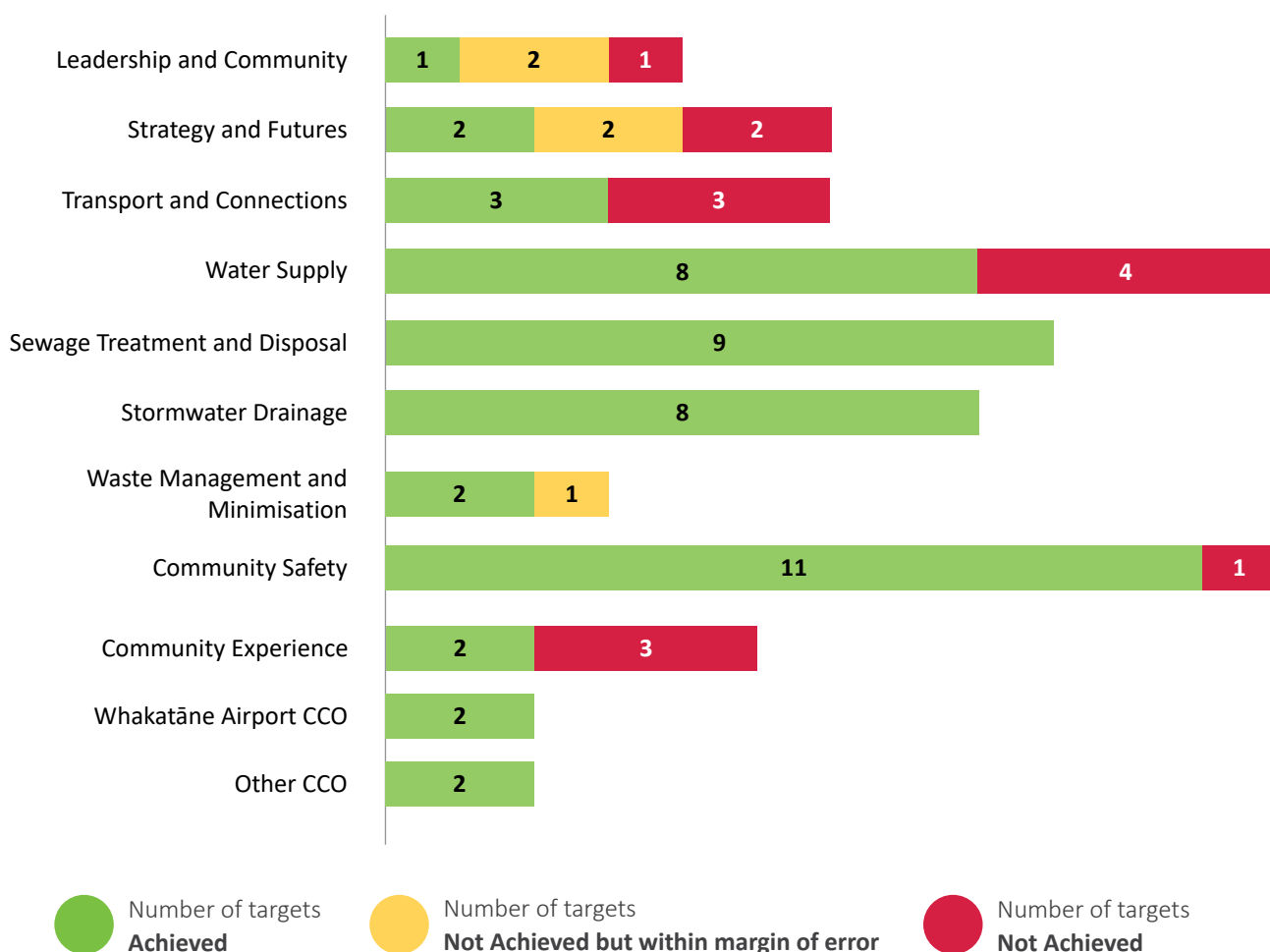
**Note these dollars and percentages align with our Whole of Council Funding Impact Statement and represent cash expenses only.*

Overview of Non-Financial Performance

Te tirohanga whānui o ngā mahi kē



2023/24 Non-Financial Performance Measure results



In summary our performance measure results show:

- The Council met target for 72.5 percent of all performance measures
- 85 percent of the mandated measures were met

Overall, 53 percent of residents were satisfied with services received from the Council on par with the national average of 54 percent. Taken together, 2024 results should be viewed in the context of the challenging economic environment that both the Council and residents are currently operating in. Residents are feeling the pressures of increasing costs of living and are more likely to assess Council performance and decision making in this light. Evidence indicates that residents have become even more proactively engaged in Council processes, and making formal submissions to the Council specifically. The occurrence of the Long Term Plan in the current year saw significant engagement in this process highlighting the increased importance of these issues and concerns to residents as the Council faces increasing costs and financial demands. Despite decreases in our own results, we have continued to perform well against broader benchmarks- indicating we are still maintaining comparable levels relative to similar councils nationally.

72.5%
performance measures
achieved

85% mandated
measures
met



LEADERSHIP AND COMMUNITY

Hautūtanga me te Hapori

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

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

Activities in this group:

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

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Constructively and collaboratively engaging with iwi, hapū, and whānau.

Key highlights

Ngā miramiratanga

- Live streaming Council meetings
- Three members elected to the Murupara Community Board
- Implementing our Te Toi Waka Whakareī Strategy
- Whakatāne becomes a Reorua Bilingual centre
- The launch of the Reorua ki Whakatāne Fund
- Expansion of our Community Plan programme
- Delivered 274 communication and engagement campaigns

Contribution to strategic priorities:



STRATEGY AND FUTURES

Ngā Rautaki me te tirohanga ki Anamata

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

Activities in this group:

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

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Constructively and collaboratively engaging with iwi, hapū, and whānau



Integrating nature into our decision-making



Thriving circular economies

Key highlights

Ngā miramiratanga

- Planning for the next ten years, preparation of the Long Term Plan 2024-2034
- Progressing the development of Our Places – Eastern Bay of Plenty Spatial Plan.
- Making room to grow – Proposed Plan Change 8
- The Whakatāne District Plan has gone digital
- Adoption of the Whakatāne Climate Pathway
- Community Events - Light Up Whakatāne and Local Wild Food Festival
- Wharfside at Port Ōhope – boosting revenue for local businesses

Contribution to strategic priorities:



TRANSPORT CONNECTIONS

Ngā hononga waka

This group of activities aims to provide a safe, reliable, and sustainable transport system that is accessible to everyone and caters to a variety of transport choices. This increasingly provides for pedestrians, cyclists, and the mobility impaired, alongside motorised vehicles.

We aim to deliver a well-functioning transport system that keeps people and places connected, supports a vibrant economy, and allows for efficient day-to-day running of our communities.

Note: Our transport network does not include State Highways or Baybus. These are delivered by NZ Transport Agency Waka Kotahi and Bay of Plenty Regional Council Respectively.

Activities in this group:

- Transport connections

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Integrating nature into our decision-making



Thriving circular economies

Key highlights

Ngā miramiratanga

- Mimiha Stream Bridge upgrade: a temporary bridge became operational as works for the permanent structure continue
- Completion of the Landing Road roundabout renewal and upgrade
- Stormwater and road safety improvements at Peace Street and Apanui Linear Park
- Thornton Road safety improvements – Smith Road to Walker Road
- 2023/24 seal extension programme saw the completion of Matatā Causeway, Paekoa Road, Rangi Road, Hallet Road, Mangone Road, Kawekawe Road and Opurana Road
- Permanent reinstatement of Herepuru Road, Stanley Road and Braemar Road following damage from severe weather
- Active Whakatāne Strategy continues to make active travel like walking, cycling, and scootering, safer and easier for everyone
- E-bike library launched
- Installation of advertising screens for Locky Docks. These promote community messages and local business advertising.

Contribution to strategic priorities:





PLANNING FOR THREE WATERS:

Three Waters Consent Replacement Strategy

The Council owns, operates, and maintains three waters infrastructure: municipal water supply, stormwater, and wastewater across urban areas within the Whakatāne District. Our three waters infrastructure, is separated into three Groups of Activities:

- Water Supply
- Stormwater
- Wastewater

In the Annual Plan 2023/24 we deferred three waters infrastructure projects to the Long Term Plan 2024-34. Despite this deferral, planning for these future projects has remained a key priority focus for the Council this past year. The change in government and its repeal of the Water Services Reform has impacted the way we plan to deliver three waters.

In May 2024, the Council's Infrastructure and Planning Committee approved the Three Waters Consent Replacement Strategy, which outlines the Council's approach to renewing resource consents for drinking water and wastewater. The Council is already underway with a plan for stormwater management and has lodged a comprehensive consent that will cover stormwater discharges in the Whakatāne township catchment. Similar consents for other schemes will start gradually over the next five to 10 years.

The Three Waters Consent Replacement Strategy aims to ensure the Council meets its regulatory obligations, environmental responsibilities, and community expectations for the three waters services while delivering this large work programme as efficiently as possible.

WATER SUPPLY

Ngā puna wai

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

Activities in this group:

- Water supply

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Integrating nature into our decision-making



Thriving circular economies



Constructively and collaboratively engaging with iwi, hapū and whānau

Key highlights

Ngā miramiratanga

- Major upgrade of the Braemar Water Treatment Plant
- Installation of automated chlorine dosing system at Murupara water treatment plant
- Water meter installations in Matatā
- Roll out of Smart Meters

Contribution to strategic priorities:



SEWAGE AND TREATMENT DISPOSAL

Te rāwekeweke me te rukea o te parakaingaki



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

Activities in this group:

- Sewage treatment and disposal

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Integrating nature into our decision-making



Thriving circular economies



Constructively and collaboratively engaging with iwi, hapū, and whānau

Key highlights

Ngā miramiratanga

- Matatā Wastewater Project continues with co-design, environmental monitoring, and commencement of testing.
- Upgrades commenced on the Ferry Road wastewater pump station and associated pipe network.

Contribution to strategic priorities:



STORMWATER DRAINAGE

Te awakeri o te wai āwhiowhio

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

Activities in this group:

- Stormwater drainage

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Integrating nature into our decision-making



Thriving circular economies



Constructively and collaboratively engaging with iwi, hapū, and whānau

Key highlights

Ngā miramiratanga

- Whakatāne Stormwater 2050: reviewing the management of stormwater including the quantity and quality of runoff to obtain a comprehensive stormwater consent (CSC) for the Whakatāne urban area.
- Hinemoa stormwater improvements commenced to upgrade aging infrastructure and improve resilience.

Contribution to strategic priorities:



WASTE MANAGEMENT AND MINIMISATION

Te Whakahaere me te Whakaiti Para

The Waste Management and Minimisation group is about protecting the health of people and the environment, by providing a reliable kerbside rubbish and recycling collection service and promoting waste minimisation and resource recovery. We aim to encourage and support waste reduction, reuse, and recycling through education programmes, and by providing the right infrastructure and services. Waste Management must meet the requirements of several pieces of legislation, including the Waste Minimisation Act 2008, the New Zealand Waste Strategy 2023, and the Local Government Act 2002.

Activities in this group:

- Waste management and minimisation

Contribution to the Council's vision and community outcomes:



Integrating nature into
our decision-making



Thriving circular
economies

Key highlights

Ngā miramiratanga

- Ministry for the Environment's standardised kerbside recycling came into effect in February 2024, enabling Whakatāne District residents to add grade 5 plastics and pizza boxes to their kerbside collection.
- Encouraging waste minimisation through education and behaviour initiatives such as the Love Food Hate Waste 'Eat me First' campaign.

Contribution to strategic priorities:



COMMUNITY SAFETY

Te marutau o te haponi

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

Activities in this group:

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

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Integrating nature into our decision-making

Key highlights

Ngā miramiratanga

- Ensuring environmental health and safety and community compliance through food control plans, national programmes, Health Act registrations, school lunch programmes and liquor license inspections.
- Education safety campaigns and events such as September Motorcycle Awareness month and the Amazing Race.
- Contributing to growth and sustainability with seven Papakāinga developments, two large solar farms and large rural subdivisions for Kiwifruit farming.
- Maintained our accreditation as a Building Consent Authority, granting 435 building consents valued at \$68.71 million, with an average processing time of 10.99 working days.
- Emergency Management; preparing for a tsunami, preparing for earthquakes, expanding our resources and supplies.

Contribution to strategic priorities:



COMMUNITY EXPERIENCE

Ngā wheako hapori

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

Activities in this group:

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

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Constructively and collaboratively engaging with iwi, hapū, and whānau

Key highlights

Ngā miramiratanga

- Council adopts first district wide Arts, Culture and Creativity Strategy – Te Rautaki Toi, Ahurea me Auahatanga.
- Life and works of Tame Iti explored in powerful exhibition 'Thou Shalt Not'
- 38th Annual Molly Morpeth Canaday Art Awards with 62 finalists and 495 award entries
- River access improvements to Wairaka Centennial Park
- Annual over 80's event held at the Memorial Hall
- Planning for future generations: Improving our recreation facilities with the staged investment of the Rex Morpeth Recreation Hub.
- Whakatāne Holiday Park re-brand, reaching financial milestone, and facilities upgrade.

Contribution to strategic priorities:





CORPORATE SERVICES AND COUNCIL CONTROLLED ORGANISATIONS

Ngā ratonga rangatōpū me ngā rōpū e whakahaerehia ana e te Kaunihera

The Corporate Services group of activities delivers a range of functions and services that support all activities of the Council. These are often referred to as our 'internal activities' and includes functions such as communication, digital services, financial services, human resources and property.

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

We have an interest in the following CCO's:

- Whakatāne Airport (Joint Venture)
- Toi-Economic Development Agency (Toi-EDA)
- Bay of Plenty Local Authority Shared Services Limited (BOPLASS) (company)

For more information on Corporate Services and CCO's please refer to the full annual report.

SUMMARY FINANCIAL STATEMENTS AND NOTES

Whakarāpopototanga o ngā Whakapuakanga Ahumoni

Figures and disclosures in the 2023/24 Summary Annual Report have been extracted from the full 2023/24 Annual Report.

The full 2023/24 Annual Report were authorised for issue by Council on the 20 March 2025.

Audit New Zealand has audited the full financial statements and issued an unmodified opinion on the audited information, excluding the non-financial performance information.

The non-financial performance information in the full Statement of Service Performance in the Annual Report was qualified with respect to being limited in ability to confirm the number of complaints relating to the wastewater, drinking water supply and performance of the stormwater system.

The audit report on the full financial statement also raised an emphasis of matter, without modifying their opinion, drawing attention to the uncertainty over whether the Whakatāne Boat Harbour project will progress, more detail of which is provided in the full financial statements in Note 13 on Page 145.

This Summary has been examined by Audit New Zealand for consistency with the full Annual Report. 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.

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. The Council of Whakatāne District Council confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with, with the exception of: Section S98 of the Local Government Act 2002 which requires that the Council adopts its annual report within four months after the end of the financial year. As the Council adopted its Long Term Plan 2024-2034 on 5 August 2024, Schedule 1AA, Part 8, S47 requires that the Council adopts its 2024 annual report within six months after the end of the financial year. The council adopted the Annual Report 2024 on 20 March 2025 which was outside the statutory deadline.

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 \$30.2 million (2023: \$8.129 million), operating leases as lessor of \$17.02 million (2023: \$15.242 million), operating leases as lessee of \$101 thousand (2023: \$132 thousand) and nil contingencies (2023: 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 \$178 thousand (2023: \$140 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 \$2.734 million deficit (2023 \$2.398 million deficit).

Events after balance date

On 17 December 2024 Parliament read the Local Government (Water Services) Bill (Bill 3) for the first time, marking the third instalment of the Coalition Government's 'Local Water Done Well' reforms which will establish a new regulatory framework for water services delivery. It was referred to the Finance and Expenditure Select Committee and submissions closed on 23 February 2025. A report is due back to parliament in June 2025.

The first stage, the Water Services Acts Repeal Act 2024, repealed Labour's previous 'Affordable Water' legislation, while the second stage, the Local Government (Water Services Preliminary Arrangements) Act, established preliminary arrangements for local government water services delivery. The statutory purpose of Bill 3 is to "establish a framework for local government to provide water services in a flexible, cost-effective, financially sustainable, and accountable manner", by providing a range of structural and financing tools, and by implementing a new economic regulation regime for water services providers.

Bill 3 informs the development of water services delivery plans (a one-off requirement to be submitted within 12 months of the enactment of the Preliminary Arrangements Act, i.e. by September 2025), and the regulatory settings in which future water services providers will operate.

Bill 3 provides for, among other things:

- Arrangements for the new water services delivery system
- A new economic regulation and consumer protection regime for water services
- Changes to the water quality regulatory framework and the water services regulator, and
- There will be a singular approach to resource consenting and mandatory national engineering standards for wastewater and stormwater infrastructure.

The full impact on council of the new legislation is yet to be determined but confirms that the three water services will remain in the hands of local government. (2023: Water Services Reform)

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2024

	ACTUAL 2024 \$000	BUDGET 2024 \$000	ACTUAL 2023 \$000
Rates	59,049	60,260	55,217
Susidies and Grants	27,983	33,613	17,722
Development and Financial Contributions	198	426	131
Fees and Charges	8,969	9,290	8,001
Interest Revenue	1,127	48	499
Other Revenue	3,780	3,773	4,857
Gains	272	5,544	1,483
Total Revenue	101,377	112,954	87,910
Personnel Costs	26,885	26,207	25,177
Depreciation and Amorisation Expense	26,392	27,896	23,086
Finance Costs	7,798	8,281	4,917
Other Expenses	43,375	41,911	37,526
Revaluation Losses	1,974	888	4,482
Total Expenses	106,423	105,183	95,188
Share of limited partnership and joint venture surplus (deficit)	(213)	(450)	(382)
Surplus (Deficit) Before Tax	(5,260)	7,321	(7,660)
Income Tax Expense (Benefit)	17	-	865
Surplus (Deficit) After Tax	(5,277)	7,321	(8,525)
Other Comprehensive Revenue and Expense of Joint Ventures / Associates	-	-	(227)
Gains (Loss) on Property, Plant and Equipment Revaluations	12,320	59,862	58,979
Deferred Tax on Revaluations	17	-	865
Other Comprehensive Revenue and Expense	12,337	59,862	59,617
Total Comprehensive Revenue and Expense	7,060	67,183	51,092

Major variances explained

The deficit before tax of \$5.26 million is \$12.6 million less than the budgeted surplus of \$7.3 million set in the 2024 Annual Plan. The variance is attributable to the following factors:

Revenue (\$11.6 million 10.2% lower than budget)

- Subsidies and grants were under budget by \$5.6 million due to delays

Expenditure (within budget by 1.18%)

- Depreciation was under budget by \$1.5 million. This is mainly due to incomplete capital projects
- Revaluation losses were \$1 million over budget. The losses were due to revaluation loss on investment properties, properties intended for sale and derivatives losses
- Personnel costs were \$0.7 million above budget
- Finance costs finished at \$0.5 million below budget due to interest rates declining

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	ACTUAL 2024 \$000	BUDGET 2024 \$000	ACTUAL 2023 \$000
TOTAL EQUITY	1,200,467	1,315,038	1,193,442
Total Current Assets	38,381	21,324	21,707
Total Non-Current Assets	1,347,622	1,497,459	1,318,075
TOTAL ASSETS	1,386,003	1,518,783	1,339,782
Total Current Liabilities	47,499	38,939	36,899
Total Non-Current Liabilities	138,038	164,807	109,441
TOTAL LIABILITIES	185,537	203,746	146,340
NET ASSETS (Assets minus Liabilities)	1,200,467	1,315,038	1,193,442

Major variances explained

The Net Assets variance to budget was 8.7% (\$114 million) less than budgeted.

Total Assets (\$133 million 8.7% lower than budget)

- Operational, Infrastructural and Restricted Assets were \$112 million below budget. This was mainly due to having to carry forward work on some capital projects.
- Work in progress was \$17.6 million below budget showing that more projects were capitalised than originally anticipated
- Cash and cash equivalents were \$13 million above budget due to a loan being uplifted close to balance date
- Investments in CCOs was under budget by \$5 million due to the harbour project milestones not being achieved as timely as anticipated.
- Investment property as \$6 million below budget due to some properties being transferred to operational assets and a drop in valuation for 2024

Total Liabilities (\$18.2 million 9% less than budget)

- Loans were \$26.3 million less than budget due to incomplete capital works
- Employee entitlements were \$2.8 million higher than originally forecast due to an 18% increase in valuation and wage movements
- Provisions were \$3.7 million higher than budgeted as a result of landfill provision increasing and future loss on sale of investment property increasing
- Payables and deferred revenue was above budget by \$1.6 million (8.4%) - this is mainly about the timing of receiving invoices

SUMMARY STATEMENT OF CHANGES IN NET ASSETS AND EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

	ACTUAL 2024 \$000	BUDGET 2024 \$000	ACTUAL 2023 \$000
Balance at 1 July	1,193,442	1,247,854	1,142,209
Total Comprehensive Revenue and Expense for the Year	7,060	67,183	51,092
ECL adjustment due to adoption of PBE IPSAS 41	-	-	141
Other Adjustment	(35)	-	-
Balance as at 30 June 2024	1,200,467	1,315,038	1,193,442

The Council's equity has been adjusted by the current year total comprehensive revenue and expense, a surplus of of \$7 million, which is the combination of the deficit after tax of \$5.3 million and a net gain on revaluation of \$12.3 million. The remaining movements are a result of movements in restricted reserves and council created reserves.

SUMMARY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2024

	ACTUAL 2024 \$000	BUDGET 2024 \$000	ACTUAL 2023 \$000
Net Cash Flow from Operating Activities	21,483	33,132	14,354
Net Cash Flow from Investing Activities	(45,375)	(86,820)	(42,227)
Net Cash Flow from Financing Activities	37,700	53,500	29,800
Net increase / decrease in Cash	13,808	(188)	1,927
Cash at beginning of year	3,815	5,000	1,888
Cash, Cash Equivalents and Bank Overdrafts at the End of the Year	17,623	4,812	3,815
Cash at Bank	17,623	4,812	3815

	ACTUAL 2023 \$000	CASH FLOWS	NON-CASH CHANGES		ACTUAL 2024 \$000
			Acquisition	New Leases	
Reconciliation of Liabilities Arising from Financing Activities					
Long Term Borrowings	113,500	40,000	-	-	153,500
Other Term Liabilities- Deposits Held	1,000	-	-	-	1,000
ANZ Short Term Loan	2,300	(2,300)	-	-	-
Total Debt	116,800	37,700	-	-	154,500

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 2024

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 2024.

The summary of the annual report comprises the following information on pages 11, 24 to 28:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary non-financial performance information (referred to as "Overview of non-financial performance" in the summary annual report).

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.

However, the summary non-financial performance information includes a limitation in scope to the equivalent extent as the full audited statement of service performance. This limitation is explained below in "*The full annual report and our audit report thereon*" section.

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.

INDEPENDENT AUDITOR'S REPORT

Pūrongo o he Kaitātari Kaute motuhake

The full annual report and our audit report thereon

We expressed a qualified opinion on the statement of service performance and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2024 in our auditor's report dated 20 March 2025. The basis for our qualified opinion on the statement of service performance is explained below.

Non-financial performance information: Our work was limited in respect of the number of complaints received about water supply, wastewater and stormwater

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measures Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the number of complaints received.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. The District Council and its afterhours call centre provider have not been recording and classifying complaints in accordance with this guidance and the method of recording was likely to have understated the actual number of complaints received.

As a result, our audit work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures.

Our opinion on these performance measures was also qualified for the 2023 performance year.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the uncertainty over the Whakatane Boat Harbour project as described in Note 13 of the full financial statements.

Information about this matter is also disclosed on page 24 of Whakatane District Council's summary annual report.

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

INDEPENDENT AUDITOR'S REPORT

Pūrongo o he Kaitātari Kaute motuhake

and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we will perform a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council.



Clarence Susan,
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand
14 April 2025



WHAKATĀNE DISTRICT COUNCIL

Civic Centre, 14 Commerce Street, Whakatāne
Private Bag 1002, Whakatāne 3158

Email: info@whakatane.govt.nz
Phone: 07 306 0500
Fax: 07 307 0718
Website: whakatane.govt.nz



Whakatāne District Council



@whakataneDC1

SERVICE CENTRE MURUPARA

Pine Drive, Murupara
Phone: 07 366 5896
Fax: 07 366 5897