



ANNUAL REPORT

TE PŪRONGO Ā-TAU 2023/24

For the period 1 July 2023 to 30 June 2024

whakatane.govt.nz

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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 matakite me ngā hua hāpori

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



How to read this section of the report

He whakamāramatanga o tēnei wāhanga

Delivering on our vision, outcomes and priorities reports on how well the Council's activity groups performed in 2023-24 against the performance measures and targets set out in the 2021-31 Long Term Plan. An overview of our performance is provided before moving into sections for each of these activity groups.

For each activity grouping it will tell you:

Service Performance

What community vision and outcome it supports.



CONSTRUCTIVELY AND COLLABORATIVELY ENGAGING WITH WHĀNAU, HAPŪ AND IWI



STRONG, CONNECTED, INTERDEPENDENT, DIVERSE COMMUNITIES



INTERGRATING NATURE INTO OUR DECISION MAKING



THRIVING CIRCULAR COMMUNITIES

What's happened this year and which strategic priority it has contributed to.



How well we performed against our performance measures.

Funding Impact Statements

What these activities cost and how they were paid for.

Service performance

All the activities we carry out contribute to the achievement of our vision, outcomes and our eight priorities. Each activity has performance measures that show how well we are delivering our services to the community. The performance measures and targets are from year three (2023-24) of our 2021-31 Long Term Plan, which you can find on our website whakatane.govt.nz/Public-Documents/Council-Plans.

The Council has 69 non-financial measures contained in the 2021-31 Long Term Plan. Within the 69 non-financial performance measures, 33 are mandatory as outlined in the Local Government Act 2002. These mandatory performance measures follow Department of Internal Affairs guidance and are indicated by an (M).

Monitoring our non-financial performance allows us to see how we are tracking against the levels of service we said the community can expect from us. This means we can identify areas for specific focus if required. We review our measures and structure every three years when we develop each long term plan. This is the third time we are reporting on our performance against the 2021-31 Long Term Plan measures, the last in this planning cycle.

We have selected a range of measures to help the public assess the level of service for major aspects that are meaningful for the community. These include measuring how timely we are, our key project milestones, community perceptions and how happy users are. Fifteen of our measures relate to our 2023/24 Resident Survey, which is undertaken by SIL Research. The purpose of this research is to engage with residents, to determine levels of satisfaction and perceptions of the Council's services, communications, and management. One hundred and fifty survey responses were collected each quarter, providing a total sample of 600 surveys for the final analysis.

Overall results are reported with margins of error at a 95 percent confidence level, with individual margins of error provided as a note below each measure throughout this report. There are no significant judgements on aggregation.

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

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

The Statement of Service performance within the Annual report was prepared in accordance with and comply with New Zealand Generally Accepted Accounting Principles (GAAP) and comply with Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity.

What these activities cost and how they were paid for (Funding Impact Statement)

The Funding Impact Statement for each group of activities shows our budgeted costs, as provided for in our Long Term Plan 2021-31, and our actual costs during the 2023/24 year. It also describes how the activities were funded and includes information about our internal borrowing movements for the activities in 2023/24. An explanation of the categories used in these statements can be found on the next page.

Explanation of categories in the Funding Impact Statements

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

Operational

Sources of operating funding (revenue)

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

Applications of operating funding (expenditure)

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

Capital

Sources of capital funding

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

Applications of capital funding

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

Overview of our financial and non-financial performance

Te tirohanga whānui o ngā
hua ahumoni me ngā hua kē

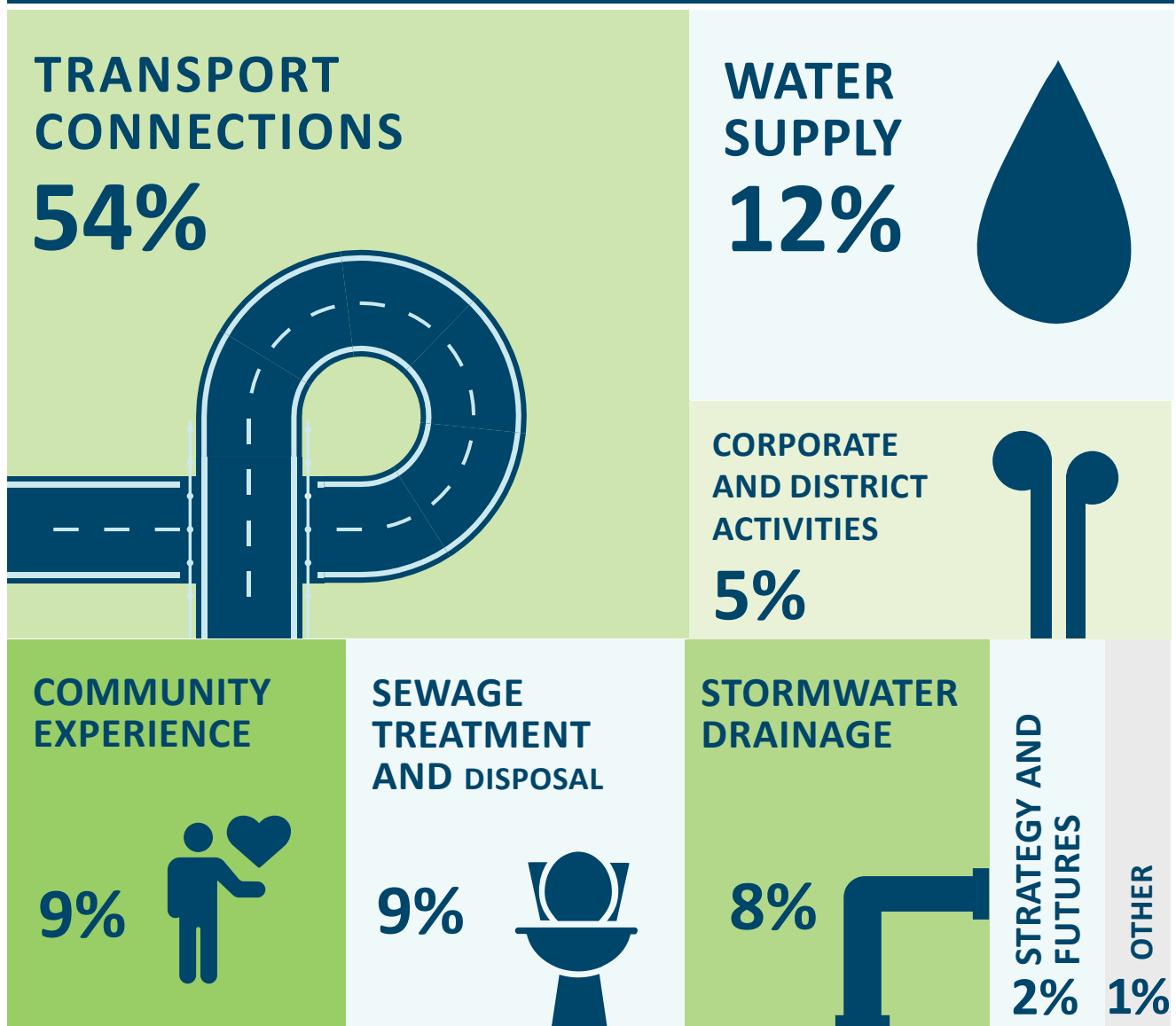


We spent

\$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.

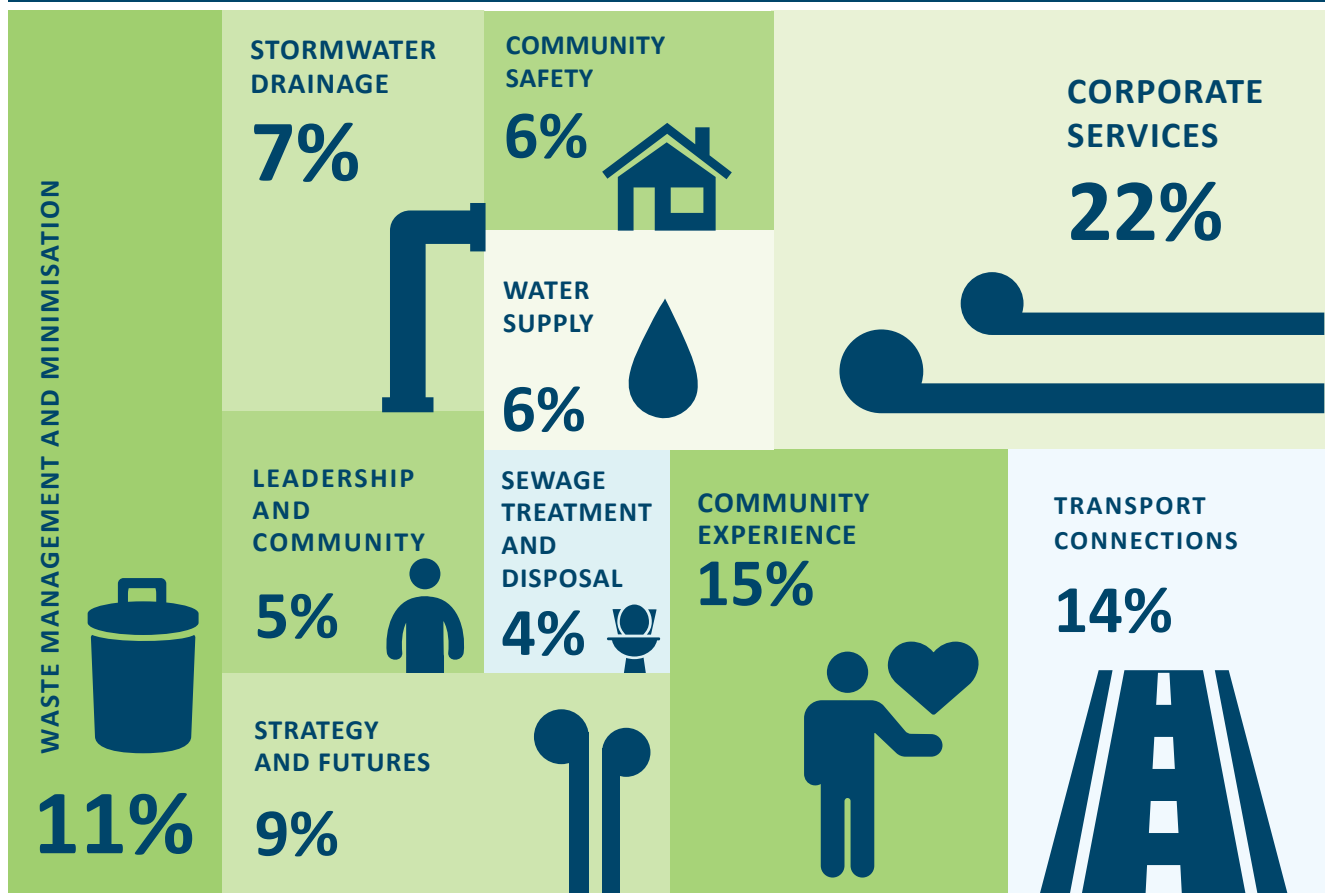


Operating spend against budgets

Te whakapaunga o te pūtea whakahaere i ngā tahua

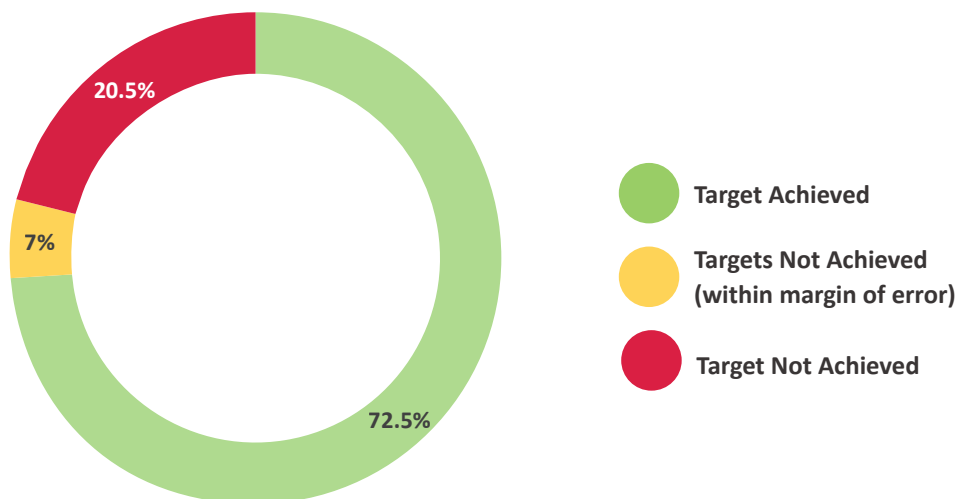
**We spent
\$76.7 million**
on operating activities, services
and facilities for our communities.

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

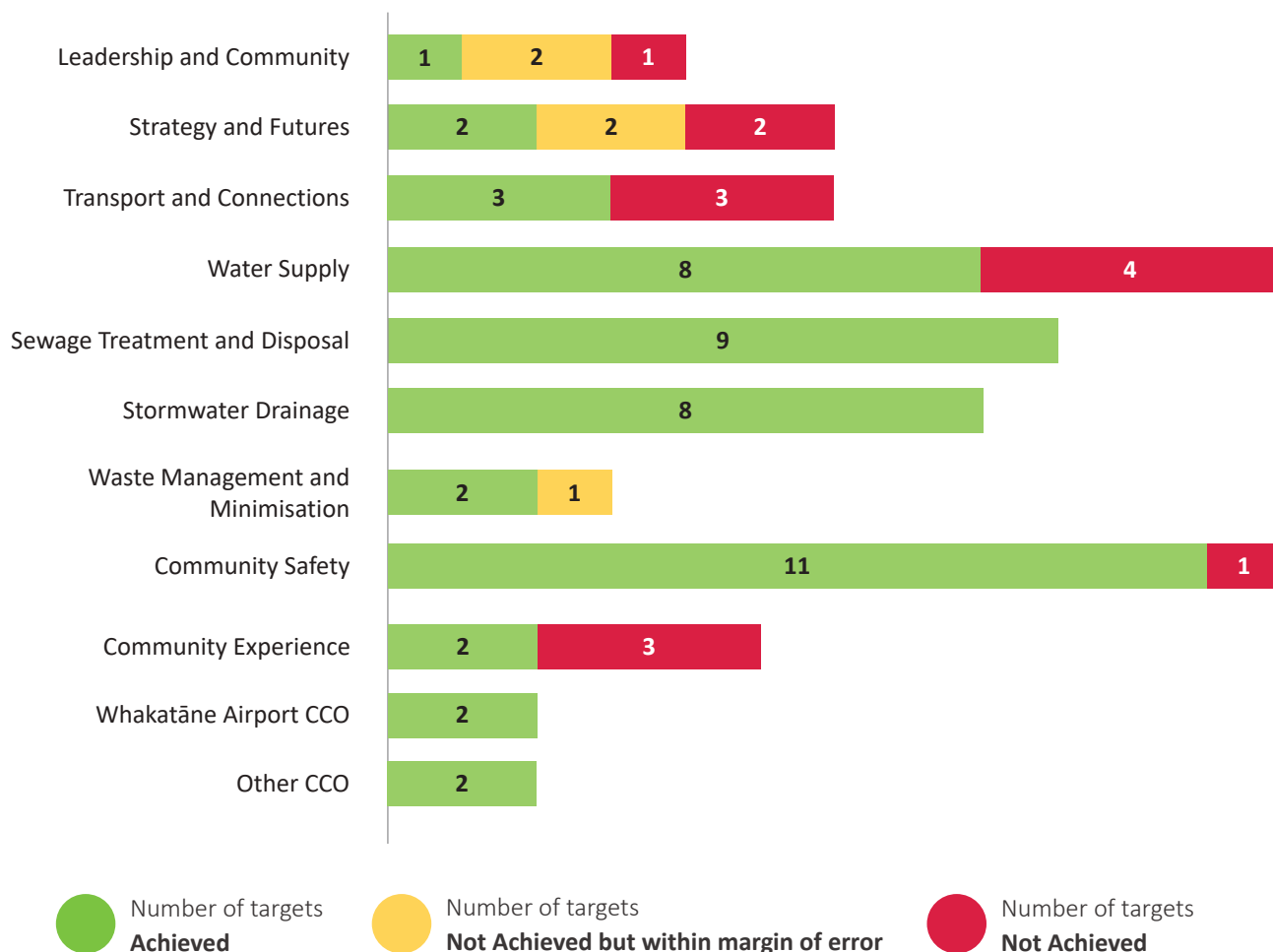


Overview of Non-Financial Performance

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.

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

72.5% performance
measures
achieved

85% mandated
measures
met





LEADERSHIP AND COMMUNITY

Hautūtanga me te Hapori

Activities in this group:

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

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.

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



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

1/4

Performance measures met

What's happened this year?

I ahatia i tēnei tau?

Live streaming Council meetings

*Strategic priority it
has contributed to:*



The refurbishment of the main Council building in 2023 involved the installation of new technology which has enabled live streaming from Council Chambers. The Council began live streaming meetings, via its YouTube channel, in February 2024. The purpose of live streaming is to provide people in our communities' greater opportunity to see the decision-making process as it happens and understand the context behind decisions. Live streaming delivers greater transparency and access to local government and democracy. Anyone can visit the Council's YouTube channel and watch Council meetings in real-time. These meetings are also recorded and uploaded to the YouTube channel so they can be viewed later.

Murupara Community Board

*Strategic priority it
has contributed to:*



The Murupara Community Board covers the Te Urewera General Ward and the Toi ki Uta Māori Wards areas and includes the communities of Waiohau, Galatea, Murupara, Te Whāiti, Minginui and Ruatāhuna. The ward is split into three subdivisions for election onto the Board. Murupara has three members, Galatea has two and Te Urewera has one. The Board welcomed three new members through-out the 2023/24 year. In September 2023 they welcomed Memory Edmonds and Sheena Jones. Both candidates were nominated for the two vacancies and were elected unopposed through a by-election. They replaced two members who had resigned.

In April 2024 a by-election was required for one vacancy for the Galatea-Waiōhau Subdivision. The by-election was conducted by postal vote under the provisions of the Local Electoral Act 2001 and the Local Electoral Regulations 2001 and was undertaken by Election Services, under contract to the Council. Jesse Morgan-Ranui was elected in May 2024.



Māori relationships

The Council is dedicated to collaborating with iwi, hapū and whānau within the district to achieve improved outcomes for communities. With Māori comprising 48.6 percent of the district's population and with many iwi and hapū located in some of Aotearoa's smallest and most remote communities, we strive for an inclusive and equitable approach that meets the diverse needs of all residents, by ensuring their voices are heard and integrated into decision-making.

Statistics – Ngā Tatauranga*



48.6 percent* of the population in the Whakatāne District is Māori.

* Source: 2023 New Zealand Census, StatsNZ.



There are eight settled iwi and 81 hapū in the district.



Implementing our Te Toi Waka Whakarei Strategy

Strategic priority it has contributed to:



In our 2023-24 Annual Plan we committed to implementing our Te Toi Waka Whakarei Strategy. Highlights from this year include Whakatāne Reorua, the establishment of the Reorua ki Whakatāne Fund, and the establishment of the Iwi Policy Hub governance group which aims to enable iwi to participate and engage in a significant suite of strategy, policy and legislative proposals that affect the Whakatāne District.

Whakatāne becomes a Reorua Bilingual centre



In September 2023 Reorua ki Whakatāne was established in partnership between Te Rūnanga o Ngāti Awa and the Council. Reorua ki Whakatāne provides more opportunities for people to learn and practice te reo Māori in an inclusive and supportive environment. Te Rūnanga o Ngāti Awa and the Council leadership teams have been working to establish Whakatāne as a bilingual centre to strengthen the cultural fabric of the town.

The initiative is supported by Aotearoa Reorua*, a national movement that supports towns and cities across New Zealand to become bilingual centres. Iwi partners and council's work together to develop a bilingual strategy for their centre to create more spaces, places, and opportunities where te reo Māori is seen, heard, and celebrated alongside the English language.

**Aotearoa Reorua is led by the Department of Internal Affairs with support from Te Puni Kōkiri, Te Taura Whiri i te Reo Māori and Te Mātāwai.*

Reorua ki Whakatāne Fund

*Strategic priority it
has contributed to:*



The Reorua ki Whakatāne Fund was established to promote the use of the Māori language in Whakatāne. This is a contestable fund available to not-for profit organisations and locally owned businesses in Whakatāne. The aronga/purpose of this fund is to support bilingual events and activities that help Whakatāne and Ngāti Awa meet the Reorua ki Whakatāne goals. Administered by the Council in partnership with Te Rūnanga o Ngāti Awa, this fund is part of the broader Aotearoa Reorua movement.

The first tranche of funding, which opened in March 2024, received 13 applications from businesses, community groups, and individuals for projects aligned with the initiative's goals of enhancing community benefits and fostering bilingualism. Applications included plans for educational purposes, building the awareness of tikanga, Matariki celebrations, the commemoration of Te Pūtake o te Riri: Wars and Conflicts in New Zealand, succession plans, wānanga, resources relating to kōrero and a pōhiri for the launch of Te Puāwaitanga o te Rangatahi. The second tranche of funding opened for applications in late May 2024.

*Ka tau atu te tangata ki Whakatāne ka rangona te wairua
me te reo o Wairaka i raro i te korowai o Ngāti Awa.*

**Within the warm embrace of Ngāti Awa the spirit and welcoming
voice of Wairaka resonates for all in Whakatāne.**



Community engagement

*Strategic priority it
has contributed to:*



Throughout the year, we carried out a variety of initiatives aimed at delivering effective, helpful, and relevant communication and engagement for our communities.

In total, we delivered 274 communication and engagement campaigns across various projects and initiatives. Recognising the importance of reaching people through multiple channels, each campaign can include tactics like; social media posts, letters to residents, website updates, newspaper and radio adverts, consultation documents, FAQs, drop-in sessions, and attendance at events across the district.

Some of the major campaigns included (but not limited to):

- Landing Road roundabout
- Fees and Charges
- Our Places – Eastern Bay Spatial Plan
- Rex Morpeth Recreation Hub
- Community safety camera (CCTV) project
- Long Term Plan consultation
- Climate Change consultation
- Mimiha Bridge
- Plan Change 8 – Making Room to Grow

Our website traffic remained relatively steady, with a 0.13 percent increase in active users (the number of unique users who engaged with our website), rising from 153,488 in 2023 to 153,689 in 2024. Sessions grew by 8.53 percent, from 297,298 in 2023 to 322,658 in 2024.

More than 13,536 people are now following our social media channels, and we received 24,459 engagement likes on our posts during the first half of the year. However, Facebook's recent metrics change means we now focus on tracking 'followers' instead of likes.

We maintained an active media presence, releasing 105 media stories and responding to 95 media/interview requests, with the majority addressed within 24 hours. Across the district, we produced 20 newsletters for our communities, including four for Murupara, five for Rangitāiki, and 11 for Ōhope/Whakatāne (Ko Konei).

During the year, 12 formal consultation processes were undertaken, with around 2,103 formal submissions received through our online engagement platform Kōrero Mai.

Community partnerships

*Strategic priority it
has contributed to:*















This year has seen the expansion of our community plan programme with the completion of the Ōtamakaukau (Awatapu) Plan and the update of the Edgumbe Plan. The following community plans are in development: Murupara, Piripai (Coastlands) and Matatā. The development of a Diversity, Equity and Inclusion Policy has been a large focus this year, as has the adoption of the Community Funding Policy and associated improved processes.

The social sector continued to be supported through the Community Wellbeing Project including hosting networking events. The facilitation of the Youth Council and involvement in community and road safety have also been central to our community development work.


How we performed


Ā mātau mahi

PERFORMANCE MEASURES (HOW WE WILL MEASURE OUR SERVICE DELIVERY)	2024	2023	2022	MARGIN OF ERROR	TARGET
Percentage of users of the whakatane.govt.nz website that remain engaged.	 82%	 87%	 73%	NA	77%
	<p>We reached our target for engagement for this period. We are seeing a downward trend in the data as there has been an increase in short spikes and underlying 'bot' traffic that skews the long-term averages. Research is ongoing to find the best method to address this in reporting.</p> <p>Projects on the website included the launch of Live streaming of Council meetings, Online Property File development and testing with stakeholders and improvements to our civil defence event website processes.</p>				
Overall satisfaction with performance in communicating with residents and ratepayers.	 42%	 45%	 46%	±4%	2024: 50% 2023: 47% 2022: 45%
	<p>Overall, in 2024, 42% of residents were satisfied with Council's performance in communicating and consulting with the public, with no significant trends over time. However, there were noted differences based on both age and area.</p>				
User satisfaction with Council's Customer Service front desk.	 73%	 75%	 77%	±6%	76%
	<p>Satisfaction with customer service contact in 2024 (73%) was similar to 2023 (75%). The gradual downward trend over the last four years was not statistically significant and although the performance measure has not been met, it is still within the margin of error.</p> <p>Face to face contact is the third most common method of council contact, following telephone and email.</p>				
Overall satisfaction with services received from the Whakatāne District Council.	 53%	 61%	 61%	±4%	Equal to or above Aotearoa New Zealand benchmark. 2024: 54% 2023: 58% 2022: 62%
	<p>Overall, over half of residents (53%) were satisfied with services received from the Whakatāne District Council over the 2024 year (lower than 61% in 2023, but on par with both the overall national (54%) and district council (56%) New Zealand Benchmarking Survey figures.</p>				

LEGEND

 Achieved

 Not Achieved
(but within MOE ±%)

 Not achieved

What these activities cost and how they were paid for

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

FUNDING IMPACT STATEMENT: LEADERSHIP AND COMMUNITY WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2024	LTP 2022/23 \$000	LTP 2023/24 \$000	Actual 2023/24 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,230	3,175	3,071
Targeted Rates	376	383	380
Subsidies and grants for operating purposes	-	-	179
Fees and Charges	-	-	(1)
Internal charges and overheads recovered	1,484	1,550	1,411
Local authorities fuel tax, fines, infringement fees, and other	23	3	99
Sources of operating funding (A)	5,113	5,111	5,138
Applications of operating funding			
Payments to staff and suppliers	3,655	3,698	4,153
Finance costs	2	1	3
Internal charges and overheads applied	1,374	1,310	1,688
Other operating funding applications	-	-	-
Applications of operating funding (B)	5,030	5,009	5,843
Surplus (deficit) of operating funding (A-B)	83	102	(706)
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(6)	(6)	(6)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	(6)	(6)	(6)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	77	97	(711)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	77	97	(711)
Surplus (deficit) of capital funding (C-D)	(83)	(102)	706
Funding Balance ((A-B) + (C-D))	-	-	-



STRATEGY AND FUTURES

Ngā Rautaki me te tirohanga ki Anamata

Activities in this group:

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

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 the district and communities change, we aim to meet these evolving needs, and work towards a future that is important to all of us

2/6

Performance
measures met

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

What's happened this year?

I ahatia i tēnei tau?

The development of the Long Term Plan 2024-34

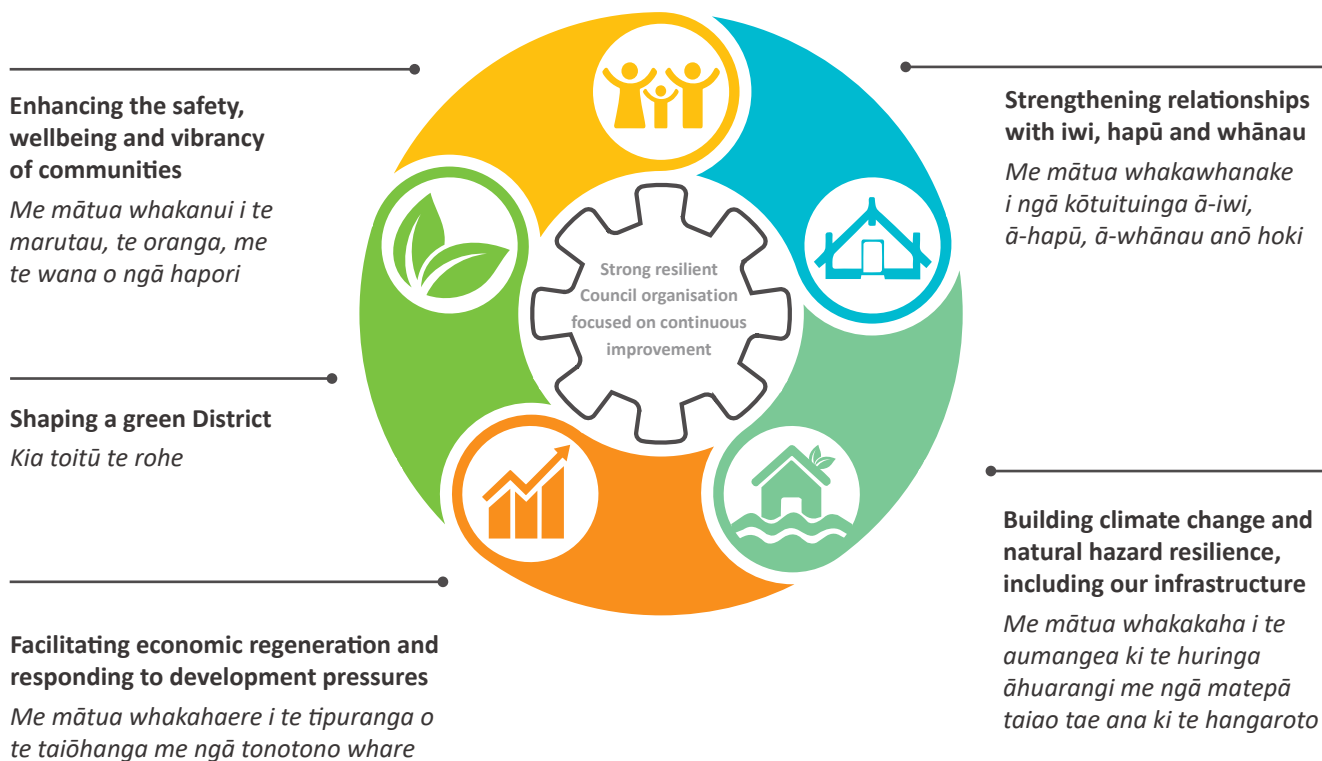
Strategic priority it
has contributed to:



The Long Term Plan, a critical requirement under the Local Government Act, serves as a comprehensive 10-year work programme and budget and includes specific funding and financial management policies and plans.

The Council reviewed its vision, community and strategic priorities through a series of workshops and pre-engagement for the Long Term Plan. The Council sharpened the pencil on its strategic priorities from eight down to five setting the framework for a thorough review of Council's Levels of Service (LoS) and opportunities for improvement.

These five priorities are as follows.



In June 2023, discussions with the community about the Long Term Plan 2024-34 started. We went out to communities to talk about the Council's proposed five strategic priorities and find out what's important when planning for the next 10 years. More than 360 submissions were received, which was the most the council had ever received during the early stages of developing a Long Term Plan.

Councils across Aotearoa New Zealand, including ours, are grappling with rising inflation, increasing costs, and critical infrastructure needs, leading to higher rates increases. Despite previous efforts to keep rates low, a funding gap has emerged, exacerbated by an unsustainable funding model that relies heavily on ratepayers. Amidst these challenges, the Council has remained focused on our communities, ensuring we understand what matters most as we developed the next Long Term Plan.

The Council received almost 1,000 submissions from individuals and groups and heard from approximately 80 submitters during public hearings that occurred in April and May 2024. There was a clear message from many submitters that ‘times are tough’. The Council is acutely aware of the need to balance the extremes of delivering only basic services, with its requirement to plan for thriving, vibrant communities that will serve future generations.

Key decisions made through Long Term Plan include:

- The prioritisation of health and safety improvements up to \$7.8 million in value over the next four years for the War Memorial Hall and Rugby Park, and development of a master plan an external funding plan for redevelopment of the Rex Morpeth Recreation Hub.
- Retaining the status quo for kerbside collection, rather than introducing a new kerbside foodwaste collection service.
- Closing the funding deficit (caused by significant inflationary increases) over a six-year period.
- Lowering the fixed portion of rates (Uniform Annual General Charge) to 20 percent to address cost of living increases and better reflect the ability of lower-value property owners to pay.

The adoption of the 2024-34 Long Term Plan was anticipated to be completed by 30 June 2024 but faced delays. The Long Term Plan 2024-34 was adopted on 5 August, 2024.



Making room to grow – Proposed Plan Change 8

**Strategic priority it
has contributed to:**



In 2021, the owners of 12 Huna Road approached the Council because they wanted to develop their property. There was a strong strategic case for the Council to develop this as a public plan change, allowing it to be rezoned and enable housing to provide for growth that meets the requirements under the National Policy Statement Urban Development. In addition, neighbouring properties have been included at their owners' request.

A concept plan for the development has been completed as well as the supporting technical work. The change will provide for a diverse range of housing, including Papakāinga housing, and a coordinated approach to the development of infrastructure. Papakāinga housing emphasises communal living and shared resources, creating a vibrant and supportive environment for residents. Kawarehe Trust, which owns the neighbouring land, Te Tohu o te Ora o Ngāti Awa, Ministry of Housing and Urban Development and the Council have worked together to plan for housing solutions that will meet the needs of Trust beneficiaries, whānau and the wider community.

In December 2023 the Environment, Energy and Resilience Committee approved the public notification of Proposed Plan Change 8, with the submissions and further submissions periods in February 2024 and May 2024, respectively. Council staff are now working through these and preparing for a hearing.

Ensuring our infrastructure, facilities and services have capacity for growth

Strategic priority it has contributed to:



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

Partners in this collaborative project include the Eastern Bay of Plenty councils, iwi authorities and central government agencies. Building effective and enduring partnerships will ensure that the needs and development aspirations of all Eastern Bay of Plenty communities are understood, and the plan is focused on the most important community interests within the sub-region.

To address the challenging natural geography of the subregion, rising housing demand, pressure on existing infrastructure, and the growth of key industries, solutions must come from strong collaborative partnerships. It is also important to manage growth so that we achieve appropriate well-being outcomes that enable communities to live and access the lifestyle they want.

The development of the Spatial Plan will help convey the Eastern Bay of Plenty's priorities, guiding investments and activities undertaken by the Council and the other partners to the plan. We anticipate completing the plan by mid to late 2025.

During the 2023/24 financial year, the following key activities have been undertaken:

- Three waters assessment and transport assessment of development options
- Finalising a draft development options report
- Initial 'Friends of Our Places' stakeholder meeting
- Planning for public engagement in late 2024

The Whakatāne District Plan has gone digital

Strategic priority it has contributed to:



A district plan serves as a key document, offering crucial policy guidance and regulatory frameworks for land development and usage. Councils throughout the country were tasked with improving accessibility for district plans, with the Ministry for the Environment mandating all councils to have an online interactive plan that met the requirements of the National Planning Standards.

In May 2024 an ePlan tool was launched enabling access to information from the District Plan on any device. The ePlan allows users to pinpoint relevant information easily, with intuitive search functions and customisable filters, making it easier to do business with the Council in the regulatory space. Users can search for a specific property and use filters to narrow down the relevant parts of the District Plan they want to view. While the structure was rearranged to meet the requirements of the National Planning standards, the content of the District Plan did not change. Previously, the District Plan could only be accessed through separate maps in hard copy form or as a series of PDF documents.



*Check out the ePlan at
whakatane.govt.nz/eplan*



Community events - Light Up Whakatāne and Local Wild Food Festival

*Strategic priority it
has contributed to:*



The Local Wild Food Festival and Trust Horizon Light Up Whakatāne are important events in the Whakatāne District and the Council is proud to provide leadership, coordination and sponsorship of these two key events which reflect our people and place. Both these events are finalists in the NZ Event Awards and it is planned that their success will continue for years to come.

Trust Horizon Light Up Whakatāne celebrates the arts through an interactive light art trail and community festivals that focus on local music and dance. This event's purpose is to bring the community together in the town centre and it is a collaborative effort by Arts Whakatāne, EPIC town centre group and the Council. The event was held over ten nights from 28 July to 6 August 2023. Under the darkness of winter, light activations and digital displays by local and regional artists illuminated the Whakatāne CBD bringing light and joy to the community. A huge amount of community support from sponsors, funders, artists, performance groups, hapū, schools, businesses and community organisations contributed to the success of this event.

The Local Wild Food Festival took place in February 2024 at Mahy Reserve, Ōhōpe. The festival focuses on celebrating our natural food abundance and encourages the community to create dishes, taste local delicacies and learn about wild and local foods that are available in our rohe. The festival was supported by budding amateur chefs, judges, cooking demonstrations, hapū, school groups, environmental organisations and more- many of whom give their time for free. There was a challenge element to the food festival with prizes up for grabs across multiple categories. Participants were asked to create a dish using at least one wild food ingredient- from the land, sea, river or lake. Mahy Reserve provides a relaxed atmosphere with live music, food trucks, local food demonstrations and markets.

Attracting more visitors outside the peak summer period is a priority for the Tourism and Events team. Events, such as the Local Wild Food Festival, which attracted 2,300 people, including 45 percent from out of town, highlight the effectiveness of these initiatives.

Whakatāne Climate Pathway

*Strategic priority it
has contributed to:*



Whakatāne District Council is committed to addressing the impacts of climate change and building community resilience. In 2020 it adopted its first Climate Change Strategy which set targets for both the organisation and wider district. In 2023 the strategy underwent a comprehensive review. This was a robust process that involved a technical advisory group, a steering group, as well as public consultation in August – September 2023 and again in April – May 2024 to gather feedback and input. The result is a pathway that helps Council and community partners work together to shape sustainable, low-emission, climate resilient communities.

The Council's adoption of the revised strategy in June 2024 signifies a commitment to supporting and facilitating the actions rather than asserting ownership. The Council acknowledges that achieving the strategy's targets requires a concerted effort from the entire community. While the Council will play a crucial role, it recognises that broader community engagement and action are essential. The supporting plan includes a broad range of actions from 'buying local and seasonal' to 'active travel to work or school' which the community can work towards collectively.

Our Climate Pathway defines a vision to deliver on our community's climate change aspirations, covering both adaptation (enhancing our resilience to a changing climate) and mitigation (significantly reducing our greenhouse gas emissions) and is available on our website whakatane.govt.nz/climate-change.

Wharfside at Port Ōhope – boosting revenue for local businesses

*Strategic priority it
has contributed to:*



Wharfside is one of several activations managed by the Council's Tourism and Events team to stimulate the visitor economy. The harbourside hub, situated at the Eastern end of Ōhope, meets demand from visitors staying nearby at the Ōhope Beach Top 10 holiday park, Ōhope Beach Resort and holiday homes. Over the summer period the popular spot hosted a variety of food trucks, Dream Bean coffee, Paddleboard and e-scooters hire, Mata Brewery, and a pop-up isite. An example of a business that experienced a boost in revenue over the summer period was Mata Brewery which operated a successful pop-up bar at Wharfside and reported its best summer to date. Wharfside is also a popular destination for events such as the Tio Ōhiwa Oyster Festival and the Tamariki Food Fair. Investment in this space will mean more opportunities for events and tourism.







During the summer season, marketing activity focused on attracting new visitors and encouraging holiday makers to spend more in town. Despite the challenging economic climate, the visitor market remained buoyant, with the return of international visitors boosting spend figures.

Total visitor spend for the Whakatāne District increased 4.3 percent to \$145.6 million for the year ending 31 January. The retail sector benefits most, making up 72 percent of the visitor dollar with hospitality following at 17 percent.



How we performed

Ā mātau mahi

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	MARGIN OF ERROR	TARGET
Preparation of the Future Development Programme	 Not Achieved	 Not Achieved	 Achieved	NA	District Plan changes to implement the Eastern Bay Spatial Plan and Future Development Strategy
Note: The Spatial Plan is expected to be completed by mid to late 2025. Therefore, target for year three set in the 2021-31 Long Term Plan has not been met. Long Term Plan targets were set prior to the agreement of the project plan.					
Progress made to develop District Plan changes	 Achieved	 Achieved	 Achieved	NA	Develop plan changes to ensure the District Plan remains responsive to local issues and is consistent with the requirements of the broader planning framework including the National Policy Statement for Freshwater Management
National planning standards have been implemented and district plan is now electronic and on the website. Plan changes 4, 5 and 8 are all progressing.					
Satisfaction with efforts to attract and expand business	 52%	 53%	 56%	±5%	2024: 57% 2023: 56% 2022: 56%
Lack of knowledge about Council's business promotion activity continued in 2024 (41% of residents were unaware, similar to 2023). Nevertheless, over half (52%) of residents providing a rating remained satisfied with Council's efforts to attract and expand businesses; consistent in recent years with no significant trends over time. Satisfaction with business promotion was not significantly different across community board areas. However, residents aged under 65 remained less satisfied than those aged 65+.					
Satisfaction with efforts to promote tourism	 52%	 60%	 62%	±5%	63%
In 2024, 70% of respondents were able to rate Council's support of tourism promotion. 52% of these residents were satisfied with this service (5.7 average rating), representing a decrease from 2023 and continuing the downward trend measured since 2021. Notable differences were apparent in attitudes towards tourism promotion – with lower satisfaction outside Whakatāne-Ōhope, and among residents aged under 65.					
Satisfaction with efforts to enable and promote events	 56%	 60%	 56%	±5%	2024: 61% 2023: 61% 2022: 60%
56% of residents who provided a rating were satisfied with event promotion (average rating 5.8), slightly down from 2023 (but within the margin of error). Previously measured differences in tourism promotion perceptions continued, with lower satisfaction among younger residents, and those from Tāneatua-Waimana and Galatea-Murupara.					
Toi-EDA delivers initiatives under each of the three pillars; A Winning Brand, Economic Engine and Thriving Communities, that support the sustainable growth and development of the local economy.	 Achieved	 Achieved	 Achieved	NA	At least three initiatives underway per year. For further information please refer to the Toi EDA section on page 94 of this document.

LEGEND  Achieved  Not Achieved (but within MOE ±%)  Not achieved

What these activities cost and how they were paid for

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

FUNDING IMPACT STATEMENT: STRATEGY AND FUTURES WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2024		LTP 2022/23 \$000	LTP 2023/24 \$000	ACTUAL 2023/24 \$000
OPERATIONAL				
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		5,065	5,202	5,031
Targeted Rates		991	1,065	1,042
Subsidies and grants for operating purposes		887	21	892
Fees and Charges		2,431	2,480	50
Internal charges and overheads recovered		260	266	222
Local authorities fuel tax, fines, infringement fees, and other		29	30	2,886
Sources of operating funding (A)		9,664	9,062	10,123
Applications of operating funding				
Payments to staff and suppliers		6,227	4,866	6,480
Finance costs		248	245	426
Internal charges and overheads applied		2,085	2,077	2,529
Other operating funding applications		-	-	-
Applications of operating funding (B)		8,560	7,188	9,435
Surplus (deficit) of operating funding (A-B)		1,104	1,874	688
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		410	(138)	82
Gross proceeds from sale of assets		2,225	1,894	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Sources of capital funding (C)		2,635	1,756	82
Applications of capital funding				
Capital expenditure				
- to meet additional demand		67	34	-
- to improve level of service		-	156	747
- to replace existing assets		42	53	33
Increase (decrease) in reserves		3,629	3,387	(10)
Increase (decrease) of investments		-	-	-
Applications of capital funding (D)		3,739	3,630	770
Surplus (deficit) of capital funding (C-D)		(1,104)	(1,874)	(688)
Funding Balance ((A-B) + (C-D))		-	-	-
PROJECT NAME	BUDGET 2023/24	ACTUAL 2023/24	VARIANCE	PROJECT COMMENT
60 Bunyan Rd Woodwaste Remediation	177,886	-	177,886	Project did not progress in 2024
Esplanade Canopy Roof	183,340	-	183,340	Project did not progress in 2024
Purchase 144 The Strand	-	446,822	446,822	Property Purchase
Integration Floodwall and Building	1,600,000	300,139	1,299,861	Underway, balance carried forward to 2025
Strategy and Futures Renewals Consolidated	251,402	33,436	217,965	Complete, full budget not required, partial carry forward to 2025



TRANSPORT CONNECTIONS

Ngā hononga waka

Activities in this group:

- Transport connections

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.

3/6

Performance
measures met

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Integrating nature into our decision-making



Thriving circular economies

What's happened this year?

I ahatia i tēnei tau?

Mimiha Stream Bridge

*Strategic priority it
has contributed to:*



A new temporary bridge over the Mimiha Stream on the road to Ruatāhuna and Lake Waikaremoana opened in June 2024. The Council, in partnership with Tūhoe, have been working collaboratively to design a replacement bridge that reflects the rich history of the area and aligns with the aspirations of the iwi. Funded through Waka Kotahi NZ Transport Agency, the project highlights how a partnership approach can result in a robust and successful outcome.

The original Mimiha Stream Bridge was built around 1945, following World War II, and is now at the end of its useable life. A karakia was held to bless the temporary bridge and mark its opening to traffic, a significant milestone in the planned upgrade of the aging bridge.

Tūhoe and the Manawarū Tribal Authority view this project as more than just building a bridge; it's about honouring the past and the future of their community. The new design will represent their history and vision for sustainable development.

The temporary bridge was built beside the existing bridge, and care has been taken to minimise impacts on the stream and nearby bush. One of the main aims of the project is to minimise the footprint on the taiao/environment, avoid the use of plastics wherever possible, and keep resources used and location of work front of mind. Mimiha Stream is close to a popular swimming hole and mahinga kai/food gathering site, and the area attracts many outside visitors.

The demolition of the old bridge is the next step in the process to make way for the construction of its contemporary replacement. The new bridge will include enhanced safety features and improved accessibility and ensure the needs of the communities that access the area are met.

The Mimiha Stream Bridge provides the only access to Ruatāhuna and Lake Waikaremoana from the Whakatāne District and the Bay of Plenty, and access will be maintained through the construction period.

The upgraded permanent bridge structure is expected to be completed early 2025.



Thornton Road safety improvements - Smith Road to Walker Road

*Strategic priority it
has contributed to:*



This section of road had been identified through the government's Road to Zero Programme, which aims to reduce deaths and serious injuries on our roads. The main contributing factors to the high numbers of serious and fatal crashes occurring along this stretch of road was the presence of out of context curves and a narrow roadway.

Improvements were made to the two curves along this stretch of road, realigning to match the alignment with the rest of the road. Thornton Road was widened to provide right turning bays into the two side roads (Smith Road and Walker Road). Additional safety improvements included a wide centreline, wider shoulders, undergrounding and relocating of the adjacent power poles to remove them from the roadside runoff area.

Landing Road roundabout

*Strategic priority it
has contributed to:*



The Landing Road roundabout is a vital link to both urban streets around Whakatāne and connecting arterial routes. The Landing Road roundabout was due for renewal in 2023, having been in operation for more than 40 years. Being a site with such high traffic volumes, a more durable pavement structure with a longer life span was chosen, reducing future maintenance needs as compared with other road surfaces used in the district. Road works were undertaken in phases from September 2023 and were completed in December 2023.

Additional design and safety improvements were undertaken at the same time as the roundabout pavement and surface renewal to minimise disruptions to the public. Changes included installing pram crossings to better enable active mode access through the area and future proofing and relocating underground infrastructure services, including water and wastewater pipes by relocating services to the berm areas so access to these services in the future will not impact the road surface.

The completion of this upgrade, saw a new stacking lane established for traffic turning left off the bridge onto Landing Road. The stacking lane is designed to provide additional waiting room for cars to 'stack' as they wait their turn, improving safety and traffic flow. Additionally, traffic can now enter Landing Road via a right turn at the roundabout from Hinemoa Street replacing the old tear drop layout. Doing so is expected to encourage traffic off residential streets, such as Victoria Avenue, and on to the arterial network improving safety and amenity on residential streets. The new layout was ready ahead of the December – January holiday season and the last of the asphaltting, line marking and landscaping of the roundabout was completed in early 2024.

The project contractor, Waiotahi Contractors won category 2 in the Civil Contractors New Zealand (CCNZ) awards for projects between \$2 million- \$5 million, with a demonstration of civil construction excellence.





Peace Street and Apanui Linear Park

*Strategic priority it
has contributed to:*



A major piece of work that was carried out this year was the Peace Street and Linear Park project which was a combination of three individual projects. These were,

- Peace Street stormwater improvements
- Peace Street and McGarvey Road intersection safety improvements
- Peace Street drainage reserve improvements, also known as Apanui Linear Park.

The Peace Street stormwater improvements involved the installation of high-capacity kerb and channel, and reshaping on the roadside shoulders to provide continuous run off for stormwater to discharge and no longer pond on the road surface for long periods of time following rain. The project also tied in with the stormwater capacity improvements undertaken in the Apanui Linear Park.

The Peace Street and McGarvey Road intersection had been identified through the government's Road to Zero Programme, which aims to reduce deaths and serious injuries on our roads. To reduce the crash occurrence at this intersection and improve safety for pedestrians and cyclists, a roundabout was installed with raised platform crossings on each of the four approaches.

2023/24 seal extension programme

*Strategic priority it
has contributed to:*



The Council's Long Term Plan includes an annual programme of seal extensions, with the key objective to improve health and wellbeing, through reducing dust migration from the unsealed road.

As part of the programme, the following roads were completed: Matatā Causeway, Paekoa Road, Rangi Road, Hallet Road, Mangone Road, Kawekawe Road and Opurana Road.

Completion of previous storm events permanent reinstatement

Strategic priority it has contributed to:



The Whakatāne District experienced severe weather events between July and August 2022, again in November 2022, and in May 2023, causing extensive damage to parts of our roading infrastructure and requiring permanent repairs.

This included the following repair sites, constructed during 2023/24:

- Two underslip repairs were completed on Herepuru Road, which involved significant drainage upgrades to manage underground springs, realignment through bank cuts, and the rebuilding of the underslip.
- Stanley Road had two underslip repairs involving major drainage improvements to manage underground springs, and construction of retaining walls to rebuild the underslip.
- Braemar Road required the replacement of a deep culvert that was washed out during the rain event.

All of these works had a significant impact on residents and road users due to the extent of the damage, as well as the extensive geotechnical assessments and design work required before repairs could begin. This led to road closures or sections reduced to one lane for a considerable period between the storm event and the start of construction. Given the complexity of the repairs and the limited road width remaining after the storm, full road closures were necessary for most of the construction period. The Council greatly appreciated the patience and cooperation of residents and road users throughout the repair process.

Active Whakatāne Strategy

Strategic priority it has contributed to:



Our Active Whakatāne Strategy has seen the delivery of a range of projects throughout the 2023/24 financial year.

These projects have made it safer and easier for transport users and have enhanced our streets by creating safe crossing points and encouraging traffic away from our residential streets.

As part of our Active Whakatāne programme we have been working to make active travel like walking, cycling, and scootering, safer and easier for everyone. During the 2023/24 financial year we:

- Installed a raised crossing platform across the Salonika Street intersection for St Josephs and Allandale Primary schools and residents at the Disability Resource Centre.
- Installed a raised crossing platform across Goulstone Road to allow safer access to Rex Morpeth Park, the Aquatic Centre, Rugby Park and schools.
- Installed speedbumps, crossing platforms and narrowed the intersection on Pouwhare and Hikurangi streets. This has made the route slower and has improved accessibility for mobility impaired users, cyclists, and walkers by providing them level access across roads and improved the amenity of the local residential area by encouraging traffic to travel through the arterial network.
- Created a slow speed area and safe crossings outside Edgecumbe Primary and Edgecumbe College to reduce the risk to students and whānau in this busy area while providing additional parking capacity in this busy area. We also created a shared use path to encourage more active travel by school students.

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

New e-bike Library

Strategic priority it has contributed to:



An e-bike library has been funded by the Climate Emergency Response Fund. This allows residents to trial different types of e-bikes for a small fee. Launched in August 2023, the library includes a range of town bikes, cargo bikes, and mountain bikes, and allows people to try an e-bike before purchasing one of their own.

The Whakatāne e-bike Library, an initiative funded by NZ Transport Agency Waka Kotahi, gives people the opportunity to borrow an electric bike (e-bike) for 21 days. All that's needed is a bit of paperwork and a \$100 koha to Cycling Without Age EBOP, the community partner operating the programme. Anyone who takes part in the scheme will also receive a \$100 voucher from Whakatāne Cycle Centre or Full Cycle Bikes toward the purchase of an e-bike.

The e-bike library launched initially with seven bikes but has since grown to 10 with support from Trust Horizon. Bike options include; cargo bikes, which are ideal for carrying children and bulky gear, a trike for those with mobility balance needs, and even one that can be used on and off-road.

The launch of the e-bike Library aligns with the Council's Active Whakatāne Strategy which aims to create a more comprehensive and connected network for anyone riding a bike. The official launch took place on Thursday, 10 August at the Whakatāne e-bike Library depot in Henderson Street, Whakatāne.

The project is funded by the Transport Choices package, which was part of the NZ Transport Agency Waka Kotahi Climate Emergency Response Fund (CERF) programme. The programme aims to demonstrate what's possible for communities nationwide by quickly providing people with healthier, more affordable, and safer transport choices that are good for us, and for the environment.



Advertising screens for Locky Docks

Strategic priority it has contributed to:





















In partnership with Trust Horizon, the Whakatāne District Council was excited to announce the addition of advertising screens to some of the districts Locky Dock stations this year. Locky Docks are free and secure parking/charging stations for both bikes and e-bikes and have been a game changer in promoting sustainable transport across the Whakatāne District.

The recent installation of digital screens adjacent to some stations offer a new outdoor platform for community messages, including spreading positivity and increasing awareness, whilst providing an opportunity for local businesses to advertise.

These digital screens have been installed outside Robert Harris, Caroline Eve on The Strand and at Mahy Reserve at Ōhope Beach. The Locky Docks and digital screens have been made possible thanks to Trust Horizon, NZ Transport Agency Waka Kotahi and the Whakatāne District Council.

How we performed

Ā mātau mahi

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	MARGIN OF ERROR	TARGET
Satisfaction with Council roads	 48%	 48%	 55%	±4%	57%
	<p>The recent trending decline in satisfaction with roads finally stabilised in 2024, with satisfaction at 48% - consistent with 2023.</p> <ul style="list-style-type: none"> It is worth noting that satisfaction with roads has been declining nationwide in part reportedly to the increased frequency of extreme weather events and the reported presence of potholes across New Zealand. On average, residents in Tāneatua-Waimana were less satisfied with both roads and road safety. 				
The average quality of ride on a sealed local road network, measured by smooth travel exposure (M)	 94%	 94%	 95%	NA	Above 90%
	A measure of the quantity of roads meeting the national standard for smooth travel, based on the measure of roughness for different road classifications.				
Percentage of sealed local road network that is resurfaced (M)	 7%	 5%	 7.5%	NA	6-7%
	We have a three-year program of resurfacing sealed roads. We have achieved our target over the three-year period despite the dip in Year 2.				
Percentage of qualifying footpaths within the district that fall within the level of service or service standard for the condition of footpaths set out in the Activity Management Plan (M)	 97%	 100%	 100%	NA	95% of all qualifying footpaths achieve a grade of three or less as measured through the three yearly footpath inspections
	97% achieved grade 3 or less as measured in the 3 yearly footpath condition rating survey. This survey was conducted in 2023 and will apply to the next three years, this reporting period is year one. It will be carried out again in 2026/27.				
Percentage of emergency customer service requests relating to roads and footpaths responded to within two hours (M)	 84.40%	 90.50%	 92.80%	NA	90%
Percentage of all other customer service requests relating to roads and footpaths responded to within seven days (M)	 90.63%	 95.70%	 95.50%	NA	95%

LEGEND



Achieved



Not Achieved
(but within MOE ±%)



Not achieved

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

What these activities cost and how they were paid for

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

FUNDING IMPACT STATEMENT: TRANSPORT CONNECTIONS WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2024		LTP 2022/23 \$000	LTP 2023/24 \$000	Actual 2023/24 \$000
OPERATIONAL				
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		(31)	(32)	(31)
Targeted Rates		6,492	6,695	6,656
Subsidies and grants for operating purposes		4,611	4,683	7,187
Fees and charges		35	36	195
Internal charges and overheads recovered		2,152	2,217	2,275
Local authorities fuel tax, fines, infringement fees, and other		870	904	351
Sources of operating funding (A)		14,128	14,502	16,633
Applications of operating funding				
Payments to staff and suppliers		7,321	7,423	9,715
Finance costs		434	478	887
Internal charges and overheads applied		3,230	3,263	3,768
Other operating funding applications		-	-	-
Applications of operating funding (B)		10,985	11,163	14,370
Surplus (deficit) of operating funding (A-B)		3,144	3,339	2,263
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure		9,002	7,547	17,083
Development and financial contributions		93	96	27
Increase (decrease) in debt		3,008	1,239	5,420
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Sources of capital funding (C)		12,103	8,882	22,530
Applications of capital funding				
Capital expenditure				
- to meet additional demand		4,068	1,870	192
- to improve level of service		4,875	3,986	14,142
- to replace existing assets		5,757	5,967	10,285
Increase (decrease) in reserves		546	397	174
Increase (decrease) of investments		-	-	-
Applications of capital funding (D)		15,247	12,221	24,793
Surplus (deficit) of capital funding (C-D)		(3,144)	(3,339)	(2,263)
Funding Balance ((A-B) + (C-D))		-	-	-

PROJECT NAME	BUDGET 2023/24	ACTUAL 2023/24	VARIANCE	PROJECT COMMENT
Active Whakatāne/Road to Zero	6,703,836	7,221,356	(517,520)	Active Whakatāne projects; Landing Road Roundabout, Thornton Road Safety Improvements, Peace Street Stormwater and Peace Street/McGarvey Road intersection upgrades among other minor improvement projects
Storm Damage	630,284	1,422,870	(792,586)	This covers 2x Herepuru, 2x Stanley and Braemar Storm Damage Repairs
SH30 Shaw Road to Whakatāne Bridge shared use path	2,599,779	-	2,599,779	Project cancelled following change of government
Whakatāne River Awatapu-Cutler Shared Use Path	599,949	-	599,949	Project cancelled following change of government
Pavement Rehabilitation	1,285,284	1,611,002	(325,718)	Renewal of underlying road pavement structure, in particular Landing Road Roundabout pavement and completion of Manawahe pavement renewal and design work for 24/25 pavement renewals
Footpath Renewal	800,000	651,831	148,169	Replacement of footpaths
Keepa Road Improvements	4,023,257	3,332	4,019,925	Project delayed, rebudgeted in year 1 and 2 of Long Term Plan
Improvements Structures	4,499,358	2,365,770	2,133,588	Renewal of Mimiha Stream Bridge on Ruatāhuna Road
Seal Extensions	1,111,917	1,087,900	24,017	Seal extensions: Matatā Causeway, Paekoa Road, Rangi Road, Hallet Road, Mangone Road, Kawekawe Road, Opurana Road
Edgecumbe to Thornton Cycle Trail	898,110	98,007	800,103	Better Off Funded Project, rebudgeted Long Term Plan 2025
Other Projects/renewals consolidated	10,313,215	10,156,667	156,547	District wide capital works



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.

The Water Services Reform under the previous government was an initiative aimed at transferring three waters assets from local councils to regional entities, placing financial responsibilities on these regional bodies. This transition was part of a proposed move towards centralised funding and financing arrangements. However, with the recent change in government and the repeal of the Water Services Reform, three waters assets are expected to remain under council ownership. This reversal has reinstated significant funding pressures, exceeding what the community can afford via rating increases.

The country is facing serious challenges with an estimated \$120- \$180 billion investment¹ required over the next 30 years to upgrade three waters infrastructure that will meet modern legislative requirements, as well as community and cultural expectations. Many of our resource consents for our three waters infrastructure were issued under the Resource Management Act 1991(RMA) following its enactment. These consents are set to expire soon and are the primary driver for needed upgrades. For the Whakatāne District, we will need to replace consents associated with four wastewater treatment plants, thirteen water take consents and various stormwater discharges across several urban areas. These upgrades will come with a significant financial cost to the community, estimated at around \$200 million to upgrade facilities with increased ongoing operational costs associated with more advanced infrastructure.

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.

The Council has allocated \$3.5 million in the Long Term Plan 2024-34 for the consent renewal program, with the planning, consenting and design aspects expected to take three to five years to complete.

¹ Te Tari Taiwhenua, Internal Affairs. (June 2022). *Three-waters-reform-case-for-change-and-summary-of- proposals-15-June-2022.pdf* (dia.govt.nz)



WATER SUPPLY

Ngā puna wai

Activities in this group:

- Water supply

This group of activities provides safe, reliable, and sustainable water supplies to the 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.

8/12

Performance
measures met

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

What's happened this year?

I ahatia i tēnei tau?

Enhancing our water treatment plants

Strategic priority it
has contributed to:



Providing clean and safe drinking water to Whakatāne communities is a top priority for the Council. This year, we made upgrades and enhancements to our operations at the Braemar, Te Mahoe Treatment Plant and Murupara water treatment plants.

A major and innovative upgrade of the Braemar Water Treatment Plant was completed in February 2024. Representatives from Ngāti Awa, Ngāti Rangitihi, Tūwharetoa ki Kawerau and Ngāti Māhino the entities who have manawhenua in the Rangitāiki rohe were acknowledged for their guidance and support of this transformational project.

The Braemar water treatment plant provides water to communities across the Rangitāiki Plains from the Tarawera River to just outside the Whakatāne township. However, the water in its natural state does not align with the New Zealand Drinking Water Standards, which is why a new, innovative treatment plant was built.

The \$6.3 million project took just over a year complete and was carried out with assistance from central government's three waters stimulus funding (\$1.35 million). Arsenic removal, ultra-violet light purification and pH (acidity) treatment were included in the upgrade to provide a supply that complies with the Drinking Water Standards for New Zealand 2022 and Drinking Water Quality Assurance Rules. The new plant is now able to meet the compliance standards and while current demand peaks at around 6500 cubic metres, it has ability to extend to up to 15,000 cubic metres a day.

In March 2024, a UV disinfection treatment was installed at the Te Mahoe water treatment plant to enhance the safety of the water supply. UV disinfection provides an additional barrier against viruses, bacteria and protozoa.

In December 2023, an automated chlorine dosing system was installed at the Murupara water treatment plant. Chlorine is used to protect drinking water supplies from contamination against harmful micro-organisms.

This is a temporary measure until a water treatment plant facility can be built and commissioned in the future. The Council is working with Ngāti Manawa and community stakeholders for future planning.



Smart meters

Strategic priority it has contributed to:



The Council began rolling out smart meters for the ongoing renewal of water meters in late 2023. This will enable a meter reading to be able to be taken/automated from a slow driving vehicle. This will improve health and safety for meter readers, and improve efficiency.

Water meter installation – Matatā

Strategic priority it has contributed to:



In November 2023 work began on installing meters on all connected properties within the Matatā water scheme boundary. Water meters allow for more effective and efficient identification of leaks, as many underground leaks go undetected without proper monitoring. This project was undertaken as the previously unmetered supply in Matatā indicated high water usage, that being double the national average household use for metered supply.

As households are metered the Council will be able to locate and fix water loss in the system more effectively. The system for charging for water did not change in the short term with property owners continuing to be charged a supply fee included in the land rates, rather than per cubic metre of water used.



Braemar Water treatment plant opening

How we performed

Ā mātau mahi

During this Long Term Plan cycle (2021-31), the regulatory framework for drinking water transitioned from the Drinking-Water Standards (Revised 2018) (DWSNZ 2018) to the Drinking Water Quality Assurance Rules (DWQAR), which came into effect on 14 November 2022, which you can find online at www.taumataarowai.govt.nz

Wai Comply carried out an independent assessment of the Council’s performance as a water supplier against the DWQAR and Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWS) for the period of 1 July 2023 – 30 June 2024. Please refer to the assessment summary table for a breakdown of compliance by scheme.

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	TARGET
The extent to which Council’s drinking water supplies comply with Part 4 of the Drinking Water Standards (bacteria compliance criteria) (M)	<div><div></div><div>2 schemes compliant</div></div>	<div><div></div><div>3 schemes compliant</div></div>	<div><div></div><div>5 schemes compliant</div></div>	All schemes compliant of 9
Please refer to the assessment summary table for a breakdown of compliance by scheme.				
The extent to which Council’s drinking water supplies comply with Part 5 of the Drinking Water Standards (protozoal compliance criteria) (M)	<div><div></div><div>1 schemes compliant</div></div>	<div><div></div><div>1 schemes compliant</div></div>	<div><div></div><div>4 schemes compliant</div></div>	8 schemes compliant of 9
Please refer to the assessment summary table for a breakdown of compliance by scheme.				

LEGEND

Achieved

Not Achieved (but within MOE ±%)

Not achieved

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

DRINKING WATER QUALITY ASSURANCE RULES (DWQAR) PERFORMANCE ASSESSMENT SUMMARY
















A summary of performance for Council's nine water supplies is included in the table below.

Water Supply	Component	DWQAR Rule	Rule Set(s)	Outcome
Whakatāne Water Supply	Whakatāne WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Met
		T3 Protozoa	Protozoal Rules, Conventional Filtration 4.0 log OR Conventional Filtration 3.0 log and UV Disinfection, and General Rules	Met
	Whakatāne Zone	D3	Residual Disinfection	Met
			Microbiological	Met
	Ōhope Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Matatā Water Supply	Awakaponga WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection, and General Rules	Not met
	Matatā Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Murupara Water Supply	Murupara WTP	T3 Bacterial	Chlorine, General Rules	Not met
		T3 Protozoa	Protozoal Rules and General Rules	Not met
	Murupara Zone	D3	Residual Disinfection	Not met
			Microbiological	Met
Otumahi Water Supply	Paul Rd WTP	T3 Bacterial	Chlorine, General Rules	Met
		T3 Protozoa	Protozoal Rules, General Rules	Not met
	Te Teko WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection, and General Rules	Not met
	Otumahi Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Rangitāiki Plains Water Supply	Braemar WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection, and General Rules	Not met
	Johnson Rd WTP	T3 Bacterial	Chlorine, General Rules	Not met
		T3 Protozoa	Protozoal Rules and General Rules	Not met
	Rangitāiki Plains Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Rūātoki Water Supply	Rūātoki WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection, and General Rules	Not met
	Rūātoki Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Tāneatua Water Supply	Tāneatua WTP	T3 Bacterial	UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection, and General Rules	Not met
	Tāneatua Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Te Mahoe Water Supply	Te Mahoe WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules and General Rules	Not met
	Te Mahoe Zone	D2	Residual Disinfection	Met
			Microbiological	Met
Waimana Water Supply	Waimana WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection and General Rules	Not met
	Waimana Zone	D2	Residual Disinfection	Met
			Microbiological	Met

The following table provides summarised information relating to findings where the Rule Module or Rule Set(s) were assessed as 'Not Met'. The specific rules associated with the non-performance are reported within the respective statements for the period. Note: WTP refers to Water Treatment Plant.
















Matatā Water Supply	
Awakaponga WTP	The required online UVT monitoring (DWQAR T3.15 Table 22 and T3.91 Table 32) was not in place for part of the assessment period. The Council provided evidence that online UVT monitoring was installed in November 2023.
	WaterOutlook reports indicated that the requirements for UV disinfection were not met for two out of 366 days. During these events rules related to chlorine disinfection were also not met.
Murupara Water Supply	
Murupara WTP	A protozoa barrier meeting the DWQAR was not in place for the annual assessment period. A bacterial barrier meeting the DWQAR was not in place for part of the annual assessment period. Chlorination was implemented in December 2023. For the six-month period from January to June 2024, WaterOutlook reports indicated that chlorine performance demonstration was not met for 19 out of 182 days.
Mururpara Zone	Chlorine residual was not in place for part of the annual assessment period. For the six-month period from January to June 2024, there were seven results where FAC was less than 0.1 mg/L, the maximum interval between FAC samples was exceeded five times (five or six days when the requirement is not more than four days), and one week where only two samples were reported (where three per week is the requirement).
Otumahi Water Supply	
Paul Road WTP	A protozoa barrier meeting the DWQAR was not in place for the annual assessment period
Te Teko WTP	The required online UVT monitoring (DWQAR T3.15 Table 22 and T3.91 Table 32) was not in place for part of the annual assessment period. The Council provided evidence that online UVT monitoring was installed in November 2023. WaterOutlook reports indicated that UV disinfection performance was not met for four out of 366 days. Chlorination is in place at the Te Teko WTP and contact time is provided in a reservoir. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.
Rangitāiki Plains Water Supply	
Braemar WTP	UV disinfection system was installed as part of WTP upgrades and was in place for the annual assessment period but monitoring and reporting of performance data in the form required by the DWQAR was only in place from March 2024 onwards.
Johnson Rd WTP	A protozoa barrier meeting the DWQAR was not in place for the annual assessment period. Chlorination is in place at Johnson Road WTP. There is no chlorine contact tank at Johnson Road WTP. Contact time is provided in the rising main. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.



Rūātoki Water Supply	
Rūātoki WTP	<p>The required online UVT monitoring (DWQAR T3.15 Table 22 and T3.91 Table 32) was not in place for part of the annual assessment period. UVT monitoring was installed in November 2023.</p> <p>WaterOutlook reports indicated that UV Disinfection performance was not met for 14 out of 366 days.</p> <p>Chlorination is in place at Rūātoki WTP and contact time is provided in a reservoir. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.</p>
Tāneatua Water Supply	
Tāneatua WTP	<p>The required online UVT monitoring (DWQAR T3.15 Table 22 and T3.91 Table 32) was not in place for part of the annual assessment period. Online UVT monitoring was installed in November 2023.</p> <p>Chlorination is in place at Tāneatua WTP and contact time is provided in a reservoir. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.</p>
Te Mahoe Water Supply	
Te Mahoe WTP	<p>UV disinfection was only in place for part of the annual assessment period. A UV disinfection treatment system was installed in March 2024 in addition to the cartridge filtration already in place.</p> <p>Chlorination is in place at Te Mahoe WTP and contact time is provided in a reservoir. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.</p>
Waimana Water Supply	
Waimana WTP	<p>The required online UVT monitoring (DWQAR T3.15 Table 22 and T3.91 Table 32) was not in place for part of the annual assessment period. WDC provided evidence that online UVT monitoring was installed in November 2023.</p> <p>Chlorination is in place at Waimana WTP and contact time is provided in a reservoir. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.</p>

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	Target
<p>The total number of complaints per 1,000 connections, received by the Council about any of the following:</p> <ul style="list-style-type: none"> Drinking water clarity Drinking water taste Drinking water odour Drinking water pressure of flow Continuity of supply <p>The Council's response to any of these issues (M)</p>	 14.18	 16.3	 14.82	Less than 30 overall
	<p><i>Note: The process used by the Council's afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013.</i></p> <p><i>Although Council has recorded the number of planned and unplanned shutdowns to water supply, it has not recorded the number of calls received in relation to these shutdowns.</i></p> <p><i>In respect of calls received by the afterhours call centre service, Council were not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.</i></p>			
<p>Satisfaction with the water supply and quality of drinking water (supplied by Council)</p> <p>Note: Margin of error ±4%</p>	 63%	 72%	 69%	70%
	<p><i>In 2024, four-in-five residents (79%) reported being connected to Council's water supply (similar to 78% in 2023).</i></p> <ul style="list-style-type: none"> <i>Of those residents on Council's water provision, 68% were satisfied with the supply overall (6.7 average rating), although decreasing from the recent peak of 76% in 2023.</i> <i>Differences were apparent between areas, with satisfaction notably lower in Tāneatua-Waimana. Residents aged under 65 also remained less satisfied with Council's water supply than did older residents.</i> <p><i>57% of residents on Council's were satisfied with quality of their drinking water, a decrease from 68% in 2023. Quality concerns were particularly noted from Galatea-Murupara and Tāneatua-Waimana residents.</i></p>			
Median response time to attend urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that the service personnel reach the site (M)	 0.47 hours	 0.6 hours	 0.77 hours	Less than 1 hour
Median response time to resolve urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (M)	 2.55 hours	 2.92 hours	 2.43 hours	Less than 8 hours
Median response time to attend non-urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel reach the site (M)	 15.65 hours	 16.73 hours	 18.43 hours	Less than 24 hours

LEGEND  Achieved  Not Achieved (but within MOE ±%)  Not achieved

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

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	Target
Median response time to resolve non-urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (M)	 18.83 hours	 20.28 hours	 22.53 hours	Less than 48 hours
Average consumption of drinking water per day per resident in the district for metered areas supplied by Council (M)	 419.6 litres	 430.8 litres	 414 litres	2023 and 2024: Less than 260 litres 2022: Less than 270 litres
	A number of factors can contribute to council not meeting the target, including properties with internal leaks. As council is continuing to install water meters throughout the district a number of newly metered properties have shown to have previously undetected internal leaks. Meters are installed on properties in both urban and rural areas and a number of farm connections are high water users.			
Average consumption of drinking water per day per resident in the district for unmetered areas supplied by Council (M)	 344.9 litres	 345 litres	 376 litres	Less than 350 litres
Percentage of real water loss from Council - networked reticulation system for metered schemes based on the standard International Water Association (IWA) water balance (M)	 13.6%	 20.7%	 19%	Less than 20%
	Note: Percentage of metered properties for water systems within the Whakatāne district: Whakatāne and Ōhope 100%; Plains 100%; Murupara 5%; Rūātoki 100%; Tāneatua 94%; Matatā 9%; Waimana 100%; Te Mahoe 100%. Council staff have been trained to undertake water loss data analysis based on industry best practice, utilising the International Water Association (IWA) methodology, Benchloss New Zealand software and Water NZ Waterloss Guidelines. Real water losses are dependent upon the size of a water supply system, water pressure, total length of pipes and whether metered or unmetered. Metered supplies use the recorded production volume and the consumption volume of water, with adjustments made for expected unavoidable water losses. Small, unmetered water supplies are calculated using minimum night flow assessment reduced by the estimated night-time consumption. At times Council engages third-party consultants to review and validate Council data and processes.			
Percentage of real water loss from Council-networked reticulation system for unmetered schemes (M)	 55.2%	 38.3%	 42%	Less than 60%


LEGEND  Achieved  Not Achieved (but within MOE ±%)  Not achieved

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

What these activities cost and how they were paid for

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

FUNDING IMPACT STATEMENT: WATER SUPPLY WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2024		LTP 2022/23 \$000	LTP 2023/24 \$000	Actual 2023/24 \$000
OPERATIONAL				
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		-	-	-
Targeted Rates		7,549	8,261	8,227
Subsidies and grants for operating purposes		-	-	-
Fees and charges		1,126	1,156	133
Internal charges and overheads recovered		254	259	126
Local authorities fuel tax, fines, infringement fees, and other		4	4	2
Sources of operating funding (A)		8,933	9,680	8,488
Applications of operating funding				
Payments to staff and suppliers		2,390	2,476	3,064
Finance costs		584	733	1,166
Internal charges and overheads applied		2,687	2,748	3,328
Other operating funding applications		-	-	-
Applications of operating funding (B)		5,661	5,957	7,559
Surplus (deficit) of operating funding (A-B)		3,272	3,723	929
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		74	76	14
Increase (decrease) in debt		7,598	4,701	4,604
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Sources of capital funding (C)		7,672	4,777	4,618
Applications of capital funding				
Capital expenditure				
- to meet additional demand		699	17	221
- to improve level of service		8,168	4,669	2,305
- to replace existing assets		1,828	3,030	3,029
Increase (decrease) in reserves		249	785	(9)
Increase (decrease) of investments		-	-	-
Applications of capital funding (D)		10,944	8,500	5,547
Surplus (deficit) of capital funding (C-D)		(3,272)	(3,723)	(929)
Funding Balance ((A-B) + (C-D))		-	-	-



PROJECT NAME	BUDGET 2023/24	ACTUAL 2023/24	VARIANCE	PROJECT COMMENT
Water Network Renewals	2,522,341	1,799,933	722,408	Project underway, rebudgeted in 2025 LTP
Whakatāne Water Treatment Plant Upgrade	200,000	311,056	(111,056)	Project rescoping occurring
Whakatāne Water Backflow Preventors	689,520	8,137	681,383	Project underway, balance carried forward to 2025
Keepa Road Water Main	200,000	-	200,000	Project design required, rebudgeted in LTP
Murupara Treatment Upgrades	2,432,527	52,473	2,380,054	Project underway, rebudgeted in 2025 LTP
Tāneatua Water Treatment Plant Access Track	300,000	48,812	251,187	Project underway, minor works required, \$50k balance carried forward to 2025
Rūātoki Water Treatment	655,005	130,718	524,287	Consultation underway, project rebudgeted in 2025 LTP
Plains Water Backflow Preventors	1,274,153	7,136	1,267,017	Balance carried forward to 2025
Otumahi Water Storage	5,483,193	586,567	4,896,626	Project underway, rebudgeted in 2025 LTP
Other Projects/Renewals Consolidated	3,084,814	2,610,226	474,588	District wide projects, balance carried forward to 2025



SEWAGE AND TREATMENT DISPOSAL

Te rāwekeweke me te rukea o te parakaingaki

Activities in this group:

- Sewage treatment and disposal

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.

9/9

Performance
measures met

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

What's happened this year?

I ahatia i tēnei tau?

Matatā Wastewater Project

*Strategic priority it
has contributed to:*



Our Matatā Wastewater Project aims to deliver a sustainable wastewater solution for Matatā that improves public health and community wellbeing, prevents, or minimises the adverse effects on the environment, reflects co-design principles, and is affordable to build and operate. The project is supported by Te Niaotanga o Mataatua o Te Arawa Co-design Group, which includes representatives from Te Mana o Ngāti Rangitahi Trust, Tūwharetoa ki Kawerau, Ngāti Awa hapu (Ngāi Te Rangihouhiri, Ngāti Hikakino and Te Tawera) and our Council. Throughout 2023/24 we have continued working collaboratively on the co-design of the wastewater project, continued environmental monitoring of surface and ground water and ecological monitoring of invertebrates, and commenced testing of specific requirements and subsequent sites for possible land disposal and treatment.

Ferry Road wastewater pump station replacement and associated pipe network

*Strategic priority it
has contributed to:*






























The current pump station on Ferry Road is more than 60 years old and is deemed not fit-for purpose. Work commenced to upgrade the wastewater pump station and associated pipe network project in April 2024. Upgrading the existing wastewater pump station includes safety upgrades, electrical enhancements, and increased pumping capacity.

In addition to replacing the pump station, a 1.3km pipeline is being laid, known as a rising main (red line), this will connect the new pump station on Ferry Road to the Hinemoa rising main which transports wastewater sewerage to the Whakatāne Wastewater Treatment Plant.



How we performed *Ā mātau mahi*

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	MARGIN OF ERROR	TARGET
Satisfaction with the sewage system for areas supplied by the Council	 75%	 77%	 74%	±4%	75%
	58% of surveyed residents reported being connected to Council sewerage systems. 75% of these residents were satisfied with the sewerage system (average rating 7.5); consistent with results observed over recent years. Satisfaction was notably lower in both Tāneatua-Waimana and Rangitāiki.				
Total number of complaints received per 1,000 connections about any of the following: - sewage odour - sewerage system faults - system blockages - the Council's response to any of these issues (M)	 8	 10.88	 13.29	NA	Less than 40
	The process used by the Council's afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013. In respect of calls received by the afterhours call centre service, Council were not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.				
Median response time to attend a sewage overflow resulting from a blockage or other fault in the Council's sewerage system, from the time that the Council receives notification to the time that service personnel reach the site (M)	 0.51 hours	 0.67 hours	 0.49 hours	NA	Less than 2 hours
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the Council's sewerage system, from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault (M)	 4.26 hours	 3.75 hours	 1.93 hours	NA	Less than 8 hours
Number of dry weather sewage overflows from the Council's sewerage system per 1,000 connections to that sewerage system (M)	 1.24	 0.86	 1.18	NA	Less than 3 overflows
Number of abatement notices received by the Council in relation to the resource consents for discharge from our sewerage systems (M)	 Zero	 Zero	 Zero	NA	Zero
Number of infringement notices received by the Council in relation to the resource consents for discharge from our sewerage systems (M)	 Zero	 Zero	 Zero	NA	Zero
Number of enforcement orders received by the Council in relation to the resource consents for discharge from our sewerage systems (M)	 Zero	 Zero	 Zero	NA	Zero
Number of convictions received by the Council in relation to the resource consents for discharge from our sewerage systems (M)	 Zero	 Zero	 Zero	NA	Zero


LEGEND  Achieved  Not Achieved (but within MOE ±%)  Not achieved

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

What these activities cost and how they were paid for

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

FUNDING IMPACT STATEMENT: SEWAGE AND TREATMENT DISPOSAL WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2024	LTP 2022/23 \$000	LTP 2023/24 \$000	Actual 2023/24 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	442	471	852
Targeted Rates	5,306	5,457	5,403
Subsidies and grants for operating purposes	-	-	-
Fees and charges	207	214	466
Internal charges and overheads recovered	146	149	51
Local authorities fuel tax, fines, infringement fees, and other	-	-	24
Sources of operating funding (A)	6,102	6,291	6,795
Applications of operating funding			
Payments to staff and suppliers	1,234	1,270	2,417
Finance costs	341	337	634
Internal charges and overheads applied	2,079	2,127	2,568
Other operating funding applications	-	-	-
Applications of operating funding (B)	3,654	3,735	5,619
Surplus (deficit) of operating funding (A-B)	2,448	2,557	1,176
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	2,347	-
Development and financial contributions	89	92	9
Increase (decrease) in debt	645	526	2,578
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	734	2,965	2,587
Applications of capital funding			
Capital expenditure			
- to meet additional demand	38	14	49
- to improve level of service	1,183	3,433	1,295
- to replace existing assets	1,065	1,806	2,859
Increase (decrease) in reserves	895	267	(440)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	3,182	5,521	3,763
Surplus (deficit) of capital funding (C-D)	(2,448)	(2,557)	(1,176)
Funding Balance ((A-B) + (C-D))	-	-	-



PROJECT NAME	BUDGET 2023/24	ACTUAL 2023/24	VARIANCE	PROJECT COMMENT
EQ Sewer Network Renewals	882,401	1,414,373	(531,972)	Overspend relates to Ferry Road Wastewater Pump Station
Whakatāne Wastewater Discharge Resource Consent	391,370	5,233	386,137	Resource Consent Programme established and team being formed, budget carried forward to 2025
Upgrade Whakatāne Wastewater Treatment Plant	1,157,287	480,686	676,601	Project underway, budgeted in LTP
Edgecumbe Wastewater Relining	1,042,890	775,546	267,344	Project underway, budgeted in LTP
Matatā Wastewater Scheme	3,701,786	867,639	2,834,147	Project underway, budgeted in LTP
Murupara Wastewater Discharge Resource Consents	264,849	2,591	262,258	Resource Consent Programme established and team being formed, balance carried forward to 2025
Other Projects/Renewals Consolidated	2,073,950	656,975	1,416,975	District wide projects, balance carried forward to 2025



STORMWATER DRAINAGE

Te awakeri o te wai āwhiowhio

Activities in this group:

- Stormwater drainage

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.

8/8

Performance
measures met

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

What's happened this year?

I ahatia i tēnei tau?

Whakatāne Stormwater 2050

*Strategic priority it
has contributed to:*



The Council is reviewing the management of stormwater including the quantity and quality of runoff. This is driven in part by the need to obtain a Comprehensive Stormwater Consent (CSC) for the Whakatāne urban area. The Council is using this as an opportunity to review the overall stormwater management system for Whakatāne to plan for a stronger, more resilient system.

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.

Hinemoa stormwater improvements

*Strategic priority it
has contributed to:*



As we experience more frequent heavy rainfall events, it's important our stormwater management systems are fit-for-purpose too. The Hinemoa Stormwater Pump Station, while once sufficient, now falls short of modern standards, especially with the increasing intensity of rainfall events. This poses a flooding risk to lower-lying properties, requiring an upgrade to ensure future resilience.

The Council began upgrading the stormwater infrastructure in the Hinemoa Street area to address the limitations of the existing pump station, which currently cannot effectively service its 139-hectare catchment. The project includes relocating and upgrading the pump station and installing new stormwater pipes on Armstrong Avenue and Henderson Street.

























The new pump station, which will be constructed at the back of James Street School's field, is designed to handle a one-in-ten-year local rainfall event, providing enhanced protection to vulnerable properties. This location was chosen due to the restricted space at the current site.

These upgrades are essential in response to the increasing frequency and intensity of heavy rainfall events. The existing pump station no longer meets modern standards, posing a flooding risk to lower-lying properties. The improvements will ensure the stormwater management system is resilient and fit for future conditions. The project won't be completed until the next financial year.



How we performed

Ā mātau mahi

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	MARGIN OF ERROR	TARGET
Number of flooding events in the district (M)	 No flooding event	 No flooding event	 No flooding event	NA	Less than 3
Note: The DIA requires results for these measures to be presented according to the following definitions: 'Flooding event' - an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. 'Stormwater system' - the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off, from the point of connection to the point of discharge.					
For each flooding event, the number of habitable floors affected (per 1,000 properties connected to the Council's stormwater system) (M)	 No flooding event	 No flooding event	 No flooding event	NA	Less than 10
Note: The DIA requires results for these measures to be presented according to the following definitions: 'Flooding event' - an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. 'Stormwater system' - the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off, from the point of connection to the point of discharge.					
The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site (M)	 Zero	 Zero	 Zero	NA	Less than 3 hours
The number of complaints received about the performance of the stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system (M)	 6.02	 8.50	 9.49	NA	Less than 10
Note: The process used by the Council's afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013. In respect of calls received by the afterhours call centre service, Council were not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.					
Number of abatement notices received by the Council in relation to the resource consents for discharge from our stormwater system (M)	 Zero	 Zero	 Zero	NA	Zero
Number of infringement notices received by the Council in relation to the resource consents for discharge from our stormwater system (M)	 Zero	 Zero	 Zero	NA	Zero
Number of enforcement orders received by the Council in relation to the resource consents for discharge from our stormwater system (M)	 Zero	 Zero	 Zero	NA	Zero
Number of convictions received by the Council in relation to the resource consents for discharge from our stormwater system (M)	 Zero	 Zero	 Zero	NA	Zero

LEGEND



Achieved



Not Achieved
(but within MOE ±%)



Not achieved

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

What these activities cost and how they were paid for

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

FUNDING IMPACT STATEMENT: STORMWATER DRAINAGE WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2024	LTP 2022/23 \$000	LTP 2023/24 \$000	Actual 2023/24 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	322	320	387
Targeted Rates	3,959	4,213	4,151
Subsidies and grants for operating purposes	-	-	-
Fees and Charges	-	-	29
Internal charges and overheads recovered	2,525	2,637	3,636
Local authorities fuel tax, fines, infringement fees, and other	-	-	11
Sources of operating funding (A)	6,806	7,170	8,213
Applications of operating funding			
Payments to staff and suppliers	3,557	3,706	4,676
Finance costs	607	627	1,066
Internal charges and overheads applied	1,017	1,036	1,410
Other operating funding applications	-	-	-
Applications of operating funding (B)	5,181	5,370	7,152
Surplus (deficit) of operating funding (A-B)	1,625	1,800	1,061
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	18	18	5
Increase (decrease) in debt	(124)	3,171	2,660
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	(106)	3,189	2,665
Applications of capital funding			
Capital expenditure			
- to meet additional demand	112	32	74
- to improve level of service	961	4,609	1,824
- to replace existing assets	2,948	3,584	1,749
Increase (decrease) in reserves	(2,502)	(3,235)	79
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	1,519	4,990	3,726
Surplus (deficit) of capital funding (C-D)	(1,625)	(1,800)	(1,061)
Funding Balance ((A-B) + (C-D))	-	-	-

PROJECT NAME	BUDGET 2023/24	ACTUAL 2023/24	VARIANCE	PROJECT COMMENT
Whakatāne Western Catchment Upgrade/Renewal	4,304,899	1,686,944	2,617,955	Project underway, balance carried forward to 2025
Apanui Linear Park	1,956,850	1,104,513	852,337	Project underway, balance carried forward, remaining works to be undertaken October / November
Whakatāne Stormwater - Pipe Upgrades	881,744	232,731	649,013	Project underway, balance carried forward to 2025
Whakatāne Stormwater- Pump Replacements	2,795,500	47,371	2,748,129	Project underway, rebudgeted in 2025 LTP
Whakatāne Stormwater- Spence Lane Entrance	-	98,365	(98,365)	Works completed
Ōhope Stormwater Upgrades	311,978	174,124	137,854	Resource Consent Programme established and team being formed - budget carried forward
Ōhope Comprehensive Consents and Upgrade	82,320	-	82,320	Resource Consent Programme established and team being formed - budget carried forward
Ōhope Capital Upgrade Comprehensive Management Plan	83,865	-	83,865	Resource Consent Programme established and team being formed - budget carried forward
Edgecumbe Comprehensive Consent and Upgrade	33,546	-	33,546	Resource Consent Programme established and team being formed - budget carried forward
Edgecumbe Stormwater Study	109,590	-	109,590	Resource Consent Programme established and team being formed - budget carried forward
Tāneatua comprehensive consent and upgrade	72,683	9,651	63,032	Resource Consent Programme established and team being formed - budget carried forward
Other Projects/Renewals Consolidated	509,277	293,271	305,314	Project underway, balance carried forward to 2025



WASTE MANAGEMENT AND MINIMISATION

Te Whakahaere me te Whakaiti Para

Activities in this group:

- Waste management and minimisation

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.

Contribution to the Council's vision and community outcomes:



Integrating nature into our decision-making



Thriving circular economies

2/3

Performance measures met

What's happened this year?

I ahatia i tēnei tau?

The Council is committed to improving user satisfaction, waste management, and waste minimisation in our communities and is actively working on the 27 actions outlined in our Waste Management and Minimisation Plan. We continue to provide kerbside services to over 14,000 properties (89 percent of all rateable properties) and operate two Resource Recovery Centres along with a green waste composting facility.

Changes to Whakatāne District kerbside recycling

*Strategic priority it
has contributed to:*



From 1 February, the Ministry for the Environment's standardised kerbside recycling standardisation came into effect, which required all councils to collect the same items in kerbside recycling across Aotearoa. This meant most New Zealanders can recycle the same things, no matter where they live in the country. Whakatāne District residents since February have been able to add plastics graded 5 and empty pizza boxes to their kerbside collections. The additions now accompany plastics 1 and 2, cardboard, paper and tins and cans as items that can be recycled via kerbside collections. However, aerosol containers were removed from collection because it is difficult to safely process the pressurised cans. This change should allow users to be more aware of what they can and can't recycle and increase social understanding and awareness.



Education and encouraging positive behaviour change

*Strategic priority it
has contributed to:*



Despite growing concerns about the cost of food increasing year-on-year, Kiwi households are still throwing away more than \$3.2 billion worth of food every year. Food going off before it can be finished and before 'use by' and 'best before dates' are the top reasons for food waste, with bread, leftovers and fruit and vegetables listed as the top three most wasted items.

In an initiative to encourage our district to be conscious of our waste minimisation efforts, the Whakatāne District Council is a participating in the Love Food Hate Waste NZ campaign, an initiative being run in conjunction with WasteMINZ. Love Food Hate Waste NZ is working towards a goal of reducing household food waste by 50 percent by 2030. In March 2024 we took part in the 'Eat me First' campaign designed to tackle food waste head-on, turning awareness and concern into meaningful behaviour change through the use of reusable 'Eat Me First' stickers. Following participation in the 'Eat Me First' campaign, the Solid Waste and Comms teams are using Council's Facebook page to help promote 'Leftover Legends' run by Love Food Hate Waste to encourage people to reuse leftovers instead of throwing them straight in the bin.










Other waste education and behaviour initiatives that support our Waste Management and Minimisation efforts and encourage user engagement with our services that have occurred throughout the year include:

- Providing waste education to 13 schools, 72 classes and 1,402 students, as well as providing recycling, composting and worm farm solutions for specialist school projects
- Distributing 17,000 free reusable produce bags, including distribution to 19 schools.
- Providing free recycling to 37 schools who have earned 526 native plants through our Paper for Trees programme.
- Provided waste advice and support to 15 community events.
- Upgraded our green waste composting facility.
- Dealt with 1,220 Requests for Service.
- Worked with community organisations such as HALO, the Police, Early Education Centres and Riding for the Disabled on clean-ups.
- Organised a staff clean-up of litter in the Ōhope Scenic Reserve.
- Worked with other Bay of Plenty and Waikato councils on regional waste projects.
- Undertaken major remediation works on two closed landfills.
- Re-running our popular Subsidised Home Composting Scheme.



How we performed

Ā mātau mahi

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	MARGIN OF ERROR	TARGET
Amount of waste sent to landfill per person* each year	 57.8% of the national average	 52.8% of the national average	 53.24% of the national average	NA	Below 70% of the national average amount
	427.57Kg per person sent to landfill, which is 57.8% of the national average. This is an increase on last year but still well below the national average.				
User satisfaction with refuse disposal (transfer station facilities)	 78%	 82%	 86%	±5%	82%
	78% of users were satisfied with these facilities (average rating 7.4/10), similar to 2023 but down from 2022 – while remaining above the NZ benchmark (60%). Satisfaction was notably higher in Galatea-Murupara.				
User satisfaction with the kerbside waste collection service	 89%	 88%	 88%	±3%	85%
	<p>Most surveyed residents (89%) reported regular kerbside waste collection at their property in 2024 (consistent with previous years).</p> <ul style="list-style-type: none"> As in 2023, this remained the highest-rated service in 2024 with very high satisfaction (89%, 8.2/10 average rating) - one of the most consistent results across all service measures over time. 1 in 3 (32%) respondents rated this service the maximum 10 out of 10. Compared with 67% NZ benchmark. 				

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

LEGEND  Achieved  Not Achieved
(but within MOE ±%)  Not achieved

What these activities cost and how they were paid for

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

FUNDING IMPACT STATEMENT: WASTE MANAGEMENT AND MINIMISATION WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2024		LTP 2022/23 \$000	LTP 2023/24 \$000	Actual 2023/24 \$000
OPERATIONAL				
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		1,676	1,701	1,645
Targeted Rates		3,483	3,751	3,725
Subsidies and grants for operating purposes		235	146	658
Fees and charges		1,717	2,016	2,356
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees, and other		-	-	71
Sources of operating funding (A)		7,110	7,613	8,454
Applications of operating funding				
Payments to staff and suppliers		6,104	6,620	8,125
Finance costs		60	51	118
Internal charges and overheads applied		551	561	641
Other operating funding applications		-	-	-
Applications of operating funding (B)		6,715	7,232	8,885
Surplus (deficit) of operating funding (A-B)		395	382	(430)
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure		321	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		(256)	(237)	464
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Sources of capital funding (C)		65	(237)	464
Applications of capital funding				
Capital expenditure				
- to meet additional demand		5	5	6
- to improve level of service		328	9	14
- to replace existing assets		29	46	81
Increase (decrease) in reserves		99	85	(66)
Increase (decrease) of investments		-	-	-
Applications of capital funding (D)		461	145	34
Surplus (deficit) of capital funding (C-D)		(395)	(382)	430
Funding Balance ((A-B) + (C-D))		-	-	-

PROJECT NAME	BUDGET 2023/24	ACTUAL 2023/24	VARIANCE	PROJECT COMMENT
Murupara Transfer Station Improvements	9,158	13,667	(4,509)	Complete
Recycling Park Minor Improvements	5,387	6,041	(654)	Complete
Local Organic Waste Processing Plant	403,190	-	403,190	Project not progressing
Renewals	47,985	80,862	(32,876)	Complete – renewals at Murupara and Whakatāne Resource Recovery Centres and Keepa Rd Greenwaste Composting Facility



COMMUNITY SAFETY

Te marutau o te hāpori

Activities in this group:

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

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.

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Integrating nature into our decision-making

11/12

Performance measures met

What's happened this year?

I ahatia i tēnei tau?

Environmental Health and Safety and Community Compliance

*Strategic priority it
has contributed to:*



This year, we introduced a new initiative where every business that registers with our Environmental Health Team is offered a one-hour coaching session. During these sessions, business owners receive practical guidance on managing their Food Control Plans and ensuring all necessary documentation is completed accurately.

This proactive approach has already proven to be a game-changer, with verifiers noting improved compliance, heightened awareness, and overall better outcomes. Our commitment to maintaining high standards is further reflected in our continued accreditation which we hold for 18 months until the next external audit.

Highlights by numbers:

- 175 food premises are registered under Food Control Plans.
- 71 National Programmes are registered.
- Approximately 291 verifications completed.
- 46 Health Act registrations verified.
- 17 School Lunch Programmes have been verified.
- 92 liquor license inspections completed.

Our Parking and Bylaw team has also shifted its focus towards engaging the community rather than solely issuing fines or warnings. Wardens are increasingly taking an educational approach, explaining their actions to help diffuse potential conflicts and foster better understanding. This strategy has been effective in preventing escalations and building stronger relationships within the community.





Education safety campaigns and events

*Strategic priority it
has contributed to:*



In order to increase safety awareness within our district, we hosted a range of events to share knowledge, provide advice, and engage our community in our safety initiatives and activities. Throughout the year these events included;

September Motorcycle Awareness Month

Motorcycle riders account for one third of fatalities, and are 21 times more likely to be killed or injured on our roads than other road users, travelling the same distance.

To raise awareness, the Eastern Bay Road Safety Programme team organised an action-packed event Saturday 9 September, during the September Motorcycle Awareness Month, with 200 in attendance. The 'Revved Up' event was for riders to brush up on their motorcycle skills and knowledge all while enjoying a free sausage sizzle and coffee.

There were some fantastic prizes up for grabs from our three local motorcycle businesses: Underwood and Wilkins, Tony Rees Motorcycles and Whakatāne Motorcycles. There were also live demonstrations and a skills race led by PassMasters, a certified rider training provider. All those attending had the opportunity to sign up for a free 'Ride Forever programme, an initiative supported by ACC.

Amazing Race

A whopping 80 teams took part in the Amazing Safety Race, with over 300 participants from throughout the Eastern Bay, including Ōpōtiki, Rūātōki and Waimāna.

During the race the Eastern Bay Road Safety Programme team shared the importance of; wearing seatbelts, not texting and driving, knowing the road rules, sharing safety messages to others, being prepared in an emergency, reducing our carbon footprints, healthy body equals health mind, and how alcohol affects our mobility.

This kaupapa was supported by local organisations and businesses including Radio 1XX, SunFM1065, New Zealand Police, EPIC Whakatāne Town Centre, Whakatāne District Council, Bay of Plenty Civil Defence, Tuhoe Hauora and Bike Whakatāne.

It was a fun-filled day and was great to see our community engaged in an interactive way.



Biketober

*Strategic priority it
has contributed to:*



Biketober launched with a host of exciting events, including:

- Murupara Community Wheels Day
- Giving E-Biking a go
- Women's basic bike maintenance course
- Family bike skills, games and BBQ
- Ride the Runway and tour of the Whakatāne flying school down at the Whakatāne Airport
- Give mountain biking a go at the Ōnepū Mounting Biking Park
- The Chase mountain biking race series
- Burma Road Night Ride
- Wheels day – prizes and rewards for all kids that brought their wheels to school
- Go by Bike Day – biking to Robert Harris and receiving a free coffee
- European tour highlights
- TrioBike ride in Ōhōpe
- Whakatāne Cycle Tour
- Ōhōpe Mystery Cycle Tour
- Unlock a Coffee by learning how to use the LockyDock Stations

These fun and educational cycling related events were received positively by the community, with the launch day seeing us fitting safety bells, some roller-skating appearing in Murupara, a 'wheely' good turn out with 621 Tamariki from local Kura taking part in our Wheels Day, and free car seat clinics as part of the fun. These initiatives provided an opportunity to showcase a multitude of alternative transport modes in a fun and safe way.

Contributing to growth and sustainability

Strategic priority it has contributed to:



In 2023/24, the Resource Consents team processed 174 consents, contributing to the continued growth and sustainability of the district. Some of the most notable developments this year include:

Seven Papakāinga developments:

These projects involved multiple dwellings around shared facilities, supporting rural living and enhancing community togetherness. Papakāinga developments are unique in that they allow for the use of productive land in rural areas, reflecting a significant contribution from iwi to the district's rural amenity and economy.

Two large solar farms:

We granted consents for two additional solar farms, one on the Rangitāiki Plain and the other in Galatea. These new projects, each spanning just under 100 hectares, add to the growing number of renewable energy developments in the district. This marks a significant shift in land use toward electricity generation, underscoring our commitment to sustainable energy solutions.

Large Rural subdivisions for Kiwifruit farming:

Several subdivisions were approved to facilitate the expansion of kiwifruit farming, a sector that has seen renewed growth in the past three to four years. While this growth is welcome for the district's economy, it has also introduced challenges, including limited worker accommodation and increased noise from frost fans and bird scaring devices. These developments have led to a higher demand for District Plan monitoring to address the associated impacts.

Building control

Strategic priority it has contributed to:



Our 2023/24 customer survey revealed strong performance in several key areas of our building consent process. We measured customer satisfaction across categories such as feeling valued, professionalism, integrity, ease of process, timeliness, value for money, and overall satisfaction.

This year, 100 customers provided feedback, an increase from 83 responses in the previous year. We maintained consistency in our 'overall satisfaction' measure, achieving a final score of 70 percent, exceeding our target of 60 percent.

Key metrics included:

- Average ratings for all categories ranged from 6.10 to 7.66, with the most common response being a 10.
- 435 building consent applications were granted out of 437 received, with an average processing time of 10.99 working days, well within the statutory timeframe of 20 days.
- The total value of consents granted reached \$68.71 million, including 19 consents with a value of \$1 million or more.

Building consents remain a significant portion of our work, and we are committed to delivering consistent, professional, and efficient service. We have actively participated in audits as a Building Consent Authority and have successfully maintained our accreditation.

Emergency Management

*Strategic priority it
has contributed to:*



We are actively advancing our Emergency Management Preparedness so that the district is prepared for and can effectively respond to an emergency.

Preparing for a tsunami

Tsunami preparedness initiatives include readiness information for the public in the form of booklets and social media releases. These online and hard copy booklets provide information and maps relevant to the District tsunami zones. We have also completed the upgrades of coastal tsunami information boards, with a list of potential future locations.

Preparing for earthquakes

Earthquake reduction and readiness works such as seismic strengthening as well as minor upgrades to the Te Teko War Memorial and Waimana-Nukuhou North Memorial Hall were completed in October 2023. Seismic strengthening is part of several measures being taken to build greater community across the District. Building upgrades were carried out to ensure the building is structurally sound, and will better equip the Halls for community readiness and response efforts in the case of an emergency.

Expanding our resources and supplies

We are in the process of expanding our emergency resource and supplies, which will be stored in outlying communities throughout the district, and associated with community emergency response teams. Additional emergency supplies will be stored at elevated locations in highly populated areas. The council has begun liaising with community stakeholders and local iwi leaders in outlying communities to identify optimal locations for Emergency Evacuation Centres and determine essential equipment requirements, such as welfare kits and connectivity needs, should these communities be cut off from main centres.

Other district – wide emergency equipment, welfare kits, increased radio and digital connectivity, and an alternative Emergency Operations Centre form part of the Better Off Funding packing within this project.





















Tsunami evacuation zones are now **BLUE**.

Scan to view if you're in the **BLUE**.



How we performed

Ā mātau mahi

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	TARGET
Percentage of licenced premises inspected at least once per year, excluding special licences.	 100%	 88%	 100%	100%
A fully staffed team for the 2023/24 ensured we met our target.				
Percentage of complaints relating to abandoned cars, litter, and general bylaw offences responded to within two working days	 92.71%	 96.4%	 91.30%	90%
No significant change to last year				
Percentage of after-hours excessive noise complaints responded to promptly*	 95%	 98%	 95.60%	90%
<p>*'Promptly' is defined as responding to excessive noise complaints within the following timeframes: Area 1 (Ōhope, Whakatāne, Tāneatua, Coastlands, Awakeri, Thornton Road to Golf Links Road): less than 60 minutes Area 2 (Edgecumbe, Matatā, Otamarakau, Otakiri, Onepū, Te Teko, Te Mahoe and Wainui to the Ōpōtiki intersection): less than 100 minutes Area 3: (Murupara, Galatea, and environs): less than 120 minutes.</p> <p>No significant change to last year.</p>				
Percentage of environmental health complaints (excluding noise) to within two working days	 86%	 93%	 96.50%	90%
A staff shortage through-out the year, meaning we were unable to meet the target. There is a nationwide talent shortage of environmental health officers, impacting our ability to hit this target.				
Percentage of aggressive/threatening dogs and roaming stock complaints responded to within one hour	 90.37%	 89.70%	 94.30%	90%
This is core function of Council, to deliver public safety. The target was met for the year, no significant change to the year prior.				
Percentage of all other animal control complaints responded to within two working days	 97.24%	 98.90%	 99%	90%
No significant change.				

LEGEND



Achieved

















Not Achieved
(but within MOE ±%)



Not achieved

How we performed

Ā mātau mahi

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	TARGET
User satisfaction with Council's resource consent process	 66.5%	 65%	 63%	60%
	Results are from 20 returns received from a total of 174 granted consents (i.e. 11.5% return rate). The returns tend to be extreme, i.e. 4 were 2/10 or less and 11 were 8/10 or more, giving a median of 85%.			
User satisfaction with Council's building consent process	 69.69%	 69%	 64%	60%
	No significant change			
The change from the previous year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (M)	 23 Crashes (4 Fatal and 19 Serious) 2 less than the previous year	 25 (2 more than the previous year)	 23 (2 more than the previous year)	Fewer crashes than the previous year
	There was a slight improvement on the previous year with an overall reduction of 2 crashes. Motorcycle riders were overrepresented at 43% of crashes.			
The district is prepared for and can effectively respond to an emergency	 Advancing	 Advancing	 Advancing	Advancing
	We are actively advancing our emergency response and preparedness through initiatives in the form of resources through information and awareness for our community.			
Percentage of residents that have an understanding of what consequences would be if a disaster struck their area	Results are provided every second year	 87.5%	Results are provided every second year	80%
	Results available every second year only, no target year 3			
Percentage of residents that have taken any action to prepare for an emergency	Results are provided every second year	 87.5%	Results are provided every second year	80%
	Results available every second year only, no target year 3			

LEGEND



Achieved



Not Achieved
(but within MOE ±%)



Not achieved

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

What these activities cost and how they were paid for

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

FUNDING IMPACT STATEMENT: COMMUNITY SAFETY WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2024		LTP 2022/23 \$000	LTP 2023/24 \$000	Actual 2023/24 \$000
OPERATIONAL				
Sources of operating funding				
General rates, uniform annual general charges, rates penalties		4,033	4,019	3,887
Targeted Rates		-	-	-
Subsidies and grants for operating purposes		310	320	497
Fees and Charges		2,573	2,624	2,955
Internal charges and overheads recovered		51	52	37
Local authorities fuel tax, fines, infringement fees, and other		1,019	1,039	217
Sources of operating funding (A)		7,986	8,054	7,593
Applications of operating funding				
Payments to staff and suppliers		3,861	3,903	4,809
Finance costs		78	68	117
Internal charges and overheads applied		3,283	3,257	4,311
Other operating funding applications		-	-	-
Applications of operating funding (B)		7,222	7,228	9,238
Surplus (deficit) of operating funding (A-B)		763	827	(1,645)
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure		-	21	176
Development and financial contributions		-	-	-
Increase (decrease) in debt		(268)	(277)	(131)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Sources of capital funding (C)		(268)	(256)	45
Applications of capital funding				
Capital expenditure				
- to meet additional demand		-	-	-
- to improve level of service		-	-	176
- to replace existing assets		-	21	-
Increase (decrease) in reserves		495	550	(1,767)
Increase (decrease) of investments		-	-	-
Applications of capital funding (D)		495	571	(1,600)
Surplus (deficit) of capital funding (C-D)		(763)	(827)	1,645
Funding Balance ((A-B) + (C-D))		-	-	-
PROJECT NAME	BUDGET 2023/24	ACTUAL 2023/24	VARIANCE	PROJECT COMMENT
Speed Limit Sign - Enhancement	21,548	-	21,548	Project did not progress
<i>Better Off Funded.</i> Emergency Community Resilience	638,707	175,546	463,160	Better Off Funded Project, balance carried forward to 2025



COMMUNITY EXPERIENCE

Ngā wheako hāpori

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

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.

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.



Constructively and collaboratively engaging with iwi, hapū, and whānau

2/5

Performance measures met

What's happened this year?

I ahatia i tēnei tau?

Arts, Culture and Creativity Strategy – Te Rautaki Toi, Ahurea me Auahatanga

Strategic priority it has contributed to:



A thriving arts and cultural presence is essential to achieving Council's Long Term Plan vision, 'more life in life' and maintaining our user satisfaction within our arts and culture services. To support this, Elected Members adopted the first district-wide Arts, Culture and Creativity Strategy – Te Rautaki Toi, Ahurea me Auahatanga. The strategy was developed in partnership with the district's arts, culture and creative communities to guide our district's future investment in the arts, and was funded by Creative NZ. The strategy was well received by Elected Members who acknowledged the passion and dedication of those involved in its development, including staff members, community creatives, volunteers and ngā toi Māori practitioners. The strategy uses the waka hourua (twin hulled boat) as a framework to encourage, enhance, and support communities to have conversations about our past, present, and future through various forms of expression and creativity.

Life and works of Tame Iti explored in powerful exhibition

Strategic priority it has contributed to:



Te Kōputu a te Whanga a Toi – Whakatāne Library and Galleries was proud to host 'Thou Shalt Not', an immersive exhibition featuring the multifaceted works of renowned Māori artist and activist, Tame Iti. 'Thou Shalt Not', a title from Tame's memories as a young child being asked to recite the Ten Commandments at school, provided a unique glimpse into the distinguished artist's life through the dynamic range of works.

The reference to the Ten Commandments serves as a metaphorical framework for the exhibition, and a standout feature was the inclusion of iconic works, symbols of resistance and resilience.

Tame Iti's nephew's horse blanket formed a vital part of his 1995 Fiscal Envelope submission to the Crown was one of many powerful representations of both his artistic endeavours and commitment to advocating for Māori rights.

Tame Iti was involved in the development of the exhibition and oversaw the daily progress within the gallery space. There were also opportunities for the public to catch Tame in action in the gallery studio space during one of his pop-in impromptu painting sessions, initiating user engagement. We encouraged members of the public to immerse themselves in Tame Iti's world, reflect on the historical narratives embedded in each piece of art, and stay open to the crucial dialogue woven through the works.





38th Annual Molly Morpeth Canaday Art Awards

*Strategic priority it
has contributed to:*



Following weeks of preparation, in February 2024 staff at Te Kōputu a te Whanga a Toi / Whakatāne Library and Galleries put together the finishing touches on one of the country's longest standing art accolades ahead of its opening weekend. Now in its 38th year, the prestigious Molly Morpeth Canaday Award 2024, run by Arts Whakatāne, encouraged and celebrated the development of fine art on a national level and supported both emerging and established artists from across Aotearoa New Zealand.

The event officially opened on the evening of 6 February, with an award ceremony featuring a prize pool of \$25,000 donated from a variety of sponsors. The following day, the exhibition opened to the public where a stunning selection of sixty-two finalists work was displayed at Te Kōputu a te Whanga a Toi which showcased an exciting selection of contemporary art from across the motu. A total of 495 award entries were received this year, highlighting the significance of this prestigious event. The exhibition showcases the talent amongst the New Zealand art community and provides an opportunity for our users to highlight their creativity and innovation.

Annual over 80's Event

*Strategic priority it
has contributed to:*



As in previous years, Whakatāne District residents over the age of 80 were encouraged to attend the annual festive over 80's morning tea. The occasion, hosted jointly by The Council and Community Boards, was an opportunity to acknowledge the contribution the older generation had made to our communities. The morning tea was held in the Reception Lounge at the Whakatāne War Memorial Hall early December, where guests were served hot beverages and food by the Mayor Dr Victor Luca, Councillors, and Community Board representatives, while enjoying entertainment provided by local pre-schoolers. The event, now in its twenty-third year, is much-anticipated by elected members and those in the wider community. Talent guests from the Floral Arts society lent their artistic flair to style the venue, which is always a highlight for the keen gardeners attending the popular event.

Whakatāne Aquatic and Fitness Centre Maintenance

*Strategic priority it
has contributed to:*



Whakatāne Aquatic and Fitness Centre closed for three weeks in April 2024 which allowed contractors to carry out scheduled maintenance and improvement works. Both the pools and gym closed, which meant contractors could undertake improvement and maintenance works on the changing room and toilet facilities, hot water system, and the 25 metre indoor pool. Maintenance investment was necessary for the facility to continue to operate safely and efficiently for our users.

Whakatāne Holiday Park

*Strategic priority it
has contributed to:*



Whakatāne Holiday Park has seen a steady year-on-year increase in revenue and guest nights over the past three years. A financial milestone of reaching \$1 million in net revenue was achieved before the end of the year. Although we did not meet our performance target for the number of total guest nights at the Whakatāne Holiday Park this year, guest nights were up 1.4 percent from the previous year. Meeting our guest night target is challenging due to a post COVID-19 reduction in the international tourist market coupled with the changing behaviours of guests, with less people camping in tents. However, we are seeing an increase the demand for our cabins, and we are focusing on the financial return rather than the number of guest nights. We have continued to invest in upgrading the facilities and have received positive feedback from guests regarding user satisfaction. Attracting more guests to the holiday park has remained a focus throughout the year. Efforts contributing to this include a marketing rebrand which is ready to be launched later in 2024.



River access improvements to Wairaka Centennial Park

*Strategic priority it
has contributed to:*



Improvement works to the river-edge of Wairaka Centennial Park in Whakatāne commenced in late April 2024. The improved design was confirmed following a positive consultation process with tangata whenua, Wairaka Marae Whānau, local boating representatives and the wider community. The improvements allowed for safe, accessible stairs, and a ramp to be constructed in the area. Since opening in 2017, the playground and surrounding green spaces have been enjoyed by many, however the access steps to the Whakatāne River raised concerns. We listened to these concerns and undertook the removal of all intermediate steps and handrails from the existing concrete terraces on the southern side of the river access area, removed the perimeter wall of the river access area to below sand level, and installed wider concrete terraces with a lower gradient. Intermediate steps were then added between the terraces along with handrails. In addition, a new ramp was installed from the existing boardwalk through to the river access area at the base of the new steps, with handrails placed either side. The overall new design aims to improve the existing situation in terms of access, safety, cultural outcomes, environmental outcomes, and usability.

Planning for future generations: Improving our recreation facilities

*Strategic priority it
has contributed to:*



Improvements to the wider Rex Morpeth Recreation Hub were included in the Long Term Plan 2021-31 budget, with the Rex Morpeth Recreation Hub Master Plan project getting underway in late 2022. Initial key users and wider community engagement, analysis of the engagement and development, testing and refinement of several master plan options were undertaken throughout 2023. Through this process three draft master plan options were developed and discussed with key users at a workshop in August 2023. Master plan options, including an enhanced status quo option, were further refined, and community wide engagement on these options was carried out over a four-week period during September-October 2023. More than 300 submissions were received, with most respondents identifying that some or all of the park's facilities needed upgrading. Submitters included local clubs and organisations.










The final version of the master plan, developed with recommendations from a consultant, was presented to the Living Together Committee in December 2023 and this plan was included in the community consultation in April 2024 for the Long-Term Plan 2024-34. The master plan proposes a redevelopment of the Hub with any upgrades delivered in stages over 10 years to allow time to carry out detailed design and planning, seek feedback, obtain external funding and carry out construction works. This includes:

- A multi-purpose facility with significant upgrades to Whakatāne War Memorial Hall, including the Little Theatre
- a sports pavilion to replace the existing Rugby Park grandstand
- an accessibility-friendly playground
- increased carparking space
- Other required improvements over the Rex Morpeth Recreation Hub area.







Through the Long Term Plan 2024-34 consultation a significant number of submitters indicated their preference was to carry out necessary upgrade or a complete 'do nothing' option as their preferred option. The main reasons for this focused on the projected rates rise, the current economic climate and the need for other core infrastructure projects to be prioritised. It was concluded that closing the door now on planning for the future of the Rex Morpeth Recreation Hub will only defer the problem and the cost to future generations of ratepayers. It was recommended to continue to plan for the staged investment in the Rex Morpeth Recreation Hub, a key community asset for the Eastern Bay of Plenty. The Council cannot and should not do it alone, it must partner to plan, fund and deliver the improvements for the success of the project and for future generations.




How we performed

Ā mātau mahi

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	MARGIN OF ERROR	TARGET
User satisfaction with recreation facilities in the Whakatāne District (sports fields, parks and reserves, playgrounds, boat ramps and wharf facilities)	 76%	 78%	 83%	NA	77%
	<p>There is no significant trend over time. There was a dip in satisfaction levels for both Boat Ramps and Wharf facilities and Playgrounds.</p> <p>Note: Index results are average scores of other calculated measures. Unlike other measures in this report, index results are not directly collected from the population and do not have margin of errors.</p>				
User satisfaction with public swimming pools in the Whakatāne District	 77%	 81%	 81%	±6%	75%
	<p>1-in-3 residents (32%) reported visiting a swimming pool in the District in 2024 (up from 26% in 2023 and 25% in 2022).</p> <p>Satisfaction among swimming pool users (77%) in 2024 remained high and similar to 2023 (81%) – and 10%-points above the national benchmark. In 2024, satisfaction was lower among 18-39 year olds; but higher for males than for females (7.3 vs 6.5 on average).</p>				
User satisfaction with community facilities in the Whakatāne District (public toilets, public halls, cemeteries, crematorium facilities)	 68%	 79%	 74%	NA	74%
	<p>Among public toilet users, the percentage satisfied decreased in 2024 (50%) compared to 2023 (59%), although average ratings were consistent (5.6 vs 5.8) overall.</p> <p>As with the Whakatāne Exhibition Centre, many residents could not rate public halls in the district. However, visitation of halls increased in 2024 (27%) compared to 2023 (20%).</p> <p>Visits to cemeteries remained low in 2024, with 1-in-5 residents (20%) reporting this (similar to 2023). 69% of these residents were satisfied with cemeteries overall – although lower than in 2023.</p> <p>Note: Index results are average scores of other calculated measures. Unlike other measures in this report, index results are not directly collected from the population and do not have margin of errors.</p>				

LEGEND  Achieved  Not Achieved (but within MOE ±%)  Not achieved

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	MARGIN OF ERROR	TARGET
User satisfaction with art and culture services in the Whakatāne District (Te Whare Taonga o Taketake - Whakatāne Museum and Research Centre, District Libraries, Te Kōputu a te Whanaga a Toi - Whakatāne Library and Exhibition Centre)	 81%	 84%	 82%	NA	77%
	<p><i>In 2024, just 1-in-10 residents (11%) reported visiting the Whakatāne Museum and Research Centre. However, visitors report very high satisfaction at 78% in 2024, consistent with 2023 and remaining above results from 2020-22. Thirty one percent of residents in 2024 reported visiting the Whakatāne Exhibition Centre (up slightly from 29% in 2023); satisfaction remained high for visitors at 84%.</i></p> <p><i>Note: Index results are average scores of other calculated measures. Unlike other measures in this report, index results are not directly collected from the population and do not have margin of errors.</i></p>				
Total guest nights in the Whakatāne Holiday Park	 25,472	 25,115	 24,985	NA	2024: Above 29,000 2023: Above 29,000 2022: Above 28,000
	<p><i>We did not meet target due to the ongoing impact from the decreased international tourist market and the and changes in guest behaviour (length of stay is shorter in duration, and there is an increasing demand for cabins rather than camping).</i></p> <p><i>When the target was set, the park had permanent residents, this is no longer the case with only temporary visitors staying at the park.</i></p>				

LEGEND  Achieved  Not Achieved (but within MOE ±%)  Not achieved

What these activities cost and how they were paid for

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

FUNDING IMPACT STATEMENT: COMMUNITY EXPERIENCE WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2024	LTP 2022/23 \$000	LTP 2023/24 \$000	Actual 2023/24 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	12,033	12,186	11,785
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	19	20	4
Fees and charges	2,753	2,823	2,777
Internal charges and overheads recovered	1,865	1,897	2,089
Local authorities fuel tax, fines, infringement fees, and other	103	105	592
Sources of operating funding (A)	16,774	17,031	17,247
Applications of operating funding			
Payments to staff and suppliers	8,331	8,485	10,585
Finance costs	505	621	1,059
Internal charges and overheads applied	6,426	6,554	7,907
Other operating funding applications	-	-	-
Applications of operating funding (B)	15,262	15,660	19,552
Surplus (deficit) of operating funding (A-B)	1,512	1,371	(2,305)
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	1,197	52	638
Development and financial contributions	121	123	143
Increase (decrease) in debt	5,770	3,822	3,810
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	7,088	3,997	4,592
Applications of capital funding			
Capital expenditure			
- to meet additional demand	2,416	106	86
- to improve level of service	1,273	763	1,338
- to replace existing assets	2,339	1,780	2,551
Increase (decrease) in reserves	(2,916)	(1,381)	(1,688)
Increase (decrease) of investments	5,488	4,100	-
Applications of capital funding (D)	8,599	5,368	2,287
Surplus (deficit) of capital funding (C-D)	(1,512)	(1,371)	2,305
Funding Balance ((A-B) + (C-D))	-	-	-

PROJECT NAME	BUDGET 2023/24	ACTUAL 2023/24	VARIANCE	PROJECT COMMENT
Library Collection Improvement	32,322	21,676	10,646	Complete
<i>Better Off Funded.</i> Hono Hapori Community Outreach	446,107	212,681	233,426	Better Off Funded Project, balance carried forward to 2025
Playground Shade Sails	43,472	40,892	2,580	Complete
Whakatāne Escarpment Mitigation	79,394	171,431	(92,037)	Complete, third party cost recovery of \$88k
Awatapu Lagoon Wetland Construction	419,460	24,946	394,514	Planning is underway
Bollards	150,000	151,790	(1,790)	Complete
Mitchell Park Market Space Drainage	50,000	-	50,000	Balance carried forward to 2025
Mitchell Park Market Space Landscape and Shade	150,000	-	150,000	Balance carried forward to 2025
Mitchell Park Market Space Toilets	300,000	-	300,000	Balance carried forward to 2025
Sullivan Lake Foopaths and Retaining Walls	5,105	5,197	(92)	Complete
<i>Better Off Funded.</i> Southern Districts Regeneration - Minginui	150,000	-	150,000	Better Off Funded Project, balance carried forward to 2025
<i>Better Off Funded.</i> Southern Districts Regeneration - Murupara	199,999	-	199,999	Better Off Funded Project, balance carried forward to 2025
Whakatāne New Cemetery	1,091,056	16,343	1,074,713	Rebudgeted in the LTP
Whakatāne Aquatic New Office and Training Space	150,000	93,813	56,187	Complete
Tidal Pool Remediation	187,638	37,606	150,031	Project underway, balance carried forward to 2025
Wharfside Fire and Safety Upgrade	40,000	-	40,000	Balance carried forward to 2025
Wharfside Glass Doors and Windows	50,000	54,479	(4,479)	Complete
Wharfside Landscaping and Shade	100,000	-	100,000	Balance carried forward to 2025
Wharfside Toilets	350,000	-	350,000	Balance carried forward to 2025
Whakatāne Harbour Eastern Wall Strengthening	479,870	-	479,870	Rebudgeted in the LTP (2026 and 2027)
Holiday Park - Renewals	180,000	94,696	85,304	Funding to be carried over for the renovation of ablution block
Holiday Park Upgrades	60,000	53,661	6,339	Complete
Multi, Sports Events Centre	207,263	83,811	123,452	Master planning underway
<i>Better Off Funded.</i> Earthquake Strengthening Halls-Enhance Resilience	755,561	425,264	330,297	Better Off Funded Project, balance carried forward to 2025
Other Projects/Renewals Consolidated	3,160,543	2,486,415	674,127	District projects, largely complete



CORPORATE SERVICES

Ngā ratonga rangatōpū

Activities in this group:

- Corporate and district activities

This 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.

Contribution to the Council's vision and community outcomes:



Strong, connected, interdependent, and diverse communities.

What these activities cost and how they were paid for

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

Corporate services costs are the indirect costs incurred by the Council that are not directly tied to the production or delivery of a specific activity or service, the operating costs associated with the delivery of corporate services that support the wider activity delivery of the Council to the community.

The costs of corporate services are allocated to each activity using an appropriate allocation base. For example, the cost of the people and capability enabling service may be allocated based on the number of employees each activity has. This overhead allocation methodology, which is common good practice, means that the costs of corporate services are funded through the indicative percentages of each actual activity.

What these activities cost and how they were paid for

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

FUNDING IMPACT STATEMENT: CORPORATE SERVICES WHAKATĀNE DISTRICT COUNCIL, YEAR ENDED 30 JUNE 2024	LTP 2023 \$000	LTP 2024 \$000	Actual 2024 \$000
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	667	2,542	3,386
Targeted Rates	-	-	(549)
Subsidies and grants for operating purposes	-	-	31
Fees and Charges	559	29	11
Internal charges and overheads recovered	15,603	15,551	19,112
Local authorities fuel tax, fines, infringement fees, and other	354	361	558
Sources of operating funding (A)	17,184	18,483	22,550
Applications of operating funding			
Payments to staff and suppliers	13,462	13,169	13,528
Finance costs	(253)	65	2,321
Internal charges and overheads applied	1,814	1,593	1,350
Other operating funding applications	1,533	1,505	801
Applications of operating funding (B)	16,556	16,332	17,999
Surplus (deficit) of operating funding (A-B)	627	2,151	4,551
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	637
Development and financial contributions	-	-	-
Increase (decrease) in debt	6,995	(90)	18,218
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	6,995	(90)	18,855
Applications of capital funding			
Capital expenditure			
- to meet additional demand	5,389	2,079	137
- to improve level of service	3,418	91	1,013
- to replace existing assets	1,085	1,257	1,271
Increase (decrease) in reserves	(2,269)	(1,365)	20,985
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	7,623	2,062	23,406
Surplus (deficit) of capital funding (C-D)	(627)	(2,151)	(4,551)
Funding Balance ((A-B) + (C-D))	-	-	-

PROJECT NAME	BUDGET 2024	ACTUAL 2024	VARIANCE	PROJECT COMMENT
Enterprise Resource Planning System Replacement	2,000,000	-	2,000,000	Reclassified as Opex and Rebudgeted in LTP
Alarms and Cameras Te Koputu, Customer Services and AC	40,000	-	40,000	Timing, anticipated to complete in 2025 financial year
Exhibition Centre LED Lighting	81,621	6,134	75,487	Timing, anticipated to complete in 2025 financial year
Library HVAC- fit for purpose	138,009	-	138,009	Timing, anticipated to complete in 2025 financial year
<i>Better off Funding.</i> CCTV Upgrade Enhancement	718,868	637,168	81,700	Installation complete, refining of communication methodology in progress
Other Projects/Renewals Consolidated	1,603,371	1,777,219	(173,847)	Complete



COUNCIL CONTROLLED ORGANISATIONS

Ngā Rōpū e whakahaerehia ana e te Kaunihera

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)
- New Zealand Local Government Funding Agency (LGFA) (company)

Each CCO is required to agree to a Statement of Intent with its stakeholders (including the Council) and to make this available to the public. The Statement of Intent sets out the CCO's nature and scope of activities, key performance targets, and reporting requirements along with other matters. At the end of each financial year, each CCO must report performance against its Statement of Intent.

We manage and monitor our investment in CCO by reviewing statements of intent, and annual reports at our Revenue and Finance Committee. Copies of the statements of intent and annual reports are available on our website.

The following explains what these organisations do, our objectives in regard to ownership, nature and scope of activities, key performance targets and outcomes.

4/4

Performance
measures met





WHAKATĀNE AIRPORT

Te Papa Rererangi o Whakatāne

About this organisation

Mō tēnei rōpū

The Whakatāne Airport is a CCO under the Local Government Act 2002. It was formed as a CCO in 2006 and is a joint venture partnership between the Council and the Ministry of Transport Te Manatū Waka (MOT), with each party owning a 50 percent share.

The Whakatāne Airport is a valued community asset, connecting Whakatāne and the wider Eastern Bay of Plenty to the rest of the country. It plays a vital role in our economic infrastructure, supporting trade, tourism, and overall economic growth for the Eastern Bay of Plenty. The airport has historical ties to Ngāti Taiwhakaea and Ngāti Awa, with opportunities to develop partnerships. Continuous investment and upgrades are needed to maintain and enhance this critical infrastructure in line with Civil Aviation Authority (CAA) requirements.

Our policies and objectives regarding ownership in this organisation

The Council's objective for this organisation is to see the maintenance of an active regional airport which is a vital economic resource for the Whakatāne District and an essential part of the regional transport infrastructure.



Nature and scope of activities

Te hōkaitanga o ēnei mahi

Aviation services: The airport is maintained as a non-certified aerodrome in accordance with Civil Aviation Authority requirements, enabling it to provide commercial passenger and freight air services through third parties, and as aviation services to clubs and private members.

Leases: Land surplus to the airport’s present operational requirements is leased for grazing. Lease of the airport land is also available to ancillary commercial operators and associated industries.

The objectives of Whakatāne Airport include:

- Providing high-quality facilities and services in proportion with existing levels of aviation activity, and in accordance with all the appropriate acts, regulations and rules pertaining to airport and aviation operations in line with the size of Whakatāne Airport.
- Operating the airport in a sound, environmentally-sustainable and businesslike manner.
- Ensuring that the airport is administered efficiently, effectively and safely to the benefit of scheduled flight operations, commercial operators and recreational users.
- Improving the long-term value and financial performance of the airport.
- Promoting a safe, accessible, affordable and reliable air transport system for the Eastern Bay of Plenty region.

It makes a social contribution rather than a financial return, and as such is considered a public benefit entity.

Performance targets

Ngā whāinga tiritiringa

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	TARGET
The Airport is maintained to Civil Aviation Authority (CAA) requirements	 Achieved	 Achieved	 Achieved	To be achieved
	The Airport is governed by the Airport Expositions Document and the Airport Operations Plan which comes under the CAA. This is a living document and is kept actively updated.			
Minimum of two executive management meetings per year with our Airport Operator and Airline	 Achieved	 Achieved	 Achieved	2
	There are documented and minuted meetings with both J&P (Airport Operator) and Air Chatham’s (Airline).			

What happened this year?

I ahatia i tēnei tau?

Overall airport activity has stabilised this financial year, which indicates the Whakatāne Airport can expect a modest increase in air traffic over the coming years. As a Joint Venture airport with the Ministry of Transport the Whakatāne Airport has a renewed focus on improving its financial performance while continuing to enhance safety. Many initiatives have been identified through the process of developing the Whakatāne Airports Master Plan and Strategic Plan 2024-29.

The aim is to further develop a fantastic asset for our community while reducing the liability this asset has historically had on rate payers. One of the major steps forward the Whakatāne Airport has made is the introduction of a new landing fees structure. This was a robust process which culminated in the new structure being approved for introduction on 1 July 2024 by the Minister of Transport. As the Whakatāne Airport and community works through the implantation of the Strategic Plan 2024-29, the strategic planning outlined paves the way for a promising future for the Whakatāne Airport.

PROJECT NAME	BUDGET 2023/24	ACTUAL 2023/24	VARIANCE	PROJECT COMMENT
Airport Land Redevelopment	1,199,898	5,292	1,194,606	Project rebudgeted in LTP (2025 and 2026)
Airport Hardstand Upgrade	39,884	3,620	36,265	Complete
Airport CCTV Upgrade	49,996	44,266	5,730	Complete
Other Projects/Renewals Consolidated	248,357	56,835	191,523	Complete or carried over
	1,538,135	110,012		





TOI EDA

About this organisation

Mō tēnei rōpū

Toi EDA is the economic development agency for the Eastern Bay of Plenty and is based in Whakatāne. It is a partnership between Kawerau, Ōpōtiki and Whakatāne District councils, and the Bay of Plenty Regional Council, working together with local iwi. Toi EDA undertakes activities to contribute to the sustainable growth and development of the local economy.

Toi EDA's purpose and vision is to grow the Eastern Bay of Plenty: Tini o Toi – kia tipu, kia puawai- To create, grow and blossom the myriad of Toi. Toi EDA contributes to the outcomes of the economic development and regeneration activity in the Strategy and Futures group of activities.

Our policies and objectives regarding ownership in this organisation

Ā mātau kaupapa here me ngā whāinga ki tēnei rōpū

The Council's objective for this organisation is to recognise the strength of a coordinated approach to economic development in the Eastern Bay of Plenty. To support major economic development opportunities that will provide a benefit to the communities of the Whakatāne District and Eastern Bay of Plenty.

Nature and scope of activities

Te hōkaitanga o ēnei mahi

Attract people to work, live and play in the Eastern Bay of Plenty

- Encourage alignment of Māori economic development activity and Toi EDA activity
- Support and develop industry
- Advocate for improved infrastructure and transportation
- Foster communication with communities and partners
- Secure and diversify the Toi EDA funding base

Performance targets

Ngā whāinga tiritiringa

The Council has elected, along with its other partner councils, to exempt Toi EDA from the provisions related to Council Controlled Organisations as provided under the Local Government Act Part 1 section for the three-year period to March 2025. This means that it does not have to meet the specific reporting requirements related to CCOs. Exemption from these requirements allows Toi EDA to focus more of its limited resources on economic development.

A performance target was set through the 2021-31 Long Term Plan under the 'Strategy and Futures' activity. For performance on this measure see page 31 of this report.

What's happened this year?

I ahatia i tēnei tau?

TOI EDA – Council Controlled Organisation

*Strategic priority it
has contributed to:*



The Council and Toi EDA have collaborated on various initiatives throughout the year including the reviewing of the Eastern Bay of Plenty Economic Development Strategy 2018 (in conjunction with Ōpōtiki District Council, Kawerau District Council, Bay of Plenty Regional Council) to prepare for new rounds of Regional Infrastructure Fund applications, previously known as the Provincial Growth Fund.

Bay of Plenty Aquaculture Group hosted their inaugural Bay of Plenty Aquaculture Summit in August 2023 in Whakatāne. This event was supported by Toi EDA, the Council, Bay of Plenty Regional Council, WSP and the Ministry of Primary Industries.

The Rebel Business School, a social impact organisation, ran a local business startup programme in Whakatāne in November and December 2023. This was a 10 day course which had an uptake of 37 participants, including 70 percent from Māori businesses. Partners for this initiative included Ministry of Social Development, Toi EDA, Whakatāne District Council, Ministry of Pacific Growth and Te Wānanga o Aotearoa. At the conclusion of the programme, a trade show was held to enable participants to setup a stall and promote their new or growing business.



Bay of Plenty Local Authority Shared Services

About this organisation

Mō tēnei rōpū

Bay of Plenty Local Authority Shared Services Limited (BOPLASS) is a company owned by nine councils, which includes: Whakatāne District Council, Bay of Plenty Regional Council, Rotorua Lakes Council, Western Bay of Plenty District Council, Kawerau District Council, Tauranga City Council, Ōpōtiki District Council, Taupō District Council and Gisborne District Council.

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

Our policies and objectives regarding ownership in this organisation

The Council's objective for this organisation is to promote shared services between local authorities in the Bay of Plenty/ Gisborne regions and elsewhere.

Nature and scope of activities

Te hōkaitanga o ēnei mahi




BOPLASS provides benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiencies and increased value through innovation.

The principal nature and scope of the activities of BOPLASS is to:

- Use joint procurement to add value to goods and services sourced for member councils.
- Establish the underlying technology, framework, platform and policies to enable and support collaboration.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate financial responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its member councils directly or indirectly.
- Actively monitor and engage with shared service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its shareholders in matters with which it is associated.

Performance targets

Ngā whāinga tiritiringa

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	TARGET
In our Annual Report, we will report the total estimated savings to the Council for each financial year	 Achieved	 Achieved	 Achieved	Initiatives provide financial savings of greater than 5 percent and/or improved service levels to the Whakatāne District Council
	Council continues to see significant financial benefits through joint procurement initiatives, such as licencing agreements.			

BOPLASS set six performance measures through its Statement of Intent 2023-26 and reported achieving all targets in its 2023/24 Annual Report. For more information visit whakatane.govt.nz/about-council/council-initiatives/boplass

Local Government Funding Agency (LGFA)

About this organisation

Mō tēnei rōpū

New Zealand Local Government Funding Agency (LGFA) is a company owned by the New Zealand Government (20 percent) and 30 local councils (80 percent), with Whakatāne District Council holding a 0.44 percent share.

It specialises in financing the New Zealand local government sector. LGFA was established to raise debt on behalf of councils on terms that are more favourable to them than if they raised the debt directly. As LGFA is majority owned by councils, it constitutes a Council Controlled Organisation under the Local Government Act 2002.

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

Our policies and objectives regarding ownership in this organisation

Ā mātau kaupapa here me ngā whāinga ki tēnei rōpū

The Council's main objective for ownership in LGFA is to access shared funding at better rates and for more flexible terms.




Nature and scope of activities

Te hōkaitanga o ēnei mahi

- Raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (participating borrowers).
- May raise debt funding either domestically and/or offshore in either New Zealand dollars or foreign currency.
- Only lends to participating borrowers that have entered into required relevant legal and operational arrangements and comply with the LGFA's lending policies.
- May undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

Performance targets

Ngā whāinga tiritiringa

PERFORMANCE MEASURES (How we will measure our service delivery)	2024	2023	2022	TARGET
Estimated annual savings for the Council is between 5 bps and 10 bps (weighted average) below trading bank margins for term loans.	 Achieved	 Achieved	 Achieved	Estimated annual savings for the Council is between 5 bps and 10 bps (weighted average) below trading bank margins for term loans.
	<i>Comparisons were made between LGFA weighted average interest and trading banks weighted average interest as at 30 June 2024. LGFA on average, as at 30 June 2024, was charging 1.71% (171 bps) less interest than comparable mortgage rates at trading banks.</i>			

LGFA set 17 performance measures through its Statement of Intent 2023-26 and reported achieving 14.5 targets in its 2023/24 Annual Report. For more information visit whakatane.govt.nz/files/documents/2024-12/lgfa_annualreport_2024_0.pdf

THE COUNCIL'S INVOLVEMENT IN OTHER ACTIVITIES

Te mahi a te Kaunihera
i ētahi atu ngohe

This section of the annual report covers other initiatives the Council has been involved in throughout the year such as the securing of external funding, commitment to climate change and achievements through awards.



BETTER OFF FUNDING PROJECTS

The Whakatāne District is set to benefit from community projects funded by the Department of Internal Affairs Better Off Funding package throughout 2024. The Council was successful in receiving the first tranche (\$5.66 million) from the Department of Internal Affairs Better Off Funding package in December 2022, to be used toward projects designed to boost local amenities and outcomes for residents. Progress updates for each of the seven projects are as follows:

Eastern Bay of Plenty Spatial Plan (\$200 thousand)

Strategic priority it has contributed to:



Better Off Funding has successfully assisted in accelerating progress with investigative work associated with the Eastern Bay of Plenty Spatial Plan Project. Funding toward this portion of the Spatial Plan is now complete. The funding has assisted with:

- The launch of the 'Our Places – Eastern Bay Spatial Plan' website, providing information and resources about the project and its outcomes.
- Developing and finalising key maps that show the current and future growth scenarios for the region based on various factors and assumptions.
- Refreshing the project plan to reflect the changes and progress made throughout the project.
- Conducting workshops, briefings, and meetings with the Control Group, Technical Group, and Governance Group, which consisted of representatives from various stakeholders and agencies involved in the project.

Community safety camera project (\$1 million)

Strategic priority it has contributed to:



The delivery and installation of 33 new safety cameras, also known as CCTV, across the Whakatāne District, alongside the upgrade of 11 existing cameras has been delivered and a monitoring contractor appointed and in place.

All work has been completed for the scope of the project as originally agreed and delivered on time and under budget. The underspent budget will be used to deliver additional cameras and software upgrades along with additional radio functionality.

The project team are now working alongside the monitoring contractor and NZ Police ICT team to address minor teething issues with the connectivity of radios.



Natural Hazard Resilience (\$1.36 million)

*Strategic priority it
has contributed to:*



This project aims to improve the Civil Defence readiness and community resilience of the Whakatāne District in case of natural disasters. The project has seen the completion of seismic strengthening to the Waimana-Nukuhou North Memorial Hall in October 2023, with work on the Te Teko War Memorial Hall progressing well and ahead of schedule with a targeted completion date of May 2024.

Work on upgrading an alternative Emergency Operations Centre on higher ground is complete. The project is developing Community Emergency Hubs across the Whakatāne District, which will provide emergency resources to support the community following a natural hazard emergency or other event.

Engagement with local marae and other community organisations to build awareness and gain support for the hubs continues to be positive.

He Waka Hono Hapori Community Connections and Outreach (\$500 thousand)

*Strategic priority it
has contributed to:*



The aim of this project is to enhance accessibility to Council services in remote communities. It involves the deployment of two specially equipped vans to serve as mobile hubs of engagement, information and service delivery.

The Council recognises the importance of reaching all communities within the Whakatāne District. The initiative aims to bridge the gap between outlying communities and the main township of Whakatāne, ensuring that vital information and services are accessible to everyone, especially those who may face barriers in accessing traditional council buildings.

The two vans arrived in late May 2024 and will undergo a special fit-out and the application of graphic designs. Each van will be equipped with resources, including access to digital devices, Wi-Fi, and printing capabilities. Moreover, the design allows for flexibility to accommodate specific equipment tailored to Council activities, ensuring we are catering to a variety of needs to reach our communities.

The service will be known as Honoa Hapori Community Connections, and it is anticipated the vans will be ready to service the communities by December 2024.



Edgecumbe to Thornton shared Pathway (\$900 thousand)

Strategic priority it has contributed to:



This project began in the earlier part of the year, with the first stage of the shared pathway commencing in September 2024. The first stage involves resurfacing an existing grass walking track beginning at Edgecumbe Squash and Tennis Club on College Road and ending at Edgecumbe Skatepark.

The shared pathway is part of the broader vision of walking and cycling loops intended for the Whakatāne District. It forms part of the Active Whakatāne Strategy which aims to develop rural community projects and improve the connections between outlying communities.

Options for the remaining stages are still being researched and include options for riverbank trails or roadside trails. This has seen the project completion date pushed out to December 2025.

The finalised route of the remaining pathway to Thornton is still to be confirmed and staff are working with some property owners on concerns they have.



Collective Iwi Policy Hub (\$1 million)

Strategic priority it has contributed to:



This project aims to equitably resource iwi to participate and engage in a range of strategy, policy and legislative proposals that affect the Whakatāne District.

The project is on track, with a Program Manager appointed in December 2023, who has initiated engagement with the four iwi Chief Executives. The Hub is developing terms of engagement, resourcing needs, support staff recruitment and forward support plans.

The next priority is to ensure perspectives and priorities are included in the Eastern Bay Spatial Plan and climate change projects, with planning in progress to define the scope of these projects. The second half of 2024 is expected to see the start of new work and resources for the hub.

Southern District Towns Regeneration (\$700 thousand)

Strategic priority it has contributed to:



This project supports the strategic visions of Ngāti Manawa and Ngāti Whare, which aim to revitalise Murupara and Minginui. This involves developing masterplans that align with the aspirations of these iwi and communities.

The Minginui Community will be invited to begin vision and master planning with the help of external consultants. The activation project for Minginui will follow after this work is done. The project has been slightly delayed due to consultant availability. The new completion date is June 2025.



Our commitment to addressing climate change

Te utanga ki te huringa āhuarangi

Although we did not set any specific targets for climate change through our Long Term Plan 2021, we are part of the Toitu Carbon Reduce Programme and also report every six months on our action plans from the Climate Change Strategy 2021-24. We developed a new Climate Change Strategy in the reporting period which includes emission related targets that will be reported on for the coming periods.

During the 2023/24 financial year, the Council’s carbon footprint amounted to 3,801 tonnes of carbon dioxide equivalent (tCO₂e), reflecting a 12 percent increase from the 2022/23 financial year in which emissions were recorded as 3,402 tCO₂e. A summary of our top carbon emission sources is shown below:

Emission Source	Carbon emitted (tCO ₂ e)	Percentage of emissions	Comment
Wastewater Treatment Plant	2,173	57%	Our Wastewater Treatment Plant is our largest emission source, and we had a 2 percent decrease compared with 2022/23 year.
Electricity	463	12%	Our electricity emissions increased over the last year by 3 percent but have declined by 40 percent since the base year (2018).
Diesel	382	10%	The Council’s diesel emissions have decreased by 2 percent from the 2022/23 financial year.
Natural Gas	228	6%	Natural gas emissions increased by 93 percent compared with the 2022/23 year due to increased use of natural gas by the Whakatāne Aquatic and Fitness Centre. Natural gas is being slowly phased out.
Waste	195	5%	The recording of waste emissions has been improved providing greater visibility of our waste emissions. Increased visibility helps us to work towards reducing these over time.
Refrigerant Leaks	176	5%	Some large-scale refrigerant leaks occurred in the year across three different gas types, HFC134a, R410A, R407C. Anti vibration work has been undertaken to prevent further leaks.

The figures in the above table are certified by our 2023/24 Toitu audit.

The emission sources included in this carbon footprint are selected based on Councils ability to influence any emission reductions and what information is available to Council to measure the emissions. We have chosen to measure our scope 1 and 2 emission sources and a selection of scope 3 sources. The scope 3 sources selected include air travel, waste sent to landfill from Council facilities, and electricity and gas transmission and distribution losses. This means potentially significant emission sources such as carbon embodied in capital goods (e.g. roading material) are not measured. This is a Council only footprint and does not include emissions generated from the wider group such as the Whakatāne Airport. This is our gross emissions and therefore does not take into consideration absorption of carbon through forestry nor the use of offsets.

Reducing our energy use

Our Energy Management Programme has delivered continuous reductions and cost savings since it started in 2019.

This program aims to identify, implement, and monitor opportunities for energy savings and emission reductions and was established in collaboration with the Energy Efficiency and Conservation Authority (EECA) and the support of Energy Management Solutions (EMSOL). In the 2023/24 financial year, our Energy Management Programme has achieved significant cost savings and a reduction in carbon emissions.

Our Energy Management Programme has continued to show results, with continuing changes to reduce power usage across Council sites. We have successfully saved approximately \$94,142 through the implementation of energy-efficient practices and retrofitting initiatives with the help of our consultants and are looking at further concepts to help reduce these numbers further.

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



Te Rāhui Herenga Waka Boat Harbour

Over the course of the year, Te Rāhui Herenga Waka Boat Harbour project received certification of its Site and Soil Contamination Management plan, and continues to progress options for the full remediation of the development site at 2 Keepa Road. This is a complex process and recognising the project's commitment to positive environmental outcomes, additional time has been required to work through analysis and consider the way forward.

Council as shareholder and Limited Partner of the Boat Harbour project receives reporting on progress and has contributed two tranches of its total equity commitment to date, totalling \$5.7 million.

77 Bunyan Road

Following an expressions of interest process Council entered into an Agreement for Sale and Purchase to sell the 26.9 hectare block of land at 77 Bunyan Road in 2017. The purchasers intend to develop the land for residential housing and are progressing through the consenting process.



Celebrating our awards

Me whakanui ka tika

He aha te mea nui o te ao? He tangata, he tangata, he tangata!

What is the most important thing in the world? It is people, it is people, it is people!

Each year Taituarā holds a series of awards to showcase and celebrate the outstanding people and mahi that contribute to the success of the local government sector. The Council is proud to be a leader in fostering a positive and productive work environment for its staff, ultimately benefiting the entire Whakatāne community. The Council has received national recognition of this at the annual Taituarā Local Government Excellence Awards in June 2024, being announced as the winners in two different categories.

Excellence in Organisation and People Development Award

For the second year in a row, the Council was announced as the recipient of the Excellence in Organisation and People Development Award for its innovative 'Reimagining Work' programme. This category recognises approaches that build an exceptional organisational culture or capability through the application of transformational leadership. A crucial aspect contributing to the success of these awards is the potential for other councils to easily replicate the winning project in their pursuit of similar improvements.

Reimagining Work began as a building refurbishment in response to required earthquake strengthening that has carried through to a fully hybrid working environment and its translation into a better overall work/life balance and an enhanced ability to meet the needs of the local community. The initiative was recognised by the judges as going beyond flexible working policies to become a highly transferable and measurable workplace transformation project encompassing systems, values, and leadership. The Reimagining Work programme emphasises that building successful local government isn't about bricks and mortar, it's about people.



Winners of Management Challenge, New Zealand

Ngā Toa Mahi Tahī, a team of six Council staff, were announced as the winners of the New Zealand leg of the Australasian Management Challenge at the Taituara awards. In May 2024, Ngā Toa Mahi Tahī participated in the New Zealand leg of the Management Challenge— an inter-council challenge sponsored by Marsh that is designed to sharpen the leadership and management skills of local government staff. The Challenge organisers highlighted the team’s collaborative spirit, respectful communication, and strong performance across a number of tasks. Ngā Toa Mahi Tahī will represent New Zealand against the top regional teams from across Australia in August 2024.

Most Beautiful Large Town

Whakatāne was crowned New Zealand’s most beautiful large town at the annual Keep New Zealand Beautiful Awards, in November 2023. The beautiful awards are New Zealand’s longest-running sustainability awards and provide a benchmark for environmental excellence. Run annually since 1972, the awards inspire, recognise and acknowledge those individuals, schools, community groups, towns and cities working passionately to keep New Zealand beautiful.

Those judging the award paid homage to the ‘dedication and passion’ of the Whakatāne people, and the districts committed focus to lwi engagement and community led projects.

The Keep New Zealand Beautiful Awards judges were impressed with the sheer amount of work going on in the environment space; including, a new tree strategy aiming to increase canopy cover by 20 percent over the next 20 years, a new wetland ‘sponge park’ to help local streams recover from weed infestations, and a plan to rejuvenate nearby wetlands and restore the health of the Awatapu lagoon.



Financial statements

Ngā whakapuakanga pūtea



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Introduction to the financial section

The financial section encompasses the essential financial details mandated by the Local Government Act 2002 and the Financial Reporting and Prudence Regulations 2014 for Whakatāne District Council (Council).

This section includes:

- Financial Prudence Benchmarks
- Whole of Council Funding Impact Statement (FIS)
- Financial Statements
- Notes to the Financial Statements

Rating Base Information outlines the basis on which rates are determined and trends observed over recent years.

The Whole of Council Funding Impact Statement (FIS) is compiled in line with the Financial Reporting and Prudence Regulations 2014. It presents the full year's results compared to the budget and the previous year, categorising revenue and expenditure as either operational or capital sources and applications of funds. Depreciation expense is excluded from the operational application of funds. In the Funding Impact Statement, depreciation is included in the movement of reserves as a source of capital funding.

Following the Whole of Council Funding Impact Statement, the Council's Financial Statements are presented in accordance with the Local Government Act 2002, and are prepared in line with New Zealand Generally Accepted Accounting Practice and the new Public Benefit Entity requirements.

The Financial Statement of Comprehensive Revenue and Expense presents operational and capital revenue and expenditure differently from the Funding Impact Statement.

Operating expenditure includes depreciation and some non-cash expenses such as provisions for doubtful debts. Depreciation is a non-cash operating expense that acknowledges the use of an asset over the year. Since assets will eventually wear out and need replacement, the cost of asset depreciation should be considered an operational cost. However, the Council does not always fully fund the costs of depreciation through rates and user fees and charges, such as for the replacement of road assets which are partly funded by NZ Transport Agency Waka Kotahi.

The Statement of Financial Position displays what the Council owns (its assets) and what it owes (its liabilities) at the end of the financial year. This statement provides a snapshot of the Council's net worth (assets less liabilities) at a specific point in time. It is supported by a Statement of Movements in Equity, which illustrates how the net worth of the organisation has changed over the year, and a Statement of Cashflows, which records the Council's transactions involving cash movements and explains the year-end cash balance.

The notes to the accounts offer a more detailed explanation of the items in the financial statements.

Financial prudence

Annual Report disclosure statement for the year ending 30 June 2024

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

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

Rates affordability benchmarks

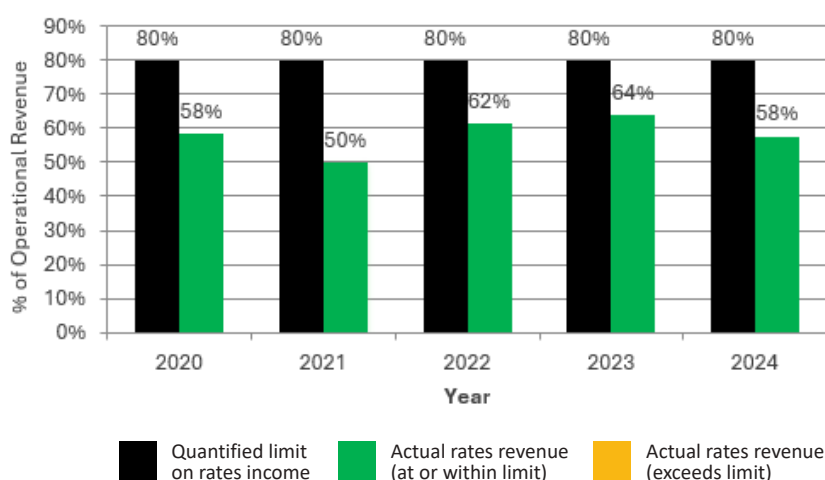
Local Government (Financial Reporting and Prudence) Regulations 2014 S.17

The Council meets this benchmark if:

- Its actual rates income for the year equals, or is less than, each quantified limit on rates; and
- Its actual rates increases for the year equal, or are less than, each quantified limit on rates increases.

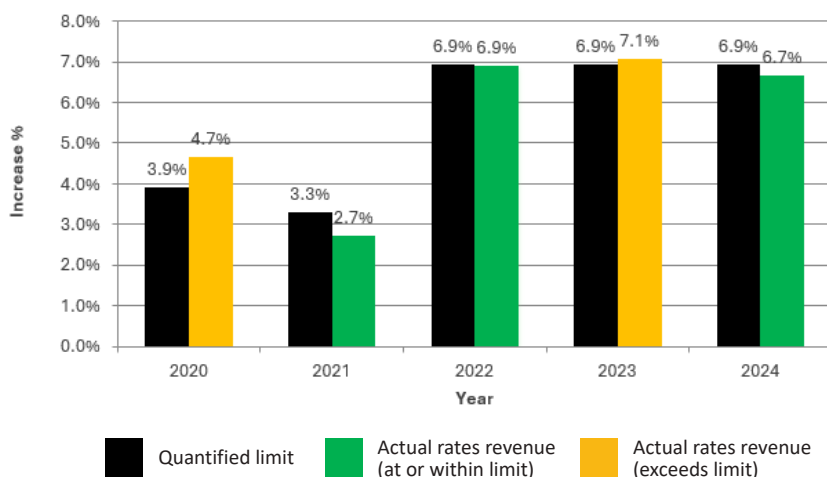
Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan. The quantified limit on rates revenue for each year of the Long Term Plan period of 10 years is 80 percent of total revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).



Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan. The quantified limit on rates increases, for 2020-2021 is the annual percentage increase in the Local Government Cost Index*+2 percent, and for 2022-2024 the quantified limit specified in the Long Term Plan is 6.93 percent.



Debt affordability benchmarks

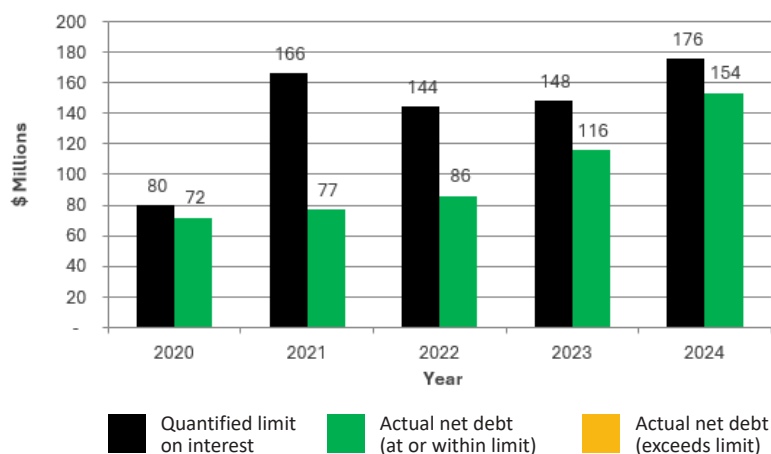
Local Government (Financial Reporting and Prudence) Regulations 2014 S.18

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

- Its actual borrowing amount at the end of each year equals, or is less than, each quantified limit on borrowing amount; and
- Its actual borrowing cost for the year equals, or is less than, each quantified limit on borrowing cost.

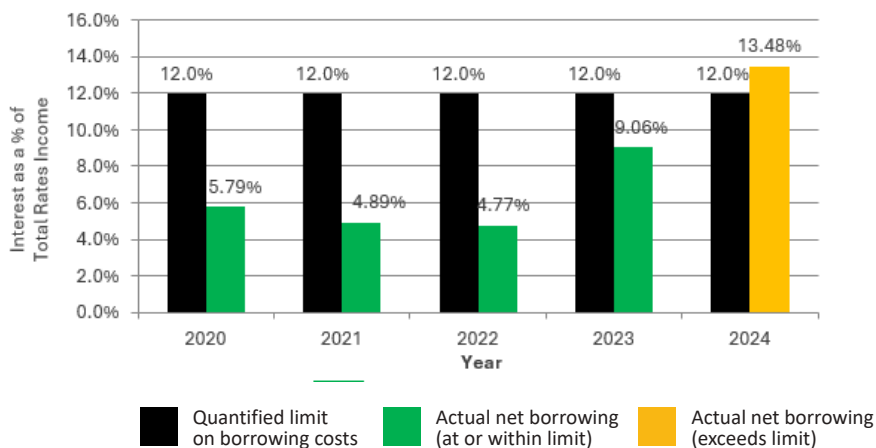
Borrowing amount

The following graph compares the Council's actual amount of borrowing with a quantified limit on borrowing stated in the financial strategy in the Council's Long Term Plan and within its Treasury Management Policy. The quantified limit for net debt as a percentage of annual income is capped at 175 percent.



Borrowing cost

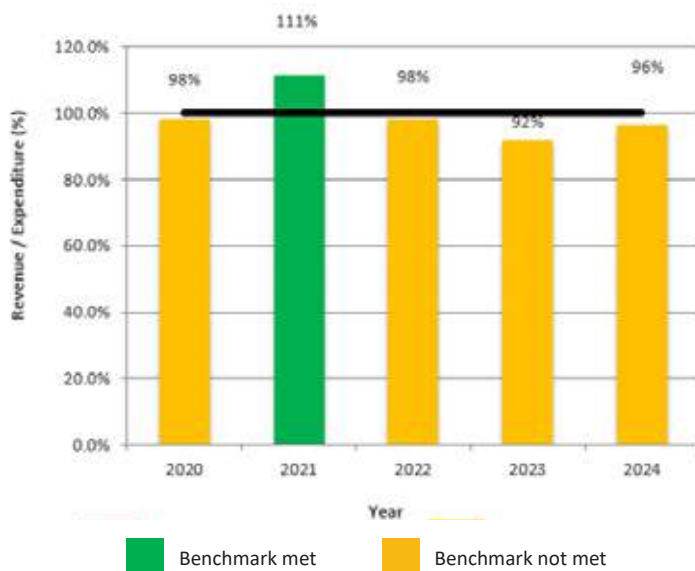
The following graph compares the Council's actual net cost of borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan and within its Treasury Management Policy. The quantified limit is 12 percent of total rates.



Balanced budget benchmark

Local Government (Financial Reporting and Prudence) Regulations 2014 S.19

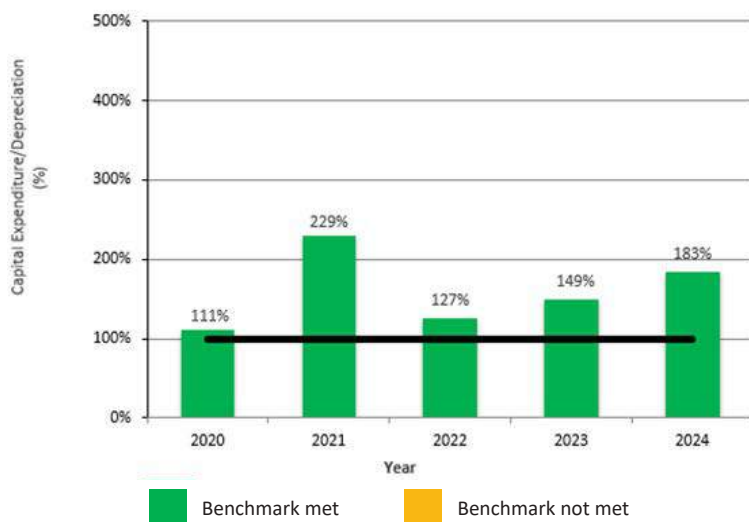
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial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



Essential services benchmark

Local Government (Financial Reporting and Prudence) Regulations 2014 S.20

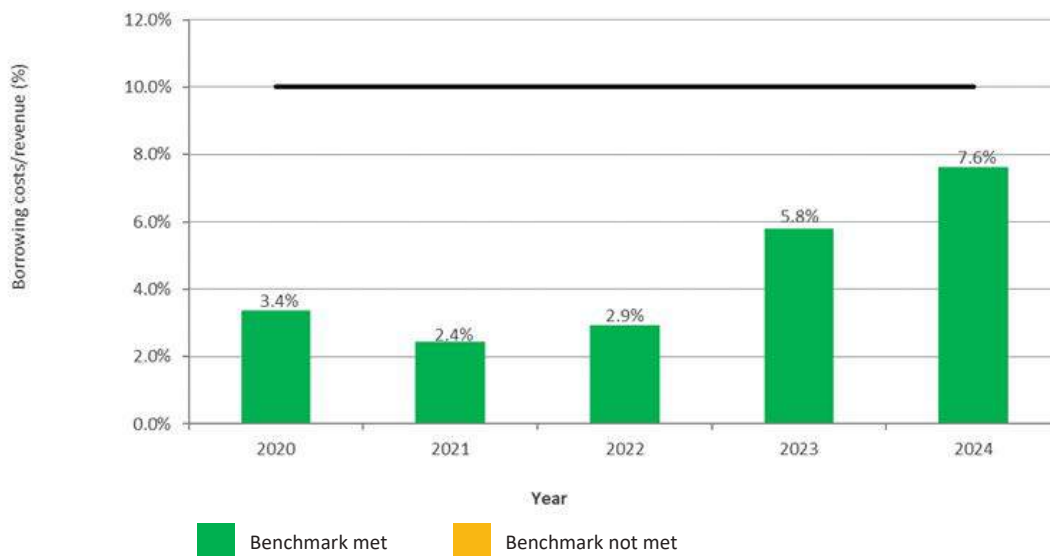
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals, or is greater than, depreciation on network services.



Debt servicing benchmark

Local Government (Financial Reporting and Prudence) Regulations 2014 S.21

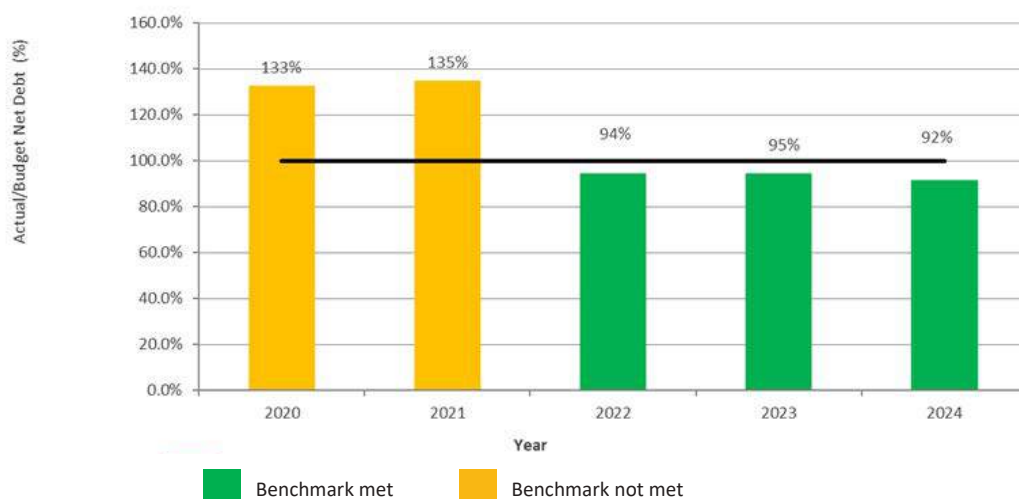
The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal, or are less than, 10 percent of its revenue.



Debt control benchmark

Local Government (Financial Reporting and Prudence) Regulations 2014 S.22

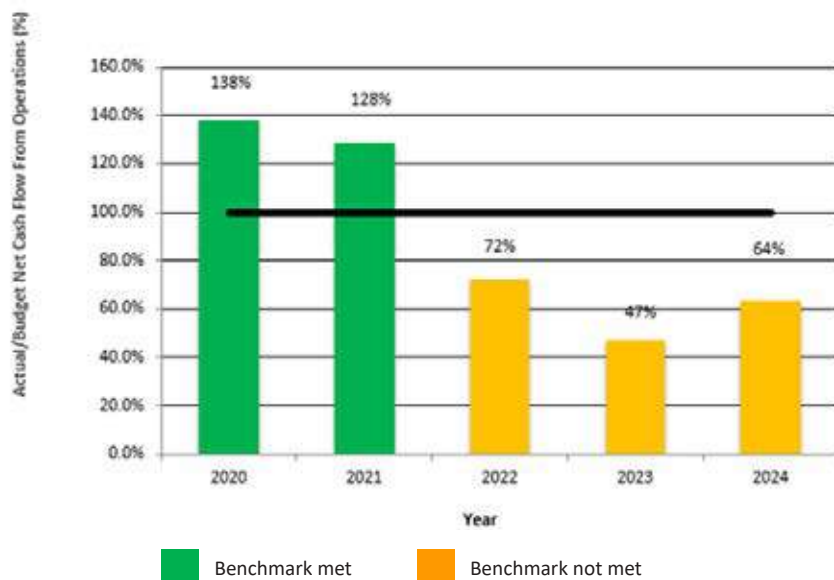
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals, or is less than, its planned net debt.



Operations control benchmark

Local Government (Financial Reporting and Prudence) Regulations 2014 S.23

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



FUNDING IMPACT STATEMENT – WHOLE OF COUNCIL FOR THE YEAR ENDED 30 JUNE 2024

	2023 ANNUAL PLAN \$000	2023 ACTUAL \$000	2024 ANNUAL PLAN \$000	2024 ACTUAL \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	27,232	27,252	31,016	30,013
Targeted rates	28,364	28,480	29,824	29,036
Subsidies and grants for operating purposes	6,974	8,220	7,606	9,448
Fees and charges	10,351	9,569	10,863	8,969
Interest and dividends from investments	46	499	48	1,134
Local authorities fuel tax, fines, infringement fees and other receipts	2,253	2,436	2,531	3,675
Total operating funding (A)	75,220	76,455	81,889	82,275
Applications of operating funding				
Payments to staff and suppliers	57,153	65,154	67,645	67,551
Finance costs	2,606	4,918	8,281	7,798
Other operating funding applications	1,531	1,422	1,531	801
Total applications of operating funding (B)	61,290	71,494	77,457	76,149
Surplus (deficit) of operating funding (A – B)	13,930	4,961	4,432	6,126
Sources of capital funding				
Subsidies and grants for capital expenditure	15,823	8,880	26,841	18,534
Development and financial contributions	394	131	426	198
Increase (decrease) in debt	26,263	29,800	53,500	37,700
Gross proceeds from sale of assets	2,225	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	44,705	38,811	80,767	56,432
Application of capital funding				
Capital expenditure				
- to meet additional demand	12,811	8,168	8,654	766
- to improve the level of service	28,009	19,114	42,001	22,852
- to replace existing assets	15,748	15,916	27,240	21,858
Increase (decrease) in reserves	(3,421)	(4,915)	3,204	17,082
Increase (decrease) of investments	5,488	5,488	4,100	-
Total applications of capital funding (D)	58,635	43,772	85,199	62,558
Surplus (deficit) of capital funding (C – D)	(13,930)	(4,961)	(4,432)	6,126
Funding balance ((A – B) + (C – D))	-	-	-	-

RECONCILIATION FROM SURPLUS OF OPERATING FUNDING TO OPERATING SURPLUS FOR THE YEAR ENDED 30 JUNE 2024

The following reconciliation bridges the difference between the funding impact statement and the statement of comprehensive revenue and expenditure.

	2024 ACTUAL \$000	2023 ACTUAL \$000
Total comprehensive revenue wholly attributed to Whakatāne District Council	7,060	51,092
Surplus of operating funding as per the funding impact statement	6,126	4,961
Difference	934	46,131
Operating surplus items not included in operating funding:		
- Vested assets	98	1,475
- Capital income	18,732	9,011
- Other gains	272	3,287
- Depreciation and amortisation expense	(26,392)	(23,086)
- Revaluation of assets	12,320	58,979
- Other losses	(1,974)	(4,480)
- Increase / (decrease) in provisions	(1,908)	71
- Income tax expense	-	(865)
- Other revenue and expense items	(214)	1,741
Operating surplus as per the statement of comprehensive revenue and expenditure	934	46,131

FINANCIAL STATEMENTS

Ngā whakapuakanga pūtea

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

	NOTE	ACTUAL 2024 \$000	BUDGET 2024 \$000	ACTUAL 2023 \$000
Operating revenue				
Rates	2 (i)	59,049	60,260	55,217
Subsidies and grants	2 (ii)	27,983	33,613	17,722
Development contributions		198	426	131
Fees and charges	2 (iii)	8,969	9,290	8,001
Finance revenue	2 (iv)	1,127	48	499
Other operating revenue	2 (v)	3,780	3,773	4,857
Gains	2 (vi)	272	5,544	1,483
Total operating revenue		101,377	112,954	87,910
Operating expenditure				
Personnel costs	3	26,885	26,207	25,177
Depreciation and amortisation expense	6	26,392	27,896	23,086
Finance costs	4	7,798	8,281	4,917
Other operating expenses	5	43,375	41,911	37,526
Revaluation losses	5(i)	1,974	888	4,482
Total operating expenditure		106,423	105,183	95,188
Operating surplus/(deficit) before tax and share of equity accounted investments		(5,047)	7,771	(7,278)
Share of limited partnership and joint venture surplus/(deficit)	13	(213)	(450)	(381)
Surplus/(deficit) before tax		(5,260)	7,321	(7,660)
Income tax (expense)/benefit	7	(17)	-	(865)
Surplus/(deficit) after tax		(5,277)	7,321	(8,525)

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE (CONTINUED) AS AT 30 JUNE 2024

	NOTE	ACTUAL 2024 \$000	BUDGET 2024 \$000	ACTUAL 2023 \$000
Surplus/(deficit) after tax		(5,277)	7,320	(8,524)
Other comprehensive revenue and expenses				
Other comprehensive revenue and expense of joint venture	14	-	-	(227)
Revaluation of property, plant, and equipment gains /(losses)	24	12,320	59,862	58,979
Tax on other comprehensive revenue	7	17	-	865
Total other comprehensive revenue and expense		12,337	59,862	59,617
Total comprehensive revenue and expense		7,060	67,182	51,093

The summary of accounting policies and the accompanying notes form part of these financial statements.
Explanations of major variances against budget are provided in Note 28.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	NOTE	ACTUAL 2024 \$000	BUDGET 2024 \$000	ACTUAL 2023 \$000
ASSETS				
Current assets				
Cash and cash equivalents	8	17,623	4,812	3,815
Receivables	9	20,296	16,216	17,445
Inventory	10	427	296	313
Derivative financial instruments	11	35	-	134
Total current assets		38,381	21,324	21,708
Non-current assets				
Non-current assets held for sale	12	9,551	16,696	10,051
Derivative financial instruments	11	1,652	1,652	2,164
Other financial assets	13	350	-	350
Investment in CCOs and other similar entities	14	10,108	11,669	9,232
Investment in Limited Partnership (Boat Harbour)	13	5,857	9,800	5,674
Property, plant, and equipment	15	1,257,654	1,369,510	1,235,159
Work in progress	15	18,080	35,667	10,519
Intangible assets	16	860	2,549	602
Forestry assets	17	286	333	280
Investment property	18	43,226	49,583	44,043
Total non-current assets		1,347,622	1,497,459	1,318,075
Total assets		1,386,003	1,518,783	1,339,782
LIABILITIES				
Current liabilities				
Payables and deferred revenue	19	20,499	18,903	20,467
Derivative financial instruments	11	-	-	1
Borrowings and other financial liabilities	20	22,000	18,300	12,300
Employee entitlements and provisions	21	3,755	1,031	3,374
Provisions	22	1,245	705	757
Total current liabilities		47,499	38,939	36,899
Non-current liabilities				
Borrowings and other financial liabilities	20	132,500	162,500	104,500
Employee entitlements	21	570	527	502
Provisions	22	4,968	1,780	4,439
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	1,315,037	1,193,443
Equity				
Accumulated funds	24	442,241	490,683	447,522
Council created operating reserves	24	2,172	(1,684)	2,300
Restricted reserves	24	15,188	10,099	15,074
Asset revaluation reserve	24	740,866	815,760	728,547
Total equity		1,200,467	1,315,037	1,193,443

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	ACTUAL 2024 \$000	BUDGET 2024 \$000	ACTUAL 2023 \$000
Balance at 1 July		1,193,442	1,247,854	1,142,209
ECL adjustment due to adoption of PBE IPSAS41		-	-	141
Adjusted balance as at 1 July		1,193,442	1,247,854	1,142,350
Total comprehensive revenue and expense for the year		7,060	67,182	51,093
Other movements		(35)	-	-
Balance at 30 June	24	1,200,467	1,315,037	1,193,443

*The summary of accounting policies and the accompanying notes form part of these financial statements.
Explanations of major variances against budget are provided in Note 28.*

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	ACTUAL 2024 \$000	BUDGET 2024 \$000	ACTUAL 2023 \$000
Cash flows from operating activities				
Receipts from rates revenue		56,782	60,260	54,061
Subsidies and grants received		26,202	35,630	16,456
Development and financial contributions received		198	426	131
Fees and charges received		12,718	8,400	10,917
Interest and dividends received		1,176	48	499
Receipts from other revenue		-	-	-
Total operating cash provided		97,076	104,764	82,064
Payments to suppliers and employees		(67,363)	(63,351)	(59,912)
Paid to agencies		(132)	-	(2,279)
Interest paid		(7,518)	(8,281)	(4,917)
GST (net)		(580)	-	(602)
Total operating cash applied		(75,593)	(71,632)	(67,710)
Net cash flow from operating activities		21,483	33,132	14,354
Cash flows from investing activities				
Receipts from sale of property, plant, and equipment		1,270	500	1,041
Total investing cash provided		1,270	500	1,041
Purchase of property, plant, and equipment		(45,257)	(81,505)	(43,383)
Purchase of investment property		(447)	-	-
Acquisition of investments		(941)	(5,815)	(115)
Total investing cash applied		(46,645)	(87,320)	(43,268)
Net cash flow from investing activities		(45,375)	(86,820)	(42,227)
Cash flows from financing activities				
Proceeds from borrowings		50,000	63,500	38,800
Repayment of borrowings		(12,300)	(10,000)	(9,000)
Net cash flow from financing activities		37,700	53,500	29,800
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts		13,808	(188)	1,927
Cash, cash equivalents, and bank overdrafts at the beginning of the year		3,815	5,000	1,888
Cash, cash equivalents, and bank overdrafts at the end of the year	8	17,623	4,812	3,815

The summary of accounting policies and the accompanying notes form part of these financial statements.

Explanations of major variances against budget are provided in Note 28.

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

The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes. Property plant and equipment totaling \$nil (2023: \$nil) was acquired by means of finance leases during the year.

STATEMENT OF CASHFLOW RECONCILIATION TO SURPLUS / (DEFICIT) AFTER TAX

	2024 \$000	2023 \$000
Surplus/(deficit) after tax	(5,277)	(8,525)
Add/(less) non-cash items	-	-
Share of Limited Partnership's surplus/(deficit)	213	382
Depreciation and amortisation expense	26,392	23,086
Property, plant, and equipment impairment	-	-
Vested assets revenue	(98)	(1,475)
(Gains)/losses property intended for sale	500	1,804
(Gains)/losses in fair value of forestry assets	(6)	(36)
(Gains)/losses in fair value of investment property	864	2,678
(Gains)/losses on derivative financial instruments	611	(1,201)
Tax	17	865
Total non-cash items	28,493	26,103
Add/(less) items classified as investing or financing activities	-	-
(Gains)/losses on disposal of property, plant, and equipment	(266)	(246)
Total items classified as investing or financing activities	(266)	(246)
Add/(less) movements in working capital items	-	-
(Increase)/decrease in receivables and prepayments	(2,852)	(4,629)
(Increase)/decrease in inventory	(114)	(17)
Increase/(decrease) in payables	32	1,823
Increase/(decrease) in income tax payables	-	-
Increase/(decrease) in provisions	1,017	(588)
Increase/(decrease) in employee entitlements	450	433
Net movement in working capital items	(1,467)	(2,978)
Net cash inflow/(outflow) from operating activities	21,483	14,353

NOTES TO THE FINANCIAL STATEMENTS

Ngā kōrero e tāpiri ake ki ngā whakapuakanga pūtea

NOTE 1: GENERAL ACCOUNTING POLICIES

Reporting entity

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

The financial statements have been prepared for the Council and exclude the Whakatāne Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return. The Council has designated itself and the group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of the Council are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 20 March 2025.

S98 of the Local Government Act 2002 normally 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.

Basis of preparation

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

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which includes the requirement to comply with (NZ GAAP). The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE standards.

Presentation currency and rounding

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

Other than the remuneration and the severance payment disclosures in Note 3, and the related party transaction disclosures in Note 25, the remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data.

NOTE 1: GENERAL ACCOUNTING POLICIES (CONTINUED)

Other changes in accounting policies

There have been no other changes in accounting policies.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Comparative figures

The Statement of comprehensive revenue and expense category comparatives are unchanged. In the Statement of financial position Goods and Services Tax (GST) have been combined with Receivables. Operational assets, infrastructural assets and restricted assets have been aggregated into "Property, Plant and Equipment". In the Statement of cashflows, development contributions have been split out as a separate item from the fees and charges and other revenue category.

Where presentation or classification of items in the financial statements has been amended, comparative figures have been restated to ensure consistency with the current period.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables- which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its Annual Plan 2023/24. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land, buildings and infrastructural assets – see **Note 15**
- Estimating the fair value of forestry assets – see **Note 17**
- Estimating the retirement and long service leave obligations – see **Note 21**
- Estimating the landfill aftercare provision – see **Note 22**

NOTE 2: REVENUE

Accounting policy

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below:

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its Rates Remission Policy. The Council's rates remission policy allows remission of rates on condition of a ratepayer's extreme financial hardship, land used for community and non-profit sport and charitable organisations, land protected for historical or cultural purposes, water leakage, units affected by natural hazard, outstanding rates and penalties on undeveloped sections, educational institutions sewage charges and on uniform annual general charge and targeted rates for contiguous properties.
- Rates collected on behalf of Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements, as the Council previously acted as an agent for BOPRC.

Development and financial contributions

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

NZ Transport Agency Waka Kotahi roading subsidies

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

Other grants received

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

Building and resource consent revenue

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

Entrance fees

Entrance fees are fees charged to users of the Council's local facilities, such as pools, museum and gallery. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

Fees for disposal of waste are recognised upon waste being disposed by users.

NOTE 2: REVENUE (CONTINUED)

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner, with the exception of development contributions, is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

Rendering of services

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

Sales of goods

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

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued.

Vested or donated physical assets

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

Donated and bequeathed financial assets

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

Interest and dividends

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

Dividends are recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment.

NOTE 2: REVENUE (CONTINUED)

(i) Breakdown of rates and further information

	2024 \$000	2023 \$000
General rates	29,412	26,290
Targeted rates attributable to activities:		
- District Growth	1,026	986
- Solid Waste	3,705	3,614
- Stormwater Drainage	4,004	4,081
- Sewage Treatment and Disposal	5,276	5,192
- Water Supply	3,666	3,372
- Roads and Footpaths	6,653	6,323
- Leadership and Community	378	387
Volumetric charges for water	4,328	4,524
Rates penalties	1,179	962
Rates remissions	(579)	(515)
Total rates	59,049	55,217

Rating base information disclosure

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

	2023 \$000
The number of rating units within the district	17,081
The total capital value of rating units within the district	16,737,673,905
The total land value of rating units within the district	9,116,066,150

NOTE 2: REVENUE (CONTINUED)

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. The Multi-Issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002, together with any revenue received by the Council from other local authorities for services provided by the Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2024 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2024 \$000	2023 \$000
Rates	59,049	55,217
Lump sum contributions - to indicate zero amounts for lump sum contributions	-	-
Total rates per LGFA disclosure	59,049	55,217

(ii) Breakdown of subsidies and grants for operating purposes

	2024 \$000	2023 \$000
Government grants and subsidies	1,501	1,317
Department of Internal Affairs	2,214	646
New Zealand Transport Agency Subsidies	24,268	15,759
Total subsidies and grants	27,983	17,722

(iii) Breakdown of fees and charges

	2024 \$000	2023 \$000
Aquatic Centre fees	1,005	952
User Pays Fees and Charges- Waste	2,806	2,154
User Pays Fees and Charges- Community Safety	1,544	1,566
User Pays Fees and Charges- Recreation	1,074	1,140
User Pays Fees and Charges- Environmental	503	383
User Pays Fees and Charges- Other	727	676
Expense Recoveries- Recreation	115	8
Expense Recoveries- Environmental	413	275
Expense Recoveries- Other	118	125
BCA Development Levy	295	354
Licenses	216	205
Parking Fees	45	49
Berthage	109	113
Total fees and charges	8,969	8,001

NOTE 2: REVENUE (CONTINUED)

(iv) Breakdown of finance revenue

	2024 \$000	2023 \$000
Interest earned from financial assets measured at amortised cost		
- Term deposits and cash equivalents	1,127	499
Total finance revenue	1,127	499

(v) Breakdown of other operating revenue

	2024 \$000	2023 \$000
Other operating revenue		
Vested Assets	98	1,475
Infringements and fines	245	261
Insurance recoveries	97	4
Petrol tax	281	301
Rental revenue from investment properties	2,343	2,394
Rental revenue other	507	398
Dividends	7	7
Other services	202	17
Total other operating revenue	3,780	4,857

(vi) Breakdown of gains

	2024 \$000	2023 \$000
Gain on derivatives	-	1,200
Gain on revaluation of forestry	6	36
Gain on disposal of assets	266	247
Total gains	272	1,483

Operating leases as a lessor

Investment property is leased as a lessor under operating leases. Amounts for the future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2024 \$000	2023 \$000
Not later than one year	2,036	2,115
Later than one year and not later than five years	7,163	6,315
Later than five years	7,818	6,812
Total non-cancellable operating leases as lessor	17,017	15,242

No contingent rents have been recognised during the year, 2023 (\$nil).

NOTE 3: PERSONNEL COSTS

Accounting policy

Salaries and wages

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

Superannuation schemes

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

Breakdown of personnel costs and further information

	2024 \$000	2023 \$000
Salaries and wages	25,707	24,510
Defined contribution plan employer contributions	729	679
Increase/(decrease) in employee entitlements	449	(12)
Total personnel costs	26,885	25,177

Employer contributions to defined contribution plans include contributions to KiwiSaver

Chief Executive remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive appointed under section 42(1) of the Local Government Act 2002 was \$ 337,242.44 (2023: \$329,651.21).

Elected representatives' remuneration

Elected representatives received the following remuneration:

	2024				2023			
	SALARIES	HEARINGS	ALLOW AND EXP REIMB.	VEHICLE	SALARIES	HEARINGS	ALLOW AND EXP REIMB.	VEHICLE
MAYOR AND COUNCILLORS								
Current								
Luca, Victor (Mayor)	137,360	-	2,718	5,617	110,933	-	2,870	2,021
Boynton, Toni	44,000	-	1,750	-	31,344	-	1,247	-
Dennis, Gavin	55,300	-	8,455	-	48,393	-	5,869	-
Iles, Andrew	46,125	-	11,539	-	52,142	-	8,731	-
Immink, Lesley (Deputy Mayor)	71,953	-	2,607	-	58,527	-	3,493	-
James, Wilson	55,300	-	6,866	-	48,393	-	1,750	-
Jukes, Julie	55,300	-	1,750	-	53,850	-	1,750	-
O'Brien, Thomas (Tu)	44,000	-	1,750	-	31,344	-	1,247	-
Pullar, John	55,300	-	1,750	-	49,485	-	1,750	-
Rangiaho, Bella (Ngapera)	44,000	-	9,895	-	31,344	-	1,955	-
Tánczos, Nándor	55,300	5,627	1,750	-	53,850	-	1,750	-
Former								
Turner Judy (former Mayor)	-	-	-	-	38,360	-	1,307	749
Silcock, Alison	-	-	-	-	10,913	-	3,104	-
Van Beek, Gerard	-	-	-	-	16,370	-	503	-

NOTE 3: PERSONNEL COSTS (CONTINUED)

Council employee remuneration by band

	2024	2023
Total annual remuneration by band for employees at 30 June:		
\$0 - \$59,999	113	122
\$60,000 - \$79,999	75	69
\$80,000 - \$99,999	68	63
\$100,000 - \$119,999	36	30
\$120,000 - \$139,999	23	21
\$140,000 - \$159,999	14	10
\$160,000 - \$239,999	6	6
\$240,000 - \$340,000	4	4
Total employees	339	325

Total remuneration includes any non-financial benefits provided to employees. At balance date, the Council employed 226 (2023: 210) full time employees, with the balance of staff representing 57.1 (2023: 67.6) full time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Severance payments

For the year ended 30 June 2024 the Council made severance payments to two employees totalling \$28,028.67 (2023: one payment, \$5,309).



NOTE 4: FINANCE COSTS

Accounting policy

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

	2024 \$000	2023 \$000
Interest on borrowings (at amortised cost)	7,798	4,917
Total finance costs	7,798	4,917

NOTE 5: OTHER EXPENSES

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received, if any, are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Breakdown of other expenses

	2024 \$000	2023 \$000
Fees to auditors:		
- fees to Audit NZ for audit of the financial statements and performance information	322	229
- fees to Audit NZ for limited assurance in respect of Councils' debenture trust deed	8	7
- Audit fees – other	221	60
Grants	553	591
Insurance premiums	1,867	1,479
Investment property expenses	806	171
Loss on disposal of assets	-	6
Movement in doubtful debt impairment	391	(1,287)
Operating leases	192	139
Other operating expenses	37,998	38,522
Movement in provisions	1,017	(2,392)
Total other expenses	43,375	37,525

Other operating expenses included items such as: contract payments \$18.36 million (2023: \$17.9 million) and consultants payments \$5.008 million (2023: \$4.69 million).

(i) Breakdown of losses

	2024 \$000	2023 \$000
Loss on revaluation of non-current asset held for sale	500	1,804
Loss on revaluation of investment property	864	2,678
Loss on revaluation of derivatives	611	-
Total losses	1,975	4,482

Operating leases as lessee

The Council leases buildings, and plant and equipment in the normal course of its business. Most of these leases have a non-cancellable term of 36 months. There are no restrictions placed on the Council by any of the leasing arrangements. The future aggregate minimum lease payments payable under non-cancellable operating leases as lessee are as follows

	2024 \$000	2023 \$000
Not later than one year	26	34
Later than one year and not later than five years	75	98
Later than five years	-	-
Total non-cancellable operating leases as lessee	101	132

NOTE 6: DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITIES

	2024 \$000	2023 \$000
Directly attributable depreciation and amortisation expense by group of activity		
Leadership and Community	13	17
Strategy and Futures	166	144
Transport Connections	11,453	9,454
Water Supply	4,597	4,057
Sewage Treatment and Disposal	2,812	2,375
Stormwater Drainage	1,881	1,564
Waste Management and Minimisation	61	55
Community Experience	3,316	3,830
Community Safety	10	10
Corporate Services	2,083	1,580
Total depreciation and amortisation expense	26,392	23,085

NOTE 7: TAX

Accounting policy

Income tax expense includes components relating to current tax and deferred tax.

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

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

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or items recognised in other comprehensive revenue and expense or directly in equity.

Breakdown of income tax expense / (benefit)

	2024 \$000	2023 \$000
Components of income tax expense/(benefit)		
Current tax	-	-
Adjustments to current tax in prior years	-	-
Deferred tax	17	865
Total Income tax (expense)/benefit	17	865
Relationship between tax expense and accounting surplus		
Surplus/(deficit) before tax	(5,260)	(7,660)
Tax at 28 percent	(1,473)	(2,145)
Plus/(less) tax effect of:		
Non-deductible expenditure	1,125	1,404
Non-taxable revenue	-	-
Tax loss not recognised	365	1,847
Deferred tax adjustment	-	-
Prior year adjustment	-	(241)
Total Income tax (expense)/benefit	17	865

Breakdown of deferred tax asset / (liability)

	PROPERTY PLANT AND EQUIPMENT	EMPLOYEE ENTITLEMENTS	TAX LOSSES	TOTAL
	\$000	\$000	\$000	\$000
Deferred tax asset (Liability)	-	-	-	-
Balance at 1 July 2022	(1,165)	-	1,165	-
Charged to surplus or deficit	103	-	(969)	(865)
Charged to other comprehensive revenue and expense	865	-	-	865
Balance at 30 June 2023	(197)	-	196	-
Charged to surplus or deficit	53	-	(72)	(17)
Charged to other comprehensive revenue and expense	17	-	-	17
Balance at 30 June 2024	(127)	-	124	-

A deferred tax asset has not been recognised in relation to unused tax losses of \$11,549,081 (2023: \$10,246,131).

NOTE 8: CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Breakdown of cash and cash equivalents and further information

	2024 \$000	2023 \$000
Cash at bank and on hand	17,623	3,815
Term deposits with maturities of less than three months at acquisition	-	-
Charged to other comprehensive revenue and expense	-	-
Total Cash and Cash Equivalents	17,623	3,815

Although cash and cash equivalents at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is trivial. The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

The weighted average effective interest rate on cash and cash equivalents during the year was 3.75 percent (2023: 2.28 percent).

NOTE 9: RECEIVABLES

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Council apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

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

Rates are 'written-off':

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

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Breakdown of receivables and further information

	2024 \$000	2023 \$000
Receivables from non-exchange transactions		
Rates receivable	13,825	12,097
Other receivables from non-exchange transactions	1,223	643
Total receivables from non-exchange transactions	15,048	12,740
Receivables from exchange transactions		
Other receivables from exchange transactions- including prepayments	10,721	9,786
Total receivables from exchange transactions	10,721	9,786
Less:		
- provision for impairment of rates receivables	(5,439)	(5,070)
- estimated credit loss on other receivables	(34)	(12)
Total receivables	20,296	17,445

Rates receivable

The Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

NOTE 9: RECEIVABLES (CONTINUED)

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

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

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

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

Rates receivable includes rates receivable on behalf of Bay of Plenty Regional Council (BOPRC) for rating to properties within the Whakatāne District territorial authority boundaries for BOPRC related rates through 30 June 2022.

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

- Section 90A: \$732,792 (2023: \$898,748)
- Section 90B: \$Nil (2023: \$Nil)

The aging profile of rates receivables is as follows:

	2024 \$000	2023 \$000
General land rates receivables days past due		
Not past due	-	-
Past due 30 days	-	-
Past due 60 days	691	519
Past due 90 days – 1 year	1,217	994
Past due 1 – 3 years	1,458	1,379
Past due over 3 years	1,246	1,107
Balance at 30 June	4,611	3,999
Māori land rates receivables days past due		
Not past due	-	-
Past due 30 days	-	-
Past due 60 days	151	125
Past due 90 days – 1 year	644	594
Past due 1 – 3 years	1,279	1,339
Past due over 3 years	1,749	1,517
Balance at 30 June	3,823	3,575
Metered water rates receivables days past due		
Not past due	3,979	3,209
Past due 30 days	1	1
Past due 60 days	81	73
Past due 90 days – 1 year	420	453
Past due 1 – 3 years	440	497
Past due over 3 years	470	290
Balance at 30 June	5,391	4,523

NOTE 9: RECEIVABLES (CONTINUED)

Movement in the provision for impairment of rates receivable are as follows:

	2024 \$000	2023 \$000
Balance at 1 July	5,070	6,360
Additional provisions made during the year	1,140	(392)
Receivables written off during the year	(771)	(898)
Balance at 30 June	5,439	5,070

Other receivables

The expected credit loss rates for other receivables are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant. From 1 July 2023, the estimation techniques were refined with more emphasis on past performance and historical collection when measuring and calculating the loss allowance. The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The aging profile of other receivables and associated allowance for credit losses based on the Council's credit loss matrix is as follows:

	2024 \$000	2023 \$000
Gross receivable amount		
Not past due	1,557	1,903
Past due 30 days	(181)	100
Past due 60 days	273	48
Past due 90+ days	2,325	896
Balance at 30 June	3,974	2,947
Lifetime expected credit loss		
Not past due	-	-
Past due 30 days	-	-
Past due 60 days	-	-
Past due 90+ days	34	12
Balance at 30 June	34	12
	%	%
Expected credit loss rate	0%	0%
Not past due	0%	0%
Past due 30 days	0%	0%
Past due 60 days	0%	0%
Past due 90+ days	1%	1%

Movements in estimated credit losses on other receivables are as follows:

ESTIMATED CREDIT LOSSES ON OTHER RECEIVABLES	2024 \$000	2023 \$000
Balance at 1 July measured under PBE IPSAS 29	-	153
ECL adjustment due to adoption of PBE IPSAS 41	-	(141)
Opening balance for credit losses at 1 July	12	12
Additional provisions made during the year	52	105
Provisions reversed during the year	-	(97)
Receivables written off during the year	(30)	(9)
Balance at 30 June	34	12

NOTE 10: INVENTORIES

Accounting policy

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

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

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

Breakdown of inventory and further information

	2024 \$000	2023 \$000
Inventories held for distribution:		
Water and sewerage spare parts	412	291
Road safety vouchers	15	22
Other	-	-
Total inventory	427	313

No inventories are pledged as security for liabilities (2023: \$Nil). However, some inventories are subject to retention of title clauses.

The carrying amount of inventories held for distribution that are measured at a current replacement cost as at 30 June 2024 amounted to \$Nil (2023: \$Nil). The loss in service potential of inventories held for distribution is determined based on obsolescence.

NOTE 11: DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policy

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its Treasury Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The associated gains or losses on derivatives that are not hedge accounted are recognised in surplus or deficit.

Breakdown of derivative financial instruments and further information

	2024 \$000	2023 \$000
Current asset portion		
Interest rate swaps	35	134
Total current asset portion of derivative financial instruments	35	134
Non-current asset portion		
Interest rate swaps	1,652	2,164
Total non-current asset portion of derivative financial instruments	1,652	2,164
Current liability portion		
Interest rate swaps	-	1
Total current liability portion of derivative financial instruments	-	1
Non-current liability portion		
Interest rate swaps – cash flow hedges	-	-
Total non-current liability portion of derivative financial instruments	-	-

Timing of nominal principal amounts and average fixed rates of interest rate swaps

	LESS THAN 1 YEAR	1 - 2 YEARS	3 - 5 YEARS	5+ YEARS	TOTAL
Current asset portion					
Nominal amount (in \$000)	5,000	3,000	16,700	61,000	85,700
Average fixed rate (%)	4.50%	4.80%	3.13%	3.88%	3.75%
Fair Value	35	15	886	750	1,687

The Council currently has no fair value hedges.

No interest rate swaps were due to mature at 30 June 2024. At 30 June 2024, the fixed interest rates of cash flow hedge interest rate swaps varied from 1.84 percent to 5.06 percent (2023 1.51 percent to 5.9 percent).

Fair value

The fair values of interest rate swaps have been determined using a discounted cash flows technique based on quoted market prices. The valuation was performed using Hedgebook software and then checked to independent ANZ and BNZ confirmations. Most market parameters are implied from instrument prices.

NOTE 12: NON-CURRENT ASSETS HELD FOR SALE

Accounting policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses for write-downs are recognised in surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

Breakdown of non-current assets held for sale and further information

	2024 \$000	2023 \$000
Non-current assets held for sale are:		
Balance as at 1 July	10,051	11,855
Sales	-	-
Fair value gains (losses) on valuation	(500)	(1,804)
Impairment losses	-	-
Transfer to operational assets	-	-
Transfer to investment property	-	-
Balance at 30 June	9,551	10,051

	2024 \$000	2023 \$000
Non-current assets held for sale are split between:		
Assets where proceeds are expected within one year	-	-
Assets where proceeds are expected after one year	9,551	10,051
Balance at 30 June	9,551	10,051

No further Council-owned property has been presented as held for sale since 2023. The change in fair value denotes a drop in valuation on the two properties currently classified as held for sale.

The Council owned property at 77 Bunyan Road has been presented as held for sale following the approval by the Council on 26 May 2016 to sell the property. The council has approved the sale of the property as it will provide no future use to the council. A deposit was received on 23 November 2017.

NOTE 13: OTHER FINANCIAL ASSETS

	2024 \$000	2023 \$000
Other Financial Assets		
Term loan - Air Chathams Ltd	350	350
Total other financial assets	350	350

Fair value disclosures

Term loan - Air Chathams Ltd

On 3 June 2019, the Council delegated the CE authority to negotiate a loan to Air Chathams Ltd, on behalf of the Council. It was acknowledged that the loan would be assessed five years after the drawdown with the following options:

1. Repayment over a subsequent period of up to five years;
2. Convert the loan to shares;
3. Write-off the loan over a subsequent period of up to five years.

A loan of \$350,000 was drawn down by Air Chathams Ltd on 17 December 2020.

Expected credit loss allowance (ECL)

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

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

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

The Council considers a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

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

Impairment of financial assets

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

Limited Partnerships

A limited partnership (LP) is a type of partnership with general partners who have a right to manage the business, and limited partners (Council and others) who have no right to manage the business but have only limited liability for its debts.

Limited partnerships are distinct from limited liability partnerships, in which all partners have limited liability.

The general partners (GPs) are, in all major respects, in the same legal position as partners in a conventional firm: they have management control, share the right to use partnership property, share the profits of the firm in predefined proportions, and have joint and several liability for the debts of the partnership.

Investment in joint ventures and limited partnerships

Investments in associates and joint ventures are accounted for in the financial statements using the equity method of accounting. The Council has designated all its equity investments in joint ventures and associates at FVTOCRE. This measurement basis is considered more appropriate than through surplus or deficit because the investments have been made for long-term strategic purposes, rather than to generate a financial return through trading.

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

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

Impairment

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

	2024 \$000	2023 \$000
Investments in Limited Partnership		
Te Rāhui Herenga Waka 2021 Whakatāne	5,857	5,675
Investment in CCOs and other similar entities	5,857	5,675

Te Rāhui Herenga Waka 2021 Whakatāne

The Council has an interest in a limited partnership, Te Rāhui Herenga Waka 2021 Whakatāne, which was formed to facilitate the construction of the new boat harbour. The other two equal partners are Te Rāhui Lands Trust and Ngāti Awa in this venture. The Council, in accordance with the limited partnership agreement, has committed capital of \$9,800,000 of the total committed capital of \$29,400,000 reflecting an intended closing equity of 33.3 percent in the limited partnership.

In accordance with the limited partnership agreement clause 10.2, the entitlement to income and capital arising and losses accruing shall be allocated to the limited partners on a pro rata basis on the aggregate amount of paid-up capital.

At 30 June 2024 the Council's paid-up capital in the limited partnership was \$5,700,000 (2023: \$5,700,000) of the total paid-up capital of \$12,400,000. Therefore, the Council's share to be applied to the equity accounting method at 30 June 2024 is 46 percent (2023: 46 percent).

SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE LIMITED PARTNERSHIP	2024 \$000	2023 \$000
Investment		
Current assets	12,949	14,095
Non-current assets	5,541	3,486
Current liabilities	(781)	(241)
Non-current liabilities	(4,967)	(4,995)
Net assets	12,742	12,345
Reconciliation to equity accounted carrying amount		
Limited partnership's net assets	12,742	12,345
Council's share	46%	46%
Council's share of equity accounted in limited partnership	5,857	5,674

SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE LIMITED PARTNERSHIP	2024 \$000	2023 \$000
Revenue	876	374
Expense	268	213
Total comprehensive revenue and expense	608	161
Reconciliation to surplus / (deficit)		
Joint partnership's surplus / (deficit)	608	161
Council's share	46%	46%
Council's share of limited partnership surplus / (deficit)	280	74

Summarised financial information relating to Te Rāhui Herenga Waka 2021 Whakatāne is provided above.

Over the course of the year, Te Rāhui Herenga Waka Boat Harbour project received certification of its Site and Soil Contamination Management plan, however the remediation of the proposed development site at 2 Keepa Road has proven to be significantly more costly and complex than originally anticipated.

The Board of the Te Rāhui Herenga Waka Limited Partnership has been asked to develop a cost escalations report that also outlines the options available to the project to move forward, noting that there is no further funding available from the partners to meet the cost escalations faced. This report is due early 2025 and will inform an agreed shareholder position on the way forward (which could include a decision to scale down or close the project).

Council is one of three shareholders on this project, together with Te Rāhui Lands Trust and the Crown via Crown Regional Holdings Limited.

NOTE 14: INVESTMENT IN CCOS AND OTHER SIMILAR ENTITIES

Council-controlled organisations

A council-controlled organisation (CCO) is defined in section 6 of the Local Government Act 2002 as summarised below:

- A council organisation is the broadest category. It is an entity in which a local authority has any ownership interest whatsoever.
- A council-controlled organisation is an entity in which one or more local authorities control 50 percent or more of the voting rights or appoint 50 percent or more of the members of the governing body. A CCO can be a company, trust, partnership, incorporated society, joint venture, or other similar profit-sharing arrangement.
- A council-controlled organisation that operates a trading undertaking for the purpose of making a profit is referred to as a council-controlled trading organisation. Not-for-profit entities are CCOs.
- The definition of CCO excludes port companies, energy companies, electricity lines businesses and their parent trusts, and several other named entities.

Joint ventures

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement that is subject to joint control. Joint control is the agreed sharing of control where decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as a joint operation or a joint venture. The classification depends on the rights and obligations of each party under the joint arrangement. The Council reviews the legal form, terms of the binding agreement, and other facts and circumstances relevant to its interest in determining the classification of the joint arrangement.

Associates

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint arrangement.

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

Accounting policy

Unlisted shares in council - controlled organisations

Unlisted shares in council-controlled organisations are measured at fair value.

Borrower notes

The carrying amount of borrower notes are measured at fair value.

Critical judgements in applying accounting policies

Due to the immaterial size and nature of unlisted shares in Civic Financial Services Ltd and Bay of Plenty Local Authority Shared Services Ltd (BoP LASS Ltd) the Council has estimated the fair value of these investments using the net asset backing method.

Breakdown of investment in council-controlled organisation and other similar entities and further information

	2024 \$000	2023 \$000
Unlisted shares in council-controlled organisations		
Civic Financial Services Ltd	50	50
Bay of Plenty Local Authority Shared Services Limited	9	9
NZ Local Government Funding Agency	100	100
Investments in joint ventures		
Whakatāne Airport	6,576	6,641
Other		
NZ LGFA – borrower notes	3,373	2,433
Investment in CCOs and other similar entities	10,108	9,232

Whakatāne Airport

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

Summarised financial information relating to the Council's Whakatāne Airport is provided below:

	2024 \$000	2023 \$000
Investment		
Current assets	1,861	1,469
Non-current assets at revaluation	12,058	12,034
Work in progress	19	78
Whakatāne District Council loan account	(326)	(178)
Current liabilities	(460)	(122)
Non-current liabilities	-	-
Net assets	13,152	13,281
Reconciliation to equity accounted carrying amount		
Joint venture's net assets	13,152	13,281
Council's share	50%	50%
Council's share of equity accounted in joint venture	6,576	6,641
Revenue and expenditure		
Revenue (excluding interest)	161	224
Interest revenue	-	-
Total revenue	161	224
Operating expenses	664	788
Personnel costs	39	35
Income tax expense	120	113
Surplus / (Deficit)	(662)	(712)
Other comprehensive revenue and expense	-	(454)
Total comprehensive revenue and expense	(662)	(1,166)
Reconciliation to joint venture surplus / (deficit)		
Joint venture's surplus / (deficit)	(662)	(712)
Council's share	50%	50%
Council's share of joint venture surplus / (deficit)	(331)	(356)

NOTE 15: PROPERTY, PLANT, AND EQUIPMENT

Accounting policy

Property, plant and equipment consist of:

- Operational assets – these include land, buildings, library and museum collections, plant and equipment, furniture and fittings and motor vehicles.
- Infrastructure assets – infrastructure assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.
- Restricted assets – restricted assets are mainly parks and reserves owned by the Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

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

Revaluation

Land and buildings (operational and restricted), library collections and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. The Council assesses the carrying values of land, buildings, restricted and infrastructural assets annually to ensure that they do not differ materially from the assets' fair values. A fair value increase or decrease is assigned as a result of this annual assessment. If there is a material difference, then the off-cycle asset classes will be fully re-valued.

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

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

Roadway assets within property, plant and equipment is valued on a regular basis and each asset is assigned a base life (estimate of total useful life), which is converted to a preliminary estimate of physical life by adjusting for age. An initial assessment of remaining life is then calculated as the difference between expected life and age of asset. Where information is available further adjustments are then made to the useful life estimate to take into account condition and use of the asset.

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

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

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

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

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Disposals

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated, based on the approximate average over all assets in that category, as follows:

	Years
Roading	
Land – road reserve	Not depreciated
Road formation	Not depreciated
Sealed pavement	36
Sealed pavement surface	7
Unsealed pavement	Not depreciated
Unsealed wearing course	1
Bridge railings	2
Signs	15
Drainage (incl headwalls)	19
Large culverts	44
Retaining walls	6
Surface water channel	Not depreciated
Railings	54
Traffic islands	9
Street lighting	23
Footpaths	26
Bridges	44
Car parks	33
Water	
Linear Assets	8-69
Other Assets	1-42

	Years
Harbour assets	
Harbour assets	15-30
Stormwater	
Linear Assets	32-76
Other Assets	14-62
Wastewater	
Linear Asset	30-89
Other Assets	1-93
Parks	
Land	Not depreciated
Park assets	11
Operational assets	
Museum assets	Not depreciated
Land	Not depreciated
Buildings	8-60
Vehicles	3-10
Plant and equipment	3-33
Furniture and fittings	5-50
Library collections	2-10
Office equipment	3-12

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment of property, plant and equipment

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach or a service units approach.

The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

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

Land (operational, restricted and infrastructural)

The most recent full valuation was performed by an independent Certified Practising Valuer, P Erceg of Aon Risk Solutions at 30 June 2023. A fair value assessment was carried out as at 30 June 2024.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.

Buildings (operational and restricted)

The most recent full valuation was performed by an independent Certified Practising Valuer, P Erceg of Aon Risk Solutions at 30 June 2023. A fair value assessment was carried out as at 30 June 2024.

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

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the valuation include:

- The replacement asset is based on the replacement with modern, equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.
- Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence.

Market rents and capitalisation rates were applied to reflect market value.

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Infrastructural asset classes: sewerage, water, drainage and roads

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

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions; for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or under- estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise the risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

Methods and significant assumptions applied in estimating the assets fair values

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

Valuations of water and roading assets

The most recent valuation of water, wastewater and stormwater assets was performed by Roger Khoo and Peter Erceg of Aon Valuation Services, and the valuation was effective as at 30 June 2023. A further fair value assessment was carried out by Ben Radich of AON Valuation Services at 30 June 2024.

The most recent valuation for road assets was performed by Shahaanan Arulgnanapragasam, WSP Limited, and the valuation was effective as at 30 June 2022. A further fair value assessment was carried out at 30 June 2023 and 30 June 2024.

Breakdown of property, plant and equipment and other information

	2024 \$000	2023 \$000
Closing net book value of capitalised assets		
Operational assets		
Land and buildings	92,150	91,382
Museum and library collections	10,401	10,406
Other operational assets (equipment / furniture / vehicles)	11,909	10,441
Infrastructural assets		
Parks and reserves	11,113	11,326
Harbour	9,591	9,663
Refuse	-	-
Wastewater system	85,564	87,440
Water supply system	140,804	144,669
Stormwater network	87,667	90,871
Roading network	654,216	626,510
Land under roads	91,363	91,363
Restricted assets		
Harbour land (not Leased)	4,591	4,479
Recreational reserves	58,284	56,609
Total property, plant and equipment	1,257,653	1,235,159

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2024	COST/ VALUATION 1.7.23	ACCUMULATED DEPRECIATION AND IMPAIRMENT 1.7.23	CARRYING AMOUNT 1.7.23	ADDITIONS	DISPOSALS	TRANSFERS	DEPRECIATION REVERSED ON DISPOSAL	DEPRECIATION 30.6.24	REVALUATION SURPLUS	COST/ VALUATION 30.6.24	ACCUMULATED DEPRECIATION AND IMPAIRMENT 30.6.24	CARRYING AMOUNT 30.6.24
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets												
Land	30,397	-	30,397	-	-	140	-	-	1,520	32,057	-	32,057
Buildings	61,290	305	60,984	1,609	(180)	-	180	(1,827)	(674)	62,044	1,952	60,092
Library collections	809	1	810	142	-	-	-	(147)	-	951	147	804
Museum collections	9,597	-	9,597	-	-	-	-	-	-	9,597	-	9,597
Plant and equipment	8,698	4,629	4,070	2,051	(139)	-	132	(559)	-	10,610	5,055	5,555
Furniture and fittings	4,271	2,604	1,667	459	-	-	-	(246)	-	4,729	2,850	1,879
Office equipment	8,049	6,004	2,046	348	-	-	-	(585)	-	8,397	6,589	1,808
Motor vehicles	4,906	2,247	2,659	806	(697)	-	577	(676)	-	5,015	2,347	2,667
Harbour vessels	32	32	-	-	-	-	-	-	-	32	32	-
Total Operational assets	128,049	15,820	112,229	5,415	(1,016)	140	889	(4,041)	846	133,433	18,972	114,461
Infrastructural assets												
Parks and reserves	11,327	-	11,327	886	-	-	-	(1,032)	(69)	12,144	1,031	11,113
Harbour	9,662	-	9,662	397	-	-	-	(409)	(59)	9,999	409	9,591
Refuse	-	-	-	-	-	-	-	-	-	-	-	-
Wastewater - Treatment plants and facilities	27,399	940	26,459	-	-	-	-	(840)	(505)	26,893	1,780	25,113
Wastewater - other	64,660	3,678	60,982	2,608	-	-	-	(1,960)	(1,179)	66,089	5,639	60,450
Water - Treatment plants and facilities	1,993	165	1,828	-	-	-	-	(46)	(28)	1,965	211	1,754
Water - other	150,557	7,716	142,841	3,523	-	-	-	(4,550)	(2,764)	151,316	12,266	139,050
Stormwater network	93,990	3,119	90,871	399	-	-	-	(1,881)	(1,720)	92,668	5,001	87,667
Roading network	635,829	9,319	626,510	22,844	-	-	-	(11,408)	16,270	674,943	20,727	654,216
Land under roads	91,363	-	91,363	-	-	-	-	-	-	91,363	-	91,363
Total Infrastructural assets	1,086,779	24,937	1,061,843	30,657	-	-	-	(22,126)	9,946	1,127,381	47,063	1,080,318
Restricted Assets												
Harbour Land (Not leased)	4,479	-	-	-	-	-	-	-	112	4,591	-	4,591
Recreational Reserves	56,609	-	-	-	-	260	-	-	1,415	58,284	-	58,284
Total Restricted Assets	61,088	-	-	-	-	260	-	-	1,527	62,875	-	62,875
Total	1,275,916	40,757	1,235,159	36,072	(1,016)	400	889	(26,167)	12,318	1,323,689	66,036	1,257,653

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2023	COST/ VALUATION 1.7.22	ACCUMULATED DEPRECIATION AND IMPAIRMENT 1.7.22	CARRYING AMOUNT 1.7.22	ADDITIONS	DISPOSALS	TRANSFERS	DEPRECIATION REVERSED ON DISPOSAL	DEPRECIATION	REVALUATION SURPLUS	COST/ VALUATION 30.6.23	ACCUMULATED DEPRECIATION AND IMPAIRMENT 30.6.23	CARRYING AMOUNT 30.6.23
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets												
Land	33,004	-	33,004	500	-	251	-	-	(3,358)	30,397		30,397
Buildings	52,695	3,305	49,390	13,417	-	(2,236)	4,679	(1,679)	2,093	61,290	305	60,984
Library collections	1,027	757	270	119	-	-	1,141	(383)	804	809	1	810
Museum collections	5,092	-	5,092	-	-	-	-	-	4,505	9,597	-	9,597
Plant and equipment	7,758	4,150	3,608	973	(33)	-	33	(512)	-	8,698	4,629	4,070
Furniture and fittings	3,388	2,428	960	883	-	-	-	(176)	-	4,271	2,604	1,667
Office equipment	7,081	5,531	1,550	968	-	-	-	(473)	-	8,049	6,004	2,046
Motor vehicles	4,097	2,416	1,681	1,556	(747)	-	646	(477)	-	4,906	2,247	2,659
Harbour vessels	32	32	-	-	-	-	-	-	-	32	32	-
Total Operational assets	114,174	18,619	95,555	18,415	(780)	(1,985)	6,498	(3,699)	4,044	128,049	15,820	112,229
Infrastructural assets												
Parks and reserves	14,198	1,913	12,285	1,935	-	-	3,061	(1,147)	(1,745)	11,327	-	11,327
Harbour	9,493	614	8,879	4,573	-	-	1,313	(700)	(3,091)	9,662	1	9,662
Refuse	-	-	-	-	-	-	-	-	-	-	-	-
Wastewater- Treatment plants and facilities	7,439	225	7,214	-	-	14,517	-	(715)	5,443	27,399	940	26,459
Wastewater - other	68,599	2,030	66,569	3,452	-	(14,517)	-	(1,648)	7,126	64,661	3,678	60,982
Water- Treatment plants and facilities	3,861	115	3,746	-	-	(2,186)	-	(51)	319	1,993	165	1,828
Water - other	125,512	3,710	121,802	10,202	-	2,186	-	(4,006)	12,657	150,557	7,716	142,841
Stormwater network	77,315	1,554	75,761	3,804	-	-	-	(1,564)	12,871	93,990	3,119	90,871
Roading network	607,708	-	607,708	13,513	-	-	-	(9,319)	14,608	635,829	9,319	626,510
Land under roads	91,363	-	91,363	-	-	-	-	-	-	91,363	-	91,363
Total infrastructural assets	1,005,488	10,161	995,327	37,480	-	-	4,374	(19,150)	48,186	1,086,779	24,937	1,061,841
Restricted Assets												
Harbour Land (Not leased)	6,594	-	6,594	-	-	(1,200)	-	-	(915)	4,479	-	4,479
Recreational Reserves	48,917	-	48,917	42	(14)	-	-	-	7,664	56,609	-	56,609
Total Restricted Assets	55,511	-	55,511	42	(14)	(1,200)	-	-	6,749	61,088	-	61,088
Total	1,125,156	28,780	1,146,393	55,937	766	(3,185)	10,872	22,850	58,981	1,275,916	40,758	1,235,158

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

No property, plant and equipment is pledged as security.

Council has easements giving right to access to private property where infrastructure assets are located. It has not been feasible to value at this stage and when valued are not expected to be material.

Core infrastructure asset disclosure

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

	CLOSING BOOK VALUE \$000	ADDITIONS \$000	VESTED ASSETS \$000 \$000	MOST RECENT REPLACEMENT COST ESTIMATE FOR REVALUED ASSETS	DATE OF ESTIMATE
2024					
Water supply:					
- treatment plants and facilities	1,754	-	-	2,980	30 June 2024
- other assets (such as reticulation systems)	139,050	3,523	-	295,026	30 June 2024
Sewerage:	-	-	-		
- treatment plants and facilities	25,113	-	-	63,883	30 June 2024
- other assets (such as reticulation systems)	60,450	2,608	-	149,059	30 June 2024
Stormwater drainage	87,667	399	-	164,474	30 June 2024
Roads and footpaths	654,216	22,844	98	839,010	30 June 2023
2023					
Water supply:					
- treatment plants and facilities	1,828	-	-	3,303	30 June 2023
- other assets (such as reticulation systems)	142,841	10,202	1,475	326,993	30 June 2023
Sewerage:	-		-		
- treatment plants and facilities	26,459		-	71,348	30 June 2023
- other assets (such as reticulation systems)	60,983	3,452	-	166,480	30 June 2023
Stormwater drainage	90,871	3,804	-	183,002	30 June 2023
Roads and footpaths	626,510	13,513	-	839,010	30 June 2023

Restricted assets

Land and buildings in the 'Restricted Asset' category are subject to restrictions on either use or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings acquired under a bequest or donation that restricts the purpose for which the assets can be used).

Land under roads

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

Vested infrastructural assets

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

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Library collections

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

Museum collection

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

Harbour assets

The most recent valuation of harbour assets was performed by an independent Certified Practicing Valuer, P Erceg of Aon Risk Solutions. The valuation was effective as at 30 June 2023. A subsequent fair value assessment was carried out as at 30 June 2024.

Capital commitments

The amount of contractual commitments for acquisition of property, plant and equipment is:

	2024 \$000	2023 \$000
Operational assets		
Buildings	-	-
Plant and equipment	-	-
Infrastructural assets		
Parks and reserves	-	-
Harbour	4,100	4,100
Refuse	-	-
Wastewater system	1,115	46
Water supply system	4,074	973
Stormwater network	5,077	860
Roading network	15,840	2,150
Restricted Assets		
Harbour land (not leased)	-	-
Recreational reserves	-	-
Total capital commitments	30,206	8,129

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Insurance of assets disclosure

Information relating to the insurance of the Council assets at 30 June 2024 is as follows

	2024 \$000	2023 \$000
The total net book value of all Council assets covered by insurance contracts	472,212	471,357
The maximum amount to which insured assets are insured	690,805	614,466
The total net book value of all council assets covered by financial risk sharing arrangements	-	-
Maximum amount available to the Council under financial risk sharing arrangements	-	-
The value of assets that are self-insured	861,175	831,024
The value of funds maintained for self-insurance*	235	213

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

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

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

Insurance Coverage

Information relating to the insurance coverage of the Council assets at 30 June 2024 is as follows.

	2024 \$000	2023 \$000
Infrastructure	120,000	120,000
Material damage (fire only)	38,000	24,000
Material damage (excl. fire)	492,807	403,326
Vehicles	5,500	39,056
Machinery breakdown	23,137	20,271
Forestry	311	271
Fine Arts	11,037	7,530
Marine Hull	12	11

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Uninsured assets

Council does not insure:

- Land - operating land, park land, reserve land, land under roads
- The Roding network including bridges

Work in progress

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

	2024 \$000	2023 \$000
Water, Stormwater and Wastewater Systems	12,480	6,761
Roding network	3,938	2,219
Buildings	-	406
Parks and reserves	58	34
Ports and harbour	553	585
Intangible assets	14	296
Plant and equipment	1,037	218
Total work in progress	18,080	10,519

NOTE 16: INTANGIBLE ASSETS

Accounting policy

Software acquisition and development

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

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

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

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

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

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

Software as a service (SaaS)

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

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

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

As at 30 June 2024, no intangible assets held by the Council were impacted by this change in accounting policy.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each financial year is recognised in surplus or deficit.

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

- Computer software – 4 to 5 years 20% to 25%

Impairment of intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment. For further details, refer to the policy for impairment of property, plant and equipment in Note 16. The same approach applies to the impairment of intangible assets.

NOTE 16: INTANGIBLE ASSETS (CONTINUED)

Breakdown of intangible assets and further information

Movements in the carrying value for the computer software class of intangible assets are as follows:

	2024 \$000	2023 \$000
Cost		
Balance at 1 July	5,806	5,494
Additions	485	312
Disposals	-	-
Balance at 30 June	6,291	5,806
Accumulated amortisation and impairment		
Balance at 1 July	(5,203)	(4,964)
Amortisation charge	(228)	(239)
Disposals	-	-
Balance at 30 June	(5,431)	(5,203)
Total intangible assets at 30 June	860	603

There are no intangible assets in any other classes.

Restrictions

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Capital commitments

There are no capital commitments for intangible assets at 30 June 2024 (2023: \$nil).

NOTE 17: FORESTRY ASSETS

Accounting policy

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in surplus or deficit.

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

Critical accounting estimates and assumptions

Fair value of forestry assets

Independent registered valuers, PF Olsen and Co, have valued forestry assets as at 30 June 2024. The valuation was based on arm’s length market transaction of current market evidence as at 30 June 2024.

Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- a discount rate of 7.8 percent (2023: 9.2 percent) has been used in discounting the present value of expected future cash flows;
- notional land rental costs have been included for freehold land;
- the forest has been valued on a going concern basis and includes only the value of the existing crops on a single rotation basis;
- costs are current industry standard costs. No allowance has been made for cost improvements in future operations; and
- log prices are based on a five-year historical rolling average (2023: three year rolling average).

Breakdown of forestry assets and further information

	2024 \$000	2023 \$000
Balance at 1 July	280	244
Increases due to purchases	-	-
Gains/(losses) arising from changes attributable to physical changes	-	-
Gains/(losses) arising from changes attributable to price changes	-	-
Gains/(losses) arising from revaluation of forestry assets	6	36
Decreases due to sales	-	-
Decreases due to harvest	-	-
Total forestry assets	286	280

Financial risk management strategies

The Council is exposed to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council revalues its forestry assets annually to ensure current market prices are taken into account.

NOTE 18: INVESTMENT PROPERTY

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in surplus or deficit. The Council currently has 134 investment properties.

Breakdown of investment property and further information

	2024 \$000	2023 \$000
Balance at 1 July	44,043	43,536
Additions	447	-
Sales and disposals	-	-
Transfer (to) from non-current assets held for sale	-	-
Transfer (to) from restricted assets	(260)	1,200
Transfer (to) from operational land	(140)	1,985
Transfer (to) from operational buildings	-	-
Fair value gains/(losses) on valuation	(864)	(2,678)
Total investment property	43,226	44,043

Information about the revenue and expenses in relation to investment property as detailed below:

	2024 \$000	2023 \$000
Rental Revenue	2,343	2,394
Direct Operating Expenses from Investment Property Generating Revenue	806	171

Fair value of investment property

The valuation of investment property was performed by Grant Utteridge, an independent valuer of CBRE (Rotorua) Ltd. CBRE (Rotorua) Ltd are experienced valuers with extensive market knowledge in the types and location of investment properties owned by the Council.

The fair value of investment property is consistent the concept of market value. Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms-length transaction after proper marketing, and where the parties had each acted knowledgeably, prudently and without compulsion. Valuations for freehold investment properties relate to the market value in comparison to comparable sales evidence for similar properties in the surrounding area.

The valuation includes lessors' interests in freehold land holdings held by the Council. The majority of these leases are perpetually renewable of 14-year terms. The valuation for lessors' interests within the portfolio was based on recent sales from centres throughout New Zealand.

The valuers have advised in their market evidence summary:

- **Discount rate** - there continues to be limited lessor's interest sales evidence. The evidence recorded shows variation in the discount rates with most recent sales showing a range between 2.18 percent and 8.86 percent. Although the ground leases are considered to be prime investment assets due to the long-term leases, we have reflected market risk relating to future rent reviews by applying a lower long-term land inflation rate. We adopted discount rates in the discounted cashflow approach for the ground lease portfolio at 7.5 percent for the perpetual leases and 7 percent for the terminating leases.
- **Yields** - the evidence recorded shows variation in the yield rates with most recent sales showing a range between 2.63 percent and 7.44 percent on passing rents and between 3.81 percent and 7.44 percent on market rent. We have adopted a similar yield as 6 percent on market rent.

NOTE 19: PAYABLES AND DEFERRED REVENUE

Accounting policy

Short-term creditors and other payables are measured at the amount payable.

Breakdown of payables and deferred revenue and further information

	2024 \$000	2023 \$000
Payables and deferred revenue under exchange transactions:		
Trade payables and accrued expenses	13,595	12,422
Income in advance	4,588	5,395
Deposits held	1,128	1,371
Amounts due to customers for contract work	715	674
Amounts due to Bay of Plenty Regional Council for rates collected on their behalf	473	605
Payables and deferred revenue under non-exchange transactions:		
Other taxes payable (e.g. GST and FBT)	-	-
Other grants and bequests received subject to substantive conditions not yet met	-	-
Total payables and deferred revenue	20,499	20,467

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

NOTE 20: BORROWINGS AND OTHER FINANCIAL LIABILITIES

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs (borrower notes). Interest due on the borrowings is subsequently accrued and added to the finance costs. Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Breakdown of borrowings and other financial liabilities and further information

	2024 \$000	2023 \$000
Current portion		
Secured loans	22,000	12,300
Deposits	-	-
Total current portion	22,000	12,300
Non-current portion		
Secured loans	131,500	103,500
Other financial liabilities	1,000	1,000
Total non-current portion	132,500	104,500
Total borrowings and other financial liabilities	154,500	116,800

Interest terms for secured loans

The Council's secured loans are mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk. External interest rates at 30 June 2024 range from 1.06 percent to 6.83 percent (2023: 1.06 percent to 6.89 percent) with a weighted average rate of 5.76 percent (2023: 5.78 percent). Interest expense for 2024 was \$7.798 million (2023: \$4.918 million).

Other secured loan facilities

The Council has an interchangeable loan facility with ANZ of \$20 million. As at 30 June 2024, Nil (2023: \$2.3 million) of this facility was being utilised.

Security

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

Fair values

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

Information about the maturity profile of borrowings and other financial liabilities is detailed below:

	2024 \$000	2023 \$000
Maturing in under one year	22,000	12,300
Maturing in 1-2 years	32,000	17,000
Maturing in 2-3 years	33,500	22,000
Maturing in 3-4 years	41,000	32,500
Maturing in 4-5 years	26,000	17,000
Maturing in 5 years+	-	16,000
Total borrowings	154,500	116,800

NOTE 20: BORROWINGS AND OTHER FINANCIAL LIABILITIES (CONTINUED)

Internal Borrowings

Information on internal borrowings per activity group is provided in the tables below. Internal borrowings are eliminated on consolidation of activities in Council's financial statements

YEAR ENDED 30 JUNE 2024	BALANCE AT 1 JULY \$000	BORROWINGS \$000	REPAYMENTS \$000	BALANCE AT 30 JUNE \$000	INTEREST \$000
Group of Activities:					
Leadership and Community	50	-	6	44	3
Strategy and Futures	7,782	761	678	7,865	426
Transport Connections	14,731	5,420	-	20,151	887
Water Supply	20,726	5,511	907	25,330	1,166
Sewage Treatment and Disposal	11,283	3,081	503	13,861	634
Stormwater Drainage	19,152	3,604	944	21,812	1,066
Waste Management and Minimisation	2,234	790	326	2,698	118
Community Experience	19,672	4,676	866	23,482	1,059
Community Safety	2,215	120	251	2,084	117
Corporate Services*	16,237	424	769	15,892	2,321
Total	114,080	24,387	5,249	133,218	7,797

YEAR ENDED 30 JUNE 2023	BALANCE AT 1 JULY \$000	BORROWINGS \$000	REPAYMENTS \$000	BALANCE AT 30 JUNE \$000	INTEREST \$000
Group of Activities:					
Leadership and Community	55	-	6	50	3
Strategy and Futures	8,092	267	577	7,782	430
Transport Connections	12,371	2,954	594	14,731	696
Water Supply	16,070	5,292	636	20,726	969
Sewage Treatment and Disposal	10,408	1,527	652	11,283	571
Stormwater Drainage	19,899	228	975	19,152	1,043
Waste Management and Minimisation	2,067	418	252	2,234	119
Community Experience	14,397	6,053	778	19,672	906
Community Safety	2,450	-	235	2,215	128
Corporate Services*	4,288	12,209	260	16,237	458
Total	90,098	28,946	4,965	114,080	5,323

NOTE 21: EMPLOYEE ENTITLEMENTS

Accounting policy

Short-term employee entitlements

Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

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

A liability and an expense are recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

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

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

All other employee entitlements are classified as a non-current liability.

Defined contribution superannuation schemes

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

Critical accounting estimates and assumptions

Estimating retirement, long service and sick leave obligations

The present value of retirement, long service leave and sick leave obligations depend on a number of factors that are determined on an actuarial basis by Aon Retirement and Investment in accordance with PBE IPSAS 39. Three key assumptions used in calculating this liability include the discount rate, salary escalation rates and resignation rates. Any changes in these assumptions will affect the carrying amount of the liability.

Projected cashflows are discounted back to the valuation date at the valuation discount rates. The discount rates have been chosen in accordance with PBE IPSAS 25 and are the NZ Treasury's published risk-free discount rates at balance date. Expected future payments are discounted using forward discount rates with maturities that match, as closely as possible, the estimated future cash outflows. For sick leave, the average discount rate used in the valuation was 4.77 percent (2023: 4.7 percent). The long service leave valuation also assumes annual salary growth of 3.5 percent p.a. (2023: 3.0 percent) but uses a rising discount rate ranging from 4.25 percent to 5.30 percent over a 10-year period.

NOTE 21: EMPLOYEE ENTITLEMENTS (CONTINUED)

Breakdown of employee entitlements

	2024 \$000	2023 \$000
Current portion		
Accrued pay	1,157	1,014
Annual leave	2,449	2,254
Long service leave	118	87
Sick leave	31	19
Total current portion	3,755	3,374
Non-current portion		
Long service leave	456	459
Sick Leave	114	43
Total non-current portion	570	502
Total employee entitlements	4,325	3,875

NOTE 22: PROVISIONS

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and discounted using New Zealand Treasury risk-free rate with terms to maturity that match, as closely as possible, the estimated future cash flows.

Critical accounting estimates and assumptions

Estimating the landfill aftercare costs

The Council engaged an independent engineer to review the calculations set by Council for provisions for the Landfill provision.

The cash outflows for landfill post-closure costs are expected to occur in nine to 30 years' time (that is, between 2025 and 2054). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cash outflows have been estimated taking into account existing technology and known changes to legal requirements. The gross provision before discounting is \$6.07 million (2023: \$5.15 million).

Discount rates ranging from 4.57 percent to 5.30 percent (2023: 4.62 percent to 5.43 percent) have been used to discount the estimated future cash outflows. These rates have been determined using the Treasury Risk Free Rates.

Breakdown of provisions and further information

	2024 \$000	2023 \$000
Current portion		
Landfill aftercare provision	1,189	757
Weathertightness and other claims provision	56	-
Total current portion	1,245	757
Non-current portion		
Landfill aftercare provision	3,687	2,643
Weathertightness and other claims provision	60	75
Future loss on sale of non-current asset held for sale provision	1,221	1,721
Total non-current portion	4,968	4,439
Total provisions	6,213	5,196

NOTE 22: PROVISIONS (CONTINUED)

Landfill aftercare costs

The Council's responsibilities include all post-closure costs such as lease costs, leachate monitoring, recapping, track maintenance, bores, fencing, consents, risk assessment, monitoring, maintenance and emergency works.

Weathertightness and other building related claims provision

The Weathertight Homes Resolution Service (WHRS), a central government service established under the Weathertight Homes Resolution Services Act 2006, no longer accepts claims. The Council has no historical claims outstanding with this service. The Council has continued to provide for potential liability in the 2024 financial statements of \$116,000 (2023: \$75,000) based on the expected outcome of known weathertight and other building related claims.

Future loss on sale of non-current asset held for sale provision

A provision has been made to take account of the difference between the current fair value of Property Intended for Sale and the sale price as stated in the Sale and Purchase Agreement in September 2017. See also Note 12: Non Current Assets held for sale.

Other claims

There are no other claims known at 30 June 2024 other than those provided for. Further details on potential liabilities are explained in Note 23: Contingencies.

Movements for each class of provision are as follows:

	LANDFILL AFTERCARE PROVISION \$000	WEATHERTIGHTNESS AND OTHER CLAIMS PROVISION \$000	FUTURE LOSS ON SALE OF NON-CURRENT ASSET HELD FOR SALE \$000	TOTAL \$000
Balance at 1 July 2022	2,184	75	3,525	5,784
Additional provisions	1,523	-	-	(588)
Amounts used	(307)	-	(1,804)	-
Balance at 30 June 2023	3,400	75	1,721	5,196
2023 Movement in provisions	1,216	-	(1,804)	(588)
Balance at 1 July 2023	3,400	75	1,721	5,196
Additional provisions	2,207	41	-	1,748
Amounts used	(731)	-	(500)	(731)
Balance at 30 June 2024	4,876	116	1,221	6,213
2024 Movement in provisions	1,476	41	(500)	1,017

NOTE 23: CONTINGENCIES

Contingent liabilities

The Council has contingent liabilities for indemnity claims, but the only claims that might be estimated are related to weathertightness (see below and Note 22: Provisions) and a provision has been made in the financial statements to anticipate this liability.

Regarding the quantified contingent liabilities, there is one potential liability faced by the Council.

Building Act claims including weathertightness claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities relating to the issue of building consents and inspection of work done. At the date of these financial statements, there are three matters indicating potential liabilities that council are working with building owners and their representatives over. Estimates have been made for a provision. The calculation is based on a forecast percentage estimate of the total claim. There have been detailed conversations concerning a possible settlement for one claim but the other matters cannot be reliably estimated and are therefore unquantifiable.

Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA).

The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA for local currency and a foreign currency rating of AA+ as at 30 June 2024.

As at 30 June 2024, the Council is one of 30 local authority shareholders and 72 local authority guarantors of the LGFA. The New Zealand Government also has a 20 percent shareholding in the LGFA. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all the LGFA's borrowings.

At 30 June 2024, the LGFA had borrowings totalling \$23 billion (2023: \$16.310 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required.

Engineering report on subdivision

Representatives of the owners of properties within this subdivision have approached the Council because of issues arising around slips and stormwater management in and around the accessway of the subdivision. In an attempt to find a resolution, the Council commissioned a geotechnical engineer to assess the accessway and to determine its state. While no formal legal proceedings have been issued against the Council, it has been notified. Staff have discussed the report conclusions with the Directors representing the owners on the issue. The potential amount of a claim means that a more formal resolution process is required. That may include mediation but only if all parties to the consent agree to attend mediation.

NOTE 23: CONTINGENCIES (CONTINUED)

Contingent liabilities (continued)

Resource consent on water bottling plant

The Supreme Court heard appeals by Te Runanga O Ngati Awa and Sustainable Otakiri, challenging the Court of Appeal decision that led to the granting of resource consents for an expanded water bottling plant in Johnson Road, Otakiri. This was heard from 22 to 24 November 2023, and Council are still awaiting the Courts decision. The Council's legal costs are unlikely to be covered by insurance. The Council may be asked to consider an application for a costs award should the Council be successful in the Supreme Court.

Edgcumbe stop bank breach 2017

In August 2023, a class action claim (Jill Payne and IAG New Zealand Ltd) was raised against the Council, together with the Bay of Plenty Regional Council, related to alleged duty of care in relation to monitoring and maintaining a flood wall located at 54-64 College Road, Edgcumbe. The plaintiff has changed to G Rangiaho however the claim remains the same. The claim has been quantified currently at \$47 million.

New Zealand Mutual Liability Riskpool Scheme

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

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

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

Employment disputes

There was one employment dispute at 30 June 2024. This cannot yet be quantified but may result in a payment of approximately \$10,000 (2023: \$10,000).

Contingent assets

There are no known contingent assets at balance date.



NOTE 24: EQUITY

Accounting policy

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

- accumulated funds;
- restricted reserves;
- asset revaluation reserve.

Restricted reserves

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

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party.

Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

Asset revaluation reserve

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

NOTE 24: EQUITY (CONTINUED)

Breakdown of equity and further information

	2024 \$000	2023 \$000
Accumulated funds		
Balance at 1 July	447,519	448,049
Surplus / (deficit) for the year	(5,277)	(8,525)
Other reserve movements	(33)	(85)
Changes in Equity - tax	17	-
Transfers to restricted reserves	(3,096)	(3,023)
Transfers to Council Created Reserves	(31,361)	(20,937)
Transfers from restricted reserves	2,983	2,862
Transfer from Council Created Reserves	31,489	29,180
Total accumulated funds	442,241	447,522
Council created reserves		
Balance at 1 July	2,300	10,543
Transfers from accumulated funds	31,361	20,937
Transfers to accumulated funds	(31,489)	(29,180)
Balance at 30 June	2,172	2,300
Restricted reserves		
Balance at 1 July	15,075	14,913
Transfers to accumulated funds	3,096	3,023
Transfers from accumulated funds	(2,983)	(2,862)
Balance at 30 June	15,188	15,075
Asset revaluation reserve		
Balance at 1 July	728,547	668,703
Revaluation of operational assets	846	(461)
Revaluation of museum	-	4,505
Revaluation of restricted assets	1,527	6,749
Revaluation of roading	16,271	14,608
Revaluation of water	(2,792)	12,975
Revaluation of sewerage	(1,685)	12,569
Revaluation of land drainage	(1,720)	12,871
Revaluation of other infrastructural assets	(128)	(4,836)
Deferred tax	-	865
Balance at 30 June	740,866	728,546

NOTE 24: EQUITY (CONTINUED)

Operating reserves

Information about operating reserves funds provided for within accumulated funds held for a general or specific purpose is provided below:

Description	Activity group	Balance at 1.7.22 \$000	Transfers into funds \$000	Transfer out of funds \$000	Balance at 30.6.23 / 1.7.23 \$000	Transfers into funds \$000	Transfer out of funds \$000	Balance at 30.6.24 \$000
General operating reserves								
General Rates and Revenues	General Council	(2,050)	5,681	(5,067)	(1,436)	7,640	(9,499)	(3,294)
Fixed Assets	General Council	2,370	130	-	2,500	-	-	2,500
Roading Rate	Transport Connections	1,539	70	(967)	642	1,917	(532)	2,027
Parking Enforcement	Transport Connections	25	-	(85)	(60)	-	(119)	(180)
District Growth Rate Reserve	District Growth	307	25	(204)	128	122	(98)	152
Water Supply – Equalised schemes	Equalised Water Supply	1,134	733	(1,166)	701	1,178	(1,094)	785
Water Supply- Murupara	Murupara Water Supply	104	4	(37)	71	46	(43)	74
Water Supply- Plains	Plains Water Supply	(574)	136	(499)	(937)	2,180	(1,268)	(25)
Wastewater – Equalised schemes	Equalised Sewage Treatment and Disposal	(720)	1,685	(1,106)	(141)	1,993	(1,262)	589
Wastewater- Murupara	Murupara Sewage Treatment and Disposal	(23)	14	(1)	(10)	200	(2)	188
Wastewater- Matatā	Matatā Sewage Treatment and Disposal	(93)	-	(105)	(198)	93	(10)	(115)
Stormwater- Whakatāne	Stormwater	(10)	26	(311)	(295)	1,031	(9)	727
Stormwater – Ōhope	Stormwater	214	9	(86)	137	11	(2)	146
Stormwater- Edgecumbe	Stormwater	22	23	-	45	82	(1)	126
Stormwater- Matatā	Stormwater	-	-	(108)	(108)	-	(7)	(115)
Stormwater- Murupara	Stormwater	3	1	-	3	1	(1)	3
Stormwater- Tāneatua	Stormwater	(9)	1	-	(9)	-	(1)	(10)
Stormwater- Te Teko	Stormwater	1	-	(1)	-	1	(1)	-
Stormwater- Te Mahoe	Stormwater	4	-	(6)	(2)	-	-	(2)
Refuse Collection Rate	Waste Management and Minimisation	6	18	(258)	(234)	43	(462)	(654)
Dog Control	Community Safety	(94)	-	(195)	(289)	-	(423)	(711)
Pensioner Housing	Community Experience	617	32	-	649	34	-	682
Total General Operating Reserves		2,771	8,587	(10,202)	1,156	16,571	(14,832)	2,895

NOTE 24: EQUITY (CONTINUED)

Operating reserves (continued)

Information about operating reserves funds provided for within accumulated funds held for a general or specific purpose is provided below:

Description	Activity group	Balance at 1.7.22 \$'000	Transfers into funds \$'000	Transfer out of funds \$'000	Balance at 30.6.23 / 1.7.23 \$'000	Transfers into funds \$'000	Transfer out of funds \$'000	Balance at 30.6.24 \$'000
Renewal / depreciation operating reserves								
Strategic and Investment Properties	Strategy and Futures	3	-	-	3	-	-	3
Roading	Transportation Connections	1,654	730	(2,221)	162	2,722	(3,587)	(703)
Water Supply – Equalised schemes	Water Supply	(1,531)	1,389	(765)	(906)	1,474	(2,371)	(1,803)
Water Supply- Murupara	Water Supply	254	68	(3)	319	109	(376)	52
Water Supply – Plains	Water Supply	(512)	130	(365)	(747)	325	(265)	(687)
Wastewater - Equalised schemes	Sewage Treatment and Disposal	4,222	641	(895)	3,968	2,305	(2,404)	3,869
Wastewater- Matatā	Sewage Treatment and Disposal	59	64	-	123	6	-	130
Wastewater- Murupara	Sewage Treatment and Disposal	626	200	-	825	204	(435)	594
Stormwater- Edgcombe	Stormwater	30	49	-	78	53	-	131
Stormwater- Matatā	Stormwater	36	16	-	52	17	-	69
Stormwater- Murupara	Stormwater	146	47	-	193	50	-	243
Stormwater- Ōhope	Stormwater	(66)	51	(24)	(38)	53	(1)	14
Stormwater- Tāneatua	Stormwater	32	12	(30)	14	12	-	26
Stormwater- Te Mahoe	Stormwater	26	6	-	32	7	-	39
Stormwater- Te Teko	Stormwater	10	4	-	13	4	-	17
Stormwater- Whakatāne	Stormwater	(892)	356	(2,688)	(3,225)	532	(1,819)	(4,512)
Refuse Disposal	Waste Management and Minimisation	95	40	(79)	56	38	(97)	(3)
Parks Reserves and Gardens	Community Experience	434	138	(556)	16	659	(490)	185
Recreation	Community Experience	169	12	-	181	10	-	191
Cemeteries	Community Experience	228	18	(43)	203	122	(12)	314
Aquatic Centres	Community Experience	190	207	(494)	(97)	255	(474)	(316)
Libraries and Galleries	Community Experience	108	21	(113)	16	120	(134)	2

NOTE 24: EQUITY (CONTINUED)

Operating reserves (continued)

Information about operating reserves funds provided for within accumulated funds held for a general or specific purpose is provided below:

Description	Activity group	Balance at 1.7.22 \$000	Transfers into funds \$000	Transfer out of funds \$000	Balance at 30.6.23 / 1.7.23 \$000	Transfers into funds \$000	Transfer out of funds \$000	Balance at 30.6.24 \$000
Renewal / depreciation operating reserves (continued)								
Museums and Archives	Community Experience	163	11	(2)	172	9	-	181
Halls	Community Experience	(39)	189	(103)	47	398	(341)	104
Public Conveniences	Community Experience	64	91	(143)	13	92	(64)	41
Ports and Harbours	Community Experience	(479)	249	(200)	(430)	227	(420)	(623)
Pensioner Housing	Community Experience	426	22	-	448	23	-	471
Holiday Park	Community Experience	15	44	(49)	9	44	(96)	(42)
Dog Control	Community Safety	(4)	-	-	(4)	-	-	(4)
Corporate Property	Corporate Services	1,003	(672)	-	331	392	(261)	463
Information Management	Corporate Services	1,832	78	(1,862)	48	861	(1,148)	(239)
Vehicle and Plant Reserve	Corporate Services	688	55	(182)	561	568	(207)	922
Airport Whakatāne	General Council	(541)	107	(37)	(471)	111	(23)	(383)
Total Renewal/Depreciation Reserves		8,449	4,371	(10,854)	1,966	11,803	(15,024)	(1,254)
Other Operating Reserves								
Community Board- Whakatāne-Ōhope	Leadership and Community	59	47	-	107	5	(14)	98
Community Board- Rangitāiki	Leadership and Community	50	3	(2)	50	7	-	58
Community Board- Tāneatua	Leadership and Community	17	6	-	23	1	(1)	23
Community Board- Murupara	Leadership and Community	24	1	(1)	25	1	(2)	24
Iwi Liaison Community Projects	Leadership and Community	8	-	-	9	-	-	9
Roading Storm Damage Reserve	Transport Connections	475	202	(231)	446	214	(424)	236
Te Mahoe Water- special	Water Supply	24	1	-	25	1	-	26
Waste Minimisation Reserve	Waste Minimisation	232	441	(198)	475	638	(127)	987

NOTE 24: EQUITY (CONTINUED)

Operating reserves (continued)

Information about operating reserves funds provided for within accumulated funds held for a general or specific purpose is provided below:

Description	Activity group	Balance at 1.7.22 \$000	Transfers into funds \$000	Transfer out of funds \$000	Balance at 30.6.23 / 1.7.23 \$000	Transfers into funds \$000	Transfer out of funds \$000	Balance at 30.6.24 \$000
Other operating reserves (continued)								
Disaster Mitigation	Stormwater	(108)	140	(46)	(14)	57	(67)	(25)
Car Parks Development	Community Experience	17	1	-	18	1	-	19
Museum Collections	Community Experience	1	-	-	1	-	-	1
Galatea Reserve Development	Community Experience	2	-	-	2	-	-	2
Disabled Facilities	Community Experience	1	-	-	-	-	-	-
Whakatāne Holiday Park	Community Experience	(965)	-	(298)	(1,264)	460	(471)	(1,275)
Leaky Homes Reserve	Community Safety	179	168	(25)	322	177	-	499
Whakaari 2019 Eruption	Community Safety	(218)	-	(11)	(229)	-	(12)	(241)
General Disaster Reserve	General Council	213	11	-	224	12	-	235
Asset Divestment	General Council	798	41	(13)	825	42	(40)	828
Sale of Bennett Block	General Council	(113)	-	(6)	(119)	-	(6)	(125)
Parks and Reserves Financial Contributions	Parks and Reserves	153	88	-	241	13	-	253
Airport Whakatāne	General Council	(1,525)	-	(463)	(1,988)	1,357	(469)	(1,100)
Total Other Operating Reserves		(676)	1,151	(1,295)	(822)	2,987	(1,633)	532
Total Council Created Operating Reserves		10,543	14,109	(22,351)	2,300	31,360	(31,489)	2,172

Purpose of each operating reserve fund

General operating reserves - These are set aside by the Council to fund short-term operational matters, such as some loan repayments, or to hold short-term surpluses arising from operations.

Renewal / depreciation operating reserves - These are set aside by the Council to fund short- to medium-term timing variations in the future capital expenditure associated renewal of assets from Council activities, such as water, wastewater, stormwater, roads and footpath, facilities, property plant and equipment.

Other operating reserves - These are set aside by the Council to fund specific future or potential operating activities of the Council associated with the nature of the reserve.

If not required, the Council can elect to transfer these to other operating reserves or transferred to unreserved accumulated funds.

NOTE 24: EQUITY (CONTINUED)

Restricted reserves

Information about restricted reserves is provided below:

Description	Activity group	Balance at 1.7.22 \$000	Transfers into funds \$000	Transfer out of funds \$000	Balance at 30.6.23 / 1.7.23 \$000	Transfers into funds \$000	Transfer out of funds \$000	Balance at 30.6.24 \$000
Development contributions								
Roading	Transportation Connections	691	56	(83)	664	62	(10)	716
Water Supply- Edgecumbe	Water Supply	9	-	-	9	-	-	10
Water Supply- Matatā	Water Supply	81	4	-	85	4	-	89
Water Supply- Ōhope	Water Supply	135	15	-	150	12	-	162
Water Supply- Plains	Water Supply	(65)	-	(3)	(68)	-	(4)	(72)
Water Supply- Whakatāne	Water Supply	(192)	3	(14)	(203)	9	(35)	(228)
Wastewater- Coastlands	Sewage Treatment and Disposal	(397)	-	(305)	(702)	-	(74)	(776)
Wastewater- Edgecumbe	Sewage Treatment and Disposal	(4)	-	-	(4)	-	-	(4)
Wastewater- Ōhope	Sewage Treatment and Disposal	292	16	-	308	17	-	325
Wastewater- Whakatāne	Sewage Treatment and Disposal	(2,185)	18	(113)	(2,280)	8	(119)	(2,391)
Stormwater- Matatā	Stormwater	1	-	-	1	-	-	1
Stormwater- Ōhope	Stormwater	140	7	-	147	8	-	155
Stormwater- Whakatāne	Stormwater	116	12	(18)	109	10	(87)	32
Solid Waste	Waste Management and Minimisation	342	17	(13)	346	18	-	364
Parks, Gardens and Reserves	Community Experience	118	8	(2)	124	8	(2)	131
Whakatāne Carparks	Community Safety	(10)	-	-	(10)	-	(1)	(11)
Community Infrastructure	General Council	500	50	(7)	543	70	(5)	607
Total Development Contribution Restricted Reserves		(428)	207	(559)	(781)	227	(336)	(889)

NOTE 24: EQUITY (CONTINUED)

Restricted reserves

Information about restricted reserves is provided below:

Description	Activity group	Balance at 1.7.22 \$000	Transfers into funds \$000	Transfer out of funds \$000	Balance at 30.6.23 / 1.7.23 \$000	Transfers into funds \$000	Transfer out of funds \$000	Balance at 30.6.24 \$000
Other restricted reserves								
Harbour Land Sales Fund	Community Experience	13,559	707	-	14,266	744	-	15,010
Harbour Capital Fund	Community Experience	1,589	2,099	(2,302)	1,386	2,115	(2,647)	854
Capital Contributions Roading	Transportation Connections	69	4	-	72	4	-	76
Total other restricted reserves		124	6	-	130	7	-	137
Total Other Restricted Reserves		15,341	2,816	(2,302)	15,855	2,869	(2,647)	16,076
Total Restricted Equity Reserves		14,913	3,023	(2,861)	15,074	3,096	(2,983)	15,188

Restricted reserves

Development contribution reserves- These include development and financial contributions levied by Whakatāne District Council for capital works and are intended to contribute to the growth-related capital expenditure in the infrastructural asset activities of Roads, Water Supply, Wastewater Management, Stormwater Drainage, Waste Management and Disposal, Parks and Reserves, Facilities, Carparks and Subdivisions within communities.

Other restricted reserves- These are funds subject to specific conditions accepted as binding by Whakatāne District Council, such as bequests or operations in trust under specific Acts, and which may not be revised by the Council without reference to the Courts or third party. Harbour reserves within this group are recorded to give effect to clause 21 of the 1976 Order in Council for the Union of Whakatāne County and Whakatāne Borough and dissolution of Whakatāne Harbour Board.

Capital management

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

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

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

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

NOTE 25: RELATED PARTY TRANSACTIONS

Related parties include subsidiaries, limited partnerships, joint ventures, key management personnel, elected representatives of the Council, their close family members, and entities controlled by them. Close family members include spouses or domestic partners, children and dependents.

Apart from the disclosures provided below, no disclosures have been made with related parties for transactions that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

Further, no disclosure has been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

No provision has been required, nor any expense recognised, for impairment of receivables, for any loans or other receivables to related parties (2023: nil).

Related party transactions required to be disclosed

Bay of Plenty Local Authority Shared Services Limited

The Council has a one-ninth share in BOPLASS Limited. BOPLASS Limited was established to foster collaboration between councils in the delivery of services particularly back office or support services. Whakatāne District Council's Chief Executive, Stephanie O'Sullivan was appointed as a director and Shareholder Representative of BOPLASS Limited during the 2019 financial year. During the year, the Council contracted BOPLASS Limited for services costing \$177,881.87 (2023: \$139,907.70).

Whakatāne Airport

Council has a 50:50 joint equity venture with the Ministry of Transport (Air Transport Division) in the Whakatāne Airport and both entities are considered to be related parties. Administrative and maintenance transactions totalling \$62,669 (2023: \$56,584) were carried out with the Joint Venture. Funds held by Council on behalf of the Airport total \$2,734,237 deficit (2023: \$2,397,759 deficit).

Key management personnel compensation

	2024	2023
Councillors, including the Mayor		
Number of elected officials	11	11
Remuneration	722,416	670,522
Senior management team, including the Chief Executive		
Full-time equivalent members	8	8
Remuneration	2,006,711	1,925,819
Total full-time equivalent personnel	19	19
Total key management personnel remuneration	2,729,127	2,596,341

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors. Total remuneration includes the value of any non-financial benefits. An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 3.



NOTE 26: 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)

NOTE 27A: FINANCIAL INSTRUMENTS

The Council adopted PBE IPSAS 41 from 1 July 2022.

PBE IPSAS 41 requires debt instruments to be subsequently measured at fair value through other comprehensive revenue and expense (FVTSD), amortised cost, or fair value through surplus or deficit (FVTOCRE). This classification is based on the business model for managing the debt instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding.

The Council assessed the business model for its classes of financial assets at the date of initial application.

Debt instruments are held mainly to collect.

The Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading. The Council has elected to subsequently measure all its shares at FVTOCRE.

NOTE 27B: FINANCIAL INSTRUMENT CATEGORIES

	2024 \$000	2023 \$000
FINANCIAL ASSETS		
Fair value through surplus or deficit		
<i>Financial instruments</i>		
Derivative financial assets	1,686	2,298
<i>Loans and receivables at amortised cost</i>		
Cash and cash equivalents	17,623	3,815
Receivables	7,180	6,800
Total at amortised cost	26,490	12,913
Fair value through other comprehensive revenue and expense		
<i>Other financial assets</i>		
Unlisted shares	59	59
NZ Local Government Funding Agency	3,473	2,532
Investment in joint ventures and limited partnerships	12,433	12,316
Term loan- Air Chathams Ltd	350	350
Total at FVTOCRE	16,315	15,256
FINANCIAL LIABILITIES		
Fair value through surplus or deficit		
<i>Financial Instruments</i>		
Derivative financial liabilities	-	-
Total at FVTSD	-	-
<i>Other financial liabilities at amortised cost</i>		
Payables	14,783	13,701
Borrowings- secured loans	153,500	115,800
Total at amortised cost	168,283	129,501

NOTE 27C: FAIR VALUE HIERARCHY

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

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

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

	LEVEL	2024 \$000	2023 \$000
FINANCIAL ASSETS			
Derivative financial assets	2	1,686	2,298
Local authority stock	2	9	9
Unlisted shares	2	150	150
Borrower notes	2	3,473	2,433
Term loan - Air Chathams Ltd	2	350	350
FINANCIAL LIABILITIES			
Derivative financial liabilities	2	-	-

There were no transfers between the different levels of the fair value hierarchy.

NOTE 27D: FINANCIAL INSTRUMENT RISKS

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Council has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established the Council-approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive revenue and expense. This price risk arises due to market movements in listed shares. The price risk is managed by diversification of the Council's investment portfolio in accordance with the limits set out in the Council's Treasury Management Policy.

Currency risk

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

The Council is exposed to currency risk on imported capital expenditure, operational expensed items and services transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

NOTE 27D: FINANCIAL INSTRUMENT RISKS (CONTINUED)

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. The Council's Treasury Management Policy is to maintain approximately 50-90 percent of its borrowings in fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where the Council has borrowed at fixed rates in excess of the target above.

Cash flow interest rate risk

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

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

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Council, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and listed bonds, which gives rise to credit risk. The Council also provides financial guarantees to LGFA, which gives rise to credit risk.

Receivables arise mainly from the Council's statutory functions. There are no procedures in place to monitor or report the credit quality of receivables. The Council has no significant concentrations of credit risk in relation to receivables as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding rates from ratepayers.

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

The Council holds no collateral or credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

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

	2024 \$000	2023 \$000
Cash at bank and term deposits	17,623	3,815
Trade and other receivables	7,180	6,800
Local authority and government stock	3,373	2,433
Investment in joint ventures and associates	6,576	6,641
Term loan- Air Chathams Ltd	350	350
Derivatives	1,686	2,298
Total credit risk	36,788	22,337

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowing. Information about this exposure is explained in Note 23: Contingencies.

NOTE 27D: FINANCIAL INSTRUMENT RISKS (CONTINUED)

Credit risk exposure by credit risk rating grades, excluding receivables

The gross carrying amount of financial assets, excluding receivables, by reference to Standard and Poor's credit ratings are provided below.

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

	RATING	2024 \$000	2023 \$000
COUNTERPARTIES WITH CREDIT RATINGS			
Cash at bank and term deposits	AA-	17,623	3,815
NZ Local Government Funding Agency	AAA	3,473	2,532
COUNTERPARTIES WITHOUT CREDIT RATINGS			
Civic Financial Services Ltd		50	50
Bay of Plenty Local Authority Shared Services Limited		9	9
Investment in joint ventures and limited partnerships			
Whakatāne Airport joint venture		6,576	6,641
Boat Harbour Te Rāhui Herenga Waka special partnership		5,857	4,074
Air Chathams Ltd		350	350

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

The Council manages its borrowings in accordance with its funding and financial policies, which include a Treasury Management Policy. As part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months and other corridors or maturity. The Council manages its borrowings in accordance with its funding and financial policies, which include a Treasury Management Policy.

The Council has a maximum amount that can be drawn down against its overdraft facility of \$20 million (2023: \$15 million). There are no restrictions on the use of this facility.

NOTE 27D: FINANCIAL INSTRUMENT RISKS (CONTINUED)

Contractual maturity analysis of financial liabilities

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

	LIABILITY CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	\$000	\$000	\$000	\$000	\$000	\$000
2024						
Trade and other payables	14,783	14,783	14,783	-	-	-
Secured loans	153,500	153,500	22,000	32,000	99,500	-
Derivative liabilities	-	-	-	-	-	-
Total	168,283	168,283	36,783	32,000	99,500	-
2023						
Trade and other payables	13,701	13,701	13,701	-	-	-
Secured loans	115,800	115,800	12,300	16,000	71,500	16,000
Derivative liabilities	-	-	-	-	-	-
Total	129,501	129,501	26,001	16,000	71,500	16,000

The Council is exposed to liquidity risk as a guarantor of the LGFA's borrowings. This guarantee becomes callable in the event the LGFA fails to pay its borrowings when they fall due. Information about this exposure is explained in Note 24: Contingencies.

NOTE 27D: FINANCIAL INSTRUMENT RISKS (CONTINUED)

Contractual maturity analysis of financial assets

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	LIABILITY CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	\$000	\$000	\$000	\$000	\$000	\$000
2024						
Cash and cash equivalents	17,623	17,623	17,623	-	-	-
Receivables	7,180	7,180	7,180	-	-	-
Other financial assets:						
Local authority and government stock	3,373	3,373	328	728	2,317	-
Loan to Air Chathams Ltd	350	350	350	-	-	-
Derivative assets	1,687	1,687	35	15	886	750
Total	30,212	30,212	25,516	743	3,203	750
2023						
Cash and cash equivalents	3,815	3,815	3,815	-	-	-
Receivables	6,800	6,800	6,800	-	-	-
Other financial assets:						
Local authority and government stock	2,432	2,432	160	328	1,590	355
Loan to Air Chathams Ltd	350	350	-	350	-	-
Derivative assets	2,297	2,297	134	93	1,162	908
Total	15,694	15,694	10,909	771	2,752	1,263

NOTE 27D: FINANCIAL INSTRUMENT RISKS (CONTINUED)

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council financial instrument market risk exposures at balance date.

	-100BPS SURPLUS \$000	-100BPS OTHER EQUITY \$000	+100BPS SURPLUS \$000	+100BPS OTHER EQUITY \$000
2024				
Financial assets:				
Cash and cash equivalents	(176)	-	176	-
Derivative assets – interest rate swaps	-	-	-	-
Other financial assets:				
Local authority and government stock	(35)	-	35	-
Financial liabilities:				
Derivative liabilities – interest rate swaps	(1,747)	-	4,885	-
Borrowings:				
Bank overdraft	-	-	-	-
Debt	1,535	-	(1,535)	-
Total	(423)	-	3,561	-
2023				
Financial assets:				
Cash and cash equivalents	(38)	-	38	-
Derivative assets – interest rate swaps	-	-	-	-
Other financial assets:				
Local authority and government stock	(26)	-	26	-
Financial liabilities:				
Derivative liabilities – interest rate swaps	3,570	-	7,112	-
Borrowings:				
Bank overdraft	-	-	-	-
Debt	1,158	-	(1,158)	-
Total	4,664	-	6,018	-

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1.0 percent.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2023:-100bps/+100bps).

NOTE 27D: FINANCIAL INSTRUMENT RISKS (CONTINUED)

Sensitivity analysis (continued)

Explanation of derivatives sensitivity

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2023: -100bps/+100bps). Derivative financial liabilities not hedge - accounted include interest rate swaps with a fair value totalling \$1,687,000 (2023: \$2,297,000).

A movement in interest rates of plus or minus 1 percent has an effect on the swap value of \$1,747,000 (2023: \$3,570,000) and \$4,885,000 (2023: \$7,112,000).

Explanation of local authority and government stock sensitivity

A total of \$59,000 (2023: \$59,000) of investments in local authority stock are classified at fair value through equity.

A movement in interest rates of plus or minus 1.0 percent has an effect of \$590 (2023: \$590) on the fair value through equity reserve.

Explanation of floating secured loans sensitivity

The Council has floating rate debt with a principal amount totalling \$116.5 million (2023: \$69 million). A movement in interest rates of plus or minus 1.0 percent has an effect on interest expense of \$1,165,000 (2023: \$690,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

Explanation of creditors and other payables sensitivity

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

NOTE 28: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Council's budget figures in its 2023/24 Annual Plan are as follows:

Statement of comprehensive revenue and expense

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 percent lower than budget)

- Subsidies and Grants were under budget by \$5.6 million due to delays
- Gains were under budget by \$4.8 million predominantly due investment property values declining and some investment properties being moved into operational.

Expenditure (within budget by 1.18 percent)

- 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

Statement of changes in Net Assets and Equity

The Council's equity has been adjusted by the current year total comprehensive revenue and expense, a surplus of \$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.

Statement of financial position

The Net Assets variance to budget was 8.7 percent (\$114.5 million) less than budgeted.

Total Assets (\$133 million 8.7 percent 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 percent 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 percent). This is mainly about the timing of receiving invoices.

OTHER INFORMATION

Community board remuneration

	2024				2023			
	SALARIES	HEARINGS	ALLOW AND EXP REIMB.	VEHICLE	SALARIES	HEARINGS	ALLOW AND EXP REIMB.	VEHICLE
COMMUNITY BOARD MEMBERS								
Murupara								
Bannan, Kenneth	2,896	-	1,013	-	4,110	-	1,307	-
Barnett, Tina	207	-	39	-	2,928	-	570	-
Edmonds, Memory	3,408	-	718	-	-	-	-	-
Goldsmith, James	713	-	133	-	2,928	-	570	-
Hynes, Ormond	-	-	-	-	1,182	-	230	-
Jenner, Memorie	-	-	-	-	1,182	-	230	-
Jones, Sheena	3,408	-	807	-	-	-	-	-
McLean, Mere (C)	8,549	-	1,013	-	5,360	-	570	-
O'Brien, April	-	-	-	-	1,182	-	230	-
Prentice, Irma	4,275	-	800	-	2,928	-	570	-
Rangiaho, Bella (Ngapera)	-	-	-	-	1,182	-	230	-
Silcock, Alison	4,275	-	1,406	-	1,517	-	295	-
Te Amo, Jackie	135	-	-	-	2,229	-	230	-
Rangitāiki								
Bourk, Graeme	-	-	-	-	1,533	-	275	-
Brown, Heemi	5,545	-	800	-	3,798	-	570	-
Byrne, Kris	-	-	-	-	3,067	-	275	-
Clark, Alison	-	-	-	-	1,533	-	230	-
Falwasser, Peter	5,545	-	800	-	3,798	-	570	-
Flowerday, Peter	5,545	-	977	-	3,798	-	646	-
Gardiner, Ross	5,545	-	972	-	3,798	-	728	-
Harvey, Evan	-	-	-	-	1,533	-	275	-
McIndoe, Clive	5,545	-	800	-	3,798	-	570	-
Ngaropo, Pouroto	-	-	-	-	1,533	-	230	-
Waaka, Leeann (C)	11,089	-	800	-	8,456	-	845	-
Tāneatua								
Boynton, Toni	-	-	-	-	1,182	-	230	-
Bryant, Talei	4,275	-	800	-	2,928	-	570	-
Faulkner, Mary	8,549	-	800	-	1,182	-	230	-
George, Natasha	4,275	-	910	-	2,309	-	449	-
Knowles, Les	-	-	-	-	1,182	-	230	-
Le Sueur Yvonne	-	-	-	-	1,182	-	230	-
Ruiterman, Luke	4,275	-	800	-	4,110	-	800	-
Stensness, Moana	4,275	-	800	-	2,154	-	472	-
Thrupp, Honey	4,275	-	800	-	2,928	-	570	-
Yalden, Diane (C)	-	-	-	-	6,674	-	800	-

OTHER INFORMATION (CONTINUED)

Community board remuneration (continued)

	2024				2023			
	SALARIES	HEARINGS	ALLOW AND EXP REIMB.	VEHICLE	SALARIES	HEARINGS	ALLOW AND EXP REIMB.	VEHICLE
COMMUNITY BOARD MEMBERS								
Whakatāne / Ōhope								
Bonne, Linda	9,270	-	800	-	8,913	-	800	-
Hall, Tony	-	-	-	-	2,564	-	230	-
Hamill, Carolyn (C)	18,540	6,417	1,378	-	14,171	279	800	-
Hanna, Moira	-	-	-	-	5,128	-	230	-
Howard, Christopher	9,270	-	800	-	8,913	-	800	-
Inman, Mark	9,270	-	800	-	8,913	-	800	-
Iseri, Ozgur	9,270	-	800	-	6,349	-	570	-
Lee, Cindy	-	-	-	-	2,564	-	230	-
Manning, Jennifer	-	-	-	-	2,564	-	230	-
McLean, Douglas	9,270	-	800	-	6,349	-	570	-
Total elected representatives' remuneration	161,494	6,417	21,366	-	155,632	279	20,087	-

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

STATEMENT OF COMPLIANCE

Te Whakapuakanga Whakaū ki ngā Ture

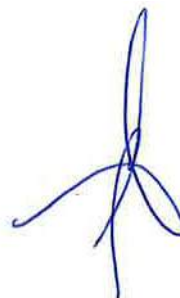
The Council of Whakatāne District Council hereby confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with, with the exception of section 98(3) which requires the adoption of the annual report by resolution within four months after the end of the financial year to which it relates.



Dr Victor Luca

Mayor

20 March 2025



Steven Perdia

Chief Executive

20 March 2025

AUDIT OPINION

Arotake Pūtea

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Whakatāne District Council's annual report for the year ended 30 June 2024

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

We are also required to report on:

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

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

We completed our work on 20 March 2025. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the non-financial performance information

In our opinion:

- the financial statements on pages 117 to 189:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2024; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the funding impact statement on pages 115 - 116, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement about capital expenditure for each group of activities on pages 24 to 89, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 24 to 88, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Qualified opinion on the non-financial performance information


In our opinion, except for the possible effects of the matter explained in the *Basis for our opinion on the audited information* section of our report, the non-financial performance information on pages 16 to 89:

- presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 110 to 114, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's Long-term plan and annual plans.



The basis for our opinion is explained below and we draw attention to uncertainties over the Whakatāne Boat Harbour project. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

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

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

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

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

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

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

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

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

Emphasis of matter – Uncertainties over the Whakatāne Boat Harbour project

Without further modifying our opinion, we draw your attention to Note 13 on page 145, which describes the District Council's interest in the Whakatāne Boat Harbour project through its investment in a limited partnership (Te Rāhui Herenga Waka 2021 Whakatāne). The project is affected by cost escalations, and as a result there is uncertainty over whether the project will progress. The three shareholders will consider the future of the project after the date of the audit report, which may include a decision to scale down or close the project.

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the non-financial performance information, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 15, page 98 to 109, page 190 to 191 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement

of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

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

In addition to the audit and our report on the disclosure requirements, we have performed an audit on the Council's Long-term plan 2024-34 and a limited assurance engagement related to the District Council's debenture trust deed. These engagements are compatible with those independence requirements.

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



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