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Introduction



INTRODUCTION

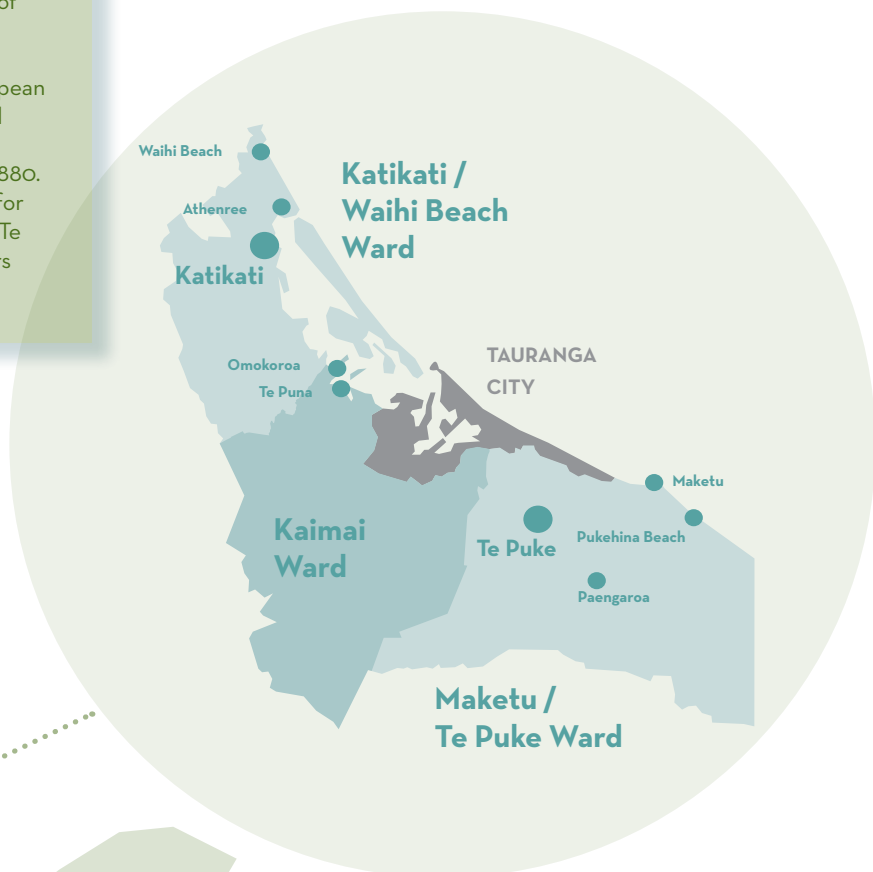
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OUR DISTRICT

OUR HISTORY

The Western Bay of Plenty has a long history of settlement by Māori. The western area of the District (Tauranga Moana) was occupied by the iwi of Ngati Ranginui, Ngaiterangi and Ngati Pukenga from the waka Takitumu and Mataatua. Te Arawa descendents from the waka Te Arawa inhabited much of the eastern area of the District and south to Rotorua.

Traders and missionaries were among the first European settlers who developed communities at Maketu and Tauranga. George Vesey Stewart founded Ulster settlements at both Katikati in 1875 and Te Puke in 1880. Tauranga, Te Puke and Katikati formed the nucleus for subsequent expansion of European pastoral farms. Te Puke and Katikati have grown steadily over the years and are the largest settlements in the District.



OUR PEOPLE



Western Bay of Plenty District is one of the faster growing areas in New Zealand. As at 30 June 2019 (as noted by Stats NZ) its current estimated population is 53,900. The population is expected to reach around 64,500 by 2033. Between the 2013 and 2018 censuses, the population of the District grew by 17.5% (7,630) people. Most of this growth has come from migration from other parts of New Zealand.

OUR ENVIRONMENT



The Western Bay of Plenty District surrounds Tauranga, a fast-growing city of 115,000 people. The District covers 212,000 hectares of coastal, rural and urban areas. Almost half of the District is covered by forest, both planted (12.8%) and indigenous (35.4%) and a further

40% is pastoral land. Less than 1% of the total area of the District is urban and includes the townships of Waihi Beach, Katikati, Omokoroa, Te Puna, Te Puke and Maketu. Smaller rural settlements are at Paengaroa, Pongakawa and Pukehina in the east and at Kauri Point, Tanners Point, Ongare, Tuapiro and Athenree in the western part of the District.

The District has a warm, sunny climate with an average of 1,900 – 2,300 sunshine hours per year with moderate rainfall of 1,200 – 2,400 mm per year. This diverse landscape, combined with a favourable temperate climate, provides an area rich in resources such as indigenous flora and fauna, highly versatile soils, rivers and harbours.

The land of the Western Bay of Plenty faces north-east to the sea. To the west are the rugged bush-covered Kaimai Ranges. Numerous streams drain the Kaimais, flowing down through the hills and coastal lowlands, into the swampy estuaries and mudflats of the Tauranga Harbour.

In the east, the Kaituna River drains the lakes of Rotorua and Rotoiti into the Maketu Estuary and out to sea, while smaller streams drain the eastern District into the Waihi Estuary.

Matakana Island forms a natural barrier between Tauranga Harbour and the Pacific Ocean.

OUR ECONOMY



Agriculture and horticulture are the main economic drivers of the Western Bay of Plenty District and the greater Tauranga and Western Bay sub-region. These two primary sectors fuel a multitude of professional businesses and service industries, employing a diverse labour force. Our environment, soils and climate are not only attractive for agricultural production but are also a magnet for people wanting a relaxed outdoor lifestyle. We are close to the amenities of Tauranga, yet we retain a rural and small town atmosphere. Manufacturing, commerce and trades are also vital to the sub-region's economic growth.

Our District is three times more reliant on horticulture and agriculture for its economic output than New Zealand as a whole. This dependence presents challenges for the District, as well as opportunities. The outbreak of the kiwifruit vine disease Psa-V in November 2010 is an example of the risks associated with economic dependence on single crops.

STATEMENT OF COMPLIANCE

Western Bay of Plenty 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.



Garry Webber
Mayor
Western Bay of Plenty District Council



Miriam Taris
Chief Executive Officer
Western Bay of Plenty District Council

THE MAYOR'S INTRODUCTION

For year ended 30 June 2020

Unprecedented times

COVID-19 has been a story like no other.

Our world changed and we had to adapt and manage to make sure that our communities survive.

In April 2020 Council adopted its COVID Economic Recovery Plan supporting the local economy and providing relief from the impact of the pandemic. The plan was based on four key themes: direct Council financial support; wider economic recovery; community wellbeing and relationships with iwi/hapū organisations and marae.

Some highlights of the plan include:

- \$300,000 distributed to 49 local groups financially hit by COVID-19 through Council's Community Resilience Fund (consolidation of Council's two traditional funds - the Community Matching Fund and Facilities in the Community Fund)
- Waiving annual rent charges for Council owned reserves and building for 12 months for sports clubs and community organisations
- Targeted rates relief initiatives.

We also made sure all our investment decisions were made in the light of assisting our communities whilst maintaining a prudent view of our long term financial viability.

During the COVID-19 lockdown period our staff performed above and beyond to support the emergency management efforts and ensure all essential services were maintained and other public services delivered according to central government guidelines.

I'm pleased with how Council balanced sensible management of operating expenditure by considering the impact of COVID-19 on the economy and household incomes, as well as the ability for Council to deliver public services to the District across this time.

Financially prudent

As a Council we've reduced net debt from \$180 million, at its peak a decade ago, to \$75.5 million today.

In September 2019 international credit rating agency Standard & Poor's (S&P) lifted Council from an AA-rating to AA+, revising its outlook from stable to positive. This upgrade recognises our significant reduction in debt, good financial performance and positive fiscal outlook.

Key financial results include:

- Revenue of \$110m, down from \$134m in 2018/2019. The reduction of revenue in 2019/2020 is primarily due to lower Financial Contribution revenue (\$13m) and Vested Asset income (\$10m)
- A \$5m reduction in net debt to \$75.5m.

Compared to many councils in New Zealand, we are in a strong fiscal position.

Successes

Despite the challenge of COVID-19 Council has celebrated a lot of achievements this year. Some highlights include:

- \$400,000 awarded through central government's Provincial Growth Fund for the development of a digital hub at Pātuki Manawa in Katikati
- Continued construction of the Omokoroa to Tauranga Cycleway
- 7.1 km of seal extensions, 9.3 km of pavement rehabilitation, and 1,359 metres of new footpath
- Installation of the long awaited cell-phone coverage at TECT Park in collaboration with the Rural Connectivity Group
- Resource consents offered digitally - aligning with Council's commitment to making things easier for customers.

Forward thinking

The focus for the next year will be on the development and approval of the 2021 - 2031 Long Term Plan, and engaging with our various communities to obtain their input. Community engagement has already started for this planning, under the Hello Future District banner.

This is an important conversation as it outlines what communities want to achieve in the long term and establishes a pathway for Council to reach these objectives through strategies and actions.



Work will also continue with neighbouring councils, central government and key agencies to progress the development of the sub-region. The Urban Form and Transport Initiative adopted in June is a key initiative within this - outlining the plans to integrate growth and transport planning in the sub-region in the long term (50+ years).

We're incredibly excited about starting work on the following projects which will provide economic stimulus right across the District:

- Rangiuru Business Park after receiving \$18m in funding from central government as part of the Provincial Growth Fund
- A \$28m package of roading and water projects out at Omokoroa thanks to a \$14m grant through central government's Crown Infrastructure Partners fund
- Waka Kotahi NZ Transport Agency beginning construction of the \$478m Tauranga Northern Link - a 6.8 km four-lane corridor which will connect SH29 with SH2, and a further \$455m on the SH2 section from Te Puna to Omokoroa to support urban and economic growth to the north of Tauranga and improve safety, helping save lives.

Lastly, we will be paying close attention to the 2020 general election and potential impact on the local government operating environment. We will be ready to adapt quickly while being pragmatic, prudent and inclusive in taking the Western Bay forward.

My sincere thanks to elected members and Council staff for their expertise and efforts to maintain our Council as a well performing organisation keeping service to our communities top of mind.



A handwritten signature in black ink that reads "Garry Webber". The signature is written in a cursive, flowing style.

Garry Webber
Mayor
Western Bay of Plenty District Council



THE DISTRICT AT A GLANCE - KEY FACTS

Industry

\$\$\$ GDP

5.5% Annual GDP growth vs 3.0% national average.

GDP is over \$2 billion, with \$110 million growth in the last year.

Priority One



JOBS

4.0% growth in employment vs 1.9% nationally

Filled jobs are up by more than 900 to almost 24,000 jobs in the District.

Priority One



PRIMARY SECTOR

Kiwifruit grower returns up 6% in 2018 to \$1.47 billion. Bay of Plenty accounts for 81%.

Avocado returns: \$200m in 2016/17 \$150m in 2017/18 Goal of \$280m by 2023. Bay of Plenty accounts for 60%.



BUILDING INDUSTRY

2019/2020 building consent value of \$263m vs \$248m in 2018/2019.

70.3 new dwelling approvals per 10,000 population vs 76.5 nationally (June 2019).

District



PEOPLE

- Estimated population **53,900** as at 30 June 2019 (as noted by Stats NZ).
- **60%** rural, **40%** urban.
- Projected population of 64,500 by 2033.



LAND

- **212,000** hectares.
- **202** kilometres of harbour.
- **55** kilometres of ocean beach.
- Outstanding soil conditions that grow a basket of 'super foods' like kiwifruit, avocados and dairy, beef and lamb products.



COMMUNITY

- Rich tapestry of small, thriving communities, with a strong sense of place, resilience and ability to adapt.
- **Three wards:**
 - Katikati, Waihi Beach
 - Kaimai
 - Te Puke, Maketu



CUSTOMERS

- **22,890** ratepayers.
- **65%** connected to council water supply.
- **41%** connected to council wastewater treatment and disposal.

COUNCIL AT A GLANCE

- KEY FACTS



Council currently owns **\$1.43 billion** worth of physical assets as at 30 June 2020.



Net debt is **\$76 million** as at 30 June 2020.



Overall the District has equity of **\$1.37 billion** as at 30 June 2020.



\$30 million of capital expenditure was spent on infrastructure and assets in 2019/20.



\$110.2 million of total income generated in 2019/20.



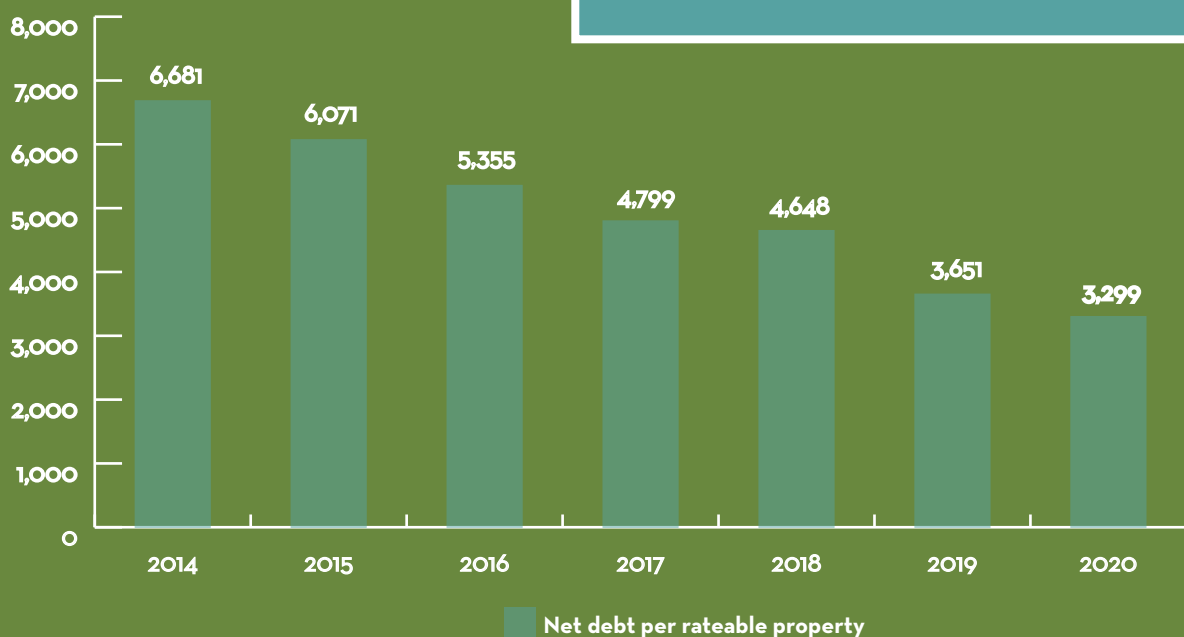
\$73 million of rates income generated in 2019/20.

Our debt

Net debt per rateable property



Rates covered 77 percent of the operational cost of running the District.



ROLE OF THIS ANNUAL REPORT

This Annual Report is provided to compare Western Bay of Plenty District Council's actual performance for the year against what was forecast in the Long Term Plan or Annual Plan.

PLANNING AND REPORTING FRAMEWORK

Under the **Local Government Act 2002**, a Local Authority must prepare and adopt the following documents:

LONG TERM PLAN (LTP)

(Section 93 of the Local Government Act 2002) identifies Western Bay Council's plans for the Western Bay over a 10 year period. It is reviewed every three years. Western Bay Council's latest LTP was agreed in 2018.

ANNUAL PLAN

(Section 95 of the Local Government Act 2002) is produced in the two intervening years between each LTP. It outlines any significant changes Council has made to the LTP and contains the annual budget.

ANNUAL REPORT

(Section 98 of the Local Government Act) provides details of Council's actual performance for all activities against the plans for a specific year of the LTP or Annual Plan.

SUMMARY ANNUAL REPORT

(Section 98 (4)(b) of the Local Government Act) provides a summary of information contained in Council's Annual Report.

Bringing the planning process together

Community Outcomes

How the Community wants the District to be

Long Term Plan

How the council will go about achieving the Community Outcomes

Annual Report

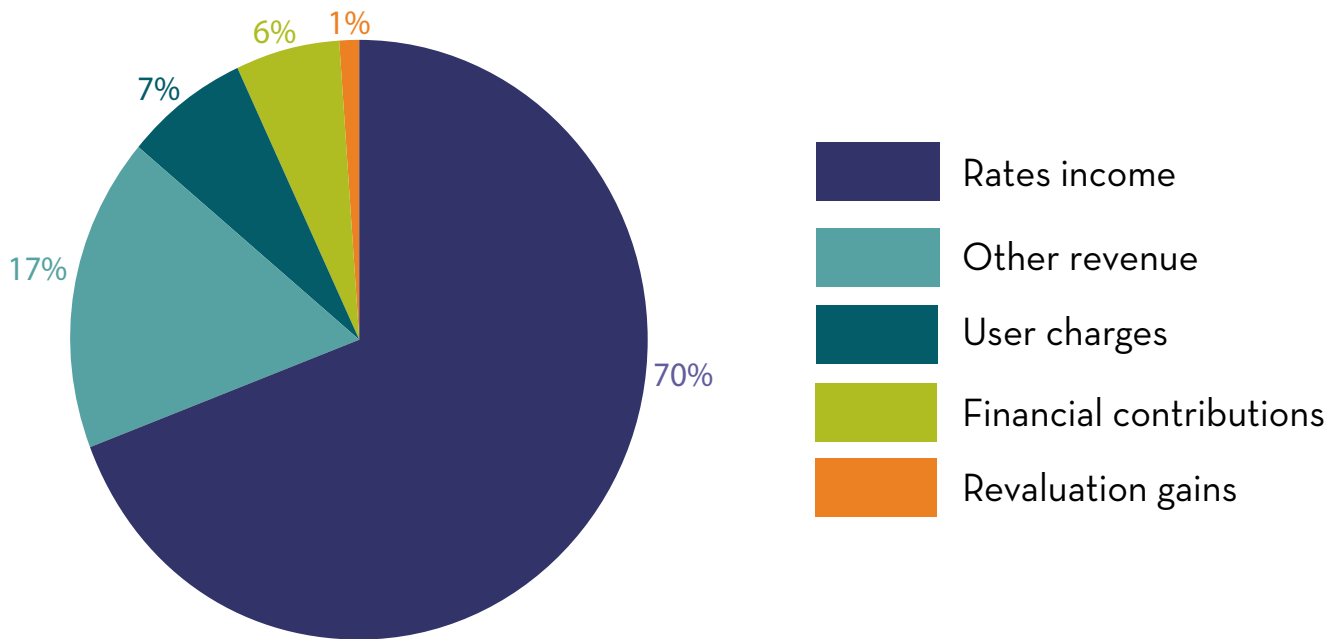
What was achieved

Annual Plan Annual Budget

FINANCE SUMMARY OVERVIEW

Western Bay Council has reported a net surplus of \$14.9 million compared with a budgeted operating surplus of \$11.5 million. The major contributor to this increased surplus was financial contributions, vested assets and gains from asset revaluation.

Council Revenue 2019/20 (excluding vested assets) \$110.2m



Council Operating Expenditure 2019/20 \$95.3m

