

Tirohanga whānui

**Overview**



## Tirohanga whānui

### Overview

14

Overview of Council's performance 2022/23.....16

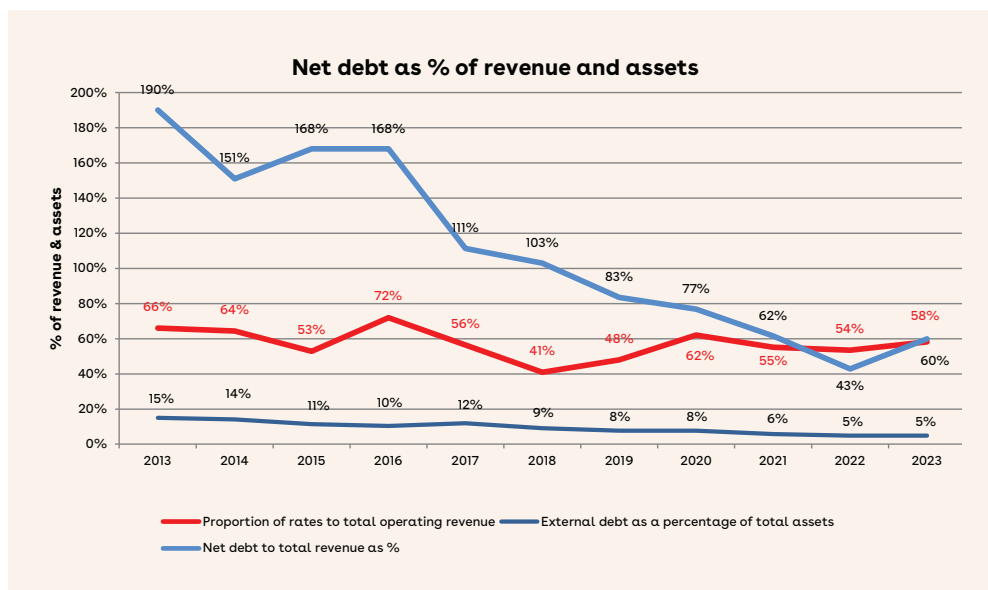
Report on development of Māori capacity to  
contribute to decision making 2022/23 .....19

Annual Report disclosure statement 2022/23.....20

# Overview of Council's performance 2022/23

Financial Performance	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000
Net rates revenue - excl water	64,128	68,468	68,446	77,001	81,109
Vested assets revenue	15,891	5,940	6,216	5,080	2,379
Financial contribution revenue	18,605	5,892	7,572	10,925	10,629
Total expenditure	92,580	95,297	100,246	110,371	122,570
Total revenue	133,762	110,213	124,138	143,915	139,182
Net surplus/(deficit)	41,186	14,917	68,590	33,602	16,836
Capital expenditure	34,919	30,347	33,246	40,917	52,075
Working capital surplus/(deficit)	19,308	28,913	14,884	(4,545)	(10,920)
External debt	110,000	110,000	90,000	80,000	90,000
Net debt	80,378	75,511	64,294	54,459	74,860
Fixed assets (NBV)	1,427,988	1,433,452	1,510,097	1,661,509	1,845,212
Short term investments	-	-	-	-	-
Cash on hand	29,622	34,489	25,706	25,541	15,140

Financial Statistics	2019	2020	2021	2022	2023
Proportion of rates to total revenue	48%	62%	55%	54%	58%
External debt as a percentage of total assets	8%	8%	6%	5%	5%
External debt per rateable property (\$000's)	5.00	4.80	3.86	3.29	3.68
Net debt per rateable property (\$000's)	3.65	3.30	2.76	2.25	3.06
Net debt to total revenue as %	83%	77%	62%	43%	60%
Total capital value of rating units within the District (\$m)	20,391	27,524	27,524	28,115	42,127
Total land value of rating units within the District (\$m)	10,755	14,984	14,984	15,057	23,240
Rateable properties	22,016	22,890	23,320	24,248	24,428



## Service delivery performance

### Selection of measures

The performance measures were selected to provide both quantitative and qualitative feedback towards the key goals identified in the 2021-31 Long Term Plan (LTP). The measures for the LTP were selected on a basis of reflecting the levels of service the community can expect to receive and how we measure if we are achieving these.

These measures include those mandated pursuant to the Local Government Act 2002.

Some measures are no longer reported on where they are deemed no longer relevant or cannot be accurately reported. These are indicated as N/A and explained in the narrative.

Council has structured its activities into 13 groups. These groups of activities have targets and measures that specify whether any intended level of service has been achieved.

**Key Measures** have been chosen as they identify prominent measures that can be aggregated as a snapshot and reflect trends around Council performance

**Key Resident Measures** have been chosen to attain community feedback and are measured by an Annual Resident Survey. Through the community survey there are opportunities to benchmark against other local authorities or external agencies where data is available. Other measures have been chosen as **Supporting Measures**, to provide feedback on relevant Council systems and processes that support activity groups performing tasks that impact Council performance. All measures aggregate to give a complete picture of Council’s performance, and measure progress towards our goals within the agreed levels of service, i.e. measurement through a diverse range of activities, towards agreed community outcomes that are identified in the 2021-31 LTP.

### Measurement

Measurement is linked to the agreed level of service, this is described in **What we do**. Measures chosen relate to levels of service and these are described in **How we track progress**. **Targets** are again relevant to the level of service and form benchmarks for achievement, over time forming a performance trend. **Results** have been measured and provide relevant feedback around progress towards goals. Both the current financial year (2022-2023) and the previous year (2021-2022) results are disclosed. The **Narrative** explains any significant variances and provides an opportunity to describe what is behind the measure.

## Service performance judgements and assumptions

In the 2021-2031 Long Term Plan (LTP) the following judgements were in the selection of service performance measures:

- How the performance measures captured best reflect the agreed level of service with our community
- Consideration to our residents and ratepayers who provided feedback during the LTP consultation process
- The adequacy of the chosen measures to inform on progress towards community outcomes

Relevant measurement judgements have been included within each activity group.

Under the Local Government Act 2002 we are mandated to provide standard performance measures so that the public can compare the level of service provided in the following activity groups:

- Stormwater
- Transportation
- Water Supply
- Wastewater

The Department of Internal Affairs (DIA) provide guidance for these mandatory performance measures in Non-financial Performance Measures Rules 2013, pursuant to and in accordance with section 261B of the Local Government Act 2002.

Other judgements are made around achieving progress against the identified level of service within the funding levels set. While there has been funding pressures Council is determined to maintain current levels of service and therefore have maintained the related performance measures.

Material judgements have been applied as follows:

### Surveys

The Annual Resident Surveys has been undertaken to cover perceptual feedback from customers, residents and community. Waves per quarter of residents provide timely feedback and these are collated in this Annual Report to form an annual result. Direct “satisfaction” surveys targeted at customers and users of services, also provide feedback for Council to assess the quality of the services provided.

The number of performance measures included in the Annual Resident Survey reflect both the appropriate level of measures to inform while considering the cost and benefit of gathering such information. Some measures are surveyed biannually.

### External implications for statements about performance

There are conditions that affect the service performance results that result in a variation from those forecasted. Some of these are outside Council control and can include (but are not limited to): Government policy, global and domestic economic conditions, the employment market, the availability of suppliers, supplies and resources for infrastructure projects, domestic inflation, and weather events.

### Statement of compliance

The service performance information in this report is compliant with New Zealand generally accepted accounting practice (NZ GAAP).

Our Achievements section of this document (from page 26 to 93 (for the Council Activities) and page 162-176 (for the Funding Impact Statements)) and provides a detailed detailed assessment of how well Western Bay Council’s activities performed during 2022/23).

## Performance against 2022/23 targets

The Long Term Plan 2021-31 identifies performance measures and targets for each activity. These measures reflect the diversity of the activities and were developed from a range of sources. Opportunities to benchmark Western Bay Council activities with other local authorities or external agencies have been used where data is available.

Our Achievements section provides detailed financial and non-financial results for each activity. A summary of Western Bay Council’s performance against the 2022/23 targets is shown in the table below.

Work programme	Target Met	Target Not met	Target unable to be measured*	Total
Representation	6	6	1	13
Planning for future	5	-	2	7
Communities	19	7	3	29
Recreation and open spaces	7	1	3	11
Regulatory Services	13	6	-	19
Stormwater	14	3	-	17
Transportation	9	4	1	14
Water Supply	11	13	-	24
Natural Environment and Sustainable Living	6	1	-	7
Wastewater	11	3	-	14
Solid waste	6	-	-	6
Economic development	2	2	-	4
Support Services	Internal measures only			

\*Resident survey undertaken bi-annually for some measures, others non-applicable

# Report on development of Māori capacity to contribute to decision making 2022/23

We recognise the importance and special place of Tangata Whenua within our communities and the additional responsibilities that the Local Government Act places on us to develop the capacity of Māori to take part in local government decision making processes.

Equally, we acknowledge the journey that is required to develop positive and purposeful relationships with Tangata Whenua that can sustain us into the future.

We have a number of mechanisms for engagement and to involve Tangata Whenua in our decision making processes. We will continue to review and improve them to ensure ongoing effectiveness.

We will continue to work with iwi and hapū to provide for their representation aspirations.

## Te Ara Mua

Te Ara Mua is a plan that was developed by the Tauranga Moana and Te Arawa ki Takutai Partnership Forum. The Partnership Forum was disestablished in 2020, and two new forums, Te Kāhui Mana Whenua o Tauranga Moana and Te Ihu o Te Waka o Te Arawa were created in 2021.

Te Ara Mua has been used to inform Council's Long Term Plan and Annual Plan and signifies the previous efforts of the Partnership Forum to meet the aspirations of Māori and the Western Bay of Plenty District Council when it comes to kaupapa Māori.

Recently, both partnership forums adopted their respective work programmes which have taken much of the impetus provided by Te Ara Mua but outline new aspirations that they would like to work with Council to achieve going forward.

## Our Kaupapa Māori team

This team initiates, builds and maintains our relationship with Tangata Whenua and Māori, ensures Kaupapa Māori is considered in Council's decision making, and strengthens our organisation's ability to appropriately engage with Māori through exposure to and training in kawa (protocols), tikanga (customs) and te reo (the Māori language).

## Tangata Whenua engagement guidelines

Our Tangata Whenua engagement guidelines have been developed to assist staff in engaging with Tangata Whenua.

## Working with Māori

Find out more detail by reading Te Ara Mua on Council's website [westernbay.govt.nz/council/working-with-māori](https://westernbay.govt.nz/council/working-with-māori).

# Annual Report disclosure statement 2022/23

## Annual Report disclosure statement for the year ended 30 June 2023

### What is the purpose of this statement

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.

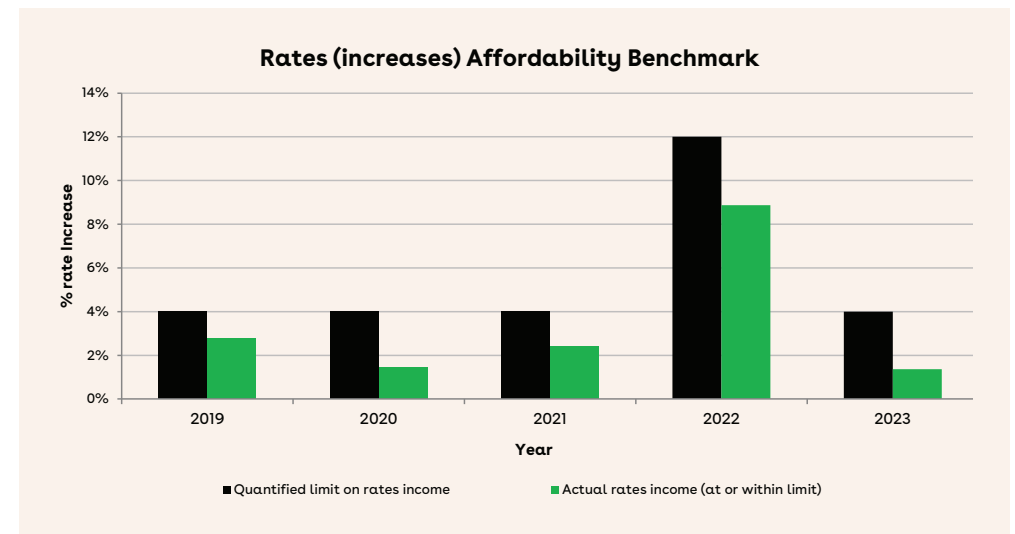
The Council is required to include this statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

### Rates (Increases) Affordability Benchmark

Council meets the rates affordability benchmark if:

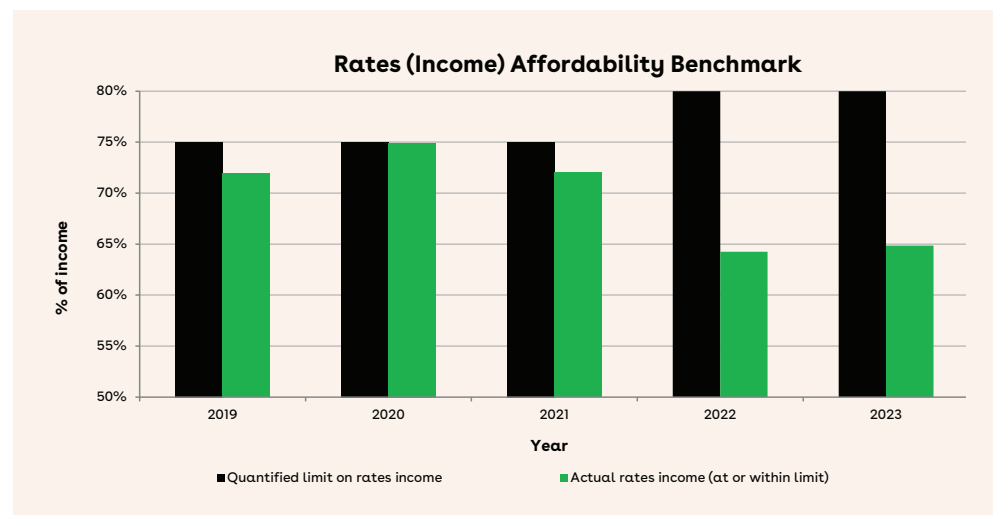
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

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 for 2023 is 4%.



## Rates (Income) Affordability Benchmark

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 is that rates will be no more than 80% of revenue. Revenue is defined as total revenue as per the Statement of Comprehensive Revenue and Expenditure less financial contributions, gains and vested assets.

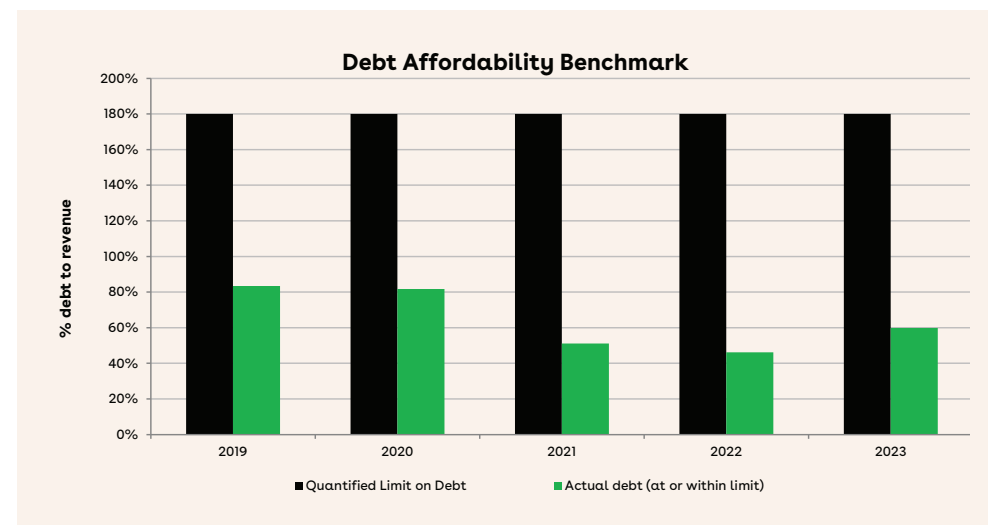


## Debt Affordability Benchmark

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

The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s Long Term Plan.

The quantified limit is that debt will not exceed 180% of revenue (excluding financial contributions, gains and vested assets).

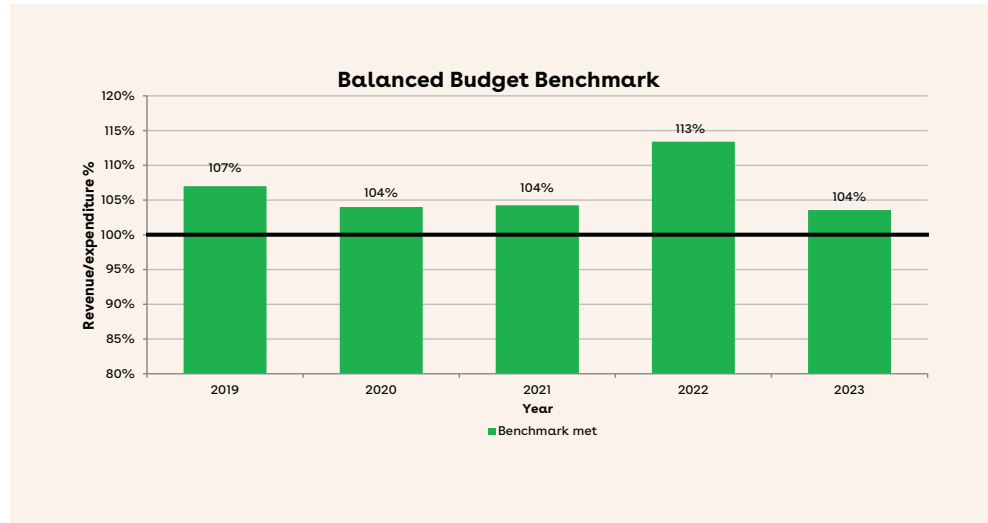




## Balanced Budget Benchmark

The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

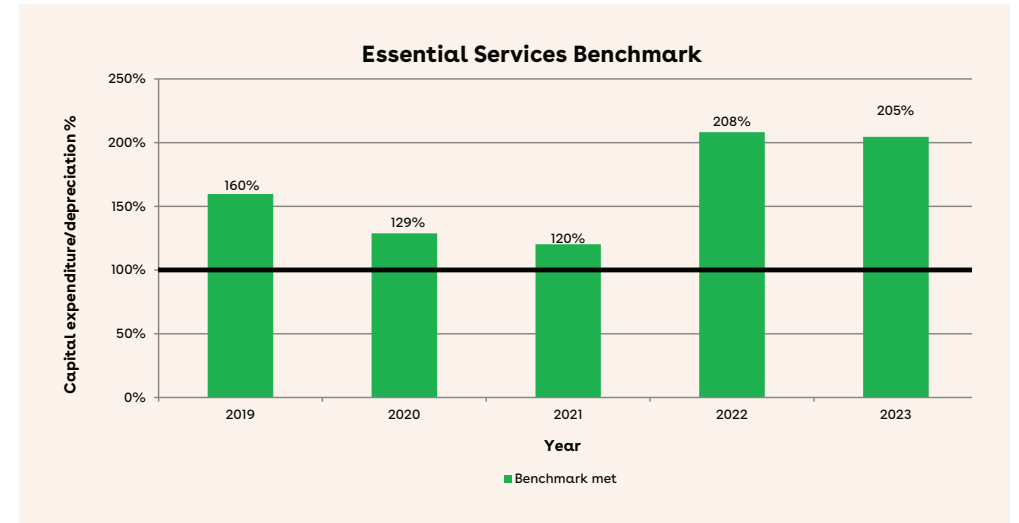
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



## Essential Services Benchmark

The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services.

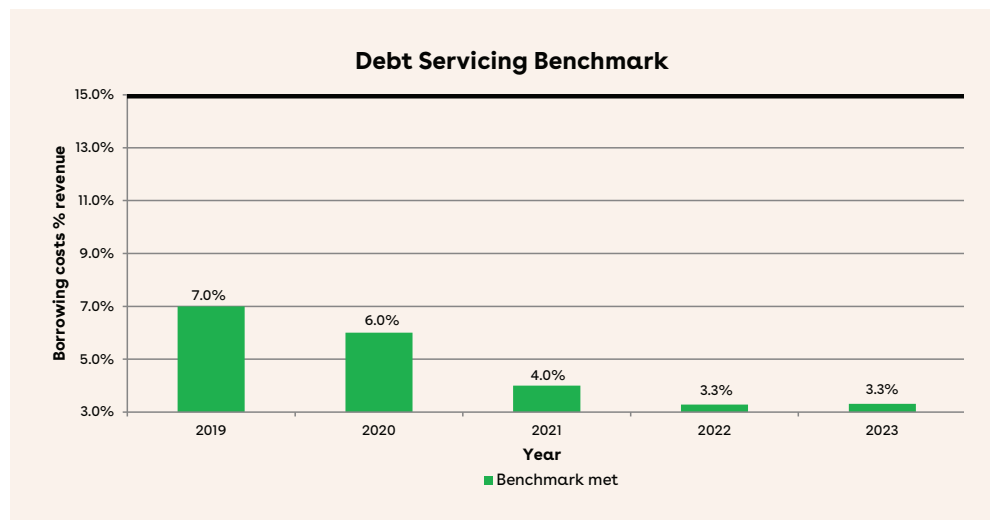
The Council meets this benchmark if its capital expenditure on network services (being; transportation, water, wastewater and Stormwater) equals or is greater than depreciation on network services.



## Debt Servicing Benchmark

The following graph displays the Council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

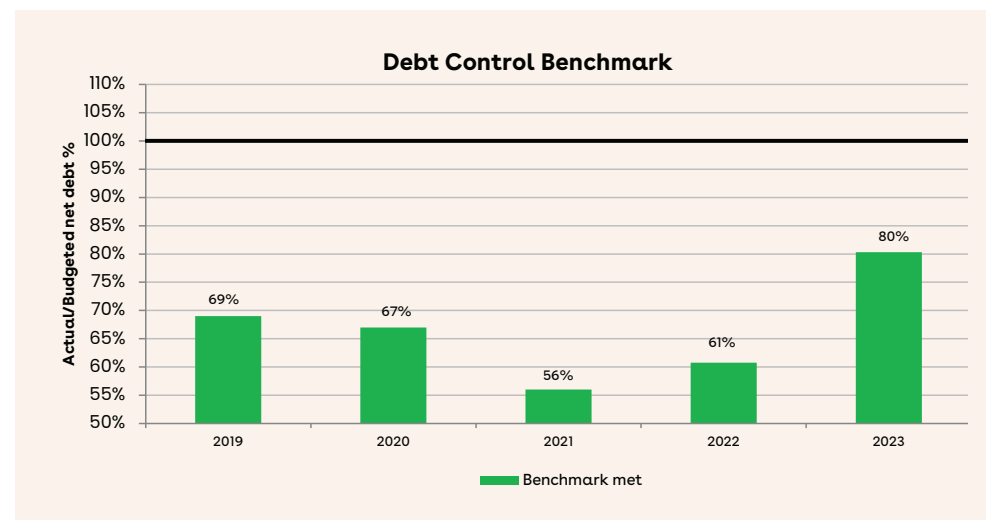
Because Statistics New Zealand projects the council’s population will grow faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



## Debt Control Benchmark

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

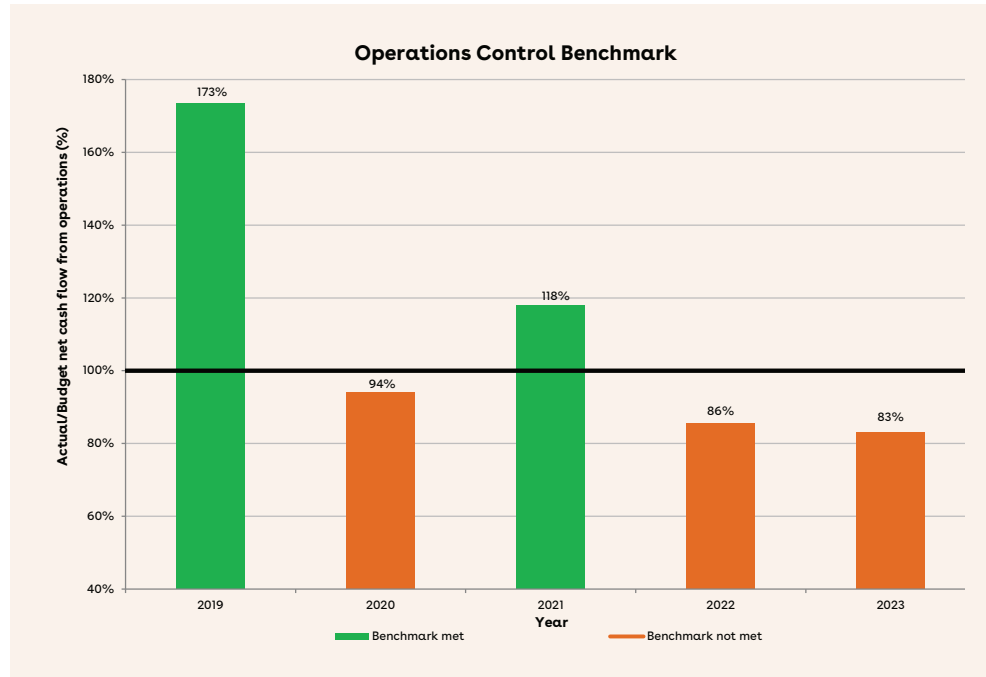
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



## Operations Control Benchmark

This graph displays the Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



## Additional information

### Rates (Increases) Affordability Benchmark

The financial strategy was amended during the 2021-31 LTP to remove the impact of water by meter from the calculation. Rating penalties have also been removed from the calculations as these are the result of non-payment of rates rather than an actual charge made up front.

### Rates (Income) Affordability Benchmark

The financial strategy was amended during the 2021-31 LTP to place a cap on the proportion of rates to total revenue to be no more than 80%. This is up from 75% in the 2018-28 LTP.

### Operations Control Benchmark

The operations control benchmark was not met in 2023 primarily due to lower than budgeted revenue from financial contributions, and timing issues with receipts from developers who elected to pay in the previous year.



# Doggy Day Out 2023, Ōmokoroa

Photographer: Guy Rencher

