Te pūrongo ā-tau whakarāpopotonga

Summary Annual Report

For year ending 30 June 2025

Western Bay of Plenty District Council

Ngā rārangi upoko

Contents

Disclaimer

The specific disclosures in this financial summary have been extracted from the full financial report dated 25 November 2025. It has been prepared in accordance with FRS 43: Summary Financial Reports.

The summary financial statements have been extracted from the full financial statements. This summary cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance, financial position and cash flows of the Western Bay of Plenty District Council.

The summary has been examined by the auditor for consistency with the full financial report audited by Audit New Zealand on behalf of the Office of the Auditor General. An unqualified audit opinion was issued on 21 November 2025.

A copy of the Western Bay of Plenty District Council 2024/25 Annual Report is available to view from Council's Head Office, Barkes Corner, Greerton, Tauranga or Council's website: www.westernbay.govt.nz

This document is a summary of the full Annual Report which was adopted by the Council on 25 November 2025.

The full Annual Report is available from Council offices or can be downloaded at: www.westernbay.govt.nz/annual-reports

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 of Plenty District Council's plans for the Western Bay over a 10 year period. It is reviewed every three years. Council's latest LTP was agreed for 2024-34 and came into effect on 26 September 2024.

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 2002 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 2002 provides a summary of information contained in Council's Annual Report.

Statement of compliance and responsibility

For the year ended 30 June 2025

Council confirms meeting all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002.

Responsibility

The Council and management of Western Bay of Plenty District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of Western Bay of Plenty District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and the management of Western Bay of Plenty District Council, the annual financial statements for the year ended 30 June 2025 fairly reflect the financial position, operations and service performance of Western Bay of Plenty District Council.

Miriam Taris
Chief Executive Officer

James Denyer
Mayor

From Plans to Progress

How we're creating a better-connected, more resilient Western Bay.

Kia ora koutou,

It's a privilege to present the Western Bay of Plenty District Council Annual Report for 2024/25.

This has been a year defined by delivery, discipline, and determination – three guiding forces that have shaped the way we've worked with and for our communities.

Together, they've enabled us to make real progress on the projects and services that matter most, manage your rates with care, and keep the Western Bay moving forward even in challenging times. And while we are guided by plans and policy, our drive comes from seeing first-hand the real impact these decisions have on people's lives.

Delivery – turning plans into progress

A record $134 million in capital projects – nearly triple what we achieved in earlier years – reflects a planned step-up in delivering on the priorities our communities have told us matter most.

This increase isn't about spending more for the sake of it – it's the result of years of planning, funding, and ready-to-go projects now coming to life, thanks to strong partnerships, careful budgeting, and the dedication of the many teams involved in planning, designing, and delivering this mahi. Importantly, this significant level of investment was achieved with net debt only increasing by $55 million – showing that we're building more while keeping debt growth under control.

From roads and stormwater to reserves and wastewater, this work is helping to create a better-connected, more resilient District. Projects like the ongoing roading improvements in and around Ōmokoroa, upgrades on No.1 Road in Te Puke, and the replacement of the No.4 Road bridge are just a few examples of plans turning into reality.

Some of the most visible results are in our community spaces. This year saw the opening of Te Ara Mātauranga - our new library, service centre and community hub in Waihī Beach - and Te Āhuru Mōwai o Hiria - modern elder housing at Heron Crescent in Katikati. These aren't just buildings; they're the result of years of planning, partnership, and persistence, reflecting our long-term commitment to wellbeing, connection, and supporting the communities we serve.

While large projects often grab the headlines, our delivery is also about the everyday essentials – clean drinking water, safe roads, well-maintained parks and libraries – the things that keep our communities connected and thriving.

In the past 12 months we've delivered more for our communities than ever before.

Discipline – making every dollar count

Behind every achievement is careful financial stewardship.

This year, we retained our strong Standard & Poor's AA credit rating for the seventh consecutive year – a clear sign that Western Bay continues to manage its finances well, even amid uncertainty and major infrastructure investment. This achievement stands out even more when compared with the current national trend, where many councils are facing credit ratings pressure.

In a time when many councils across the country are facing significant financial strain, this rating recognises our steady approach and confirms our commitment to doing right by our communities. Our community expects us to invest in the future while living within our means – and this shows we're doing just that: delivering for today and preparing for tomorrow, with a firm focus on financial sustainability.

That discipline has meant making hard calls when needed, prioritising projects, and ensuring that every ratepayer dollar goes as far as possible without losing momentum on the work that matters most – because we know every dollar represents the trust and contribution of the people who call the Western Bay home.

This discipline and focus has enabled us to reverse the 2024 deficit which stemmed from a slow economy and reduced growth-related revenue into a sustainable surplus. This surplus will gradually replenish our reserves and strengthen our resilience against future economic shocks.

It is also acknowledged that there were budgeting errors made that resulted in a rates deficit in the 2023/24 year that required additional rates over and above the initial proposed 7.4% and communicated increase, to an increase of 8.9% in the 2025/26 year. The lessons learned through the review conducted will ensure these errors are not repeated.

Determination – working together for what matters

None of this progress happens without the determination of our people – our staff, elected members, community partners, and you, our residents.

Your rates, feedback, and involvement are what make these outcomes possible. Together, we've advanced key projects, enhanced community spaces, and invested in essential infrastructure – all while navigating the challenges of a tight economic climate.

That same determination, shaped by first-hand experiences of what our communities face and need, will carry us into the next year as we continue to deliver both the major projects that shape our District and the small, everyday actions that make life better for our communities.

Looking ahead

While an Annual Report is about looking back, our focus is always forward. The achievements of this year give us a strong foundation for what's next – from the momentum of a well-planned project pipeline, to the resilience built through sound financial management.

October's local elections will mark the start of a new era in representation, with five Community Boards covering almost the entire Western Bay – giving more communities a stronger local voice alongside Council decision-making. These changes are designed to better reflect our growing and changing communities, and ensure fairer, more effective representation across the District.

For the first time, the District will also have a Māori Ward – Waka Kai Uru – providing dedicated Māori representation on Council. Alongside this, a binding poll will be held at the election to decide whether the Māori Ward will remain in place for future elections.

We know the year ahead will bring both challenges and opportunities. But with delivery, discipline, and determination at the heart of everything we do – and a clear understanding of the real impact our work has on people's lives – we're ready to keep moving the Western Bay forward, together.

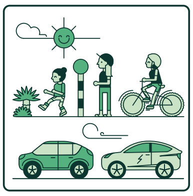
Ngā mihi nui,

James Denyer

James Denyer

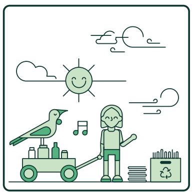
Mayor, Western Bay of Plenty District Council

Highlights



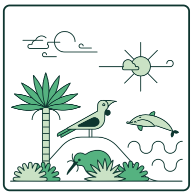
Transport

84.4km of roads resurfaced.



Waste

38% of waste that was collected by our Kerbside service was diverted from landfill.



Environmental Initiatives

18 community groups supported to improve environmental outcomes.

Libraries and Service Centres

Te Ara Mātauranga (Waihī Beach Library) project successfully delivered to the community. 265,899 visits to our libraries and service centres.

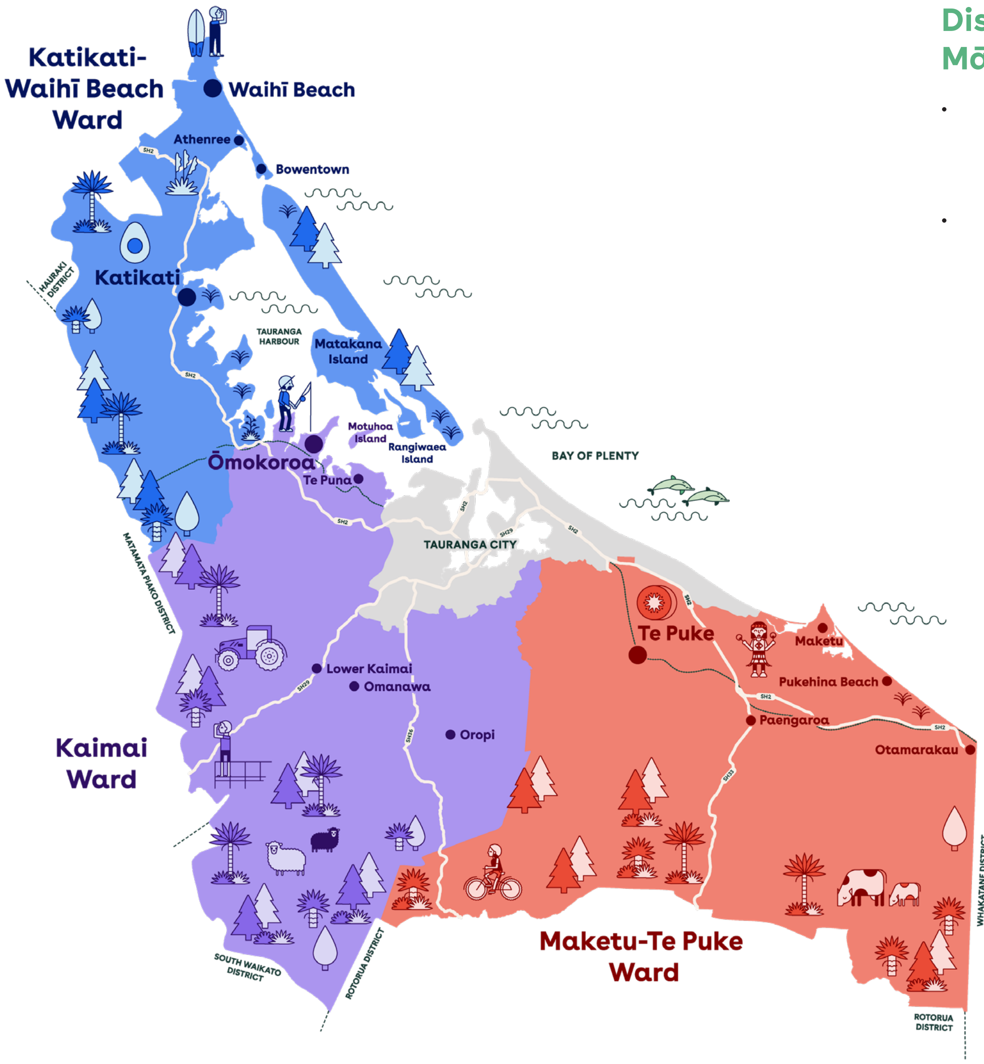
Community

Te Āhuru Mōwai o Hiria (new elder housing development) at Heron Crescent in Katikati successfully delivered.
28 projects successfully funded across the district by Community Matching Fund.

Consenting

We issued 386 dwelling consents and created 276 new lots. Which included 29 lots at Athenree Road in Athenree, 41 lots at Kayelene Place, 22 lots by Classic at 74 & 88 Prole Road, 36 lots by Goldstone at Harbour Ridge, and 52 lots by Neil Group at Te Awanui Waters.

Our District - Key facts



District-wide Waka Kai Uru Māori Ward

- District Māori population of 12,111 (Census 2023), an increase of 3% from 2018.
- Māori ethnicity makes up 22% of our rohe, 17% of Katikati-Waihī Beach Ward, 17% of Kaimai Ward, and 31% of Maketu-Te Puke Ward.*

Katikati - Waihī Beach General Ward

- Population of 16,378 (Census 2023), an increase of 1,161 people or 8% from 2018.
- Lower number of children at 15%, and higher number of people aged over 65 at 32%.
- European ethnicity is still highest at 84%, yet Māori has grown to 17% and Asian has grown to 6% of the population.*
- 79% of households are owned by occupants, and 21% are rented.
- Median personal income is lower at $32,000 per year.

Kaimai General Ward

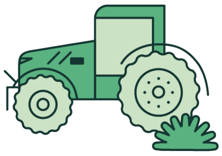
- Population of 20,267 (Census 2023), which is an increase of 2,955 people or 17% from 2018.
- Age distribution is fairly evenly spread with a higher number of children at 19%.
- European ethnicity dominates at 88%, with 17% Māori and Asian ethnicity only 3% of the population.*
- 80% of households are owned by occupants, and 20% are rented.
- Median personal income is higher at $41,900 per year.

Maketu - Te Puke General Ward

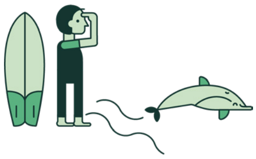
- Population of 19,579 (Census 2023), an increase of 1,161 people or 6% from 2018.
- Higher number of children at 20% and young adults at 18% with much lower number of people aged over 65 at 17%.
- European ethnicity is relatively low at 68%, with much higher Māori at 31%, and Asian has grown to 12% of the population.*
- 69% of households are owned by occupants, and 31% are rented.
- Median personal income is $39,100 per year.

*Some of our community identify as multiple ethnicities.

Our District, Our People

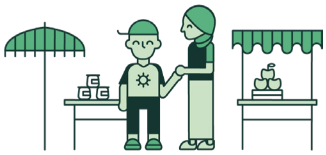


Western Bay of Plenty District is a largely rural area, surrounding the main urban centres of Waihī Beach, Katikati, Ōmokoroa and Te Puke.



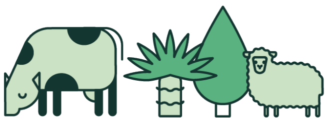
Western Bay of Plenty District stretches from Waihī Beach to Ōtamarakau, covering 195,000 hectares of coastal, rural and urban areas and is one of the faster growing areas in New Zealand.

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 Waihī Estuary.



Many people from other regions and countries choose the Western Bay as a place to settle for family, retirement and business reasons. High growth in the Western Bay saw the population increase by 10% from 50,904 in 2018 to 56,184 in 2023 (Census 2023).

Median household income is $88,600 (Census 2023).



Horticulture and agriculture (mainly kiwifruit and avocado production) are the biggest drivers of the local economy, contributing 22% to GDP of $3.3 billion in 2024 (Infometrics).

The Western Bay population tends to be older than New Zealand as a whole, with a median age of 45 years (Census 2023).

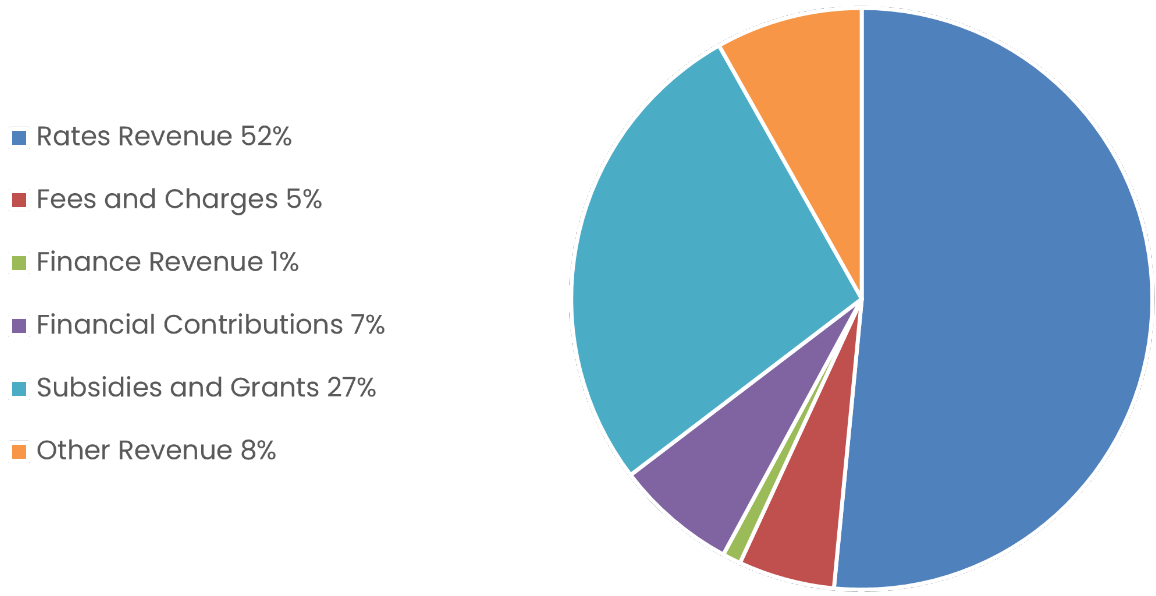
Ethnic diversity is increasing over time. 80% of people identify as European, 22% as Māori, 7% as Asian and 3% as Pacific.

*Some of our community identify as multiple ethnicities.

Finance summary overview

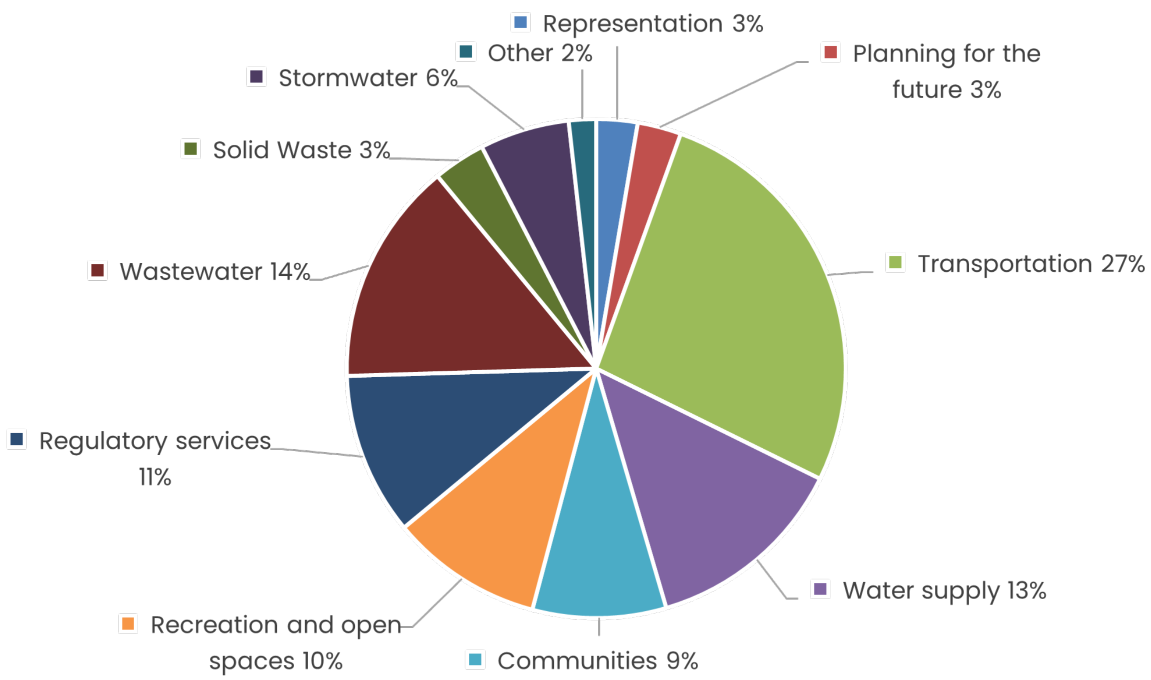
Council Revenue 2024/25

$201.9 milion

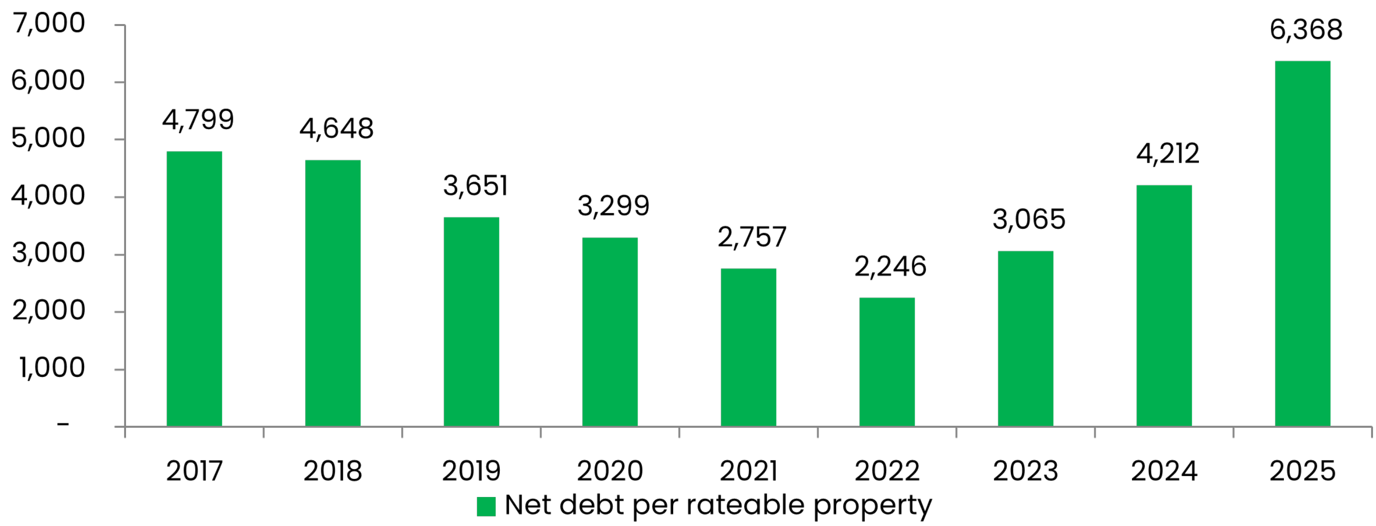


Council Operating Expenditure 2024/25

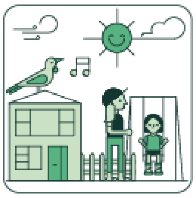
$149.8million



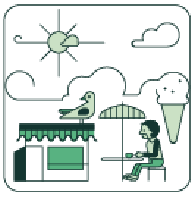
Net debt per rateable property



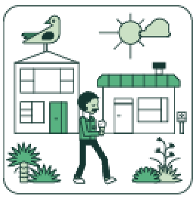
The Council



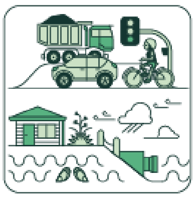
Currently owns $2.07 billion worth of assets as at 30 June 2025, compared to $1.95 billion as at 30 June 2024.



Net debt is $159 million as at 30 June 2025, compared to $104.03 million as at 30 June 2024.



Overall the District has equity of $1.84 billion as at 30 June 2025, compared to $1.79 billion as at 30 June 2024.



$135.9 million of capital expenditure was spent on infrastructure and assets for the year ended 30 June 2025, compared with $58 million for the year ended 30 June 2024.

$201.90 million of total income generated in 2024/25 compared to $143.98 million for the year ended 30 June 2024.

Summary of our performance

The Long Term Plan 2024-34 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.

We have 93 targets listed in our Long Term Plan 2024-2034. Out of which we have met 73, not met 15 and were unable to measure 5.

Below is the snapshot of our results for 2024/2025.

78% met

16% not met

5% unable to be measured

Performance against 2024/25 targets

The Long Term Plan 2024-34 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 Council activities with other local authorities or external agencies have been used where data is available.

Our Council Activities section provides detailed non-financial results for each activity. A summary of Council's performance against the 2024/25 targets is shown in the table below.

Council Activities	Target Met	Target Not Met	Target unable to be measured	Total
Economic Development	1	0	0	1
Solid Waste	1	2	0	3
Wastewater	11	2	0	13
Natural Environment and Sustainable Living	3	1	0	4
Water Supply	6	3	1*	10
Transportation	6	2	4**	12
Stormwater	14	0	0	14
Regulatory Services	8	1	0	9
Recreation and Open Spaces	4	2	0	6
Community Building	6	0	0	6
Community Facilities	4	1	0	5
Libraries and Service Centres	4	1	0	5
Planning for the Future	2	0	0	2
Representation	3	0	0	3
Overall Service performance by year	**73**	**15**	**5**	**93**

***** Compliance with Drinking Water Quality Assurance Rules 2022 is difficult to be categorized as met or not met due to the complex reporting requirements for that performance measure.

** Please refer to Transportation Activity on page 70 of the Annual Report for further information.

Report on development of Māori capacity to contribute to decision making 2024/25

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.

Ngā mahere Rautaki

The Strategic Plans

Te Ara Mua o Te Kāhui Mana Whenua o Tauranga Moana and Mauri Ora are the strategic plans developed by Te Kāhui Mana Whenua o Tauranga Moana and Te Ihu o te Waka o Te Arawa respectively. While the two plans are distinct, they both speak to the desire to further the aspirations of Tangata Whenua to achieve better outcomes, a sustainable environment, and healthy empowered communities.

The plans were established to enhance and increase the opportunity to contribute to local government decision making. The forums acknowledge the importance of the Annual Plan as one of the major drivers of Council business and aims to influence the plan and processes, as well as operational policy, by way of Ngā Kaihoe (work programme) and the actions and aspirations outlined within it.

These are living documents which will be continually reviewed through annual discussions to ensure that it provides strong leadership and direction to Council.

Copies of the plans can be found on Council's website - westernbay.govt.nz/council/working-with-Māori

He Rangapū

Tangata Whenua Partnership Protocols

He Rangapū, our Tangata Whenua engagement guidelines, have been developed to assist staff in engaging with Tangata Whenua. 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.

Ngā turu/wāri Māori

Māori Wards

In 2023, Council resolved to establish Māori Ward/s for the 2025 local body elections. In 2024, following legislative repeal, Council resolved to uphold its decision to have Māori ward/s for the 2025 elections. Through the Representation Review process Council approved one Māori Ward seat - Waka Kai Uru (District-wide Māori Ward).

As required by legislation, a binding poll will also run alongside the 2025 election.

Te Haumi

Our Kaupapa Māori Team

Te Haumi, our Kaupapa Māori team, helps Council to be great Te Tiriti partners by ensuring that Te Ao Māori (the Māori worldview) and Mātaraunga Māori (Māori knowledge systems) are reflected in the work that we do. It provides the basis for engaging with Tangata Whenua in a way that is genuine and effective. This means that we have enduring and trusted partnerships with iwi, hapū and whānau and that their mana is enhanced within our rohe.


Doggy Day Out 2025, Ōmokoroa


Prole Road Urbanisation Project, Ōmokoroa

Te Āhuru Mōwai o Hiria, 26 new elder housing units in Katikati


Two Mile Creek Stormwater Project, Waihī Beach


Festival of Cultures 2025, Katikati

Summary Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2025

Revenue	Note	Actual 2025 $000's	Budget 2025 $000's	Actual 2024 $000's
Rates revenue	4	103,938	104,997	89,024
Subsidies and grants	6	55,413	60,714	16,237
Finance revenue	8	2,084	270	1,902
Financial Contributions	7	13,741	13,412	10,801
Fees and Charges	7	10,916	9,514	11,074
Other revenue	7	15,805	6,949	14,945
Revenue Total		**201,897**	**195,856**	**143,983**
Expenditure				
Personnel Costs	10	(33,622)	(34,084)	(31,218)
Depreciation and amortisation expense	9	(30,477)	(29,101)	(28,787)
Finance costs	8	(7,141)	(7,605)	(5,241)
Other expenses	11	(78,520)	(69,536)	(84,108)
Expenditure total		**(149,760)**	**(140,326)**	**(149,354)**
Share of associate's surplus/(deficit)		(141)	-	(84)
Net Surplus/(deficit)		**51,996**	**55,530**	**(5,455)**
Other comprehensive revenue and expense				
Gain on LGFA share revaluation	28	713	-	609
Gains/(losses) on carbon credit revaluations	28	269	-	320
Gains/(losses) on asset revaluations	28	(10,064)	29,674	911
Total other comprehensive revenue and expense for the year		**(9,082)**	**29,674**	**1,841**
Total comprehensive revenue and expense		**42,914**	**85,204**	**(3,614)**

Summary Statement of Financial Position

For the year ended 30 June 2025

Assets	Note	Actual 2025 $000's	Budget 2025 $000's	Actual 2024 $000's
Current assets		50,048	33,159	36,210
Non-current assets		2,019,145	2,105,938	1,913,133
Total assets		**2,069,193**	**2,139,097**	**1,949,344**
Liabilities				
Current liabilities		93,547	44,224	75,919
Non-current liabilities		135,686	164,673	80,285
Total liabilities		**229,233**	**208,897**	**156,204**
Net assets		**1,839,960**	**1,930,200**	**1,793,140**
Equity				
Accumulated funds	28	1,032,194	1,129,481	985,739
Reserves	28	807,766	800,719	807,398
Total equity		**1,839,960**	**1,930,200**	**1,793,140**

Summary Statement of Changes in Net Assets/Equity

For the year ended 30 June 2025

	Note	Actual 2025 $000's	Budget 2025 $000's	Actual 2024 $000's
Balance at 1 July		1,793,140	1,844,996	1,797,537
Net surplus/(deficit)		51,996	55,530	(5,455)
Gains/(losses) on asset revaluations		(10,064)	29,674	1,841
Gain on revaluation of carbon credits		269	-	-
Gain on LGFA shareholding		713	-	-
Total comprehensive revenue and expense		**42,914**	**85,204**	**(3,614)**
Transfers to/(from) Reserves		-	-	(783)
Amendment to revaluation reserve		3,906	-	-
Balance at 30 June	28	**1,839,960**	**1,930,200**	**1,793,140**

Summary Statement of Cash Flows

For the year ended 30 June 2025

	Note	Actual 2025 $000's	Budget 2025 $000's	Actual 2024 $000's
Net cashflow from operating activities		76,428	82,515	30,019
Net cashflow from investing activities		(130,065)	(127,326)	(59,184)
Net cashflow from financing activities		60,000	44,811	25,000
Net increase/(decrease) in cash equivalents, and bank overdrafts		**6,363**	**-**	**(4,166)**
Cash, cash equivalents, and bank overdrafts at the beginning of the year		10,974	15,137	15,140
Cash, cash equivalents, and bank overdrafts at the end of the year	12	**17,337**	**15,137**	**10,975**

Notes to the financial statements

Basis of reporting

This section contains the significant accounting policies of the Council and the group that relates to the financial statements as a whole.

Significant accounting policies are also included in the related note disclosures.

Statement of accounting policies for the year ended 30 June 2025

1.1 Reporting entity

Western Bay of Plenty District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council's principal address is 1484 Cameron Road, Greerton, Tauranga.

The Council provides local infrastructure, local public services, and regulatory functions for the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity (PBE) for reporting purposes and applies Tier 1 PBE accounting standards. These standards are based on International Public Sector Accounting Standards (IPSAS) with amendments for the New Zealand environment.

The financial statements of the Council are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 25 November 2025.

1.2 Adoption date

Under section 98(3) of the Local Government Act 2002 the Annual Report must be completed and adopted by 31 October 2025. The Council has not complied with this requirement and is in breach of the Act. This is a result of the timing of the interregnum period for Council, with there being no opportunity for adoption by Council during this period. Council adopted the Annual Report on 25 November 2025 at the first business meeting of the new Council.

Summary of significant accounting policies

2.1 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 Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements and service performance information have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards.

Presentation of currency and rounding

The financial statements are presented in New Zealand dollars and all value are rounded to the nearest thousand dollars ($000), other than the remuneration and the severance payment disclosures in Note 33 and Note 34 of the Annual Report. The remuneration and severance payments are rounded to the nearest dollar.

Measurement base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets, and certain financial instruments (including derivative instruments).

Budget figures

The budget figures are those approved by Council in its 2024-2034 Long Term Plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Goods and services tax

Items in the financial statements are stated exclusive of goods and services tax (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 the IRD, including the GST relating to investing and financing activities, is classified as operating cashflow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be attributed in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity or usage information. Depreciation is charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each significant activity. Other indirect costs are assigned to significant activities based on the proportion of direct staff costs for each significant activity.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Standards and amendments issued that have been applied

Critical accounting estimates

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 of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have 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 and buildings, and infrastructure assets - Note 20 of the Annual Report
- Estimating the fair value of forestry assets - Note 23 of the Annual Report
- Estimating the retirement and long service leave obligations - Note 26 of the Annual Report
- Estimating the landfill aftercare provision - Note 27 of the Annual Report

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Donated or vested land and buildings with use or return conditions

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received.

The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

Classificiation of property

Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives are part of Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than investment property.

Treatment of airport land

The airport land consists of some 225 hectares of land of which some 86 hectares is jointly owned by Tauranga City Council (TCC) and Western Bay of Plenty District Council. TCC are the legal owners of the land and Western Bay of Plenty District Council are the beneficial or equitable owners of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and Western Bay of Plenty District Council.

As the legal owner TCC must exercise its rights of ownership in terms of the trust and for the benefit of the trustees.

The terms of the trust are that TCC may use the jointly acquired land rent free provided the land is used as an airport. In the event that the jointly own airport land is sold and the principal use of the land is no longer an airport then a liability to Western Bay of Plenty District Council is created for the sale price of the jointly owned land at that point.

2.2 Foreign currency transactions

Foreign currency transactions (including those subject to forward exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

2.3 Water services reform

Central government has been addressing New Zealand's water infrastructure challenges through the Government's Local Water Done Well programme, a programme that aims to improve water quality and update aging infrastructure. The first Act repealed the previous Government's water services legislation. The second Act established the preliminary arrangements for the new water services system. The third Act, the Local Government (Water Services) Act 2025 (the Act) established the enduring settings for the water services system. On the final reading, certain clauses of the Act were split into a separate Act - the Local Government (Water Services) (Repeals and Amendments) Act 2025. These two Acts were given royal assent on 26 August 2025 and came into effect the following day.

Implications of the Local Government (Water Services) Act 2025

The Local Government (Water Services) Act 2025 (the Act) represents a significant shift in the governance, delivery, and regulation of water services, supporting transparency, accountability and financial sustainability of water services entities.

This Act provides for:

- arrangements for the new water services delivery system
- a new economic regulation and consumer protection regime for water services
- changes to the regulatory framework for water quality and to the water services regulator.

Western Bay of Plenty District Council ("the Council") remains committed to strengthening and modernising its wastewater and drinking water systems under the LWDW programme. The core objectives include ensuring continued compliance with national regulatory standards, improving resilience of infrastructure, optimising sustainable funding models, and engaging with communities and tangata whenua in shaping outcomes.

Under the Government's Local Water Done Well (LWDW) regime, all councils are required to prepare and submit a Water Services Delivery Plan (WSDP), outlining how they will deliver safe, compliant, resilient and financially sustainable drinking water, wastewater, and stormwater services over (at least) a 10-year period. Council submitted its WSDP prior to the 3 September 2025 deadline with the plan demonstrating that water services will be financially sustainable by 1 July 2028 as required.

The WSDP includes decisions made by Elected Members to proceed with a jointly owned Council Controlled Organisation with Tauranga City Council.

On the 14 November 2025 Council received acceptance from Central Government on its WSDP. Council continues to work with Tauranga City Council on the due diligence requirements of this plan. This will provide financial and operational clarity, prior to moving to a pre-establishment phase.

The Council will begin transition planning to ensure the new delivery model is fully operational by the statutory deadline of 1 July 2028. An estimate of the financial effect of the decision to deliver water services differently, or a statement such an estimate cannot be reliably made.

Explanation of major variances against budget

Explanations for major variations from Western Bay Council's estimated figures in the Annual Plan 2024/25 and 2025 actuals are as follows:

Statement of Comprehensive Income

Actual 2025 surplus of $52.0 million versus 2025 budget surplus of $55.5 million. An unfavourable variance of $3.5m. Total revenue was $6.0 million better than budget. Total expenditure was $9.4 million over budget.

The major contributors to the variance are noted as follows:

Revenue variances	Variances $'000	Explanation
Rates Revenue	(1,059)	Rates revenue is lower than budgeted because volumetric water charges were lower than expected.
Subsidies and Grants	(5,301)	Subsidies and grants were lower compared to budget due to timing of capital programme delivery mainly in Ōmokoroa Structure Plans projects funded by National Infrastructure Funding and Financing Limited.
Finance Revenue	1,814	Interest revenue was higher as a result of higher cash on hand and cash invested than budgeted.
Financial Contributions	329	Financial contribution revenue is recorded at the time Council provides the related service these were higher than budget for the year.
Fees and Charges	1,402	Regulatory fees and charges and other fees and charges were higher than budget.
Other revenue	8,856	Higher than budgeted forestry harvesting proceeds, vested assets received and gain on disposal of assets, were offset by insurance recoveries that were budgeted for but received at the end of the 2024 financial year.
Total revenue variances	**6,041**	

Expenditure variances		
Personnel Costs	462	Salary and wage costs were targeted and achieved at a lower than budget level.
Depreciation and amortisation	(1,376)	Both depreciation and amortisation expenditure was higher than budget.
Finance costs	464	Lower than budget interest rates have resulted in lower interest costs for the year.
Other expenses	(8,984)	Increased costs compared to budget specifically include unrealised hedging movement, consultant and legal fees, insurance premiums, loss on disposal of assets, asset impairment, forestry harvest costs, and audit fees.
Total expenditure variances	**(9,434)**	

Statement of Financial Position Variances		
Current Assets variances	16,887	Rates and sundry debtors are higher than budget this drives the higher current assets level.
Non-Current assets variances	(86,793)	Property plant and equipment is lower than budget due to timing of project completion.
Current Liabilities variances	49,323	Trade payables, accrued expenses, bonds and deposits, and income in advance are all higher than budgeted at year end as well as higher short term borrowings being in this category.
Non-Current Liabilities variances	28,988	Lower non-current borrowings compared to budget as there is a higher proportion of total borrowings in current liabilities compared to budget.
Total Statement of Financial Position variances	**(90,240)**	

Statement income and expenditure for group of activities

Income	Actual 2025 $000's	Actual 2024 $000's
Representation	4,281	3,979
Planning for the Future	4,922	4,508
Transportation	77,641	36,395
Water Supply	16,999	12,793
Communities	18,851	15,803
Recreation and Open Spaces	19,255	17,341
Regulatory Services	15,914	16,294
Wastewater	21,362	18,080
Solid Waste	6,029	5,237
Stormwater	13,611	9,512
Natural Environment and Sustainable Living	1,467	1,679
Economic Development	956	1,071
Support Services	609	1,291
Total operating income by activity	**201,897**	**143,983**

Expenditure		
Representation	4,003	3,846
Planning for the Future	4,239	4,481
Transportation	40,111	32,197
Water Supply	19,741	17,121
Communities	12,964	15,007
Recreation and Open Spaces	14,784	18,426
Regulatory Services	15,775	16,204
Wastewater	21,703	17,950
Solid Waste	5,088	5,062
Stormwater	8,705	6,047
Natural Environment and Sustainable Living	1,553	1,519
Economic Development	943	720
Support Services	151	10,776
Total operating expenditure by activity	**149,760**	**149,354**

Each significant activity is stated gross of internal costs and revenues, and includes general and targeted rates attributable to activities (refer to Note 4 of the Annual Report).

Capital commitments and operating leases

Accounting policy

Financing leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life.

If there is no certainty as to whether the Entity will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

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 are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Capital commitments

Capital commitments represent capital expenditure contracted for at balance date, but not yet incurred.

Capital commitments	Actual 2025 $000's	Actual 2024 $000's
Buildings	4,004	6,277
Coastal marine	2,792	128
Water	6,224	1,337
Wastewater	4,549	7,045
Stormwater	560	2,271
Roading network	52,164	14,754
Total capital commitments	**70,293**	**31,812**

Operating leases as lessee

Western Bay Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months.

The future aggregate minimum lease payments payable under non-cancellable operating leases are as noted below:

Operating leases	Actual 2025 $000's	Actual 2024 $000's
Not later than one year	148	116
Later than one year and not later than two years	143	95
Later than two years and not later than five years	368	244
Later than five years	3,402	1,820
Total non-cancellable operating leases	**4,061**	**2,275**

Leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on the Western Bay of Plenty District Council by any of the leasing arrangements.

No contingent rents have been recognised during the year (2024: nil).

Other Commitments - roading network and utilities maintenance contracts

In July 2021, Council entered into a five year contract with Downer Ltd for the provision of maintenance and professional services to the utilities network. The value of the contract as of 30 June 2025 is $40.00 million.

In July 2021 Council entered into a five year contract with Envirowaste Ltd for the provision of kerbside waste services. The value of the contract as of 30 June 2025 is $26.14 million.

As part of these contracts there is ongoing performance and condition monitoring to ensure compliance with the key deliverables and performance of the contract. Failure to meet the deliverables and performance required can lead to termination of the contract.

Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship and are 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.

Key management personnel include the Chief Executive Officer and other senior management personnel.

A Councillor is considered one full-time equivalent for the purposes of this disclosure.

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 33 of the Annual Report.

Council also pays $3,708 in travel allowances to the Councillors which is separate to their remuneration.

Transactions with Councillors and key management personnel compensation	Actual 2025 $000's	Actual 2024 $000's
Councillors		
Full-time equivalent members	12	11
Salaries and other short-term employee benefits	718	680
Senior Management Team, including the Chief Executive		
Full-time equivalent members	5	5
Salaries and other short-term employee benefits	1,639	1,558
Total full-time equivalent personnel	**17**	**16**
Total Councillors and Senior Management Remuneration	**2,357**	**2,238**

Events occurring after balance date

There were no events which have caused significant impacts on the essential services of the organisation since balance date.

Independent Auditor's Report

To the readers of Western Bay of Plenty District Council's summary of the annual report for the year ended 30 June 2025

The summary of the annual report was derived from the annual report of the Western Bay of Plenty District Council (the Council) for the year ended 30 June 2025.

The summary of the annual report comprises the following information on pages 13, and 16 to 24.

- the summary statement of financial position as at 30 June 2025;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2025;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of service performance.

Opinion

In our opinion:

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

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2025 in our auditor’s report dated 25 November 2025.

Emphasis of matter – future of water delivery

Our auditor’s report on the full annual report also includes an emphasis of matter paragraph drawing attention to pages 109 and 110 of the financial statements in the full annual report. This outlines that in response to the Government’s Local Water Done Well reforms, the Council has decided to establish a multi-owned water organisation with Tauranga City Council to deliver water, stormwater and wastewater services be responsible for delivering those services from 1 July 2027.

The financial impact of this decision is unknown because details of the exact arrangements are still being considered.

Information about this matter is also disclosed on page 20 of the summary of the annual report.

Council’s responsibility for the summary of the annual report

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

Auditor’s responsibility

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

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

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

Anton Labuschagne,
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
9 December 2025