

It's steady as we grow

Annual Report

For the year ending 30 June 2019



*Western Bay of Plenty
District Council*



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Introduction



INTRODUCTION

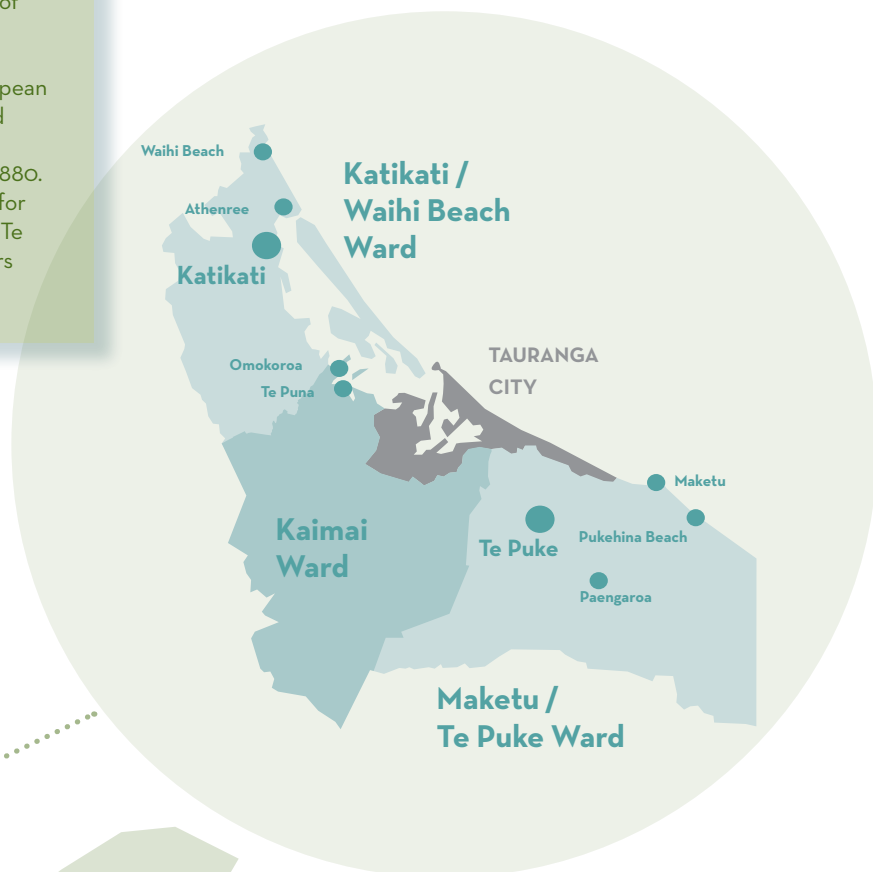
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OUR DISTRICT

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 with its current estimated population of just over 49,285 people expected to reach around 58,000 by 2033. Between the 2006 and 2013 censuses, the population of the District grew by 4.5%. 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 CHIEF EXECUTIVE OFFICER'S INTRODUCTION

For year ended 30 June 2019

2018/19 has been a year of opportunity and challenge for Council.

For much of the period the District continued to realise opportunities resulting from strong growth. 659 properties were added to the rating base bringing the total to 23,691. Income from financial contributions was \$9.82m higher than budget of \$8.79m, totalling \$18.61m.

Despite these positives, subdivision and development applications began to 'throttle off' in the latter half of the year. Non-notified subdivision consents were down to 153, compared to 199 in 2017/18 and land use consents up from 50 in 2017/18 to 245 this year.

Strong financial position

While these figures highlight some potential challenges ahead, Council is well positioned to deal with them.

Stronger than expected financial contribution income meant Council could pay down debt faster and reduce the overall interest expense over the year.

Council's gross external debt reduced to \$110m, down from \$125m in 17/18. Net debt per ratepayer reduced from \$4,468 last year to \$3,474 this year reflecting both lower debt and a larger ratepayer base. Being in this position means Council has borrowing headroom to withstand next year's expected drop in financial contributions and development related income to continue to build essential infrastructure.

These results validate a continued strong focus on prudent debt management and keeping a tight control of operational and capital expenditure, while not impacting levels of service.

Highlights

Keeping up with growth has meant delivering an annual capital works programme, \$34,919m, of which \$21,805m was upgrades to roads in urban areas and substantial investment in stormwater assets, the majority of which are in Omokoroa.

Other highlights include:

- Completing the new library and service centre in Katikati, Pātuki Manawa, in August 2018
- Opening new cycleways in the east and west of the District
- TECT Park won the internationally recognised inaugural Supreme Green Flag Award for park management
- Commissioning the Ongare Point wastewater scheme and progressing significant upgrades to the Te Puke Wastewater treatment plant
- 13.9km of seal extensions
- Major consent renewals for wastewater at Katikati and Te Puke.

A changing Central Government environment

We remain committed to collaborating with other local authorities in our region, including responding to changes being implemented by the Government, particularly priorities relating to transport, housing and the 'three waters'.

The SmartGrowth collaborative approach, is being used to pilot the Urban Form and Transport Initiative (UFTI). This will test ways of integrating planning for land use, housing, transport and regional development.

The Smart Housing Action Framework is part of this. It focuses on increasing the supply of affordable one and two bedroom homes and providing a better mix of housing types, tenures and sizes.

The outcomes of UFTI are critical to being able to deliver on land and housing provision. Fundamental to delivery is the need for secure funding tools and a partnership approach with Central Government to make this happen.

Looking ahead

Macro economic forces, nationally and globally, are likely to continue to have a slow-down effect on growth in the Western Bay. Against this background, Council will remain focused on prudently managing expenditure and looking for opportunities to improve efficiency and effectiveness.

My thanks to elected members and Council staff for their cooperation, expertise and willingness to work as a team for the benefit of residents across the Western Bay of Plenty.



Miriam Taris
Chief Executive Officer
Western Bay of Plenty
District Council



THE DISTRICT AT A GLANCE - KEY FACTS

Industry

\$\$\$ GDP

9.0% Annual GDP growth
vs 6.2% national average.
\$35,365 per capita GDP vs
\$56,441 nationally (March
2017)



JOBS

2.3% growth in employment
vs 3.0% nationally 67.1%
employment rate vs 67.7%
nationally (June 2018).



PRIMARY SECTOR

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

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



BUILDING INDUSTRY

2018/2019 building consent
value of \$248m vs \$258.7m in
2017/2018

81.6 new dwelling approvals
per 10,000 population vs 68.1
nationally (May 2018)

District



PEOPLE

- Estimated population **50,100**
- **58%** rural, **42%** urban
- Projected population of
66,500 by 2043



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

- **22,016** ratepayers
- 73% connected to council water
supply
- 45% connected to council
wastewater treatment and
disposal.

COUNCIL AT A GLANCE - KEY FACTS



Council currently owns \$1.48 billion worth of physical assets as at 30 June 2019.



Net debt is \$80 million as at 30 June 2019.



Overall the District has equity of \$1.35 billion as at 30 June 2019.



\$35 million of capital expenditure was spent on infrastructure and assets in 2018/19.



\$133.8 million of total income generated in 2018/19.



\$69 million of rates income generated in 2018/19.

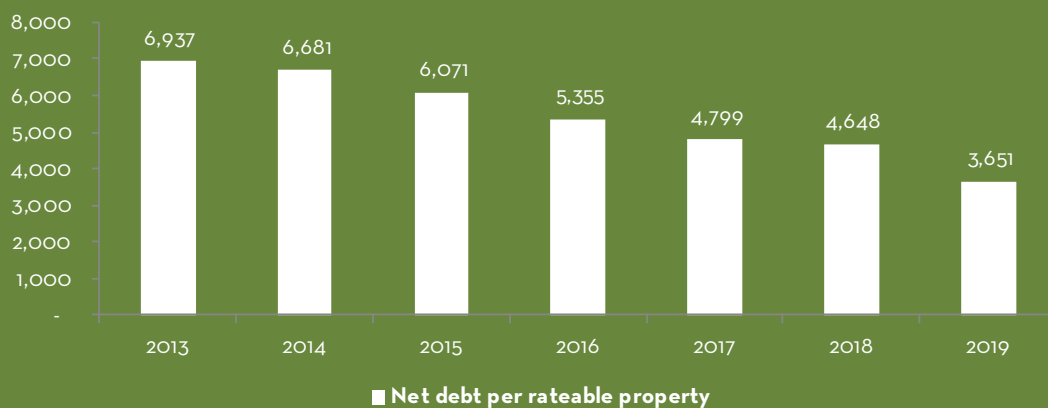
Our debt

Net debt per rateable property



Rates covered 74.8 percent of the operational cost of running the District.

Net debt per rateable property



■ Net debt per rateable property

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

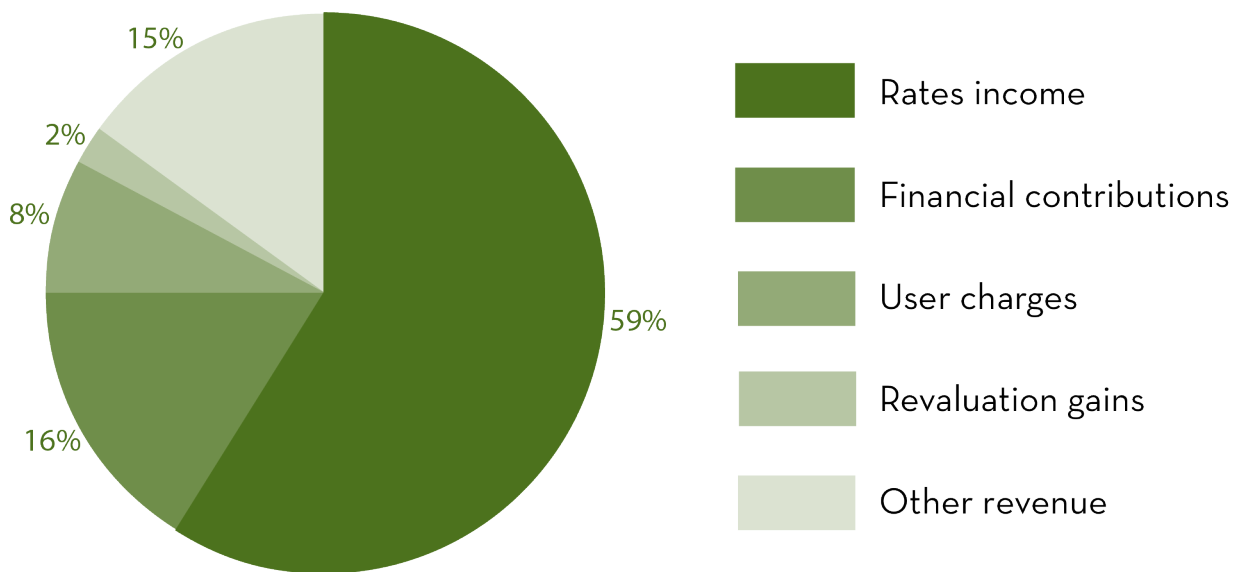
What was achieved

Annual Plan Annual Budget

FINANCE SUMMARY OVERVIEW

Western Bay Council has reported a net surplus of \$41.2 million compared with a budgeted operating surplus of \$10.4 million. The major contributor to this increased surplus was financial contributions, vested assets and gains from asset revaluation.

Council Revenue 2018/19 (excluding vested assets) **\$117.8m**



Council Operating Expenditure 2018/19 **\$92.5m**

