
Annual Report

For the year ending 30 June 2021



**Western
Bay of Plenty**
District Council



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INTRODUCTION



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MESSAGE FROM THE MAYOR

For year ended 30 June 2021

As everyone continues to adapt to the impacts of the global pandemic Council has worked hard to keep our District thriving by making key decisions that preserve the Western Bay for future generations.

Growth in particular continues to have a huge impact on the Western Bay given we remain one of the most attractive places to live in New Zealand, with an estimated population of 57,355 in 2021. That is projected to grow to 71,367 in 2051, bringing another 14,012 people to our District.

This growth is evident in a 17 percent increase in building consent applications from the previous year, with 1347 applications worth \$341m in the year to 30 June 2021 compared to 1148 worth \$220m the previous year. It is critical we do all we can to accommodate this growth in light of the national housing shortage and that means we must continue to invest in infrastructure and to plan for more growth.

Growth comes in many forms – it's not just about numbers but also about relationships. Looking back on the past year I want to highlight the monumental step forward Council made when we agreed to return the eastern end of Matakana Island (known as Panepane Purakau) to its ancestral owners. Not only was it the right thing to do, but Council's unanimous decision shows that with open minds and a will to find solutions, good outcomes can be achieved for everyone.

The benefits of collaborative, inclusive, open working relationships with iwi and the public were shown during this work, which produced a record level of feedback to the eventual proposal. The project team received national recognition as they took out the Supreme Award at the 2021 LGFA Taituarā Local Government Excellence Awards along with the Minister of Local Government's Award for Excellence in Council/Community Relations.

We remain committed to having free and frank discussions with our communities to achieve meaningful outcomes.

Saying hello to our future District

During the year we completed our Long Term Plan 2021-2031, and held some fantastic community events to get your thoughts on the key proposals in the Plan.

The discussions we had across three phases of community engagement on the Plan produced a record 44,206 pieces of feedback. So thank you for your input.

We believe the resulting Long Term Plan is a balance of the competing tensions between investment in critical infrastructure, rates affordability and responding to the many community requests for funding and projects.

Celebrating our successes

In the last 12 months Council has celebrated many other achievements. Some highlights include:

- Rolling out Council's new kerbside rubbish and recycling collection service to nearly 17,500 eligible households. The new rates-funded service is designed to increase the amount of material diverted from landfill by about 60 percent – around 1800 tonnes a year.
- Completing the Ōmokoroa Sports Pavilion and Library, at Western Avenue, in conjunction with the Ōmokoroa Sports and Recreation Society.
- Opening the new regional digital hub in The Centre – Pātuki Manawa, Katikati. This is the first digital hub for the sub-region and was funded through central government's Provincial Growth Fund with a funding package for digital connectivity.
- Completing 5.1 km of seal extensions, 6.45 km of pavement rehabilitation, and 2.2 km of new footpaths.
- Launching an e-plan for the District Plan, to help make things easier for customers.

Financially prudent

Despite a complex year of activities Council's financial position remains strong thanks to a reduction in debt, good financial performance and positive fiscal outlook.

Key highlights include:

A \$4.8 million increase in subsidies and grants as a result of Crown Infrastructure Partners funding, as well as a \$4 million increase in Fees and Charges due to increased commercial activity in the District.

An \$11.2 million reduction in our net debt, from \$75.5 million to \$64.3 million today.

A \$61.9 million non-cash gain resulting from an appreciation in value of our assets as a result of the revaluation process which happens every three years. The revaluation process includes an analysis of market movements and replacement costs for Council's land, building and equipment.

In September 2021 international credit rating agency Standard & Poor's (S&P) retained Council's AA credit rating. This is despite a planned investment of \$168 million in infrastructure projects during 2022-2024 (partly funded by debt) – as signalled in the Long Term Plan 2021-2031.

A strong and stable credit rating in the face of a large capital expenditure programme, and the impact of COVID-19, shows our investment approach is sound.

The stable outlook reflects Council's commitment to continue to prudently manage our budgetary performance and debt levels over the next two years as we deliver a higher capital expenditure.

Planning for change

Looking forward we will continue to pay close attention to the major policy reforms currently underway: Three Waters, Resource Management, and the Future for Local Government Review.

We are working hard with clear goals, financial prudence, and careful planning to ensure the Western Bay prospers through the coming changes.

While there is still uncertainty about what the future of local government will look like, we are committed to delivering better public services, in partnership with others. Whether it is maintaining our roads, rubbish and recycling, or complying with drinking water standards, what we do now sets up our communities in the future.

These are interesting times, but I believe with change comes great opportunity. Whatever the future may hold, I can assure you Western Bay of Plenty District Council will be ready.

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



Garry Webber
Mayor
Western Bay of Plenty District Council



OUR DISTRICT - KEY FACTS

Demographics

The Asian ethnicity in the **Katikati/Waihi Beach Ward** increased from 606 people in 2013 to 816 people in 2018 (+35%), while the Pacific People ethnicity increased from 342 people to 432 people (+26%) for the same period.

40% of households in the **Katikati-Waihi Beach Ward** were couples compared to New Zealand (NZ) with 26%, in the 2018 Census.

The District has a warm, sunny climate with an average of 2346 sunshine hours per year.

The District has a moderate rainfall of 1200 - 2400 mm per year.



Over 90% of the people in the **Kaimai Ward** indicated they were of European ethnicity in 2018.

15% indicated they were Māori in the **Kaimai Ward** for the same period.

28% of the people in the **Maketu/Te Puke Ward** indicated they were of Māori ethnicity in 2018. 12% indicated they were Asian.

50% increase The Asian and Pacific ethnicities increased in the **Maketu/Te Puke Ward** by 50% or over from the 2013 to 2018 Census.

The District as a whole (snapshot)

19% of the population in the District are less than 15-years-old very close to the national average of 20%.

21% of residents in the District are over 65-years-old higher than the national average of 15%

19% of the District's population identify themselves as Māori which is higher than the national average of 17%

The future

In 2021, the estimated population of the Western Bay of Plenty District is 57,355. **This is projected to grow to 71,367 in 2051,**

Agriculture and horticulture are the main economic drivers of the Western Bay of Plenty District and the greater Tauranga and Western Bay sub-region.

Population statistics on this page are from the 2018 Census.

The economy

Employment

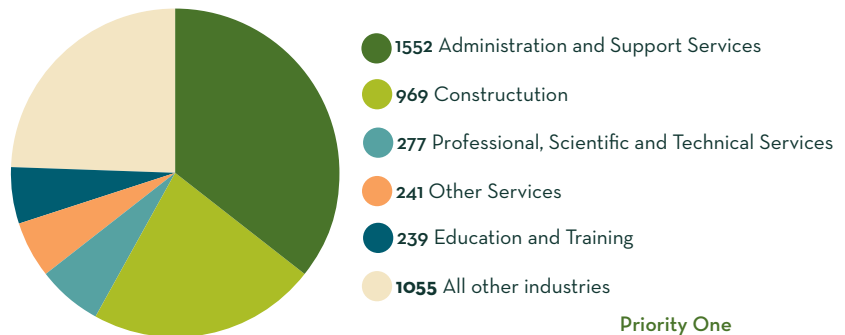
Employment growth 2020

2.9% growth in employment vs 1.6% nationally.

Filled jobs are up by more than 560 to almost 24,560 jobs in the District, compared to 24,000 in 2019.

Priority One
as at December 2020

Industries that created most jobs 2010-2020



Priority One
as at December 2020

Economy

Gross domestic product 2020

1.9% Annual GDP growth vs 1.6% national average.

GDP is over \$2.3 billion, with \$254 million growth in the last year.

Priority One
as at December 2020

Building industry

2020/2021 building consent value of \$341m vs \$220m in 2019/2020.

97.3 new dwelling approvals per 10,000 population vs 87.1 nationally (June 2021).

Primary sector

Kiwifruit

Nationally kiwifruit grower returns up 15% in 2020 to \$2.25 billion. Earnings are spread through many regions, including the Bay of Plenty.

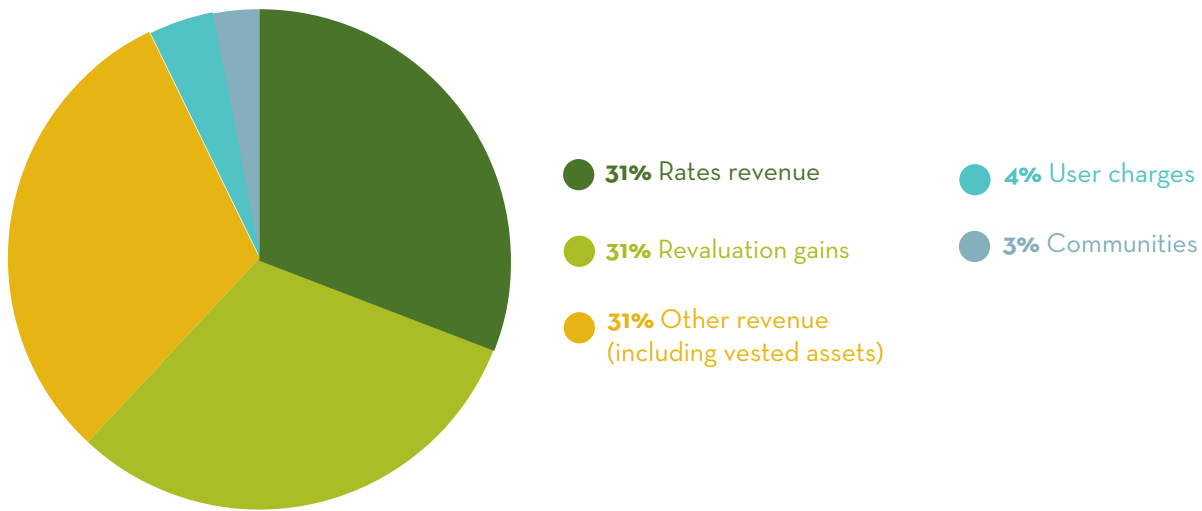
Avocado

Avocado returns were \$227m in 2020/21 which exceeded expectations due to Covid lockdowns and freight disruptions. 54% of New Zealand's avocado production came from the Bay of Plenty region.

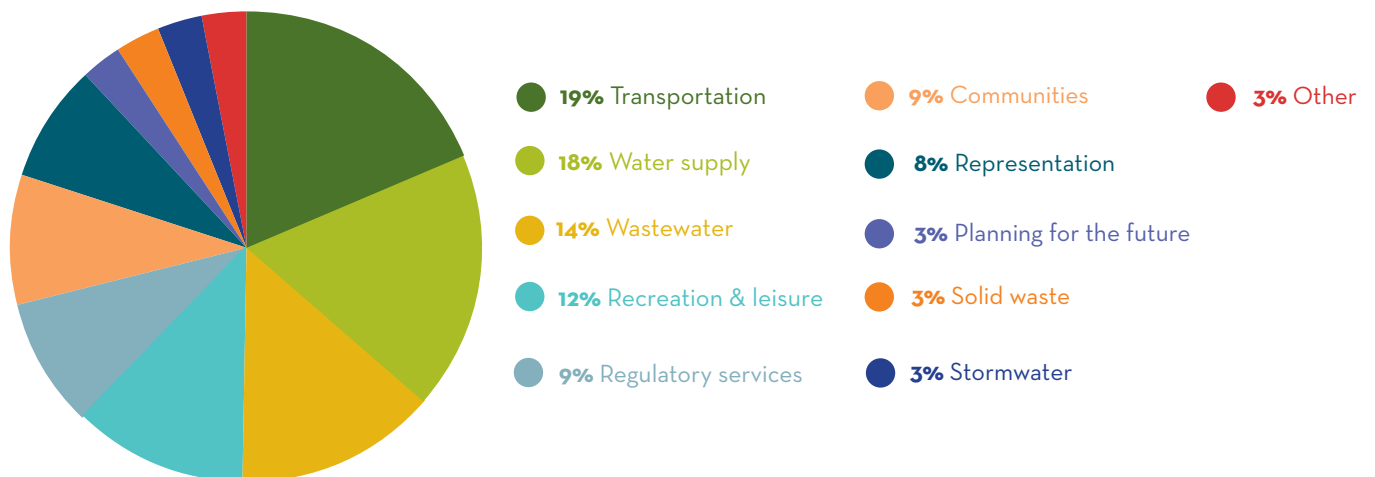
FINANCE SUMMARY OVERVIEW

Western Bay Council has reported a net surplus of \$23.9 million compared with a budgeted operating surplus of \$16.9 million. The major contributor to this increased surplus was financial contributions and vested assets.

Council Revenue 2020/21 (excluding vested assets) \$117.9 million



Council Operating Expenditure 2020/21 \$100.2 million



The Council

Council currently owns

\$1.51 billion

worth of physical assets as at 30 June 2021, compared to \$1.43 billion as at 30 June 2020.

Net debt is:

\$64.2 million

as at 30 June 2021, compared to \$76 million as at 30 June 2020.

Overall the District has equity of

\$1.46 billion

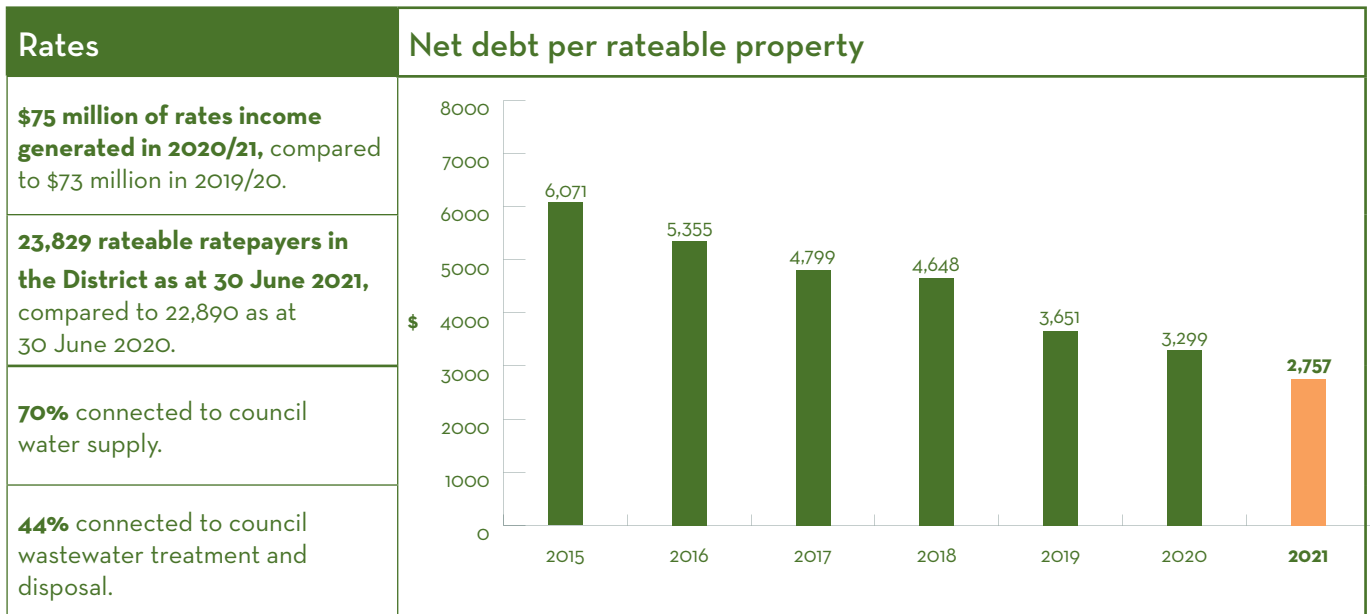
as at 30 June 2021 compared to \$1.37 billion as at 30 June 2020.

\$33 million

of capital expenditure was spent on infrastructure and assets in 2020/21, compared to \$30 million in 2019/20

\$124.1 million

of total income generated in 2020/21, compared to \$110.2 million in 2019/20.



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 2021 and comes into effect on 1 July 2021..

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.

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



John Holyoake
Chief Executive Officer