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# Summary Annual Report

For the year ending 30 June 2021



**Western  
Bay of Plenty**  
District Council





# CONTENTS

The Mayor's introduction	<b>4</b>
Our District - key facts	<b>6</b>
Financial summary overview	<b>8</b>
Role of this summary annual report	<b>10</b>
Key performance measures - results	<b>11</b>
Summary extract from the statement of accounting policies for the year ended 30 June 2021	<b>18</b>
Summary financial reports	<b>22</b>
Audit Report	<b>30</b>



## Disclaimer

The specific disclosures in this financial summary report have been extracted from the full financial report dated 19 October 2021. It has been prepared in accordance with FRS 43: Summary Financial Reports.

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 and audited by Audit New Zealand on behalf of the Office of the Auditor-General. An unqualified audit opinion was issued on 19 October 2021.

A copy of the Western Bay of Plenty District Council 2020/21 Annual Report is available to view from Council's Head Office, Barks Corner, Greerton, Tauranga or Council's website at [www.westernbay.govt.nz](http://www.westernbay.govt.nz)



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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



Providing feedback at one of the LTP Community Fun Day Series held in March 2021.

# OUR DISTRICT - KEY FACTS

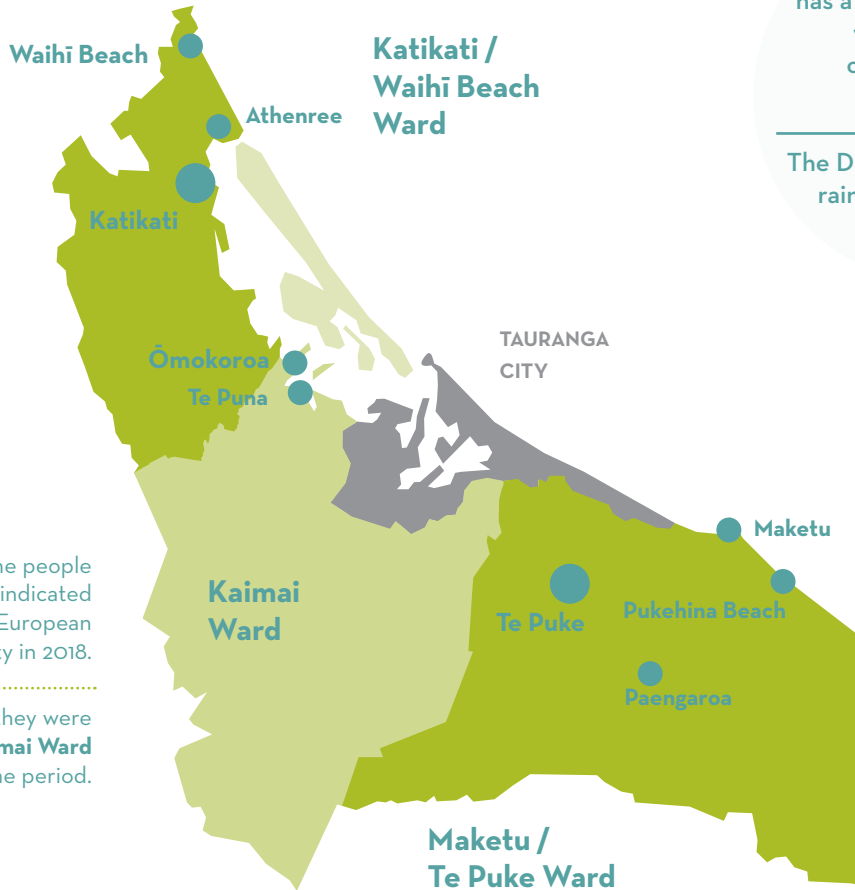
## Demographics

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.

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

### 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,**

Population statistics on this page are from the 2018 Census.

# The economy

## Employment

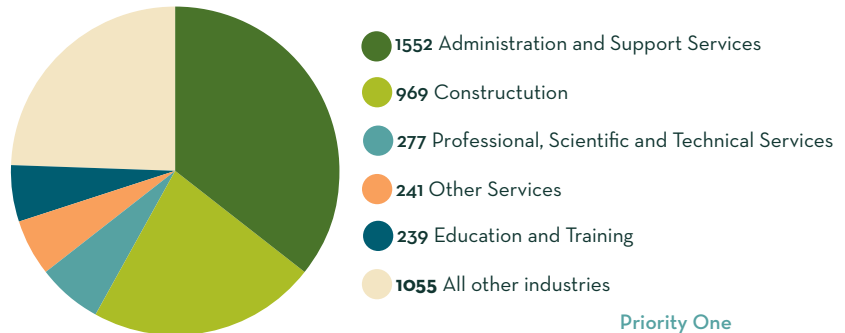
### Employment growth 2020

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.

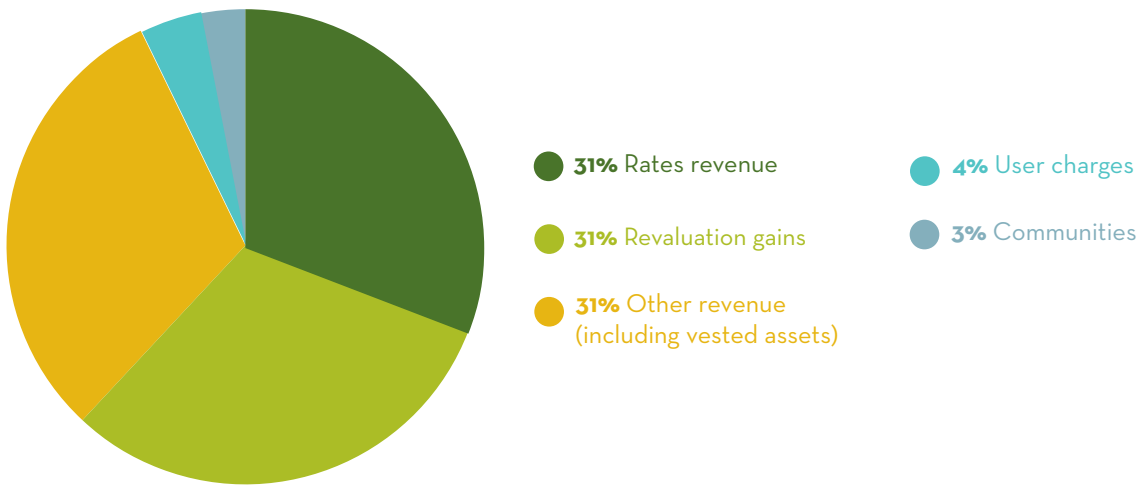
### Avocado

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.

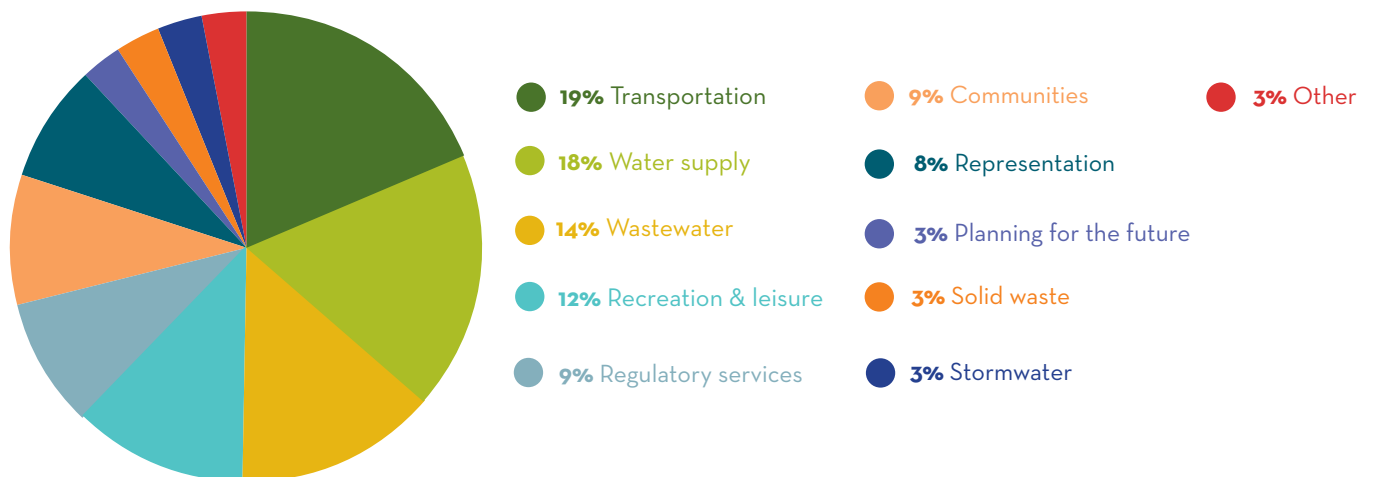
# FINANCE SUMMARY OVERVIEW

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 contribution 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**

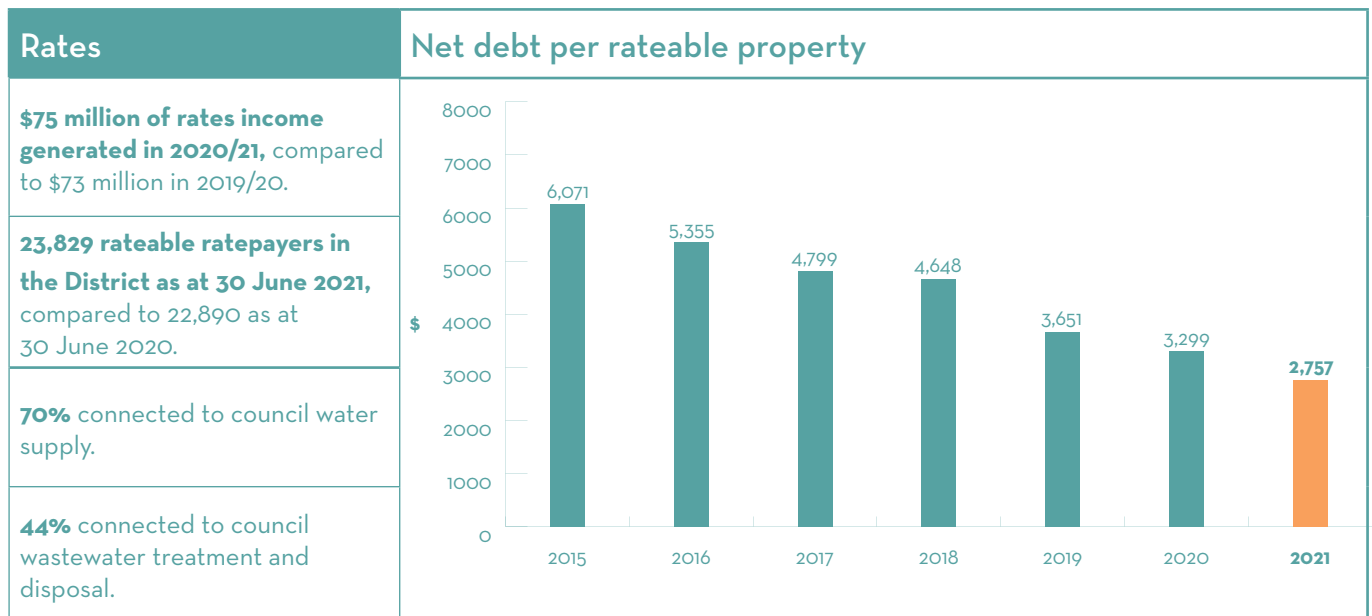
as at 30 June 2021 compared to \$1.37 billion as at 30 June 2020.

**\$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.

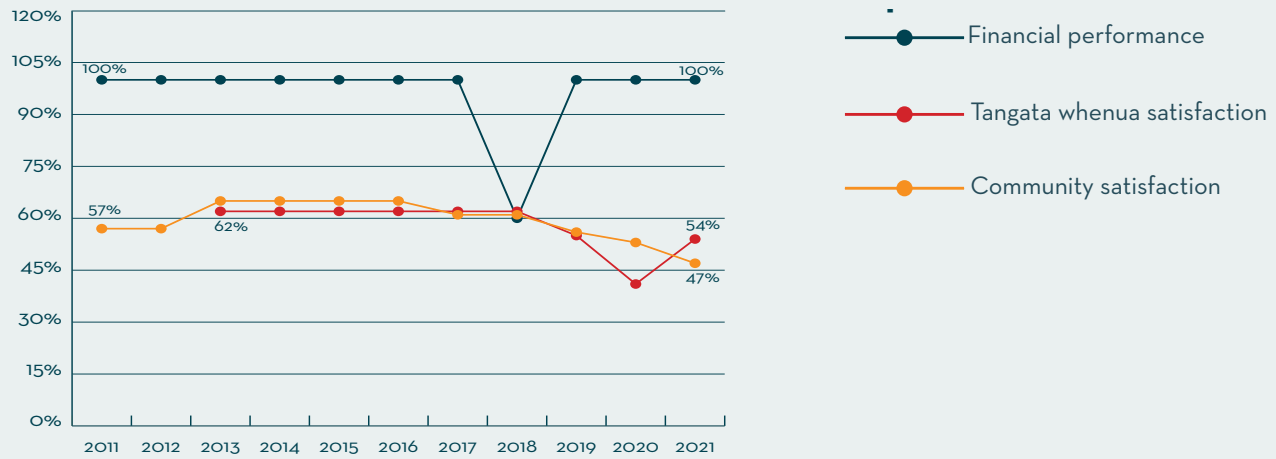
### Annual Plan

Annual Budget.

# KEY PERFORMANCE MEASURES - RESULTS

## Leadership

### Representation - result trends for key measures



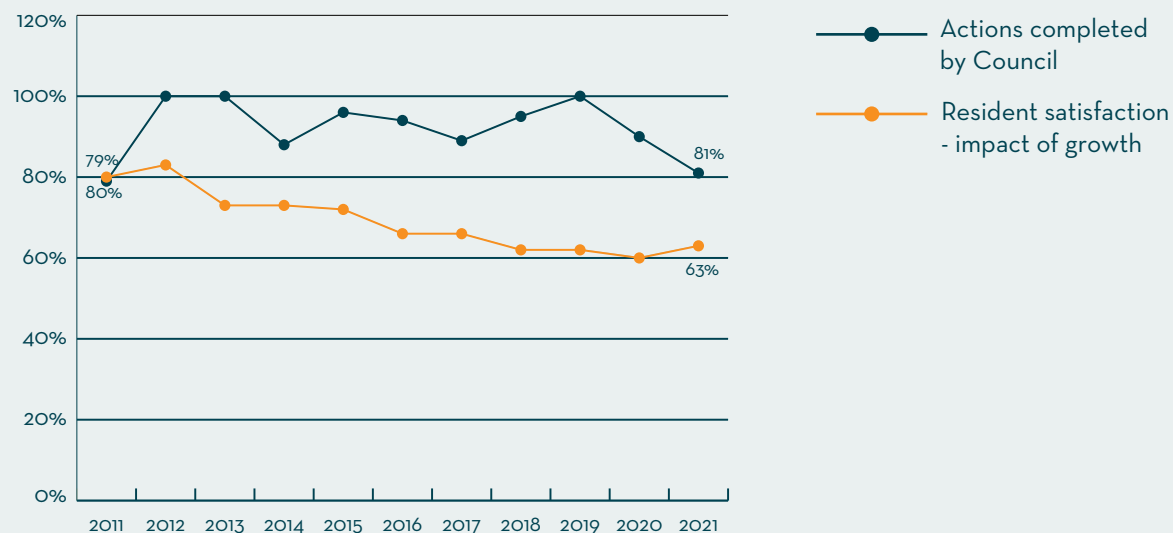
#### Council Financial Performance

The financial performance index monitors Council's financial trends and level of compliance with the Treasury Policy. In 2021 there was 100% compliance with Treasury Policy ratios.

#### Satisfaction with Council Performance

This monitors the level of community and tangata whenua satisfaction. The community satisfaction with Councillor and Community Board representation was 47%. The level of tangata whenua satisfaction increased to 54%.

### Planning for the future - result trends for key measures



#### Actions completed by council as defined in the Council approved work programme

81% of actions scheduled for 2020/21 year were completed. Key reasons for delays are attributed to the progress of the Ōmokoroa Structure plan and the town centre application.

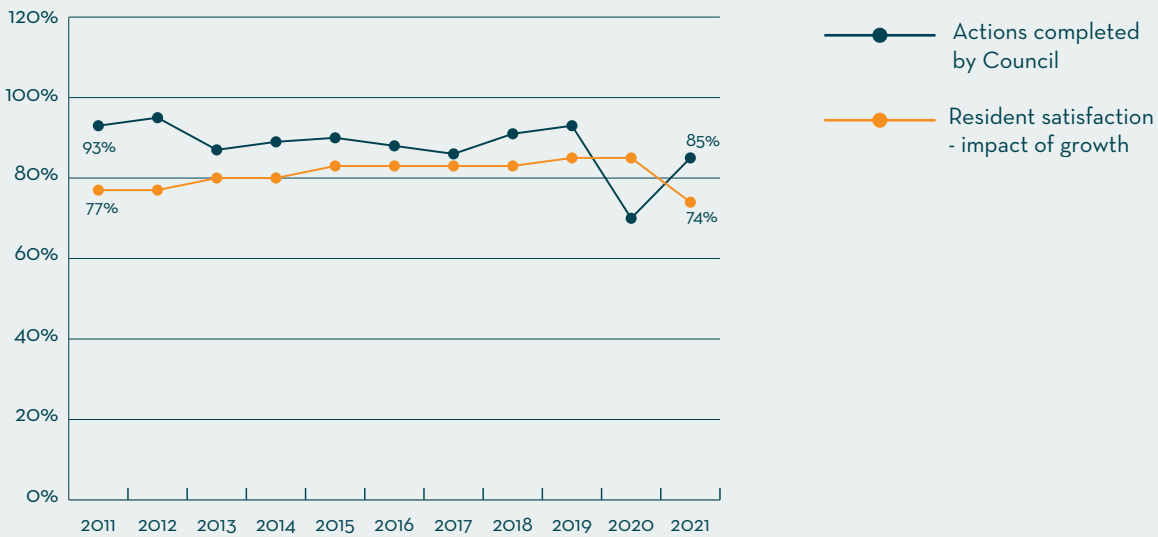
#### Resident satisfaction with the impact of growth on the District

The factors monitored include lifestyle, range of housing choices, personal and road safety, travel time, and employment opportunities. The 2021 survey revealed a satisfaction level of 63%. Key reasons for dissatisfaction are traffic congestion and housing affordability.



## Building communities

### Communities - result trends for key measures



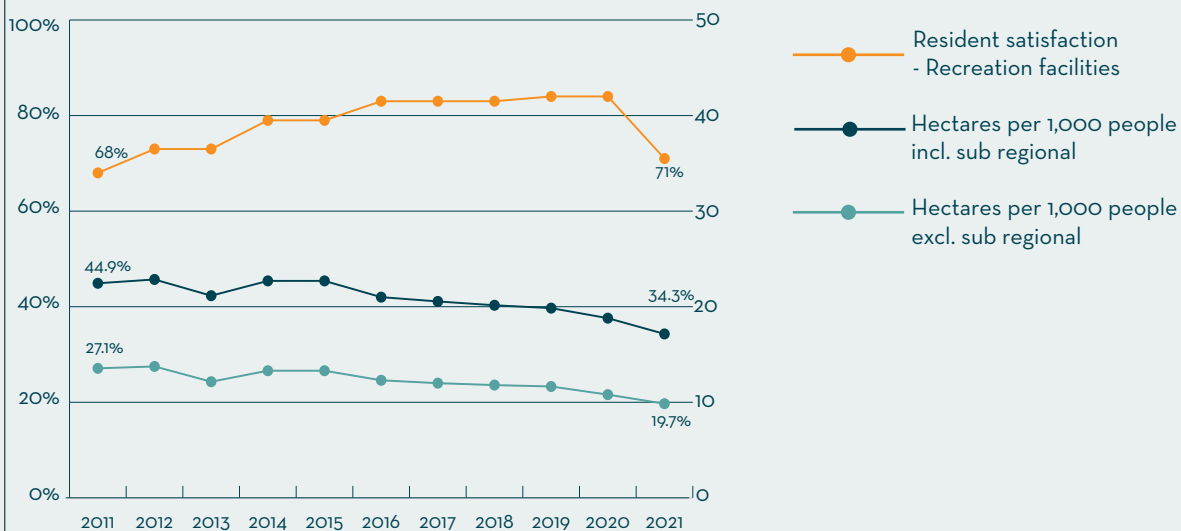
#### Action completed by Council as identified in the Communities Action Plan

85% of the actions scheduled for the 2021 year were completed. This included the management of cemeteries, community halls, library operations and community safety initiatives.

#### Resident satisfaction with Community Development

On a two yearly basis, this survey monitors satisfaction with the community development programme. The 2021 survey revealed a 74% satisfaction. Key reasons for dissatisfaction is range of library books, cemetery facilities and level of community development.

### Recreation and leisure - result trends for key measures



#### Recreational Services provided per 1,000 people

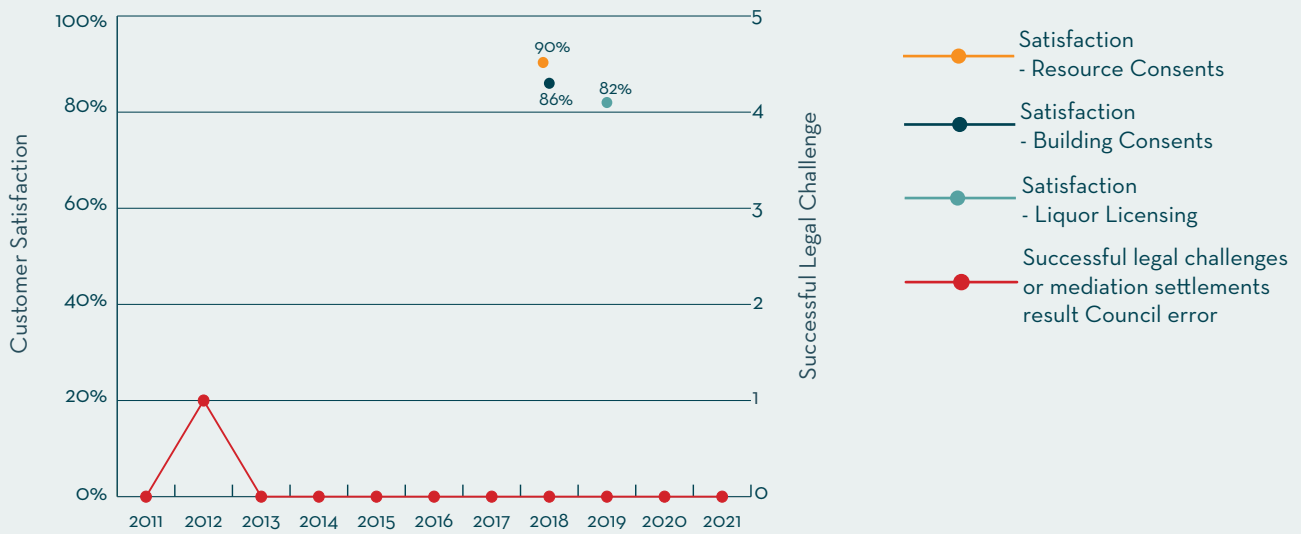
This monitors the park land available in the district per 1,000 people. The 2021 results show that the reserve land available per 1,000 people is continuing to decline. This is due to the consistent population growth within the District.

#### Resident satisfaction with Reserves & Recreational Facilities & Amenities

The level of satisfaction with recreational facilities and amenities in 2021 was 71%. Insufficient facilities, no swimming pools in area and parking at boat ramps and jetties were key reasons for dissatisfaction.

## Building communities

### Regulatory Services - result trends for key measures



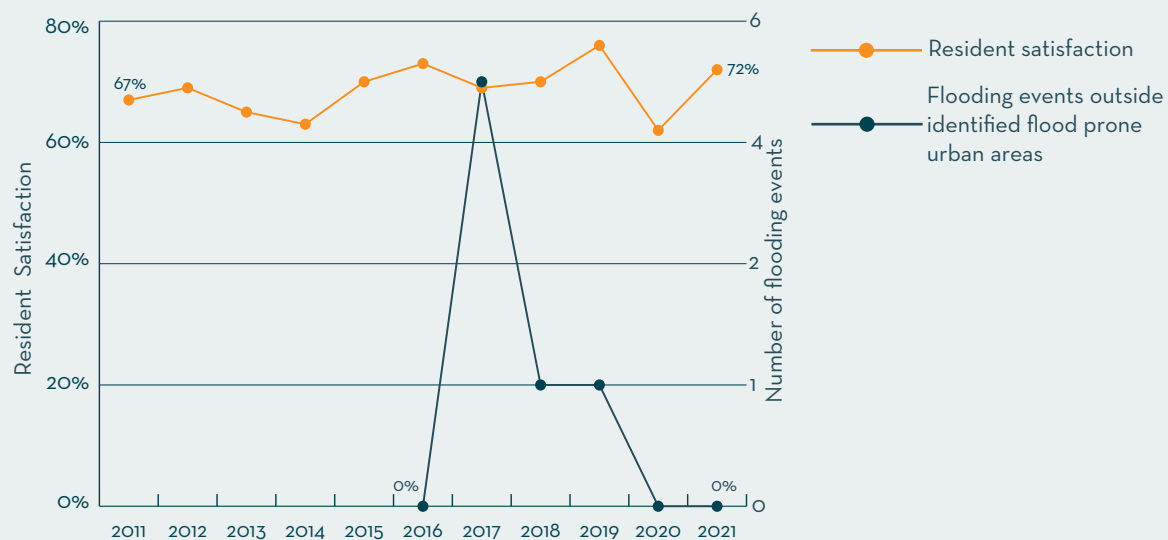
#### Successful legal challenges or mediation settlements as a result of Council error

This monitors instances where there has been a successful legal challenge or mediation settlements as a result of Council error. In 2021 there were no successful challenges as a result of Council error.

#### Customer satisfaction with Regulatory Services

Surveys for this activity are under review and a new monitoring mechanism will commence for the 2022 year.

### Stormwater - result trends for key measures



#### Number of flooding events outside identified flood prone areas

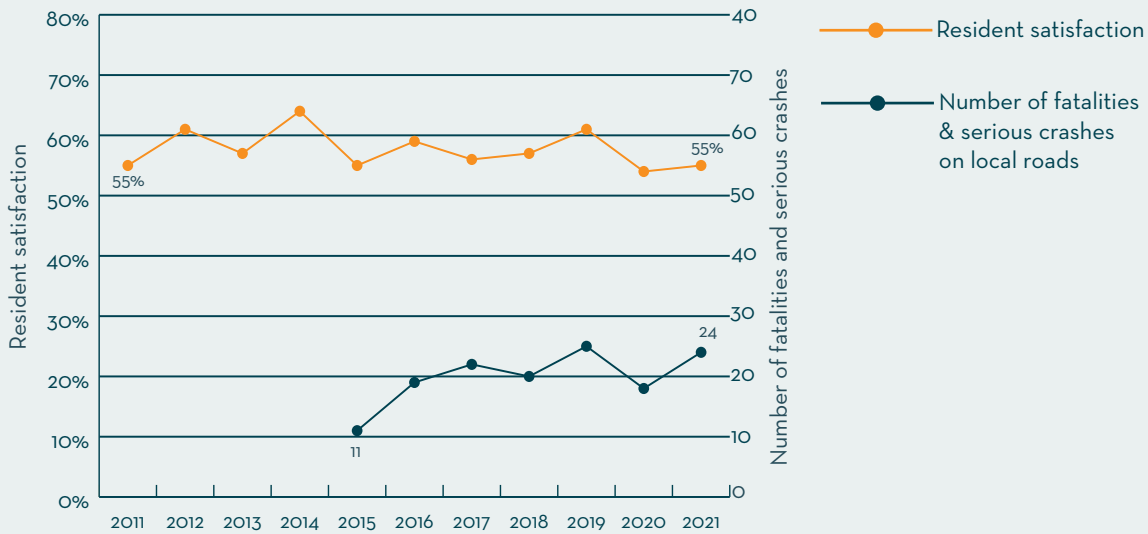
This monitors flooding events that occurs in areas outside identified flood prone areas. In 2021 there were no flood events outside a flood prone area

#### Resident satisfaction with Stormwater systems

The level of satisfaction with stormwater systems in 2021 is 72%. This is an increase from the 2020 result of 62%.

## Building communities

### Transportation - result trends for key measures



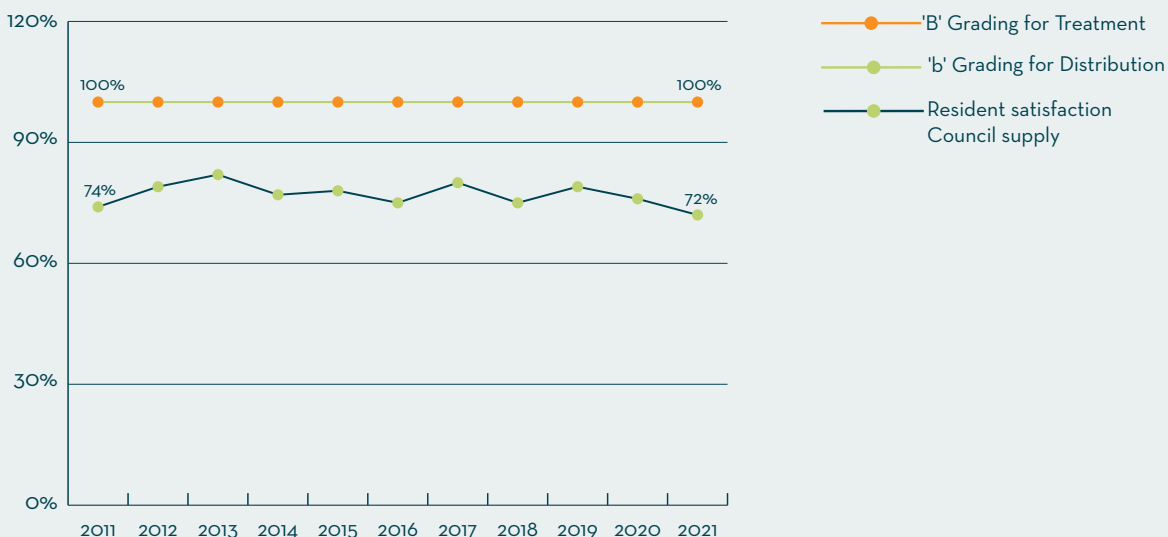
#### Number of fatalities and injury crashes on the local road network

In 2021 there were 24 fatality and serious injury crashes on our local road network. This is an increase of 6 from 2020. This is impacted by the significant growth within the District and the increased number of vehicles on our road network.

#### Resident satisfaction with Transportation

This survey monitors the level of satisfaction with roading, cycleways and walkways. In 2021 the level of satisfaction was 55%. This is consistent with the 2020 result of 54%. Key reasons for dissatisfaction are road maintenance and need for road widening.

### Water supply - result trends for key measures



#### Water supply with Ministry of Health grading 'Bb' for treatment and distribution

For the Council supply areas 100% achieved a 'B' grading for treatment, and 100% achieved 'b' for distribution.

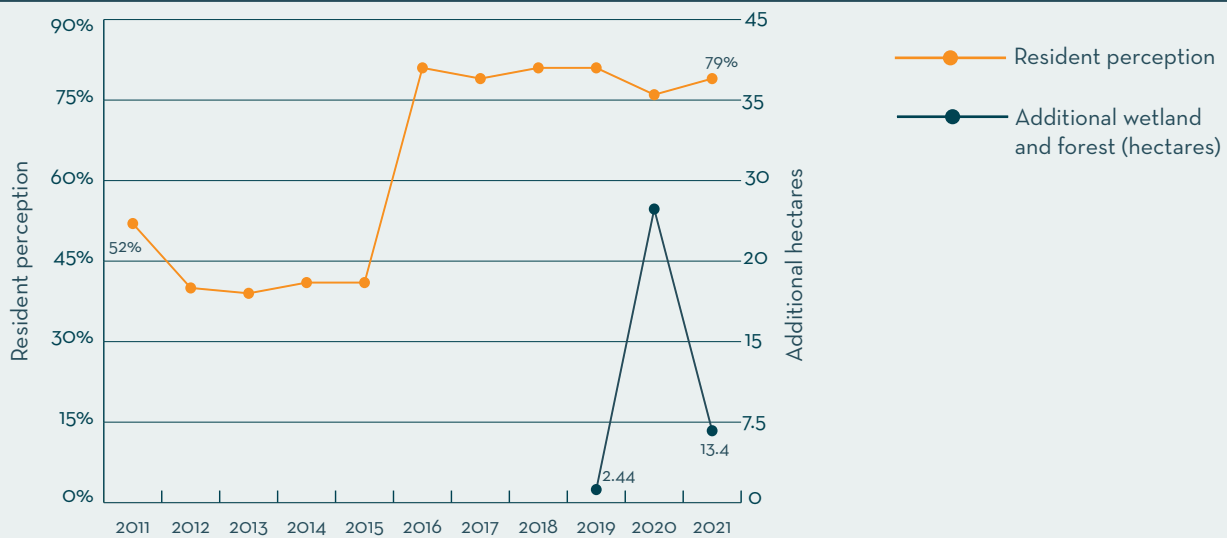
#### Resident satisfaction with the quality of Council Water Supply

This survey monitors the level of satisfaction with the Council water supply. In 2021 the level of satisfaction was 72%. Key reasons for dissatisfaction was taste and smell and level of silica and mineral in the water.



## Protecting the environment

### Natural environment - result trends for key measures



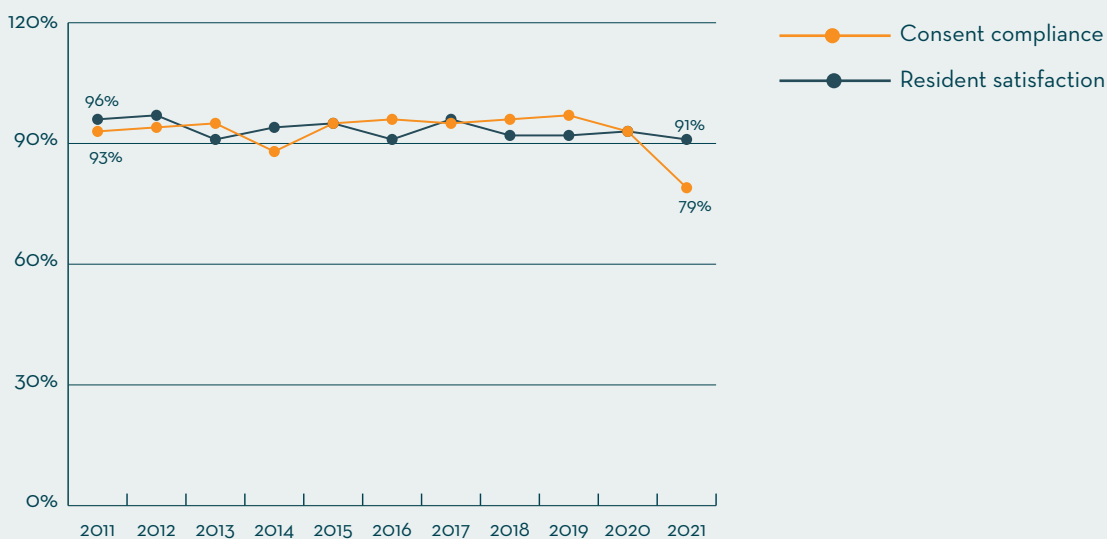
#### Additional land included in protection lots

The level of additional wetland and forest decreased to 13.4ha. This is due to the many of the easier protection lot subdivisions have been completed. COVID-19 impact was that subdivisions and associated plantings were put on hold.

#### Resident perception of an improvement in environmental feature

2020 result 79% is a which is an increase from 2020 result of 75%. From 2016 monitoring included those who perceive the environmental attributes have been maintained i.e. it is neither better or worse.

### Wastewater - result trends for key measures



#### Level of compliance with resource consents

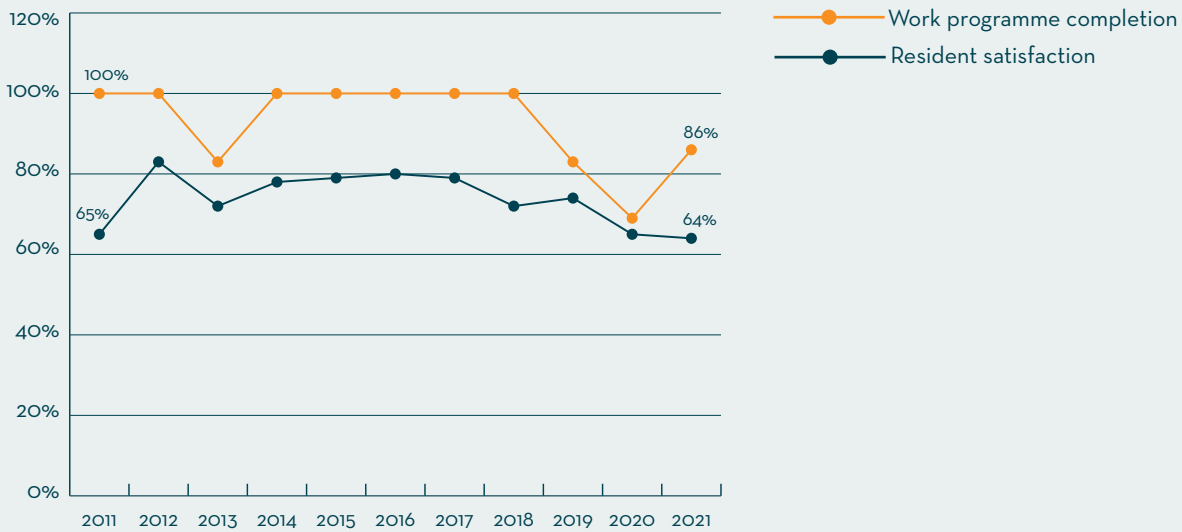
All wastewater treatment plants are monitored to ensure compliance with resource consent conditions. In 2021 targets at treatment plants were achieved except for Katikati which has capacity issues.

#### Resident satisfaction with sewage disposal systems

The level of satisfaction with Council sewage disposal systems is 91%. This is consistent with 2020. Key reasons for dissatisfaction was affordability and environmental concerns.

## Protecting the environment

### Solid waste - result trends for key measures



#### Actions completed by Council as defined in the Solid Waste work programme

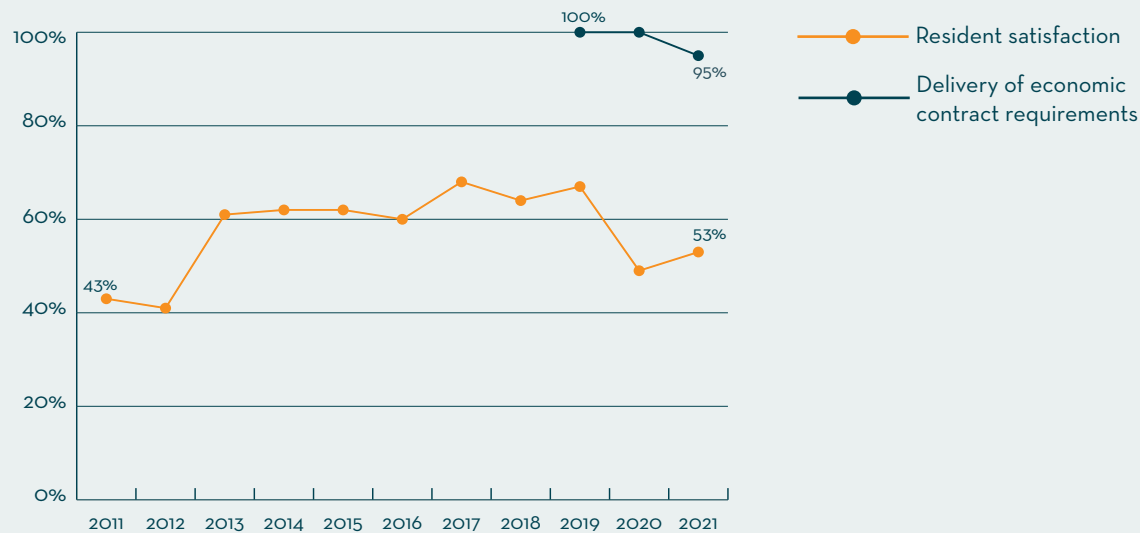
86% of the actions scheduled for the 2021 year was completed. Key reason for delay was the impact of COVID-19 which interrupted the waste minimisation programme and cancellation of events.

#### Resident satisfaction with household rubbish disposal methods

The level of satisfaction with household disposal methods was 64% in 2021. Key reason for dissatisfaction the need for more recycling and the supply of Council bins to replace rubbish bags.

## Supporting our economy

### Economic development - result trends for key measures



#### Economic contracts where key contract requirements were achieved

95% economic contractors met the requirements of their contract. Key contractors include Priority One, Tourism BOP, and the town centre promotion agencies.

#### Resident satisfaction with Council's role in promoting business & employment opportunities

This survey monitors satisfaction with town centre promotion, events, tourism, business support, and promotion of business and employment opportunities. In 2021 the level of satisfaction was 53% an increase from 49% in 2020.

## SUPPORT SERVICES

Strategies within our Corporate Plan guide the activities that support our staff to produce their best work and deliver the highest standards of service to our customers. Support services include communications and community engagement, relationship management, customer services, information management, information technology, financial management, corporate assets, procurement, risk management, and quality management.

## 2020/21 HIGHLIGHTS

During the year work commenced on some of the initiatives identified in the 2020 Corporate Plan. This included:

- A sustainability initiative and the implementation of the carbon and energy management programme.
- Implementation of an electronic timesheet system.
- Specification and development of automated financial systems.

The introduction of the new kerbside waste collection contract and the new three waters maintenance contract required significant input from support services. In particular the IT focus was to work with the agreed contractors and partners on developing integrated systems to provide a seamless customer experience.

## FUTURE INITIATIVES

The development of our internal systems and processes to achieve efficiencies and enhance the services to customers will continue. This includes:

- The scope and development of the customer relationship module.
- Project management methodology and resourcing.
- Scope and development of financial modelling tools.
- Continuation of the corporate sustainability programme including the application for carbon reduction certification through Toitū Envirocare.

CORPORATE SUPPORT ACTIVITY	WHAT THIS ACTIVITY DOES	STRATEGIC APPROACH
Customer services	Ensure customers receive timely, accurate and user friendly information, service and advice.	Focus on understanding the diversity of customers and their needs and respond to them effectively.
Communications and community engagement	Ensure customers and communities are engaged and kept informed.	Provide engagement opportunities and communications that are targeted to identified, diverse customer groups.
Relationship management	Maintain effective relationships with residents and key communities of interest.	The purposes of key relationships are clearly understood and our obligations to Māori under the Treaty of Waitangi are fulfilled.
Human resources	Manage workforce capability and capacity.	Future workforce needs are understood so that staffing levels, skills and competencies are available to deliver the agreed services to the community.
Information management	Ensure data is accessible, clear and secure.	Information is managed to ensure it is easily accessible, the integrity of the data is maintained and it is used to add value to decision-making.
Information technology	Ensure information systems are integrated, secure and responsive to business needs.	Smart use of technology to achieve agreed strategic initiatives and optimise the customer experience.
Financial management	Provide comprehensive financial planning and monitoring services.	Timely, accessible and reliable information is available to inform decision-making, both for staff and elected members.
Corporate assets	Sustainably manage Council's corporate buildings, equipment, vehicles and land.	Assets, planning and property staff work together to enable the sustainable development of corporate property, equipment and vehicles.
Procurement	Ensure services purchased provide the best value for money, are sustainable and environmentally responsible.	Sustainable purchasing practices that demonstrate value for money and are environmentally responsible.
Risk management	Identify, minimise or mitigate risks.	Integrated risk management information to inform decision making and ensure continuity of Council services.
Quality management	Document and review key processes to ensure knowledge is maintained and opportunities for improvement identified.	Documentation of key processes secures knowledge and facilitates opportunities for improvement.



# SUMMARY EXTRACT FROM THE STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2021

## Reporting entity

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

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

Western Bay Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

The financial statements of Western Bay Council are for the year ended 30 June 2021. The financial statements were authorised for issue by Council on 19 October 2021.

## 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 Western Bay Council have been prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE Standards.

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Western Bay Council has applied these standards in preparing the 30 June 2021 financial statements.

**Standards issued and not yet effective and not early adopted** Standards, and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council are:

## Financial instruments

In March 2019, the XRB issued PBE IPSAS 41 Financial Instruments. PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments. PBE IPSAS 41 is effective for the year ending 30 June 2023, with early application permitted. The main changes under PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

## Service Performance Reporting

In November 2017, the XRB issued PBE FRS 48 Service Performance Reporting. PBE IPSAS 48 is effective for annual periods beginning on or after 1 January 2022, with early adoption permitted. The Council plans to apply the new standard in preparing the 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

## Cash Flow Statements

*Disclosure Initiative* (Amendments to IAS 7), issued by the IASB in January 2016, amended IAS 7 *Statement of Cash Flows* to require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial assets. The IPSASB subsequently amended IPSAS 2 *Cash Flow Statements in Improvements to IPSAS, 2018* and the NZASB amended PBE IPSAS 2 in *2018 Omnibus Amendments to PBE Standards*. The Council plans to apply the new standard in preparing the 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

## Changes in Accounting Policies

There have been no other changes in accounting policies.

## Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

## Statement of Significant Accounting Policies

### Basis of consolidation

#### Associate

Western Bay Council's entities associate investment is accounted for in the financial statements using the equity method. An associate is an entity over which Western Bay Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Western Bay Council has a 9.7% share in Bay of Plenty Local Authority Shared Services Limited (BOPLASS), and a 50% ownership in Western Bay of Plenty Tourism and Visitors' Trust.

The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition.

Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Western Bay Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

### **Critical accounting estimates and assumptions**

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 or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### **Infrastructural assets**

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example Western Bay could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, stormwater, wastewater and water supply pipes which are underground. This risk is minimised by Council performing a combination of physical inspections and condition modeling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates being made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the assets, then Western Bay could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk Western Bay's infrastructural assets useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines, published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modeling are also carried out regularly as part of the Western Bay Council's asset management planning activities, which gives Western Bay Council further assurance over its useful life estimates.

Experienced independent valuers perform the Western Bay Council's infrastructural asset revaluations.

### **Critical judgements in applying accounting policies**

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2021.

### **Treatment of airport land**

The airport land consists of some 225ha of land of which some 86ha 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 Council are the beneficial or equitable owners of the jointly owned land. Western Bay Council own 14.45% of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and Western Bay 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 owned airport land is sold and the principal use of the land is no longer an airport then a liability to Western Bay Council is created for the sale price of the jointly owned land at that point.

### **Classification of property**

Western Bay 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 as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

### **Accounting for donated or vested land and buildings with use or return conditions**

Western Bay 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 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.

### **Impact of COVID-19**

Western Bay Council has assessed the impacts of COVID-19 on its position as at 30 June 2021, and its key accounting estimates and its assumptions looking forward.

Council considers that the impact of COVID-19 is immaterial and subsequently there are no adjustments required to key accounting estimates and assumptions.

### **Three Waters Reform**

The Government is implementing a package of reforms to the three waters regulatory system, which are designed to:

- Improve national-level leadership, oversight and support relating to the three waters - through the creation of Taumata Arowai, a new, dedicated Water Services Regulator from 1 March 2021.
- Significantly strengthen compliance, monitoring and enforcement relating to drinking water regulation - through the creation of a new Water Services Bill and revised Drinking Water Standards of New Zealand that are expected to come into effect November 2021.
- Manage risks to drinking water safety and ensure sources of drinking water are protected.
- Improve the environmental performance and transparency of wastewater and stormwater networks.

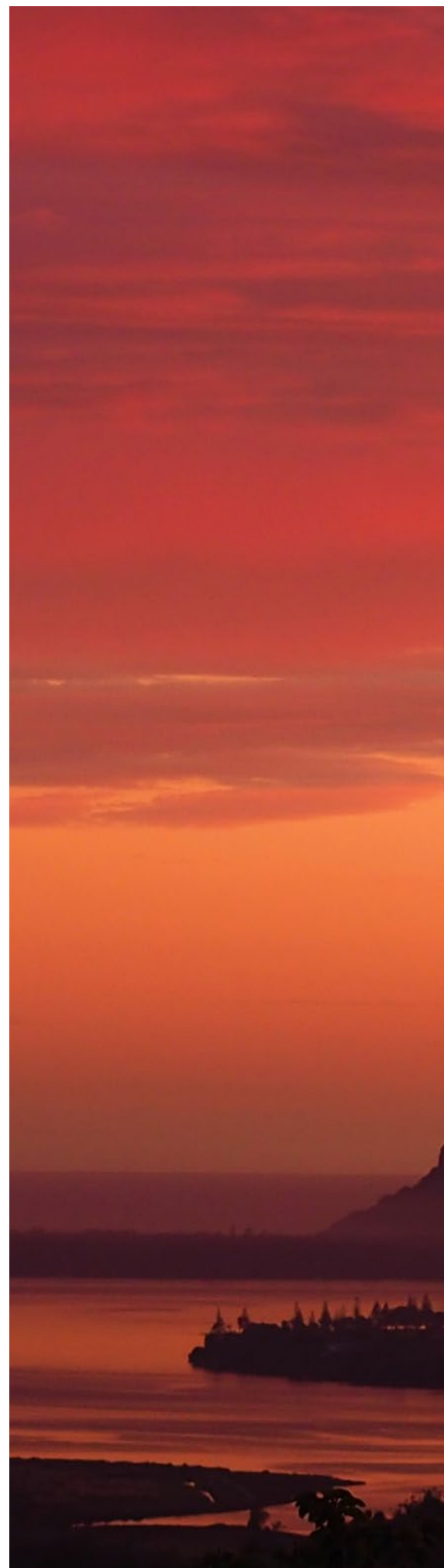
We expect that the regulatory reform and the establishment of Taumata Arowai will change the way we need to demonstrate regulatory compliance, assess risk relating to source and treated water quality and require licencing and authorisation of water supplier entities and individuals involved in providing three water services.

In addition to regulatory reform, Government has initiated a reform process for service delivery of three waters. While the Government's starting intention is for publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership), final decisions on a service delivery model will be informed by discussion with the local government sector and the work of the Joint Steering Committee. As details of proposed new entities are still unknown, it is assumed that Council will continue to provide water, wastewater and stormwater services.

We have signed a Memorandum of Understanding (MoU) with Government to join the first phase of the Government's three waters reform and have received \$6.9 million in stimulus funding to support the delivery of specific three waters projects.

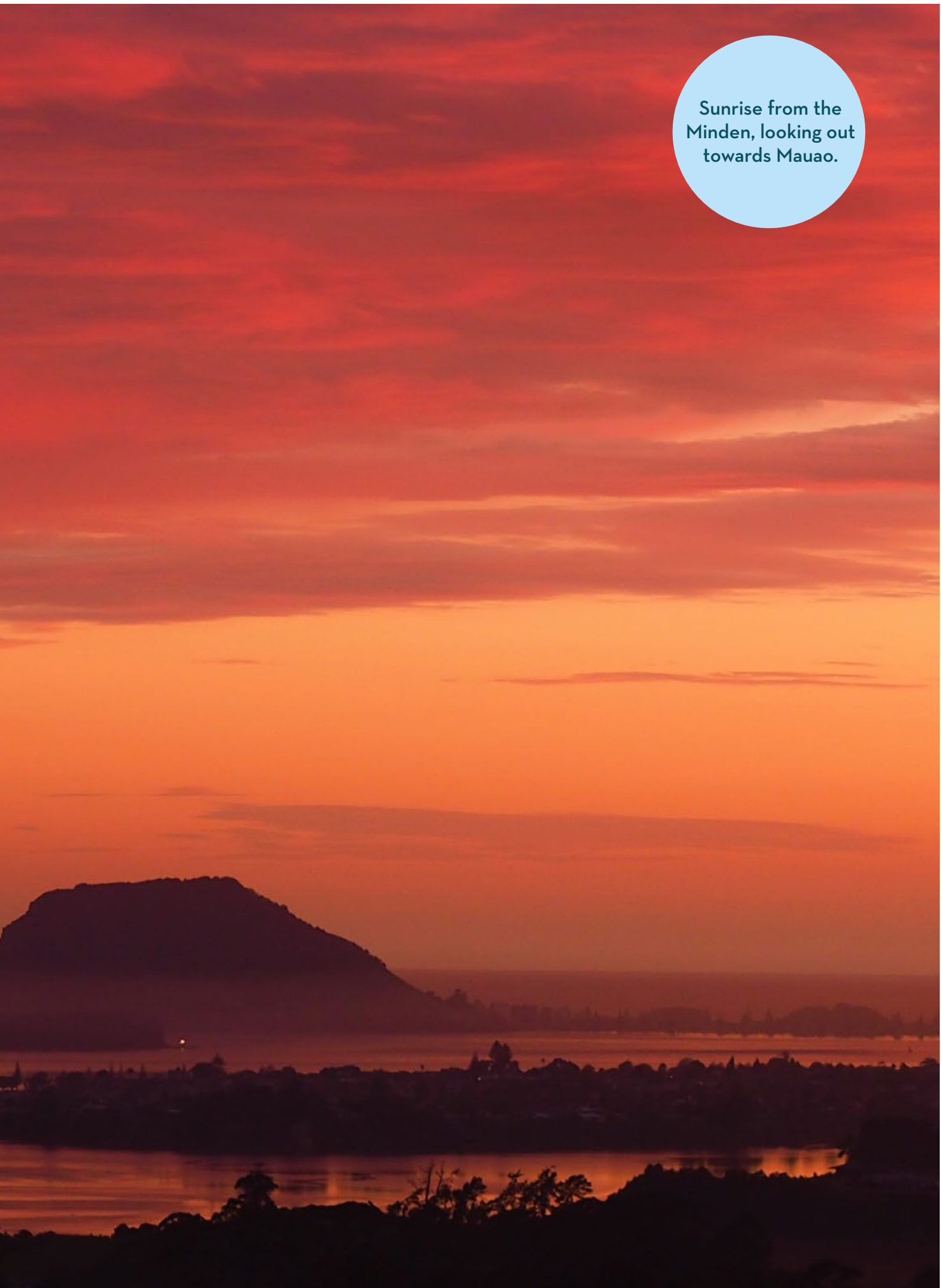
The MoU commits us to a collaborative process with Government to explore structural reform in the waters sector, particularly a multi-regional approach to three waters management and delivery of better health, economic, cultural and environmental outcomes.

The \$6.9 million three waters stimulus includes \$535,000 to fund the early participation in the reform programme, to cover the engagement of additional resource to collate information, provide advice and backfilling of existing roles. Given the complexity of the three waters reform investigations and the time involved to participate and influence outcomes, it is highly likely that further funding will be required.





Sunrise from the  
Minden, looking out  
towards Mauao.



# SUMMARY FINANCIAL REPORTS

## WESTERN BAY OF PLENTY DISTRICT COUNCIL

### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDED 30 JUNE 2021

FOR THE YEAR ENDED 30 JUNE	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
<b>Revenue from non-exchange transactions</b>			
Fees and charges from activities	10,305	6,172	7,728
Rate revenue	74,827	75,174	73,079
Fines	202	228	251
Vested assets	6,216	2,240	5,940
Financial contributions	7,572	10,098	5,892
Subsidies and grants	14,879	11,745	11,950
Other revenue	515	450	448
Fair value movement in derivative financial instruments	5,448	-	-
Gains	413	85	826
<b>Revenue from non-exchange transactions total</b>	<b>120,377</b>	<b>106,192</b>	<b>106,114</b>
Revenue from exchange transactions			
Finance revenue	845	413	905
Dividends	270	-	346
Rental Revenue	898	773	991
Other exchange revenue	1,747	1,557	1,857
<b>Total revenue</b>	<b>124,138</b>	<b>108,934</b>	<b>110,213</b>
Expenditure			
Other expenses	48,783	42,512	45,914
Personnel costs	23,444	22,374	22,404
Depreciation	23,079	22,344	19,298
Amortisation	347	681	299
Unrealised hedging movement	-	-	1,346
Finance costs	4,593	4,146	6,036
<b>Expenditure total</b>	<b>100,246</b>	<b>92,057</b>	<b>95,297</b>
<b>Share of associate surplus/(deficit)</b>	<b>19</b>	<b>-</b>	<b>1</b>
<b>Net surplus / (deficit)</b>	<b>23,911</b>	<b>16,877</b>	<b>14,917</b>
Other comprehensive revenue and expenses			
Gains/(Losses) on asset revaluations	61,871	-	46
Reversal of impairment	-	1	2
Other assets at fair value through other comprehensive revenue and expense	98	-	(408)
<b>Total other comprehensive revenue and expense for the year</b>	<b>61,969</b>	<b>1</b>	<b>(361)</b>
<b>Total comprehensive revenue and expense for the year</b>	<b>85,879</b>	<b>16,878</b>	<b>14,556</b>

# WESTERN BAY OF PLENTY DISTRICT COUNCIL

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDED 30 JUNE 2021

*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.*

### **The major contributors to the variance were:**

- <sup>1</sup> Strong regulatory income relating to user fees received compared to budgeted applications for fees along with, NZTA funding for contributions to the Tauranga Ōmokoroa cycleway project from NZ Community Trust, TCC and NZTA.
- <sup>2</sup> Reduction in rates revenue is primarily due to a reduction in growth for rating units being 0.78% compared to 1.78% budgeted.
- <sup>3</sup> Financial contributions were lower in 2021 due to slowing down across some activities such as stormwater and Omokoroa waste water.
- <sup>4</sup> Vested assets income of \$6.22m is \$3.98m higher than budget this is due to the processing of asset revaluation adjustments, predominantly stormwater ponds which were not held in asset records.
- <sup>5</sup> Subsidies and grant income of \$14.879m was \$3.134m higher than budget of \$11.745m due to timing and availability of capital works eligible for NZTA funding.
- <sup>6</sup> Gains of \$0.413m predominately relates to the revaluation movements of council held asset across most activities.
- <sup>7</sup> Other revenue was \$1.058m higher than budget this is predominately due to movements in rental income, dividend income and forestry income.
- <sup>8</sup> Other expenses were \$6.271 higher than budget due to higher costs associated with delivering operational contracts.
- <sup>9</sup> Personnel costs of \$23.444m was \$1.070m higher than budget of \$22.374m due to unbudgeted vacancies, increased workloads resulting in staff working more hours, new initiatives and new services such as CIP and Kerbside projects.
- <sup>10</sup> Depreciation and amortisation costs of \$23.426m is \$0.401 lower than budget of \$23.025m.
- <sup>11</sup> Finance costs realised of \$0.447m.
- <sup>12</sup> Unrealised hedging movement of \$5.448m was unbudgeted.

# WESTERN BAY OF PLENTY DISTRICT COUNCIL

## STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2021

	RETAINED EARNINGS	ASSET REVALUATION RESERVE	COUNCIL RESERVES	TOTAL EQUITY
	ACTUAL \$'000'S	ACTUAL \$'000'S	ACTUAL \$'000'S	ACTUAL \$'000'S
<b>Balance at 1 July 2019</b>	<b>889,720</b>	<b>432,835</b>	<b>32,189</b>	<b>1,354,744</b>
Total comprehensive income for the year	15,995	(1,584)	143	14,554
<b>Balance at 30 June 2020</b>	<b>905,715</b>	<b>431,251</b>	<b>32,332</b>	<b>1,369,298</b>
Total comprehensive income for the year	23,911	61,871	127	85,909
<b>Balance at 30 June 2021</b>	<b>929,626</b>	<b>493,121</b>	<b>32,458</b>	<b>1,455,206</b>

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
<b>Total equity</b>	<b>1,455,206</b>	<b>1,422,600</b>	<b>1,369,298</b>
<b>Assets</b>			
<sup>1</sup> Total current assets	39,417	30,240	50,257
<sup>2</sup> Total non-current assets	1,540,487	1,530,354	1,463,330
<b>Total assets</b>	<b>1,579,904</b>	<b>1,560,593</b>	<b>1,513,586</b>
<b>Liabilities</b>			
Total current liabilities	37,253	39,133	41,344
Total non-current liabilities	87,444	98,860	102,945
<sup>3</sup> <b>Total liabilities</b>	<b>124,697</b>	<b>137,993</b>	<b>144,288</b>
<b>Net assets</b>	<b>1,455,206</b>	<b>1,422,600</b>	<b>1,369,298</b>

## MAJOR VARIANCES

<sup>1</sup> Cash on hand was \$8.783 million lower than last year. This reflects Council's decision to use surplus cash to repay debt in April 2021.

<sup>2</sup> Property, plant and equipment was \$130,338 million higher than last year. The increase reflects capitalisation of completed projects and revaluation movements.

<sup>3</sup> Interest Rate Swap liability was \$5.448 million lower than last year. This reflects the reduction in market interest rates over 2020/21.

Repayment of debt during the year of \$20.00m.

# WESTERN BAY OF PLENTY DISTRICT COUNCIL

## STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2021

FOR THE YEAR ENDED 30 JUNE	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
<b>Cash flows from operating activities</b>			
Receipts from rates revenue	75,285	75,088	72,557
Regional Council rates	8,942	8,449	8,383
Interest received	5,494	413	675
Dividends received	270	-	346
Receipts from other revenue	33,842	31,109	29,362
Payments to suppliers and employees	(65,888)	(64,640)	(69,401)
Interest paid	(4,593)	(4,146)	(6,036)
Regional Council rates	(8,942)	(8,449)	(8,383)
Goods and services tax (net)	155	-	(4)
<b>Net cash from operating activities</b>	<b>44,564</b>	<b>37,822</b>	<b>27,499</b>
<b>Cash flows from investing activities</b>			
Receipts from sale of property, plant and equipment	3,505	-	7,698
Purchase of property, plant and equipment	(36,853)	(37,613)	(28,732)
Purchase of intangible assets	-	-	(1,618)
Purchase of investments	-	-	-
Sale of Investments	-	-	20
<b>Net cash from investing activities</b>	<b>(33,348)</b>	<b>(37,613)</b>	<b>(22,632)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	-	-	-
Repayment of borrowings	(20,000)	-	-
<b>Net cash from financing activities</b>	<b>(20,000)</b>	<b>-</b>	<b>-</b>
Net (decrease)/increase in cash held	(8,783)	209	4,867
Cash, cash equivalents and bank overdrafts at the beginning of the year	34,489	3,915	29,622
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>25,706</b>	<b>4,124</b>	<b>34,489</b>

### MAJOR VARIANCES TO BUDGET WERE

2021 actual movement was a net decrease in cash held of \$8,783 million versus a budgeted net increase of \$0.209 million and last year actual net increase in cash held of \$4.867 million.

Net cashflows from operating activities of \$44.564 million versus a budgeted net increase of \$37.822 million and last year actual of \$27.499 million.

- Rates revenue has increases by \$0.197 million due to district growth and increased Council budgets requiring rate funding.
- Financial Contributions were \$2.525 million lower than budgeted due to slowing building activity within the District and the timing of receipts.
- Other expenses has increased by \$6.271 million due to increased contractor maintenance expenses and other increases in operating expenses.

Net Cashflows from investing activities of (\$33.347 million) versus (\$37.613 million) budget and last year actual of (\$22.632 million). This is due to the under-delivery of Council's capital expenditure programme of \$7.44 million.

Net Cashflows from financing activities of (\$20.000 million) versus (\$0.000 million) budget and last year actual of (\$0.000 million). Net cashflows from financing activities are due to repayment of debt during the year.



# WESTERN BAY OF PLENTY DISTRICT COUNCIL

## SUMMARY OF COST OF SERVICES

### TOTAL OPERATING REVENUE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
<b>Significant activities</b>			
Representation	3,179	3,353	3,473
Planning for the future	2,847	2,859	2,683
Communities	7,650	7,590	7,536
Recreation and leisure	11,191	9,727	10,839
Regulatory services	11,213	10,182	10,187
Transportation	30,220	27,430	28,796
Water supply	14,736	15,963	13,426
Stormwater	12,776	7,165	7,236
Natural environment	874	1,008	836
Wastewater	14,680	14,757	15,719
Solid waste	2,258	2,428	2,228
Economic development	811	1,074	1,075
Council services	11,703	5,398	6,179
<b>Total operating revenue by activity</b>	<b>124,138</b>	<b>108,934</b>	<b>110,213</b>
<b>Council services</b>	<b>124,138</b>	<b>108,934</b>	<b>110,213</b>

### TOTAL OPERATING EXPENDITURE

	ACTUAL \$'000	BUDGET \$'000	ACTUAL \$'000
	2021	2021	2020
Significant activities			
Representation	2,723	2,977	3,187
Planning for the future	2,723	2,977	2,684
Communities	7,615	8,039	7,626
Recreation and leisure	9,354	7,468	7,179
Regulatory services	11,205	10,305	10,175
Transportation	22,876	22,506	19,622
Water supply	17,188	12,101	14,732
Stormwater	3,912	4,040	4,516
Natural environment	929	910	724
Wastewater	12,862	12,482	15,149
Solid waste	1,891	1,981	1,673
Economic development	929	910	743
Council services	5,837	5,027	7,287
<b>Total operating expenditure by activity</b>	<b>100,246</b>	<b>92,055</b>	<b>95,297</b>
<b>Council services</b>	<b>100,246</b>	<b>92,055</b>	<b>95,297</b>

# WESTERN BAY OF PLENTY DISTRICT COUNCIL

## STATEMENT OF COMMITMENTS AT 30 JUNE 2021

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
<b>Capital commitments approved and contracted</b>	<b>11,502</b>	<b>7,327</b>
<b>Non-cancellable operating lease commitments Plant and equipment</b>		
Not later than one year	50	103
Later than one year and not later than two years	39	42
Later than two years and not later than five years	118	121
Later than five years	1,322	1,400
<b>Total non-cancellable operating leases</b>	<b>1,529</b>	<b>1,666</b>

### OTHER COMMITMENTS

#### Roading network and utilities maintenance contracts.

In November 2014, Western Bay Council entered into a seven year One Network Maintenance Contract with Opus International Consultants Limited to provide capital and maintenance work to the District's roading network. In 2021 the value of the contract has been increased from \$75.99 million to \$200 million and extended to October 2023. As at 30 June 2021 \$131.90 million remained committed on this contract for the remaining 28 months, including estimated escalations in the contract.

In July 2021, Western Bay 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 1 July 2021 is \$40.00 million.

In July 2021 Western Bay Council entered into a five year contract with Envirowaste Ltd for the provision of kerbside waste services. The value of the contract as of July 1 2021 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.

## Contingent liabilities

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Building Act claims	50	50
Weatheright Homes Resolution Service (WHRS)	400	400
Local Authority Protection Programme Disaster Fund (LAPP)	-	-
<b>Total contingent liabilities</b>	<b>450</b>	<b>450</b>

## OTHER LEGAL PROCEEDINGS

### Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. At the date of this report, there were no matters under the Act indicating potential liabilities (2020: \$Nil). The \$50,000 disclosed relates to the expected cost to Western Bay District Council. The balance is expected to be covered through insurance.

### Unquantified Claims

There were no additional claims lodged with the Weatheright Homes Resolution Service (WHRS) as at 30 June 2021 (2020: Nil). These claims relate to weather-tightness issues of homes in the Western Bay of Plenty District area and name Western Bay of Plenty District Council as well as other parties. There are a total of 4 claims that are still open as at balance date (2020: 4).

It is not yet certain whether these claims are valid and whom will be liable for the building defects, therefore, Western Bay is unable to assess its exposure to the claims lodged with the WHRS.

The costs of any successful claims against Western Bay with a claim date of 30 June 2009 or earlier are expected to be substantially covered under Western Bay's insurance policies, subject to an excess of \$50,000 per claim.

Any costs associated with a successful claim received after 1 July 2009 will be entirely met by Western Bay. As a result \$400,000 has been recognised as a contingent liability.

Council underwent mediation with a claimant earlier this year. No resolution was agreed however, settlement negotiations are ongoing. The plaintiff is currently considering the scope for remedial works which will be priced accordingly. The designer and builder of the house are also named defendants. Council may face a higher proportion of any liability if the other defendants do not have the means to make a meaningful contribution. No trial date has been set.

### New Zealand Local Government Funding Agency (LGFA)

Western Bay of Plenty District Council is a shareholder of The New Zealand Local Government Funding Agency Limited. This entity was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. Standard and Poors have given the entity a credit rating of AA+ which is equal top New Zealand Government sovereign rating.

As at 30 June 2021 there were 31 (2020: 31) shareholders made up of 30 local authorities and the Crown.

All 30 local authority shareholders have uncalled capital equal to their individual shareholding and totalling \$20million in aggregate which can be called on in the event that an imminent default is identified. The shareholders are also guarantors of the LGFA balance sheet and the borrowings of all other local authorities which totalled \$12,810m (2020: \$10,990m) at 30 June.

New Zealand Financial International Reporting Standards require Western Bay of Plenty Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that;

- We are not aware of any local authority debt default in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

### Share of associates' contingent liability

There are no shared contingent liabilities associated with any associates of Council.

## 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 on terms and conditions no more or less favourable than those that it is reasonable to expect the Western Bay Council would have adopted in dealing with the party at arm's length in the same circumstances.

## TRANSACTIONS WITH COUNCILLORS AND KEY MANAGEMENT PERSONNEL

### Transactions with Councillors and key management personnel compensation

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
<b>Councillors</b>		
Full-time equivalent members	12	12
Salaries and other short term employee benefits	593	592
<b>Senior Management Team, including the Chief Executive</b>		
Full-time equivalent members	5	5
Salaries and other short term employee benefits	1,387	1,373
<b>Total senior management remuneration</b>	<b>2,048</b>	<b>1,965</b>

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

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 38 of the Annual Report 2020-21 from pages 172 - 174.

### ELECTED MEMBER REMUNERATION

	ACTUAL \$'000	ACTUAL \$'000
	2021	2020
Councillors	593	592
Community board members	112	107
<b>Total elected member remuneration</b>	<b>705</b>	<b>699</b>

### Impact of COVID-19

Western Bay Council has assessed the impacts of COVID-19 on its position as at 30 June 2021, and its key accounting estimates and its assumptions looking forward.

Council considers that the impact of COVID-19 is immaterial and subsequently there are no adjustments required to key accounting estimates and assumptions.

## EVENTS AFTER BALANCE DATE

In August 2021, Covid-19 reappeared in Auckland. The country was placed in lockdown at Alert Levels 3 and 4 since the outbreak occurred. Staff continue to work either remotely or on site to align with government protocol on physical distancing. There was no significant impact on our essential services during Level 3 and 4, deferred maintenance and capital works programmes have not affected our services.

# AUDIT REPORT

## 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 2021

The summary of the annual report was derived from the annual report of the Western Bay of Plenty District Council (the District Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 11 to 29:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive income, statement of changes in net assets/equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

#### 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 2021 in our auditor's report dated 19 October 2021.

#### 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 the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed and audit engagements for the 2021-31 Long-term plan Consultation Document and the 2021-31 Long-term plan. Other than these engagements, we have no relationship with, or interests in, the District Council.



Clarence Susan  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand  
19 October 2021