



# ANNUAL — REPORT —

*For Year Ended 30 June 2016*



*Western Bay of Plenty  
District Council*





# 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 descendants 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 46,000 people expected to reach around 55,500 by 2033. Between the 2006 and 2013 censuses, the population of the District grew by 4.5%; it is estimated that the population will grow by 5.9% in the next five years. Most of this growth has come from migration from other parts of New Zealand.

### AT A GLANCE

- Of the District's population 18% identify themselves as Māori, which is a little lower than the national average of 19%.
- 19% of residents in the District are over 65 years old, higher than the national average of 14%.
- Unlike the rest of New Zealand the most common family type in the District is couples without children (50%), reflecting the older age structure of the population.
- The average household size in the District is slightly lower at 2.6 than the national average of 2.7.
- In 2013 there were 16,941 occupied dwellings in the Western Bay of Plenty District, an increase of 1,284 dwellings or 8% compared with the 2006 Census.
- Overall the District has a lower level of socio-economic deprivation than the country as a whole.
- District residents had a lower than the national average personal income of \$26,300, compared to the national average income of \$28,500 in 2013.
- 70% of the District's residents own their own home, compared with 65% nationally.
- Weekly average rent is considerably lower than nationally (\$250 compared to \$280 nationally, based on 2013 census data).

## 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.

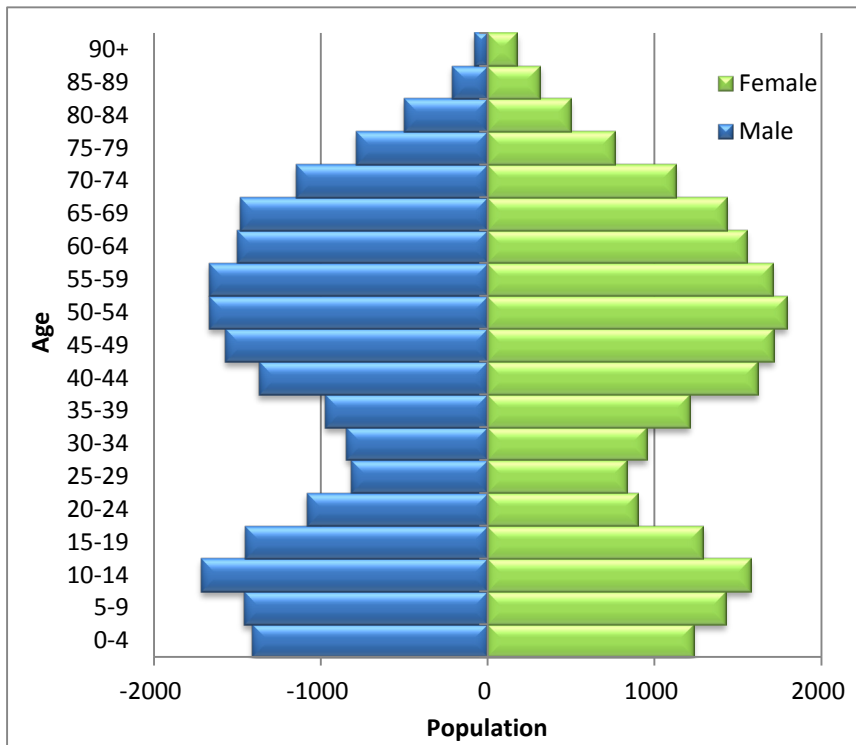
Matakana Island forms a natural barrier between Tauranga Harbour and the Pacific Ocean.

## OUR ECONOMY

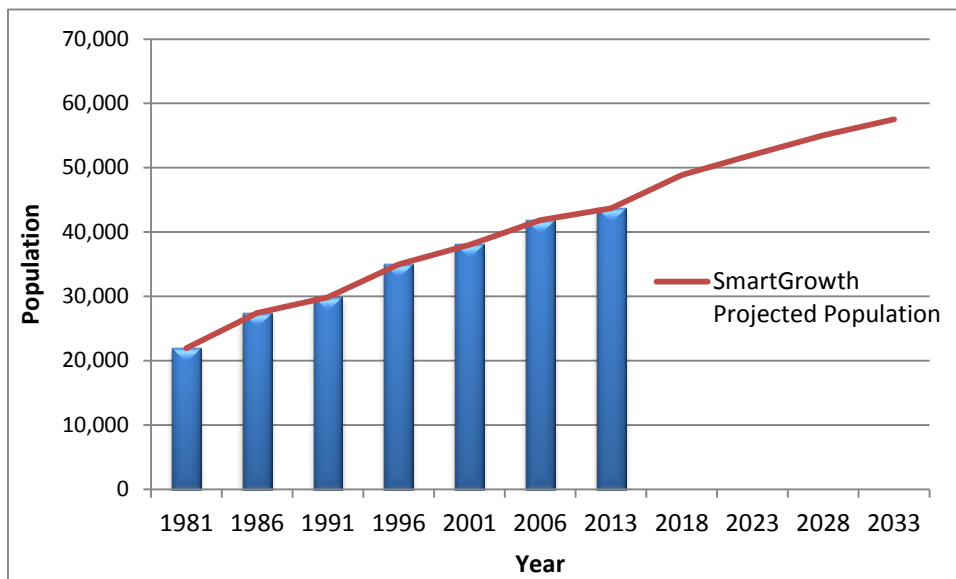
Agriculture and horticulture are the main economic drivers of the Western Bay of Plenty District and the greater Tauranga and Western Bay sub-region. These two primary sectors fuel a multitude of professional businesses and service industries, employing a diverse labour force. Our environment, soils 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.

**Age sex distribution (as at the 2013 Census)**



**Population projection as at the 2013 Census**



# STATEMENT OF COMPLIANCE

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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.



**Ross Paterson**  
**His Worship The Mayor**  
**Western Bay of Plenty District**



**Miriam Taris**  
**Chief Executive Officer**  
**Western Bay of Plenty District Council**



# THE CHIEF EXECUTIVE'S INTRODUCTION

*2015/16 has been a year of opportunity and challenge for Council operations.*

**Debt has been reduced; regulatory income significantly increased; most sectors of the District's economy are doing well and Council is financially stable enough to manage any shocks that may come through in the medium term.**

After several years of low growth and financial insecurity following the global downturn, 2015/16 has seen growth related income exceed budget by \$1.67m.

This turnaround is evident in regulatory fees being \$1.2m ahead of forecast. This income has offset additional costs of employing more staff to manage increased demand and had a positive impact on Council's General Rate Reserve.

Rates income was also \$1m ahead of budget following strong growth in subdivision activity and market pressure increasing the value of land and improvements.

While growth has had a positive impact on Council's balance sheet, the four per cent rate cap set in the Long Term Plan 2015-2025 has been breached. Having said this, additional rates revenue will have a positive flow-on as a greater number of ratepayers absorb rate costs.

**During the year Council's net debt reduced by \$14 million taking it to \$111m compared to \$125m in 2014/15.**

This stronger financial position has been fundamental to forging ahead with a \$41m capital works programme in 2016/17 that includes construction of a new library and community hub in Katikati and a major upgrade of Omokoroa Road. The upgrade of Omokoroa Road is fundamental to growth management on this coastal peninsula, which has also seen work progress on the development of the Special Housing Area.

In Waihi Beach, funding of the Events and Promotions Association has delivered economic benefit through increased visitor occupancy.

2015/16 also marked the start of parts of the Tauranga Moana Cycleway. This is an urban/coastal cycleway jointly funded by Central Government, Western Bay of Plenty District Council and Tauranga City Council.

On the flipside, Council has experienced some challenges during the year.

Interest rates swap liability increased by \$4.5m due to continue low global interest rates. While this is a non-cash adjustment it is required to accurately reflect liability.



**Miriam Taris**  
*Chief Executive Officer*

Council continued to benefit from its shareholding in the New Zealand Local Government Funding Agency (LGFA). The Agency was established five years ago to lend money to local authorities at a lower rate than could be accessed from mainstream lending institutions.

Implementation of the western Bay of Plenty sub-region growth management strategy (SmartGrowth) continued to build momentum during the year.

**The wealth of research and leadership that formed this 50-year blueprint for sustainable land use, settlement and infrastructural placement is bearing fruit as the western Bay of Plenty experiences a development boom.**

In closing, Council's 2015/16 results validate the financial strategy put in place in the Long Term Plan and positions the organisation well for the future.

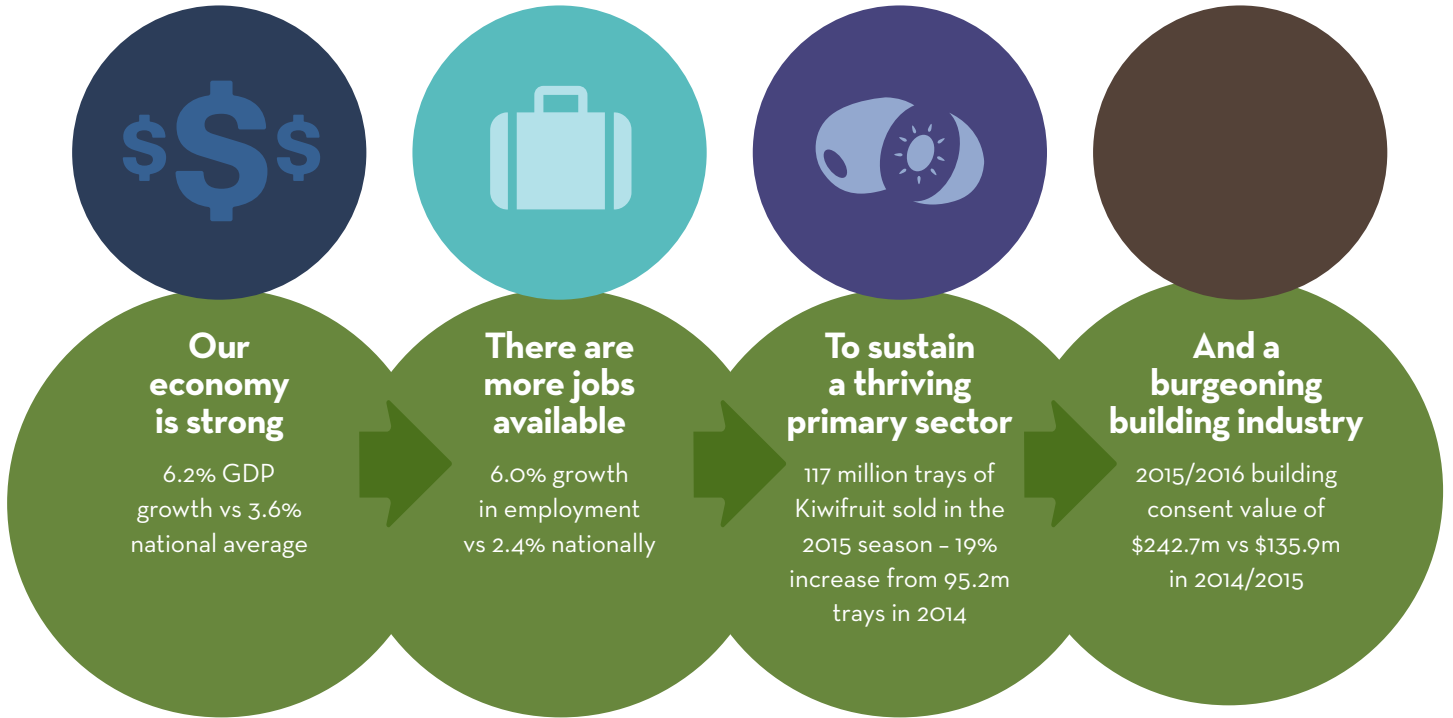
My thanks to elected members and Council staff for their cooperation, expertise and willingness to work as a team for the benefit of residents across the Western Bay of Plenty.

A handwritten signature in black ink, appearing to read 'Miriam Taris'.

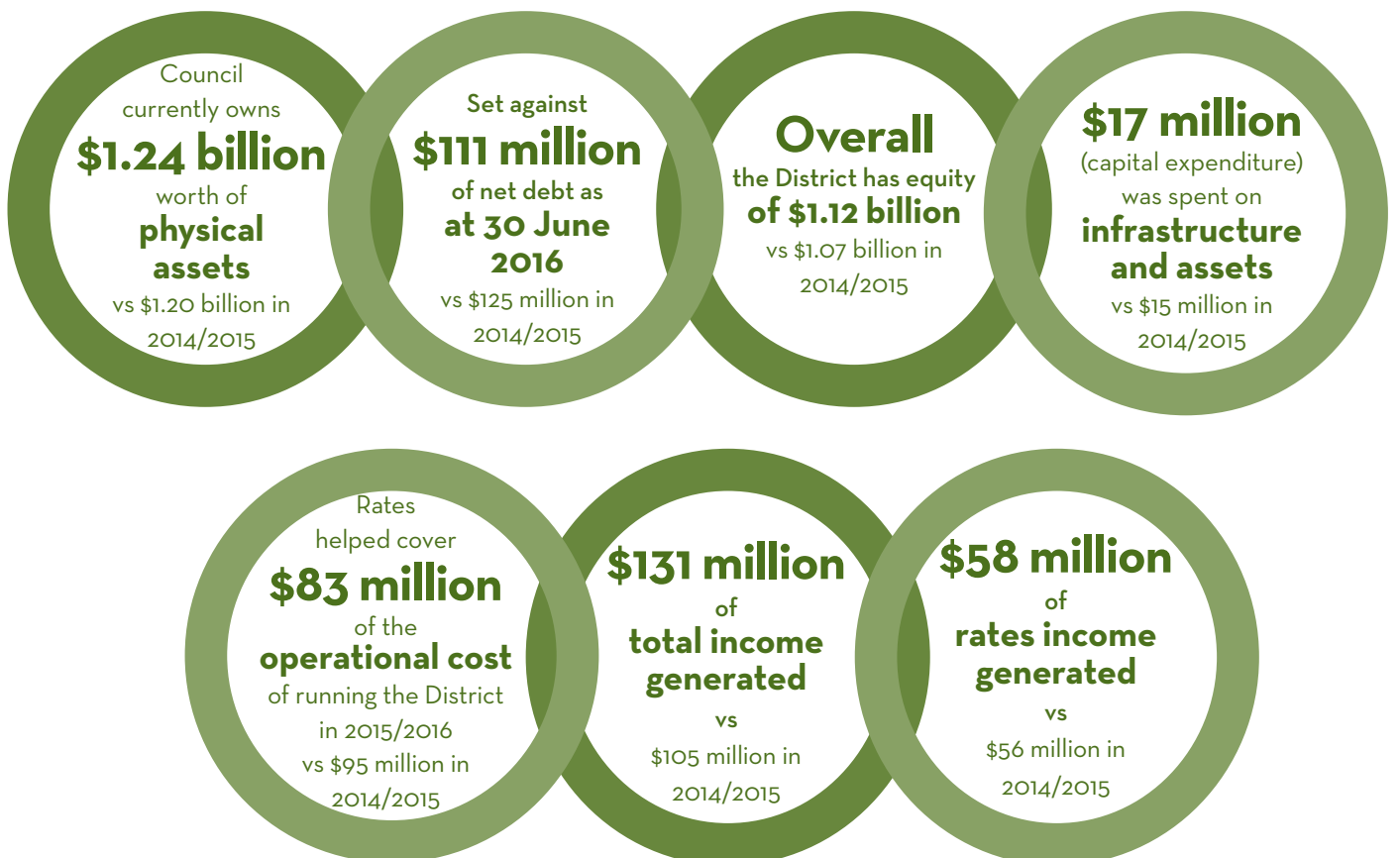
**Miriam Taris**  
*Chief Executive Officer*  
Western Bay of Plenty District Council



## A DISTRICT FORGING AHEAD



## PLAYING OUR PART

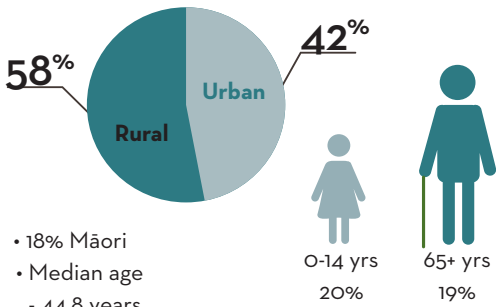


# COUNCIL AT A GLANCE - KEY FACTS

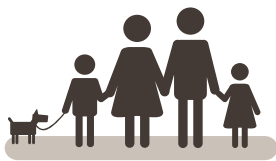
## OUR PEOPLE



Population 43,695



- 18% Māori
- Median age - 44.8 years



## OUR LAND

- 212,000 hectares
- 202 kilometres of harbour
- 55 kilometres of ocean beach
- Outstanding soil conditions that grow a basket of 'super foods' - from Kiwifruit to some of the world's highest grade dairy, beef and lamb products



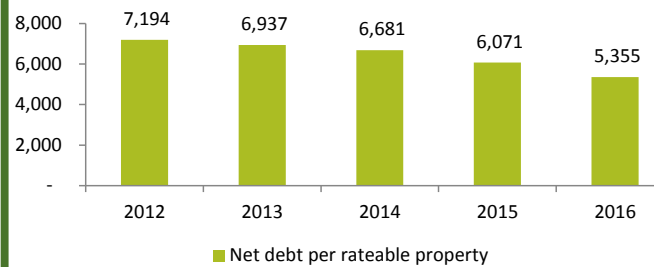
## OUR COMMUNITIES

- Rich tapestry of small thriving communities.
- Three wards - Katikati/Waihi Beach, Kaimai, Maketu/Te Puke.
- An incredibly strong sense of place, resilience and ability to adapt.
- An expectation to engage at a community level - grass roots, town hall, road side.



## OUR DEBT

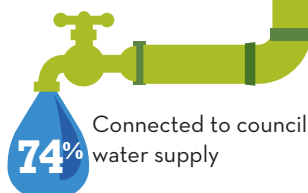
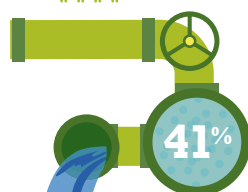
Net debt per rateable property



## OUR CUSTOMERS



Ratepayers 20,696



Connected to council water supply

Connected to council wastewater treatment and disposal

- Travel on 122 kilometres of state highway and 1,053 kilometres of local roads

# ROLE OF THIS ANNUAL REPORT

*This Annual Report is provided to compare Western Bay of Plenty 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)** 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 2015.

### ANNUAL PLAN

**(Section 95)** 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)** 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))** provides a summary of information contained in Council's Annual Report.

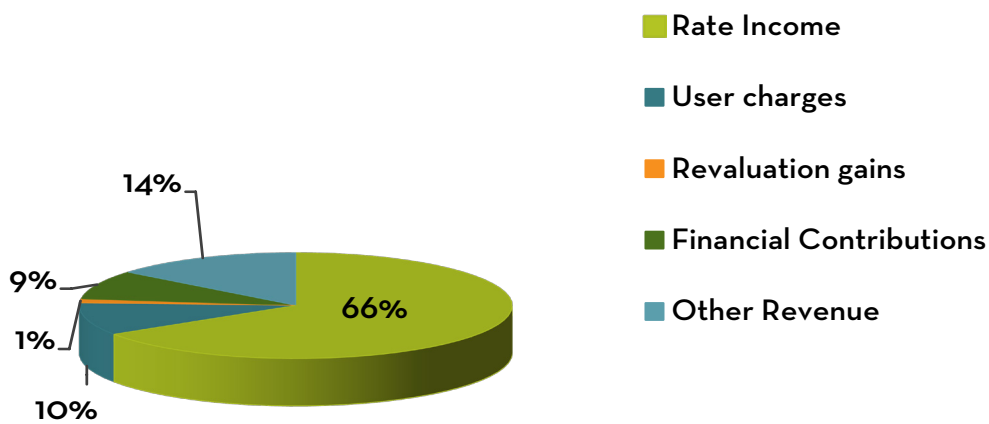
## BRINGING THE PLANNING PROCESS TOGETHER



# FINANCE SUMMARY OVERVIEW

Council has reported a net surplus of \$47.73 million compared with a budgeted operating surplus of \$7.98 million. The major contributor to this increased surplus was the vesting of the Te Puke Highway (formerly SH2) of \$39.5m from NZTA.

## Council Revenue 2015/16 (excluding vested assets) \$88.7m



## Council Capital and Operating Expenditure 2015/16 \$83.4m

