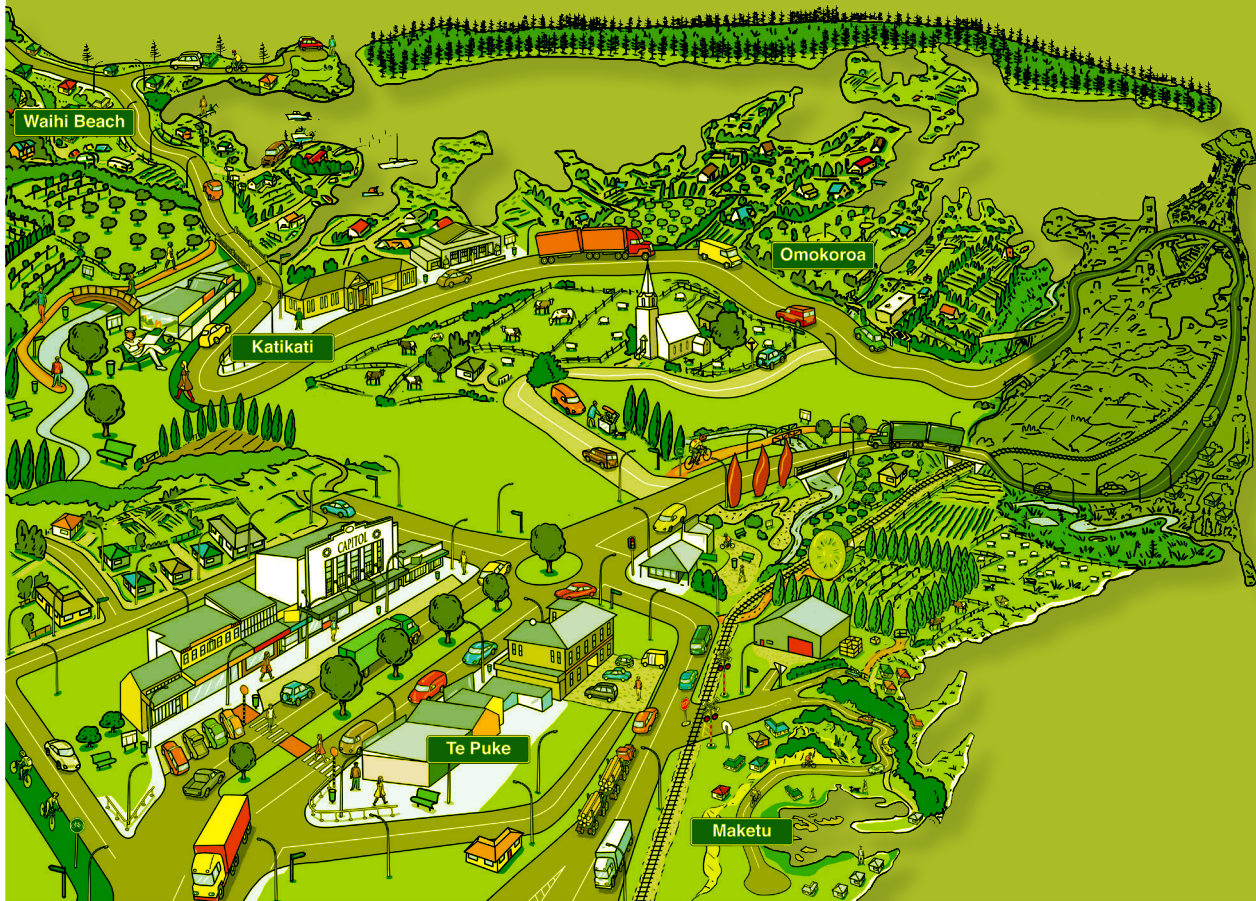


# ANNUAL REPORT

FOR YEAR ENDED 30 JUNE 2014



TE KAUNIHERA A ROHE MAI I NGA KURI-A-WHAREI KI OTAMARAKAU KI TE URU



**Western Bay of Plenty**  
District Council

# Western Bay of Plenty District Council

## Annual Report for the year ended 30 June 2014



Prepared under New Zealand equivalents to International Financial Reporting Standards

ISSN 1171-4875 (print)  
ISSN 1178-3974 (online)

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## Our District

Western Bay of Plenty District Council is the local government authority serving the Western Bay of Plenty located in the North Island of New Zealand. The Council's catchment area covers 212,000 hectares and since 12 October 2013 the District has been served by a Mayor and 11 councillors within a three-ward structure. The Katikati-Waihi Beach Ward is represented by three councillors, the Kaimai Ward is represented by four councillors and the Maketu-Te Puke Ward has four councillors.

With 43,695 people, the Western Bay of Plenty District has 1% of the total population of New Zealand. (2013 Census, usually resident population count.)

The District is less ethnically diverse than the New Zealand population as a whole and is dominated by Europeans (81.9%) and Māori (18.2%), and contains smaller proportions of Pacific Island (2.4%) and Asian people (5.1%), other (2.3%). (2013 Census, usually resident population count, ethnicity statistics reflect that people identify with more than one ethnic group.)

The District is characterised by a larger proportion of older (65 years and over) people than the national average, 19.3% compared with 13.9% for New Zealand. This is reflected in a higher median age of 45 years for residents within the District compared with 38 years for the total New Zealand population. (2013 Census, usually resident population count.)

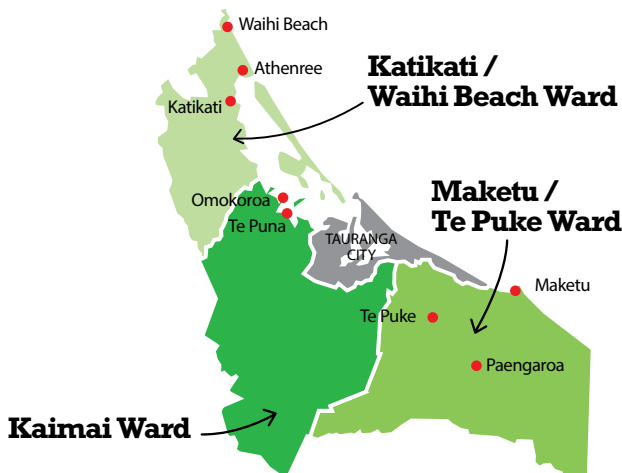
The District has a similar proportion of younger people (under 15 years) as the national average, with 20.0% compared with 19.9.

Approximately 42% of the District's population lives in urban areas.

Population characteristics vary significantly within the District. For example, Katikati is characterised by an older population base while Maketu is dominated by a more youthful, Māori population. (2013 Census, usually resident population count.)

Western Bay of Plenty is a growth district. Over the period 2006 - 2013 the population of the District increased by 4.5%, the principal source of this growth was through migration. This trend is anticipated to continue over the next 20 years, with a projected District population of 57,546 in 2033 (Western Bay of Plenty District Council SmartGrowth population projections by University of Waikato – NIDEA (April, 2014).

Between 2006 and 2013, Omokoroa was the fastest growing area in the District and during this time the population grew by 15.5%. Most areas in the District experienced population growth since the last Census in 2013. However, Island View-Pios Beach, Tahawai, Te Puna, Maketu and Pongakawa all experienced a decline in population, by 3%, 2%, 1%, 11% and 13% respectively.



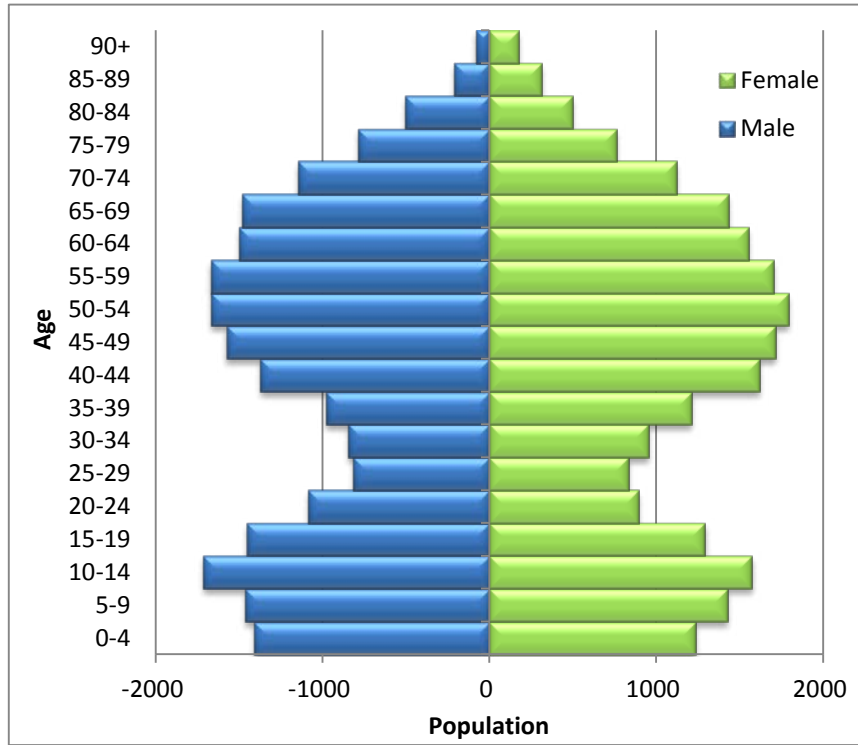
The number of people aged 15 years or over within the District with no formal qualifications (21.6%) is higher than the national average (18.6%).

44.2% of householders in the District own or partly own their homes<sup>1</sup> and an additional 21.8% are owned through a family trust.

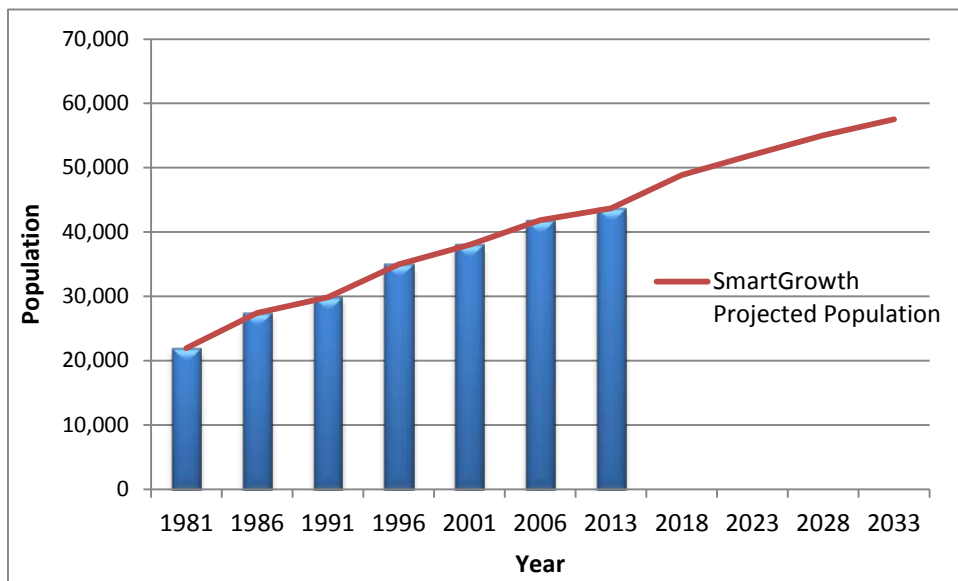
Couples without children make up 49.7% of all families in the Western Bay of Plenty District. 14.1% are one parent families and couples with children make up the remaining 36.3%.

74.9% of households in the District have access to the internet, compared with 60.5% seven years ago.

### Age Sex Distribution 2013



### Population Projection



## 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.



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



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





# The Mayor's Report

## Western Bay of Plenty District Council

### 2013/2014 Annual Report Foreword by the Mayor



**Ross Paterson  
Mayor**

Council has come through the 2013/14 financial year in a sound position.

Total external debt has reduced from \$175.51 million in 2012/13 to \$156.00 million this year. Net external debt has also reduced from \$140.02 million in 2012/13 to \$134.97 million in 2013/14.

This highlights our focus on managing debt in a prudent manner. We also continue to receive competitive interest rates from the New Zealand Local Government Funding Agency which is helping to keep our total interest bill down.

Growth has continued to challenge us financially.

Last year we had anticipated that development growth would continue to be sluggish – a hangover from the global financial crisis. For that reason we revised our growth forecast down from 1.0% to 0.9% for the 2013/14 year.

Growth-funded financial contributions (payments made by developers for subdivision) for the year under review were \$1.37 million lower than expected. This shortfall has been offset partially by the steps we took in the 2012-22 Long Term Plan to introduce the interest recovery rate. Council is continuing with the allocation of \$700,000 from the General Rate and \$300,000 from the Roothing Rate to ensure interest costs on growth-related debt is met in the short term.

We are also working closely with Central Government to provide special housing areas through a Housing Accord. Under this agreement we aim to increase the number of new homes in the District by 175 additional houses over the next two years.

Omokoroa has been identified as the first area for special housing development as there are potential residential areas where infrastructure and commercial development is already in place and where changes can take affect to complement the existing market.

The Accord enables Council to fast-track changes without having to go through the standard Resource Management Act process. We will also be looking at the possibility of other special housing areas in Katikati and Te Puke, where affordable residential development can occur under the Accord.

The Accord supports our sub-regional growth management strategy SmartGrowth. SmartGrowth continues to be a benefit for the Western Bay as well as for Central Government as we already have settlement patterns planned for the future and infrastructural development under way.

During the year work also progressed to change Council's charging structure for water and wastewater. This work has resulted in a single charge for the District's wastewater schemes and a single charge for the Western Bay's three water schemes.

The rationale behind this is that the service provided to each ratepayer for water and wastewater is the same, irrespective of where their property lies. A move to a single charge also means that future rates spikes for upgrades will be absorbed across all those people being serviced by the schemes.

The charges will be phased in over three years to reduce the impact on the affected ratepayers, many of whom are on fixed incomes.

Council's partnership with Tauranga City Council and the Bay of Plenty Regional Council continues to ensure that the region's recreational and leisure assets are well maintained and enhanced.

The TECT (Tauranga Energy Consumer Trust) All Terrain Park continues to go from strength to strength under the stewardship of a professional management structure and through the commitment of the various user groups. The Park's most recent success in being awarded the internationally recognised Green Flag award is testament to this.

2013/14 also marked Council receiving a Gold Award by the New Zealand Business Excellence Foundation. The Gold added to our silver award in 2009 and is further validation of our continuous improvement philosophy across all parts of our organisation.

In summary, the Western Bay of Plenty District Council remains in good stead financially and operationally with a committed and loyal staff.

We continue to have an open mind on any future local government structure for the Bay of Plenty and remain determined to ensure our communities are brought into the debate on our future.

I thank my fellow elected members and Council staff for their cooperation and willingness to work as a team for the benefit of residents across the Western Bay of Plenty District.

A united workforce, strong governance and a realistic plan for the future are keys to successful outcomes.



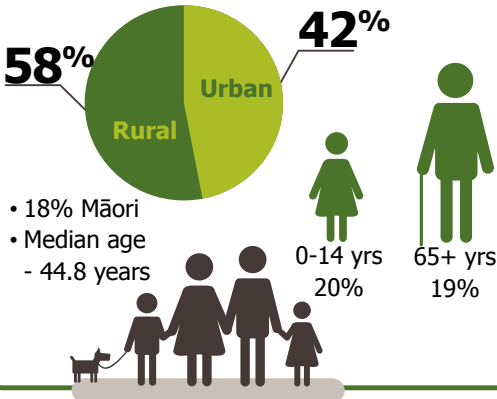
**Ross Paterson**  
**Mayor**  
**Western Bay of Plenty District**



# Council at a glance - key facts

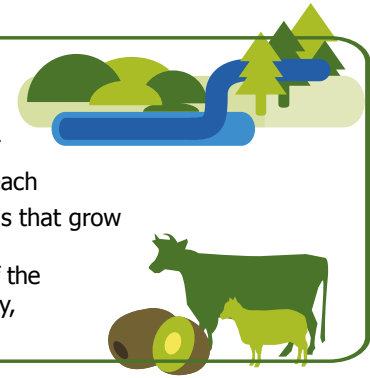
## OUR PEOPLE

Population 43,695



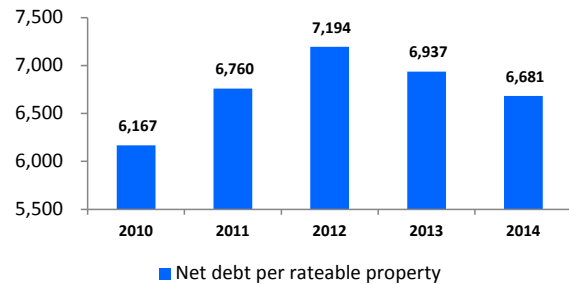
## OUR LAND

- 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 DEBT

Net debt per rateable property



## OUR FINANCES

2013/2014 Actual Results

Total income <b>\$83,889,000</b> (2013: \$80,119,000)	Total operating costs <b>\$78,110,000</b> (2013: \$74,578,000)
Rates income <b>\$54,017,000</b> (2013: \$50,014,000)	Total capital expenditure <b>\$15,620,000</b> (2013: \$16,739,000)
Net debt <b>\$134,863,000</b> (2013: \$140,023,000)	Total assets <b>\$1.145 billion</b> (2013: \$1.173 billion)

## Role of this Annual Report

### Purpose

This Annual Report is provided to compare the 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 Council's plans for the Western Bay over a 10 year period. It is reviewed every three years. Council's latest LTP was agreed in 2012.
- ▶ **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.

## 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



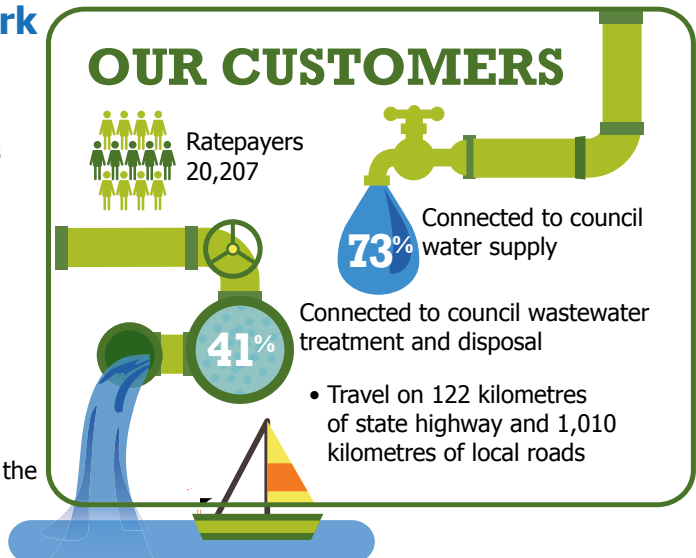
## OUR CUSTOMERS

Ratepayers 20,207

**73%** Connected to council water supply

**41%** Connected to council wastewater treatment and disposal

- Travel on 122 kilometres of state highway and 1,010 kilometres of local roads

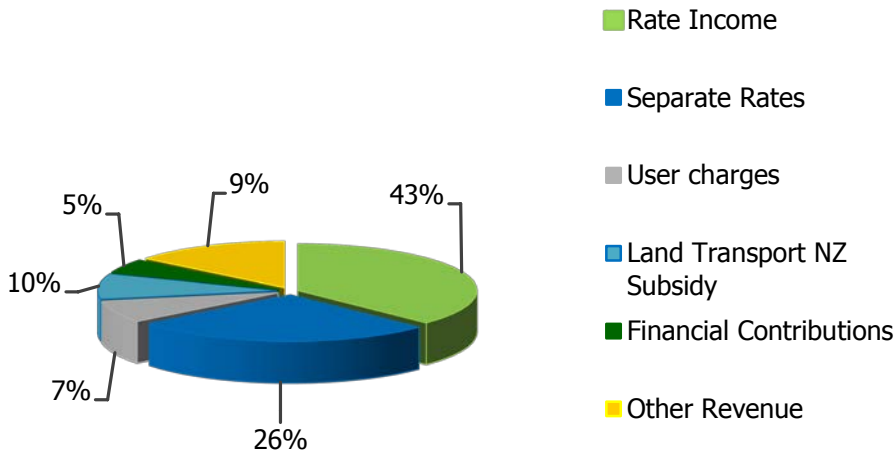


# Financial summary overview

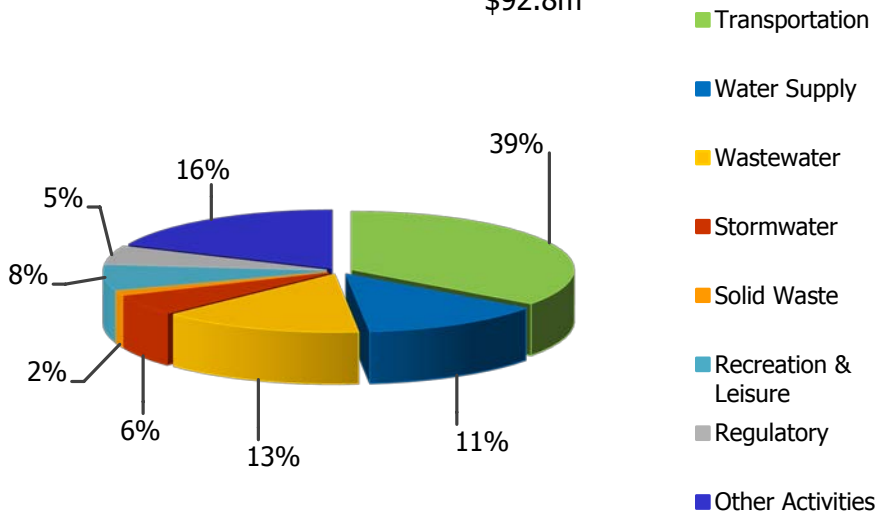
Council has reported a net surplus of \$6.12 million compared with a budgeted operating surplus of \$4.79 million.

The major contributor to this increased surplus were valuation gains on Council owned forestry assets and greater finance income (as a result of unrealised hedged movements).

## Council Revenue 2013/14 (excluding vested assets) \$83.9m



## Council Capital and Operating Expenditure 2013/14 (excluding vested assets) \$92.8m



To see a detailed overview of Council's performance see pages 14 - 16.

