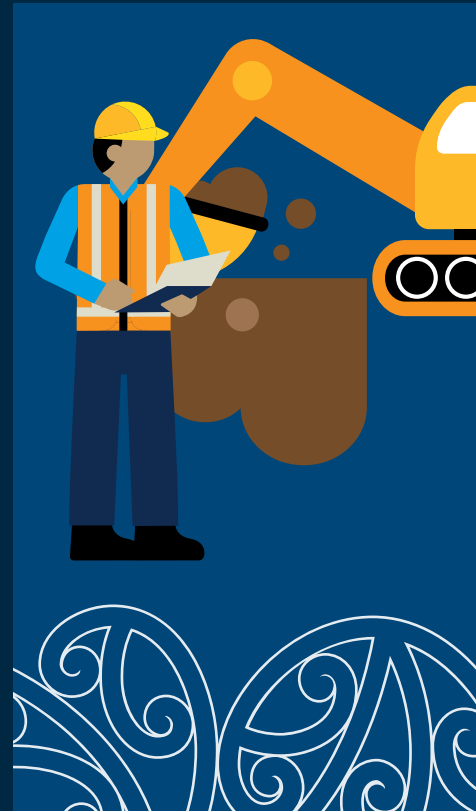


He Whakarāpopoto i te Pūrongo ā-tau **Annual Report Summary 2022/23**



Mihi

*E ngā mana, e ngā reo, e ngā kārangarangatanga maha,
puta noa, tēnā koutou katoa!*

*Mai i ngā Kuri-ā-Whārei ki Tihirau,
Mai i Maketū ki Taupō-nui-ā-Tia,
Ko te rohe kaunihera tēnei o Toi Moana*

*Kua kaha whakarongo atu mātou o Toi Moana ki ngā reo
maha o te rohe nei, me te mea hoki, ko te orangatonutanga
o ngā hapori maha te whāinga mātuatua. Ko tētahi o
ngā tino whāingā kē atu, ko te āta whakapakari, āta
whakakaha i ngā hereherenga kei waenganui i ngā kāhui
tāngata maha o te rohe nei.*

*Ko te kaunihera ā rohe o Toi Moana, he waka eke noa.
Ā, mā te āta tuitui i ngā taurahere tāngata e tika rawa ai ā
mātou mahi, e mārāma hoki ai mātou ki te iti kahurangi o
tēnā, o tēnā, puta noa i tō tātou rohe.*

*Kia toi te whenua, kia toi te moana, kia toi te taiao,
kia toi te tangata! Tīhei Mauriora*

*To all authorities, to all voices, to the many affiliations
across our region, we acknowledge you all.*

*From Waihī Beach to the East Cape,
From Maketū to the shores of Lake Taupō-nui-ā-Tia,
this is our region of The Bay of Plenty Regional Council.*

*We have listened, and taken on board the aspirations of
our communities confirming that we are a region seeking
wellbeing and vitality together. The focus is to strengthen
our connections and relationships with each other and our
taiao, our environment.*

*Toi Moana is a waka for all, and there are no exceptions.
Together we shall realise our collective aspirations. The
ongoing guidance from our communities ensures we never
deviate from our commitment to you, our community and
our environment.*

*Let the land prosper, let the ocean and lakes prosper,
let our environment prosper – ‘tis the breath of life.*



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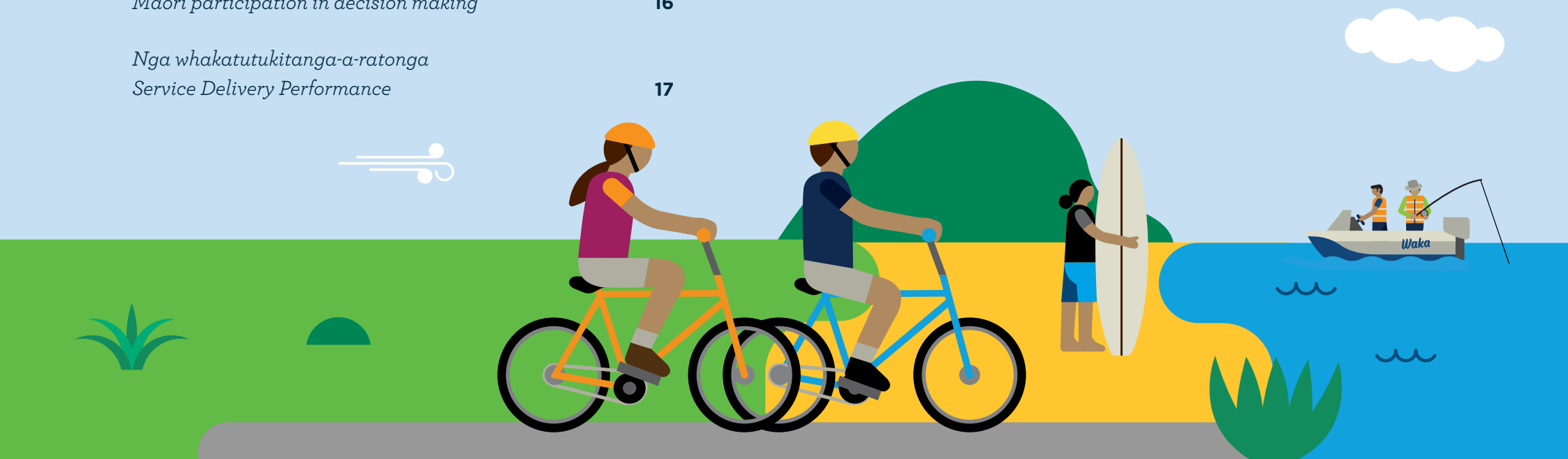
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Te ahunga whakamua **Our strategic direction**

This strategic direction was established as part of Council's 2021-2031 Long Term Plan.

OUR COMMUNITY OUTCOMES



We protect and enhance our air, land, freshwater, geothermal, marine and coastal resources, and biodiversity for our communities. We support others to do the same.



Our water and land management practices maintain and improve the life-giving ability of the region's freshwater resources.



Our planning and infrastructure supports resilience to natural hazards so that our communities' safety is maintained and improved.



Our stewardship of natural resources and the connections we make provides for sustainable economic development across our region.



OUR WELLBEINGS



He korowai tiaki taiao
Environmental wellbeing



He korowai aroha
Social wellbeing



He korowai whakamana tangata
Economic wellbeing



He korowai mātauranga
Cultural wellbeing

STRATEGIC PRIORITIES

- Assisting the region to recover from COVID-19 while delivering lasting well-being for the community
- Ensuring we deliver on natural resource regulatory reform and our work programmes that deliver results on the ground
- Ensuring the region is adapting to a changing climate and helping to facilitate a transition to a low carbon economy
- Integrating land-use and transport planning in the region, including the intersection with natural hazards, climate change, and natural resource limits
- Working effectively with Māori in partnerships to deliver outcomes for the region
- Making the best use of Bay of Plenty Regional Council's resources to deliver on all of our community outcomes, including supporting others to deliver
- Taking a regional view while recognising important sub-regional variations and ensuring constructive relationships: nationally, regionally, and sub-regionally
- Ensuring effective community participation in decision making and in the delivery of our roles

THE WAY WE WORK

- We look to add value regionally
- We think integrated
- What we do we do well
- We provide great customer service
- We honour our obligations to Māori
- We deliver value to our ratepayers and our customers
- We continually seek opportunities to innovate and improve
- We look to partnerships for best outcomes
- We use robust information, science and technology

OUR VALUES

Trust, Integrity, Courage, Manaakitanga, Kotahitanga and Whanaungatanga



*Enabling democratic
decision-making*

Te timatatanga **Introduction**

From the Chair and Chief Executive

We are pleased to present our Annual Report for the year ended 30 June 2023 (2022/23). The report discloses Bay of Plenty Regional Council's performance for the period against what was forecast in year two of the 2021 – 2031 Long Term Plan.

In October 2022, a new Council was elected and we welcomed four new councillors. There is a renewed way of working and a fresh approach to how we make decisions for our region. Already, this new council has developed a refreshed strategic direction to guide the next few years with heightened emphasis on future ready communities, sustainable development and Te Ara Poutama (The Pursuit of Excellence). This refreshed approach will be consulted on and finalised through the Long Term Plan process.

Operating environment

Council continued to operate in a tough economic environment during the year.

Throughout Council we continued to focus on improving operational efficiency, however we ultimately faced ongoing challenges presented by the global financial environment. These challenges undermined post-Covid 19 economic recovery and prolonged nervousness among organisations, both public and private, and the supply chain. This has resulted in continued increases in operating costs, for example construction materials and a constrained labour market, and created an economic environment with stubbornly high inflation and interest costs.

The tangible impacts of climate change, as evidenced by cyclones Hale and Gabrielle at the beginning of 2023, has seen more than \$13 billion of damage to central and local government infrastructure.

These adverse weather events had, and continue to have, significant impacts in the Bay of Plenty. This past year has seen record high levels for several rivers as well as historically high flood warnings and rainfall levels.

A stark illustration of this impact is both Lake Rotoma and Rotoehu experienced significantly higher than normal lake levels as they do not have natural surface outflows. Lake Rotoma has risen four metres and Lake Rotoehu has risen two metres. This has affected many property owners, and Council staff continue to monitor the situation and engage with the communities around the lakes.

Responding to these weather events, Council flood control infrastructure was fully utilised on many occasions to manage potential flood situations with corresponding additional operating costs incurred to meet levels of service across the Council's rivers and drainage schemes.

The legislative environment in which Council operates also changed substantially. Key pieces of legislation that became law during the year includes the Water Services Entities Act 2022, Spatial Planning Act 2023, and the Natural Built Environment Act 2023. Alongside this the Future for Local Government Review was completed and the report released in June 2023.

It is against this backdrop that Council is in the process of developing its 2024–2034 Long Term Plan.

Work programme

Despite these challenges we're pleased to report that steady progress was made across all areas of Council's work programme. We achieved 33 of the 45 performance targets (73%) that were set through our LTP.

Some highlights include:

- A five-year partnership agreement with Putauki Trust. This provides for the restoration of several sites with high cultural and biodiversity values. Restoration work will seek to reduce pest plants within wetlands, ponds and a geothermal area, and enhance the biodiversity within each site. To improve the ecological health of Waihi Estuary, Council has partnered with Te Wahapu o Waihi to return 30 hectares of low-lying farmland to coastal wetland.
- The first Community-led Adaption project, the Maketū Climate Change Adaption Plan was completed. The Maketū Iwi Collective led the development of this plan with the community. This plan won the NZPI's Best Practice Award for Non-Statutory Planning, and the 2023 Nancy Northcroft supreme planning award for Aotearoa.

- More than 3,000 native trees and shrubs were planted as part of the Te Pourepo o Kaituna wetland creation project. This is a staged restoration project which is converting 70 hectares of grazing land beside the lower Kaituna River back to wetland. This involved volunteers from nine Western Bay of Plenty schools. The planting as part of a series of field days at the Kaituna wetland. This was organised in partnership with Maketū Ōngātoro Wetland Society and in collaboration with Ngāti Whakaue, Tapuika and Department of Conservation.

Many of these targets were set as aspirational levels and significant progress was made even though the target was not achieved. In particular, control of wallaby populations outside progressive containment areas. With a continued focus on this work by the end of June 2023 the result was 71% (2022, 57%) against a target of 80%.

During the year the public transport services were reviewed and refined to optimise the services provided. The target to increase public transport trips within the region from the previous year has proved challenging in recent years. However, this year there was a total of 2.73 million trips (2022, 2.25 million) an increase of approx. 480,000 trips from last year which is a significant achievement.

Council continued to deliver its core functions, processing resource consents, monitoring air quality, and responding to requests through the pollution hotline. Maritime operations continued to ensure the safety of people on the water and protect our maritime environments from oil spills.

Financial management

Prudently managing Council's assets and finances is critical to maintaining sustainable services into the future. Council's investment arm, Quayside Holdings Limited has been fundamental to this through its contribution of \$42.5 million during the year. This has reduced general rate by an average of \$365 (including GST) per property in the region.

Council retained its AA credit rating which reflects its prudent financial management, balancing the challenges of maintaining levels of service in an environment of escalating costs and cost of living pressures faced by the community. However, Council is now on credit watch given its levels of debt which is a focus for the new council.

Council have delivered an operating deficit of \$4.4 million for the year, against a budgeted deficit of \$11.2 million. Revenue during the year was \$172.4 million

compared to a budget of \$163.8 million. Operating expenditure was \$177.2 million compared to budget of \$175.0 million. Whilst there was an overspend in operating expenditure, the higher level of revenue has been the main contributing factor to a lower than planned deficit.

Capital expenditure was \$15.4 million compared to a budget of \$34.3 million. A number of projects have been rescheduled to future years due to the adverse weather events during the 2022/23 financial year.

Council has recognised early the need to reprioritise resources to respond to the adverse weather events as well as reducing spending where it was prudent to do so.


Looking ahead

Looking forward, macro-economic conditions nationally and globally will continue to pose risks around whether levels of service can be sustained without significant additional expenditure. Council remains focussed on keeping a tight rein on finances and looking for more opportunities to improve our efficiency and performance.

This will be achieved through a continued pragmatic approach to managing operational and capital work programmes. In developing our next Long Term Plan for 2024–2034 over the next few months, Council will scrutinise and prioritise its expenditure to balance levels of service and affordability for our communities aligned to this new strategic direction.

Close attention will be paid to the incoming Government's policy priorities and the potential impact they will have on the local government operating environment. Council needs to be ready and able to influence and anticipate change.

Our sincere thanks to elected members for their direction and staff for their expertise and willingness to work as a team for the benefit of all Bay of Plenty region residents.
























Doug Leeder
Chairman



Fiona McTavish
Chief Executive

Community outcomes and activities

Group of Activities	He taiao ora A healthy environment	Te mana o te wai Freshwater for life	Kia haumarū, kia pakari te hapori Safe and resilient communities	Toitū te rohe A vibrant region
Catchment Management	 Biosecurity  Regional Parks	 Rotorua Lakes  Coastal Catchments		
Flood Protection and Control			 Rivers and Drainage Schemes  Regional Flood Risk Co-ordination	
Resource Regulation and Monitoring	 Air Quality  Resource Consents  Regulatory Compliance		 Maritime Operations	
Transportation and Urban Planning				 Public Transport  Transport and Urban Planning
Democracy, Engagement and Planning	 Environmental Strategy  Policy and Planning			 Māori Policy (Te Amorangi)  Community Engagement  Governance Services  Regional Development
Emergency Management			 Emergency Management	
Support Services	 Technical Support		 Corporate Support	

Ngā whakaarotau rautaki Strategic priorities



The current local government landscape is particularly changeable. There have been significant economic and social effects resulting from the COVID-19 pandemic. There is also significant regulatory reform underway at the Central Government level, with freshwater the first priority, but other issues such as urban development following close behind. There is also legislative change underway with the Resource Management Act, and more significant change coming to the roles and responsibilities of local government in the 'three waters' space. This complexity makes our relationships with tangata whenua even more important.

In order to best position ourselves we have identified eight strategic priorities through our Long-Term Plan over the next ten years. Within these eight priorities we have highlighted three as Impact Areas with more immediate focus.

- ! **Climate change**
- ! **Partnerships with Māori**
- ! **Community participation and constructive relationships**
- ! **Regulatory reform**
- ! **Regional recovery**
- ! **Sub-regional/regional view**
- ! **Land use and transport**
- ! **Making best use of our resources**

Ngā wā whakaaweawe Impact areas



Climate change

On 27 June 2019, Regional Councillors acknowledged climate change as a serious issue for the region by declaring a climate emergency and making a commitment to work with the community on transitioning to a low carbon future and adapting to our changed climate. In August 2021 Council adopted a revised climate change action plan for 2021-23.

We recognise the importance of our leadership and advocacy role and we are also committing to:

- Supporting new and additional community initiatives
- Working with other local authorities as they engage with their communities
- Engaging with sectors and industry to find solutions
- Exploring ideas and opportunities with others
- Sharing our information and knowledge



Highlights from the past year include:

- **Climate Change Regional Risk Assessment** – This year Council completed a major piece of work in the Climate Change Risk Assessment for the region.

This work provides a regional overview of climate risks to:

- establish a common baseline for the region,
- support planning by a range of parties,
- raise community awareness of risk, and
- support subsequent detailed local risk assessments.

The process involved identifying a long list of risks through surveys, workshops and online hui, which then underwent a technical risk assessment through a series of workshops with subject matter experts. The outputs are in three volumes: a regional overview, district summaries, and sector summaries. The Bay of Plenty Regional Climate Change Risk Assessment was publicly released at the Mayoral Forum on 21 April. The Mayors welcomed the regional risk assessment as an important resource for the region, providing a comprehensive baseline to inform future work. These assessments are available on the Council website.

- **Community-led Adaptation Planning** – This initiative, under the Climate Change Programme, seeks to support communities who are ready to begin the first steps in their own adaptation planning. A total of seven projects have now been funded across the first two years of the initiative.

The first project to complete led by Ngāti Whakaue was recognised with two awards by the New Zealand Planning Institute, the best non-statutory plan and the Nancy Northcroft supreme planning award for 2023. With their adaptation plan now complete the project is moving into implementation. The second and third projects funded, with Ngāi Tamawhariua and Te Upokorehe Iwi, are close to completion.

Newly funded projects this year include: Ngāti Ranginui who will be completing a case study risk assessment for three marae within their rohe, Motuhua Island Trust who are evaluating what is at risk for their island community from climate hazards and developing adaptation options and Waihi Beach Surf Lifesaving Club who are seeking to understand the impacts of predicted climate changes and develop a plan to enable Waihi Beach Lifeguard Services to continue to provide essential services to the community.

- **Blue Carbon Building Blocks** – ‘Blue carbon’ refers to carbon captured by the world’s ocean and coastal ecosystems. Blue carbon projects focus on restoration of coastal ecosystems with the aim of reducing greenhouse gas emissions, and/or enhancing the removal of these gases. This can be achieved by re-wetting and revegetating tidal wetlands or preventing intact tidal wetlands becoming degraded.

This year we completed the assessment and mapping of potential saltmarsh habitat restoration sites in the region and reported this as an environmental publication (Crawshaw & Fox, 2022). There are 4,888 hectares of land identified within the “potential saltmarsh habitat” range, with 3,288 hectares of this currently in pastoral land use. Along with mapping potential habitat, we are working to understand potential carbon sequestration in these habitats. Council has contracted NIWA to provide training for staff in blue carbon coring methods and to analyse blue carbon samples (soil cores) collected from three intact salt marshes in Tauranga Harbour. Fieldwork was completed by NIWA and council staff in May, and samples have been sent to NIWA and ESR labs for analysis. This work complements other work being undertaken in restoration sites such as Wainui Repo Whenua (Sargent Drive) by University of Waikato; and within Nukuhou (Ōhiwa Harbour) and Athenree (Tauranga Harbour) saltmarshes as part of the Future Coasts Aotearoa (Future Coasts Aotearoa | NIWA).

- **Internal Emissions** – Council has a target of net zero emissions by 2050. We have completed a three-year project to quantify and understand our emissions. These emissions stand at 1,114 tonnes of carbon equivalent per annum. We have now implemented a monthly monitoring system to allow us to be more agile in understanding and responding to our emissions. This system allowed us to identify a spike in emissions in winter 2022, driven by prolonged periods of extreme wet weather. The heavy rainfall drove energy demand to power drainage and flood pumps.

Looking forward, we are now in a position to develop a pathway to net zero emissions. Our Council car fleet is becoming increasingly electrified with 21 electric vehicles now in use, or 14% of the fleet. As we progressively electrify this fleet we will address our main source of emissions. We are also investigating how to electrify our drainage pumps to address this area of unpredictable emissions. Finally, sequestering carbon through our land management activities, will be an important part of meeting our net zero goal.



Partnerships with Māori

The Treaty principles, and the partnership upon which it is founded, are an established part of our local government framework. As Treaty partners, Māori hold a unique role in shaping and contributing to regional leadership and direction.

In August 2021, Komiti Māori approved Council's Partnerships with Māori Impact Statement. This was developed to guide governance and operations in the way we work, partner, and actively support Māori. The statement has a vision, principles, objectives, and goals, and identifies actions to enhance and innovate future partnerships. Staff have developed a specific plan of action for achieving the Impact Statement Objectives, and a Partnerships with Māori Programme to coordinate, direct and oversee specific projects and actions.

Highlights from the past year include:

- **Memorandum of Understanding (MOU) between Toi Moana, Project Parore (not for profit community group based in Katikati) and the three Northern Hapū of Tauranga Moana** (Te Whānau a Tauwhao ki Ōtāwhiwhi, Ngāti te Wai ki Tuapiro, and Ngāi Tamawhariua ki Te Rereatukahia).

It is an operationally focused MOU which has come about from discussion of our shared goals and desire to collaborate in the environmental management/restoration space. The desired outcome is a strengthening of relationships in the Northern Tauranga Moana and ultimately better environmental outcomes.

- **Te Arawa Lakes Trust Framework Agreement** - The Trust has built an operations team with whakapapa to the Te Arawa Lakes and rohe to deliver a variety of key environmental services, including catfish surveillance and netting, pest control, weed harvesting. In May, Council agreed to a 10-year framework agreement with a maximum value of \$12 million. The agreement gives Te Arawa Lakes Trust the certainty and partnership status they seek as part of this agreement.
- **Kaimai Kaponga project** - a focus on holistic pest control over a large area in the Kaimai-Mamaku ranges. It's the first time that iwi have been formally involved in the restoration of their maunga (mountain) through the Wallaby Programme. The Tura Ngāti Te Ngākau led project is working alongside the Regional Council Toi Moana on paid conservation work to support the wallaby control aspirations of Toi Moana as part of the national wallaby control plan. For Charles Kowhai, Operations Manager, it feels very special for his iwi to be involved at this level for the first time. It allows them to reconnect to the land, which to him is an expression of mana whenua. The field team of eight (including two teams of three rostered to work on the land) are becoming personally connected to restoring their maunga and learning about their whakapapa connections to their hapū and iwi.

- **Tarawera Awa Restoration Strategy Group** - The recent Ngāti Rangitahi Treaty settlement provided for the establishment of a new Co-Governance group to support, coordinate, and promote the integrated restoration of the mauri of the Tarawera River catchment. The inaugural meeting was held February 2023 with the formal adoption of the Terms of Reference.

The group is comprised of equal iwi and council membership, appointed by Ngāti Awa, Ngāti Mākino, Ngāti Tūwharetoa (BoP), Ngāti Rangitahi, Toi Moana/Bay of Plenty Regional Council, Kawerau District Council, Rotorua Lakes District Council, and Whakatāne District Council.

- **He Toka Tū Moana Environmental Scholarships 2023** - this year we are delighted to once again award scholarships to six students. The scholarships aim to recognise and support students who are undertaking study, research or training that contributes to the enhancement of the taiao (natural environment).





Community participation and constructive relationships

Community participation is a critical element of local government. We are focusing on ensuring that we engage with a representative sample of the community so that we meet the needs of all our region's communities.

We are also looking to transform how we work with volunteers – we value the work they deliver. We are looking at increasing participation in our work and decision making by doing more with our communities. This includes seeking the public's perspectives and thoughts, but also supporting the public to deliver some of the work we do through community and volunteer groups.

Highlights from the past year include:

- Active participation in multiple Careers Expos across the rohe was in direct response to feedback from young people that they were unfamiliar with our work or potential career paths. These events prioritised accessible, relatable and meaningful engagement resulting in face-to-face interaction with more than 2,000 young people.
- Bay of Plenty Regional Council currently supports 69 care or catchment groups, including five new care groups in the last year. During the year 5,313 volunteers participated with an estimated 58,264 volunteer hours contributed
- Provided funding for more than 68 organisations to deliver work aligned to Council's Community Outcomes. This includes 25 new community led projects approved for the Environmental Enhancement Fund (EEF). Projects include restoring native vegetation, pest plant and animal management projects.
- Elections presented an opportunity for the public to have their say. To enable this we undertook a range of initiatives, including facilitating three independently hosted "meet the candidate" events across the region in Tauranga, Rotorua and Whakatāne and advertising community organised and led 'meet the candidates' events in Kawerau, Katikati and Matatā.



Te whakaurunga o ngāi Māori ki te tuku whakairo

Māori participation in decision making

Our region is home to approximately 39 iwi, 260 hapū and 180 marae across the region, with more than one third of the regional population identifying as Māori.

Geographically, 40% of the region is Māori land / landholdings comprised by over 1800 land trusts covering more than 5000 Māori land blocks. Māori make a significant contribution to the region through their ownership of assets; contribution to economic development; leadership in Treaty co-governance forums; and their Kaitiaki roles and responsibilities which influence conservation, preservation and management of natural resources.

Driving enhancements to Council's responsiveness to Māori is ongoing in our mahi and a catalyst for promoting transformational change. We recognize that relationships and partnerships with Māori must be a key focus and is one of our top three priorities.

Council's Partnerships with Māori Impact Statement and programme continues to be a core focus for our organisation in delivering on the Impact Statement objectives.

During 2022/23 we also supported Māori participation in decision-making processes through a range of activities including:

- Working collaboratively with Ministry for the Environment to assist Māori participants of the Making Good Decisions – certification for Resource Management Act (RMA) decision makers. The programme facilitates practical experience (to shadow an actual Hearing Panel, observe a live hearing process and be mentored by an experienced commissioner) with a view to better position Māori Commissioners for selection in future hearing panels.
- Continued support of Statutory Co-Governance fora. Of particular note this year was the formal establishment of the Tarawera Awa Restoration Strategy Group under the Ngati Rangitahi Claims Settlement Act 2022.
- Nga Kairapu (Regional Sector Māori Interest Group) providing advice and directions to synergise work in the freshwater space with Te Kahui Wai Māori.
- Delivery of tailored RMA training to support tangata whenua capability and participation.

Nga whakatutukitanga-a-ratonga

Service Delivery Performance

Our work is carried out across 21 activities, which are sorted into seven groups of activities. These seven groups deliver the services, infrastructure, and perform the functions that enable us to deliver on the Community Outcomes outlined in our Strategic Framework. Our performance measures and targets are set in our Long-Term Plan 2021–2031.

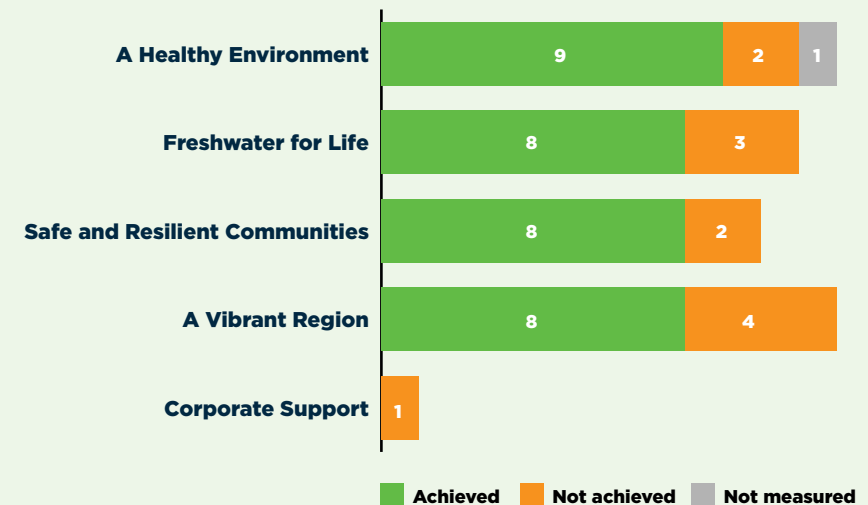
Each of the seven groups of activities state the levels of service that will be delivered by that Group and have performance measures and targets that indicate how well we are delivering our services to the community.

In our Long-Term Plan 2021–2031 we agreed on a suite of performance measures. This is the second Annual Report to report on these measures. In year two we achieved 73% of the targets set for the year.

Of the 46 measures monitored the 2022/23 summary graph shows that:

- We achieved the targets for 33 measures
- We have not achieved targets for 12 measures
- One measure a two-yearly survey was not due for completion. Next survey to be held in 2024.

Results by Community Outcomes



Service Delivery Performance summary *For more information, please refer to the full Annual Report 2023.*

He taiao ora
A healthy environment

9 of the 12 measures were achieved

96% of the Regional Pest Management Plan programmes are on track

96% of resource consents received were processed within the statutory timeframes

87% satisfaction for resource consents customers

No consent decisions were overturned at appeal or judicial review

Three exceedances of air quality limits in priority airsheds

100% of air quality exceedances in the Mt Maunganui airshed were investigated within 10 working days

Te mana o te wai
Freshwater for life

8 of the 11 measures were achieved

46% biodiversity sites were actively managed

Five Rotorua Lakes reached their Trophic Level Index (TLI)

100% urgent pollution hotline complaints were responded to within 12 hours

100% (18) of the scheduled State of Environment Reports were published

96% of the datasets approved for publication were available on line

92% designated swimming sites were monitored for recreational water quality

Kia haumarū, kia pakari te hapori
Safe and resilient communities

8 of the 10 measures were achieved

79% of residents have a good understanding of what the effects would be if a disaster struck their area

83% of residents have taken action to prepare for an emergency

100% of flood warnings at pre-determined levels given in accordance with the flood warning manual

100% of oil spills in Tauranga responded to within 30 minutes

100% of oil spills outside Tauranga responded to within two hours



Toitū te rohe
A vibrant region

8 of the 12 measures were achieved

2.73 million public transport trips taken in the region

68% of bus users are satisfied with the service

10 shared decision-making arrangements have been operationalised and supported by Council

All completed Environmental Enhancement Fund projects achieved their measured goals

11% of reports on Council agenda were public excluded



*Ngā whakatutukitanga
ahumoni*

Financial Performance

Bay of Plenty Regional Council's operating deficit of \$4.4 million was lower than the budgeted \$11.2 million deficit (2022:10 million deficit) for the year ended 30 June 2023.

The Bay of Plenty Regional Council Group, which includes our 100% shareholding in Quayside Holdings Limited, has achieved net profit after tax attributed to Council of \$67.8 million (2022: \$76.0 million surplus). We are pleased to report Quayside has paid \$42.5 million in dividends to Council reducing general rates in the Bay of Plenty by an average of \$366 (including GST) per property.

Our 2022/23 budget included a number of measures to enable relatively high levels of operating investment in the region to continue while maintaining our strong commitment to long-term financial prudence, sustainability and regional affordability. These measures included:

- using our financial reserves to lessen the impact on ratepayers, this included a 5.8 % per cent average general rates increase after growth and inflation
- contributing to third party infrastructure projects using reserves and
- requesting additional funding support from central government.

For the year ended 30 June 2023 Council has delivered a robust result with an increase in operating revenue and operating expenditure compared to last year. Revenue during the year was \$172.4 million compared to a budget of \$163.8 million. We have delivered our work programme through operating expenditure of \$177.2 million, compared to a budget of \$175.0 million. The deficit for the year was \$4.4 million, compared to a budgeted deficit of \$11.2 million.

We also delivered a capital works programme with capital expenditure of \$15.4 million, compared to a budget of \$34.6 million. The underspend of the capital works programme is mainly due to the adverse weather events during the 2022/23 financial year.

Capital revenue was \$5.9 million compared to a budget of \$3.6 million due to insurance recovery funding received for historic flooding events.

Details of changes in revenue and expenses compared to Long Term Plan 2021-2031, Year 2 and the prior year are summarised in the following sections of our annual report.

Operating expenditure

Total operating expenditure for the year ended 30 June 2023 was \$177.2 million, this is 1.2% and \$2.1 million higher than budget and 11.9%, \$18.8 million higher than last year.

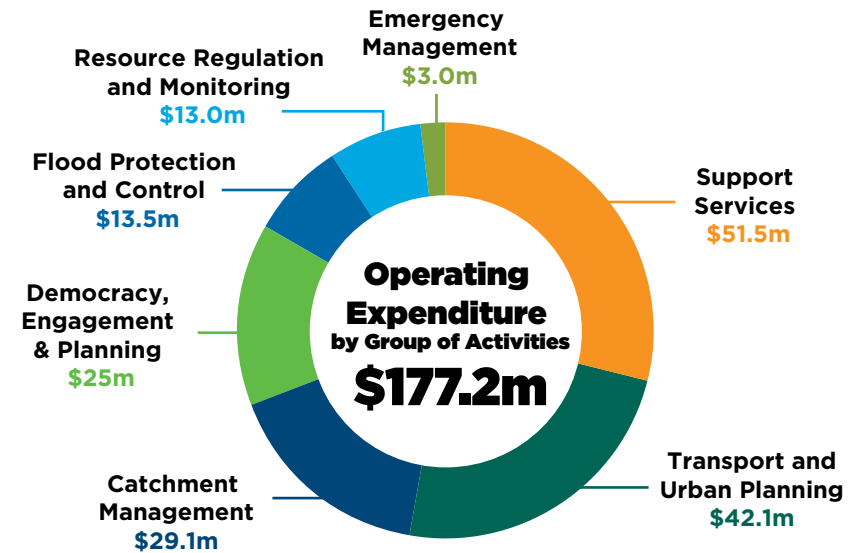
Our operating expenditure is what we spend on the many activities we provide to our community – for example providing public transport, consent processing, supporting local democracy, maintaining infrastructure assets and providing community grants. It also includes all the support services such as finance, communications and technology. Like other regional councils, operational spending makes up the majority of our expenditure.

Our previously successful funding bids for central government’s Jobs for Nature programme continued to improve biosecurity, freshwater, and biodiversity in the region. We also experienced higher than planned levels of engagement from landowners to access our Environmental Programmes which provide grants and subsidies for biodiversity and sustainable land management activities.

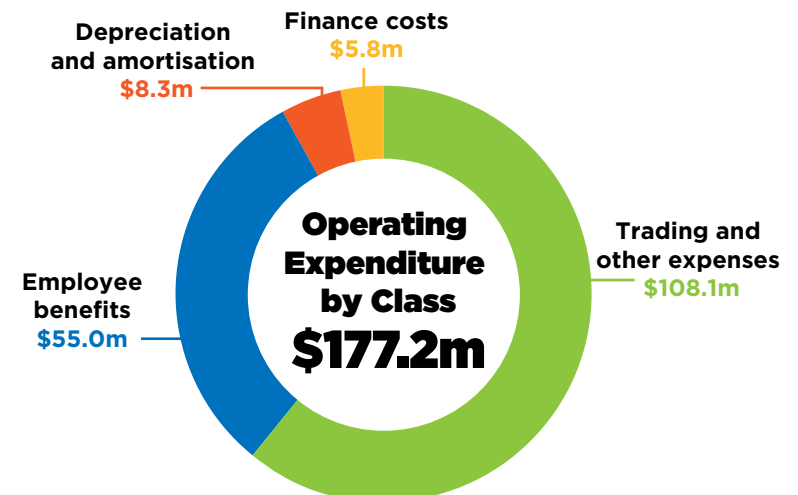
We have grown our capacity and capability to implement central government direction on freshwater, and to build thriving partnerships with tangata whenua. Regional planning, community engagement and Māori policy costs combined were around \$2.5 million lower than planned. Demand on technical experts and lower than expected collaboration from Iwi has impacted the programme.

Passenger Transport is \$3 million higher than budget as a result of indexation uplift, driver wage increases, and significant increase in demand of school bus services which were unplanned and not budgeted for.

Operating Expenditure by Group of Activities



Operating Expenditure by Class



Revenue

We fund our services and operations through a mix of rates and non-rates sources.

We fund around 60% of our services from non-rates revenue and unlike other councils, we have a higher reliance on investment income to fund operating expenditure. This diversified approach to funding has helped us to achieve operating revenue of \$172.4 million for the 30 June 2023 year which is \$8.6 million higher than budget of \$163.8 million and \$24.0 million higher than last year of \$148.4 million.

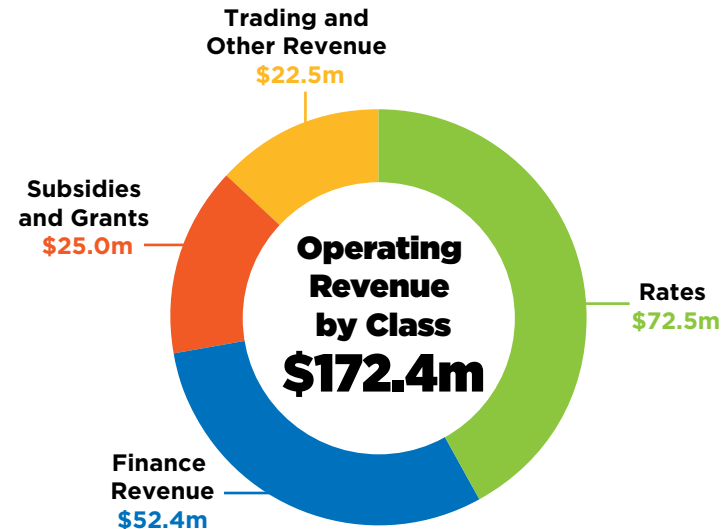
The most notable increase in operating revenue when compared to the budgeted revenue came from Trading and other revenue (\$3.6m). Trading and other revenue include capital insurance recoveries of \$3.1 million relating to the 2017 flood event.

Subsidy and grant revenue was \$25 million compared to a budget of \$24.5 million, due to the following:

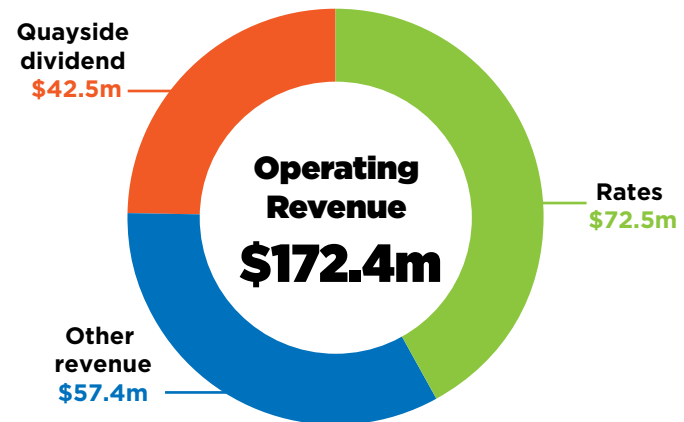
- Increase of \$4.7 million in Passenger Transport subsidy revenue received from Waka Kotahi for half price fares, increased school services, and additional funding to cover other cost increases.
- Lower than planned grants of \$1.9 million from the Ministry for the Environment for the Rotorua Te Arawa Lakes enhancement programme due to reduced uptake from landowners for this scheme.
- Funding of \$3.3m for biosecurity projects (wallaby and wilding pine) was budgeted for as a subsidy, but actual revenue received was recognised as trading and other revenue.

Finance revenue of \$52.8 million is on budget, this incorporates a dividend from Quayside of \$42.5 million and \$3.5 million from Toi Moana Trust. Quayside dividends are used for purposes that provide benefits across the region enabling all ratepayers to benefit from our investment portfolio through lower general rates.

Operating Revenue by Class



Operating Revenue



Capital Expenditure

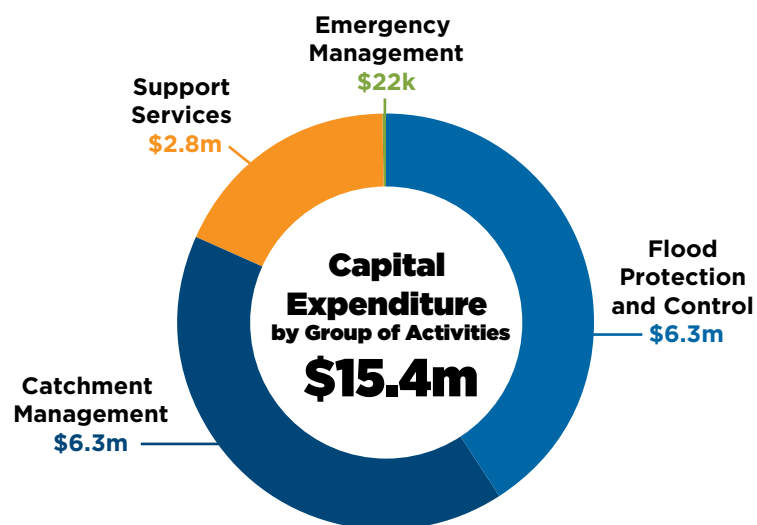
Total capital expenditure for the year ended 30 June 2023 was \$15.4 million, this is \$18.9 million lower than budget and \$3.1 million lower than last year.

Capital expenditure is what we spend on upgrading, renewing or building new assets. We invested \$6.2 million in flood protection to help keep people and properties safe. This included projects relating to the Rangitāiki-Tarawera Rivers Scheme and projects still to be completed, for example Rangitāiki Floodwalls, Rangitāiki Floodway and Rangitāiki River Stopbank Upgrade.

We invested \$2.2 million on our Regional Parks with the Pāpāmoa Regional Hills Project expected to be completed in late 2023.

Plant and Vehicle replacement totaled \$1.8 million, \$1.4 million under budget with the majority proposed to be carried forward to the 2023/24 financial year.

We invested \$3.7m as part of the Te Wahapu o Waihi wetlands project. Council purchased land for wetland use, with the intention for most of it to be on sold to an adjacent property owner.



Prudent debt management

We use debt to fund capital investment so that we spread the cost of those assets across the generations who will benefit from them.

During 2022/23 we increased our total borrowings by \$24.2 million to \$216.7 million as at 30 June 2023 (excluding any direct borrowing from our subsidiaries and the Quayside Perpetual Preference Shares). The facilities are provided by the Local Government Funding Agency for specific purposes including \$152 million for capital investment, and \$64.1 million for on-lending to our CCO.

Quayside Holdings Limited which delivers benefits of lower borrowing costs to the Council Group.

Our net debt is \$10.2 million which means we have high levels of liquid assets relative to our debt levels. Consequently our net debt to revenue ratio is 6%.

We take a prudent approach to managing our debt by keeping our net debt to revenue ratio significantly within our prudential limit of 295 per cent. We have maintained exceptional liquid cover and significant borrowing capacity to support our capital investment and liquidity needs. This approach also offsets risks associated with our high debt levels, including our exposure to Quayside's perpetual preference shares and expansion plans. This is reflected in our AA credit rating which is one of the highest of Councils in New Zealand.

Credit rating

Maintaining Council's AA credit rating means we keep interest costs on borrowing as low as possible – our average borrowing rate was 3.42% during 2022/23 (2.25% for 2021/22).

In June 2023, the credit rating agency, S&P Global Ratings, recognised that Council faces the challenges of rising interest rates and inflationary pressures, just like other organisations, businesses and households. As a result Council's outlook, which was previously regarded as "stable", was reassessed as "negative". S&P Global Ratings also noted that they could revise the outlook to "stable" if Council's excellent financial management meant we could maintain the current exceptional liquidity coverage, reduce our debt level and strengthen our operating margins.



Bay of Plenty Regional Council Group Financial Performance

\$77.0 million Council Group Net Surplus After Tax, \$23.9 million attributed to equity holders of Council.

We hold a 100 percent shareholding in Quayside Holdings Limited. Quayside holds and manages a majority shareholding in the Port of Tauranga Limited which is valued at \$2.8 billion. Quayside acts as the investment arm for the Council to build prosperity for the region with an intergenerational approach.

Despite the challenges posed by the economic environment during 2022/23, The Quayside Group achieved a net profit after tax of \$120.9 million which is consolidated into the Council Group result of \$77.0 million, of which \$23.9 million is attributed to Council.

Providing strong income to the council, Quayside is focused on diversified commercial return for the good of the region, along with wider benefits such as environmental and cultural considerations and positive social outcomes. This drives intergenerational returns, reduces councils' reliance on rates and benefits the wider community by keeping rates low.

This year's dividend payout to Bay of Plenty Regional Council of \$42.5 million is the largest to date, reducing general rates by an average of \$366 (including GST) per property in the region.

The Port of Tauranga had another successful year and delivered a net profit after tax to \$117.1 million and paid a dividend of \$55.3 million to the Quayside Group. There was a decline in total trade and container volume in 2022/23, due to the ongoing effects in the kiwifruit industry and climate-related events.

Quayside asset portfolio grew to \$502.7 million from \$479.1 million in 2023, reflecting both new investment and a significant revaluation in the Rangioru Business Park. The overall Quayside group profit after tax of \$120.9m is a 3.96% decline from the prior year profit after tax.

Significant progress was made during the year in completing another season of earthworks on the industrial Business Park at Rangioru and Quayside is working closely with iwi and community partners to create a vision that will benefit the entire community for future generations. This 148-hectare block of land near Te Puke is strategically placed within easy reach of the central North Island hubs creating efficient access to international markets through direct road and rail corridors to Port of Tauranga.



Whakarapopoto purongo putea **Summary financial statements**

Summary extract from the statement of accounting policies

Bay of Plenty Regional Council is a Regional Council established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002. The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council Group consists of the ultimate parent, Bay of Plenty Regional Council and its subsidiaries, Quayside Holdings Limited (a 100% owned council-controlled organisation as defined under Section 6 of the Local Government Act 2002) and Toi Moana Trust, a majority owned portfolio investment entity (PIE). Quayside Holdings Limited is the sole or majority shareholder Quayside Securities Limited and Quayside Securities Limited as trustee for Quayside Investment Trust and Quayside Unit Trust, Aqua Curo Limited, Quayside Properties Limited, Quayside Barnett Place Limited, Quayside the Vault Limited, Quayside Portside Drive Limited, Quayside Mystery Valley Limited, Quayside Te Papa Tipu, and Quayside Tauriko Limited. The principal activity of Quayside Securities Limited is to act as trustee for the Quayside Unit Trust, Quayside Investment Trust and Toi Moana Trust. Quayside Securities Limited as trustee owns 54.14% of the shares in Port of Tauranga Limited (Port Company). The Council's subsidiaries are incorporated and domiciled in New Zealand.

The information included in the summary financial statements has been prepared in accordance with PBE FRS43; Summary Financial Statements. All disclosures in the summary are extracted from the Bay of Plenty Regional Council full financial statements, authorised for issue by Council on 26 October 2023. The full financial statements have been audited by Audit New Zealand, and comply with PBE standards, receiving an unmodified audit opinion 26 October 2023.

Bay of Plenty Regional Council Summary Financial Statements for the year ended 30 June 2023

	2022/23			2021/22	
	Budget \$000	Council \$000	Group \$000	Council \$000	Group \$000
Financial performance to 30 June 2023					
Operating revenue	163,842	171,999	557,875	147,750	490,811
Other gains	-	432	22,829	653	25,758
Total operating revenue	1 163,842	172,431	580,704	148,404	516,570
Operating expenditure	166,670	171,175	433,432	155,289	381,487
Finance costs	8,390	5,795	25,548	3,061	18,545
Other losses	-	269	8,495	48	12,944
Total operating expenditure	2 175,060	177,238	467,474	158,398	412,976
Impairment of investment in equity accounted investees	-	-	(9,679)	-	(599)
Share of profit of equity accounted investees	-	(4)	13,820	1	17,562
Net surplus/(deficit) before tax	(11,218)	(4,811)	117,371	(9,993)	120,557
Income tax expense	-	(459)	40,374	-	44,526
Net surplus/(deficit) after tax	(11,218)	(4,352)	76,997	(9,993)	76,031
Comprehensive Revenue and Expenses					
Asset revaluation gains	10,936	14,762	53,772	9,553	645,534
Financial asset fair value changes	-	102	2,560	816	21,225
Total comprehensive revenue and expense	(281)	10,512	133,329	377	742,791
<i>Attributable to:</i>					
Equity holders of the parent	(281)	10,512	61,115	377	394,579
Non-controlling interest	-	-	72,214	-	348,212
	(281)	10,512	133,329	377	742,791

Bay of Plenty Regional Council Summary Financial Statements
for the year ended 30 June 2023 continued

	2022/23			2021/22	
	Budget \$000	Council \$000	Group \$000	Council \$000	Group \$000
Changes In Equity/Net Assets					
Balance at 1 July	557,729	553,520	2,825,964	553,144	2,127,899
Total comprehensive revenue and expense previously reported	(282)	10,512	133,329	376	742,792
	557,447	564,032	2,959,293	553,520	2,870,690
Increase in paid up capital	-	-	(72)	-	(37)
Dividends to shareholders	-	-	(51,836)	-	(47,203)
Other adjustments	-	-	20	-	493
Shares issued upon vesting of management LTI plan	-	-	1	-	-
Equity settled share-based payment accrual	-	-	1,462	-	2,021
Balance at 30 June	557,447	564,032	2,908,867	553,520	2,825,964
Financial Position as at 30 June					
Current assets	72,940	123,047	239,467	139,055	256,075
Non-current assets	805,994	691,804	3,781,113	636,312	3,641,375
Total assets	3	878,934	814,851	4,020,580	775,367
	-	-	-	-	-
Current liabilities	58,127	149,989	393,006	89,255	275,936
Non-current liabilities	263,361	100,830	718,711	132,592	795,553
Total liabilities	4	321,488	250,819	1,111,716	221,847
	-	-	-	-	-
Total equity attributable to the group	557,446	564,032	1,944,533	553,520	1,891,823
Non controlling interest	-	-	964,333	-	934,140
Total equity	557,446	564,032	2,908,866	553,520	2,825,963
Cash Flows to 30 June					
Net cash inflows/(outflows) from operating activities	5	(2,606)	2,193	103,984	993
Net cash inflows/(outflows) from investing activities	6	4,886	(76,439)	(176,716)	31,235
Net cash inflows/(outflows) from financing activities	7	(1,337)	15,248	11,642	6,464
Effects of exchange rate changes on cash and cash equivalents	-	-	(2)	-	461
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	943	(58,998)	(61,092)	38,692	42,185
Cash, cash equivalents and bank overdrafts at the beginning of the year	28,057	79,807	125,779	41,115	83,594
Cash, cash equivalents and bank overdrafts at the end of the year	29,000	20,809	64,687	79,806	125,778

Explanations for major variations from the Council's budget figures in the Long Term Plan 2021-2031

Explanations for major variations from the Council's budget figures in the 2022-2023 Annual Plan are as follows:

Operating revenue

Total operating revenue for the year ended 30 June 2023 was \$172.4m, this is \$8.6m higher than budget of \$163.8m and \$24m higher than last year.

The key reasons for the variances are identified as follows:

Rates revenue

Rates revenue was \$1.4m higher than planned due to higher rates penalty income received, partly offset by higher remissions than budgeted.

Subsidies and grants

Subsidy and grant revenue was \$25m compared to a budget of \$24.4m due to an increase in Passenger Transport subsidy received from Waka Kotahi for half price fares, increased school services, and additional funding to cover other cost increases.

This increase has been offset by a reduction in revenue resulting from revenue for biosecurity projects (wallaby and wilding pine) budgeted as subsidy revenue but recognised as trading and other revenue.

Interest revenue

Corporate interest revenue of \$6.3m is lower than budget of \$6.8m. This is due to lower than expected loans to Quayside Holdings Limited in relation to the Rangioru Business Park.

Trading and other revenue

Trading and other revenue was \$20.2m, which is \$4.7m higher than the budget of \$15.5m, and \$3.6m higher than last year higher than last year due to:

- Capital insurance recoveries of \$3.1m were received during the current year relating to the 2017 flood event.
- Funding for biosecurity wallaby and wilding pine projects budgeted for in subsidies and grants but actual revenue of \$2.1m recognised in trading and other revenue.

Lower than budgeted section 36 fees (Resource Management Act) for the year offsets the increase in revenue.

Reversal of impairment losses on financial assets

The value of Council's investment in Toi Moana Trust as at 30 June 2023 increased in fair value compared to 30 June 2022. This resulted in an unbudgeted impairment reversal of \$1.9m.

Operating expenditure

Total operating expenditure for the year ended 30 June 2023 was \$177.2m which is \$2.1m higher than budget of \$175.1m, and \$18.3m higher than last year. The key reasons for the variances are identified below:

Employee benefit expenses

Employee benefit expenses were \$55m compared to a budget of \$54.1m, an \$0.9m increase.

The overspend is attributable to increased staff time and costs for Rivers and Drainage and Emergency management teams responding to several weather events during the year.

Trading and other expenses

Trading and other expenses were \$107.9m which was \$4.1m higher than the budget of \$103.8m.

Most of the variance is attributable to Passenger Transport, which is \$3m higher than budget. The variances are a result of indexation uplift, driver wage increases, and significant increase in demand for school bus services which was unplanned and not budgeted for.

There has also been higher than budgeted expenditure in Rivers and Drainage for increased contract work, assessments and inspections in response to recent adverse weather events, and in Maritime for a vessel removal from the Tauranga Harbour.

Depreciation and amortisation

Depreciation and amortisation costs were \$0.5m less than budget due to lower than budgeted capital expenditure during the year.

Finance costs

Finance costs were \$5.8m which was \$2.6m lower than the budget of \$8.4m. There has been less borrowing than planned due to the timing of drawdown requirements from Quayside Holdings Limited. This is partly offset by increased finance costs attributable to higher than planned interest rates.

Statement of financial position

Assets

Total assets are \$814.9m, \$64.1m lower than budget due to the below major variances.

Current assets

Current assets were \$50.1m higher than budget due to the below major variances.

- Non-current assets held for sale of \$2.8m was not budgeted for and relates to land and buildings on Cutwater Road, Pukehina. Council purchased this property
- in 2022/23 and is transforming 30 hectares of it to wetland and selling the remaining property what will not be used.

- Cash and cash equivalents were \$8.2m lower than budget mainly due to Term deposits planned as cash classified as financial assets due to the maturity date.

Non-current assets

Non-current assets were \$114.2m lower than budget due to the below major variances.

- Property, plant and equipment was \$22.4m less than planned, mainly due to lower than expected capital expenditure.
- Other financial assets were \$87.4m lower than budget. This is mainly due to \$85.9m in expected loans not drawn down by related parties (QHL) this financial year as planned.

Liabilities

Total liabilities are \$70.7m lower than budget due to the below major variances.

- The put option is valued at \$2.4m which is \$0.6m lower than budget.
- Total current and non-current borrowings is \$70.8m lower than budget. Planned borrowings from the LGFA to lend to related parties (QHL), have not been required.

Equity

Total equity is \$6.6m higher than budget mainly due to infrastructure asset revaluation and replacement movements in prior year and current years.

Statement of Cashflows

Net cash from operating activities are \$4.8m higher than budget, mainly due to higher than expected receipts from rates and from customers.

Net cash from investing activities is \$81.3m lower than budget. Outflows of cash for purchase of Property Plant and Equipment being \$18.6m lower than expected. \$61m of prior year cash balance invested in financial assets, resulting in the large outflow of cash from investing activities.

Net cash from financing activities was \$16.6m higher than budget due to additional borrowings to pre-fund capital expenditure in future years to provide interest rate certainty.

Commitments

Capital commitments

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred. As at balance date Council had a total of \$5.3 million capital commitments (2021/22 \$2.8 million). As at balance date capital commitments for the Group were \$43.6 million (2021/22 \$34.9 million).

Operating leases as lessee

The Council leases land, buildings, plant and equipment in the normal course of its business. The leases have varying term and renewal rights.

	2022/23		2021/22	
	Council \$000	Group \$000	Council \$000	Group \$000
Not later than one year	562	562	536	536
Later than one year and not later than five years	1,712	1,712	1,486	1,486
Later than five years	1,467	1,467	1,826	1,826
Total non-cancellable operating leases	3,741	3,741	3,848	3,848

Operating leases as lessor

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2022/23		2021/22	
	Council \$000	Group \$000	Council \$000	Group \$000
Not later than one year	200	26,992	194	25,992
Later than one year and not later than five years	477	54,090	531	57,897
Later than five years	370	23,452	477	30,084
Total non-cancellable operating leases	1,048	104,535	1,202	113,973

Contingent liabilities

Financial Guarantee - New Zealand Local Government Funding Agency

The Bay of Plenty Regional Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA for local currency and a foreign currency rating of AA+ as at 1 March 2023.

As at 30 June 2023, the Bay of Plenty Regional Council is one of 30 local authority shareholders and 70 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of \$1.0m. When aggregated with the uncalled capital of other shareholders, \$20.0m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings.

At 30 June 2023, the LGFA had borrowings totalling \$17.7b (2022: \$15.8b). PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Uncalled capital

The Council is liable for the uncalled capital in its wholly owned subsidiary, Quayside Holdings Limited, of \$81,829,918 being 2,003,190,217 Redeemable Preference Shares at 0.000004 cents per share.

Legal Proceedings

Edgcumbe Flood Litigation

Two civil claims were filed against Bay of Plenty Regional Council during the financial year in relation to the breach of the College Road floodwall on the morning of 6 April 2017 in Edgcumbe. The claims allege that the plaintiffs suffered loss through Regional Council's actions. The causes of action include negligence, nuisance, Rylands v Fletcher (a subset of nuisance), and breach of the Soil Conservation and River Control Act 1941. The plaintiffs in both proceedings have applied to bring a representative action against Bay of Plenty Regional Council. The amount of damages sought is yet to be quantified in full. External counsel have been appointed and are assisting Bay of Plenty Regional Council to defend these claims.

Te Puke Train Derailment

A claim was lodged during the financial year against Bay of Plenty Regional Council in relation to the train that derailed in Te Puke 20 January 2023. The claim alleges that Bay of Plenty Regional Council failed to maintain its drainage infrastructure and keep it clear of blockages, which is alleged to have contributed to property damage. The alleged losses have not been fully quantified but are in the vicinity of \$975,000. It is alleged that KiwiRail and BOPRC are jointly liable for these losses. External counsel have been appointed and are assisting Bay of Plenty Regional Council to respond to this claim.

Subsidiary

At 30 June 2023 for the subsidiary there were no contingent liabilities.

Related party transactions

Bay of Plenty Regional Council is the parent of the Group and has a 100% shareholding of Quayside Holdings Limited and has a 99.9% holding of the units of the Toi Moana Trust with one held by Quayside Holdings Limited.

Quayside Holdings Limited is the sole or majority shareholder of Quayside Securities Limited and Quayside Securities Limited as trustee for Quayside Investment Trust and Quayside Unit Trust, Aqua Curo Limited, Quayside Properties Limited, Quayside Barnett Place Limited, Quayside the Vault Limited, Quayside Portside Drive Limited, Quayside Mystery Valley Limited, Quayside Te Papa Tipu, and Quayside Tauriko Limited. Through the shareholding in Quayside Securities Limited as Trustee for Quayside Unit Trust, a controlling interest is held in the Port of Tauranga (POTL) and its subsidiaries and equity accounted investees.

Two Councillors of the Bay of Plenty Regional Council (Stuart Crosby and Te Taru White) were directors of Quayside Holdings Limited, Quayside Securities Limited and Quayside Properties Limited at 30 June 2023. The Chief Executive of Bay of Plenty Regional Council (Fiona McTavish) was appointed as Director of the above companies effective on 30 June 2018. Fiona McTavish was also appointed as Director of Regional Software Holdings Limited (RSHL) effective on 23 February 2023. The Chairman of the Bay of Plenty Regional Council (Douglas Leeder) was appointed as a director of Port of Tauranga Limited in October 2015.

Events after the balance sheet date

Council

There have been no events since 30 June 2023 that require disclosure in the Annual Report 2022/23.

Subsidiary

The financial statements were approved by the Board of Directors on 14 September 2023.

After the reporting date, the Port of Tauranga approved a final dividend of 8.8 cents per share.

On 24 July 2023, Quayside Holdings Limited purchased the residual amount of share from TBP Holdings Limited in Lakes Commercial Developments for a purchase price of \$1.3m. After the purchase, Quayside Holdings Limited holds 100% of Lakes Commercial Developments.

On 5 July 2023 Quayside Holdings entered into a subscription agreement for an investment of \$25m into Tauranga Crossing Limited. On 4 September 2023, Quayside completed the purchase of 22,609 shares in Tauranga Crossing Limited.

Independent Auditor's Report

To the readers of Bay of Plenty Regional Council and group's summary of the annual report for the year ended 30 June 2023

The summary of the annual report was derived from the annual report of the Bay of Plenty Regional Council and Group's (the Regional Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 17 to 19 and 26 to 32:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of financial performance and comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of service delivery performance.

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 2023 in our auditor's report dated 26 October 2023.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures in the full annual report about the uncertainties in relation to greenhouse gas reporting.

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 in our capacity as auditor, we have no relationship with, or interests in the Regional Council.



Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

26 October 2023

Ngā mangai

Your representatives



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You can view the full Annual Report on Bay of Plenty Regional Council's website www.boprc.govt.nz

The Annual Report Summary does not provide as complete an understanding of Bay of Plenty Regional Council's activities as provided by the full Annual Report.

If you would like a copy of the 2022/23 Annual Report please visit our website www.boprc.govt.nz or alternatively, call 0800 884 880 for a printed copy.