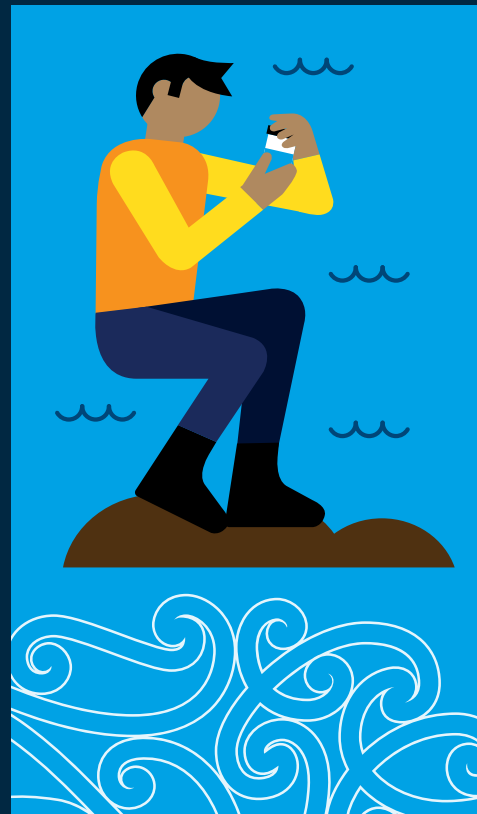


# *He Whakarāpopoto i te Pūrongo ā-tau* **Annual Report Summary 2023/24**



# 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 Waihi 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.*



# Te rārangi kaupapa

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# Ko wai mātou, ā, he aha ā mātou mahi

## Who we are (and what we do!)

*Regional councils have different responsibilities to city and district councils. We have a strong focus on the environment and work to achieve our four Community Outcomes for the environmental, economic, cultural and social wellbeing of our community. Below are some of the activities we carry out in relation to our Community Outcomes.*

### He taiao ora A healthy environment

Through our **Planning, Resource Regulation and Monitoring** and **Catchment Management** Group of Activities, we help protect native biodiversity and biosecurity and also monitor compliance of resource consents and air quality as well as our geothermal systems.



### Te mana o te wai Freshwater for life

Through our **Catchment Management, Support Services** and **Democracy, Engagement and Planning** Group of Activities, we help to maintain and improve water quality, provide technical advice and analysis, and set key environmental rules in relation to our rivers, lakes, and streams.



### Kia haumarū, kia pakari te hapori Safe and resilient communities

Through our **Flood Protection and Control, and Regional Flood Risk Co-ordination, Emergency Management** and **Resource Regulation and Monitoring** Group of Activities, we manage a number of defences against flooding and help administer and co-ordinate a range of civil defence services with key partners. We also provide education on, and enforce, key water-related safety laws.



### Toitū te rohe A vibrant region

Our **Transportation and Urban Planning** and **Democracy, Engagement, and Planning** Group of Activities run bus services across the region and work with our diverse communities to ensure their voices are heard in our work, and that the democratic process is maintained.



# Ngā kaupapa e tautokohia e āu reiti

## The work your rates help fund



Natives seedlings planted for environmental protection

**1.3+ M**



Visitors to Regional Parks

**210,824**



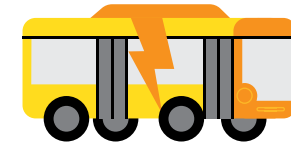
Spoke with

**1,600**

harbour and lake users to educate them and keep them safe

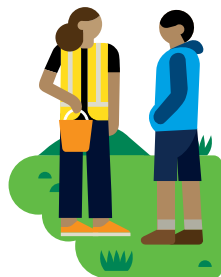
Pollution hotline calls responded to

**2,300+**



Number of public transport trips taken

**3.37 M**



Volunteer groups or projects supported

**100+**



Water samples analysed under swimming sites monitoring programme

**1,700**

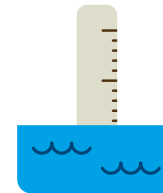


Environmental consent checks

**3,962**

Water monitoring sites to understand and safeguard our environment

**270**



Maintaining

**382km**

of stopbanks for flood protection



Inspections for pests

**3,700**

Latest annual figures

# 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

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*From the Chair and Chief Executive*





***We are pleased to present our Annual Report for the year ended 30 June 2024 (2023/24). This report covers our financial and service delivery results for the year and is the third and final Annual Report against our Long Term Plan 2021-2031.***

The 2023/24 year will be remembered for its particularly tough economic climate, with our community navigating challenging financial times. Our Council faced a number of challenges throughout the year including the ever-increasing need to future proof the region from the impacts of climate change, and the ever-increasing demand for services. A new Government was elected in October 2023 and we remain agile in order to respond to the dynamic operating environment and changing priorities that come with a change of Government.

Our challenging operating environment was front of mind during the development of our Long Term Plan 2024-2034 which was adopted on 26 June 2024. The Council built on the strategic framework we developed in 2022/23 and our strong focus on the communities we serve. Throughout the development process we remained centred on the need to keep rates affordable and carefully scrutinised operating budgets line-by-line while maintaining levels of service. During the Long Term Plan process we received valuable feedback through region-wide engagement and consultation to help us shape our decisions and make sure we are on track to get it right.



## **Our priorities**

Through our previous Long Term Plan 2021-2031, we identified priority areas to ensure we don't lose sight of what's important for our communities, while navigating the requirements of a changing local government landscape.

For this past year, our focus has been on three key areas: Helping communities understand and adapt to a changing climate, supporting Māori partnerships and participation, and engaging communities to have a voice in Council's decision-making processes.

We've had several highlights for each of these priorities (which you can read in detail on page 12), but the best outcome is when all three priorities align. An example of this is our community-led Adaptation Planning, which puts communities, iwi and hapū at the centre of the decision-making process when it comes to the challenges of climate change. Through this initiative, communities develop actionable strategies to improve their knowledge of what's happening now, as well as tools to prepare for what's to come. This approach is being adopted by other regions across the country – a testament to the value of using our strategic priorities to shape how we influence change not just for the Bay of Plenty, but the whole country.

## **This year's key highlights**

During the year more than 100 hectares of farmland and native bush was generously gifted to the Council by the Noble family. The farm is located on Hot Springs Road in Katikati and is home to several mature and endangered native bush species. It also includes streams and creeks that feed into the Te Mania Stream and incredible views of our region. It was the family's wish that the land remain undeveloped so that the natural features could be looked after and community access could continue for future generations. Council will register a QEII National Trust open space covenant on the property to support the family's wishes for the land to remain undeveloped. Over time, Council will develop this land into a Regional Park that will be available to the public to experience and enjoy.

We are pleased to report that significant progress was made across all areas of Council's work programme. We achieved 37 of the 44 (84%) performance targets that were set through our LTP for the year and continued to deliver a number of major projects.

Significant achievements this year included:

- Capital works projects completed:
  - Te Puke Stormwater Project \$1.9 million
  - Rangitāiki Floodway \$5.1 million
  - Rangitāiki Floodwalls \$1.2 million
  - Rangitāiki River stopbank upgrade \$3.1 million
  - Old Rangitāiki Canal \$2.3 million
  - Whakatāne Tauranga Flood Damage Repairs \$0.6 million
- Public Transport: The number of passenger trips increased by 23% from the previous year to 3.37 million passengers. We also launched the OnDemand service trial.
- We completed the upgrade of Pāpāmoa Hills Cultural Heritage Regional Park and held the official opening in November 2023.
- Our School Sustainability and Resilience fund received partner funding from Trust Horizon, TECT and BayTrust, boosting the funding available from \$35,000 to approximately \$77,000.
- We reduced Council emissions by 26% year over year. This was primarily due to lower rainfall leading to less need for flood pumps to operate as well as fleet decarbonisation. Refer to page 48 for further detail.

## Financial management

S&P Global have decided to downgrade Bay of Plenty Regional Council's (BOPRC) credit rating from AA (negative outlook) to AA- (stable outlook). This credit rating is for the Council Group including Quayside Holdings Limited (Quayside), but excludes the Port of Tauranga Limited. S&P Global have changed the overall institutional factors for New Zealand councils, which has increased the likelihood of all councils in New Zealand being downgraded.

Council has delivered an operating surplus of \$5.4 million for the year, against a budgeted deficit of \$1.3 million. Revenue during the year was \$191.2 million compared to a budget of \$184.1 million. Operating expenditure was \$185.7 million compared to budget of \$185.4 million. The higher level of revenue has been the main contributing factor to a surplus for the year.

Capital expenditure was \$33.9 million compared to a budget of \$30 million. A number of projects have been completed due to the favorable weather conditions.

In the 2023/24 year Council received a dividend of \$45 million from our investment arm Quayside. The Quayside dividend made up 24% of Council's revenue, reducing the financial burden for ratepayers by an average of \$380 per household.



## Looking ahead – efficient budgets and generational gains

The Long Term Plan 2024-2034 became effective on 1 July 2024, with a focus on delivering effectively and efficiently for our communities in a way that is financially responsible for today and for future generations. One of the topics we consulted on was whether to enable a managed sell down of Quayside's Port of Tauranga Limited shareholding to a minimum of 28% to support a more diversified investment portfolio. This was a weighty decision for Council to make and followed considerable specialist advice, consultation and deliberation. Council supported the proposal but before a sale can go ahead it still needs to consider and approve the details of the process that will be followed, and approve the conditions of any sale of shares. Work on this will continue in the year ahead. The Council, through Quayside, will remain a significant cornerstone and strategic shareholder in the Port of Tauranga through retaining at least a 28% shareholding.

Central Government has announced a \$20 million co-investment for flood protection infrastructure including stopbanks, floodwalls and pump stations across the region. The Crown grant will cover 60% of budgeted project costs and remaining costs will be funded through rates. This welcomed funding has been split across three of the rivers and drainage schemes in the Bay of Plenty, meaning those targeted rates will be lower than they would have otherwise been. They are:

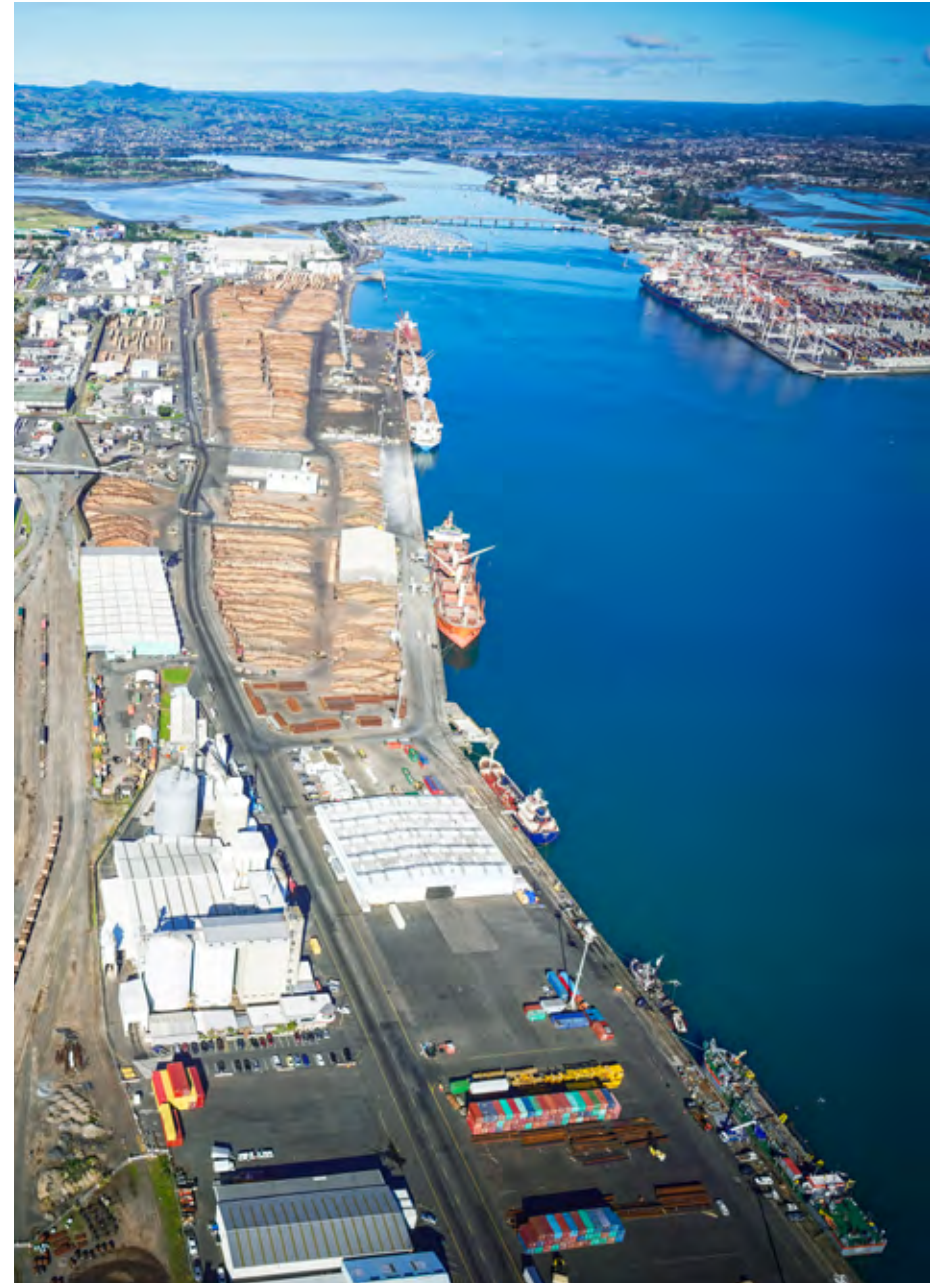
- Kaituna Catchment Control Scheme to replace existing flood infrastructure (the Ford Road pump station) \$8.42 million
- Waioweka-Otara Rivers Scheme stopbank upgrades in and around Ōpōtiki \$1.20 million
- Whakatāne-Tauranga Rivers Scheme (Project Future Proof, upgrading the stopbanks and floodwalls in Whakatāne CBD, for stages two, three and four) \$10.69 million

We will continue to strengthen ties with our local government partners making sure we have a pragmatic approach to the changing operating environment. The next local government election will be October 2025. Voter turnout is a challenge internationally and we are already setting our sights to make sure our community is engaged in local democracy, enabling decisions that reflect the community.

We would like to thank our Councillors and our staff for the work they do for the benefit of the Bay of Plenty region.

**Doug Leeder**  
Chairman

**Fiona McTavish**  
Chief Executive



# Highlights for the 2023/24 financial year



Council **staff work with landowners and community groups to initiate freshwater and biodiversity projects** through Environmental Programme Agreements. This year there were 368 environmental programmes underway which will deliver around 700,000 native plants, 30kms of fencing and 800 hectares of protection areas.



On 9 May 2024 the **Noble family gifted land**, 103 hectares, on Hot Springs Rd Katikati to Council. The family has requested that the ecological, landscape and recreational values of this land be protected in perpetuity for the benefit of the community, through the future establishment of a Regional Park. This was formally transferred to Council on 25 September 2024.

The **Rotorua Airshed recorded zero exceedances** of the National Environmental Standard for Air Quality. There has not been an exceedance in Rotorua since 2020.



Kia marutau ki te wai – this year the programme to **reduce injuries on the water and increase safer boating education** to our region's iwi, focused on delivering the programme to eastern iwi and hapū. This covered the area as far as Ōpōtiki and Waihou Bay. Day skipper courses were provided to 19 tangata whenua.



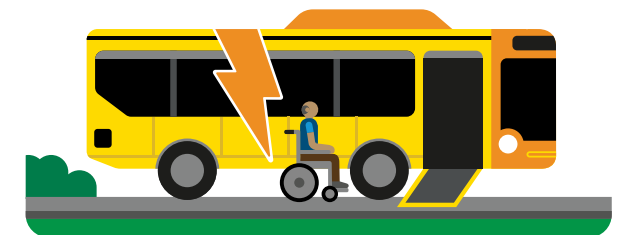


In November 2023 the **Pāpāmoa Hills Cultural Heritage Regional Park Upgrade Project** was commissioned. This \$5 million project was co-designed with Waitaha, Nga Potiki, Ngati Pukenga and Ngati He alongside Council staff and consultants. This upgrade included a new 80 space carpark, construction of a toilet block, 1,500m of walkway links to the existing track network, and a 200m wheelchair loop track. The tomokanga (entranceway) and the artistic signage shares historical and cultural stories from the past. The project was short-listed for two national awards, and visitor numbers have doubled during 2023/24 since commissioning.

There were two different **oil spill events** on consecutive days at Waikorire/Pilot Bay. This resulted in major clean ups of the beach and wharf area due to the heavy waste oil spilled. The beach was quickly restored to a usable state.



There were **3.37 million public transport trips** taken in the region which is a 23% increase from last year.



Constructed **treatment wetlands built** with funding support from Bay of Plenty Regional Council are making significant improvements to water quality in the Waihi Estuary Catchment. The Pongakawa and Te Rere Maniatutu ammonium nitrogen reduced by 85%, phosphorus reduced by 90% Dissolved Reactive Phosphorus (DRP), and *E.coli* by 80%. Funding has been received from the Ministry for the Environment and NIWA to continue this monitoring for another year.

# Community outcomes and activities

Group of Activities	He taiao ora A healthy environment	Te mana o te wai Freshwater for life	Kia haumaru, kia pakari te hapori Safe and resilient communities	Toitū te rohe A vibrant region
Catchment Management	<ul style="list-style-type: none"> <li> Biosecurity</li> <li> Regional Parks</li> </ul>	<ul style="list-style-type: none"> <li> Rotorua Lakes</li> <li> Coastal Catchments</li> </ul>		
Flood Protection and Control			<ul style="list-style-type: none"> <li> Rivers and Drainage Schemes</li> <li> Regional Flood Risk Co-ordination</li> </ul>	
Resource Regulation and Monitoring	<ul style="list-style-type: none"> <li> Resource Consents</li> <li> Air Quality</li> <li> Regulatory Compliance</li> </ul>		<ul style="list-style-type: none"> <li> Maritime Operations</li> </ul>	
Transportation and Urban Planning				<ul style="list-style-type: none"> <li> Public Transport</li> <li> Transport and Urban Planning</li> </ul>
Democracy, Engagement and Planning	<ul style="list-style-type: none"> <li> Policy and Planning</li> <li> Environmental Strategy</li> </ul>			<ul style="list-style-type: none"> <li> Māori Policy (Te Amorangi)</li> <li> Community Engagement</li> <li> Governance Services</li> <li> Regional Development</li> </ul>
Emergency Management			<ul style="list-style-type: none"> <li> Emergency Management</li> </ul>	
Support Services	<ul style="list-style-type: none"> <li> Technical Support</li> </ul>		<ul style="list-style-type: none"> <li> Corporate Support</li> </ul>	

# Ngā whakaarotau rautaki Strategic priorities

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*To best position ourselves we identified eight strategic priorities through our 2021–2031 Long-Term Plan. Within these eight priorities we highlighted three as Impact Areas with more immediate focus.*

The current local government landscape is particularly changeable. There is 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.



**Climate change**

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**Partnerships with Māori**

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**Community participation and constructive relationships**

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**Regulatory reform**

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**Regional recovery**

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**Sub-regional/regional view**

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**Land use and transport**

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**Making best use of our resources**

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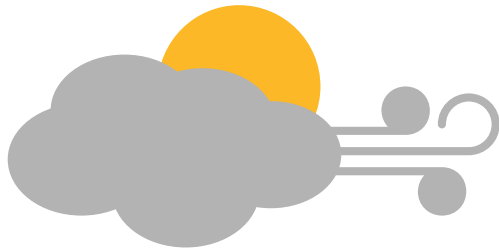


## Climate change

*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:

#### Community-led Adaptation Planning

This year we have gained further momentum in supporting our communities to adapt to the changing climate. A number of projects have been successfully completed and new communities across the region are beginning their adaptation planning journey. This includes:

- Waihi Beach Life Guards who have successfully completed their adaptation project by developing a plan to continue to provide essential services to the community while adapting to the climate hazards they face.
- Ngai Tamawhariua completed their project to build an understanding on how climate change, in particular coastal inundation, could affect their marae and papakāinga.

New projects have been funded and supported across the motu. Whakatōhea Māori Trust Board is working with Lincoln University on food security under a changing climate, Te Ao Hou Trust is working to enhance community understanding and develop actionable adaptation strategies for three east coast Marae, and Motuhua Island Trust is working to understand how to adapt to climate hazards faced by the island.

Our initiative to support community-led climate adaptation is now being picked up by other regions across the country.

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#### Regional Climate Risk Assessment

The Bay of Plenty Regional Climate Risk Assessment was presented to the Mayoral Forum by a joint adaptation working group of the region's councils. The risk assessment provides a regional overview of the risks we face from a changing climate and is designed to inform more in-depth local planning. It is now being used to inform both spatial planning and local risk assessments being undertaken by territorial local authorities.





# 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:

### **Ko Wai Matou**

Council has worked closely with Tauranga Moana Iwi Partners to support the 'Ko Wai Matou' Freshwater project. This is an inter-agency arrangement with primary funding through the Ministry for the Environment and contributory funding by the Regional Council through the Long Term Plan 2021-2031 together with additional support in kind. The project will be instrumental in supporting the iwi partners to participate and contribute to the Regional Council's freshwater programme.

### **He Toka Tū Moana Environmental Scholarships**

We were delighted to once again award scholarships to seven students. These scholarships aim to recognise and support students who are undertaking study, research or training that contributes to the enhancement of the taiao (natural environment).

### **Te Wahapū o Waihi**

Te Wahapū o Waihi is a collective of five iwi (Ngati Whakahemo, Ngati Whakaue ki Maketu, Ngati Pikiāo, Ngati Makino and Tapuika), with a shared vision:

*He oranga te Wahapū, he oranga te iwi.*

*The health of the estuary is the health of the people*

Te Wahapū o Waihi has been actively working towards achieving its vision and objectives together, with funding and support from Toi Moana, the Ministry for the Environment Freshwater Improvement Fund, and the Ministry for Primary Industry's Māori Agribusiness Unit.

### **Ta Au o Te Awa Punga**

Toi Moana has supported the establishment of a shared service arrangement with Whakatāne District Council, Ngati Awa, Ngati Rangitihī, Ngati Manawa and Ngati Whare. This past year they have completed stage one of the Spatial Plan for the Whakatāne District and are in the process of completing the detailed value and attributes layers along with the identification of sites of significance. A draft operational plan and business case to establish an independent Iwi Hub has also been prepared.



# 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:

### School Sustainability and Resilience Fund

A funding round was held in early 2024 using a participatory budgeting process. Partner funding received this year from Trust Horizon, TECT and BayTrust boosted the available funding from \$35,000 to over \$80,000. A total of 38 applications were received, of which 31 applications were successful in seeking funding. Applications were received from schools, kura, kohanga, kindergartens, early childhood education centres and other education organisations across our rohe. Projects included Tsunami Ready signs, water harvesting, bike racks and community gardens.

### Care groups support

Bay of Plenty Regional Council currently has 68 care or catchment groups it supports financially with a signed agreements. There are also a small number of groups Council provides technical support only to. Five new care groups were supported last year with several new groups in discussion to explore opportunities. The 68 groups had 5,313 volunteers participate, completing an estimated 58,264 hours of work.

### Communications and Engagement for the Long Term Plan

The Long Term Plan 2024-2034 outlines the Council's activities, services, capital programme and finances for the next 10 years. It is important that we engage with communities throughout the region to inform our work. We ran two rounds of pre-engagement for the Long Term Plan – this was a digital-only campaign that gained an incredible reach and a high participation rate (over 1,600 respondents across two surveys).

We received informal feedback on “What matters most” from more than 830 people at community events and locations including Bayfair, Pacific Growth Careers Expo, and Tauranga Multicultural Festival. New engagement techniques including a Friend of the Submitter service provided assistance to 16 hapū and iwi, plus four other submitters, plus a Councillor drop-in trial held over a six week period.

This consultation resulted in a total of 392 formal submissions being received. There were 105 submitters who spoke at hearings over four days at venues across the region including for the first time, a marae. All submitters and people that spoke at the hearings provided valuable input to the Council decisions on the Long Term Plan. The Long Term Plan 2024-2034 was adopted on 26 June 2024.

# 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, as our baseline figure, with more than one third of the regional population identifying as Māori.***

Geographically, 40% of the region is Māori land/landholdings comprised by over 1,800 land trusts covering more than 5,000 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 recognise 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 has ensured our ongoing commitment to working collaboratively with tangata whenua towards a prosperous regional future. It also provides a solid foundation for the new Long Term Plan Community Outcome – Te Ara Poutama, which will build upon the current work programme, objectives and transformational shifts in our Māori Partnerships Statement.

During 2023/24 we supported a range of Māori initiatives to foster the continued development and enhanced participation of tangata whenua in decision-making processes, including:

- Partnering with iwi and central government agencies, to access funding and support for regionally based freshwater & Mātauranga Māori integrated projects.
- Working with iwi and hapū to pilot a new suite of initiatives towards enhanced integration of Iwi Hapū Management Plans within the regional planning framework.
- Continued support of Statutory Co-Governance fora and other Treaty Settlement based mechanisms.
- Supporting iwi RMA capacity and capacity building through short-term secondment and expertise exchange.
- Building iwi capability across our core operations through targeted training and education initiatives. For example, Kia Marutau ki te Wai (youth focused Day Skipper Certification programme).



# 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.*

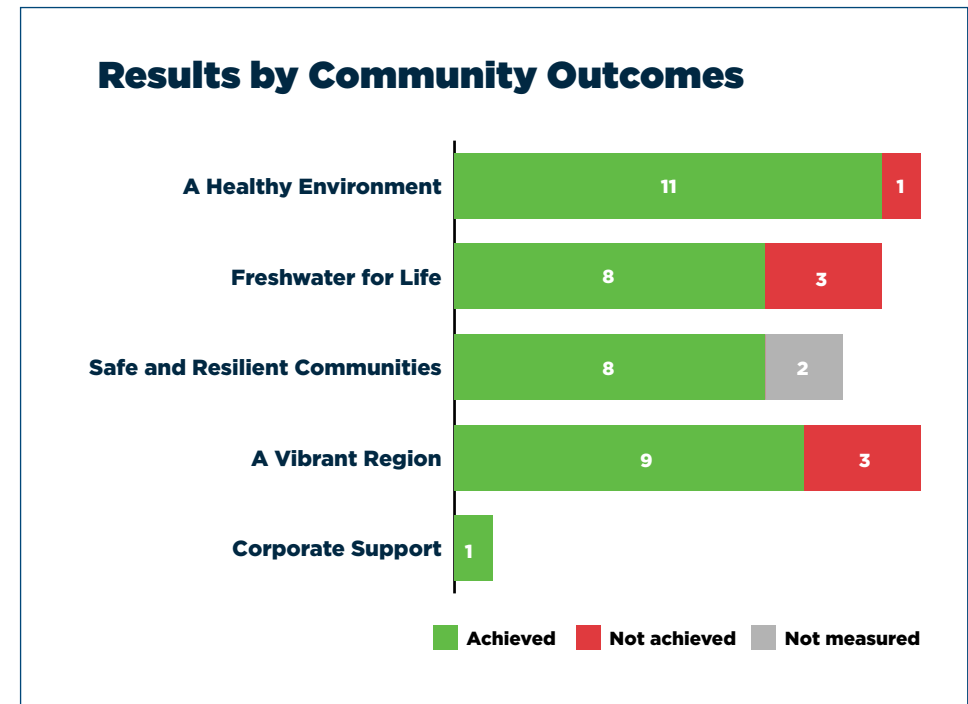
Each of the seven groups of activities state the levels of service that will be delivered by that Group and have performance measures and targets that indicate how well we are delivering our services to the community.

In our Long Term Plan 2021-2031 we agreed on a suite of performance measures. This is the third Annual Report to report on these measures. In year three we achieved 84% of the targets set for the 2023/24 year.

Of the 44 measures monitored the 2023/24 summary graph shows that:

- We achieved the targets for 37 measures
- We have not achieved targets for 7 measures

There were three measures where no targets were set in the 2023/24 year.



**Service Delivery Performance summary** *For more information, please refer to the full Annual Report 2023/24.*

*He taiao ora*  
**A healthy environment**

**11 of the 12 measures were achieved**

88% of the Regional Pest Management Plan programmes are on track

Total visitors to Regional Parks 210,824. A 112.3% increase from 2022/23

90% satisfaction of visitors to the Regional Parks

99% of resource consents were processed within the statutory timeframes

89% satisfaction for resource consent customers

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

Two exceedances of air quality limits in priority airsheds

*Te mana o te wai*  
**Freshwater for life**

**8 of the 11 measures were achieved**

48% biodiversity sites actively monitored

Four 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

99% 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**

98% maintenance and repairs completed in accordance with the Asset Management Plan

100% 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

99% of navigational aids are rated good quality or higher



*Toitū te rohe*  
**A vibrant region**

**9 of the 12 measures were achieved**

3.37 million public transport trips taken in the region.  
A 23% increase from last year

76% of bus users were satisfied with the service

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

All completed Environmental Enhancement Fund projects achieved their measured goals

10% of reports on Council agenda were public excluded



# Ngā whakatutukitanga ahumoni Financial Performance

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***For the year ended 30 June 2024, Bay of Plenty Regional Council has generated an operating surplus of \$5.4 million which was above our planned operating deficit of \$1.3 million (2023: \$4.4 million deficit).***

The Bay of Plenty Regional Council Group, which includes our 100% shareholding in Quayside Holdings Limited, has achieved net profit after tax of \$44 million (2023: \$77 million surplus). \$2.9 million is attributable to Council, compared to \$23.9 million in 2023. We are pleased to report Quayside has paid \$45 million in dividends to Council reducing general rates in the Bay of Plenty by an average of \$380 per property.

Our 2023/24 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% total general real rates increase (excluding inflation and growth),
- contributing to third party infrastructure projects using reserves, and
- requesting additional funding support from Central Government.

For the year ended 30 June 2024 Council has delivered a robust result with an increase in operating revenue and operating expenditure compared to last year. We have delivered our work programme through operating expenditure of \$185.7 million, compared to a budget of \$185.4 million. Revenue during the year was \$191.2 million compared to budget of \$184.1 million. The surplus for the year was \$5.4 million, compared to a budgeted deficit of \$1.3 million.

We also delivered a capital works programme with capital expenditure of \$33.9 million, compared to a budget of \$30 million.

Capital revenue received was \$4.3 million compared to a budget of \$5.8 million. Funding support from Central Government in some cases has been deferred to later years due in part to material and equipment delays.



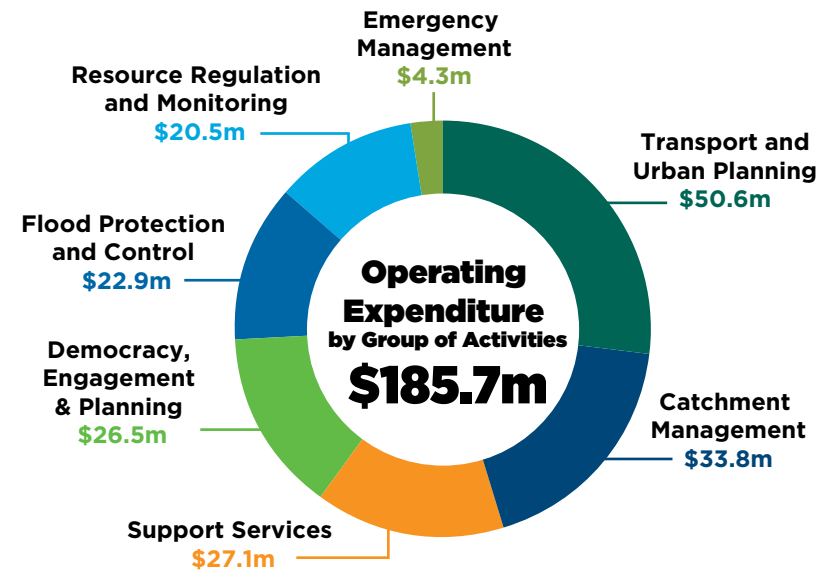
## Operating expenditure

*Total operating expenditure for the year ended 30 June 2024 was \$185.7 million, this is 0.2% and \$0.3 million higher than budget and 4.8% and \$8.5 million higher than last year.*

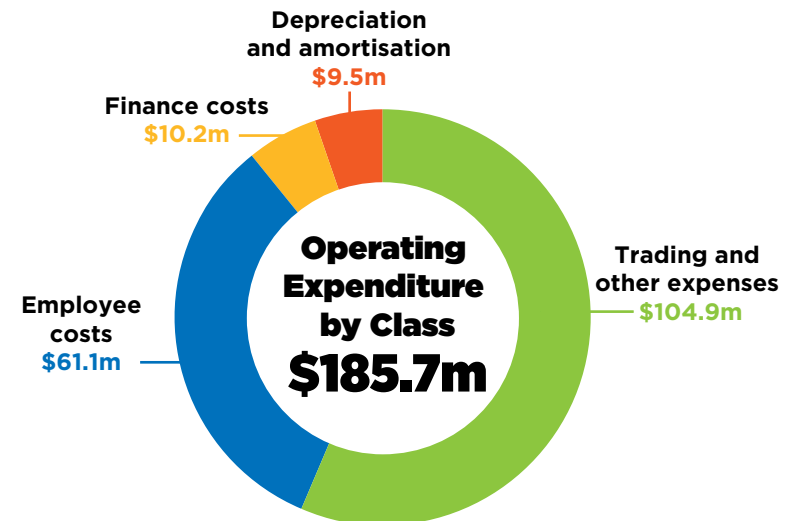
Our operating expenditure is what we spend on the many activities we provide to our community – for example providing public transport, consent processing, supporting local democracy, maintaining infrastructure assets and providing community grants. It also includes all the support services such as finance,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

Operating expenditure for 2023/24 was higher than budget mainly due to unbudgeted, non-cash adjustments included unbudgeted costs relating to the derecognition of rivers and drainage assets (refer to Note 39 for further detail). This was offset by a decreased update in the Land Use Incentives Scheme for the Rotorua Te Arawa Lakes Enhancement Programme, avoided flood damage costs, and scaled down security services in Tauranga Passenger Transport. More work was completed using existing internal resources, resulting in reduced contractor and consultancy expenses. The cost savings were offset by the higher provision for bad debt in 2023/24 relating to unpaid cost recovery costs for the removal of two vessels from the Tauranga harbour and unpaid rates penalties.

## Operating Expenditure by Group of Activities



## Operating Expenditure by Class



# Revenue

*For the year ending 30 June 2024, our total operating revenue was \$191.2 million, which is 3.9% (\$7.1 million) above budget and 10.9% (\$18.8 million) higher than the previous year.*

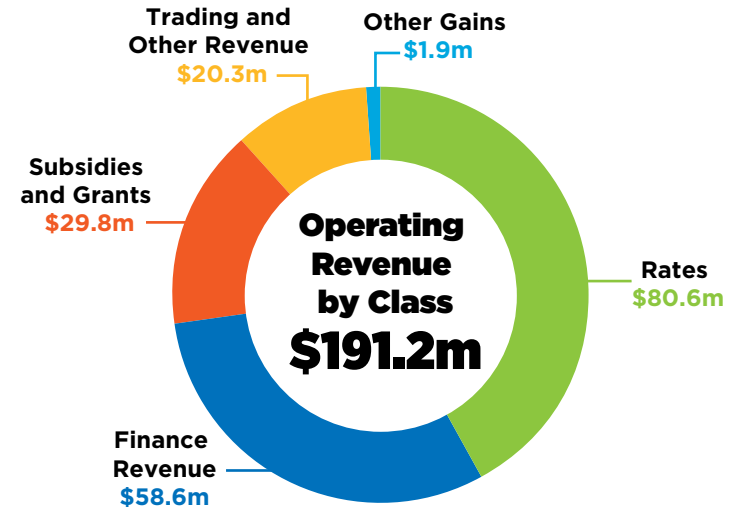
Our services and operations are funded through a combination of rates and non-rates sources. Approximately 60% of our services are funded by non-rates revenue, and unlike other councils, we rely more heavily on investment income to cover operating expenses.

Rates collected were higher than budget due to higher-than-expected penalty income. The subsidies and grants council receive vary annually based on the projects undertaken during the year. In 2023/24, subsidies from NZ Transport Agency Waka Kotahi were lower than budget due to reduced spending on the Western Bay of Plenty Transport System Plan. However, this subsidy was consistent with the prior year. Council received \$2.1 million in subsidies from the Ministry for Primary Industries to continue work on the National Wallaby Eradication Programme. There was a reduced uptake of the Land Use Incentive Scheme for the Rotorua Te Arawa Lakes Enhancement Programme.

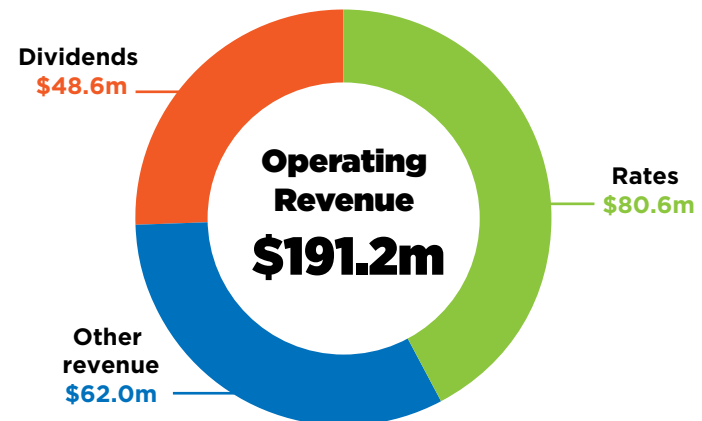
Revenue included the cost recovery for the removal of two vessels from Tauranga Harbour, but this revenue has been fully provided for as bad debt.

Finance revenue includes a \$45 million dividend from Quayside and \$3.5 million from Toi Moana Trust. Quayside dividends are used to benefit the entire region, helping to lower general rates for all ratepayers. Finance income exceeded both budget and prior year figures, primarily due to higher interest rates on term deposits. The average return on funds as of 30 June 2024 was 5.53%.

## Operating Revenue by Class



## Operating Revenue



## Capital Expenditure

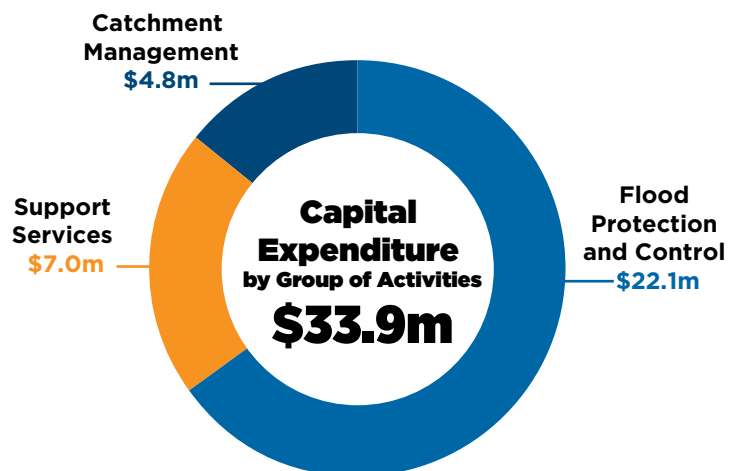
**Total capital expenditure for the year ended 30 June 2024 was \$33.9 million, this is \$3.9 million higher than budget and \$18.5 million higher than last year.**

The capital expenditure for the year included spending on planned projects included the Annual Plan 2023/24 and carry forward projects from previous years.

Capital expenditure is what we spend on upgrading, renewing or building new assets. We invested \$22.1 million in flood protection to help keep people and properties safe. This included projects relating to the Rangitāiki River stopbank upgrade, Te Puke stormwater project, Whakatāne river stopbank future proof project, Engineering solutions project and Rangitāiki floodwalls. We invested \$3 million in the regional parks in the Bay of Plenty.

Delays were experienced in some projects which resulted in an underspend on certain projects including:

- \$4 million underspend on the Ford Road Pump Station resulting from the delay in the supply of pumps;
- \$2.9 million underspend on the Whakatāne River stopbank (Stage 2) as work on this project has not yet commenced and is now expected in 2024/25;
- \$0.8 million underspend on the Ngongotahā stream works as majority of the work is now expected in 2024/25; and
- \$0.7 million underspend on the Quay Street building with \$0.5 million of this resulting from delayed replacement of air conditioning now expected in 2024/25.



## 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 2023/24 we increased our total borrowings by \$50.7 million to \$267.4 million as at 30 June 2024. The facilities are provided by the Local Government Funding Agency for specific purposes including \$155.3 million for capital investment, and \$112.1 million for on-lending to our CCO Quayside Holdings Limited. The on-lending arrangement delivers lower borrowing costs to the Council Group.

Our net debt is \$23.1 million which means we have high levels of liquid assets relative to our debt levels. Consequently our net debt to revenue ratio is 12%.

We take a prudent approach to managing our debt by keeping our net debt to revenue ratio significantly within our prudential limit of 290%. 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

***Our average borrowing rate is 4.65% for 2023/24 (3.42% 2022/23).***

S&P Global have decided to downgrade Bay of Plenty Regional Council's credit rating from AA (negative outlook) to AA- (stable outlook).

S&P Global have changed the overall institutional factors for NZ Councils which has increased the likelihood of all Councils in New Zealand being downgraded. Council avoided a negative outlook, i.e. a risk of further downgrade, because of the potential for asset sales to reduce debt in the next few years and plans to continue to increase revenue. This includes potential Rangiuru land sales and the potential managed sell-down in the Port of Tauranga Limited, noting that S&P Global have not included the managed sell down of the Port of Tauranga Limited shares in their modelling due to the further Council approvals that are required. S&P Global also note the large equity and cash holdings of the Council Group which provide exceptional liquidity but could be used to pay down debt if required.



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## Bay of Plenty Regional Council Group Financial Performance

***\$44 million Council Group Net Surplus After Tax, \$2.9 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 \$2.9 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 2023/24, The Quayside Group achieved a net profit after tax of \$85.5 million which is consolidated into the Council Group result of \$44 million, of which \$2.9 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 Council's reliance on rates, and benefits the wider community by keeping rates low.

This year's dividend payout to Bay of Plenty Regional Council of \$45 million is the largest to date, reducing general rates by an average of \$380 per property in the region.

The Port of Tauranga had delivered a net profit after tax of \$90.8 million which includes a one-off deferred tax expense of \$11.9 million due to a change

in tax legislation. The Port of Tauranga paid a dividend of \$54.5 million to the Quayside Group. In 2023/24 there was an overall decline in total import volumes, largely contributed to the commodity price pressure in dairy inputs, and an increase to total exports resulting from large volumes of logs being harvested early, after damage by Cyclone Gabrielle, combined with higher volumes of kiwifruit exports reported compared to the previous year.

The Quayside asset portfolio grew to \$579.7 million in 2024 from \$502.7 million, reflecting both new investment and a significant revaluation in the Rangiuru Business Park. The overall Quayside group profit after tax of \$85.5 million is a 29.3% decline from the prior year profit after tax (\$120.9 million).

During the year, core infrastructure projects commenced such as the wastewater rising main, stage 1a civils, ongoing earthworks and the commencing of the 48-hectare stormwater. 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

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## *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 Unit Trust and Quayside Investment Trust, Quayside Properties Limited, Aqua Curo Limited, Quayside Barnett Place Limited, Quayside the Vault Limited, Quayside Portside Drive Limited, Quayside Tauriko Limited, Quayside Te Papa Tipu, Quayside Mystery Valley Limited, and Lakes Commercial Developments 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 23 October 2024. The full financial statements have been audited by Audit New Zealand, and comply with PBE standards, receiving an unmodified audit opinion 23 October 2024.

## Bay of Plenty Regional Council Summary Financial Statements for the year ended 30 June 2024

	2023/24			2022/23	
	Budget \$000	Council \$000	Group \$000	Council \$000	Group \$000
<b>Financial performance to 30 June</b>					
Operating revenue	184,108	189,319	572,274	171,999	557,875
Other gains	-	1,865	21,844	432	22,829
<b>Total operating revenue</b>	<b>184,108</b>	<b>191,184</b>	<b>594,117</b>	<b>172,431</b>	<b>580,704</b>
Operating expenditure	174,963	170,241	466,568	171,175	433,432
Finance costs	10,453	10,174	34,205	5,795	25,548
Other losses	-	5,327	6,007	269	8,495
<b>Total operating expenditure</b>	<b>185,416</b>	<b>185,742</b>	<b>506,780</b>	<b>177,238</b>	<b>467,474</b>
Impairment of investment in equity accounted investees	-	-	(6,503)	-	(9,679)
Share of profit of equity accounted investees	-	-	14,123	(4)	13,820
<b>Net surplus/(deficit) before tax</b>	<b>(1,308)</b>	<b>5,442</b>	<b>94,957</b>	<b>(4,811)</b>	<b>117,371</b>
Income tax expense	-	69	50,914	(459)	40,374
<b>Net surplus/(deficit) after tax</b>	<b>(1,308)</b>	<b>5,373</b>	<b>44,043</b>	<b>(4,352)</b>	<b>76,997</b>
<b>Comprehensive Revenue and Expenses</b>					
Asset revaluation gains	38,662	44,714	108,533	14,762	53,772
Financial asset fair value changes	-	611	(2,134)	102	2,560
<b>Total comprehensive revenue and expense</b>	<b>37,353</b>	<b>50,698</b>	<b>150,442</b>	<b>10,512</b>	<b>133,329</b>
<i>Attributable to:</i>					
Equity holders of the parent	37,353	50,698	82,739	10,512	61,115
Non-controlling interest	-	-	67,703	-	72,214
	<b>37,353</b>	<b>50,698</b>	<b>150,442</b>	<b>10,512</b>	<b>133,329</b>

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

	2023/24			2022/23	
	Budget \$000	Council \$000	Group \$000	Council \$000	Group \$000
<b>Changes In Equity/Net Assets</b>					
<b>Balance at 1 July</b>	562,518	564,032	2,908,865	553,520	2,825,963
Total comprehensive revenue and expense previously reported	37,353	50,698	150,442	10,512	133,328
	599,871	614,730	3,059,307	564,032	2,959,291
Increase in paid up capital	-	-	(819)	-	(72)
Dividends to shareholders	-	-	(55,722)	-	(51,836)
Other adjustments	-	-	(166)	-	20
Equity settled share-based payment accrual	-	-	1,499	-	1,462
Shares issued upon vesting of management LTI plan	-	-	1	-	1
<b>Balance at 30 June</b>	<b>599,871</b>	<b>614,730</b>	<b>3,004,100</b>	<b>564,032</b>	<b>2,908,865</b>
<b>Financial Position as at 30 June</b>					
Current assets	87,381	115,327	219,875	123,047	239,465
Non-current assets	816,080	805,474	4,005,735	691,804	3,781,113
<b>Total assets</b>	<b>903,461</b>	<b>920,801</b>	<b>4,225,611</b>	<b>814,851</b>	<b>4,020,578</b>
				-	-
Current liabilities	172,995	141,609	514,746	149,989	393,006
Non-current liabilities	130,595	164,463	706,764	100,830	718,711
<b>Total liabilities</b>	<b>303,590</b>	<b>306,072</b>	<b>1,221,510</b>	<b>250,819</b>	<b>1,111,717</b>
				-	-
Total equity attributable to the group	599,871	614,730	2,019,959	564,032	1,944,533
Non controlling interest	-	-	984,141	-	964,333
<b>Total equity</b>	<b>599,871</b>	<b>614,730</b>	<b>3,004,100</b>	<b>564,032</b>	<b>2,908,865</b>
<b>Cash Flows to 30 June</b>					
Net cash inflows/(outflows) from operating activities	8,839	24,090	112,073	2,193	103,984
Net cash inflows/(outflows) from investing activities	(30,187)	(8,972)	(143,149)	(76,439)	(176,716)
Net cash inflows/(outflows) from financing activities	(886)	1,696	31,682	15,248	11,642
Effects of exchange rate changes on cash and cash equivalents	-	-	223	-	(2)
<b>Net increase/(decrease) in cash, cash equivalents and bank overdrafts</b>	<b>(22,234)</b>	<b>16,814</b>	<b>829</b>	<b>(58,998)</b>	<b>(61,092)</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year	77,262	20,810	64,686	79,807	125,779
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>55,028</b>	<b>37,624</b>	<b>65,514</b>	<b>20,809</b>	<b>64,686</b>

# Explanation of major variances against budget

*Explanations for major variations from the Council's budget figures in the 2023-2024 Annual Plan are as follows:*

## Operating revenue

Total operating revenue for the year ended 30 June 2024 was \$191.2 million, this is \$7.1 million higher than budget of \$184.1 million and \$18.8 million higher than last year.

The key reasons for the variances are identified as follows:

### Rates revenue

Rates revenue exceeded budget by \$1.2 million, primarily due to higher-than-expected penalty income. This was partially offset by increased remissions compared to the budget.

### Subsidies and grants

Subsidies and grant revenue totalled \$29.8 million, which is \$2.6 million less than the budget of \$32.4 million. This variance is primarily attributed to a reduction in Passenger Transport subsidy revenue from NZ Transport Waka Kotahi due to lower spend on contract work.

### Interest revenue

The interest revenue amounted to \$10 million, surpassing the budgeted \$8 million. This variance is due to delays in capital expenditure, which were prefunded. As a result, the increased investment in higher-interest term deposits contributed to the higher revenue.

### Trading and other revenue

Trading and other revenue reached \$20.3 million, exceeding the budget of \$15.7 million by \$4.6 million and surpassing last year's amount by \$0.1 million. This favourable variance was primarily driven by \$1.5 million in cost recovery from Maritime operations for the removal of two vessels from Tauranga Harbour. However, these amounts have not yet been paid and have been fully provided for as bad debt. Additional favourable variances of over \$1.4 million were due to increased revenue from services in Resource Consents, Data Services, and Marine Surveillance recoveries, along with unbudgeted insurance recoveries of \$0.6 million. These gains were partially offset by unfavourable variances of \$1.3 million from lower-than-budgeted revenue related to annual Resource Management charges.

## Other revenue

Other revenue surpassed the budget by \$1.9 million and the previous year by \$1.5 million. This difference is primarily due to a reduction in the put option liability, which decreased from \$2.4 million last year to \$1.4 million in 2023/24, leading to a \$1 million gain from revaluation.

## Operating expenditure

Total operating expenditure for the year ending 30 June 2024, was \$185.7 million, \$0.3 million higher than the budgeted \$185.4 million and \$8.5 million higher than the previous year. The main reasons for these variances are outlined below:

### Trading and other expenses

Trading and other expenses totalled \$99.6 million, which is \$4.5 million below the budget of \$104.1 million.

This favourable variance is primarily due to a \$3.4 million reduction in spending related to a decreased uptake in the Land Use Incentives Scheme for the Rotorua Te Arawa Lakes Enhancement Programme. Additionally, a \$1.6 million favourable variance relating to avoiding the predicted flood damage costs in the Whakatāne-Tauranga River Scheme. Another \$0.6 million favourable variance resulted from scaling down security services in Tauranga Passenger Transport. Reduced contractor and consultancy expenses also contributed to the favourable variance, as more work was completed using existing internal resources.

However, these favourable variances were partly offset by a \$1.6 million provision for bad debts related to the unpaid cost recovery for the removal of two vessels from Tauranga Harbour and a \$0.9 million write-off of unpaid rates penalties. An unfavourable variance of \$0.8 million was incurred due to higher material costs for the Rotorua Te Arawa Lakes Enhancement Programme. Furthermore, there was additional spending due to increased software costs arising from changes in the accounting treatment of cloud-based applications.



## Depreciation and amortisation

Depreciation and amortisation costs were \$0.7 million less than budget due to changes in the revaluation methodology for several assets which impacted the associated depreciation.

## Other Losses

The \$5.3 million in other losses represents a non-cash financial adjustment. These adjustments pertain to the derecognition of partial stopbank assets, mainly around the Rangitāiki-Tarawera river. This derecognition follows condition assessments indicating that some stopbanks are damaged or have been impacted by river migration, resulting in assets that are no longer serviceable. These adjustments are part of the standard process for maintaining accurate asset records of stopbanks.

## Statement of financial position

### Assets

Total assets are \$920.8 million, \$17.3 million higher than budget due to the below major variances.

### Current assets

Current assets exceeded the budget by \$28 million due to below.

Other financial assets were \$40.8 million higher than budget, offset by a lower than budget cash and cash equivalent balance of \$17.4 million.

This reduction in cash and cash equivalents primarily resulted from term deposits that were intended to be classified as cash but were categorized as financial assets based on their maturity dates.

Council funds are maintained either as cash or term deposits, with varying maturity dates tailored to the council's cash needs. The overall increase in cash and other financial assets can be attributed to an opening balance that was \$8.8 million higher than budgeted, a creditors balance at year-end that was \$6.8 million above expectations, and a cash operating surplus that was \$10.9 million greater than budgeted. However, this was partially offset by capital expenditure that exceeded the budget by \$3.9 million.

## Non-current assets

Non-current assets were \$10.6 million lower than budget due to the below major variances.

- Other financial assets were \$7 million lower than budget, primarily due to a lower-than-anticipated loan drawdown by Quayside Holdings Limited.
- Intangible assets were \$3.1 million lower than budget due to lower-than-anticipated capital expenditure during 2023/24. Some projects were planned as capital expenditure but classified as operating expenditure during the year due to being Software-as-a-Service (SaaS).

## Liabilities

Total liabilities are \$2.5 million higher than expected, primarily due to a higher-than-anticipated creditor balance as of 30 June 2024. This increase is offset by lower-than-budgeted LGFA borrowings of \$4.6 million, which were intended to be on lent to Quayside. Additionally, the put option liability has been valued at \$1.4 million, which is \$1.2 million lower than budgeted.

## Equity

Total equity is \$14.9 million higher than budget mainly due to infrastructure asset revaluation movements in the current year and a higher-than-expected surplus.

## Statement of Cashflows

Net cash from operating activities are \$15.3 million higher than budget, mainly due to higher-than-expected receipts from rates and from customers, and interest received.

Net cash from investing activities is \$21.2 million lower than budget. Outflows of cash for purchase of Property Plant and Equipment being \$4.5 million higher than expected. \$24.8 million of prior year financial assets maturing and not reinvested, resulted in the large inflow of cash from investing activities.

Net cash from financing activities is \$2.6 million higher than budgeted – inflows were higher mainly due to planned borrowings not drawn down by related parties (QHL).

## 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 \$7.6 million capital commitments (2022/23: \$5.3 million). As at balance date capital commitments for the Group were \$57.0 million (2022/23 \$43.6 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.

	2023/24		2022/23	
	Council \$000	Group \$000	Council \$000	Group \$000
Not later than one year	712	712	562	562
Later than one year and not later than five years	1,951	1,951	1,712	1,712
Later than five years	1,139	1,139	1,467	1,467
<b>Total non-cancellable operating leases</b>	<b>3,802</b>	<b>3,802</b>	<b>3,741</b>	<b>3,741</b>

### Operating leases as lessor

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

	2023/24		2022/23	
	Council \$000	Group \$000	Council \$000	Group \$000
Not later than one year	172	25,124	200	26,992
Later than one year and not later than five years	199	57,743	477	54,090
Later than five years	-	20,800	370	23,452
<b>Total non-cancellable operating leases</b>	<b>371</b>	<b>103,667</b>	<b>1,048</b>	<b>104,535</b>

# Contingent liabilities

## Council

### 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 30 June 2024.

As at 30 June 2024, the Bay of Plenty Regional Council is one of 30 local authority shareholders and 72 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 2024, the LGFA had borrowings totalling \$23.03 billion (2023: \$17.78 billion).

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

### Edgecumbe Flood Claims

Two civil claims filed against Council in relation to the breach of the College Road floodwall on the morning of 6 April 2017 in Edgecumbe. 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 representative actions against Council which must be approved by the High Court. Council has opposed these applications, so a court hearing is required. A court date is yet to be set but the outcome of that hearing will inform Council's next steps. The value of damages sought is yet to be quantified in full, in part given a decision is yet to be made on the representative action applications. External counsel continues to assist Council to defend these claims.

### Te Puke Train Derailment

A purported claim made against Council in relation to the train that derailed in Te Puke 20 January 2023 remains outstanding. The claim alleges that Council failed to maintain its drainage infrastructure and keep it clear of blockages, which 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 Council are jointly liable for these losses. External counsel continues to assist Council to respond to this claim.

### OSET National Testing Programme

An allegation has been made against Council (along with Water NZ and Rotorua Lakes Council, together the "Parties") by a company alleging that the Parties are responsible for loss suffered by it following testing undertaken as part of the On-site Effluent National Testing Programme (which was managed by the Parties).

The company alleges the Parties have been negligent and breached a contract between them. They have also raised other matters in correspondence arising out of the same facts, such as anti-competitive behaviour and defamation. No statement of claim has been, lodged and nor have the damages that would be sought been clearly identified. The Parties have contractually limited their liability to a maximum of \$1,000. The Parties have engaged joint legal representation to provide advice in relation to this claim.

### Subsidiary

At 30 June 2024 for the subsidiary there were no contingent liabilities.

## Contingent asset

### Subsidiary

Financial Contributions were written off, including accrued interests, for a total amount of \$23.4 million and are recoverable by Quayside Group from the various third-party landowners in accordance with the Plan. Financial Contributions are payable for subdivisions and the development in the Rangiuuru Business Park, with any resource consent subject to a condition imposing a financial contribution and the condition providing for the amount of any financial contributions. Notwithstanding the above, the recoverability of this asset is dependent on the specific third parties' decision to develop the land within the Rangiuuru Business Park and hence, is not wholly controlled by Quayside Group. Quayside will separately recover a portion of Financial Contributions when a party obtains title to develop.

## 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 Quayside Securities Limited and Quayside Securities Limited as trustee for Quayside Unit Trust and Quayside Investment Trust, Quayside Properties Limited, Aqua Curo Limited, Quayside Barnett Place Limited, Quayside the Vault Limited, Quayside Portside Drive Limited, Quayside Tauriko Limited, Quayside Te Papa Tipu, Quayside Mystery Valley Limited, and Lakes Commercial Developments 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 2024. The Chief Executive of Bay of Plenty Regional Council (Fiona McTavish) was appointed as Director of the above companies and Bay of Plenty Local Authority Shared Services Limited (BOPLASS Ltd) 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 2024 that require disclosure in the Annual Report 2023/24.

### Subsidiary

Quayside Holdings Limited Group financial statements were approved by the Board of Directors on 29 August 2024.

Quayside Holdings Limited obtained a waiver for the breach disclosed in Note 27, on 28 August 2024.

The Port of Tauranga refinanced a tranche of its \$380 million Standby Revolving Cash Advance Facility increasing the facility size by \$20 million to \$400 million, on 26 July 2024.

Tranche 1 was reduced from \$100 million to \$70 million and a new \$50 million facility, tranche 6, was added. The maturity date of tranche 1 was extended from 31 December 2024 to 31 December 2026, and the maturity date of tranche 6 is 31 December 2027.

On 20 September 2024, the Port of Tauranga refinanced \$130 million of its \$400 million Standby Revolving Cash Advance Facility. The refinanced facility maturity dates have been extended from 31 December 2026 to 31 December 2030.

The Port of Tauranga approved a final dividend of 8.7 cents per share to a total of \$59.2 million after the reporting date.

No other dividends were declared after balance date but prior to the date of signing these accounts.



# Independent Auditor's Report

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*To the readers of Bay of Plenty Regional Council and group's summary of the annual report for the year ended 30 June 2024*

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 2024.

The summary of the annual report comprises the following information on pages 21 to 23 and 30 to 37:

- the summary statement of financial position as at 30 June 2024;
- 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 2024;
- 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 2024 in our auditor's report dated 23 October 2024.

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 or its subsidiaries and controlled entities.



Leon Pieterse  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand  
23 October 2024

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

# Ngā mangai

## Your representatives

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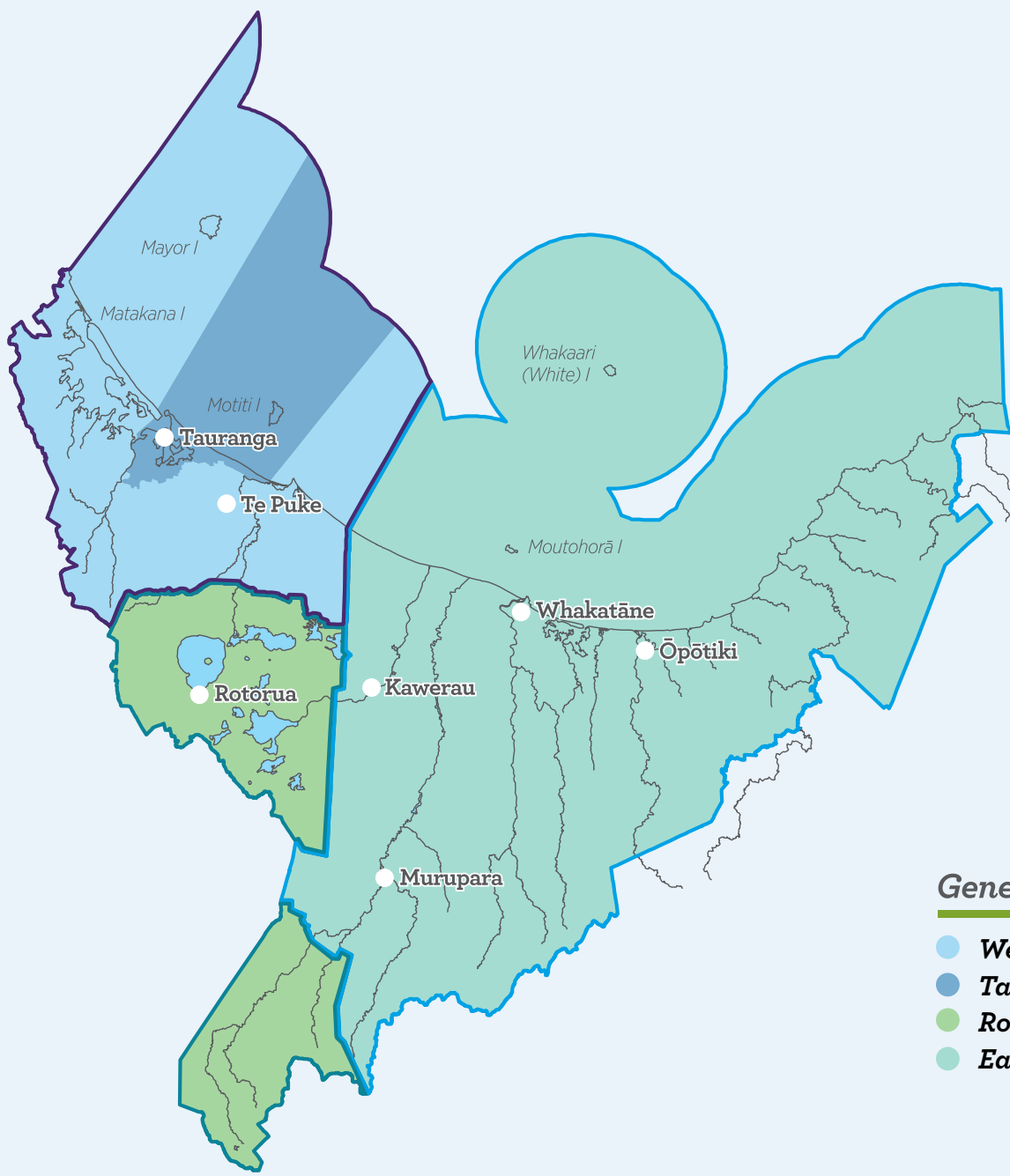


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**General**

- Western Bay of Plenty
- Tauranga
- Rotorua
- Eastern Bay of Plenty

**Māori**

- Mauao
- Ōkūrei
- Kōhī

*You can view the full Annual Report on Bay of Plenty Regional Council's website [www.boprc.govt.nz](http://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 2023/24 Annual Report please visit our website [www.boprc.govt.nz](http://www.boprc.govt.nz) or alternatively, call 0800 884 880 for a printed copy.*



**[www.boprc.govt.nz](http://www.boprc.govt.nz)**