

# The Long Term Plan

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# From the Mayor

Welcome to Council's 2006-2016 Long Term Council Community Plan, otherwise referred to as the Long Term Plan.

In a nutshell the Long Term Plan, which we are required to review every three years, outlines the finer points of why Council is doing things, what work will be completed over the next 10 years and what it will cost.

This plan builds on the first Long Term Plan produced by Council in 2003, which covered the period 2003-2013.

The work programme in the 2006-2016 Long Term Plan, which will come to effect on 1 July 2006, is all about ensuring we stay on track to achieving, and where necessary updating, the service delivery targets we set during the previous three years.

As a rural local authority responsible for servicing a large geographic area with many small communities, much of our focus has been on meeting the fundamental 'live', 'work' and 'play' needs of ratepayers. This focus on 'getting the basics right' for water supply, wastewater disposal, transport, economic development and parks and reserves, continues in this plan.

Under this plan ratepayers will pay, on average, an additional 6.54 per cent in District Rates<sup>1</sup>, over the 2006/07 financial year<sup>2</sup>.

The low average increase, which includes a 3 per cent allowance for inflation, is a pleasing result in light of increasing financial demands on Council operations in the 2005/06 financial year.

<sup>1</sup> The District Rate excludes Uniform Annual Charges (UACs) for water, sewerage and stormwater. UACs vary among communities and catchments, with varying impacts on ratepayers.

<sup>2</sup> Council's financial year runs from 1 July to 30 June.

The tight labour market and other input costs beyond Council's control, such as increasing oil prices and an unprecedented demand for construction materials, are putting significant financial pressure on our operations.

Against this background, which is of significant concern to Council, we have put strict controls on expenditure and this has been fundamental to developing a work programme that maintains or improves levels of service while keeping rates in touch with inflation.

While the rate increase for 2006/07 has been kept to a minimum external cost pressures are starting to impact major capital projects for wastewater treatment and disposal, water supply and stormwater.

These increases are likely to impact ratepayers through higher Uniform Annual Charges (UACs), but will have a greater impact on developers through increased financial contributions which cover costs of services provided by Council that support new development. A schedule of financial contributions is on page 294.

Some of the major work to be undertaken includes:

## **Progressing comprehensive development plans for key urban areas**

These plans, which are produced in close association with residents, government and non-government agencies and the private sector provide a blueprint for development in a community over 20 years. Plans have already been completed for Katikati (1999) and, most recently, Te Puke (2004). Work is

currently under way in Maketu and we expect to get the process under way in Waihi Beach by the end of 2006. (Please refer to capital expenditure in the water, wastewater, storm water and transportation activities of the plan.)

### **Implementation of structure plans in key growth areas**

These plans are critical to ensuring continuity between infrastructure and land use requirements (roads, water, wastewater, reserves, housing) for future development. In the 2006/07 financial year, much of our focus will be on Omokoroa, where Stage 2 of a structure plan is being produced to ensure good urban design in the area from the railway line to the state highway. The structure plan and the new reticulated wastewater scheme on the peninsula are fundamental to Council meeting its commitments under SmartGrowth - the 50-year sub-regional growth management strategy. Omokoroa has been identified as one of five key urban growth areas in SmartGrowth, the others being Waihi Beach, Katikati, Tauranga and Te Puke.

For more information, please refer to the Summary of Decisions on Consultation Highlights section in this plan, and to the capital expenditure schedules in the Water, Wastewater, Stormwater and Transportation activities within the plan.

### **A review of the District Plan**

This review has been brought forward from 2008/09 to 2007/08 and preparatory work to 2006/07. The review will accommodate SmartGrowth commitments and the Regional Policy Statement (RPS) produced by Environment Bay of Plenty (the regional council). The RPS gives effect to the SmartGrowth strategy by legally 'locking down' areas for development in the Bay of Plenty. In doing so the RPS ensures that a pragmatic and coordinated approach is taken by all key government and local government agencies to manage growth effectively.

### **Ongoing development of sub-regional parks**

TECT All Terrain Park, a 1,600 hectare stretch of wilderness near the top of Pyes Pa Road (SH36), will eventually cater for a range of active outdoor recreational pursuits such as rallying, motocross, archery, mountain biking and more. In addition, development at Huharua Harbour Park at the end of Plummer's Point will ensure yet another unique piece of the subregion's cultural heritage and coastal landscape can be enjoyed by residents and visitors alike.

For more information please refer to the Summary of Decisions on Consultation Highlights section in this plan, and to the capital expenditure schedules in the Recreation and Leisure group of activities within the plan.

### **Tangata whenua**

Council is working with tangata whenua to develop a housing strategy that will meet the long-term needs of the District's growing Maori population on Maori owned land.

### **Implementation of the Te Puke town centre plan**

Highlights of the plan include the establishment of a town square, an alternate road route to divert heavy traffic from the main street, cycle lanes, new walkways to improve connectivity to the town centre as well as initiatives to enhance the general amenity of the area through good places to meet and play. The amenity aspect includes celebrating the heritage of Te Puke by growing local art and culture through public arts and venues for outdoor concerts and activities such as markets.

For more information, please refer to the Summary of Decisions on Consultation Highlights section in this plan, and to the capital expenditure schedule in the Economic group of activities within the plan.

**Roading**

Roading remains a priority and we continue to focus on consolidating the joint Council/Transit New Zealand performance based road maintenance contract (PBC). The contract covers both physical road works and professional services. Professional services include quality systems, asset management and regulatory and compliance monitoring. It's important to note that all resealing, renewals and capital work are included in the PBC and prioritised under an agreed work programme.

For more details, please refer to the Summary of Decisions on Consultation Highlights section in this plan, and to the capital expenditure schedule in the Transportation group of activities within the plan.

These major works along with a range of other less significant initiatives detailed in the plan will see Council spend \$324 million in capital expenditure during the period 2006-2016. To deliver this programme the level of Council's debt will rise from \$48 million in 2006 to a maximum of \$138 million over the next 10 years, including an allowance for inflation each year.

Capital expenditure includes:

<b>Area</b>	<b>Proposed capital expenditure</b>
Transportation	\$168 m
Water supply	\$ 17 m
Communities	\$ 3 m
Recreation and leisure	\$ 28 m
Stormwater	\$ 29 m
Wastewater	\$ 60 m
Solid waste	\$ 0.4m
Economic	\$ 0.7 m

I encourage you to use this document to discover how we plan to make the Western Bay of Plenty District one of the best places in New Zealand to live, work and play.

**Graeme Weld**

**Mayor**

**Western Bay of Plenty District**



# Summary of Decisions on Consultation Highlights

Council is required to prepare a Long Term Plan once every three years. This does not mean that all Council's strategies, actions and policies will undergo a full review in the year that it publishes its Long Term Plan. For efficiency, we spread the workload and undertake a rolling cycle of reviews throughout the three year period leading up to a new Long Term Plan. In the interim years any newly reviewed sections are treated as amendments to the Long Term Plan. In years when we do produce a new Long Term Plan, such as in 2006, new strategies and policies are highlighted for consultation in the DRAFT Long Term Plans. Submissions on the

draft Plan are then received, following which Council decides whether to adopt, amend or discard the new strategies, actions and policies.

The list of key proposals included in the draft 2006-16 Long Term Plan is provided below, together with a summary of the decisions taken by Council following the receipt of submissions. The effects of these decisions are reflected in the adopted 2006-16 Long Term Plan.

## Summary of decisions taken by Council on key changes proposed in the draft Long Term Plan 2006-16

Council activity	Summary of proposed changes	Summary of decision taken	Page
<b>Recreation and Leisure</b>	<ul style="list-style-type: none"> <li>- Proposed contribution to development of the following subregional projects over the next ten years, to be funded through Reserve Financial Contributions:                             <ul style="list-style-type: none"> <li>- Baywave Aquatic Centre (\$855,000) - our contribution to the Tauranga City Council aquatic facility at Bayfair.</li> <li>- TECT All Terrain Park (\$1.5million) - the 1,600ha subregional park being developed on SH36 (Pyes Pa Rd).</li> <li>- Huharua Harbour Park (\$700,000) - the subregional park recently purchased at Plummers Point.</li> <li>- Various subregional commitments (\$2.5million in 2014/15) - the detail of these projects is still to be determined. Likely to be addressed as an amendment to the Long Term Plan 2006-2016.</li> </ul> </li> <li>- Proposed development of Northern Harbour Boat Ramp, Kauri Point (\$1.65million) as detailed in the Northern Harbour Boat Ramp Plan.</li> </ul>	All proposed changes APPROVED for inclusion in the 2006-16 Long Term Plan.	93-114

Summary of decisions taken by Council on key changes proposed in the draft Long Term Plan 2006-16 (continued)

Council activity	Summary of proposed changes	Summary of decision taken	Page
<b>Transportation</b>	<p>- Review of Council's role in the delivery of transportation services and infrastructure in the District and subregion.</p> <p>Council's Transportation (Roading) Strategy and Action Plan was reviewed to take into account outcomes from SmartGrowth, the Bay of Plenty Regional Land Transport Strategy, recent transportation legislation reforms and the enactment of the Local Government Act 2002.</p> <p>While roading remains the priority, the scope of the strategy has been broadened to express Council's commitment to the promotion of alternative modes of transport and to recognise the contribution transportation networks make to all aspects of community wellbeing.</p> <p>Key discretionary aspects proposed in the Transportation strategy:</p> <ul style="list-style-type: none"> <li>- Increased level of service for maintenance and development of key subregional and regional roading corridors. Estimated value over 10 years: approximately \$8million.</li> <li>- Contribution to significant regional transport initiatives as part of the Crown Grant. Council is proposing to allocate approximately \$5million to projects including the Katikati Bypass and Tauranga Eastern Arterial.</li> <li>- Increased level of service for rural community transport development projects. Council is proposing to increase funding by \$2.7million across the 10 year period for implementation of projects identified in Roading Strategy Studies and Community Transport Development Plans for rural communities.</li> <li>- Increased funding to secure land for subregional and urban cycleways, walkways and park and ride facilities. Estimated value over 10 years: \$2.3million.</li> <li>- Increased funding of \$0.9million to ensure level of service for footpaths can be achieved within 10 years.</li> </ul> <p>The effect of the revised strategy and related actions, together with the increased capacity required to meet growth needs, would be to increase the Roading Rate by between 6%-7.4% each year.</p>	<p>All proposed changes APPROVED for inclusion in the 2006-16 Long Term Plan.</p>	129-149
<b>Natural Environment</b>	<p>- Review and restatement of Council's environmental protection and enhancement activities previously included in other Council strategies. There are no major changes to the focus of Council's activities.</p>	<p>APPROVED for inclusion in the 2006-16 Long Term Plan.</p>	185-193
<b>Solid Waste</b>	<p>- Proposed development of a combined greenwaste and recycling facility to serve the eastern end of the District. Proposed for construction in 2007/08, subject to community support for the facility, the provision of 50% funding of establishment costs from the Bay of Plenty Regional Council and the availability of a suitable site. The effect of this proposal would be to increase the uniform annual charge in the eastern end of the District by \$8 per annum per household.</p>	<p>APPROVED for inclusion in the 2006-16 Long Term Plan.</p>	215-231

*Summary of decisions taken by Council on key changes proposed in the draft Long Term Plan 2006-16 (continued)*

<b>Council activity</b>	<b>Summary of proposed changes</b>	<b>Summary of decision taken</b>	<b>Page</b>
<b>Economic</b>	- Review of Council's role in supporting economic growth in the District. The strategy has been updated to take into account outcomes from the SmartEconomy subregional strategy, the Te Puke Town Centre Plan and SmartTourism Strategy.	APPROVED for inclusion in the 2006-16 Long Term Plan.	233-248
<b>Revenue and Financing Policies</b>	- Representation Proposed that resource consent applicants bear 25% of the cost of elected members' attendance at hearings. Previously this had been funded through General Rates.	APPROVED for inclusion in the 2006-16 Long Term Plan.	53
	- Communities New service charge proposed to fund a service delivery contract with Katikati Resource Centre. The contract, worth \$15,000 each year, would be funded over the Katikati and Waihi Beach Wards (\$3.20 Katikati Ward; \$1.50 Waihi Beach Ward).	APPROVED for inclusion in the 2006-16 Long Term Plan. Service delivery contract to reflect the Centre's obligation to provide listings for Waihi Beach services.	85-86
	- Transportation Following the review of the Transportation Strategy, two new targeted rates proposed to fund investigations into the Katikati Bypass (\$100,000) and an alternative route through Te Puke town centre (\$200,000). The Te Puke alternative route project follows the consultation on the Te Puke Town Centre Plan, which took place in February 2006 (Katikati Ward \$14.25, Te Puke Ward \$11.45, Maketu Ward \$4.20).	APPROVED for inclusion in the 2006-16 Long Term Plan.	147-149
	- Water Supply Proposed to align service charges across the three existing supply networks, with increases to be ramped in over three years to 2009. Separate areas of benefit for financial contributions would remain.  Alignment proposed because the development of bore water sources in recent years will result in similar levels of service for each of the schemes. In addition, the proposal would result in more efficient administration of	REJECTED proposal to align service water charges in response to submissions questioning the fairness of the proposal.  APPROVED retention of status quo, being three separate water supply zones and charges (Eastern, Western and Central Water).	165-166

Summary of decisions taken by Council on key changes proposed in the draft Long Term Plan 2006-16 (continued)

Council activity	Summary of proposed changes	Summary of decision taken	Page																																																																																								
	<p>rating systems, the potential for smoothing the effects on service charges resulting from expenditure peaks within each scheme, and the reduction in financial risk to a single scheme following an emergency event.</p> <p><b>Rating effect of proposal:</b> (Unmetered water charges - ramping in of aligned charges over 3 yrs.)</p> <table border="1"> <thead> <tr> <th>Area of Benefit</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Western Water</td> <td>280</td> <td>299</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> </tr> <tr> <td>Central Water</td> <td>280</td> <td>299</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> </tr> <tr> <td>Eastern Water</td> <td>328</td> <td>317</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> <td>307</td> </tr> </tbody> </table>	Area of Benefit	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Western Water	280	299	307	307	307	307	307	307	307	307	Central Water	280	299	307	307	307	307	307	307	307	307	Eastern Water	328	317	307	307	307	307	307	307	307	307	<p><b>Rating effect of the decisions:</b> (Unmetered water charges - 3 different charges.)</p> <table border="1"> <thead> <tr> <th>Area of Benefit</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Western Water</td> <td>270</td> <td>278</td> <td>285</td> <td>292</td> <td>299</td> <td>307</td> <td>314</td> <td>314</td> <td>314</td> <td>314</td> </tr> <tr> <td>Central Water</td> <td>270</td> <td>278</td> <td>286</td> <td>295</td> <td>295</td> <td>295</td> <td>295</td> <td>295</td> <td>295</td> <td>295</td> </tr> <tr> <td>Eastern Water</td> <td>348</td> <td>359</td> <td>359</td> <td>359</td> <td>359</td> <td>359</td> <td>359</td> <td>359</td> <td>359</td> <td>359</td> </tr> </tbody> </table> <p>(Table also includes effect of increases in operating costs as a result of electricity price increases and reprioritising projects.)</p>	Area of Benefit	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Western Water	270	278	285	292	299	307	314	314	314	314	Central Water	270	278	286	295	295	295	295	295	295	295	Eastern Water	348	359	359	359	359	359	359	359	359	359	
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Eastern Water	348	359	359	359	359	359	359	359	359	359																																																																																	
- Stormwater	<p>In the past, the stormwater activity was funded over thirteen different areas of benefit, using a rate in the dollar on land value, and a flat charge per rateable property. Council realised that under such a policy, small communities could not afford to fund the work required to bring their communities up to the minimum level of service.</p> <p>Proposed to use a flat charge or uniform annual charge in each area of benefit. Under this proposal, each of the properties in a stormwater area of benefit would pay the same amount for the service, regardless of their property value. The effect of this proposal on ratepayers would be complex. In general, dropping the land value based portion of the funding would mean that properties with a land value higher than the average within its stormwater area of benefit would pay less under the new policy than they would under the old policy. The reverse would be the case for lower value properties.</p> <p>Proposed to merge twelve of the thirteen existing areas of benefit, comprising the urban growth nodes and small settlements, but excluding Minden. The immediate effect of this proposal would be that charges would increase for some communities and for others there would be a</p>	<p>REJECTED proposal to merge twelve of the thirteen areas of benefit for stormwater in response to submissions questioning the fairness of the proposal.</p> <p>APPROVED a review of the stormwater capital works programme for small communities (ie non growth communities) to be undertaken in 2006/07, in response to submissions questioning the necessity of proposed works in small communities.</p> <p>APPROVED amendments to Stormwater Revenue and Finance Policy as follows:</p> <ul style="list-style-type: none"> <li>- A flat charge will be rated on three different stormwater areas of benefit as follows: <ul style="list-style-type: none"> <li>- Growth Communities Area of Benefit ie Katikati, Te Puke, Waihi Beach, Omokoroa</li> <li>- Non Growth Communities Area of Benefit ie Tanners Point, Tuapiro Point, Ongare Point, Kauri Point, Te Puna, Paengaroa, Maketu and Pukehina.</li> <li>- Minden Area of Benefit.</li> </ul> </li> </ul>	180-181																																																																																								

Summary of decisions taken by Council on key changes proposed in the draft Long Term Plan 2006-16 (continued)

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	<p>decrease. On balance over the ten years however, it is expected that this effect would be less material, because the smoothing effect of the merge would reduce rating increases when significant works are completed in each of the former stormwater areas of benefit.</p> <p><b>Rating effect of the proposals:</b></p> <table border="1"> <thead> <tr> <th>Area of Benefit</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> </tr> <tr> <td></td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> </tr> </thead> <tbody> <tr> <td>Minden</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> </tr> <tr> <td>All other areas</td> <td>136</td> <td>178</td> <td>191</td> <td>211</td> <td>219</td> <td>221</td> <td>229</td> <td>227</td> <td>229</td> <td>243</td> </tr> </tbody> </table>	Area of Benefit	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	Minden	179	179	179	179	179	179	179	179	179	179	All other areas	136	178	191	211	219	221	229	227	229	243	<p><b>Rating effect of the decisions:</b></p> <table border="1"> <thead> <tr> <th>Area of Benefit</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> </tr> <tr> <td></td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> </tr> </thead> <tbody> <tr> <td>Minden</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> <td>179</td> </tr> <tr> <td>Growth Communities</td> <td>150</td> <td>214</td> <td>212</td> <td>232</td> <td>237</td> <td>232</td> <td>239</td> <td>235</td> <td>232</td> <td>248</td> </tr> <tr> <td>Non-growth Communities</td> <td>72</td> <td>92</td> <td>125</td> <td>146</td> <td>168</td> <td>188</td> <td>203</td> <td>211</td> <td>239</td> <td>247</td> </tr> </tbody> </table>	Area of Benefit	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	Minden	179	179	179	179	179	179	179	179	179	179	Growth Communities	150	214	212	232	237	232	239	235	232	248	Non-growth Communities	72	92	125	146	168	188	203	211	239	247	
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- Natural Environment	<p>Proposed to include a new targeted rate for Pukehina Beach residents to fund a grant to Pukehina Ratepayers' Association to undertake a sand relocation project, to replenish the beach. Proposed that rateable properties on the beachfront would pay \$83.55 in 2006/07 and \$41.78 in 2007/08. Those on the inland side of Pukehina Parade would pay \$18.10 in 2006/07 and \$9.05 in 2007/08.</p>	<p>REJECTED proposal for a two year grant to support the project.</p> <p>APPROVED funding of a three year grant to support the project, being \$30,000 in 2006/07, \$15,000 in 2007/08 and \$15,000 in 2008/09, in response to a request from the Pukehina Ratepayers' Association. All works need to be appropriately consented.</p> <p><b>Rating effect of the decisions:</b></p> <table border="1"> <thead> <tr> <th>Area of Benefit</th> <th>2007</th> <th>2008</th> <th>2009</th> </tr> </thead> <tbody> <tr> <td>Pukehina Parade beachfront</td> <td>83.55</td> <td>41.78</td> <td>41.78</td> </tr> <tr> <td>Inland side of Pukehina Parade</td> <td>18.10</td> <td>9.05</td> <td>9.05</td> </tr> </tbody> </table>	Area of Benefit	2007	2008	2009	Pukehina Parade beachfront	83.55	41.78	41.78	Inland side of Pukehina Parade	18.10	9.05	9.05	193-194																																																																																							
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Pukehina Parade beachfront	83.55	41.78	41.78																																																																																																			
Inland side of Pukehina Parade	18.10	9.05	9.05																																																																																																			
- Economic	<p>Following the adoption of the Te Puke Town Centre Plan in March 2006, proposed to include \$680,000 in 2007/08 for the development of the town square and market precinct. Considering that similar projects are likely to be identified in other towns in the near future, it is proposed to fund the expenditure across the District through an increase in the Uniform Annual General Charge (UAGC), which every rateable property would pay (approximately \$9 per year over 5 years).</p>	<p>APPROVED for inclusion in the 2006-16 Long Term Plan</p>	247-248																																																																																																			



# Audit Opinion

## Report to the readers of Western Bay of Plenty District Council's Long Term Council Community Plan for the 10 years commencing 1 July 2006

The Auditor-General is the auditor of Western Bay District Council (the District Council). The Auditor-General has appointed me, M G Taris, using the staff and resources of Audit New Zealand, to report on the Long Term Council Community Plan (LTCCP), on his behalf.

The purpose of an LTCCP, as set out in section 93(6) of the Local Government Act 2002 (the Act), is to:

- describe the activities of the local authority;
- describe the community outcomes of the local authority's district or region;
- provide integrated decision making and co-ordination of the resources of the local authority;
- provide a long term focus for the decisions and activities of the local authority;
- provide a basis for accountability of the local authority to the community; and
- provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the local authority.

## Opinion

### Overall opinion

In our opinion the LTCCP of the District Council dated 29 June 2006 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

In forming our overall opinion, we considered our opinion on specific matters required by the Act, which is set out below.

### Opinion on Specific Matters Required by the Act

The Auditor-General is required by section 94(1) of the Act to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

In terms of our obligation to report on the matters outlined in section 94(1) of the Act, in our opinion:

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a Council of its size and scale within the context of its environment;
- the underlying information used to prepare the LTCCP provides a reasonable basis for the preparation of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information is presented in accordance with generally accepted accounting practice in New Zealand;
- the extent to which the forecast information and performance measures provide

*an appropriate framework for the meaningful assessment of the actual levels of service provision reflects good practice for a Council of its size and scale within the context of its environment.*

*Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.*

*Our report was completed on 29 June 2006, and is the date at which our opinion is expressed.*

*The basis of the opinion is explained below. In addition, we outline the responsibilities of the District Council and the Auditor, and explain our independence.*

## **Basis of opinion**

*We carried out the audit in accordance with the International Standard on Assurance Engagements 3000 (revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.*

*We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements, and provides a reasonable basis for long term integrated decision-making by the public and the District Council about the activities of the District Council, and for subsequent accountability to the community about the activities of the District Council.*

*Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP, determining compliance with the requirements of the Act, and evaluating the overall adequacy of the presentation of information.*

*We obtained all the information and explanations we required to support the opinion above.*

## **Responsibilities of the Council and the Auditor**

*The District Council is responsible for preparing a LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from Section 93 of the Act.*

*We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.*

## **Independence**

*When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.*

*Other than this report and in conducting the annual audit, we have no relationship with or interests in the District Council.*



**M G Taris**  
**Audit New Zealand**  
**On behalf of the Auditor-General**  
**Tauranga, New Zealand**

Matters relating to District Council's adopted amendment to the LTCCP subsequent to this report

This report dated 29 June 2006 relates to the Long Term Council Community Plan (the LTCCP) for the 10 years commencing 1 July 2006, approved by the District Council on 29 June 2006. Subsequent to this, the District Council adopted an amendment to its LTCCP for the 10 years commencing 1 July 2006 to its LTCCP on 28 June 2007. The District Council has not prepared an amended LTCCP that incorporates the amendment adopted on 28 June 2007. Consequently, to form a view of the LTCCP of the District Council, the content of the LTCCP to which this report relates should be considered in conjunction with the District Council's adopted amendment. There is no legislative requirement for us to report on the adopted amendment and we have not done so.

Matters relating to the electronic presentation of the report to the readers of the Long-Term Council Community Plan

This report relates to the LTCCP of Western Bay of Plenty District Council for the ten years commencing 1 July 2006 which was approved by the District Council on 29 June 2006 included on Western Bay of Plenty District Council's web-site. The Western Bay of Plenty District Council is responsible for the maintenance and integrity of the Western Bay of Plenty District Council's web site. We have not been engaged to report on the integrity of the Western Bay of Plenty District Council's web site. We accept no responsibility for any changes that may have occurred to the LTCCP since it was initially presented on the web site.

The report refers only to the LTCCP named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the LTCCP, including the adopted amendment to the LTCCP published by the District Council and which has not been incorporated with the content of the LTCCP to which this report relates. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the LTCCP incorporating volumes one and two dated 29 June 2006 and the related audit report dated 29 June 2006 to confirm the information included in the LTCCP presented on this web site.

The preparation and dissemination of the LTCCP is governed by New Zealand legislation.

# Major assumptions

## Prospective financial information

The prospective financial information contained in this Long Term Plan is based on assumptions that Council reasonably expects to occur. However, readers should be aware that actual results are likely to vary from the information presented and these variations may be material, especially for the years 2009/10 and onwards.

## Capital expenditure

The proposed capital expenditure is based on known information; Council has a high confidence in the expenditure estimates for the first three years, medium confidence for the next three years and low confidence in the estimates for the remaining four years.

## Key assumptions

### Inflation

To comply with the requirements of the Local Government Act 2002, financial projections over the 10-year period have been adjusted by estimated inflation as required by Financial Reporting Standard No 42. The indices used are detailed in the section entitled Assumptions, Contingencies and Major Risks on page 285. The assumptions have been prepared by BERL, an economic forecasting agency. Since it is difficult to predict inflation over a 10-year period, actual results are likely to vary from the information presented in this document. To assist readers, Council has produced supplementary reports excluding the effects of inflation which enable comparison of the expenditure levels and trends over the 10-year period. These reports are available on Council's website.

### Population growth

The Western Bay of Plenty District's population is expected to grow by 19.1% between 2006 and 2016, and the number of households will increase by 20.1% over the same period. A detailed breakdown of the household growth forecast each year is contained in the section entitled Assumptions, Contingencies and Major Risks on page 285.



# Long Term Plan 2006-2016 overview

*The Long Term Plan is made up of two parts:*

**Part I: Community Outcomes** - lists the District's Community Outcomes and describes the SmartFuture process.

**Part II: The Council Plan** - sets out how Council will contribute to Community Outcomes over the next 10 years, the main activities Council will undertake and why, how much it will cost and how it will be funded. Financial information and work programmes are provided in detail for the first three years of the plan, and in summary for the remaining seven years.

*Legislation requires the Long Term Plan be reviewed every three years, although it can be amended at any time subject to a special consultative process.*

*This is the second Long Term Plan produced by Western Bay of Plenty District Council. The first was adopted by Council in June 2003 and amended in June 2004.*

