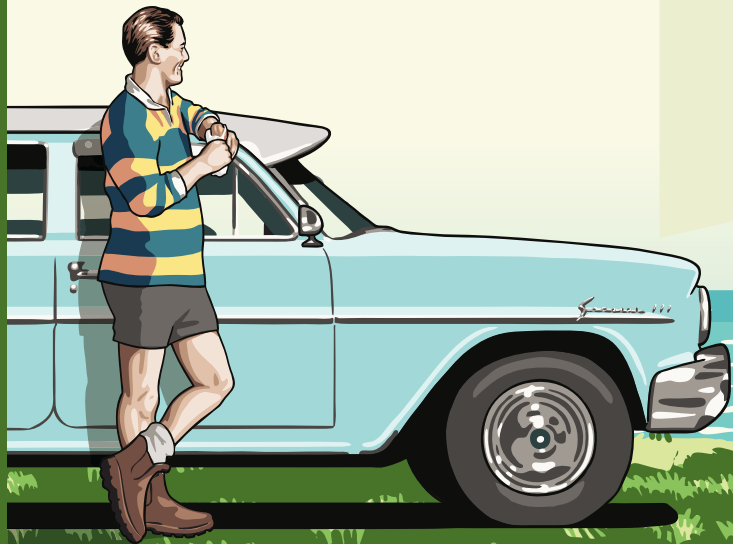


ANNUAL - PLAN -

2016 - 2017



*Western Bay of Plenty
District Council*



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MESSAGE FROM THE MAYOR

Welcome to the Western Bay of Plenty District Council's Annual Plan 2016-2017

E NGA MANA, E NGA REO
E NGA KARANGATANGA MAHA
TENA KOUTOU

ALL AUTHORITIES, ALL VOICES
ALL THE MANY ALLIANCES
AND AFFILIATIONS
GREETINGS



Welcome to Western Bay of Plenty District Council's Annual Plan for 2016/17. In the following pages you will find details of decisions on the key issues, priorities and projects Council will carry out in the next 12 months (1 July 2016 - 30 June 2017).

We've made these decisions after talking to ratepayers and residents at 'have your say' sessions out in the community and deliberating on feedback.

I'm pleased to report this Annual Plan makes very few changes to what we agreed to in our 2015-2025 Long Term Plan. Put simply, we said what we were going to do and we are doing it.

In talking to our communities, we heard affordability of rates and reduction of debt remain two of the greatest issues for the District, and this year we're excited to deliver one of the lowest rates increases in many years.

Council adopted a total rates increase of 2.95 percent for 2016/17. Growth makes up 1.24 percent of this, leaving an increase of 1.68 percent for existing ratepayers. Once inflation is removed (1.6 percent) it's an increase of 0.11 percent.

This remarkably low rate increase doesn't come at a cost to service delivery, and you can rest assured the region's valuable assets will continue to be well maintained.

We continue on our quest to reduce debt, budgeting \$13 million in debt repayments for 2016/17. Council's forecast debt lies at \$135 million, down from the projected \$148 million for 2015/16 and we have reduced interest costs by \$210,000.

The icing on the cake is a windfall of \$1.91 million savings and surplus in Council's transportation budget, meaning an injection of an additional \$1.5 million into the seal extension programme over the next 12 months. The balance of \$411,000 will be put towards community roading and cycleway projects.

Three main projects planned for the year ahead are a \$250,000 upgrade to Council's animal shelters in Katikati and Te Puke; a \$100,000 contribution to a plan to boost broadband access, use and capability throughout the District, and deferring the planned \$1.7 million Ongare Point Wastewater Scheme by one year to 2017/18.

I believe we have a plan for 2016/17 that strikes the right balance between managing debt, keeping rates affordable and maintaining our core services and assets. Thank you for coming on this journey with us.

A handwritten signature in black ink, appearing to read 'Ross Paterson'. The signature is fluid and cursive, written over a white background.

Ross Paterson
Mayor of Western Bay of Plenty District Council

GUIDE TO THIS PLAN

The Annual Plan is divided into an introduction and four chapters.

INTRODUCTION

Here we introduce our District, explain why we are developing our Annual Plan and what it includes.

CHAPTER 1 – OVERVIEW

The overview provides a snapshot of the detail in our Annual Plan, including the main assumptions on which the Plan is based and the key risks we've taken into account in our planning. You can also read a summary of our financial situation and what it means for you

CHAPTER 2 – ACTIVITIES

This chapter provides you with a summary on our group of activities. For each group of activities we describe the community outcome (key statement describing Council's contribution to the community's vision for the future of the District) we want to achieve along with a summary of our goals.

For each group of activities you will find information about:

- Why we provide it (community outcomes)
- What we provide (an overview)
- How we will track progress towards our goals (performance measures)
- How we will track progress towards our levels of service
- What it will cost (summary financial forecast)

MEASURING PROGRESS

We have developed measures to track progress towards our goals and community outcomes. We also have measures to track whether we're delivering our agreed levels of service for each group of activities. For each of these measures we show the set target for the year of this Plan. Each year the results are published and discussed in our Annual Report, which covers the year to 30 June and is published in September or October of that year.

SUMMARY FINANCIAL FORECASTS

The summary financial forecasts show expenditure and revenue forecasts for 2016/17 and the variances to the Long Term Plan 2017 forecast and Annual Plan 2017 forecast.

For detailed information on our group of activities please see Chapter Two of our Annual Plan 2016-2017

CHAPTER 3 – FINANCES

This chapter includes our Funding Impact Statement (including rates examples), prospective statements of financial position, changes in equity, reserve funds and schedule of fees and charges.

CHAPTER 4 – POLICIES AND STATEMENTS

This chapter includes our overall revenue and financing policy, specific rates policies and significant accounting policies. You can also find in this chapter our activity funding impact statements.



OUR DISTRICT



OUR HISTORY

The Western Bay of Plenty has a long history of settlement by Māori. The western area of the District (Tauranga Moana) was occupied by the iwi of Ngati Ranginui, Ngaiterangi and Ngati Pukenga from the waka Takitumu and Mataatua. Te Arawa descendants from the waka Te Arawa inhabited much of the eastern area of the District and south to Rotorua.

Traders and missionaries were among the first European settlers who developed communities at Maketu and Tauranga. George Vesey Stewart founded Ulster settlements at both Katikati in 1875 and Te Puke in 1880. Tauranga, Te Puke and Katikati formed the nucleus for subsequent expansion of European pastoral farms. Te Puke and Katikati have grown steadily over the years and are the largest settlements in the District.

OUR PEOPLE

Western Bay of Plenty District is one of the faster growing areas in New Zealand with its current estimated population of just over 46,000 people expected to reach around 55,500 by 2033. Between the 2006 and 2013 censuses, the population of the District grew by 4.5%; it is estimated that the population will grow by 5.9% in the next five years. Most of this growth has come from migration from other parts of New Zealand.

AT A GLANCE

- Of the District's population 18% identify themselves as Māori, which is a little higher than the national average of 19%.
- 15% of residents in the District are over 65 years old, higher than the national average of 14%.
- Unlike the rest of New Zealand the most common family type in the District is couples without children (50%), reflecting the older age structure of the population.
- The average household size in the District is slightly lower at 2.6 than the national average of 2.7.
- In 2013 there were 16,941 occupied dwellings in the Western Bay of Plenty District, an increase of 1,284 dwellings or 8% compared with the 2006 Census.
- Overall the District has a lower level of socio-economic deprivation than the country as a whole.
- District residents had a lower than the national average personal income of \$26,300, compared to the national average income of \$28,500 in 2013.
- 70% of the District's residents own their own home, compared with 65% nationally.
- Weekly average rent is considerably lower than nationally (\$250 compared to \$280 nationally, based on 2013 census data).

OUR ENVIRONMENT

The Western Bay of Plenty District surrounds Tauranga, a fast-growing city of 115,000 people. The District covers 212,000 hectares of coastal, rural and urban areas. Almost half of the District is covered by forest, both planted (12.8%) and indigenous (35.4%) and a further 40% is pastoral land. Less than 1% of the total area of the District is urban and includes the townships of Waihi Beach, Katikati, Omokoroa, Te Puna, Te Puke and Maketu. Smaller rural settlements are at Paengaroa, Pongakawa and Pukehina in the east and at Kauri Point, Tanners Point, Ongare, Tuapiro and Athenree in the western part of the District.

The District has a warm, sunny climate with an average of 1,900 – 2,300 sunshine hours per year with moderate rainfall of 1,200 – 2,400 mm per year. This diverse landscape, combined with a favourable temperate climate, provides an area rich in resources such as indigenous flora and fauna, highly versatile soils, rivers and harbours.

The land of the Western Bay of Plenty faces north-east to the sea. To the west are the rugged bush-covered Kaimai Ranges. Numerous streams drain the Kaimais, flowing down through the hills and coastal lowlands, into the swampy estuaries and mudflats of the Tauranga Harbour.

In the east, the Kaituna River drains the lakes of Rotorua and Rotoiti into the Maketu Estuary and out to sea, while smaller streams drain the eastern District into the Waihi Estuary.

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

OUR ECONOMY

Agriculture and horticulture are the main economic drivers of the Western Bay of Plenty District and the greater Tauranga and Western Bay sub-region. These two primary sectors fuel a multitude of professional businesses and service industries, employing a diverse labour force. Our environment, soils and climate are not only attractive for agricultural production but are also a magnet for people wanting a relaxed outdoor lifestyle. We are close to the amenities of Tauranga, yet we retain a rural and small town atmosphere. Manufacturing, commerce and trades are also vital to the sub-region's economic growth.

Our District is three times more reliant on horticulture and agriculture for its economic output than New Zealand as a whole. This dependence presents challenges for the District, as well as opportunities. The outbreak of the kiwifruit vine disease Psa-V in November 2010 is an example of the risks associated with economic dependence on single crops.

OUR COUNCIL

KATIKATI / WAIHI BEACH WARD

- 1 **Ross Goudie**
Ph 07 863 6151
ross.goudie@westernbay.govt.nz
- 2 **Mike Williams**
Ph 07 549 4425
mike.williams@westernbay.govt.nz
- 3 **Peter MacKay**
Ph 07 552 0988
peter.mackay@westernbay.govt.nz

KAIMAI WARD

- 4 **Garry Webber**
Ph 07 548 2224
garry.webber@westernbay.govt.nz
- 5 **Margaret Murray-Benge**
Ph 07 579 3459
margaret.murray-benge@westernbay.govt.nz
- 6 **Gwenda Merriman**
Deputy Mayor
Ph 07 552 5272
gwenda.merriman@westernbay.govt.nz
- 9 **Don Thwaites**
Ph 07 552 5103
don.thwaites@westernbay.govt.nz

WESTERN BAY OF PLENTY DISTRICT MAYOR

- 7 **Ross Paterson**
Ph 07 548 0478
ross.paterson@westernbay.govt.nz

MAKETU / TE PUKE WARD

- 8 **Sue Matthews**
Ph 07 533 1108
sue.matthews@westernbay.govt.nz
- 10 **Karyl Gunn-Thomas**
Ph 07 573 6061
karyl.gunn-thomas@westernbay.govt.nz
- 11 **John Scrimgeour**
Ph 07 533 3681
john.scrimgeour@westernbay.govt.nz
- 12 **Kevin Marsh**
Ph 07 533 3877
kevin.marsh@westernbay.govt.nz



WHAT IS THE ANNUAL PLAN PROCESS?

The Annual Plan Consultation Document which was adopted on 10 March 2016 and outlined our focus for 2016-2017. This included new projects, how rates may be affected, and information on the different options available when there is a difficulty paying rates. The Consultation Document was aimed to enable residents and stakeholders understand the focus for 2016-2017 and provide opportunity for feedback. The Consultation Document was available on the website, provided to stakeholders and was made available at various events throughout the District. A summary of the Consultation Document was also included twice in the Weekend Sun free newspaper which was delivered to every resident in the District. There were over 70 submissions received from residents and stakeholders in April and the Annual Plan was adopted on 29 June 2016.



LINKAGES TO COUNCIL'S 2015-25 LONG TERM PLAN

THE LONG TERM PLAN

The Long Term Plan is produced every three years so the community can have their say about policy and the work that will be undertaken over the coming years.

Council's Long Term Plan was adopted in 2015 and the next review is due in 2018. In the meantime, Council carries out a 'rolling' programme of strategic policy review, for efficiency and to ensure that the community can be properly engaged on the development or review of particular strategy and action plans.

EACH YEAR COUNCIL PRODUCES AN ANNUAL PLAN (AS PER THIS DOCUMENT)

This shows the money needed to carry out the work outlined in the Long Term Plan. If Council changes the programme and this is considered to have a material impact on ratepayers, then the reason for the change is explained. We call this a proposed financial variance.

Project variances of \$50,000 or more, or of public interest are disclosed in each activity group along with budget summaries.

The financial variances include changes to projects, which are either operating or capital expenditure. If there is a material variance then this is discussed as part of the revised programme.

The 2016/17 work programme is based on the Long Term Plan 2015-25. The Annual Plan discloses differences to the Long Term Plan.

Council can also use the Annual Plan process to propose for public consultation, amendments to policies or levels of service in its Long Term Plan. Please view the Annual Plan Consultation Document for further information on how to provide feedback and how to 'have your say'.

EACH YEAR AN ANNUAL REPORT IS PUBLISHED

At the end of each year we produce an Annual Report which shows our financial results and the progress we've made against the Long Term Plan.

A LITTLE BACKGROUND ON THE LONG TERM PLAN

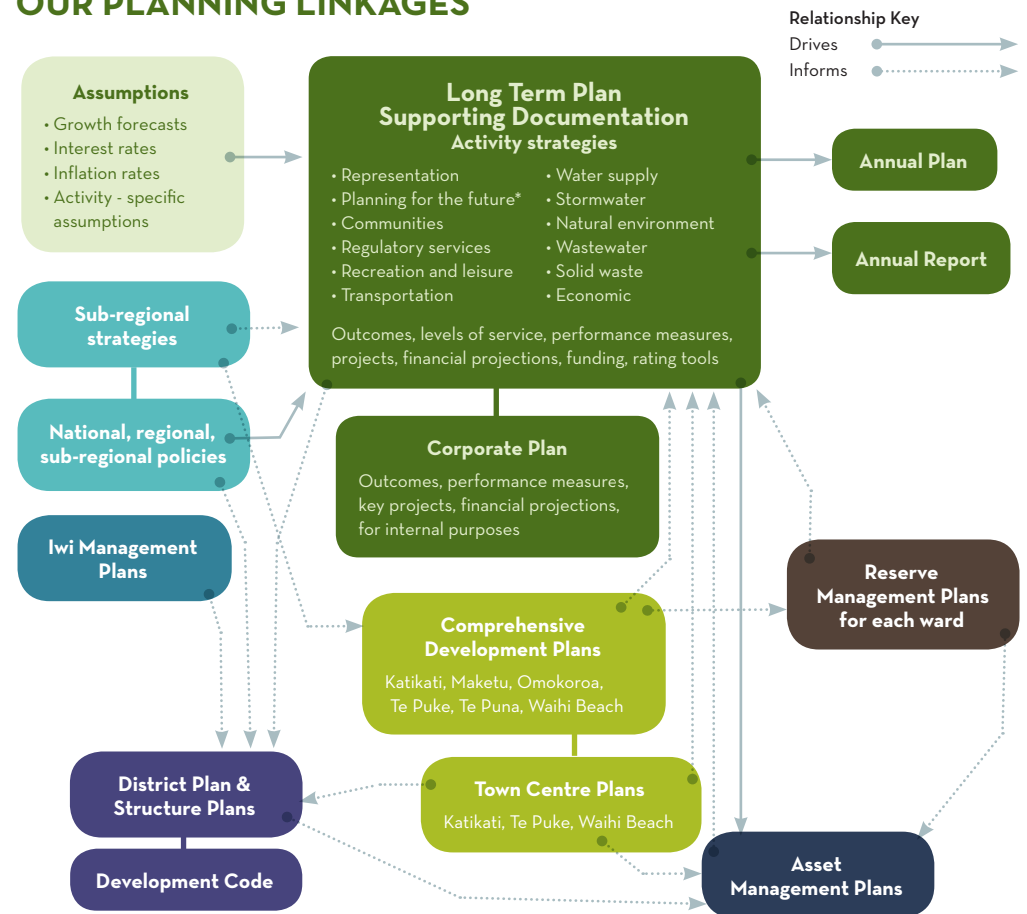
The Long Term Plan is based on a set of assumptions about the future and is reviewed every three years to reflect changes in the District, the economy and the priorities of the community. In years two and three we produce an Annual Plan that shows how we're implementing the Long Term Plan. At the end of each year we produce an Annual Report which shows our financial results and the progress we've made against the Long Term Plan.

HOW THE LONG TERM PLAN RELATE TO THE ANNUAL PLAN

The Annual Plan is simply a budget expression of what is contained in the Long Term Plan for the budget year.

The purpose of the Long Term Plan is to plan thoroughly every three years (the last Long Term Plan was prepared in 2015 for the period 2015 - 2025), 'bolt it down' and follow that direction until the three-yearly review. This minimises the work and maximises efficiency in the interim two years (between each Long Term Plan) so that Council can get on with 'doing' the work.

OUR PLANNING LINKAGES



*Built Environment Strategy provides more detail