

LONG TERM - PLAN

2015 - 2025



Western Bay of Plenty
District Council



INTRODUCTION



CONTENTS

INTRODUCTION

Guide to this plan	3
Our District	5
Our Council	7
What is the Long Term Plan process	8
What is the Long Term Plan	9
Audit Report	10

CHAPTER ONE – OVERVIEW

Message from the Mayor	15
Our priorities for the next 10 years	17
Our approach to making decisions	18
Decisions on key issues	19
Long Term Plan disclosure statement	33
Mandatory Non-Financial Performance Measure Rules	39

CHAPTER TWO – INFORMING OUR PLANNING

Key Risks and Growth Assumptions	42
Financial strategy	47
Infrastructure Strategy	62
Our approach to sustainable development	87

CHAPTER THREE – ACTIVITIES

<i>Leadership</i>	
Representation	96
Planning for the future	109
<i>Building Communities</i>	
Communities strategy	124
• Community building	129
• Libraries and service centre	140
• Community facilities	149
• Civil defence and emergency management	162
Recreation and leisure	169
Regulatory services	192

Transportation	211
Water supply	237
Stormwater	253
<i>Protecting the environment</i>	
Natural Environment	276
Waste – wastewater	288
Waste – solid waste	304
<i>Supporting our economy</i>	
Economic	319
Support services	337

CHAPTER FOUR – FINANCIALS

Funding impact statement and other rating information (including rates examples)	344
Prospective financial statements	371
Reserve funds	378
Schedule of fees and charges and indicative financial contributions	383

CHAPTER FIVE – POLICIES, SUMMARIES AND STATEMENTS

<i>Policies</i>	
Overall revenue and financing policy	431
Specific rates policies	459
Significant accounting policies	471
Summary financial contributions policy	482
Treasury Policy	485
Significance and engagement policy	490
<i>Summaries and statements</i>	
Statement on Council-controlled organisations	492
Activity funding impact statements	496
Glossary	511

INTRODUCTION

Guide to this plan	3
Our District	5
Our Council	7
What is the long term plan process?	8
What is in the long term plan	9
Audit Report	10

GUIDE TO THIS PLAN

The Long Term Plan supporting information is divided into an introduction and five chapters.

INTRODUCTION

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

CHAPTER 1 – OVERVIEW

The overview provides information on the key decisions made and mandatory reporting measures.

CHAPTER 2 – INFORMING OUR PLANNING

This chapter describes our approach to sustainable development and the principles that guide our decision-making and planning for the future. It also includes our Financial and Infrastructure Strategies.

CHAPTER 3 – ACTIVITIES

This chapter provides you with important information on our groups of activities. For each group of activities we describe the community outcome (key statement describing the community's vision for the future of the District) we want to achieve along with our goals which are more detailed outcomes and our approach, which is how we intend to reach each goal. Our approach may require us to have a particular role which is not always the same.

THE ROLES WE MAY HAVE:

LEAD	We are the principal decision-making authority
PARTNER	We will fund and carry out activities in formal partnership (including contracts) with other agencies
ADVOCATE	We will promote the interests of the community to other decision-making authorities
FACILITATOR	We will encourage others to be involved by bringing together interested parties
RESEARCH AND MONITORING	We will undertake research and monitoring in order to promote informed decision-making

For each group of activities you will find information about:

- What we provide
- Why we provide it (community outcomes)
- How we will achieve our community outcomes (goals, approach and role)
- What we are planning to do (projects and initiatives)
- How we will track progress towards our goals (performance measures)
- Key activity assumptions
- Effects of providing the activity
- What it will cost (summary financial forecast)
- Where the money comes from (funding sources).

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 latest actual results and set targets for the ten years 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.

KEY ASSUMPTIONS

In planning for the long term we need to make assumptions about the future. Our assumptions underpin forecasts of demand for our services and our revenue. Some assumptions apply across all activities and are discussed in [Chapter Two](#), Key Risks and Growth Assumptions, page 42 or where an assumption is specific to a group of activities it is included there.

It is important to recognise the possibility that the assumption may turn out to be incorrect and to be clear about the potential consequences of assumptions being wrong. This risk is explained for each assumption.

EFFECTS OF PROVIDING THE ACTIVITY

Legislation requires us to identify the significant negative effects of each activity. We have broadened this analysis to include both positive and negative effects, to provide a more balanced picture of the impact of our activities on community well-being.

SUMMARY FINANCIAL FORECASTS AND ADDITIONAL ASSET REQUIREMENTS

The summary financial forecasts show expenditure and revenue forecasts for the ten years of the Plan, together with actual figures for 2014 and budgeted figures for 2025 for comparison.

The additional asset requirements show our planned capital expenditure for each activity, grouped according to the main driver of each project. It is important to note that although a project may be shown here as being for a single purpose, in reality it is likely to be for more than one purpose.

WHERE THE MONEY COMES FROM

For each activity, there is a short explanation of the main sources of funding. Full details of our funding rationale and approach for each activity are included in [Chapter Five](#), Overall Revenue and Financing Policy, page 431.

CHAPTER 4 - 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 5 - POLICIES, SUMMARIES AND STATEMENTS

This chapter includes our Overall Revenue and Financing Policy, various rates policies and significant accounting policies. You can also find in this chapter a summary of our Financial Contributions Policy.



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 lower 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 07 543 0317
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 7967
karyl.gunn@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 LONG TERM PLAN PROCESS?

The Long Term Plan Consultation Document which was adopted on 19 March 2015 outlined the key issues, proposals, including how rates, debt and levels of service may be affected, as well as the significant issues facing the Council. The Consultation Document aimed to enable residents and stakeholders to understand the issues and participate in the development of the Long Term Plan by providing us with feedback on the proposals. The Consultation Document was available on the website and sent out to anyone who requested it and handed out as part of the open days held throughout the District. A summary of the Consultation Document was also included twice in the Weekend Sun free newspaper which is delivered to every resident in the District. Over 1,000 submissions were received from residents and stakeholders in April to inform the decisions in the Long Term Plan which was adopted on 25 June 2015.



WHAT IS THE LONG TERM PLAN?

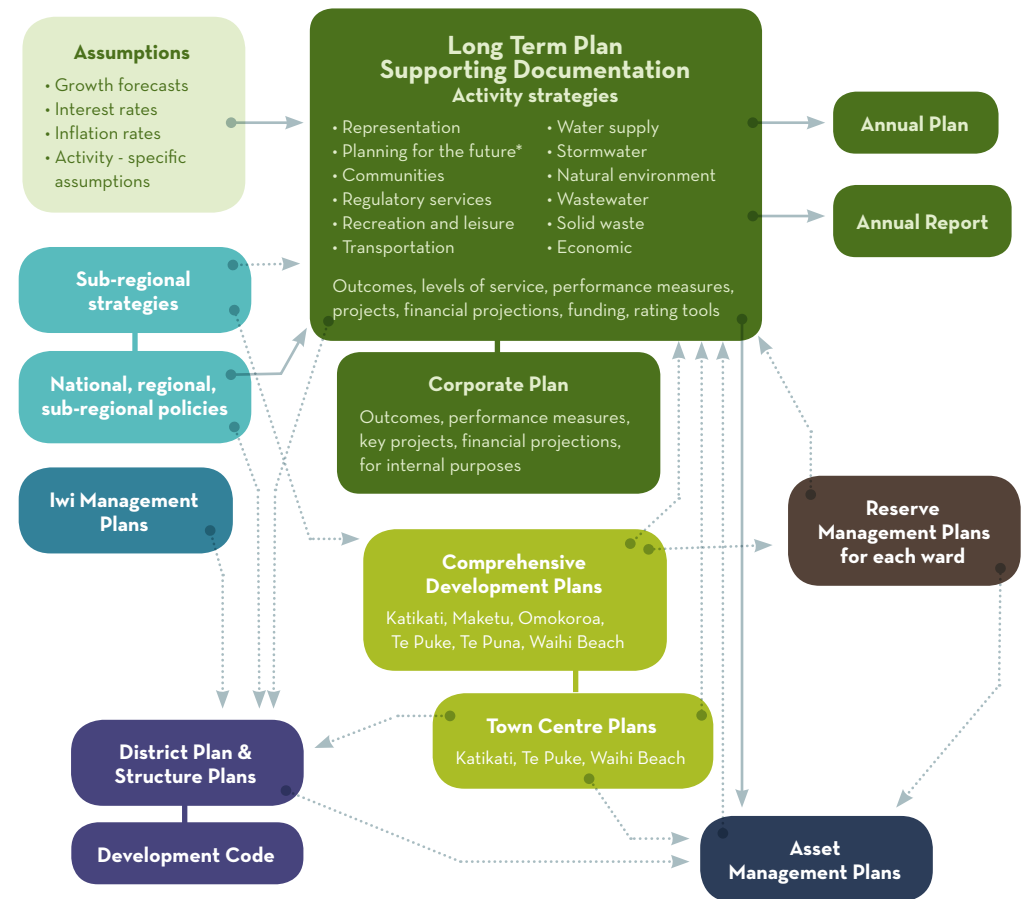
Building a sustainable District with strong, resilient communities involves many decisions that can only be made by looking at the ‘big picture’. Every decision we make needs to consider the social, economic, environmental and cultural implications, both now and into the future. To do this well we need to take a long term view and we need a plan.

This is our ‘big picture’ plan or more specifically, our Long Term Plan. The Long Term Plan sets out our priorities for the next ten years (with particular emphasis on the first three years) including what those priorities will cost and how we intend to fund them. It describes our approach to sustainable development and more particularly our financial strategy, which is how we intend to be financially sustainable in the years to come so we can continue to provide quality services. A thirty year infrastructure strategy has also been developed for the first time which outlines the significant issues facing our infrastructure (roads, stormwater, waste water and water supply) over this period and how we intend to address these issues including identification of other options.

The Long Term Plan also introduces our community outcomes which are an expression of what we intend to achieve to promote well-being in the community.

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.

OUR PLANNING LINKAGES



*Built Environment Strategy provides more detail



To the reader

Independent auditor's report on Western Bay of Plenty District Council's 2015-25 Long-Term Plan

I am the Auditor-General's appointed auditor for Western Bay of Plenty District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long term plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 25 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and

- the disclosures on pages 33 to 38 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

¹ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether the:

- Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- information in the plan is based on materially complete and reliable asset and activity information;
- Council's key plans and policies have been consistently applied in the development of the forecast information;
- assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;

- rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

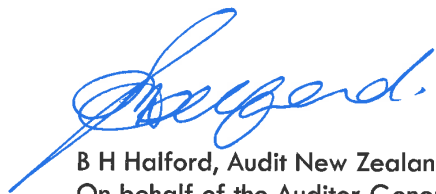
The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



B H Halford, Audit New Zealand
On behalf of the Auditor-General, Tauranga, New Zealand

