



CHAPTER ONE

01

Overview



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MESSAGE FROM THE MAYOR

Welcome to this 2018-28 Long Term Plan (LTP)

This document outlines what communities in the Western Bay want to achieve in the long term and sets a pathway for Council to reach these objectives through strategies and actions.

It's About You

We started consulting on our LTP in early 2017 and since then we have held community conversations, workshops, drop-in meetings and encouraged online submissions to ensure the feedback we received was from as broad a range of people in our community as possible.

The decisions we made have been reached only after reading, analysing and deliberating on 419 submissions.

For those of you who made a submission, or want to know details of the decisions your Council has made on key issues the community raised, we have created a key decisions document to explain Council's vision and priorities for the coming 10 years. This can be found at www.westernbay.govt.nz/council-publications

The message that you, our ratepayers, have given us is that you want us to plan appropriately for growth while making sure rates remain affordable and Council debt is managed prudently. See Chapter Two and Chapter Four for more detail.

We have listened

This plan includes a number of significant policy, planning and infrastructure projects to accommodate growth over the next ten years, while keeping rates increases to less than four percent per annum (including inflation but excluding growth). The average annual increase to existing ratepayers over the 10 years of this plan is forecast to be less than 2.7 percent.

Key Decisions

While we always have an eye on the future, we have not lost sight of our day-to-day business.

We are determined to, wherever possible, improve the lives of our existing residents through better access to art, amenities, and community building activity. This LTP process sought feedback on four proposals, each with a preferred option. The topics and preferred options included:



✓ 1. Walkway and cycleway investment

Council's preferred option was to increase funding to \$450,000 per year to enable faster development. Support was almost equally split between those in favour of the increase and those who wanted funding to remain the same. Because of that feedback we have decided to implement a stepped increase in funding across the first three years of this LTP. More details are available on Council's website on page 9 in the key decision document.

✓ 2. Western Bay Museum funding

The preferred option was to provide \$70,000 per year in support through District-wide rates for the next three years. Following feedback we have decided to fund the museum at \$70,000 per annum, through District-wide rates for the next 10 years, but will review this approach if a museum is established in Tauranga City.

✓ 3. Arts and culture investment

The preferred option was to enable Creative Bay of Plenty and The Incubator Creative Hub to partially implement the sub-regional Arts and Culture Strategy. Based on the feedback we have decided to continue with this approach.

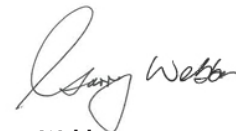
✓ 4. Debt management approach

Council currently contributes \$2.5m from general rates towards interest and debt repayments per year. Given the rate of growth it was proposed to reduce this to a \$1m repayment for year one of the LTP and review this decision annually to take into account growth. Through deliberations, Council decided to continue with this approach as proposed in the Consultation Document.

Steady as we grow

We know that in the coming years we will need to be proactive in planning for the development and growth of our District but for now we are firmly committed to the 'steady as we grow' philosophy.

I hope you find the plan we have for the District strikes the right balance between looking ahead and planning for change, while balancing rates affordability and prudently reducing Council's debt.



Garry Webber

Mayor, Western Bay of Plenty District Council

OUR FOCUS FOR THE NEXT 10 YEARS

Through the development of the LTP we've outlined four key themes to guide our work over the next 10 years, along with meeting our responsibilities to manage our finances.

1. The pace of change

The District is growing rapidly. Growth brings a lot of benefits but also challenges. We manage our growth in partnership with Tauranga City Council, Bay of Plenty Regional Council and Tangata Whenua, through SmartGrowth.

Determining how and where the District grows, how to fund that growth and provide the required infrastructure is core business for Council. We are also focusing on how to enable the housing our community needs, as we grow and our population ages.

2. Getting around

A safe, efficient transport network is essential for our District to support the movement of goods and people. We will continue to plan with Tauranga City Council, Bay of Plenty Regional Council, and the New Zealand Transport Agency to deliver an integrated transport network that will service our future residential and business land developments, and advocate for critical state highway upgrades. We are also focussed on developing our cycleway / walkway network across the District.

3. Protecting our environment and resources

Our communities told us they value the natural areas of the District such as rivers, streams and our coastal environment. We are focussed on managing our resources well, to maintain these natural assets.

Reducing waste and managing our waste stream better, being smart about how we use water, and sustainably managing stormwater and wastewater are our focus areas over the next 10 years. We will also be focussing on responding to coastal erosion and sea level rise, and the impacts that will have on our District.

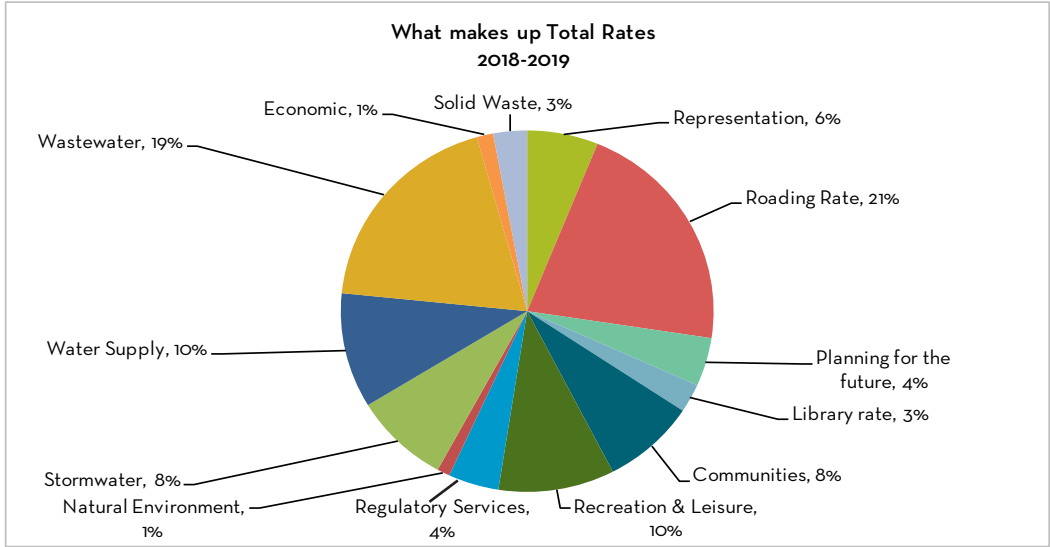
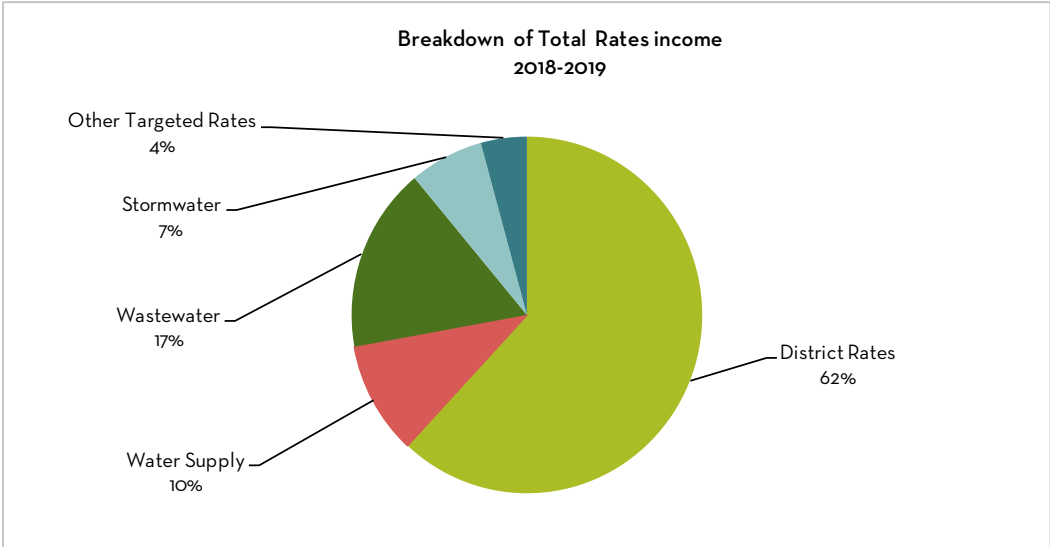
4. Building communities

We have many distinct communities with a strong sense of connection to their place. We will continue to support our communities to be great places to live by providing key facilities such as community halls, libraries, parks and reserves and recreation facilities. We will also continue to support social and economic development through service delivery contracts and town centre developments. We will invest more in arts, culture and heritage.

5. Managing our finances

Over the next 10 years we will remain focussed on debt management and rates affordability. We plan to steadily reduce our net debt, and to keep our rates increases to no more than 4% per annum (including inflation) for existing ratepayers.

YEAR ONE (2018-19) RATES OVERVIEW



LONG TERM PLAN DISCLOSURE STATEMENT

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmarks

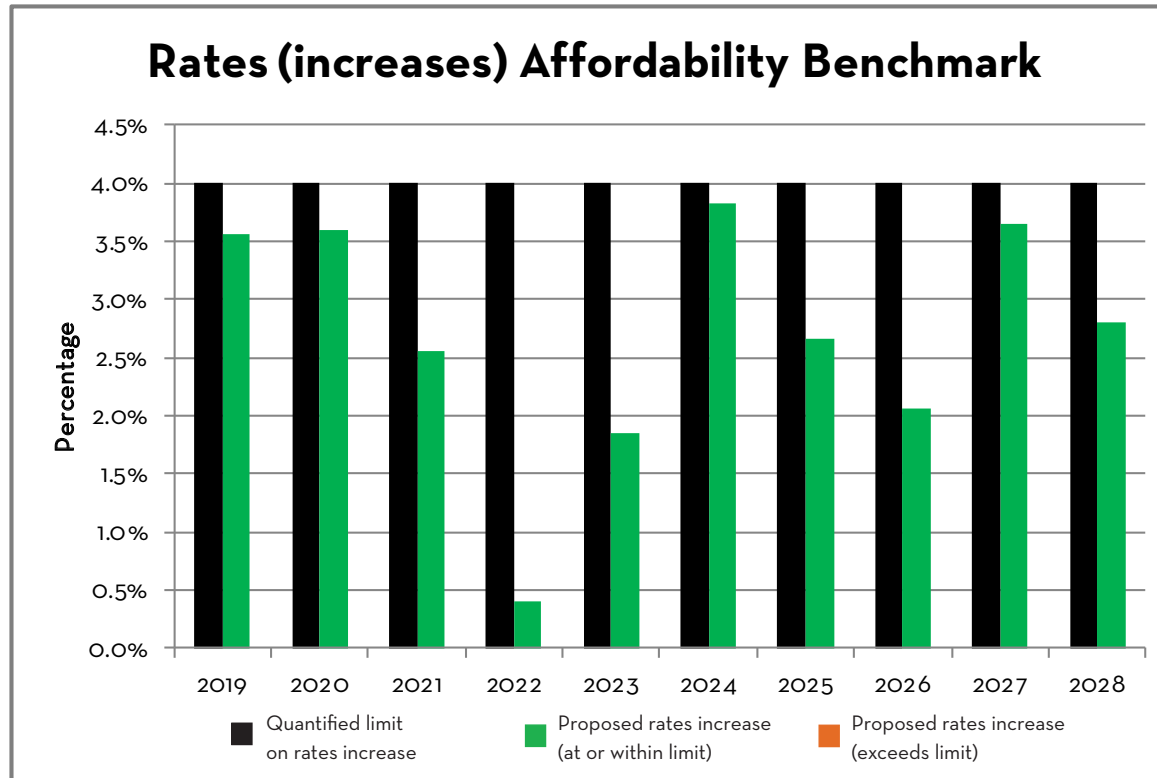
The Council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (Increases) Affordability Benchmark

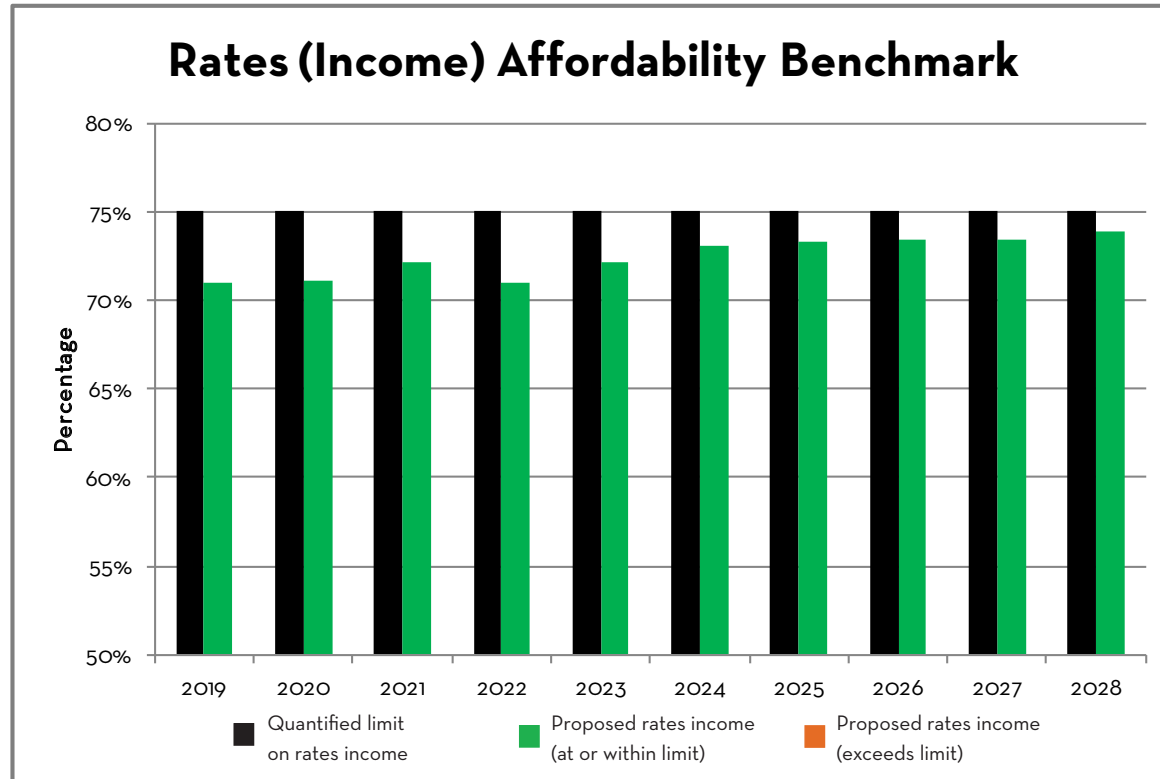
The following graph compares the Council's planned rates with a quantified limit on rates contained in the Financial Strategy. The quantified limit is 4% (excluding growth).

Note: For the purposes of this benchmark rates income excludes rates penalties.



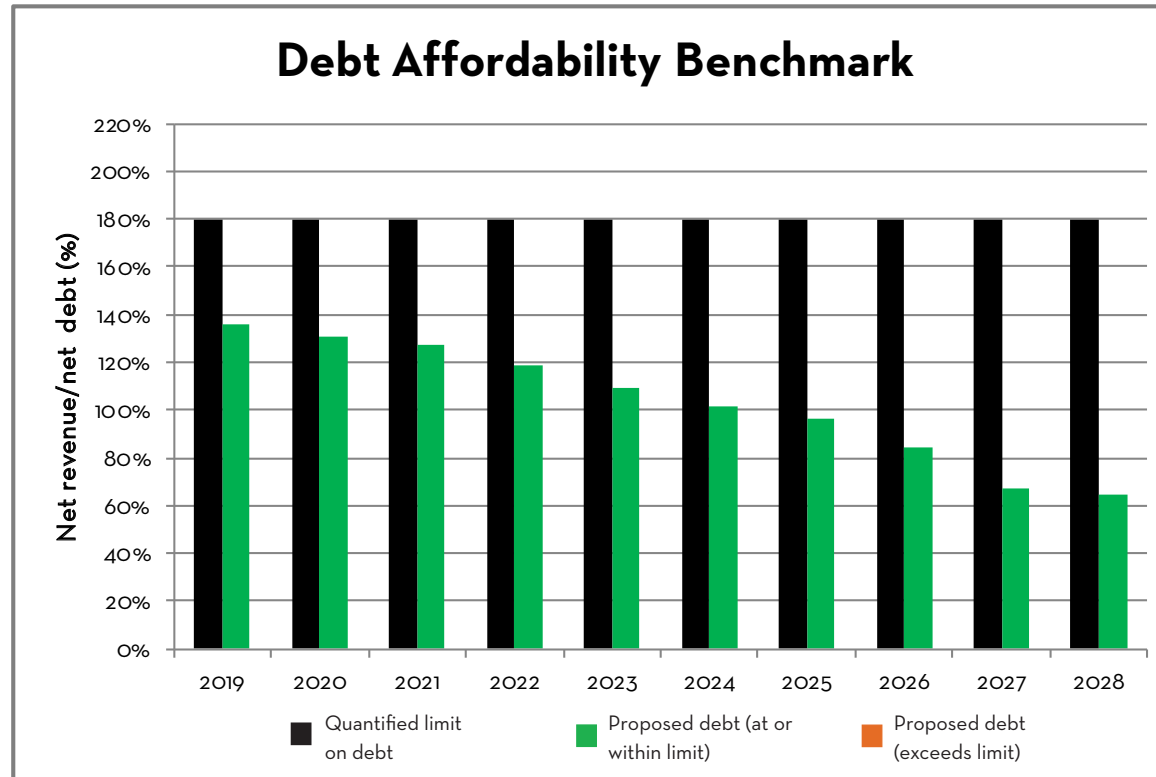
Rates (Income) Affordability Benchmark

The following graph compares the Council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is limiting rates levels to a maximum of 75% of total revenue. For this benchmark total revenue excludes revenue from non-cash sources e.g. vested assets and revaluation movements.



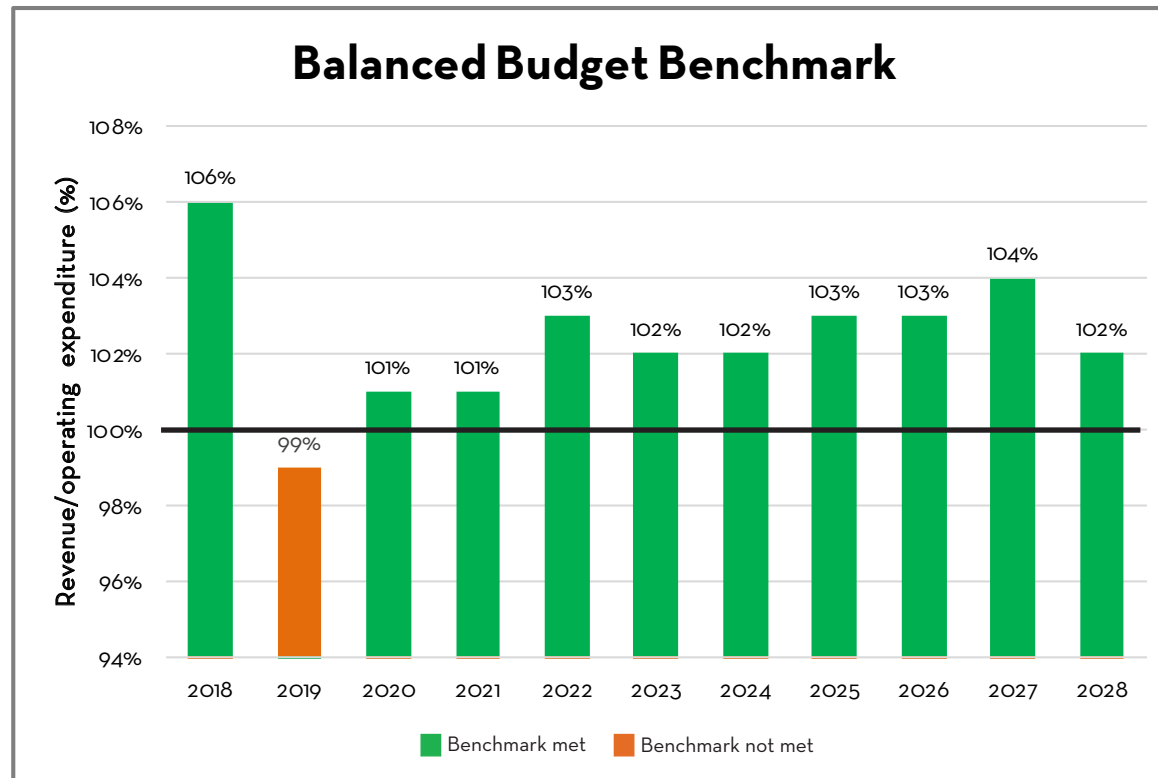
Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the financial strategy. The quantified limit is that debt will not exceed 180% of revenue (excluding financial contributions and vested assets) during 2019 - 2028.



Balanced budget benchmark

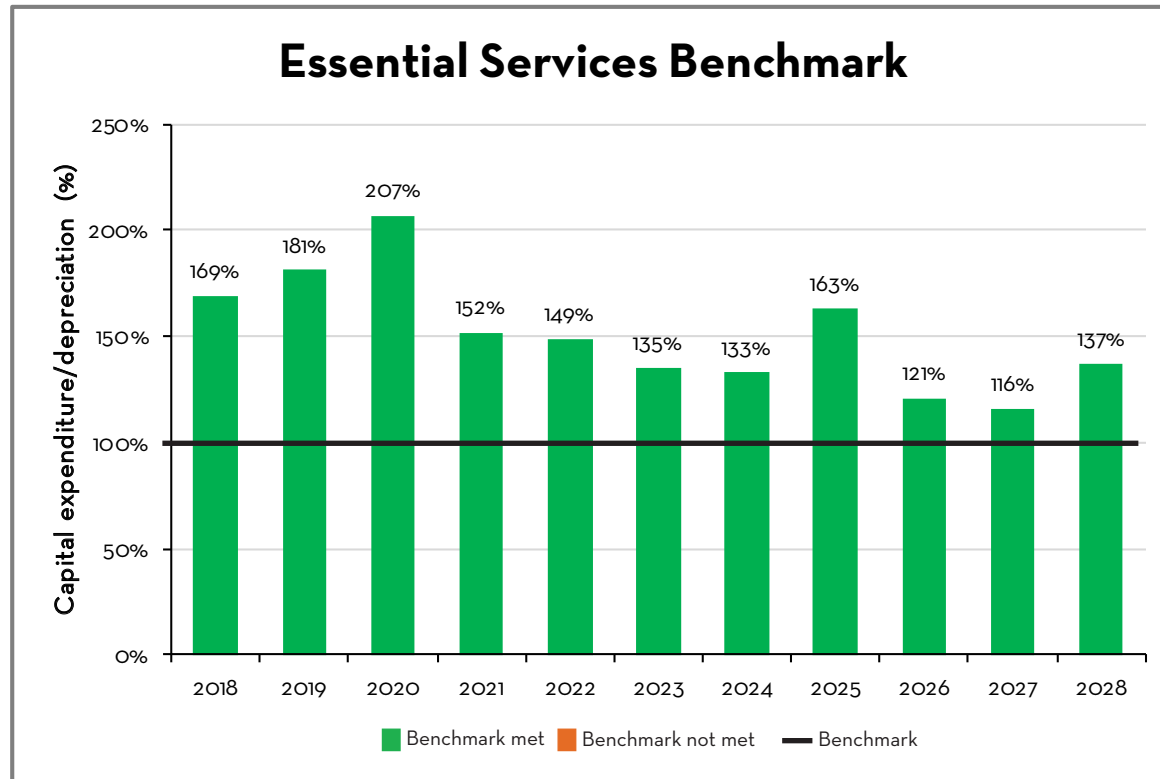
The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its operating expenses.



Essential services benchmark

The following graph displays the Council's planned capital expenditure on network services as a proportion of depreciation on network services.

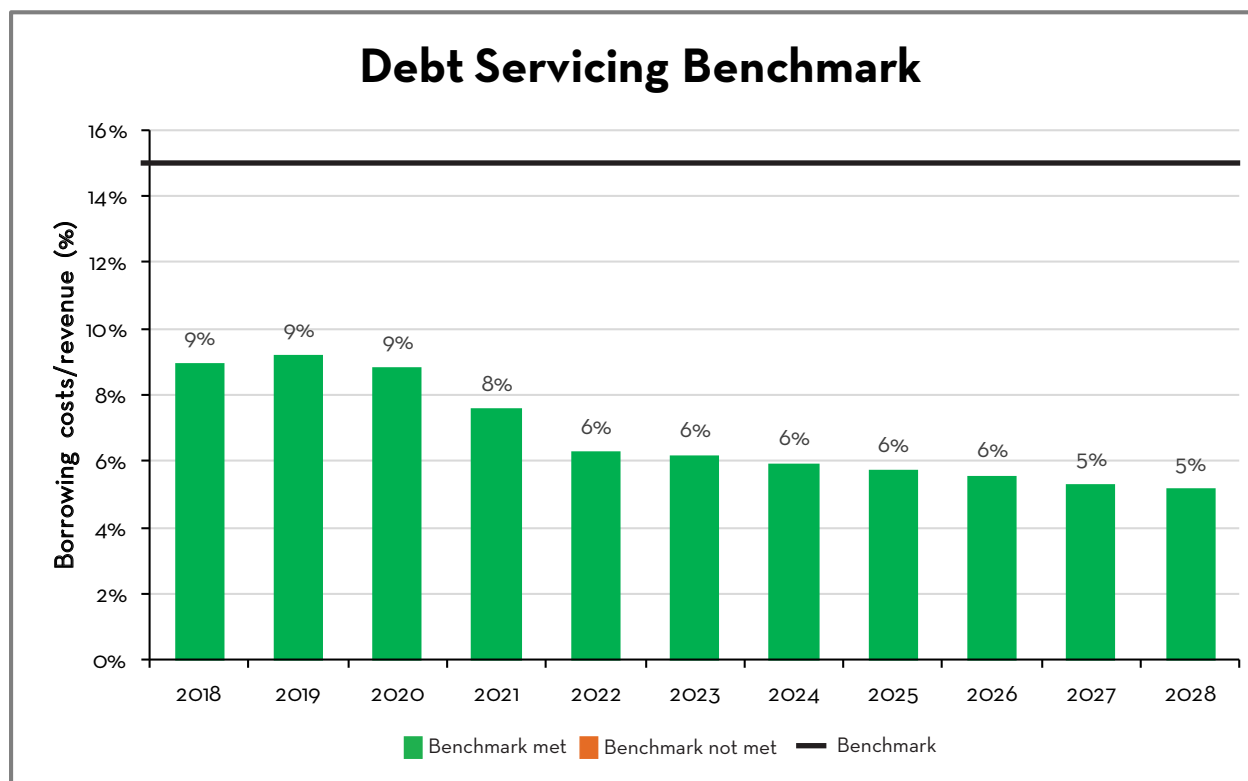
The Council meets the essential services benchmark if its planned capital expenditure on network services (being; transportation, water, wastewater and stormwater) equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the Council's population will grow faster than, the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its revenue.



MANDATORY NON-FINANCIAL PERFORMANCE MEASURES RULES

The need for standard performance measures for local authorities was addressed through the Local Government Act 2002 Amendment Act 2010. The purpose is to enable the public to compare the level of service provided by different local authorities.

In line with legislation the Secretary for Local Government developed performance measures for water, wastewater (sewerage), stormwater, roads and footpaths. The Non-Financial Performance Measure Rules 2013 were made in November 2013, and came into force on 30 July 2014.

These measures are included in the performance measures and levels of service for each of the activities. Targets are shown against each measure and Council's achievement against these targets will be included in Council's Annual Report

Water Supply

1. Safety of drinking water

The extent to which the local authority's drinking water supply complies with:

- a. Part 4 of the drinking-water standards (bacteria compliance criteria); and
- b. Part 5 of the drinking-water standards (protozoal compliance criteria).

2. Maintenance of the reticulation network

The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).

3. Fault response times

Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:

- a. Attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and
- b. Resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption,
- c. Attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site; and
- d. Resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.

4. Customer satisfaction

The total number of complaints received by the local authority about any of the following:

- a. Drinking water clarity
- b. Drinking water taste
- c. Drinking water odour
- d. Drinking water pressure or flow
- e. Continuity of supply; and
- f. The local authority's response to any of these issues,

expressed per 1000 connections to the local authority's net worked reticulation system.

5. Demand management

The average consumption of drinking water per day per resident within the territorial authority district.

Sewerage and the treatment and disposal of sewage

1. System and adequacy

The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.

2. Discharge compliance

Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:

- a. Abatement notices
- b. Infringement notices
- c. Enforcement orders; and
- d. Convictions,

received by the territorial authority in relation to those consents.

3. Fault response times

Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:

- a. Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site; and
- b. Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.

4. Customer satisfaction

The total number of complaints received by the territorial authority about any of the following:

- a. Sewage odour
- b. Sewerage system faults
- c. Sewerage system blockages; and
- d. The territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system.

Stormwater drainage

1. System adequacy

- a. The number of flooding events that occur in a territorial authority district.
- b. For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system).

2. Discharge compliance

Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:

- a. Abatement notices
- b. Infringement notices
- c. Enforcement orders; and
- d. Convictions,

received by the territorial authority in relation to those resource consents.

3. Response times

The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

4. Customer satisfaction

The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.

The provision of roads and footpaths

1. Road safety

The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.

2. Road condition

The average quality of ride on a sealed local road, measured by smooth travel exposure.

3. Road maintenance

The percentage of the sealed local road network that is resurfaced.

4. Footpaths

The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).

5. Response to service requests

The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.